

## INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2020

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Current Year Quarter 30.06.2020	Preceding Year Corresponding Quarter 30.06.2019	Current Year To Date 30.06.2020	Preceding Year To Date 30.06.2019
Notes	RM'000	RM'000	RM'000	RM'000
Revenue	14,101	19,559	35,966	42,070
Operating expenses	(15,436)	(16,564)	(37,198)	(37,165)
Other income	299	439	968	490
Finance costs	(263)	(278)	(550)	(572)
<b>(Loss)/Profit before tax</b>	<b>(1,299)</b>	<b>3,156</b>	<b>(814)</b>	<b>4,823</b>
Income tax expense	-	(140)	(40)	(180)
<b>(Loss)/Profit after tax</b>	<b>(1,299)</b>	<b>3,016</b>	<b>(854)</b>	<b>4,643</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive (expenses)/income</b>	<b>(1,299)</b>	<b>3,016</b>	<b>(854)</b>	<b>4,643</b>
<b>(Loss)/Profit after tax attributable to:</b>				
- Owners of the Company	(1,299)	3,016	(854)	4,643
- Non-controlling interest	-	-	-	-
	<b>(1,299)</b>	<b>3,016</b>	<b>(854)</b>	<b>4,643</b>
<b>Total comprehensive (expenses)/income attributable to:</b>				
- Owners of the Company	(1,299)	3,016	(854)	4,643
- Non-controlling interest	-	-	-	-
	<b>(1,299)</b>	<b>3,016</b>	<b>(854)</b>	<b>4,643</b>
Attributable to equity holders of the Company:				
- Basic (loss)/earnings per share (sen)	B11 (0.26)	0.60	(0.17)	0.93
- Diluted (loss)/earnings per share (sen)	B11 (0.26) <sup>(2)</sup>	0.60	(0.17) <sup>(2)</sup>	0.92

## 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 30 June 2020 and financial period ended 30 June 2020 since the exercise price is above the average market value of the Company's shares.

## INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2020

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

	(Unaudited) As At 30.06.2020 RM'000	(Audited) As At 31.12.2019 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	73,784	72,525
Right-of-use assets	3,710	3,327
Prepaid lease	4,642	2,532
	<u>82,136</u>	<u>78,384</u>
<b>CURRENT ASSETS</b>		
Inventories	21,351	16,063
Trade and other receivables	12,500	7,667
Current tax assets	2,070	1,932
Cash and cash equivalents	11,968	15,382
	<u>47,889</u>	<u>41,044</u>
<b>TOTAL ASSETS</b>	<b><u>130,025</u></b>	<b><u>119,428</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	47,693	48,547
<b>TOTAL EQUITY</b>	<b><u>77,546</u></b>	<b><u>78,400</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	21,698	17,396
Lease liabilities	841	452
Deferred tax liabilities	860	860
	<u>23,399</u>	<u>18,708</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	18,128	15,267
Bank borrowings	10,601	6,708
Lease liabilities	324	345
Derivative liabilities	27	-
	<u>29,080</u>	<u>22,320</u>
<b>TOTAL LIABILITIES</b>	<b><u>52,479</u></b>	<b><u>41,028</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>130,025</u></b>	<b><u>119,428</u></b>
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 SECOND (2ND) QUARTER ENDED 30 JUNE 2020

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>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	-	-	4,643	4,643
Contributions by and distributions to owners of the Company:				
- Dividend	-	-	(2,500)	(2,500)
Balance at 30 June 2019	<u>51,953</u>	<u>(22,100)</u>	<u>45,249</u>	<u>75,102</u>
<b>Unaudited</b>				
Balance at 1 January 2020	51,953	(22,100)	48,547	78,400
(Loss) after tax and total comprehensive (expenses) for the financial period	-	-	(854)	(854)
Balance at 30 June 2020	<u>51,953</u>	<u>(22,100)</u>	<u>47,693</u>	<u>77,546</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 SECOND (2ND) QUARTER ENDED 30 JUNE 2020

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

	(Unaudited) Current Year To Date 30.06.2020 RM'000	(Unaudited) Preceding Corresponding Year To Date 30.06.2019 RM'000
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(814)	4,823
Adjustments for:		
Depreciation	1,864	1,683
Dividend income	(59)	(144)
Fair value loss on derivatives	27	-
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 loss/(gain) on foreign exchange	197	(45)
Interest expenses	531	559
Interest income	(38)	(26)
Operating profit before working capital changes	2,233	6,825
Inventories	(5,658)	502
Trade and other receivables	(4,840)	2,183
Trade and other payables	3,578	(3,920)
<b>CASH (FOR)/FROM OPERATIONS</b>	(4,687)	5,590
Interest paid	(531)	(559)
Interest received	38	26
Tax paid	(178)	(638)
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	(5,358)	4,419
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Dividend received	59	144
Purchase of property, plant and equipment	(3,741)	(14,889)
Additions of right-of-use assets	(155)	-
Additions of prepaid lease	(2,110)	-
Proceeds from disposal of property, plant and equipment	2	25
<b>NET CASH FOR INVESTING ACTIVITIES</b>	(5,945)	(14,720)
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Net movements in trade bills	4,608	(2,170)
Drawdown of term loans	5,595	-
Repayment of term loans	(2,008)	(1,480)
Repayment of lease liabilities	(132)	(176)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	8,063	(3,826)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,240)	(14,127)
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	(174)	56
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	15,382	25,806
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>11,968</b>	<b>11,735</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING:</b>		
Short-term money market fund	3,611	4,424
Cash and bank balances	8,357	7,311
	<b>11,968</b>	<b>11,735</b>

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.

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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 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:

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
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 (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.

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 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.

A final single tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2019 was approved by the shareholders at the annual general meeting on 29 July 2020. The dividend was subsequently paid on 28 August 2020 to depositors registered in the Record of Depositors of the Company at the close of business on 14 August 2020.

**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) 30.06.2020 RM'000	(Unaudited) 30.06.2019 RM'000	(Unaudited) 30.06.2020 RM'000	(Unaudited) 30.06.2019 RM'000
Africa	-	537	197	927
Asia (excluding Malaysia)	2,201	5,472	7,938	12,909
Australasia	947	1,423	3,516	2,668
Europe	1,036	2,818	2,521	5,323
North America	8,522	7,944	19,854	17,621
South America	279	402	553	663
Malaysia	1,116	963	1,387	1,959
<b>Total</b>	<b>14,101</b>	<b>19,559</b>	<b>35,966</b>	<b>42,070</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 June 2020 are as follows:

Contracted but not provided for	RM'000
Purchase of property, plant and equipment	8,051
Additions to prepaid lease	3,798

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

**A12 Material Subsequent Events**

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.(“WFI”). 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, which had been recognised in profit or loss for the financial quarter ended 31 March 2020.

On 10 July 2020, the insurer had made a payment of RM0.85 million to WFI, being the full and final settlement of the fire incident claim.

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 SECOND (2ND) QUARTER ENDED 30 JUNE 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 (2 <sup>nd</sup> quarter)				Cumulative Quarter (1 <sup>st</sup> to 2 <sup>nd</sup> quarter)			
	Current financial quarter ended 30.06.2020	Preceding year corresponding quarter ended 30.06.2019	Changes		Current financial period ended 30.06.2020	Preceding corresponding financial period ended 30.06.2019	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	14,101	19,559	(5,458)	(27.91)	35,966	42,070	(6,104)	(14.51)
(Loss)/Profit Before Tax	(1,299)	3,156	(4,455)	(141.16)	(814)	4,823	(5,637)	(116.88)

The Group's revenue for the current financial quarter ended 30 June 2020 has decreased by RM5.46 million or 27.91% to approximately RM14.10 million as compared to approximately RM19.56 million in the preceding year corresponding quarter ended 30 June 2019.

For the financial period ended 30 June 2020, the Group's revenue has decreased by RM6.10 million or 14.51% to approximately RM35.97 million as compared to approximately RM42.07 million in the preceding corresponding financial period ended 30 June 2019.

The lower revenue was mainly due to the implementation of Movement Control Order ("MCO") by the Malaysian Government from 18 March 2020 and the COVID-19 pandemic. The imposition of the MCO had impacted the Group's operations during the quarter under review as production operations and deliveries were significantly curtailed. We also had to reschedule the original shipments during the MCO period to a later date, due to lockdown or shutdown of activities in the affected countries.

Under the MCO, all government and private premises except those involved in providing essential services were closed until 3 May 2020. Although the Group's operations were listed as nonessential services, our operations were not fully suspended as we had obtained approval from Malaysian Timber Industry Board, whereby 50% of the workforce were allowed to resume work on 27 March 2020 subject to standard operating procedures ("SOP") imposed by the government of Malaysia. Subsequently, with the commencement of conditional MCO on 4 May 2020, 100% of the workforce were allowed to work with the condition of following strictly the SOP.

The Group registered a loss before tax of approximately RM1.30 million for the current financial quarter ended 30 June 2020 as compared to profit before tax of approximately RM3.16 million for the preceding year corresponding quarter ended 30 June 2019.

For the current financial period ended 30 June 2020, the Group registered a loss before tax of approximately RM0.81 million as compared to profit before tax of approximately RM4.82 million for the preceding corresponding financial period ended 30 June 2019.

The loss before tax was mainly due to lower revenue arising from the temporary disruption of our operations as a result of the imposition of the MCO to control the COVID-19 pandemic. The temporary interruptions to our production operations had then resulted in higher fixed costs and labour costs as optimum production capacity could not be achieved.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2020**

**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 30 June 2020 has decreased by RM7.76 million or 35.51% to approximately RM14.10 million as compared to approximately RM21.87 million in the preceding financial quarter ended 31 March 2020. The lower revenue was mainly due to the implementation of MCO from 18 March 2020 and the COVID-19 pandemic.

The Group registered a loss before tax of approximately RM1.30 million for the current financial quarter as compared to profit before tax of approximately RM0.49 million for the preceding financial quarter. The loss before tax was mainly due to the lower revenue.

**B3 Prospects for the Current Financial Year**

The Group is principally involved in the design, manufacture and sale of home furniture products, where it operates in 4 principal geographical areas (i.e. Asia, North and South America, Australasia and Europe). The furniture industries the Group operates in are highly sensitive to macroeconomic factors particularly the general economy and uncertainties surrounding the future economic prospects of the countries it exports to.

In view of the weak market sentiments following the outbreak of COVID-19, the Group will endeavour to increase its product range and designs in addition to identifying export markets which will face a greater economic recovery rate from COVID-19. This will help the Group to expand and diversify its customer base in order to enhance its resilience to face any future crisis.

The Group believes that 2020 will be a challenging year. However, the Group has identified a window of opportunity where we can capitalise on. Our target export market is North America especially the United States of America where the demand remains healthy despite the pandemic.

In addition, the Board will continue to monitor the status and progress of COVID-19 and will regularly review the performance and progress of the Group's operations and financial performance as well as introduce measures to minimise its operating costs, if required. The Board expects that the Group's prospects for the financial year ending 31 December 2020 to be challenging but 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) 30.06.2020 RM'000	(Unaudited) 30.06.2019 RM'000	(Unaudited) 30.06.2020 RM'000	(Unaudited) 30.06.2019 RM'000
Current tax expense	-	140	40	180

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2020

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

**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:

- (a) 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; and
- (b) On 21 August 2020, the Company had announced that the Company proposes to undertake a bonus issue of up to 156,250,000 free warrants in the Company ("Warrant B") on the basis of one (1) free warrant for every four (4) existing ordinary shares in the Company held on an entitlement date to be determined and announced later.

**B7 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 30.06.2020 RM'000	(Unaudited) As at 30.06.2019 RM'000
<b>Non-current:</b>		
Lease liabilities	841	610
Term loans	21,698	15,332
	<u>22,539</u>	<u>15,942</u>
<b>Current:</b>		
Trade bills	7,107	2,608
Lease liabilities	324	369
Term loans	3,494	3,051
	<u>10,925</u>	<u>6,028</u>
<b>Total borrowings</b>	<u><b>33,464</b></u>	<u><b>21,970</b></u>

All the above borrowings are denominated in Ringgit Malaysia.

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2020

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

**B8 Derivatives liabilities**

Details of outstanding derivatives are as follows:

	(Unaudited) As at 30.06.2020		(Unaudited) As at 30.06.2019	
	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	2,114	27	-	-

The Group uses forward currency contracts to manage some of its transaction exposures. 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.

**B9 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) 30.06.2020 RM'000	(Unaudited) 30.06.2019 RM'000	(Unaudited) 30.06.2020 RM'000	(Unaudited) 30.06.2019 RM'000
Fair value (gain)/loss on derivatives <sup>(1)</sup>	(153)	-	27	-

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 June 2020.

**B10 Material Litigation**

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

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2020

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

## B11 (Loss)/Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 30.06.2020	(Unaudited) 30.06.2019	(Unaudited) 30.06.2020	(Unaudited) 30.06.2019
(Loss)/Profit after tax attributable to owners of the Company (RM'000)	(1,299)	3,016	(854)	4,643
Weighted average number of ordinary shares in issue ('000)	500,000	500,000	500,000	500,000
<b>Basic (loss)/earnings per share (sen)</b>	(0.26)	0.60	(0.17)	0.93
(Loss)/Profit after tax attributable to owners of the Company (RM'000)	(1,299)	3,016	(854)	4,643
Weighted average number of ordinary shares for diluted (loss)/earnings per ordinary share computation ('000)	500,000	504,808	500,000	506,867
<b>Diluted (loss)/earnings per share (sen)</b>	(0.26) <sup>(1)</sup>	0.60	(0.17) <sup>(1)</sup>	0.92

Note:

- (1) There is no dilutive effect of the potential ordinary shares convertible from warrants issued for current financial quarter ended 30 June 2020 and financial period ended 30 June 2020 since the exercise price is above the average market value of the Company's shares.

## B12 Notes to the Statement of Comprehensive Income

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

	(Unaudited) Current Year Quarter 30.06.2020 RM'000	(Unaudited) Current Year To Date 30.06.2020 RM'000
Interest income	(22)	(38)
Loss/(Gain) on foreign exchange	90	(760)
Depreciation	936	1,864
Fair value (gain)/loss on derivatives	(153)	27
Fire damage on property, plant and equipment	(4)	281
Fire loss on inventory work-in-progress	-	370
Interest expenses	247	531
Loss on disposal of property, plant and equipment	-	1
Property, plant and equipment written off <sup>(1)</sup>	-	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.

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

**B13 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  
28 August 2020**