



**ADVANCECON HOLDINGS BERHAD**

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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## ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FIRST QUARTER ENDED 31 MARCH 2020

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.3.2020 RM	Preceding Year Corresponding Quarter 31.3.2019 RM	Current Year Period 31.3.2020 RM	Preceding Year Corresponding Period 31.3.2019 RM
Revenue	A9	66,318,991	72,331,800	66,318,991	72,331,800
Cost of Sales		(56,855,897)	(62,107,820)	(56,855,897)	(62,107,820)
Gross Profit		9,463,094	10,223,980	9,463,094	10,223,980
Other Income		675,250	781,716	675,250	781,716
		10,138,344	11,005,696	10,138,344	11,005,696
Administrative Expenses		(4,364,687)	(5,592,396)	(4,364,687)	(5,592,396)
Other Expenses		(786,415)	(583,282)	(786,415)	(583,282)
Finance Costs		(1,729,288)	(1,888,849)	(1,729,288)	(1,888,849)
Share Of Result Of An Equity Accounted Associate		(46,680)	-	(46,680)	-
<b>Profit Before Taxation</b>	B12	<b>3,211,274</b>	<b>2,941,169</b>	<b>3,211,274</b>	<b>2,941,169</b>
Income Tax Expense	B5	(1,027,608)	(916,602)	(1,027,608)	(916,602)
<b>Profit After Taxation/Total Comprehensive income for the Financial Period</b>		<b>2,183,666</b>	<b>2,024,567</b>	<b>2,183,666</b>	<b>2,024,567</b>
<b>Total Comprehensive Income attributable to:</b>					
- Owners of the Company		<b>2,183,666</b>	<b>2,024,567</b>	<b>2,183,666</b>	<b>2,024,567</b>
<b>Earnings per share (sen) attributable to owners of the parent:</b>					
- Basic (2)	B11	0.54	0.50	0.54	0.50
- Diluted (2)	B11	0.54	0.50	0.54	0.50

Notes:

- (1) The Unaudited Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) Based on the weighted average number of ordinary shares in issue as detailed in Note B11.

**ADVANCECON HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>(Unaudited)</b> As at Current Quarter <b>31.3.2020</b> RM	<b>(Audited)</b> As at Financial Year Ended <b>31.12.2019</b> RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in an associate	120,502	167,182
Property, plant and equipment	136,544,818	140,344,831
Investment properties	38,526,679	38,661,602
Other investments	2,994	2,994
Deferred tax assets	160,149	160,149
Finance lease receivables	3,376,456	3,881,197
	<hr/>	<hr/>
	178,731,598	183,217,955
<b>Current assets</b>		
Contract assets	99,519,960	98,904,425
Finance lease receivables	1,929,397	1,869,686
Trade receivables	53,913,610	63,533,958
Other receivables, deposits and prepayments	9,292,392	10,155,442
Amount owing by an associate company	175,280	116,426
Short-term investments	2,047,231	2,029,521
Current tax assets	2,023,541	1,357,655
Deposits with licensed banks	39,668,390	39,629,498
Cash and bank balances	7,834,878	9,165,984
	<hr/>	<hr/>
	216,404,679	226,762,595
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>395,136,277</b>	<b>409,980,550</b>

## ADVANCECON HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	<b>(Unaudited)</b> As at Current Quarter <b>31.3.2020</b> RM	<b>(Audited)</b> As at Financial Year Ended <b>31.12.2019</b> RM
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	86,584,921	86,584,921
Treasury shares	(1,006,582)	(339,077)
Reserves	1,815,100	1,815,100
Retained profits	106,048,142	103,864,476
<b>TOTAL EQUITY</b>	<b>193,441,581</b>	<b>191,925,420</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,792,025	3,792,025
Long-term borrowings	24,915,697	25,493,245
Lease liabilities	34,262,657	35,443,821
	<b>62,970,379</b>	<b>64,729,091</b>
<b>Current liabilities</b>		
Contract liabilities	7,397,100	11,196,440
Trade payables	49,490,049	48,096,523
Other payables and accruals	18,465,824	26,257,346
Amount owing to an associate company	278,924	205,799
Short-term borrowings	40,020,778	47,523,210
Lease liabilities	19,028,628	18,230,627
Bank overdrafts	4,043,014	1,816,094
	<b>138,724,317</b>	<b>153,326,039</b>
<b>TOTAL LIABILITIES</b>	<b>201,694,696</b>	<b>218,055,130</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>395,136,277</b>	<b>409,980,550</b>
Net asset per share (RM)	0.48	0.48

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes as attached to this interim financial statement.

## ADVANCECON HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FIRST QUARTER ENDED 31 MARCH 2020

	Share Capital	Treasury Shares	Non-Distributable Employee Share Option Reserve	Distributable Retained Profits	Total
	RM	RM	RM	RM	RM
<b>The Group (Audited)</b>					
Balance at 1.1.2019	85,752,871	(339,077)	1,116,498	95,455,898	181,986,190
Profit after taxation/Total comprehensive income for the financial year	-	-	-	10,825,180	10,825,180
Contribution by and distribution to owners of the company:					
- Dividend	-	-	-	(2,416,602)	(2,416,602)
- Recognition of share option expenses	-	-	883,502	-	883,502
- Employees' share options exercised	832,050	-	(184,900)	-	647,150
<b>Balance at 31.12.2019</b>	<b>86,584,921</b>	<b>(339,077)</b>	<b>1,815,100</b>	<b>103,864,476</b>	<b>191,925,420</b>
<b>(Unaudited)</b>					
Balance at 1.1.2020	86,584,921	(339,077)	1,815,100	103,864,476	191,925,420
Profit after taxation/Total comprehensive income for the financial year	-	-	-	2,183,666	2,183,666
Contribution by and distribution to owners of the company:					
- Purchase of treasury shares	-	(667,505)	-	-	(667,505)
<b>Balance at 31.3.2020</b>	<b>86,584,921</b>	<b>(1,006,582)</b>	<b>1,815,100</b>	<b>106,048,142</b>	<b>193,441,581</b>

Notes:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes as attached to this interim financial statements.

## ADVANCECON HOLDINGS BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FIRST QUARTER ENDED 31 MARCH 2020

(The figures have not been audited)

	Cumulative Current Period Ended 31.3.2020 RM	Cumulative Comparative Period Ended 31.3.2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,211,274	2,941,169
Adjustments for:-		
Depreciation:		
- investment properties	143,303	142,932
- property, plant and equipment	6,466,373	6,334,749
Interest expense on lease liabilities	727,878	-
Interest expense	1,001,410	1,888,849
Share of result of an equity accounted associate	46,680	-
Share option expenses	-	883,502
Dividend income from short-term investments	(17,710)	(37,365)
Property, plant and equipment written off	22,363	11
Loss / (Gain) on disposal of property, plant and equipment	68,678	(2,433)
Interest income	(441,543)	(336,336)
Operating profit before working capital changes	11,228,706	11,815,078
(Increase) in contract assets	(615,535)	(4,406,974)
(Decrease) / Increase in contract liabilities	(3,799,340)	2,334,014
Decrease in trade and other receivables	10,483,398	19,576,405
(Decrease) in trade and other payables	(4,307,995)	(6,812,774)
<b>Cash from operations</b>	<b>12,989,234</b>	<b>22,505,749</b>
Interest paid	(1,729,288)	(1,888,849)
Income tax paid	(1,693,494)	(2,711,153)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>9,566,452</b>	<b>17,905,747</b>

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FIRST QUARTER ENDED 31 MARCH 2020 (CONT'D)

(The figures have not been audited)

	Cumulative Current Period Ended 31.3.2020 RM	Cumulative Comparative Period Ended 31.3.2019 RM
<b>CASH FLOWS FROM/ (FOR ) INVESTING ACTIVITIES</b>		
Interest received	441,543	336,336
Dividend income from short-term investments	17,710	37,365
Increase in deposits pledged with licensed bank	(38,892)	(1,706,619)
Purchase of property, plant and equipment	(694,400)	(1,243,406)
Addition of investment properties	(8,380)	(11,499)
Proceeds from disposal of property, plant and equipment	190,999	3,700
Repayment from finance lease receivables	445,030	218,122
Advances to an associate company	(58,854)	(108,500)
<b>NET CASH FROM/ (FOR) INVESTING ACTIVITIES</b>	<b>294,756</b>	<b>(2,474,501)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Advances from an associate company	73,125	-
Proceeds from exercise of employees' share options	-	45,500
Purchase of treasury shares	(667,505)	-
Dividend paid	-	(4,017,260)
Repayment of term loans	(312,835)	(587,559)
Net repayment of hire purchase obligations	-	(294,066)
Net repayment of bankers' acceptances	(1,485,077)	(1,417,987)
Net repayment of invoice financing	(914,858)	(2,512,202)
Net repayment of bank factoring	(5,367,211)	(1,815,805)
Repayment of lease liabilities	(4,727,163)	-
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(13,401,524)</b>	<b>(10,599,379)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(3,540,316)</b>	<b>4,831,867</b>
Cash and cash equivalents at beginning of the financial year	9,379,411	7,447,759
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR</b>	<b>5,839,095</b>	<b>12,279,626</b>

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FIRST QUARTER ENDED 31 MARCH 2020(CONT'D)

(The figures have not been audited)

	<b>Cumulative Current Period Ended 31.3.2020 RM</b>	<b>Cumulative Comparative Period Ended 31.3.2019 RM</b>
<b>Cash and cash equivalent comprised of:</b>		
Deposits with licensed banks	39,668,390	34,343,795
Short-term investments	2,047,231	4,231,777
Cash and bank balances	7,834,878	12,777,472
Bank overdrafts	<u>(4,043,014)</u>	<u>(4,729,623)</u>
	45,507,485	46,623,421
Less: Deposits pledged to licensed banks	<u>(39,668,390)</u>	<u>(34,343,795)</u>
	<u>5,839,095</u>	<u>12,279,626</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes as attached to this interim financial statement.



## ADVANCECON HOLDINGS BERHAD

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020

#### A1. Basis of Preparation

The interim financial report of the Group are unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Accounting Standard (“IAS”) 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) (“Listing Requirements”).

#### A2. Changes In Accounting Policies

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
• MFRS 17 Insurance Contracts	1 January 2021
• Amendments to MFRS 3: Definition of a Business	1 January 2020
• Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
• Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

#### A3. Auditors’ Report

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

#### A4. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors for the financial period under review.

#### A5. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items for the financial period under review.

#### A6. Changes in Estimates

There were no material changes in estimates for the financial period under review.

#### A7. Debt and Equity Securities

Save for a total of 2,478,400 shares buy back during the current quarter, there were no other issuance, repurchase and repayment of debts and equity securities by the Group and the Company during the first 3 months ended 31 March 2020.

#### A8. Dividends Paid

As at the date of this report, there was no payment of dividend during the financial year ending 31 December 2020.

## ADVANCECON HOLDINGS BERHAD

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (CONT'D)

#### A9. Segmental Reporting

The Group's operating and reportable segments comprised of:

- Construction and Support Services under Earthworks and Civil Engineering Sector; and
- Property Investment that deals with the holding of investment properties for capital gain and/or rental income.
- New Energy - involved in the development and/or operation of power generation from renewable energy, solar and other renewable energy projects.

The Group	Construction and Support Services RM	Property Investment RM	Consolidation Adjustment RM	Total RM
<b>Revenue</b>				
External revenue	66,171,867	147,124	-	66,318,991
Inter-segment revenue	17,376,858	6,600	(17,383,458)	-
Consolidated revenue	<u>83,548,725</u>	<u>153,724</u>		<u>66,318,991</u>
Represented by:-				
<u>Revenue recognized at a point in time</u>				
Sale of goods	3,733,145	-	-	3,733,145
Hiring of machinery	17,199,576	-	(16,779,858)	419,718
Day work revenue	176,582	-	-	176,582
<u>Revenue recognised over time</u>				
Contract revenue	61,842,422	-	-	61,842,422
Rental income from investment properties	-	153,724	(6,600)	147,124
<u>Revenue from other sources</u>				
Management fee	597,000	-	(597,000)	-
	<u>83,548,725</u>	<u>153,724</u>		<u>66,318,991</u>
<b>Results</b>				
Segment results				4,527,989
Interest income				441,543
Dividend income from short-term investments				17,710
Finance Cost				(1,729,288)
Share of result of an equity accounted associate				(46,680)
<b>Consolidated profit before taxation</b>				<u>3,211,274</u>
Income tax expense				(1,027,608)
<b>Consolidated profit after taxation</b>				<u><b>2,183,666</b></u>

## ADVANCECON HOLDINGS BERHAD

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (CONT'D)

#### A10. Significant Events after the End of the Interim Financial Period

On 9 June 2020, on behalf of the Board of Directors of the Group, UOB Kay Hian Securities (M) Sdn Bhd announced that the Group intends to undertake a proposed diversification of the existing principal activities to include renewable energy business and related activities subject to shareholders approval during the forthcoming Extraordinary General Meeting.

#### A11. Changes in the Composition of the Group

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

#### A12. Fair Value of Financial Instruments

There were no gains or losses arising from fair value changes for all financial assets and liabilities for the financial period under review.

#### A13. Capital Commitments

Approved and contracted for:-  
Purchase of property, plant and equipment

Unaudited  
As at 31.3.2020  
RM

5,835,209

#### A14. Contingent Liabilities

There were no contingent liabilities at the Group level as at the date of this report.

#### A15. Significant Related Party Transactions

Transaction with Director  
Paid and payable:-  
Rental of premise

Unaudited  
3 Months Ended  
31.3.2020  
RM

18,900

## ADVANCECON HOLDINGS BERHAD

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### B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Group Performance

	3 Months Individual Period			3 Months Cumulative Period		
	31.3.2020 RM	31.3.2019 RM	Variance %	31.3.2020 RM	31.3.2019 RM	Variance %
Revenue	66,318,991	72,331,800	-8.3%	66,318,991	72,331,800	-8.3%
Profit Before Taxation	3,211,274	2,941,169	9.2%	3,211,274	2,941,169	9.2%
Profit After Taxation	2,183,666	2,024,567	7.9%	2,183,666	2,024,567	7.9%

For the current quarter under review, the Group recorded 8.3% decrease in revenue as compared to preceding year corresponding quarter. The decrease was mainly attributable to lower progress billings from its on-going construction projects and support services. Overall, construction and support services contributed almost 100% of the Group's revenue for both the current quarter and preceding year corresponding quarter, at RM 66.17 million and RM 72.18 million respectively. The balance of revenue was derived from property investment. The Group achieved a better profit before taxation ("PBT") of RM 3.21 million or 9.2% higher for the current quarter versus preceding year preceding quarter despite a significant reduction in other income.

#### Construction and Support Services

During the current quarter under review, the PBT and PBT margin achieved by this division was RM 3.46 million and 5.23% as compared to RM 3.35 million and 4.64% during the preceding year corresponding quarter.

The increase in PBT and PBT margin during the current quarter was mainly due to:

- 1 Recognition of profit for a total of one (1) completed project as compared none during the preceding year corresponding quarter;
- 2 Absence of Employee Share Options charge, lower administrative expenses and reduced finance cost;
- 3 Lower weighted average diesel cost per litre of RM 1.96 versus RM 2.06 during the preceding year corresponding period.

In terms of profit after taxation ("PAT") and PAT margin, the division achieved RM 2.44 million and 3.69% versus RM 2.43 million and 3.37% during the preceding year corresponding quarter. The improvement in PAT was in line with higher PBT stated above.

#### Property Investment

For the current quarter under review, this division recorded a lower loss before taxation of RM 0.25 million versus RM 0.48 million in the preceding year corresponding quarter. The reduction in loss was mainly attributable to lower finance cost.

## ADVANCECON HOLDINGS BERHAD

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### B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B2. Comparison with Immediate Preceding Quarter Results

	3 Months Individual Period		
	31.3.2020	31.12.2019	Variance
	RM	RM	%
Revenue	66,318,991	77,921,202	-14.9%
Profit Before Taxation	3,211,274	4,543,806	-29.3%
Profit After Taxation	2,183,666	2,609,544	-16.3%

During the current quarter under review, the decrease in the Group's revenue was mainly due to lower progress billings from its on-going projects. The lower PAT was in line with the drop in revenue during the current quarter under review.

#### B3. Prospects

The Group foresees a challenging financial year due to the COVID-19 pandemic with most sectors impacted directly and indirectly. However, it is still too preliminary to ascertain the actual outcome impacting the Group's financial at this juncture. On the positives:

- 1 The Group's current outstanding order book of approximately RM 704 million or 2.4 times of financial year 2019 unaudited revenue will provide earnings visibility for a minimum of 18 months;
- 2 The Group's operations have resumed fully since end of May 2020 during the Conditional Movement Control Order and since the nation is currently under the Recovery Movement Control Order, the Group expects good progress of all its ongoing projects;
- 3 The global crude oil price has been fairly low hovering around USD 40 per barrel in June 2020. So long as this trend remains steady or getting lower up to end of 2020, the Group expects significant savings in its operating cost.

#### B4. Profit Forecast

The Group did not issue any profit forecast or profit guarantee for the financial period under review.

#### B5. Taxation

	Unaudited	
	31.3.2020	31.3.2019
	RM	RM
Income tax	1,545,376	1,066,793
Deferred tax	(517,768)	(150,191)
	<u>1,027,608</u>	<u>916,602</u>
Effective tax rate <sup>(1)</sup>	32.0%	31.1%

Notes:

- (1) The Group's effective tax rate for the current year was approximately similar to preceding year corresponding period mainly due to loss incurred by the property investment segment.

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### B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B6. Status of Corporate Proposals

There was no corporate proposal during the current quarter under review.

#### B7. Utilisation of Proceeds Raised from Public Issue

On 29 August 2018, the Company announced its intention to vary the utilisation of proceeds raised from the IPO exercise in conjunction with the listing of and the quotation of its entire share capital on the Main Market of Bursa Malaysia Securities on 10 July 2017. The Company has raised gross proceeds which is amounting to RM56.70 million from its IPO ("IPO Proceeds").

The details of the variations of the IPO Proceeds are as set out below:

No	Details of utilisation	Allocation of IPO Proceeds upon listing <sup>(1)</sup>	Allocation of IPO Proceeds upon listing (revised)	Actual utilisation of IPO Proceeds	Unutilised IPO Proceeds	Estimated timeframe for utilisation (upon listing)
		RM'000	RM'000	RM'000	RM'000	
i.	<b>Total Capital expenditures:-</b>	29,700	27,050	(12,960)	14,090	Within 36 months
	(a) Purchase of new construction machinery and equipment	15,100	12,960	(12,960)	-	Within 24 months
	(b) Construction of new workshop	14,600	14,090 <sup>(2)</sup>	-	14,090	Within 36 months
ii.	Repayment of bank borrowings	12,500	12,455 <sup>(2)</sup>	(12,455)	-	Within 6 months
iii.	Working capital	10,700	13,395	(13,395)	-	Within 24 months
iv.	Estimated listing expenses	3,800	3,800	(3,800)	-	Upon Listing
		<u>56,700</u>	<u>56,700</u>	<u>(42,610)</u>	<u>14,090</u>	

## ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

### B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B7. Utilisation of Proceeds Raised from Public Issue (Cont'd)

Notes:

- (1) As per IPO Prospectus dated 19 June 2017.
- (2) On 29 August 2018, the Board announced to re-allocate the utilisation of construction of new workshop and repayment of bank borrowings to day-to-day working capital expenses for payment to suppliers.

#### B8. Group Borrowings and Debt Securities

	Unaudited As at 31.3.2020 RM	Audited As at 31.12.2019 RM
<b><u>Non-current</u></b>		
Term Loans	24,915,697	25,493,245
Lease liabilities	34,262,657	35,443,821
<b><u>Current</u></b>		
Term Loans	1,384,426	1,119,713
Lease liabilities	19,028,628	18,230,627
Bankers' Acceptances	12,855,273	14,340,349
Invoice Financing	10,834,010	11,748,868
Revolving Credit	9,000,000	9,000,000
Bank Overdrafts	4,043,014	1,816,094
Bank factoring	5,947,069	11,314,280
	122,270,774	128,506,997

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### B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

#### B9. Material Litigation

As at the date of this report, the Group was not engaged in any material litigation.

#### B10. Dividends Declared

There was no dividend declared for the current financial period under review.

#### B11. Earnings Per Share

	<b>Unaudited</b>	
	<b>3 Months Ended</b>	
	<b>31.3.2020</b>	<b>31.3.2019</b>
Profit after tax attributable to the owners of the Company (RM)	2,183,666	2,024,567
<b><i>Basic earnings per share</i></b>		
Weighted average number of ordinary shares	<u>401,699,226</u>	<u>401,026,986</u>
Basic earnings per share (sen) <sup>(1)</sup>	0.54	0.50
<b><i>Diluted earnings per share</i></b>		
Weighted average number of ordinary shares	<u>401,782,863</u>	<u>401,200,072</u>
Diluted earnings per share (sen) <sup>(2)</sup>	0.54	0.50

#### Notes:

- (1) The basic earnings per share was computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares.
- (2) The dilutive portion of the ordinary shares deemed issued pursuant to the ESOS are accounted for in the diluted earnings per share calculation. The ESOS will have a dilutive effect only when the average target price of ordinary shares of the Company during the period exceeds the exercise price of options granted.



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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B12. Notes to the Statement of Comprehensive Income**

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

	Unaudited	
	Individual Quarter 31.3.2020	Cumulative Quarter 31.3.2020
	RM	RM
Auditors' remuneration	41,750	41,750
Depreciation:		
- property, plant and equipment	6,466,373	6,466,373
- investment properties	143,303	143,303
Directors' remuneration	872,402	872,402
Interest expenses	1,729,288	1,729,288
Property, plant and equipment written off	22,363	22,363
Share of result of an equity accounted associate	46,680	46,680
Staff costs	11,034,853	11,034,853
Loss on disposal of property, plant and equipment	68,678	68,678
Interest income	(441,543)	(441,543)
Dividend income from short -term investments	(17,710)	(17,710)

**BY ORDER OF THE BOARD****25 June 2020**