

## INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME <sup>(1)</sup>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) Current Year Quarter 30.09.2019 RM'000	(Unaudited) Preceding Year Corresponding Quarter 30.09.2018 RM'000	(Unaudited) Current Year To Date 30.09.2019 RM'000	(Unaudited) Preceding Year To Date 30.09.2018 RM'000
Revenue	19,851	24,566	61,921	67,655
Operating expenses	(17,112)	(19,884)	(54,277)	(60,174)
Other income	383	403	873	501
Finance costs	(304)	(344)	(876)	(996)
<b>Profit before tax</b>	<b>2,818</b>	<b>4,741</b>	<b>7,641</b>	<b>6,986</b>
Income tax expense	(531)	(438)	(711)	(618)
<b>Profit after tax</b>	<b>2,287</b>	<b>4,303</b>	<b>6,930</b>	<b>6,368</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>2,287</b>	<b>4,303</b>	<b>6,930</b>	<b>6,368</b>
<b>Profit after tax attributable to:</b>				
- Owners of the Company	2,287	4,303	6,930	6,368
- Non-controlling interest	-	-	-	-
	<b>2,287</b>	<b>4,303</b>	<b>6,930</b>	<b>6,368</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	2,287	4,303	6,930	6,368
- Non-controlling interest	-	-	-	-
	<b>2,287</b>	<b>4,303</b>	<b>6,930</b>	<b>6,368</b>
Attributable to equity holders of the Company:				
- Basic earnings per share (sen)	B12 0.46	0.86	1.39	1.34
- Diluted earnings per share (sen)	B12 0.46 <sup>(2)</sup>	N/A	1.38	N/A

## 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) There is no dilutive effect of the potential ordinary shares convertible from warrants for current financial quarter ended 30 September 2019 since the exercise price is above the average market value of the Company's shares.

N/A - Not Applicable

## INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>

	(Unaudited) As At 30.09.2019 RM'000	(Audited) As At 31.12.2018 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	77,084	69,397
Deferred tax assets	30	440
	<u>77,114</u>	<u>69,837</u>
<b>CURRENT ASSETS</b>		
Inventories	15,216	14,770
Trade and other receivables	7,407	9,845
Current tax assets	2,021	1,873
Cash and cash equivalents	11,885	25,806
	<u>36,529</u>	<u>52,294</u>
<b>TOTAL ASSETS</b>	<b><u>113,643</u></b>	<b><u>122,131</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share Capital	51,953	51,953
Merger Deficit	(22,100)	(22,100)
Retained profits	47,536	43,106
<b>TOTAL EQUITY</b>	<b><u>77,389</u></b>	<b><u>72,959</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	16,059	16,861
Hire purchase payables	521	711
	<u>16,580</u>	<u>17,572</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	13,311	23,476
Bank borrowings	5,995	7,780
Hire purchase payables	368	344
	<u>19,674</u>	<u>31,600</u>
<b>TOTAL LIABILITIES</b>	<b><u>36,254</u></b>	<b><u>49,172</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>113,643</u></b>	<b><u>122,131</u></b>
Net assets per ordinary share (RM)	<u>0.15</u>	<u>0.15</u>

Note:

- (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.

## INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>

	<b>Non-distributable</b>		<b>Distributable</b>	<b>Total equity RM'000</b>
	<b>Share capital RM'000</b>	<b>Merger deficit RM'000</b>	<b>Retained profits RM'000</b>	
<b>Unaudited</b>				
Balance at 1 January 2018	24,000	(22,100)	33,129	35,029
Profit after tax and total comprehensive income for the financial period	-	-	6,368	6,368
Contributions by and distributions to owners of the Company:				
- Issuance of shares	29,000	-	-	29,000
- Share issuance expenses	(1,047)	-	-	(1,047)
- Dividend	-	-	(2,500)	(2,500)
Total transactions with owners	27,953	-	(2,500)	25,453
Balance at 30 September 2018	<u>51,953</u>	<u>(22,100)</u>	<u>36,997</u>	<u>66,850</u>
<b>Unaudited</b>				
Balance at 1 January 2019	51,953	(22,100)	43,106	72,959
Profit after tax and total comprehensive income for the financial period	-	-	6,930	6,930
Contributions by and distributions to owners of the Company:				
- Dividend	-	-	(2,500)	(2,500)
Balance at 30 September 2019	<u>51,953</u>	<u>(22,100)</u>	<u>47,536</u>	<u>77,389</u>

## Note:

- (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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>

	(Unaudited) Current Year To Date 30.09.2019 RM'000	(Unaudited) Preceding Corresponding Year To Date 30.09.2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,641	6,986
Adjustments for:		
Depreciation	2,534	1,523
Fair value loss on derivatives	-	120
Gain on disposal of property, plant and equipment	(25)	(44)
Unrealised loss/(gain) on foreign exchange	7	(48)
Interest expenses	859	952
Interest income	(37)	(554)
Operating profit before working capital changes	<u>10,979</u>	<u>8,935</u>
Inventories	(446)	(1,196)
Trade and other receivables	2,483	159
Trade and other payables	(2,775)	3,130
<b>CASH FROM OPERATIONS</b>	<u>10,241</u>	<u>11,028</u>
Interest paid	(859)	(952)
Interest received	37	554
Tax paid	(449)	(1,278)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>8,970</u>	<u>9,352</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(17,516)	(12,046)
Proceeds from disposal of property, plant and equipment	25	174
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<u>(17,491)</u>	<u>(11,872)</u>
<b>CASH FLOW (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,500)	(2,500)
Net movements in trade bills	(1,981)	(3,182)
Drawdown of term loans	-	3,237
Repayment of term loans	(606)	(1,571)
Repayment of hire purchase payables	(266)	(243)
Proceeds from issuance of ordinary shares	-	29,000
Payment of listing expenses	-	(1,047)
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<u>(5,353)</u>	<u>23,694</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(13,874)	21,174
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	(47)	4
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	25,806	9,516
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>11,885</u>	<u>30,694</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:</b>		
Short-term money market fund	3,528	22,417
Cash and bank balances	8,357	8,277
	<u>11,885</u>	<u>30,694</u>

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 THIRD (3RD) QUARTER ENDED  
30 SEPTEMBER 2019

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**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:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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 (1<sup>st</sup>) 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

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

**A7 Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current financial quarter under review.

**A8 Dividends Paid**

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 subsequently 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.

**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) 30.09.2019 RM’000	(Unaudited) 30.09.2018 RM’000	(Unaudited) 30.09.2019 RM’000	(Unaudited) 30.09.2018 RM’000
Africa	-	-	927	403
Asia (excluding Malaysia)	6,671	7,805	19,493	21,326
Australasia	2,337	4,989	5,005	14,596
Europe	994	2,379	6,463	7,389
North America	8,536	8,494	26,098	21,738
South America	371	574	1,034	1,476
Malaysia	942	325	2,901	727
<b>Total</b>	<b>19,851</b>	<b>24,566</b>	<b>61,921</b>	<b>67,655</b>

**A10 Valuation of Property, Plant and Equipment**

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

**A11 Capital Commitments**

The material capital commitments of the Group at 30 September 2019 are as follows:

<b>Contracted but not provided for</b>	<b>RM’000</b>
Purchase of property, plant and equipment	7,113

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

**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**

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

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

## B1 Group Performance Review

The table below illustrates the performance of the current financial quarter and financial year to date against preceding year corresponding quarter and year to date

	Individual Quarter (3 <sup>rd</sup> quarter)				Cumulative Period (1 <sup>st</sup> to 3 <sup>rd</sup> quarter)			
	Current financial quarter ended 30 September 2019	Preceding year corresponding quarter ended 30 September 2018	Changes		Current financial period ended 30 September 2019	Preceding corresponding financial period ended 30 September 2018	Changes	
			RM'000	%			RM'000	%
<b>Revenue</b>	19,851	24,566	(4,715)	(19.19)	61,921	67,655	(5,734)	(8.48)
<b>Profit Before Tax</b>	2,818	4,741	(1,923)	(40.56)	7,641	6,986	655	9.38

The Group's revenue for the current financial quarter ended 30 September 2019 has decreased by RM4.72 million or 19.19% to approximately RM19.85 million as compared to approximately RM24.57 million in the preceding year corresponding quarter ended 30 September 2018. Whereas, the Group's revenue for the financial period ended 30 September 2019 has decreased by RM5.74 million or 8.48% to approximately RM61.92 million as compared to approximately RM67.66 million in the preceding corresponding financial period ended 30 September 2018. The lower revenue was mainly due to lower sales contribution from Australasia.

The Group registered a profit before tax of approximately RM2.82 million for the current financial quarter ended 30 September 2019 as compared to approximately RM4.74 million for the preceding year corresponding quarter ended 30 September 2018. The lower profit before tax was in line with the lower revenue for the current financial quarter.

The Group registered a profit before tax of approximately RM7.64 million for the financial period ended 30 September 2019 as compared to approximately RM6.99 million for the preceding corresponding period ended 30 September 2018. The improvement in profit before tax was mainly due to the absence of one-off listing expenses amounting to approximately RM1.69 million in financial period ended 30 September 2019.

## B2 Comparison with Immediate Preceding Quarter Results

The Group's revenue for the current financial quarter ended 30 September 2019 has increased by RM0.29 million or 1.48% to approximately RM19.85 million as compared to approximately RM19.56 million in the preceding financial quarter ended 30 June 2019. The slightly increase in revenue was mainly due to higher sales volume from Asia.

The Group registered a profit before tax of approximately RM2.82 million for the current financial quarter as compared to approximately RM3.16 million for the preceding financial quarter. The lower profit before tax was mainly attributed to the exhibition expenses of approximately RM0.34 million incurred for the participation in international trade exhibitions in current financial quarter.



## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

**PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)****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) 30.09.2019 RM'000	(Unaudited) 30.09.2018 RM'000	(Unaudited) 30.09.2019 RM'000	(Unaudited) 30.09.2018 RM'000
Current tax expense :				
Current financial year /period	130	438	310	618
Overprovision in previous financial year	(9)	-	(9)	-
	<u>121</u>	<u>438</u>	<u>301</u>	<u>618</u>
Deferred tax :				
Origination of temporary differences	410	-	410	-
	<u>410</u>	<u>-</u>	<u>410</u>	<u>-</u>
<b>Total income tax expense</b>	<b><u>531</u></b>	<b><u>438</u></b>	<b><u>711</u></b>	<b><u>618</u></b>

**B6 Status of Corporate Proposals**

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

- 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.
- On 18 November 2019, Wegmans has completed the transfer of the listing and quotation of the entire issued share capital and outstanding warrants of Wegmans from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2019

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

## 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 30 September 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	(11,000)	-	-	Within 2 years
(b) Purchase of new machineries and equipment	11,000	(11,000)	-	-	Within 2.5 years
	<u>22,000</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>	
(2) Working capital	3,500	-	765	4,265	Within 2.5 years
(3) Estimated listing expenses	3,500	(2,735)	<sup>(1)</sup> (765)	-	Within 3 months
	<u><b>29,000</b></u>	<u><b>(24,735)</b></u>	<u><b>-</b></u>	<u><b>4,265</b></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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 30.09.2019 RM'000	(Unaudited) As at 30.09.2018 RM'000
<b>Non-current:</b>		
Hire purchase payables	521	800
Term loans	16,059	17,625
	<u>16,580</u>	<u>18,425</u>
<b>Current:</b>		
Trade bills	2,797	6,817
Hire purchase payables	368	343
Term loans	3,198	2,584
	<u>6,363</u>	<u>9,744</u>
<b>Total borrowings</b>	<b><u>22,943</u></b>	<b><u>28,169</u></b>

All the above borrowings are denominated in Ringgit Malaysia.

**B9 Derivatives liabilities**

Details of outstanding derivatives are as follows:

	(Unaudited) As at 30.09.2019		(Unaudited) As at 30.09.2018	
	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	-	-	2,494	120
	<u>-</u>	<u>-</u>	<u>2,494</u>	<u>120</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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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)/loss arising from fair value changes of derivatives as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 30.09.2019 RM'000	(Unaudited) 30.09.2018 RM'000	(Unaudited) 30.09.2019 RM'000	(Unaudited) 30.09.2018 RM'000
Fair value (gain)/loss on derivatives <sup>(1)</sup>	-	(85)	-	120

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 30 September 2019.

**B11 Material Litigation**

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

**B12 Earnings Per Share**

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

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 30.09.2019	(Unaudited) 30.09.2018	(Unaudited) 30.09.2019	(Unaudited) 30.09.2018
Profit after tax attributable to owners of the Company (RM'000)	2,287	4,303	6,930	6,368
Weighted average number of ordinary shares in issue ('000)	500,000	500,000	500,000	476,557
<b>Basic earnings per share (sen)</b>	0.46	0.86	1.39	1.34
Profit after tax attributable to owners of the Company (RM'000)	2,287	4,303	6,930	6,368
Weighted average number of ordinary shares in issue ('000)	500,000	500,000	503,524	476,557
<b>Diluted earnings per share (sen)</b>	0.46 <sup>(1)</sup>	N/A	1.38	N/A

Note:

(1) There is no dilutive effect of the potential ordinary shares convertible from warrants issued for current financial quarter ended 30 September 2019 since the exercise price is above the average market value of the Company's shares.

N/A – Not applicable

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED  
30 SEPTEMBER 2019

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**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):

	<b>(Unaudited) Current Year Quarter 30.09.2019 RM'000</b>	<b>(Unaudited) Current Year To Date 30.09.2019 RM'000</b>
Interest income	(11)	(37)
Gain on disposal of property, plant and equipment	-	(25)
Depreciation	851	2,534
Interest expenses	300	859
Gain on foreign exchange	(332)	(687)

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

**B14 Proposed Dividends**

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

**BY ORDER OF THE BOARD**

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

**JOHOR  
25 November 2019**