

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
	Current Year Quarter 31.03.2019	Preceding Year Corresponding Quarter 31.03.2018	Current Year To Date 31.03.2019	Preceding Corresponding Year To Date 31.03.2018	
Notes	RM'000	RM'000	RM'000	RM'000	
Revenue	22,511	21,074	22,511	21,074	
Operating expenses	(20,636)	(22,500)	(20,636)	(22,500)	
Other income	86	105	86	105	
Finance costs	(294)	(330)	(294)	(330)	
Profit/(Loss) before tax	1,667	(1,651)	1,667	(1,651)	
Income tax expense	(40)	-	(40)	-	
Profit/(Loss) after tax	1,627	(1,651)	1,627	(1,651)	
Other comprehensive income	-	-	-	-	
Total comprehensive income/(expenses)	1,627	(1,651)	1,627	(1,651)	
Profit/(Loss) after tax attributable to:					
- Owners of the Company	1,627	(1,651)	1,627	(1,651)	
- Non-controlling interest	-	-	-	-	
	1,627	(1,651)	1,627	(1,651)	
Total comprehensive income/(expenses) attributable to:					
- Owners of the Company	1,627	(1,651)	1,627	(1,651)	
- Non-controlling interest	-	-	-	-	
	1,627	(1,651)	1,627	(1,651)	
Attributable to equity holders of the Company:					
- Basic earnings/(loss) per share (sen) ⁽²⁾	B12	0.33	(0.38)	0.33	(0.38)
- Diluted earnings/(loss) per share (sen) ⁽³⁾	B12	0.32	(0.38)	0.32	(0.38)

Notes :

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings/(loss) per share is calculated based on the Company's weighted average number of ordinary shares for the financial
- (3) Diluted earnings per share of the Company for the current financial quarter ended 31 March 2019 and financial period ended 31 March 2019 is calculated based on the Company's weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares for the financial period. Diluted loss per share of the Company for the preceding year corresponding quarter ended 31 March 2018 and financial period ended 31 March 2018 is equivalent to the basis loss per share as the Company does not have convertible options at the end of the reporting period.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	(Unaudited) As At 31.03.2019 RM'000	(Audited) As At 31.12.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	72,366	69,397
Deferred tax assets	440	440
	<u>72,806</u>	<u>69,837</u>
CURRENT ASSETS		
Inventories	14,661	14,770
Trade and other receivables	7,175	9,845
Current tax assets	2,090	1,873
Cash and cash equivalents	16,373	25,806
	<u>40,299</u>	<u>52,294</u>
TOTAL ASSETS	<u>113,105</u>	<u>122,131</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share Capital	51,953	51,953
Merger Deficit	(22,100)	(22,100)
Retained profits	44,733	43,106
TOTAL EQUITY	<u>74,586</u>	<u>72,959</u>
NON-CURRENT LIABILITIES		
Bank borrowings	16,170	16,861
Hire purchase payables	704	711
	<u>16,874</u>	<u>17,572</u>
CURRENT LIABILITIES		
Trade and other payables	14,322	23,476
Bank borrowings	6,959	7,780
Hire purchase payables	364	344
	<u>21,645</u>	<u>31,600</u>
TOTAL LIABILITIES	<u>38,519</u>	<u>49,172</u>
TOTAL EQUITY AND LIABILITIES	<u>113,105</u>	<u>122,131</u>
Net assets per ordinary share (RM) ⁽²⁾	<u>0.15</u>	<u>0.15</u>

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per ordinary share is calculated based on the Company's number of ordinary shares at the end of the reporting period.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	<u>Non-distributable</u> Share capital RM'000	<u>Merger deficit</u> RM'000	<u>Distributable</u> Retained profits RM'000	Total equity RM'000
Unaudited				
Balance at 1 January 2018	24,000	(22,100)	33,129	35,029
Loss after tax and total comprehensive expenses for the financial period	-	-	(1,651)	(1,651)
Contributions by and distributions to owners of the Company:				
- Issuance of shares	29,000	-	-	29,000
- Share issuance expenses	(1,047)	-	-	(1,047)
Total transactions with owners	27,953	-	-	27,953
Balance at 31 March 2018	<u>51,953</u>	<u>(22,100)</u>	<u>31,478</u>	<u>61,331</u>
Unaudited				
Balance at 1 January 2019	51,953	(22,100)	43,106	72,959
Profit after tax and total comprehensive income for the financial period	-	-	1,627	1,627
Balance at 31 March 2019	<u>51,953</u>	<u>(22,100)</u>	<u>44,733</u>	<u>74,586</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	(Unaudited) Current Year To Date 31.03.2019 RM'000	(Unaudited) Preceding Corresponding Year To Date 31.03.2018 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,667	(1,651)
Adjustments for:		
Depreciation	835	461
Fair value gain on derivatives	-	(29)
Gain on disposal of property, plant and equipment	(25)	(31)
Unrealised (gain)/loss on foreign exchange	(81)	168
Interest expenses	287	313
Interest income	(16)	(44)
Operating profit/(loss) before working capital changes	2,667	(813)
Inventories	109	(1,328)
Trade and other receivables	2,711	2,193
Trade and other payables	(3,851)	(1,163)
CASH FROM/(FOR) OPERATIONS	1,636	(1,111)
Interest paid	(287)	(313)
Interest received	16	44
Tax paid	(257)	(875)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	1,108	(2,255)
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,004)	(3,376)
Proceeds from disposal of property, plant and equipment	25	137
NET CASH FOR INVESTING ACTIVITIES	(8,979)	(3,239)
CASH FLOW (FOR)/FROM FINANCING ACTIVITIES		
Net movements in trade bills	(836)	(714)
Drawdown of term loans	-	1,029
Repayment of term loans	(676)	(571)
Repayment of hire purchase payables	(87)	(69)
Proceeds from issuance of ordinary shares	-	29,000
Payment of listing expenses	-	(1,047)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(1,599)	27,628
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(9,470)	22,134
EFFECT OF FOREIGN EXCHANGE TRANSLATION	37	(70)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	25,806	9,516
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	16,373	31,580
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Short-term money market fund	6,768	22,011
Cash and bank balances	9,605	9,569
	16,373	31,580

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2019

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

A1 Basis of Preparation

The interim financial report of Wegmans Holdings Berhad (“Wegmans” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with MFRS 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 of the Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2018, except for the adoption of the following during the current financial period:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group.

The Group has not applied in advance any accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the financial year ending 31 December 2019.

A3 Auditors’ Report of Preceding Annual Financial Statements

The preceding year’s audited financial statements of the Group were not subject to any qualification.

A4 Seasonal or Cyclical Factors

Generally, the Group’s revenue for the first (1st) quarter is slightly lower than the rest of the quarters. This is attributable to the local festive seasons, namely Chinese New Year, which affects our delivery/production schedule. Save for the above, the Group does not experience any other material seasonality or cyclical effects in revenue.

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 that were unusual because of their nature, size or incidence during the current financial quarter under review.

A6 Material Changes in Estimates

There were no material changes in estimates in the current financial quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A7 Debt and Equity Securities

On 16 October 2018, the Company has proposed to undertake a proposed issue of 125,000,000 free warrants in the Company (“Warrant(s)”) on the basis of one (1) Warrant for every four (4) existing ordinary shares in the Company held on an entitlement date to be determined and announced later (“Proposed Bonus Warrants”). The Warrants have a tenure of three (3) years commencing from and inclusive of the date of the issue of the Warrants i.e. 14 January 2019. The exercise price of the Warrants is RM0.30 per Warrant. Subsequently, the Proposed Bonus Warrants was approved by the shareholders of the Company at an extraordinary general meeting held on 20 December 2018. It was completed on 22 January 2019, following the listing and quotation of 124,999,999 Warrants on the ACE Market of Bursa Securities.

Save for the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current financial quarter under review.

A8 Dividends Paid

There is no dividend paid in the current financial quarter under review.

A9 Segmental Reporting

The Group is principally involved in designing, manufacturing and sale of home furniture products.

No product and services segment information is presented as the Group’s revenue, profit or loss are mainly confined to a single operating segment, namely furniture manufacturing.

Segment assets is not presented, as all non-current assets are located in Malaysia.

Segment revenue is presented based on the geographical location of the customers.

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.03.2019 RM’000	(Unaudited) 31.03.2018 RM’000	(Unaudited) 31.03.2019 RM’000	(Unaudited) 31.03.2018 RM’000
Africa	390	317	390	317
Asia (excluding Malaysia)	7,430	8,217	7,430	8,217
Australasia	1,245	4,664	1,245	4,664
Europe	2,571	2,445	2,571	2,445
North America	9,618	5,072	9,618	5,072
South America	261	238	261	238
Malaysia	996	121	996	121
Total	22,511	21,074	22,511	21,074

A10 Valuation of Property, Plant and Equipment

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2019

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**

A11 Capital Commitments

The material capital commitments of the Group at 31 March 2019 are as follows:

Contracted but not provided for	RM’000
Purchase of property, plant and equipment	12,724

A12 Material Subsequent Event

There were no other material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

A13 Changes in the Composition of the Group

On 21 March 2019, the Company incorporated a wholly-owned subsidiary with 1 ordinary share, representing 100% equity interests in Collino Designs Sdn. Bhd. for a cash consideration of RM1.

Save as disclosed above, there were no changes in the composition of the Group for the current financial quarter under review.

A14 Contingent Assets or Contingent Liabilities

There were no contingent assets and contingent liabilities at the date of this interim financial report.

A15 Significant Related Party Transactions

There were no related party transactions in the current financial quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Group Performance Review

The Group's revenue for the current financial quarter ended 31 March 2019 has increased by RM1.44 million or 6.83% to approximately RM22.51 million as compared to approximately RM21.07 million in the preceding year corresponding quarter ended 31 March 2018. The higher revenue was mainly due to higher foreign exchange rate on export sales.

The Group registered a profit before tax of approximately RM1.67 million for the current financial quarter ended 31 March 2019 as compared to the loss before tax of approximately RM1.65 million for the preceding year corresponding quarter ended 31 March 2018. The improvement in profit before tax was mainly attributed to the one-off charge of the listing expenses amounting to approximately RM1.71 million in the preceding year corresponding quarter.

B2 Comparison with Immediate Preceding Quarter Results

The Group's revenue for the current financial quarter ended 31 March 2019 has decreased by RM4.82 million or 17.64% to approximately RM22.51 million as compared to approximately RM27.33 million in the preceding financial quarter ended 31 December 2018. The lower revenue for the current financial quarter was mainly attributed to the local festive seasons, namely Chinese New Year, which affects our delivery/production schedule.

The Group registered a profit before tax of approximately RM1.67 million for the current financial quarter as compared to approximately RM4.62 million for the preceding financial quarter. The lower profit before tax was mainly attributed to the lower revenue for the current financial quarter and exhibition expenses of approximately RM0.97 million arising from the participation in 3 international trade exhibitions for the current financial quarter.

B3 Prospects for the Current Financial Year

The Group operates within the furniture manufacturing industry in Malaysia. The Group is expected to benefit from the future plans and strategies as disclosed in the Prospectus of the Company dated 13 February 2018. These include increasing our production capacity, further expanding and diversifying our customer base and increasing our product range and developing new product designs.

Barring unforeseen circumstances, the Board expects the financial performance for the financial year ending 31 December 2019 to be satisfactory.

B4 Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Company did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5 Income tax expense

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.03.2019 RM'000	(Unaudited) 31.03.2018 RM'000	(Unaudited) 31.03.2019 RM'000	(Unaudited) 31.03.2018 RM'000
Current tax expense	40	-	40	-

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B6 Status of Corporate Proposals

On 27 February 2019, Wegmans Woodwork Sdn. Bhd., a wholly-owned subsidiary of the Company entered into 4 Sale and Purchase Agreements to acquire 4 pieces of leasehold land measuring a total of approximately 12.11 acres all held under Master Title known as H.S.(D) 38459, PTD 13399, H.S(D) 38460, PTD 13400, Geran 50191, Lot 8531, situated in the Mukim of Jalan Bakri, District of Muar, Johor Darul Takzim in respect of which titles have yet to be issued for a total purchase consideration of RM8.44 million.

Save as disclosed above, there were no other corporate proposals announced but not completed at the date of this report.

B7 Utilisation of Proceeds Raised from the Initial Public Offering

The gross proceeds arising from the public issue amounting to RM29.00 million and the status of the utilisation of the proceeds at 31 March 2019 is as follows:

<u>Details of use of proceeds</u>	<u>Proposed Utilisation RM'000</u>	<u>Actual Utilisation RM'000</u>	<u>Deviation RM'000</u>	<u>Balance RM'000</u>	<u>Estimated Timeframe for Utilisation Upon Listing</u>
(1) Capital expenditure					
(a) Construction of new factories for manufacturing production and its accompanying new head/ management office, new showroom and workers' hostel	11,000	(9,100)	-	1,900	Within 2 years
(b) Purchase of new machineries and equipment	11,000	(9,762)	-	1,238	Within 2.5 years
	<u>22,000</u>	<u>(18,862)</u>	<u>-</u>	<u>3,138</u>	
(2) Working capital	3,500	-	765	4,265	Within 2.5 years
(3) Estimated listing expenses	3,500	(2,735)	⁽¹⁾ (765)	-	Within 3 months
	<u>29,000</u>	<u>(21,597)</u>	<u>-</u>	<u>7,403</u>	

Note:

- (1) The excess of RM0.77 million will be utilised for general working capital requirements of the Group.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B8 Group Borrowings and Debt Securities

Total Group's borrowings (all of which are secured against the Group's assets) are as follows:

	(Unaudited) As at 31.03.2019 RM'000	(Unaudited) As at 31.03.2018 RM'000
Non-current:		
Hire purchase payables	704	883
Term loans	16,170	16,416
	<u>16,874</u>	<u>17,299</u>
Current:		
Trade bills	3,942	9,285
Hire purchase payables	364	334
Term loans	3,017	2,585
	<u>7,323</u>	<u>12,204</u>
Total borrowings	<u>24,197</u>	<u>29,503</u>

All the above borrowings are denominated in Ringgit Malaysia.

B9 Derivatives liabilities

Details of outstanding derivatives are as follows:

	(Unaudited) As at 31.03.2019		(Unaudited) As at 31.03.2018	
	Contract/ Notional Amount RM'000	Carrying Amount RM'000	Contract/ Notional Amount RM'000	Carrying Amount RM'000
Forward currency contracts				
Less than one year	-	-	2,498	29
	<u>-</u>	<u>-</u>	<u>2,498</u>	<u>29</u>

The Group uses forward currency contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B10 Fair Value Changes of Financial Liabilities

The Group has recognised the following gain arising from fair value changes of derivatives as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.03.2019 RM'000	(Unaudited) 31.03.2018 RM'000	(Unaudited) 31.03.2019 RM'000	(Unaudited) 31.03.2018 RM'000
Fair value (gain) on derivatives ⁽¹⁾	-	(29)	-	(29)

Note:

(1) The fair value changes were attributed to changes in the foreign exchange spot and forward rates.

Saved as disclosed above, the Group does not have any financial assets or liabilities that are measured at fair value for the current financial quarter ended 31 March 2019.

B11 Material Litigation

As at the date of this report, there were no pending material litigations.

B12 Earnings/(Loss) Per Share

The basic and diluted earnings/(loss) per share for the current financial quarter and current financial year to date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.03.2019	(Unaudited) 31.03.2018	(Unaudited) 31.03.2019	(Unaudited) 31.03.2018
Profit/(Loss) after tax attributable to owners of the Company (RM'000)	1,627	(1,651)	1,627	(1,651)
Weighted average number of ordinary shares in issue ('000)	500,000	428,889	500,000	428,889
Basic earnings/(loss) per share (sen)	0.33	(0.38)	0.33	(0.38)
Profit/(Loss) after tax attributable to owners of the Company (RM'000)	1,627	(1,651)	1,627	(1,651)
Weighted average number of ordinary shares in issue ('000)	508,819	428,889	508,819	428,889
Diluted earnings/(loss) per share (sen) ⁽¹⁾	0.32	(0.38)	0.32	(0.38)

Note:

(1) Diluted earnings per share of the Company for the current financial quarter ended 31 March 2019 and financial period ended 31 March 2019 is calculated based on the Company's weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares for the financial period.

Diluted loss per share of the Company for the preceding year corresponding quarter ended 31 March 2018 and financial period ended 31 March 2018 is equivalent to the basis loss per share as the Company does not have convertible options at the end of the reporting period.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2019

**PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA
SECURITIES (CONT'D)**

B13 Notes to the Statement of Comprehensive Income

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

	(Unaudited) Current Year Quarter 31.03.2019 RM'000	(Unaudited) Current Year To Date 31.03.2019 RM'000
Interest income	(16)	(16)
Gain on disposal of property, plant and equipment	(25)	(25)
Depreciation	835	835
Interest expenses	287	287
Loss on foreign exchange	35	35

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements are not applicable.

B14 Proposed Dividends

A final single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2018 was approved by the shareholders at the annual general meeting on 21 May 2019. The dividend will be paid on 5 July 2019 to depositors registered in the Record of Depositors of the Company at the close of business on 14 June 2019.

BY ORDER OF THE BOARD

**TAN HUI KHIM (LS 0009936)
NG MEI WAN (MIA 28862)
COMPANY SECRETARIES**

**JOHOR
31 May 2019**