

**TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019<sup>(1)</sup>**

|  | Note | Individual Quarter   |  | Cumulative Quarter   |  |
|--|------|--|--|--|--|
|  |      | Current Year<br>4th Quarter<br>01.10.2019 to<br>31.12.2019<br>RM'000 | Preceding year<br>Corresponding<br>Quarter<br>01.10.2018 to<br>31.12.2018 <sup>(2)</sup><br>RM'000 | Current Year<br>To-date<br>01.01.2019 to<br>31.12.2019<br>RM'000 | Preceding year<br>Corresponding<br>Period<br>01.01.2018 to<br>31.12.2018<br>RM'000 |
| Revenue  | A9   | 64,284   | N/A  | 238,179  | 260,545  |
| Cost of sales  |      | (63,047)   | N/A  | (224,558)  | (235,385)  |
| <b>Gross profit ("GP")</b>   |      | 1,237  | N/A  | 13,621   | 25,160   |
| Other operating income   |      | 498  | N/A  | 2,856  | 5,419  |
| Operating expenses   |      | (4,208)  | N/A  | (13,969)   | (13,052)   |
| Profit/(loss) from operation   |      | (2,473)  | N/A  | 2,508  | 17,527   |
| Finance costs  |      | (352)  | N/A  | (1,517)  | (2,889)  |
| Interest income  |      | 267  | N/A  | 501  | 191  |
| <b>Profit/(loss) before taxation ("PBT")</b>                                       | B12  | (2,558)  | N/A  | 1,492  | 14,829   |
| Tax expenses   | B6   | 437  | N/A  | (1,094)  | (3,548)  |
| <b>Profit/(loss) before taxation ("PAT")</b>                                       |      | (2,121)  | N/A  | 398  | 11,281   |
| <b>Profit/(loss) for the financial period attributable to:</b>                     |      |  |  |  |  |
| - Owners of the Company  |      | (2,121)  | N/A  | 398  | 11,281   |
| <b>Total Comprehensive income/(loss) for the financial period attributable to:</b> |      |  |  |  |  |
| - Owners of the Company  |      | (2,121)  | N/A  | 398  | 11,281   |
| <b>Earnings per share attributable to owners of the Company</b>                    |      |  |  |  |  |
| - Basic (sen) <sup>(3)</sup>   | B11  | (0.61)   | N/A  | 0.11   | 56.41  |
| - Diluted (sen) <sup>(4)</sup>   | B11  | (0.61)   | N/A  | 0.11   | 56.41  |

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 25 June 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities Listing Requirements"). There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Based on weighted average number of ordinary shares outstanding during the period under review.
- (4) Diluted earnings per share of the Company for the individual quarter ended 31 December 2019 and cumulative quarter is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

N/A – Not applicable

**TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019<sup>(1)</sup>**

|  | <b>UNAUDITED<br/>AS AT 31.12.2019<br/>RM'000</b> | <b>AUDITED<br/>AS AT 31.12.2018<br/>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>                                |  |  |
| Property, plant and equipment                            | 70,719   | 73,399   |
| <b>Total non-current assets</b>                          | <b>70,719</b>                                    | <b>73,399</b>                                  |
| <b>Current assets</b>                                    |  |  |
| Inventories  | 85,878   | 64,773   |
| Trade receivables  | 56,124   | 48,839   |
| Other receivables  | 1,844  | 1,137  |
| Current tax assets                                       | 747  | -  |
| Cash and bank balances                                   | 37,895   | 14,823   |
| <b>Total current assets</b>                              | <b>182,488</b>                                   | <b>129,572</b>                                 |
| <b>TOTAL ASSETS</b>                                      | <b>253,207</b>                                   | <b>202,971</b>                                 |
| <b>EQUITY AND LIABILITIES</b>                            |  |  |
| <b>Equity</b>  |  |  |
| Share Capital  | 179,242  | 20,000   |
| Retained earnings  | 113,838  | 115,289  |
| Merger reserve   | (124,831)  | -  |
| Reserves   | 19,841   | 20,494   |
| <b>Total Equity</b>                                      | <b>188,090</b>                                   | <b>155,783</b>                                 |
| <b>Liabilities</b>                                       |  |  |
| <b>Non-current liabilities</b>                           |  |  |
| Borrowings   | -  | 61   |
| Lease liability  | 5  | -  |
| Deferred tax liabilities                                 | 10,475   | 10,167   |
| <b>Total non-current liabilities</b>                     | <b>10,480</b>                                    | <b>10,228</b>                                  |
| <b>Current liabilities</b>                               |  |  |
| Trade payables   | 14,337   | 13,887   |
| Other payables   | 3,924  | 4,178  |
| Derivate liabilities                                     | 77   | 126  |
| Borrowings   | 36,125   | 18,151   |
| Current tax liabilities                                  | -  | 618  |
| Lease liabilities  | 174  | -  |
| <b>Total current liabilities</b>                         | <b>54,637</b>                                    | <b>36,960</b>                                  |
| <b>TOTAL LIABILITIES</b>                                 | <b>65,117</b>                                    | <b>47,188</b>                                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>253,207</b>                                   | <b>202,971</b>                                 |
| <b>Weighted Average number of ordinary shares ('000)</b> | 348,991  | 20,000   |
| <b>NET ASSETS PER SHARE (RM)<sup>(2)</sup></b>           | 0.54   | 7.79   |

**TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019<sup>(1)</sup>**

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**Notes:**

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 25 June 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on weighted average number of ordinary shares outstanding during the period under review.

**TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019<sup>(1)</sup>**

|   | Attributable to owners of the parent                                      |   |  |  | Total<br><u>Equity</u><br>RM'000 |
|---|---|---|--|--|----------------------------------|
|   | ----- Non-distributable -----<br><u>Share</u><br><u>Capital</u><br>RM'000 | <u>Merger</u><br><u>Reserve</u><br>RM'000 | <u>Revaluation</u><br><u>Reserve</u><br>RM'000 | <u>Distributable</u><br><u>Retained</u><br><u>Earnings</u><br>RM'000 |                                  |
| <b>As at 1.1.2019</b>   | <b>20,000</b>   | -   | <b>20,494</b>                                  | <b>115,289</b>   | <b>155,783</b>                   |
| Adjustments on initial application<br>MFRS16  | -   | -   | -  | (2)  | (2)                              |
| <b>As at 1.1.2019 (Restatement)</b>   | <b>20,000</b>   | -   | <b>20,494</b>                                  | <b>115,287</b>   | <b>155,781</b>                   |
| Profit for the financial year,<br>representing total comprehensive<br>income for the financial year | -   | -   | -  | 398  | <b>398</b>                       |
| Transfer due to crystallisation of<br>revaluation reserves  | -   | -   | (653)  | 653  | -                                |
| <b>Transactions with owners</b>   |   |   |  |  |                                  |
| Dividends paid  | -   | -   | -  | (2,500)  | <b>(2,500)</b>                   |
| Issuance of shares by the Company:-   |   |   |  |  |                                  |
| - Pursant to acquisition of Tashin<br>Steel Sdn Bhd   | 144,831   | -   | -  | -  | <b>144,831</b>                   |
| - Public issue on 1.8.2019  | 34,411  | -   | -  | -  | <b>34,411</b>                    |
| Adjustment on the acquisition of<br>Tashin Steel Sdn Bhd  | (20,000)  | (124,831)                                 | -  | -  | <b>(144,831)</b>                 |
| <b>As at 31 December 2019</b>   | <b>179,242</b>  | <b>(124,831)</b>                          | <b>19,841</b>                                  | <b>113,838</b>   | <b>188,090</b>                   |

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 25 June 2019 and the accompanying explanatory notes attached to this interim financial report.

**TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2019<sup>(1)</sup>**

|   | <b>31.12.2019</b> | <b>31.12.2018</b> |
|---|-------------------|-------------------|
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>Cash Flows From Operating Activities</b>                             |                   |                   |
| <b>Profit before tax</b>  | <b>1,492</b>      | <b>14,829</b>     |
| Adjustments for:  |                   |                   |
| Non-cash items  | 2,640             | 5,211             |
| Non-operating items   | 1,016             | 2,698             |
| Operating profit before working capital changes                         | 5,148             | 22,738            |
| Net change in current assets  | (28,105)          | 43,955            |
| Net change in current liabilities                                       | 196               | (34,780)          |
| Tax paid  | (2,150)           | (4,476)           |
| Net cash (used in)/from operating activities                            | <b>(24,911)</b>   | <b>27,437</b>     |
| <b>Cash Flows From Investing Activities</b>                             |                   |                   |
| Interest received   | 501               | 191               |
| Proceeds from disposal of property, plant and equipment                 | -                 | 124               |
| Purchases of property, plant and equipment                              | (780)             | (1,434)           |
| Net cash used in investing activities                                   | <b>(279)</b>      | <b>(1,119)</b>    |
| <b>Cash Flows From Financing Activities</b>                             |                   |                   |
| Proceeds from issuance of shares  | 34,411            | -                 |
| Repayment of lease liabilities  | (159)             | -                 |
| Drawdown/(repayment) of borrowings                                      | 18,027            | (33,162)          |
| Interest paid   | (1,517)           | (2,889)           |
| Dividend paid   | (2,500)           | -                 |
| Net cash from/(used in) financing activities                            | <b>48,262</b>     | <b>(36,051)</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>             | <b>23,072</b>     | <b>(9,733)</b>    |
| <b>Cash and cash equivalents at the beginning of the financial year</b> | <b>14,823</b>     | <b>24,556</b>     |
| <b>Cash and cash equivalents at the end of the financial year</b>       | <b>37,895</b>     | <b>14,823</b>     |

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 25 June 2019 and the accompanying explanatory notes attached to this interim financial report.

## TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))

### A. NOTES TO THE INTERIM FINANCIAL REPORT

#### A1. Basis of preparation

The interim financial report of Tashin Holdings Berhad (“TASHIN” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements.

This is the fourth interim financial statements on the Company’s unaudited condensed consolidated financial results for the fourth (4<sup>th</sup>) quarter ended 31 December 2019 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 25 June 2019 and the accompanying notes attached to this interim financial report.

#### A2. Summary of Significant Accounting Policies

- (a) The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Group dated 25 June 2019, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations effective for the financial periods beginning on or after 1 January 2019.

| <u>Title</u>  | <u>Effective date</u> |
|---|-----------------------|
| MFRS 16 <i>Leases</i>   | 1 January 2019        |
| IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>                    | 1 January 2019        |
| Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>    | 1 January 2019        |
| Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>            | 1 January 2019        |
| Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>   | 1 January 2019        |
| Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>  | 1 January 2019        |
| Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i> | 1 January 2019        |
| Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i> | 1 January 2019        |
| Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>               | 1 January 2019        |
| Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>         | 1 January 2020        |
| Amendments to MFRS 3 <i>Definition of a Business</i>                                  | 1 January 2020        |
| Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>                     | 1 January 2020        |
| MFRS 17 <i>Insurance Contracts</i>  | 1 January 2021        |

The above standards, amendments and annual improvements do not have significant impact on the financial reporting of the Group.

## **A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

### **A3. Auditors' report on preceding annual financial statements**

The auditors' report for the financial year ended 31 December 2018 of Tashin Group was not subject to any qualification.

### **A4. Seasonal or cyclical factors**

The Group faces minor seasonal fluctuations during the major festive seasons celebrations.

### **A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

### **A6. Material changes in estimates**

There were no material changes in the estimates in the current financial quarter under review.

### **A7. Debt and equity securities**

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity during the financial quarter under review.

On 9 January 2018, the Company had entered into the Share Sale Agreement ("SSA") with the vendors of Tashin Steel Sdn Bhd ("TASHIN STEEL") to acquire the entire equity interest in TASHIN STEEL comprising 20,000,000 ordinary shares for a total purchase consideration of RM144,830,999. The purchase consideration was satisfied by the issuance of 289,661,998 new shares of the Company to the vendors of TASHIN STEEL at an issue price of RM0.50 each. The acquisition of TASHIN STEEL was completed on 9 April 2019. In conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company has undertaken an initial public offering ("IPO") comprising:

(i) Public issue of 59,329,000 new ordinary shares in the Company at an issue price of RM0.58 per share ("IPO Price") allocated in the following manner:

- 17,449,600 new shares available for application by the Malaysian Public;
- 8,724,800 new shares available for application by the eligible Directors and employees as well as eligible Directors and employees of Prestar Resources Berhad ("Prestar") and its subsidiaries;
- 17,449,600 new shares available for application by the entitled shareholders of Prestar; and
- 15,705,000 new shares by way of private placement to selected Bumiputera investors approved by the Ministry of International Trade and Industry ("MITI").

and

(ii) Offer for sale of 55,489,000 existing shares by way of private placement to selected investors and selected Bumiputera investors approved by the MITI at IPO Price.

Thereafter, the Company's enlarged issued share capital comprising 348,991,000 shares was listed on the ACE Market of Bursa Securities on 1 August 2019.

### **A8. Dividends paid**

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

## A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### A9. Segmental information

#### a) Operating Segments

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.

#### b) Geographical Segment

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

### A10. Valuation of property, plant and equipment

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

### A11. Material events subsequent to the end of the current financial quarter

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

### A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial period-to-date under review.

### A13. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at the date of this interim report.

### A14. Capital commitments

Same as disclosed below, as at 31 December 2019, the Group does not have any other material capital commitment:

|  | RM'000 |
|--|--------|
| Capital expenditure in respect of purchase of property, plant & equipment<br>- Approved and contracted for | 462    |

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of Performance of the company and its principal subsidiaries for the current quarter and financial year-to-date**

|                                    | Individual Quarter (4 <sup>th</sup> quarter)                        |  | Increase/<br>(Decrease) |     | Cumulative Quarter  |   | Increase/<br>(Decrease) |         |
|------------------------------------|---|--|-------------------------|-----|---|---|-------------------------|---------|
|                                    | Current Year<br>Quarter<br>01.10.2019<br>to<br>31.12.2019<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>01.10.2018<br>to<br>31.12.2018<br>RM'000 | RM'000                  | %   | Current Year<br>To-Date<br>01.01.2019<br>to<br>31.12.2019<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>01.01.2018<br>to<br>31.12.2018<br>RM'000 | RM'000                  | %       |
| Revenue                            | 64,284  | N/A  | N/A                     | N/A | 238,179   | 260,545   | (22,366)                | (8.58)  |
| Profit/(loss)<br>from<br>operation | (2,473)   | N/A  | N/A                     | N/A | 2,508   | 17,527  | (15,019)                | (85.69) |
| Profit/(loss)<br>before tax        | (2,558)   | N/A  | N/A                     | N/A | 1,492   | 14,829  | (13,337)                | (89.94) |
| Profit/(loss)<br>for the<br>period | (2,121)   | N/A  | N/A                     | N/A | 398   | 11,281  | (10,883)                | (96.47) |

**(a) Results for current quarter**

The Group recorded revenue of RM64.28 million for the current quarter ended 31 December 2019.

The Group's revenue was principally derived from manufacturing activities for the current financial quarter ended 31 December 2019.

The Group registered a loss before tax of RM2.56 million in the current financial quarter under review due to lower gross profit margin resulted from decreased steel price and higher cost of sales for the current quarter ended 31 December 2019.

**(b) Results for financial year-to-date**

For the financial year-to-date, the group recorded revenue of RM238.18 million 9% lower than preceding year of RM 260.55 million. The lower revenue mainly attributable to decreased selling price & volume.

The Group registered RM1.49 million profit before tax and RM0.398 million profit after tax for the 12-month financial period ended 31 December 2019.

YTD results for the current year significantly below preceding year performance mainly due to decreased in selling price and competitive operating environment.

## B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

### B2. Comparison with immediate preceding quarter's results

|                     | Current Quarter<br>01.10.2019 to<br>31.12.2019 | Immediate<br>Preceding Quarter<br>01.06.2019 to<br>30.09.2019 | Increase/(Decrease) |         |
|---------------------|--|---|---------------------|---------|
|                     | RM'000   | RM'000  | RM'000              | %       |
| Revenue             | 64,284   | 55,281  | 9,003               | 16.29   |
| Loss from Operation | (2,473)  | (2,619)   | 146                 | (5.57)  |
| Loss before tax     | (2,558)  | (2,995)   | 437                 | (14.59) |
| Loss for the Period | (2,121)  | (2,788)   | 667                 | (23.92) |

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review increased by 16.29% from RM55.28 million to RM64.28 million. The loss before tax for the quarter under review improved slightly from preceding quarter loss of RM 2.995 million to RM 2.56 million. The loss for the period was mainly due to reduced GP margin from preceding quarter of 5% to current quarter of 2%. The reduced net loss for the period & loss before tax compared to preceding quarter were mainly attributable to lower operating expenses & provision for inventory written down in current period.

### B3. Prospects and outlook

During the quarter under review, the general outlook for the Malaysia economy and business environment for steel industry will remain cautious in view of USA-China trade war and slower world economic growth. In addition, stiff competition in local market will continue to squeeze profit margin.

The Group will adopt continuous and pragmatic approach in carrying out its business plan to improve operation efficiency and effective inventory management under this challenging period.

### B4. Profit Forecast or Profit Guarantee

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

### B5. Status of corporate proposals

The Company issued its prospectus on 25 June 2019 in conjunction with its IPO on the ACE Market of Bursa Securities. Thereafter the Company's enlarged share capital of 348,991,000 shares were listed on ACE Market of Bursa Securities on 1 August 2019.

## B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

### B6. Income tax expenses

|                       | Individual Quarter   |                                     | Cumulative Quarter   |                      |
|-----------------------|----------------------|-------------------------------------|----------------------|----------------------|
|                       | 31.12.2019<br>RM'000 | 31.12.2018 <sup>(1)</sup><br>RM'000 | 31.12.2019<br>RM'000 | 31.12.2018<br>RM'000 |
| Current tax expenses  | (296)                | N/A                                 | 785                  | 3,771                |
| Deferred tax expenses | (141)                | N/A                                 | 309                  | (223)                |
| Total tax expenses    | (437)                | N/A                                 | 1,094                | 3,548                |

#### Notes:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate for the cumulative financial quarter is higher than the statutory tax rate due to non-deductible expenses.

N/A – Not applicable

### B7. Utilisation of proceeds from the IPO

The gross proceeds raised from the public issue and status of utilisation as at 31 December 2019 is disclosed in the following manner:

| Utilisation of proceeds  | <sup>(1)</sup> Estimated timeframe for utilisation from the date of Listing | Proposed Utilisation<br>RM'000 | Actual utilisation<br>RM'000 | Percentage utilised<br>% |
|--|---|--------------------------------|------------------------------|--------------------------|
| Land acquisition and construction of new factory   |   |                                |                              |                          |
| - Land acquisition   | 9 months  | 7,200                          | -                            | -                        |
| - Construction of new factory to commence manufacturing of wire mesh, flat and square bars in this new factory | 24 months   | 10,350                         | -                            | -                        |
| Purchase of machinery and equipment for:   |   |                                |                              |                          |
| - 5 wire mesh manufacturing lines  | 20 months   | 4,100                          | -                            | -                        |
| - 1 slitting line  | 6 months  | 1,800                          | -                            | -                        |
| - 5 packing machines   | 6 months  | 1,800                          | 198                          | 11%                      |
| General working capital  | 12 months   | 5,961                          | -                            | -                        |
| Estimated listing expenses <sup>(1)</sup>  | 1 month   | 3,200                          | 3,200                        | 100%                     |
|  |   | <b>34,411</b>                  | <b>3,398</b>                 | <b>10%</b>               |

## B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

### B7. Utilisation of proceeds from the IPO (Cont'd)

Note:

- (1) The total actual listing expenses incurred up to 31 December 2019 was approximately RM3.34 million. For the 12-month financial period ended 31 December 2019, the actual listing expenses incurred was approximately RM1.58 million.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 25 June 2019.

### B8. Group bank borrowings

|                                     | As at 31.12.2019<br>RM'000 | Audited as at<br>31.12.2018<br>RM'000 |
|-------------------------------------|----------------------------|---------------------------------------|
| <b>Current:</b>                     |                            |                                       |
| Bankers' acceptances <sup>(1)</sup> | 36,125                     | 18,098                                |
| Hire purchase                       | -                          | 53                                    |
|                                     | <u>36,125</u>              | <u>18,151</u>                         |
| <b>Non-current:</b>                 |                            |                                       |
| Hire purchase                       | -                          | 19                                    |
|                                     | <u>-</u>                   | <u>19</u>                             |
| <b>Total bank borrowings</b>        | <u><u>36,125</u></u>       | <u><u>18,170</u></u>                  |

All the Groups borrowings are denominated in Ringgit Malaysia.

**Notes:**

- (1) A total of RM 13.76 million of our indebtedness are secured while the balance is unsecured.

### B9. Material litigation

There were no material litigation involving the Group as at 31 December 2019.

### B10. Dividend

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

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B11. Earnings per share**

The basic earnings per share (“EPS”) are calculated by dividing the profit/(loss) for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

|   | <u>Individual Quarter</u> |                                  | <u>Cumulative Quarter</u> |                   |
|---|---------------------------|----------------------------------|---------------------------|-------------------|
|   | <u>31.12.2019</u>         | <u>31.12.2018 <sup>(1)</sup></u> | <u>31.12.2019</u>         | <u>31.12.2018</u> |
| Profit/(loss) attributable to ordinary owners of the Company (RM'000) | <u>(2,121)</u>            | <u>N/A</u>                       | <u>398</u>                | <u>11,281</u>     |
| Number of ordinary shares ('000)                                      | <u>348,991</u>            | <u>N/A</u>                       | <u>348,991</u>            | <u>20,000</u>     |
| Basic EPS (sen)   | <u>(0.61)</u>             | <u>N/A</u>                       | <u>0.11</u>               | <u>56.41</u>      |
| Diluted EPS (sen) <sup>(2)</sup>                                      | <u>(0.61)</u>             | <u>N/A</u>                       | <u>0.11</u>               | <u>56.41</u>      |

Notes:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Diluted EPS of the Company for the individual quarter ended 31 December 2019 and cumulative quarter ended 31 December 2019 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

N/A – Not applicable

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B12. Disclosure on selected expense/income items as required by the Listing Requirements**

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

|   | Individual Quarter |                           | Cumulative Quarter |            |
|---|--------------------|---------------------------|--------------------|------------|
|   | 31.12.2019         | 31.12.2018 <sup>(1)</sup> | 31.12.2019         | 31.12.2018 |
|   | RM'000             | RM'000                    | RM'000             | RM'000     |
| Interest Income                           | (267)              | N/A                       | (501)              | (191)      |
| Interest Expenses                         | 352                | N/A                       | 1,517              | 2,889      |
| Depreciation                              | 934                | N/A                       | 3,711              | 3,670      |
| Foreign exchange (gain)/loss              |                    |                           |                    |            |
| - Realised and unrealised                 | -                  | N/A                       | 1                  | (12)       |
| (Gain)/Loss on derivatives <sup>(2)</sup> | 94                 | N/A                       | (49)               | 93         |
| Loss on disposal of                       |                    |                           |                    |            |
| plant, property & equipment               | -                  | N/A                       | -                  | 8          |
| Reversal of impairment                    |                    |                           |                    |            |
| losses on trade receivables               | (141)              | N/A                       | (482)              | (82)       |
| Provision/(Reversal) of inventories       |                    |                           |                    |            |
| written down                              | 758                | N/A                       | (510)              | 1,525      |
| Reversal of impairment of assets          | (30)               | N/A                       | (30)               | -          |
| IPO expenses                              | -                  | N/A                       | 1,583              | 648        |
| Scrap income                              | (300)              | N/A                       | (1,525)            | (2,085)    |
| Miscellaneous income                      | (27)               | N/A                       | (260)              | (3,214)    |

**Notes:**

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Loss on derivatives is included in operating expenses for its subsidiaries.

N/A – Not applicable

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