

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
	Current Year Quarter 31.12.2019	Preceding Year Corresponding Quarter 31.12.2018	Current Year To Date 31.12.2019	Preceding Corresponding Year To Date 31.12.2018	
Notes	RM'000	RM'000	RM'000	RM'000	
Revenue	23,442	27,330	85,363	94,985	
Operating expenses	(21,365)	(22,837)	(75,642)	(82,959)	
Other income	107	436	980	885	
Finance costs	(193)	(310)	(1,069)	(1,306)	
<b>Profit before tax</b>	<b>1,991</b>	<b>4,619</b>	<b>9,632</b>	<b>11,605</b>	
Income tax (expense)/credit	(980)	1,490	(1,691)	872	
<b>Profit after tax</b>	<b>1,011</b>	<b>6,109</b>	<b>7,941</b>	<b>12,477</b>	
Other comprehensive income	-	-	-	-	
<b>Total comprehensive income</b>	<b>1,011</b>	<b>6,109</b>	<b>7,941</b>	<b>12,477</b>	
<b>Profit after tax attributable to:</b>					
- Owners of the Company	1,011	6,109	7,941	12,477	
- Non-controlling interest	-	-	-	-	
	<b>1,011</b>	<b>6,109</b>	<b>7,941</b>	<b>12,477</b>	
<b>Total comprehensive income attributable to:</b>					
- Owners of the Company	1,011	6,109	7,941	12,477	
- Non-controlling interest	-	-	-	-	
	<b>1,011</b>	<b>6,109</b>	<b>7,941</b>	<b>12,477</b>	
Attributable to equity holders of the Company:					
- Basic earnings per share (sen)	B12	0.20	1.22	1.59	2.59
- Diluted earnings per share (sen)	B12	0.20 <sup>(2)</sup>	N/A	1.59	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 issued for current financial quarter ended 31 December 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019

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

	(Unaudited) As At 31.12.2019 RM'000	(Audited) As At 31.12.2018 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	72,525	69,397
Right-of-use assets	5,859	-
Deferred tax assets	-	440
	<u>78,384</u>	<u>69,837</u>
<b>CURRENT ASSETS</b>		
Inventories	16,063	14,770
Trade and other receivables	7,667	9,845
Current tax assets	1,932	1,873
Cash and cash equivalents	15,382	25,806
	<u>41,044</u>	<u>52,294</u>
<b>TOTAL ASSETS</b>	<b>119,428</b>	<b>122,131</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	48,547	43,106
<b>TOTAL EQUITY</b>	<b>78,400</b>	<b>72,959</b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	17,396	16,861
Hire purchase payables	-	711
Lease liabilities	452	-
Deferred tax liabilities	860	-
	<u>18,708</u>	<u>17,572</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	15,267	23,476
Bank borrowings	6,708	7,780
Hire purchase payables	-	344
Lease liabilities	345	-
	<u>22,320</u>	<u>31,600</u>
<b>TOTAL LIABILITIES</b>	<b>41,028</b>	<b>49,172</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>119,428</b>	<b>122,131</b>
Net assets per ordinary share (RM)	0.16	0.15

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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019

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

	<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
<b>Audited</b>				
Balance at 1 January 2018	24,000	(22,100)	33,129	35,029
Profit after tax and total comprehensive income for the financial year	-	-	12,477	12,477
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 31 December 2018	<u>51,953</u>	<u>(22,100)</u>	<u>43,106</u>	<u>72,959</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 year	-	-	7,941	7,941
Contributions by and distributions to owners of the Company:				
- Dividend	-	-	(2,500)	(2,500)
Balance at 31 December 2019	<u>51,953</u>	<u>(22,100)</u>	<u>48,547</u>	<u>78,400</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.

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

	(Unaudited) Current Year To Date 31.12.2019 RM'000	(Audited) Preceding Corresponding Year To Date 31.12.2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,632	11,605
Adjustments for:		
Depreciation	3,403	2,161
Dividend income	(213)	(640)
Gain on disposal of property, plant and equipment	(25)	(67)
Property, plant and equipment written off	11	-
Unrealised loss on foreign exchange	146	67
Interest expenses	1,047	1,251
Interest income	(47)	(111)
Operating profit before working capital changes	13,954	14,266
Inventories	(1,294)	499
Trade and other receivables	2,156	1,294
Trade and other payables	(2,048)	499
<b>CASH FROM OPERATIONS</b>	12,768	16,558
Interest paid	(1,047)	(1,251)
Interest received	47	111
Tax paid	(450)	(1,286)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	11,318	14,132
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Dividend received	213	640
Purchase of property, plant and equipment	(18,423)	(19,862)
Proceeds from disposal of property, plant and equipment	25	239
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(18,185)	(18,983)
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,500)	(2,500)
Net movements in trade bills	(2,279)	(5,221)
Drawdown of term loans	5,181	3,537
Repayment of term loans	(3,439)	(2,217)
Repayment of hire purchase payables	-	(331)
Repayment of lease liabilities	(358)	-
Proceeds from issuance of ordinary shares	-	29,000
Payment of listing expenses	-	(1,047)
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	(3,395)	21,221
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(10,262)	16,370
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	(162)	(80)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	25,806	9,516
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>15,382</b>	<b>25,806</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:</b>		
Short-term money market fund	3,557	14,637
Cash and bank balances	11,825	11,169
	15,382	25,806

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.

**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) did not have any material impact on the Group’s financial statements other than the adoption of MFRS 16 Leases.

The Group have adopted MFRS 16 retrospectively from 1 January 2019 and has not restated the comparative information as permitted under the specific transition provisions in the standard. The impact arising from the adoption of MFRS 16 on opening balance as at 1 January 2019 are as follows:

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>At 31 December 2018 RM’000</b>	<b>Adoption of MFRS 16 RM’000</b>	<b>At 1 January 2019 RM’000</b>
Property, plant and equipment	69,397	(3,625)	65,772
Right-of-use assets	-	3,625	3,625
Hire purchase payables	(1,055)	1,055	-
Lease liabilities	-	(1,055)	(1,055)

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 ended 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.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019

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

**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.

**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**

	<b>Cumulative Quarter</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM’000</b>	<b>RM’000</b>
<b>In respect of the financial year ended 31 December 2017</b>		
Final single tier dividend of 0.50 sen per ordinary share on 500,000,000 ordinary shares paid on 29 June 2018	-	2,500
<b>In respect of the financial year ended 31 December 2018</b>		
Final single tier dividend of 0.50 sen per ordinary share on 500,000,000 ordinary shares paid on 5 July 2019	2,500	-
	<u><b>2,500</b></u>	<u><b>2,500</b></u>

**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.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019

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

**A9 Segmental Reporting (Cont’d)**

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

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.12.2019 RM’000	(Unaudited) 31.12.2018 RM’000	(Unaudited) 31.12.2019 RM’000	(Unaudited) 31.12.2018 RM’000
Africa	-	322	927	725
Asia (excluding Malaysia)	5,436	8,401	25,016	29,727
Australasia	3,392	3,142	8,397	17,738
Europe	1,527	1,822	7,844	9,211
North America	11,986	11,876	38,143	33,614
South America	503	1,489	1,537	2,965
Malaysia	598	278	3,499	1,005
<b>Total</b>	<b>23,442</b>	<b>27,330</b>	<b>85,363</b>	<b>94,985</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 31 December 2019 are as follows:

Contracted but not provided for	RM’000
Purchase of property, plant and equipment	8,145

**A12 Subsequent Event**

On 13 January 2020, there was a minor fire incident occurred at one of three premises of a wholly-owned subsidiary of the Company, Wegmans Furniture Industries Sdn. Bhd.. The affected premise housed in three (3) blocks of single storey furniture factory building together with a three-storey office block situated at Lot PTD 6967, Jalan Kempas 3, Kawasan Perindustrian Bakri, 84200 Muar, Johor. The incident affected one of the spraying lines and inventory work-in-progress. The damages arising from the fire incident are yet to be ascertained.

Save as disclosed above, 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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 (4 <sup>th</sup> quarter)				Cumulative Period (1 <sup>st</sup> to 4 <sup>th</sup> quarter)			
	Current financial quarter ended 31 December 2019	Preceding year corresponding quarter ended 31 December 2018	Changes		Current financial year ended 31 December 2019	Preceding corresponding financial year ended 31 December 2018	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	23,442	27,330	(3,888)	(14.23)	85,363	94,985	(9,622)	(10.13)
Profit Before Tax	1,991	4,619	(2,628)	(56.90)	9,632	11,605	(1,973)	(17.00)
Profit After Tax	1,011	6,109	(5,098)	(83.45)	7,941	12,477	(4,536)	(36.35)

The Group's revenue for the current financial quarter ended 31 December 2019 has decreased by RM3.89 million or 14.23% to approximately RM23.44 million as compared to approximately RM27.33 million in the preceding year corresponding quarter ended 31 December 2018. The lower revenue was mainly due to lower sales revenue from Asia.

Whereas, the Group's revenue for the financial year ended 31 December 2019 has decreased by RM9.62 million or 10.13% to approximately RM85.36 million as compared to approximately RM94.99 million in the preceding corresponding financial year ended 31 December 2018. The lower revenue was mainly due to lower sales revenue from Australasia.

The Group registered a profit before tax of approximately RM1.99 million for the current financial quarter ended 31 December 2019 as compared to approximately RM4.62 million for the preceding year corresponding quarter ended 31 December 2018. The lower profit before tax was attributed to the lower sales revenue for the current financial quarter, and the one-off charge of approximately RM0.52 million for the Main Market transfer listing expenses.

The Group registered a profit before tax of approximately RM9.63 million for the financial year ended 31 December 2019 as compared to approximately RM11.61 million for the preceding corresponding year ended 31 December 2018. The lower profit before tax was mainly due to incremental depreciation amount of approximately RM1.24 million arising from the addition of new machineries and factory building, coupled with lower sales revenue.

The Group registered a profit after tax of approximately RM7.94 million for the financial year ended 31 December 2019 as compared to approximately RM12.48 million for the preceding corresponding year ended 31 December 2018. The lower profit after tax was mainly due to the effect of deferred tax expense of RM1.30 million for financial year ended 31 December 2019 and deferred tax income of RM1.51 million for financial year ended 31 December 2018, resulting in a total negative impact of RM2.81 million on the profit after tax.



## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019

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

**B2 Comparison with Immediate Preceding Quarter Results**

The Group's revenue for the current financial quarter ended 31 December 2019 has increased by RM3.59 million or 18.09% to approximately RM23.44 million as compared to approximately RM19.85 million in the preceding financial quarter ended 30 September 2019. The increase in revenue was mainly due to higher sales revenue from North America.

The Group registered a profit before tax of approximately RM1.99 million for the current financial quarter as compared to approximately RM2.82 million for the preceding financial quarter. The profit before tax was lower mainly attributed to the one-off charge of the Main Market transfer listing expenses of approximately RM0.52 million and accrual of annual staff bonus.

**B3 Prospects for the Current Financial Year**

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

The Company takes cognizance that Covid-19 may affect some of the Company's supply chain which may but not necessarily have a corresponding ripple effect on the Company.

Barring unforeseen circumstances, the Board expects the financial performance for the financial year ending 31 December 2020 would remain profitable.

**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/(credit)**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
Current financial year/period	90	20	400	470
(Over)/Underprovision in previous financial year	-	-	(9)	168
	<u>90</u>	<u>20</u>	<u>391</u>	<u>638</u>
Deferred tax (income)/expense:				
Origination of temporary differences	890	(1,510)	1,300	(1,510)
	<u>890</u>	<u>(1,510)</u>	<u>1,300</u>	<u>(1,510)</u>
<b>Total income tax expense/(credit)</b>	<b><u>980</u></b>	<b><u>(1,490)</u></b>	<b><u>1,691</u></b>	<b><u>(872)</u></b>

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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 December 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>29,000</u>	<u>(24,735)</u>	<u>-</u>	<u>4,265</u>	

Note:

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

**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:

	<b>(Unaudited)</b> <b>As at</b> <b>31.12.2019</b> <b>RM'000</b>	<b>(Audited)</b> <b>As at</b> <b>31.12.2018</b> <b>RM'000</b>
<b>Non-current:</b>		
Hire purchase payables	-	711
Term loans	17,396	16,861
	<u>17,396</u>	<u>17,572</u>
<b>Current:</b>		
Trade bills	2,499	4,778
Hire purchase payables	-	344
Term loans	4,209	3,002
	<u>6,708</u>	<u>8,124</u>
<b>Total borrowings</b>	<b><u>24,104</u></b>	<b><u>25,696</u></b>

All the above borrowings are denominated in Ringgit Malaysia.

**B9 Derivatives**

There are no outstanding derivatives as at 31 December 2019 and 2018.

**B10 Fair Value Changes of Financial Liabilities**

The Group does not have any financial assets or liabilities that are measured at fair value for the current financial quarter ended 31 December 2019.

**B11 Material Litigation**

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2019

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

**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) 31.12.2019	(Unaudited) 31.12.2018	(Unaudited) 31.12.2019	(Audited) 31.12.2018
Profit after tax attributable to owners of the Company (RM'000)	1,011	6,109	7,941	12,477
Weighted average number of ordinary shares in issue ('000)	500,000	500,000	500,000	482,466
<b>Basic earnings per share (sen)</b>	0.20	1.22	1.59	2.59
Profit after tax attributable to owners of the Company (RM'000)	1,011	6,109	7,941	12,477
Weighted average number of ordinary shares in issue ('000)	500,000	500,000	500,225	482,466
<b>Diluted earnings per share (sen)</b>	0.20 <sup>(1)</sup>	N/A	1.59	N/A

Note:

- (1) There is no dilutive effect of the potential ordinary shares convertible from warrants issued for current financial quarter ended 31 December 2019 since the exercise price is above the average market value of the Company's shares.

N/A – Not applicable

**B13 Notes to the Statement of Comprehensive Income**

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

	(Unaudited) Current Year Quarter 31.12.2019 RM'000	(Unaudited) Current Year To Date 31.12.2019 RM'000
Interest income	(10)	(47)
Gain on disposal of property, plant and equipment	-	(25)
Depreciation	869	3,403
Interest expenses	188	1,047
Loss/(Gain) on foreign exchange	93	(594)
Property, plant and equipment written off	11	11

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

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

**B14 Proposed Dividends**

The Board of Directors have proposed a final single-tier dividend of 0.50 sen per ordinary share in respect of the current financial year ended 31 December 2019. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

**BY ORDER OF THE BOARD**

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

**JOHOR  
27 February 2020**