

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
	Current Year Quarter 31.03.2020	Preceding Year Corresponding Quarter 31.03.2019	Current Year To Date 31.03.2020	Preceding Corresponding Year To Date 31.03.2019	
Notes	RM'000	RM'000	RM'000	RM'000	
Revenue	21,865	22,511	21,865	22,511	
Operating expenses	(22,005)	(20,636)	(22,005)	(20,636)	
Other income	912	86	912	86	
Finance costs	(287)	(294)	(287)	(294)	
Profit before tax	485	1,667	485	1,667	
Income tax expense	(40)	(40)	(40)	(40)	
Profit after tax	445	1,627	445	1,627	
Other comprehensive income	-	-	-	-	
Total comprehensive income	445	1,627	445	1,627	
Profit after tax attributable to:					
- Owners of the Company	445	1,627	445	1,627	
- Non-controlling interest	-	-	-	-	
	445	1,627	445	1,627	
Total comprehensive income attributable to:					
- Owners of the Company	445	1,627	445	1,627	
- Non-controlling interest	-	-	-	-	
	445	1,627	445	1,627	
Attributable to equity holders of the Company:					
- Basic earnings per share (sen)	B12	0.09	0.33	0.09	0.33
- Diluted earnings per share (sen)	B12	0.09 ⁽²⁾	0.32	0.09 ⁽²⁾	0.32

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 2019 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 March 2020 and financial period ended 31 March 2020 since the exercise price is above the average market value of the Company's shares.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	(Unaudited) As At 31.03.2020 RM'000	(Audited) As At 31.12.2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	73,605	72,525
Right-of-use assets	3,827	3,327
Prepaid lease	4,642	2,532
	<u>82,074</u>	<u>78,384</u>
CURRENT ASSETS		
Inventories	16,834	16,063
Trade and other receivables	7,346	7,667
Current tax assets	2,064	1,932
Cash and cash equivalents	16,493	15,382
	<u>42,737</u>	<u>41,044</u>
TOTAL ASSETS	<u>124,811</u>	<u>119,428</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	48,992	48,547
TOTAL EQUITY	<u>78,845</u>	<u>78,400</u>
NON-CURRENT LIABILITIES		
Bank borrowings	21,392	17,396
Lease liabilities	900	452
Deferred tax liabilities	860	860
	<u>23,152</u>	<u>18,708</u>
CURRENT LIABILITIES		
Trade and other payables	16,049	15,267
Bank borrowings	6,295	6,708
Lease liabilities	290	345
Derivative liabilities	180	-
	<u>22,814</u>	<u>22,320</u>
TOTAL LIABILITIES	<u>45,966</u>	<u>41,028</u>
TOTAL EQUITY AND LIABILITIES	<u>124,811</u>	<u>119,428</u>
Net assets per ordinary share (RM)	<u>0.16</u>	<u>0.16</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 2019 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	<u>Non-distributable</u>		<u>Distributable</u>	
	Share capital	Merger deficit	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000
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>
Unaudited				
Balance at 1 January 2020	51,953	(22,100)	48,547	78,400
Profit after tax and total comprehensive income for the financial period	-	-	445	445
Balance at 31 March 2020	<u>51,953</u>	<u>(22,100)</u>	<u>48,992</u>	<u>78,845</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 2019 and the accompanying explanatory notes attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	(Unaudited) Current Year To Date 31.03.2020 RM'000	(Unaudited) Preceding Corresponding Year To Date 31.03.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	485	1,667
Adjustments for:		
Depreciation	928	835
Dividend income	(31)	(88)
Fair value loss on derivatives	180	-
Fire loss on inventory work-in-progress	370	-
Loss/(Gain) on disposal of property, plant and equipment	1	(25)
Property, plant and equipment written off	154	-
Unrealised gain on foreign exchange	(130)	(81)
Interest expenses	284	287
Interest income	(16)	(16)
Operating profit before working capital changes	2,225	2,579
Inventories	(1,141)	109
Trade and other receivables	450	2,711
Trade and other payables	1,446	(3,851)
CASH FROM OPERATIONS	2,980	1,548
Interest paid	(284)	(287)
Interest received	16	16
Tax paid	(172)	(257)
NET CASH FROM OPERATING ACTIVITIES	2,540	1,020
CASH FLOWS FOR INVESTING ACTIVITIES		
Dividend received	31	88
Purchase of property, plant and equipment	(2,766)	(9,004)
Additions of right-of-use assets	(155)	-
Additions of prepaid lease	(2,110)	-
Proceeds from disposal of property, plant and equipment	2	25
NET CASH FOR INVESTING ACTIVITIES	(4,998)	(8,891)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net movements in trade bills	(788)	(836)
Drawdown of term loans	5,595	-
Repayment of term loans	(1,224)	(676)
Repayment of lease liabilities	(107)	(87)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	3,476	(1,599)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,018	(9,470)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	93	37
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	15,382	25,806
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	16,493	16,373
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:		
Short-term money market fund	3,586	6,768
Cash and bank balances	12,907	9,605
	16,493	16,373

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 2019 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 2020

**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 2019 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 2019, except for the adoption of the following during the current financial period:

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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 2020.

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.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

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

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

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) 31.03.2020 RM’000	(Unaudited) 31.03.2019 RM’000	(Unaudited) 31.03.2020 RM’000	(Unaudited) 31.03.2019 RM’000
Africa	197	390	197	390
Asia (excluding Malaysia)	5,737	7,430	5,737	7,430
Australasia	2,569	1,245	2,569	1,245
Europe	1,485	2,571	1,485	2,571
North America	11,332	9,618	11,332	9,618
South America	274	261	274	261
Malaysia	271	996	271	996
Total	21,865	22,511	21,865	22,511

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 March 2020 are as follows:

Contracted but not provided for	RM’000
Purchase of property, plant and equipment	1,170
Additions to prepaid lease	3,798

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

A12 Subsequent Event

On 13 January 2020, there was a minor fire incident which occurred at certain section in one of three factories located at Lot PTD 6967, Jalan Kempas 3, Kawasan Perindustrian Bakri, 84200 Muar, Johor owned by a wholly-owned subsidiary of the Company, Wegmans Furniture Industries Sdn. Bhd.. The incident affected one of the spraying lines and certain inventory work-in-progress.

The damages arising from the fire incident are approximately RM0.81 million had been recognised in profit or loss for the current financial quarter under review. The compensation for the losses arising from the fire has yet to be finalised with the insurance adjuster and the insurer.

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 FIRST (1ST) QUARTER ENDED 31 MARCH 2020

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

B1 Group Performance Review

The table below illustrates the performance for the current financial quarter and current financial period against preceding year corresponding quarter and preceding corresponding financial period:

	Individual Quarter (1 st quarter)				Cumulative Period (1 st quarter)			
	Current financial quarter ended 31 March 2020	Preceding year corresponding quarter ended 31 March 2019	Changes		Current financial period ended 31 March 2020	Preceding corresponding financial period ended 31 March 2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	21,865	22,511	(646)	(2.87)	21,865	22,511	(646)	(2.87)
Profit Before Tax	485	1,667	(1,182)	(70.91)	485	1,667	(1,182)	(70.91)

The Group's revenue for the current financial quarter ended 31 March 2020 has decreased by RM0.65 million or 2.87% to approximately RM21.87 million as compared to approximately RM22.51 million in the preceding year corresponding quarter ended 31 March 2019. The lower revenue was mainly affected by Covid-19 pandemic and coupled with the implementation of Movement Control Order ("MCO") from 18 March 2020. This invariably impacted the Group's operations for close to two weeks during the quarter under review as production operations and deliveries were significantly curtailed. We had rescheduled the original shipments during the MCO period to a later date, due to lockdown or shutdown of activities in the affected countries.

The Group registered a profit before tax of approximately RM0.49 million for the current financial quarter ended 31 March 2020 as compared to approximately RM1.67 million for the preceding year corresponding quarter ended 31 March 2019. The lower profit before tax was mainly due to the lower revenue and the fire damages of approximately RM0.81 million arising from the fire incident on January 2020 had been recognised in profit or loss for the current financial quarter under review.

B2 Comparison with Immediate Preceding Quarter Results

The Group's revenue for the current financial quarter ended 31 March 2020 has decreased by RM1.58 million or 6.73% to approximately RM21.87 million as compared to approximately RM23.44 million in the preceding financial quarter ended 31 December 2019. The lower revenue was mainly due to the Covid-19 pandemic and coupled with the implementation of the Movement Control Order ("MCO") from 18 March 2020. This invariably impacted the Group's operations for close to two weeks during the quarter under review as production operations and deliveries were significantly curtailed. We had rescheduled the original shipments during the MCO period to a later date, due to lockdown or shutdown of activities in the affected countries.

The Group registered a profit before tax of approximately RM0.49 million for the current financial quarter as compared to approximately RM1.99 million for the preceding financial quarter. The lower profit before tax was due to the lower revenue and the damages of approximately RM0.81 million arising from the fire incident on January 2020 had been recognised in profit or loss for the current financial quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

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 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.

Our Group believes that 2020 will be a challenging year, due to the uncertainty of the US monetary policy in the global economy, the slowdown of China's economic growth and the trade war between China and the US which have affected the global economic stability. On top of this, COVID-19 outbreak has evolved into a global pandemic, adversely affecting economies worldwide due to the widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of this virus.

In addition, the Group needs to adapt to the 2020 Malaysia movement control order ("MCO"), while also addressing the impact of the ongoing COVID-19 pandemic which may affect the Group's financial performance arising from the delay in the restoration of disrupted supply chains and shipments in respect of major raw materials and deliveries of orders. The extent to which the coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others. Nevertheless, we are fully confident in what the future holds. We will stay the course, remain steadfast in executing our efforts to strengthen our Group's long-term competitiveness and continuously create value for our shareholder.

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)	(Unaudited)	(Unaudited)	(Unaudited)
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense	40	40	40	40

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.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

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 31 March 2020 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 and 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	(4,265)	765	-	Within 2.5 years
(3) Estimated listing expenses	3,500	(2,735)	(1) (765)	-	Within 3 months
	<u>29,000</u>	<u>(29,000)</u>	<u>-</u>	<u>-</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 2020

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 31.03.2020 RM'000	(Unaudited) As at 31.03.2019 RM'000
Non-current:		
Lease liabilities	900	704
Term loans	21,392	16,170
	<u>22,292</u>	<u>16,874</u>
Current:		
Trade bills	1,711	3,942
Lease liabilities	290	364
Term loans	4,584	3,017
	<u>6,585</u>	<u>7,323</u>
Total borrowings	<u>28,877</u>	<u>24,197</u>

All the above borrowings are denominated in Ringgit Malaysia.

B9 Derivatives

Details of outstanding derivatives are as follows:

	(Unaudited) As at 31.03.2020		(Unaudited) As at 31.03.2019	
	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	<u>8,870</u>	<u>180</u>	<u>-</u>	<u>-</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 2020

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 loss arising from fair value changes of derivatives as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31.03.2020 RM'000	(Unaudited) 31.03.2019 RM'000	(Unaudited) 31.03.2020 RM'000	(Unaudited) 31.03.2019 RM'000
Fair value loss on derivatives ⁽¹⁾	180	-	180	-

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 2020.

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) 31.03.2020	(Unaudited) 31.03.2019	(Unaudited) 31.03.2020	(Unaudited) 31.03.2019
Profit after tax attributable to owners of the Company (RM'000)	445	1,627	445	1,627
Weighted average number of ordinary shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	0.09	0.33	0.09	0.33
Profit after tax attributable to owners of the Company (RM'000)	445	1,627	445	1,627
Weighted average number of ordinary shares in issue ('000)	500,000	508,819	500,000	508,819
Diluted earnings per share (sen)	0.09 ⁽¹⁾	0.32	0.09 ⁽¹⁾	0.32

Note:

(1) There is no dilutive effect of the potential ordinary shares convertible from warrants issued for current financial quarter ended 31 March 2020 and financial period ended 31 March 2020 since the exercise price is above the average market value of the Company's shares.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED
31 MARCH 2020

**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 31.03.2020 RM'000	(Unaudited) Current Year To Date 31.03.2020 RM'000
Interest income	(16)	(16)
Gain on foreign exchange	(850)	(850)
Depreciation	928	928
Fair value loss on derivatives	180	180
Fire damage on property, plant and equipment	285	285
Fire loss of inventory work-in-progress	370	370
Interest expenses	284	284
Loss on disposal of property, plant and equipment	1	1
Property, plant and equipment written off ⁽¹⁾	154	154

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

Note:

(1) This represents the property, plant and equipment written off due to fire damage.

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
24 June 2020**