

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 <sup>(1)</sup>

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000 (Restated)
Revenue	A9	59,196	51,305	193,099	190,939
Cost of sales <sup>(3)</sup>		(48,232)	(40,313)	(150,569)	(145,179)
<b>Gross profit</b>		10,964	10,992	42,530	45,760
Other income		416	1,084	2,810	2,631
Marketing and distribution expenses <sup>(3)</sup>		(2,086)	(1,294)	(7,249)	(7,009)
Administrative expenses		(4,657)	(5,717)	(15,737)	(16,654)
Other operating expenses		(630)	(228)	(2,881)	(3,546)
<b>Profits from operation</b>		4,007	4,837	19,473	21,182
Finance costs		(156)	(261)	(871)	(1,057)
<b>Profit before tax</b>		3,851	4,576	18,602	20,125
Tax expense	B6	(88)	(962)	(3,790)	(3,798)
<b>Profit for the financial period/year</b>		3,763	3,614	14,812	16,327
<b>Other comprehensive income, net of tax</b>					
Actuarial gain on provision for post-employment benefits		9	7	9	7
Foreign currency translation differences for foreign subsidiaries		85	(202)	(10)	(410)
Total other comprehensive income		94	(195)	(1)	(403)
<b>Total comprehensive income for the financial period/year</b>		3,857	3,419	14,811	15,924
<b>Profit for the financial period/year attributable to:</b>					
Owners of the Company		3,418	3,171	14,071	15,025
Non-controlling interest		345	443	741	1,302
<b>Profit for the financial period/year</b>		3,763	3,614	14,812	16,327
<b>Comprehensive income for the financial period /year attributable to:</b>					
Owners of the Company		3,458	3,027	14,113	14,768
Non-controlling interest		399	392	698	1,156
<b>Total comprehensive income for the financial period/year</b>		3,857	3,419	14,811	15,924
<b>Earnings per share ("EPS")</b>					
Basic (sen) <sup>(2)</sup>	B11	0.45	0.52	1.92	2.48
Diluted (sen) <sup>(2)</sup>	B11	0.45	0.52	1.92	2.48

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018** <sup>(1)</sup> (cont'd)

**Notes:-**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) Diluted earnings per share of the Company for the individual quarter and year-to-date ended 31 December 2018 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.
- \* *For illustration purposes, basic and diluted earnings per share as at 31 December 2017 (assuming number of shares in issue of 758,308,000) is RM0.42 and RM1.98 for individual quarter and year-to-date respectively.*
- (3) In compliance with MFRS 15 Revenue from Contracts with Customers, certain marketing and distribution expenses which was incurred to fulfill the contracts with customers has been reclassified to cost of sales.

	<b>BEFORE ADOPTION OF MFRS 15 RM'000</b>	<b>EFFECT OF ADOPTION OF MFRS 15 RM'000</b>	<b>AFTER ADOPTION OF MFRS 15 RM'000</b>
<b><u>Individual quarter ended 31.12.2018</u></b>			
Cost of sales	40,860	7,372	48,232
Marketing and distribution expenses	9,458	(7,372)	2,086
<b><u>Cummulative quarter ended 31.12.2018</u></b>			
Cost of sales	127,033	23,536	150,569
Marketing and distribution expenses	30,785	(23,536)	7,249
<b><u>Individual quarter ended 31.12.2017</u></b>			
Cost of sales	33,425	6,888	40,313
Marketing and distribution expenses	8,182	(6,888)	1,294
<b><u>Cummulative quarter ended 31.12.2017</u></b>			
Cost of sales	122,752	22,427	145,179
Marketing and distribution expenses	29,436	(22,427)	7,009

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 <sup>(1)</sup>

	UNAUDITED As at 31.12.2018 RM'000	AUDITED As at 31.12.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,076	7,810
Intangible assets	5,617	4,566
Other investments	60	60
Deferred tax assets	476	154
	<u>17,229</u>	<u>12,590</u>
<b>Current assets</b>		
Inventories	15,779	17,178
Trade receivables	47,013	35,342
Other receivables	2,507	2,259
Tax recoverable	649	-
Short-term investment	27,198	-
Fixed deposits with financial institutions	20,018	21,788
Cash and bank balances	22,938	24,330
	<u>136,102</u>	<u>100,897</u>
<b>Total assets</b>	<u><u>153,331</u></u>	<u><u>113,487</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	61,180	32,592
Legal reserve	25	-
Translation reserve	(1,198)	(1,235)
Merger deficit	(20,228)	(20,228)
Retained earnings	48,009	35,397
	<u>87,788</u>	<u>46,526</u>
Non-controlling interests	2,133	1,772
<b>Total equity</b>	<u>89,921</u>	<u>48,298</u>

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 <sup>(1)</sup> (cont'd)

	UNAUDITED As at 31.12.2018 RM'000	AUDITED As at 31.12.2017 RM'000
<b>Non-current liabilities</b>		
Borrowings	1,580	1,276
Deferred tax liabilities	272	384
Provision for post-employment benefits	621	502
	<u>2,473</u>	<u>2,162</u>
<b>Current liabilities</b>		
Trade payables	32,584	22,937
Other payables	12,582	14,960
Borrowings	13,960	25,000
Deferred income	1,811	-
Taxation	-	130
	<u>60,937</u>	<u>63,027</u>
<b>Total liabilities</b>	<u>63,410</u>	<u>65,189</u>
<b>Total equity and liabilities</b>	<u>153,331</u>	<u>113,487</u>
<b>Net assets per share attributable to owners of the Company (RM)</b> <sup>(2)</sup>	0.12	0.08

**Notes:-**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
  - (2) Based on the enlarged share capital of 758,308,000 shares in issue as at 31 December 2018 and share capital of 606,647,000 shares in issue as at 31 December 2017.
- \* For illustration purposes, net assets per share as at 31 December 2017 (assuming number of shares in issue of 758,308,000) is RM0.06.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 <sup>(1)</sup>

	← Attributable to owners of the Group →						Total equity RM'000
	← Non-distributable		→ Distributable		Non-controlling Total interest RM'000		
	Share capital RM'000	Translation reserve RM'000	Merger deficit RM'000	Retained earnings RM'000			
<b>At 1 January 2017</b>	11,200	(974)	-	20,368	30,594	2,092	32,686
Profit for the financial year	-	-	-	15,025	15,025	1,302	16,327
<b>Other comprehensive income</b>							
- Foreign currency translation difference for foreign subsidiaries	-	(261)	-	-	(261)	(149)	(410)
- Remeasurement of defined benefit plan	-	-	-	4	4	3	7
Total comprehensive income for the financial year	-	(261)	-	15,029	14,768	1,156	15,924
<b>Contributions by and distribution to owners of the Company:</b>							
Dividends to owners of the Company	-	-	-	-	-	(211)	(211)
<b>Issuance of shares</b>							
- Issuance of shares	32,592	-	-	-	32,592	-	32,592
- Issuance of shares by QES (Asia-Pacific) Sdn. Bhd. ("QAP")	1,164	-	-	-	1,164	(1,329)	(165)
- Adjustment on acquisition of subsidiaries	(12,364)	-	(20,228)	-	(32,592)	64	(32,528)
	21,392	-	(20,228)	-	1,164	(1,265)	(101)
	21,392	-	(20,228)	-	1,164	(1,476)	(312)
<b>At 31 December 2017</b>	32,592	(1,235)	(20,228)	35,397	46,526	1,772	48,298

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 <sup>(1)</sup> (cont'd)

	Attributable to owners of the Group					Total	Non-controlling interest	Total equity
	Share capital	Non-distributable Legal reserve	Translation reserve	Merger deficit	Distributable Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 31 December 2017, as previously reported	32,592	-	(1,235)	(20,228)	35,397	46,526	1,772	48,298
Adjustments from adoption of MFRS 15	-	-	-	-	(1,439)	(1,439)	(183)	(1,622)
Restated balance as at 1 January 2018	32,592	-	(1,235)	(20,228)	33,958	45,087	1,589	46,676
Profit for the financial year	-	-	-	-	14,071	14,071	741	14,812
<b>Other comprehensive income</b>								
- Foreign currency translation difference for foreign subsidiaries	-	-	37	-	-	37	(47)	(10)
- Remeasurement of defined benefit plan	-	-	-	-	5	5	4	9
Total comprehensive income for the financial year	-	-	37	-	14,076	14,113	698	14,811
<b>Contributions by and distribution to owners of the Company:</b>								
Dividends to owners of the Company	-	-	-	-	-	-	(304)	(304)
<b>Legal reserve</b>	-	25	-	-	(25)	-	-	-
<b>Issuance of shares</b>	28,588	-	-	-	-	28,588	150	28,738
<b>At 31 December 2018</b>	<b>61,180</b>	<b>25</b>	<b>(1,198)</b>	<b>(20,228)</b>	<b>48,009</b>	<b>87,788</b>	<b>2,133</b>	<b>89,921</b>

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 <sup>(1)</sup>

	31.12.2018 RM'000 (Unaudited)	31.12.2017 RM'000 (Audited)
<b>Cash flows from operating activities</b>		
Profit before tax	18,602	20,125
Adjustments for:		
Allowance for inventories	393	643
Amortisation of intangible assets	136	103
Depreciation of property, plant and equipment	2,154	1,760
Discount on consolidation	-	(165)
Gain on disposal of property, plant and equipment	(1,190)	(957)
Impairment loss on trade receivables	147	79
Interest expenses	871	1,057
Interest income	(1,194)	(486)
Loss on unrealised foreign exchange	207	132
Property, plant and equipment written off	5	-
Provision for post-employment benefits	169	115
<b>Operating profit before working capital changes</b>	<b>20,300</b>	<b>22,406</b>
Inventories	1,006	(6,734)
Receivables	(11,624)	1,038
Payables	7,516	4,332
<b>Cash flows from operations</b>	<b>17,198</b>	<b>21,042</b>
Income tax refund	9	325
Income tax paid	(5,012)	(3,642)
Interest paid	(732)	(688)
<b>Net cash from operating activities</b>	<b>11,463</b>	<b>17,037</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,664)	(2,416)
Increase in intangible assets	(1,187)	(300)
Interest received	1,194	486
Issuance of share capital	28,588	1,164
Net outflows in acquisition of subsidiaries	-	(1,164)
Withdrawal/(Placement) of fixed deposits (pledged)	4,006	(7,042)
Proceeds from disposal of property, plant and equipment	2,326	1,666
<b>Net cash from/(used in) investing activities</b>	<b>29,263</b>	<b>(7,606)</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018 <sup>(1)</sup> (cont'd)**

	<b>31.12.2018</b> <b>RM'000</b> <b>(Unaudited)</b>	<b>31.12.2017</b> <b>RM'000</b> <b>(Audited)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(304)	(211)
(Decrease)/Increase in bank facilities	(704)	180
Interest paid	(139)	(369)
Repayment of finance lease liabilities	(577)	(706)
Repayment of term loan	(2,457)	(2,543)
<b>Net cash used in financing activities</b>	<u>(4,181)</u>	<u>(3,649)</u>
<b>Net increase in cash and cash equivalents</b>	36,545	5,782
Effect of exchange rate changes in cash and cash equivalents	(85)	(339)
Cash and cash equivalents at beginning of the financial year	14,837	9,394
<b>Cash and cash equivalents at end of the financial year</b>	<u><u>51,297</u></u>	<u><u>14,837</u></u>
<b>Cash and cash equivalents comprise the following:</b>		
Short-term investment	27,198	-
Fixed deposits with financial institutions (unpledged)	2,235	-
Cash and bank balances	22,938	24,330
Bank overdraft	(1,074)	(9,493)
	<u><u>51,297</u></u>	<u><u>14,837</u></u>

**Notes:-**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

**A2. Summary of Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2017, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2018. The adoption of the pronouncements did not have any impact on the financial statements of the Group, except for the following MFRS 9 and MFRS 15.

**MFRS 9 Financial Instruments**

The Group adopted MFRS 9, Financial Instruments on 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The three principal classifications categories for financial assets are: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

There was no material impact on the accounting for the Group's financial assets upon initial application of the new classification requirements.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12-month ECLs or Lifetime ECLs. As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives.

**MFRS 15 Revenue from Contracts with Customers**

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers.

Under MFRS 15, an entity recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service).

In accordance with the transitional provisions in MFRS 15, the Group has elected to adopt the cumulative effect method, requiring adjustment to the opening balance of equity at the date of initial application, 1 January 2018. The following reconciliations provide an estimate of the expected impact upon initial application of new MFRS Framework, MFRS 15 on the financial position of the Group.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A2. Summary of Significant Accounting Policies (cont'd)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	AS PREVIOUSLY REPORTED AS AT 1.1.2018 RM'000	EFFECT OF ADOPTION OF MFRS 15 RM'000	RESTATED AS AT 1.1.2018 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained earnings	35,397	(1,439)	33,958
Non-controlling interests	<u>1,772</u>	<u>(183)</u>	<u>1,589</u>

Out of the total effect of adopting MFRS 15 as above, RM1.62 million have been fully recognised as revenue and non-controlling interests respectively during the current year-to-date under review.

At the date of authorisation of these interim financial statements, the followings MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

**Effective for financial period beginning on or after 1 January 2019**

MFRS 16	Leases
Amendments to MFRS 3	Previously Held Interest in a Joint Operation
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Previously Held Interest in a Joint Operation
Amendments to MFRS 112	Income Tax Consequences of Payments on Financial Instruments classified as Equity
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty Over Income Tax Treatments

**Effective for financial period beginning on or after 1 January 2020**

Amendments to MFRS 2	Share-Based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 132	Intangible Assets-Web Site Costs

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**  
(cont'd)

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)**

**A2. Summary of Significant Accounting Policies (cont'd)**

***Effective for financial period beginning on or after 1 January 2021***

MFRS 17 Insurance Contracts

***Effective date to be announced***

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material financial impact to the current and prior period financial statements of the Group upon their initial application.

**A3. Auditors' report on preceding annual financial statements**

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

**A4. Seasonal or cyclical factors**

The Group's business operations have not been affected by seasonal or cyclical factors.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current year-to-date under review.

**A6. Material changes in estimates**

There was no material change in financial estimates that could materially affect the current financial quarter under review.

**A7. Debt and equity securities**

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter under review.

**A8. Dividend paid**

There was no dividend paid during the current financial quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134,  
INTERIM FINANCIAL REPORTING (cont'd)

A9. Segmental information

**Results for individual quarter ended 31.12.2018**

	Investment Holding RM'000	Equipment RM'000	Materials & Engineering Solutions RM'000	Manufacturing RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
External revenue	-	40,359	10,777	8,060	-	59,196
Inter segment revenue	-	16,543	966	-	(17,509)	-
Total revenue	-	56,902	11,743	8,060	(17,509)	59,196

**Results**

Depreciation and amortisation	-	497	35	73	(5)	600
Other non-cash expenses/(income)	-	(96)	2	182	-	88
Segment profit/(loss)	(20)	1,183	888	765	1,035	3,851

**Results for cumulative quarter ended 31.12.2018**

	Investment Holding RM'000	Equipment RM'000	Materials & Engineering Solutions RM'000	Manufacturing RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
External revenue	-	127,690	30,017	35,392	-	193,099
Inter segment revenue	-	54,759	2,145	-	(56,904)	-
Total revenue	-	182,449	32,162	35,392	(56,904)	193,099

**Results**

Depreciation and amortisation	-	1,756	132	280	(14)	2,154
Other non-cash expenses	-	353	66	270	-	689
Segment profit	4,135	12,323	1,747	6,241	(5,844)	18,602

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134,  
INTERIM FINANCIAL REPORTING (cont'd)

A9. Segmental information (cont'd)

(a) Analysis of revenue by divisions

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	31.12.2018		31.12.2017		31.12.2018		31.12.2017	
	RM'000 (Unaudited)	%	RM'000 (Unaudited)	%	RM'000 (Unaudited)	%	RM'000 (Audited)	%
<b>Distribution Division</b>								
<b>Product distribution</b>								
Equipment	31,797	53.7	23,766	46.3	89,819	46.5	82,619	43.3
Materials & Engineering Solutions	9,776	16.5	6,804	13.3	26,491	13.7	33,550	17.6
<b>Services &amp; supply   of spare parts</b>								
Equipment	8,562	14.5	10,400	20.3	37,871	19.6	44,934	23.5
Materials & Engineering Solutions	1,001	1.7	666	1.3	3,526	1.8	4,402	2.3
<b>Sub-total</b>	<b>51,136</b>	<b>86.4</b>	<b>41,636</b>	<b>81.2</b>	<b>157,707</b>	<b>81.7</b>	<b>165,505</b>	<b>86.7</b>
<b>Manufacturing Division</b>								
Manufacturing	8,060	13.6	9,669	18.8	35,392	18.3	25,434	13.3
<b>Sub-total</b>	<b>8,060</b>	<b>13.6</b>	<b>9,669</b>	<b>18.8</b>	<b>35,392</b>	<b>18.3</b>	<b>25,434</b>	<b>13.3</b>
<b>Total</b>	<b>59,196</b>	<b>100.0</b>	<b>51,305</b>	<b>100.0</b>	<b>193,099</b>	<b>100.0</b>	<b>190,939</b>	<b>100.0</b>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segmental information (cont'd)

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	31.12.2018		31.12.2017		31.12.2018		31.12.2017	
	RM'000 (Unaudited)	%	RM'000 (Unaudited)	%	RM'000 (Unaudited)	%	RM'000 (Audited)	%
Malaysia	16,425	27.8	15,355	29.9	56,160	29.1	81,093	42.5
<b>ASEAN (excluding Malaysia)</b>								
Philippines	5,452	9.2	4,892	9.6	32,141	16.6	21,438	11.2
Singapore	9,589	16.2	11,914	23.2	27,953	14.5	29,102	15.3
Vietnam	7,255	12.3	7,451	14.5	22,869	11.8	26,044	13.6
Thailand	3,283	5.5	4,537	8.9	17,100	8.9	16,025	8.4
Indonesia	5,392	9.1	5,656	11.0	15,522	8.0	12,674	6.6
Others	6,532	11.0	209	0.4	14,593	7.6	2,619	1.4
China	5,268	8.9	1,291	2.5	6,761	3.5	1,944	1.0
<b>Total</b>	<b>59,196</b>	<b>100.0</b>	<b>51,305</b>	<b>100.0</b>	<b>193,099</b>	<b>100.0</b>	<b>190,939</b>	<b>100.0</b>

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

There were no subsequent material events as at the date of this report.

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets or contingent liabilities

The Group has no contingent assets and contingent liabilities as at the date of this report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134,  
INTERIM FINANCIAL REPORTING (cont'd)

A14. Capital commitments

31.12.2018  
RM'000  
(Unaudited)

Commitment not provided for in the financial statements is as follows:

**Capital expenditure commitment**

- authorised and contracted for 381

**Lease commitment**

- not later than one year 1,197

- between two to five years 1,532

**Total** 3,110

A15. Related party transactions

During the current financial quarter, the Board of Directors is of the opinion that there were no material related party transactions which would have a significant impact on the financial position and business of the Group.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

**B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of performance**

**(i) Results for current quarter**

The Group recorded revenue of RM59.20 million in the current quarter, of which RM51.14 million was from the distribution division and RM8.06 million was from the manufacturing division.

Malaysia remains as the Group's biggest market contributing RM16.43 million or 27.8% to the Group's revenue.

The Group registered a profit before tax ("PBT") of RM3.85 million for the current financial period under review.

**(ii) Results for financial year-to-date**

For the financial year-to-date, the Group recorded revenue of RM193.10 million, of which RM157.71 million was from the distribution division and RM35.39 million was from the manufacturing division.

Malaysia remains as the Group's biggest market contributing RM56.16 million or 29.1% to the Group's revenue.

The Group registered a PBT of RM18.60 million for the current financial year-to-date under review.

**B2. Comparison with preceding quarter's results and comments on material changes in PBT**

	<b>Current Quarter 31.12.2018 RM'000 (Unaudited)</b>	<b>Preceding Quarter 30.09.2018 RM'000 (Unaudited)</b>	<b>Changes RM'000</b>	<b>Changes %</b>
Revenue	59,196	49,719	9,477	19.1
Profit before tax	<u>3,851</u>	<u>5,313</u>	<u>(1,462)</u>	<u>(27.5)</u>

The Group achieved revenue and PBT of RM59.20 million and RM3.85 million respectively for the current financial quarter under review.

The increase in revenue by RM9.48 million from the immediate preceding quarter was mainly generated by the distribution division which recorded an increase of RM8.51 million in revenue. The increase in distribution division revenue was mainly contributed from the increased deliveries of gas abatement system, inspection system and x-ray spectrometer system.

The increase of revenue by RM0.97 million from the manufacturing division on the other hand was mainly due to the increased deliveries of Automated Post Wire Bond Inspection System and Advanced Wafer Measurement System.

PBT decreased from RM5.31 million to RM3.85 million despite the increase in revenue due to distribution division revenue in Q4 has product mix consists of high sales volume but with lower margin. In addition, manufacturing division launched and sold 3 units of new Advanced Wafer Measurement System (MPS2000 series) which incurred significantly higher initial assembly and support costs.



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

**B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)**

**B3. Prospects and outlook**

The Group remains optimistic for the first half of 2019. The Group is on track to fulfill deliveries on orders received up to 31 December 2018.

The Group will continue to execute its business strategies as set out in the Prospectus of the Company dated 8 February 2018 and has put in place a series of future plans that are focused in expanding its presence and market share both in the distribution and manufacturing divisions.

**B4. Profit forecast and profit guarantee**

The Group did not issue any profit forecast or profit guarantee during the financial quarter under review and the financial year-to-date.

**B5. Status of corporate proposals**

There were no other corporate proposals announced but not completed as at the date of this report.

**B6. Income tax expenses**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2018 RM'000 (Unaudited)	31.12.2017 RM'000 (Unaudited)	31.12.2018 RM'000 (Unaudited)	31.12.2017 RM'000 (Audited)
Current tax expense	365	707	4,211	3,956
Deferred tax expense	(277)	255	(421)	(158)
Total tax expense	88	962	3,790	3,798
Effective tax rate (%)	2.3	21.0	20.4	18.9

**Notes:-**

- (1) The Group's effective tax rate was lower than the statutory income tax rate. This was mainly due to adjustment on certain non-taxable income during the financial quarter under review and the financial year-to-date.
- (2) Tax expenses is recognised based on management's best estimate.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**  
(cont'd)

**B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)**

**B7. Utilisation of proceeds from the IPO**

The gross proceeds arising from the IPO amounting to RM28.82 million was intended to be utilised in the following manner:-

<b>Purposes</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>	<b>Deviation RM'000</b>	<b>Estimated timeframe for utilisation</b>
(i) Development of 3 key products	4,850	1,548	3,302	-	Within 24 months
(ii) General working capital requirements	3,250	1,417	1,833	-	Within 24 months
(iii) Repayment of bank borrowings	7,000	7,000	-	-	Within 3 months
(iv) Capital expenditure	10,716	2,761	7,955	-	Within 24 months
(v) Estimated listing expenses	3,000	3,000	-	-	Within 1 month
	<u>28,816</u>	<u>15,726</u>	<u>13,090</u>	<u>-</u>	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 8 February 2018.

As at the date of this report, save for approximately RM15.73 million that has been utilised for various purposes as disclosed above, the remaining IPO proceeds has not been utilised as at 31 December 2018.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

**B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)**

**B8. Group borrowings**

	UNAUDITED As at 31.12.2018 RM'000	AUDITED As at 31.12.2017 RM'000
<b>Current:</b>		
Bank overdrafts	1,074	9,493
Bankers acceptance	612	780
Trust receipts	10,886	9,893
Revolving loan	992	1,997
Term loans	-	2,457
Finance lease liabilities	396	380
	<u>13,960</u>	<u>25,000</u>
<b>Non-current:</b>		
Finance lease liabilities	1,580	1,276
	<u>1,580</u>	<u>1,276</u>
<b>Total</b>		
Bank overdrafts	1,074	9,493
Bankers acceptance	612	780
Trust receipts	10,886	9,893
Revolving loan	992	1,997
Term loans	-	2,457
Finance lease liabilities	1,976	1,656
	<u>15,540</u>	<u>26,276</u>

The Group's borrowings were denominated in MYR, except for approximately RM6.25 million (JPY166.73 million), RM4.51 million (USD1.09 million) and RM0.12 million (SGD0.04 million) of the above borrowings were denominated in JPY, USD and SGD respectively.

**B9. Material litigation**

There were no material litigations pending on the date of this announcement.

**B10. Dividend**

The Board of Directors does not recommend any dividend for the current financial quarter under review.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD (cont'd)

B11. Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Audited)
Profit for the period/year attributable to owners of the Company (RM'000)	3,418	3,171	14,071	15,025
Weighted average number of shares ('000)	758,308	606,647	732,131	606,647
Basic EPS (sen)	0.45	0.52	1.92	2.48
Diluted EPS (sen) <sup>(1)</sup>	0.45	0.52	1.92	2.48

**Notes:-**

- (1) Diluted earnings per share of the Company for the individual quarter and year-to-date ended 31 December 2018 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018  
(cont'd)

**B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)**

**B12. Notes to the Statements of Comprehensive Income**

Profit before taxation is arrived at after charging/(crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2018 RM'000 (Unaudited)	31.12.2017 RM'000 (Unaudited)	31.12.2018 RM'000 (Unaudited)	31.12.2017 RM'000 (Audited)
Allowance for inventories	104	338	393	643
Amortisation of intangible assets	32	26	136	103
Depreciation of property, plant and equipment	600	458	2,154	1,760
Gain on disposal of property, plant and equipment (Reversal)/Addition of impairment loss on trade receivables	(110)	(44)	(1,190)	(957)
Interest expenses	(73)	(563)	147	79
Interest income	156	261	871	1,057
(Gain)/Loss on foreign exchange	(334)	(151)	(1,194)	(486)
Property, plant and equipment written off	51	(6)	(309)	609
Provision for post- employment benefits	-	-	5	-
Rental of premises and motor vehicles	82	41	169	115
	386	230	1,443	1,404

Save as disclosed above, other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

**BY ORDER OF THE BOARD**

Andrea Huong Jia Mei  
Company Secretary  
26 February 2019