

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2020 RM'000	Preceding Year Quarter 31.03.2019 ⁽²⁾ RM'000	Current Year To-Date 31.03.2020 RM'000	Preceding Year To-Date 31.03.2019 ⁽²⁾ RM'000
Revenue	18,269	N/A	18,269	N/A
Cost of sales	(12,877)	N/A	(12,877)	N/A
Gross profit	5,392	N/A	5,392	N/A
Other income	976	N/A	976	N/A
Administrative and distribution expenses ⁽³⁾	(8,489)	N/A	(8,489)	N/A
Other operating expenses	(42)	N/A	(42)	N/A
Loss from operations	(2,163)	N/A	(2,163)	N/A
Finance costs	(262)	N/A	(262)	N/A
Loss before taxation	(2,425)	N/A	(2,425)	N/A
Taxation	(472)	N/A	(472)	N/A
Loss for the financial period	(2,897)	N/A	(2,897)	N/A
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss, net of tax effects:</i>				
Foreign currency translation difference	69	N/A	69	N/A
Total comprehensive loss for the financial period	(2,828)	N/A	(2,828)	N/A
Loss for the financial period attributable to:				
Owners of the Company	(2,897)	N/A	(2,897)	N/A
Non-controlling interests	⁽⁴⁾ -	N/A	⁽⁴⁾ -	N/A
	(2,897)	N/A	(2,897)	N/A
Total comprehensive loss for the financial period attributable to:				
Owners of the Company	(2,828)	N/A	(2,828)	N/A
Non-controlling interests	⁽⁴⁾ -	N/A	⁽⁴⁾ -	N/A
	(2,828)	N/A	(2,828)	N/A
Loss per share attributable to owners of the Company (sen) ⁽⁵⁾ :				
Basic / Diluted ⁽⁶⁾	(0.52)	N/A	(0.52)	N/A

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding financial year's corresponding quarter and preceding financial year's corresponding period-to-date available as this is the third interim financial report announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").
- (3) Administrative and distribution expenses included one-off listing expenses of RM4.2 million charged out to the profit or loss during the current financial quarter. For illustration purposes only, the Company's normalised financial performance after adjusting for the one-off listing expenses is as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2020 RM'000	Preceding Year Quarter 31.03.2019 ⁽²⁾ RM'000	Current Year To-Date 31.03.2020 RM'000	Preceding Year To-Date 31.03.2019 ⁽²⁾ RM'000
Loss before taxation	(2,425)	N/A	(2,425)	N/A
Add: Listing expenses	4,240	N/A	4,240	N/A
Adjusted profit before taxation	1,815	N/A	1,815	N/A

- (4) Negligible.
- (5) Based on the Company's weighted average number of ordinary shares during the current financial quarter / current financial year to-date.
- (6) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities as at 31 March 2020.
- N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020

CONDENSED CONSOLIDATED STATEMENT 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	11,833	11,835
Right-of-use assets	2,927	2,477
Intangible assets	-	-
Goodwill	495	495
Investments	8	8
	15,263	14,815
Current assets		
Inventories	12,562	11,428
Trade and other receivables	48,300	52,586
Other investments	20,622	-
Tax recoverable	242	297
Deposits, cash and bank balances	14,724	16,456
	96,450	80,767
TOTAL ASSETS	111,713	95,582
EQUITY AND LIABILITIES		
Equity		
Share capital	36,348	14,806
Retained earnings	42,104	45,001
Translation reserve	103	34
	78,555	59,841
Non-controlling interests	⁽³⁾ -	⁽³⁾ -
TOTAL EQUITY	78,555	59,841
Non-current liabilities		
Lease liabilities	1,416	941
Deferred tax liabilities	983	983
	2,399	1,924
Current liabilities		
Trade and other payables	25,880	28,193
Amount due to directors	26	123
Bank borrowings	3,770	4,200
Lease liabilities	1,049	894
Current tax liabilities	34	407
	30,759	33,817
TOTAL LIABILITIES	33,158	35,741
TOTAL EQUITY AND LIABILITIES	111,713	95,582
Net assets per share (RM) ⁽²⁾	0.14	0.12

Notes:

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

(2) Based on the Company's issued share capital as at the end of the financial period / year.

(3) Negligible.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Attributable to owners of the Company					
	Non-distributable		Distributable		Non-controlling Interests	Total
	Share capital	Translation reserve	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	14,806	34	45,001	59,841	⁽³⁾ -	59,841
Loss for the financial period	-	-	(2,897)	(2,897)	⁽³⁾ -	(2,897)
Other comprehensive income for the financial period	-	69	-	69	-	69
Total comprehensive income	-	69	(2,897)	(2,828)	⁽³⁾ -	(2,828)
Transactions with owners:						
Issuance of shares	21,850	-	-	21,850	-	21,850
Shares issuance expenses	(308)	-	-	(308)	-	(308)
Total transactions with owners	21,542	-	-	21,542	-	21,542
Balance at 31 March 2020	36,348	103	42,104	78,555	⁽³⁾ -	78,555

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding financial year's corresponding quarter available as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.
- (3) Negligible

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾**

	Cumulative Quarter	
	Current Year To-Date 31.03.2020 RM'000	Preceding Year To-Date 31.03.2019 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,425)	N/A
Adjustments for:		
Non-cash items	839	N/A
Non-operating items	(215)	N/A
Interest expenses	220	N/A
Interest income	(29)	N/A
Income distribution from other investments	(122)	N/A
Operating loss before working capital changes	(1,732)	N/A
Increase in inventories	(1,060)	N/A
Decrease in trade and other receivables	4,101	N/A
Decrease in trade and other payables	(2,694)	N/A
Decrease in amount due to directors	(96)	N/A
Cash used in operations	(1,481)	N/A
Interest paid	(220)	N/A
Tax paid	(798)	N/A
Net cash used in operating activities	(2,499)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	29	N/A
Income distribution from other investments	122	N/A
Proceeds from disposal of property, plant and equipment	215	N/A
Purchase of other investments	⁽³⁾ (20,622)	N/A
Purchases of property, plant and equipment	(39)	N/A
Purchases of right-of-use	(131)	N/A
Net cash used in investing activities	(20,426)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Net finance lease payables repaid	(238)	N/A
Net bank borrowings repaid	(430)	N/A
Proceeds from issuance of shares	21,850	N/A
Net cash generated from financing activities	21,182	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,743)	N/A
Cash and cash equivalents at beginning of the financial period	16,456	N/A
Net exchange differences	11	N/A
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	14,724	N/A
Cash and cash equivalents comprise:		
Deposits with licensed banks	7,351	N/A
Placement in money market deposits	4,250	N/A
Cash and bank balances	3,123	N/A
	14,724	N/A
Less: Deposits pledged to licensed banks	(740)	N/A
	13,984	N/A

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
 - (2) There are no comparative figures for the preceding financial year's corresponding quarter available as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.
 - (3) The unutilised proceeds of issuance of shares from the Company's initial public offering ("**IPO**") have been temporarily invested in a cash management fund.
- N/A Not applicable

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial statements of Powerwell Holdings Berhad (“**Powerwell**” or the “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134 - Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements.

This is the third interim financial report on the Company’s results for the first quarter ended 31 March 2020 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding financial year’s corresponding period.

This interim financial report should be read in conjunction with the audited financial statements of Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2019.

Application of New MFRSs, IC Interpretations and Amendments to MFRSs

During the financial year, the Group and the Company have applied the following new MFRSs, IC Interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“**MASB**”) which are effective for accounting period beginning on or after 1 January 2020:

Amendments to MFRS 3 - Definition of a Business
Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Change in Accounting Estimates and Error - Definition of Material
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosure - Interest Rate Benchmark Reform

The adoption of the IC Interpretation and amendments to MFRSs that are effective for the current financial year do not have any significant impact on the Group’s financial statements.

New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted

The Group and the Company have not early adopted the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective:

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as current and non-current

Effective for annual periods beginning on or after 1 January 2023

MFRS 17, Insurance Contracts

Effective for annual periods beginning on or after a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between Investor and its Associate or Joint Venture

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**A3 Auditors' Report**

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2019.

A4 Seasonal and Cyclical Factors

The demand for the Group's products is dependent on developments in the construction sector in Malaysia and in other overseas countries as the Group supplies its products for new developments and refurbishment of properties and infrastructures. The construction sector typically moves in tandem with the economy, where strong economic growth coupled with fiscal stimulus by the Government tends to spur growth in the construction sector and *vice versa*.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A6 Material Changes in Estimates

There were no material changes in estimates that have a material effect, during the current financial quarter and current financial year-to-date.

A7 Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the current financial quarter and current financial year-to-date under review.

On 22 January 2020, the Company had issued 87,400,000 new ordinary shares ("**Shares**") at an issue price of RM0.25 per Share pursuant to the Company's IPO in conjunction with the listing of the Company on the ACE Market of Bursa Securities. The movement in the Company's issued share capital is illustrated as follows:

	Number of Shares ('000)	Amount (RM'000)
Issued share capital		
As at 1 January 2020	493,152	14,806
Issuance of new ordinary shares	87,400	21,850
Share issuance expenses	-	(308)
As at 31 March 2020	<u>580,552</u>	<u>36,348</u>

A8 Dividends Paid

No dividend has been paid during the current financial quarter.

A9 Segmental Reporting

The Group is principally involved in the design, manufacturing and trading of electricity distribution products which comprise low voltage switchboards ("**LV**"), medium voltage switchgears ("**MV**") and related products. The Group's revenue is mainly confined to this single operating segment. As such, the revenue of the Group for the current financial quarter and current financial year-to-date is derived entirely from this operating segment.

In determining geographical segments of the Group, segment revenue is based on the geographical location of customers.

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

Revenue breakdown by geographical location of the Group's customers are set out as follows:

Revenue by geographical location	Individual Quarter				Cumulative Quarter			
	Current Year Quarter		Preceding Year Quarter		Current Year To-Date		Preceding Year To-Date	
	31.03.2020		31.03.2019 ⁽¹⁾		31.03.2020		31.03.2019 ⁽¹⁾	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	9,974	54.6	N/A	N/A	9,974	54.6	N/A	N/A
Thailand	2,955	16.2	N/A	N/A	2,955	16.2	N/A	N/A
Bangladesh	2,731	14.9	N/A	N/A	2,731	14.9	N/A	N/A
Vietnam	1,555	8.5	N/A	N/A	1,555	8.5	N/A	N/A
Indonesia	1,054	5.8	N/A	N/A	1,054	5.8	N/A	N/A
Total	18,269	100.0	N/A	N/A	18,269	100.0	N/A	N/A

Note:

(1) There are no comparative figures for the preceding financial year's corresponding quarter and preceding financial year's corresponding period-to-date available as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the current financial quarter and current financial year-to-date.

A11 Material Events Subsequent to the End of the Reporting Period

There were no 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 changes in the composition of the Group during the current financial quarter and current financial year-to-date.

A13 Contingent Assets and Contingent Liabilities

There are no contingent assets and contingent liabilities which, upon becoming enforceable, may have a material impact on the Group's business, financial performance or financial position, as at the date of this interim financial report.

A14 Capital Commitments

The Group's planned capital commitments are disclosed in Section 3.4.1 of the prospectus of the Company dated 2 January 2020 in relation to the Company's IPO ("**Prospectus**"). The Group expects to meet its planned capital commitments through the IPO proceeds as well as internally generated funds.

Saved as disclosed above, there were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter.

A15 Significant Related Party Transactions

There were no significant related party transactions during the current financial quarter and current financial year-to-date.

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B1 Review of Financial Performance**

While the Group secures the project upfront, the Group's revenue is recognised upon the delivery to and acceptance of the products by its customers. Therefore, the issuance of the purchase order from customers and the timing of delivery and acceptance of the products for the projects will affect the Group's revenue.

Financial performance for the current financial quarter ended 31 March 2020

The Group recorded a revenue of RM18.3 million and loss before taxation of RM2.4 million respectively for the current financial quarter ended 31 March 2020. The Group incurred one-off listing expenses totalling RM4.5 million of which RM4.2 million were charged out to the profit or loss during the current financial quarter. Profit before tax excluding the listing expenses is RM1.8 million in the current financial quarter.

For the current financial quarter, 54.6% of the Group's revenue was derived from customers located in Malaysia, followed by Thailand (16.2%) and Bangladesh (14.9%). The Group's gross profit margin in current financial quarter was 29.5%.

During the current financial quarter, the Group has undertaken 98 projects for the LV segment and 3 projects for the MV segment. The average project value is RM0.18 million for the LV segment projects and RM0.15 million for the MV segment projects.

There are no comparative figures for the preceding financial year's corresponding quarter and preceding financial year's corresponding period-to-date available as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.

B2 Comparison with Immediate Preceding Quarter

	Individual Quarter		Changes	
	3-month ended			
	31.03.2020	31.12.2019	RM'000	%
Revenue	18,269	21,757	(3,488)	(16.0)
(Loss)/Profit before taxation	(2,425)	2,789	(5,214)	(186.9)

The Group's revenue for the current financial quarter decreased by 16.0% to RM18.3 million from RM21.8 million recorded in the preceding quarter. The decrease in revenue was mainly due to a decrease in the number of projects from 142 in the preceding quarter to 101 in the current quarter. This is mitigated by a higher average project value for the current quarter of RM0.18 million as compared to RM0.15 million in the preceding quarter.

The Group reported a loss before taxation of RM2.4 million as compared to a profit before taxation of RM2.8 million in the preceding quarter mainly due to:

- (i) the lower revenue recorded in the current quarter as explained above; and
- (ii) the one-off listing expenses of RM4.2 million charged out to the profit or loss.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

B3 Commentary on Prospects

As disclosed in the Prospectus, the Group has the following business strategies in the future:

- (i) Enhance the Group's product offerings through the commercialisation of our own "Powerwell" branded medium voltage switchgears;
- (ii) Obtain third party "International Electrotechnical Commission" standards-compliant certifications for a wider range of the Group's products, including the "Powerwell" branded medium voltage switchgears upon its successful development;
- (iii) Augment the Group's efforts in growing the replacement market business;
- (iv) Continue to increase the Group's manufacturing and marketing activities in the domestic and regional markets in order to grow its market share; and
- (v) Upgrade some of the Group's machinery and equipment, Enterprise Resource Planning system and data management system in order to support the anticipated growth in the Group's business.

The recent outbreak of the COVID-19 pandemic has led to the implementation of social distancing measures in various countries across the world, including Malaysia and Vietnam, the 2 countries which the Group operate in. As a result, the Group's Malaysia and Vietnam factories were temporarily shut down for about 6 weeks and 4 weeks respectively. Consequentially, the operations were also affected during this period due to temporary suspension of factory operations leading to delays in the projects' delivery schedule, disruptions in supply chain and delays in payment from the customers. However, the Group has implemented various measures to ensure it manages and meets the project timelines. The Group also negotiated payment terms with the respective suppliers during this period to allow more flexibility in the payment obligations and continued to monitor the collections with the customers.

The Group has in place a business continuity management system, which enabled it to continue some of the operations such as tender submission, internal project preparation and marketing webinar with clients. The Group's employees from the sales, design and management department continued to work from home during the movement control order period.

With the gradual lifting of social distancing measures, the Group's Malaysian and Vietnam operations fully resumed on 4 May 2020 and 24 April 2020 respectively. Moving forward, the Group believes that its business will continue to sustain in Malaysia and Vietnam for this financial year. This is because a number of the clients' projects are infrastructure-related, including MRT, LRT and wastewater treatment facilities which are expected to continue. Further, relative to other parts of the world, the Malaysian and Vietnamese Government have been successful in controlling the spread of COVID-19.

Further to the above and barring unforeseen circumstances, the Board of Directors do not expect any material negative impact to the Group's financial performance for this financial year.

B4 Profit Forecast

The Company did not issue any profit forecast or guarantee during the current financial quarter and current financial year-to-date.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To-Date	To-Date
	31.03.2020	31.03.2019⁽¹⁾	31.03.2020	31.03.2019⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Income tax ⁽²⁾	472	N/A	472	N/A
Deferred tax	-	N/A	-	N/A
	472	N/A	472	N/A
Effective tax rate ⁽³⁾	(19.5%)	N/A	(19.5%)	N/A

Notes:

- (1) There are no comparative figures for the preceding financial year's corresponding quarter and preceding financial year's corresponding period-to-date available as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.
- (2) The disproportionate tax charge of the Group for the current financial quarter and current financial year-to-date was due to non-deductible expenses such as impairment loss on trade and other receivables.
- (3) The negative effective tax rate of the Group for the current financial quarter and current financial year-to-date was due to a loss before taxation of RM2.4 million which included one-off listing expenses of RM4.2 million.

N/A Not applicable

B6 Status of Corporate Proposals

There are no corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B7 Utilisation of Proceeds Raised from Public Issue

The gross proceeds from the Public Issue amounting to RM21.85 million is intended to be utilised in the following manner:

Details of utilisation	Proposed utilisation	Actual utilisation as at	Balance unutilised	Estimated timeframe for utilisation upon listing
	RM'000	31 March 2020	RM'000	
		RM'000	RM'000	
Capital expenditure	10,270	-	10,270	Within 18 months
Certification expenditure	3,865	-	3,865	Within 24 months
Working capital	3,615	-	3,615	Within 24 months
Estimated listing expenses	4,100	⁽¹⁾ (4,100)	-	Upon listing
Total	21,850	(4,100)	17,750	

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORTNote:

(1) The actual listing expenses incurred amounted to RM4.5 million, As disclosed in the Prospectus, the balance of RM0.4 million were financed via the Group's internally generated funds.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.

B8 Borrowings

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

	Currency	As at 31.03.2020 RM'000	As at 31.12.2019 RM'000
<u>Secured</u>			
Non-current liabilities			
Lease liabilities	Ringgit Malaysia	1,235	618
		1,235	618
Current liabilities			
Lease liabilities	Ringgit Malaysia	383	259
Banker's acceptance ⁽¹⁾	Ringgit Malaysia	3,770	4,200
		4,153	4,459
<u>Unsecured</u>			
Non-current liabilities			
Lease liabilities	Ringgit Malaysia	181	323
		181	323
Current liabilities			
Lease liabilities	Vietnamese Dong	137	167
Lease liabilities	Ringgit Malaysia	529	468
		666	635
Total borrowings		6,235	6,035

Note:

(1) The Group utilised the banker's acceptance to pay certain suppliers and subcontractors in order to take advantage of rebates offered by them.

B9 Material Litigation

There are no material litigations pending as at the date of this interim financial report.

B10 Dividends

The Board of Directors of the Company did not declare or recommend any dividend during the current financial quarter.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B11 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	
	Current Year Quarter	Preceding Year Quarter	Current Year To-Date	Preceding Year To-Date
	31.03.2020	31.03.2019 ⁽¹⁾	31.03.2020	31.03.2019 ⁽¹⁾
Loss for the financial period attributable to owners of the Company (RM'000)	(2,897)	N/A	(2,897)	N/A
Weighted average number of ordinary shares in issue ('000)	559,422	N/A	559,422	N/A
Basic loss per share (sen) ⁽²⁾	(0.52)	N/A	(0.52)	N/A
Diluted loss per share (sen) ⁽²⁾	(0.52)	N/A	(0.52)	N/A

Notes:

- (1) There are no comparative figures for the preceding financial year's corresponding quarter and preceding financial year's corresponding period-to-date available as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.
- (2) The basic loss per share is computed based on the loss for the financial period attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the current financial quarter / current financial year to-date.
- (3) Diluted loss per share is equivalent to the basic loss per share as the Company does not have any convertible securities as at 31 March 2020.

N/A Not applicable

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B12 Notes to the Statement of Profit or Loss and Other Comprehensive Income**

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2020 RM'000	Preceding Year Quarter 31.03.2019 ⁽¹⁾ RM'000	Current Year To-Date 31.03.2020 RM'000	Preceding Year To-Date 31.03.2019 ⁽¹⁾ RM'000
Interest expenses	220	N/A	220	N/A
Depreciation of property, plant and equipment	276	N/A	276	N/A
Depreciation of right- of-use assets	315	N/A	315	N/A
Allowance for impairment loss on trade and other receivables	780	N/A	780	N/A
Foreign exchange gain – unrealised (net)	(70)	N/A	(70)	N/A
Reversal of impairment losses on trade and other receivables	(462)	N/A	(462)	N/A
Foreign exchange loss – realised (net)	80	N/A	80	N/A
Interest income	(29)	N/A	(29)	N/A
Income distribution from other investment	(122)	N/A	(122)	N/A
Gain on disposal of property, plant and equipment	(215)	N/A	(215)	N/A
Listing expenses	4,240	N/A	4,240	N/A

Note:

(1) There are no comparative figures for the preceding financial year's corresponding quarter and preceding financial year's corresponding period-to-date available as this is the third interim financial report announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

B13 Derivative Financial Instruments

The Group has not entered into any derivatives as at the date of this interim financial report.