



**GREATECH TECHNOLOGY BERHAD**  
(Company No. 201801008633 (1270647-H))  
(Incorporated in Malaysia under the Companies Act 2016)

**INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED  
31 MARCH 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31 MARCH 2021 <sup>(1)</sup>**

	<b>Unaudited as at 31/03/2021 RM'000</b>	<b>Audited as at 31/12/2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,157	64,541
Right-of-use assets	33,134	29,826
	<u>98,291</u>	<u>94,367</u>
<b>Current assets</b>		
Inventories	6,983	11,671
Trade and other receivables	133,543	41,459
Contract assets	8,026	20,590
Derivative assets	-	4
Current tax assets	1,181	1,120
Short term funds	266,157	212,960
Cash and bank balances	53,181	72,570
	<u>469,071</u>	<u>360,374</u>
<b>TOTAL ASSETS</b>	<b><u>567,362</u></b>	<b><u>454,741</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	111,951	111,951
Reserves	221,411	174,795
<b>TOTAL EQUITY</b>	<u>333,362</u>	<u>286,746</u>
<b>Non-current liabilities</b>		
Borrowings	16,839	17,202
Lease liabilities	3,885	615
Deferred tax liabilities	6,002	6,002
Government grant	492	526
	<u>27,218</u>	<u>24,345</u>
<b>Current liabilities</b>		
Trade and other payables	53,036	40,166
Contract liabilities	113,485	58,349
Provision for warranties	37,221	42,447
Derivative liabilities	115	-
Borrowings	1,430	1,416
Lease liabilities	1,362	1,139
Government grant	133	133
	<u>206,782</u>	<u>143,650</u>
<b>TOTAL LIABILITIES</b>	<u>234,000</u>	<u>167,995</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>567,362</u></b>	<b><u>454,741</u></b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31 MARCH 2021 <sup>(1)</sup>**

	<b>Unaudited as at 31/03/2021</b>	<b>Audited as at 31/12/2020</b>
Number of ordinary shares in issue ('000)	1,252,000	1,252,000
Net assets per share attributable to owners of the parent (RM)	0.27	0.23

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2021 <sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	95,142	52,738	95,142	52,738
Cost of sales	(45,759)	(31,813)	(45,759)	(31,813)
<b>Gross profit</b>	<b>49,383</b>	<b>20,925</b>	<b>49,383</b>	<b>20,925</b>
Other income	8,199	4,929	8,199	4,929
Administrative and marketing expenses	(10,332)	(6,822)	(10,332)	(6,822)
Finance cost	(237)	(231)	(237)	(231)
<b>Profit before tax</b>	<b>47,013</b>	<b>18,801</b>	<b>47,013</b>	<b>18,801</b>
Tax expense	(354)	(314)	(354)	(314)
<b>Profit for the financial period</b>	<b>46,659</b>	<b>18,487</b>	<b>46,659</b>	<b>18,487</b>
<b>Other comprehensive income</b>				
<b>Item that may be reclassified subsequently to profit or loss</b>				
Foreign currency translations	(43)	(7)	(43)	(7)
<b>Total comprehensive income for the financial period attributable to owners of the parent</b>	<b>46,616</b>	<b>18,480</b>	<b>46,616</b>	<b>18,480</b>
<b>Earnings per ordinary share attributable to owners of the parent (sen)</b>				
- Basic <sup>(2)</sup>	3.73	1.48	3.73	1.48
- Diluted <sup>(2)</sup>	3.73	1.48	3.73	1.48

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

(2) Based on weighted average number of ordinary shares in issue during the financial period under review.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2021 <sup>(1)</sup>**

	----- Attributable to Owners of the Parent -----					Total equity RM'000
	----- Non-distributable -----			Distributable		
	<b>Share capital</b>	<b>Exchange translation reserve</b>	<b>Reorganisation debit reserve</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	111,951	3	(39,500)	8,604	205,688	286,746
Profit for the financial period	-	-	-	-	46,659	46,659
Foreign currency translations	-	(43)	-	-	-	(43)
Other comprehensive income, net of tax	-	(43)	-	-	-	(43)
Total comprehensive income	-	(43)	-	-	46,659	46,616
Realisation of revaluation surplus	-	-	-	(58)	58	-
Balance as at 31 March 2021	<u>111,951</u>	<u>(40)</u>	<u>(39,500)</u>	<u>8,546</u>	<u>252,405</u>	<u>333,362</u>
Balance as at 1 January 2020	111,951	7	(39,500)	5,464	117,668	195,590
Profit for the financial period	-	-	-	-	18,487	18,487
Foreign currency translations	-	(7)	-	-	-	(7)
Other comprehensive income, net of tax	-	(7)	-	-	-	(7)
Total comprehensive income	-	(7)	-	-	18,487	18,480
Realisation of revaluation surplus	-	-	-	(43)	43	-
Balance as at 31 March 2020	<u>111,951</u>	<u>-</u>	<u>(39,500)</u>	<u>5,421</u>	<u>136,198</u>	<u>214,070</u>

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

**GREATECH TECHNOLOGY BERHAD****(Company No. 201801008633 (1270647-H))**

(Incorporated in Malaysia under the Companies Act 2016)

Interim Financial Report For The First Quarter Ended 31 March 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021 <sup>(1)</sup>**

	<b>3 months ended</b>	
	<b>31/03/2021</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	47,013	18,801
Adjustments for:		
Amortisation of government grant	(34)	(34)
Depreciation of:		
- property, plant and equipment	1,095	875
- right-of-use assets	573	478
Fair value adjustment on derivative assets/liabilities	119	253
Gain on lease modification	(2)	-
Impairment losses on:		
- contract assets	47	732
- trade receivables	621	159
Interest expense	237	231
Interest income	(137)	(211)
Loss on disposal of property, plant and equipment	58	-
Provision for warranties	3,862	3,498
Reversal of:		
- impairment losses on contract assets	(332)	-
- impairment losses on trade receivables	(527)	(180)
- unused provision for warranties	(9,088)	(603)
Unrealised gain on foreign exchange	(4,489)	(530)
	<hr/>	<hr/>
Operating profit before changes in working capital	39,016	23,469
Decrease/(Increase) in inventories	4,688	(15,983)
(Increase)/Decrease in trade and other receivables	(89,640)	4,692
Decrease/(Increase) in contract assets	12,849	(1,537)
Increase in trade and other payables	12,690	18,523
Increase/(Decrease) in contract liabilities	55,136	(11,795)
	<hr/>	<hr/>
Cash generated from operations	34,739	17,369
Interest paid	(219)	(195)
Interest received	137	211
Tax paid	(181)	(218)
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Net cash from operating activities	34,476	17,167

**GREATECH TECHNOLOGY BERHAD****(Company No. 201801008633 (1270647-H))**

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Interim Financial Report For The First Quarter Ended 31 March 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021 <sup>(1)</sup>**

	<b>3 months ended</b>	
	<b>31/03/2021</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	161	-
Purchase of:		
- property, plant and equipment	(1,930)	(426)
- right-of-use assets	(36)	(7)
Net changes in deposits pledged with licensed banks	-	(22)
Net changes in deposits with licensed bank (more than three months)	(5,011)	-
	<u>(6,816)</u>	<u>(455)</u>
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from term loans	-	490
Repayments of:		
- lease liabilities	(368)	(357)
- term loans	(349)	(156)
Net cash used in financing activities	<u>(717)</u>	<u>(23)</u>
Net changes in cash and cash equivalents	26,943	16,689
<b>Effects of exchange rate changes on cash and cash equivalents</b>	1,854	456
<b>Cash and cash equivalents at beginning of financial period</b>	<u>284,023</u>	<u>215,109</u>
<b>Cash and cash equivalents at end of financial period</b>	<u><u>312,820</u></u>	<u><u>232,254</u></u>
<b>Cash and cash equivalents comprise the following at end of financial period:</b>		
Cash and bank balances	46,663	53,393
Deposits pledged with licensed banks	-	2,961
Deposits with licensed bank (more than three months)	6,518	-
Short term funds	266,157	178,746
	<u>319,338</u>	<u>235,100</u>
Less: Deposits pledged to licensed banks	-	(2,846)
Deposits with licensed bank (more than three months)	(6,518)	-
	<u><u>312,820</u></u>	<u><u>232,254</u></u>

**GREATECH TECHNOLOGY BERHAD****(Company No. 201801008633 (1270647-H))**

(Incorporated in Malaysia under the Companies Act 2016)

Interim Financial Report For The First Quarter Ended 31 March 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021 <sup>(1)</sup>*****RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES***

	<b>Lease liabilities RM'000</b>	<b>Term loans RM'000</b>
Balance as at 1 January 2021	1,754	18,618
Cash flows	(368)	(349)
Non-cash flows		
- addition of lease liabilities	3,896	-
- effects of lease modification	(53)	-
- unwinding of interest	18	-
Balance as at 31 March 2021	5,247	18,269

	<b>Lease liabilities RM'000</b>	<b>Term loans RM'000</b>
Balance as at 1 January 2020	3,517	19,129
Cash flows	(357)	334
Non-cash flows		
- unwinding of interest	36	-
Balance as at 31 March 2020	3,196	19,463

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**Part A - Explanatory Notes Pursuant To MFRS 134, Interim Financial Reporting**

**A1. Basis of Preparation**

The interim financial report of Greatech Technology Berhad (“**Company**” or “**Greatech**”) and its subsidiaries (collectively known as “**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRSs**”) 134 *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

**A2. Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited financial statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

**a) New and revised MFRSs, Amendments to MFRSs and IC interpretations adopted during the financial year**

<b>Title</b>	<b>Effective date</b>
Amendments to MFRSs 4, 7, 9, 16 and 139 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to MFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

**b) New and revised MFRSs, Amendments to MFRSs and IC interpretations, but only effective for annual periods beginning on or after 1 January 2022**

The following are standards of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group:

<b>Title</b>	<b>Effective date</b>
<i>Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018–2020”</i>	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

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### **A3. Audit Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2020.

### **A4. Seasonal or Cyclical Factors**

The Group did not experience any material seasonality or cyclicity in the business as the demand for the products and services are neither subject to seasonal fluctuations nor cyclical variations.

### **A5. Material Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

### **A6. Material Changes in Estimates**

There were no changes in estimates that have a material effect 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 for the current financial quarter under review.

### **A8. Dividend Paid**

There was no dividend paid during the current financial quarter under review.

### **A9. Segmental Reporting**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the sale of automated equipment together with provision of parts and services.

No provision of parts and services segment information is presented as the Chief Executive Officer ("CEO") views the Group as a single reportable segment.

### **A10. Valuations of Property, Plant and Equipment and Right-Of-Use Assets**

The valuations of buildings and leasehold land classified under Property, Plant and Equipment and Right-Of-Use Assets respectively is performed by an independent professional valuer using the open market value basis on 31 December 2020.

### **A11. Material Events Subsequent to the end of the Interim Financial Period**

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

### **A12. Changes in Group's Composition**

There were no changes in the composition of the Group during the current financial quarter under review.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**A13. Contingent Assets and Contingent Liabilities**

There were no material contingent assets or contingent liabilities to be disclosed as at the date of this interim financial report.

**A14. Capital Commitments**

Save as disclosed below, as at 31 March 2021, the Group does not have any material capital commitments:

<b>Property, Plant and Equipment</b>	<b>RM'000</b>
- Approved and contracted for	<u>47,670</u>

Capital commitments of the Group relate to the land and construction of new operational facility at Batu Kawan Industrial Park, furniture and fittings, plant and machinery, tools and equipment, computer systems, renovation and motor vehicle.

**A15. Significant Related Party Transactions**

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

**A16. Fair Value of Financial Liabilities**

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial quarter under review.

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## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

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### **Part B - Additional Information Required by the Main Market Listing Requirements of Bursa Securities**

#### **B1. Review of Group's Performance**

##### **Comparison with prior year corresponding quarter results**

The Group's revenue of RM95.14 million for the current financial quarter were 80.41% or RM42.40 million higher than that of prior year corresponding quarter. The increase was mainly attributable to the higher revenue recognised for production line systems ("PLS") in the electric vehicle energy storage ("EV energy storage") industry. Production of equipment for the EV energy storage is currently active and there has been a few equipment which have been successfully delivered to the customers. During this quarter, the Group has recorded an overall increase in the revenue recorded from PLS, single automated equipment ("SAE") and provision of parts and services.

The Group has recorded a higher gross profit ("GP") of RM49.38 million and higher gross profit margin ("GP margin") of 51.90% as compared to RM20.93 million and 39.68% respectively in the prior year corresponding quarter. The increase was mainly due to the increased reversal of unused provision for warranties of RM8.49 million made in the prior years as well as the favourable gross margin mix benefits realised from engineering design works. Excluding the effects of net reversal of unused provision for warranties of RM5.23 million and net provision for warranties of RM2.90 million, the normalised GP margin would be 46.41% and 45.17% for this quarter and prior year corresponding quarter respectively.

The Group's profit before tax ("PBT") for the current financial quarter was RM47.01 million or 49.41% of revenue, an increase of RM28.21 million or 150.06% as compared to the prior year corresponding quarter. The increase in PBT was driven primarily by the increase in GP of RM28.46 million, higher other income of RM3.27 million, offset by increase in administrative and marketing expenses of RM3.51 million. Other income has increased significantly due to the increase in unrealised foreign exchange gain of RM3.96 million recorded as a result of favourable impact of currency translation, partially offset by lower dividend income from investments in short term fund and lower interest income from deposits with banks amounted to RM0.82 million in total due to the Overnight Policy Rate ("OPR") cuts by Bank Negara. The increase in administrative and marketing expenses of RM3.51 million was mainly attributable from the increased employee benefits and compensation expenses of RM3.20 million, which is due to the increase in number of employees in Research and Development division, local operations and abroad namely North America.

#### **B2. Comparison with Immediate Preceding Quarter's Results**

The Group's revenue for the current financial quarter ended 31 March 2021 increased by RM18.80 million or 24.62% to RM95.14 million as compared to RM76.35 million in the preceding financial quarter ended 31 December 2020. This was mainly attributable to the revenue contribution for PLS from the EV energy storage industry. Furthermore, the Group's revenue from SAE has also increased this quarter mainly attributable from the EV energy storage and semiconductor industry.

On top of the higher GP recorded, the PBT of the Group for the current financial quarter was significantly higher by RM17.08 million or 57.06% due to an increase of RM6.03 million or 277.14% in other income, which was partially offset by the increase of RM2.40 million, or 30.21% in administrative and marketing expense.

The increase in other income was mainly due to the increased in unrealised gain recorded for foreign exchange translation differences amounting to RM4.49 million as a result of strengthening USD against MYR at end of this quarter, the reversal of impairment loss on contract assets and trade receivables provided in the preceding quarter amounting to RM0.33 million and RM0.53 million respectively. Included in the immediate preceding quarter's administrative and marketing expenses was a reversal of provisions for employees' incentive expenses that led to a lower net expenses as compared to this quarter. Excluding this reversal, the administrative and marketing expenses of this quarter was in fact lower mainly due to lower employees benefit recorded.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

### **B3. Commentary on Prospects**

Despite the unpredictable and challenging macroeconomic environment influenced by COVID-19, the Group made a strong beginning in financial year 2021.

The Group has been encouraged by the new order which has been secured by its wholly owned foreign subsidiary in United States of America (“USA”) from electrified vehicle customer for energy storage recently, demonstrating healthy demand for our automated equipment, ranging from SAE up to PLS.

The commitment from USA government and other global policy makers to support decarbonisation of environment will be rapidly driving the investment in renewable electricity generation, development of battery technology and the use of electric vehicles across the industry and consumer markets. The positive market outlook has always been a driving force for the Group’s strategy. As a Group that develops and supplies automation equipment, this is a significant opportunity for the Group’s business and the Group is well placed to benefit from these market dynamics.

Although the current business environment remains uncertain during the worldwide economy recovery stage, the Group saw customers’ interest in automated equipment and some business in geographic regions continues to be strong during the first quarter of 2021. The Group remain optimistic about year 2021 and will continue to prioritise the health and wellbeing of our employees, recruit more skilled workers and actively managing our supply chain and market presence perspective.

As of 9 April 2021, the Group’s order book stood at RM293.00 million, which is expected to last until first half of 2022.

### **B4. Profit Forecast**

The Group did not issue any profit forecast during the financial quarter under review.

### **B5. Status of Corporate Proposals**

There were no corporate proposals announced but not completed for the current financial quarter under review.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**B6. Tax Expense**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current tax	(120)	(209)	(120)	(209)
- Deferred tax	-	-	-	-
Withholding tax expense	(234)	(105)	(234)	(105)
	<u>(354)</u>	<u>(314)</u>	<u>(354)</u>	<u>(314)</u>
Effective tax rate	0.75%	1.67%	0.75%	1.67%

The overall effective tax rate for the financial period of the Group was lower than the statutory tax rate of 24% as the subsidiary, Greatech Integration (M) Sdn. Bhd., was granted pioneer status by Ministry of International Trade and Industry of Malaysia under the Promotion of Investments Act, 1986 on 29 March 2013, for a period of five (5) years up to 28 March 2018, which was subsequently extended for another five (5) years to 28 March 2023. As such, its statutory income during this period is exempted from income tax.

Withholding tax expense is related to foreign withholding tax liability from sales of production line systems and provision of engineering services to a customer in certain jurisdiction. Due to complexity of the tax law, significant judgement is required in evaluating the tax positions, including uncertainties. There is no assurance of refundability. Thus, the Group has decided to expense the withholding tax to the statement of profit or loss and other comprehensive income.

**B7. Use of Proceeds from the Initial Public Offering (“IPO”)**

The gross proceeds of RM73.05 million raised from the Public Issue and status of utilisation as at 31 March 2021 is disclosed in the following manner:

Purposes	Estimated time frame for utilisation upon Listing	Proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Business expansion and development, and marketing activities	Within 48 months	18,000	2,933	16%
Capital expenditure	Within 24 months	5,000	5,000	100%
R&D expenditure	Within 24 months	5,000	4,588	92%
Working capital	Within 30 months	36,548	36,548	100%
Repayment of bank borrowings	Within 3 months	4,500	4,500	100%
Estimated listing expenses	Immediately	4,000	4,000	100%
<b>Total</b>		<b>73,048</b>	<b>57,569</b>	<b>79%</b>

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 May 2019.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**B8. Borrowings and Debt Securities**

The details of the Group's borrowings are as follows:

	Unaudited	
	31/03/2021	31/03/2020
	RM'000	RM'000
<b>Secured:</b>		
<b>Current liabilities</b>		
Term loans	1,430	1,195
<b>Non-current liabilities</b>		
Term loans	16,839	18,268
<b>Total liabilities</b>		
Term loans	18,269	19,463

**B9. Derivative Liabilities**

The details of outstanding derivative instruments as at 31 March 2021 are as follow:

	Contract amount	Liability
	RM'000	RM'000
Forward Foreign Exchange Contracts:		
- Less than 1 year	8,605	115

The Group's derivative liabilities at the end of the current financial quarter comprise forward foreign exchange contracts which are used to manage the foreign currency exposures arising from the Group's receivables denominated in USD. The fair value of the forward foreign exchange contracts is based on the difference between the contracted forward rates and the mark-to-market rates.

**B10. Material Litigation**

As at the date of this interim financial report, there were no material litigations involving the Group.

**B11. Proposed Dividend**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**B12. Earnings Per Ordinary Share (“EPS”)**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Profit after tax attributable to owners of the parent (RM'000)	46,659	18,487	46,659	18,487
<b><u>Basic</u></b>				
Weighted average number of ordinary shares in issue ('000) <sup>(1)</sup>	1,252,000	1,252,000	1,252,000	1,252,000
Basic EPS (sen) <sup>(2)</sup>	3.73	1.48	3.73	1.48
<b><u>Diluted</u></b>				
Weighted average number of ordinary shares in issue ('000) <sup>(1)</sup>	1,252,000	1,252,000	1,252,000	1,252,000
Effect of dilution due to employee share option plan ('000)	153	-	153	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	1,252,153	1,252,000	1,252,153	1,252,000
Diluted EPS (sen) <sup>(3)</sup>	3.73	1.48	3.73	1.48

- (1) Includes the retrospective effect of bonus issue of 626,000,000 bonus shares listed on 11 January 2021. Excluding this, the basic and diluted EPS for the financial period ended 31 March 2020 was 2.95 sen.
- (2) Basic EPS for the financial period is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period.
- (3) Diluted EPS for the financial period is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**B13. Profit Before Tax**

Included in profit before tax for the financial period are the following income/(expense) items:

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
Amortisation of government grant	34	34	34	34
Depreciation of:				
- property, plant and equipment	(1,095)	(875)	(1,095)	(875)
- right-of-use assets	(573)	(478)	(573)	(478)
Fair value adjustment on derivative assets/liabilities	(119)	(253)	(119)	(253)
Gain on lease modification	2	-	2	-
Impairment losses on:				
- contract assets	(47)	(732)	(47)	(732)
- trade receivables	(621)	(159)	(621)	(159)
Interest expense	(237)	(231)	(237)	(231)
Interest income	137	211	137	211
Loss on disposal of property, plant and equipment	(58)	-	(58)	-
Provision for warranties	(3,862)	(3,498)	(3,862)	(3,498)
Realised gain on foreign exchange	1,698	2,368	1,698	2,368
Reversal of:				
- impairment losses on contract assets	332	-	332	-
- impairment losses on trade receivables	527	180	527	180
- unused provision for warranties	9,088	603	9,088	603
Unrealised gain on foreign exchange	4,489	530	4,489	530

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