



# TA WIN HOLDINGS BERHAD

199401005913(291592-U)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE 4th QUARTER AND YEAR - TO DATE ENDED 30 JUNE 2020

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# TA WIN HOLDINGS BERHAD

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(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOUR QUARTER ENDED 30 JUNE 2020

	Note	(Unaudited) Current Quarter 3 months ended		(Unaudited) Cumulative Quarter 12 months ended	
		30-Jun-20 RM'000	30-Jun-19 RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000
Revenue	15,16	37,620	104,150	254,956	N/A
Cost of sales		(39,516)	(102,255)	(254,407)	N/A
<b>Gross (Loss)/Profit</b>		<u>(1,895)</u>	<u>1,895</u>	<u>549</u>	<u>N/A</u>
Other Income		140	9,564	704	N/A
Selling and distribution expenses		(211)	(593)	(1,646)	N/A
Administrative expenses		(3,637)	(1,521)	(10,781)	N/A
Profit/(loss) from operation		<u>(5,604)</u>	<u>9,345</u>	<u>(11,174)</u>	<u>N/A</u>
Finance costs		(227)	(730)	(2,000)	N/A
<b>Profit/(loss) before tax</b>	15,16	<u>(5,831)</u>	<u>8,615</u>	<u>(13,175)</u>	<u>N/A</u>
Income tax expense		167	(673)	(301)	N/A
<b>Net profit/(loss) for the period</b>		<u>(5,664)</u>	<u>7,942</u>	<u>(13,476)</u>	<u>N/A</u>
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences for foreign operations		11	(37)	-	N/A
Revaluations of land and buildings		-	-	-	N/A
<b>Total comprehensive income/(loss) for the period</b>		<u>(5,653)</u>	<u>7,905</u>	<u>(13,476)</u>	<u>N/A</u>
<b>Total income/(loss) attributable to:</b>					
Equity holders of the parents		(5,411)	8,195	(12,815)	N/A
Non-controlling interests		(253)	(253)	(661)	N/A
		<u>(5,664)</u>	<u>7,942</u>	<u>(13,476)</u>	<u>N/A</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parents		(5,400)	8,158	(12,815)	N/A
Non-controlling interests		(253)	(253)	(661)	N/A
		<u>(5,653)</u>	<u>7,905</u>	<u>(13,476)</u>	<u>N/A</u>
<b>Earning/(loss) per share (sen)</b>					
- Basic	26	(1.585)	10.290	(3.771)	N/A
- Diluted	26	(0.593)	N/A	(1.411)	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the period ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements form an integral part of the financial statements.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FOUR QUARTER ENDED 30 JUNE 2020

	<b>(Unaudited) As at end of Current Quarter 30-Jun-20 RM'000</b>	<b>(Audited) Financial Period End 30-Jun-19 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	50,842	44,999
<b>Current assets</b>		
Inventories	35,208	32,728
Trade receivables	64,617	39,639
Other receivables, prepayment and deposits	20,847	23,979
Current tax assets	308	-
Derivation assets	-	8
Cash and cash equivalents	51,633	36,380
	172,613	132,734
<b>TOTAL ASSETS</b>	223,455	177,733
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	56,516	80,523
Lease Payables	217	-
Trade payables	44,100	418
Other payables	3,467	2,416
Hire purchase payables	250	86
Amount due to directors	-	936
Derivative liability	259	-
Current tax liabilities	-	935
	104,810	85,314
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,968	4,927
Hire purchase payables	510	339
Lease Payables	132	-
	5,610	5,266
<b>Total liabilities</b>	110,420	90,580
<b>Equity attributable to equity holders of the Company</b>		
Share capital	95,134	73,725
Preference share - ICPS	10,969	-
Warrant reserve	6,369	-
Total loss attributable to:		
<i>Foreign exchange reserves</i>	(400)	(411)
<i>Revaluation reserves</i>	13,219	13,219
<i>Accumulated losses</i>	(14,377)	(1,562)
	110,914	84,971
Non-controlling interest	2,122	2,182
<b>Total equity</b>	113,035	87,153
<b>TOTAL EQUITY AND LIABILITIES</b>	223,455	177,733
No. of share issued as at 30 JUNE 2020/30 June 2019	357,391	79,614
<b>Net asset per share</b>	0.316	1.095

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOUR QUARTER ENDED 30 JUNE 2020

	Atributable to Equity Holders of the Parents					Accumulated losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total equity RM'000
	Share capital RM'000	ICPS share RM'000	Non-Distributable Warrant reserve RM'000	Revaluation reserve RM'000	Exchange reserve RM'000				
<b>Balance at 1 July 2019</b>	73,725	-	-	13,219	(411)	(1,562)	84,971	2,182	87,154
Profit/(loss) for the period	-	-	-	-	-	(12,815)	(12,815)	(661)	(13,476)
<u>Other comprehensive income</u>									
Foreign currency translation differences for foreign operation	-	-	-	-	11	-	11	-	11
Total comprehensive income for the period	-	-	-	-	11	(12,815)	(12,804)	(661)	(13,465)
<i>Contribution by and distributions to owners of the Company</i>									
Issue of ordinary shares:									
- Right issue	23,884	11,942	-	-	-	-	35,826	-	35,826
- Exercise of ICPS conversion	973	(973)	-	-	-	-	-	-	-
- Additional price paid for ICPS conversion	2,920	-	-	-	-	-	2,920	-	2,920
- Reclassification of free warrant reserve cost	(6,369)	-	6,369	-	-	-	-	-	-
	21,409	10,969	6,369	-	-	-	38,746	-	38,746
Arising from business combination	-	-	-	-	-	-	-	600	600
Total transactions with owners of the Company	21,409	10,969	6,369	-	-	-	38,746	600	39,346
<b>Balance at 30 June 2020</b>	95,134	10,969	6,369	13,219	(400)	(14,377)	110,914	2,122	113,035
<b>18 months ended</b>									
<b>Balance at 1 January 2018</b>	66,084	-	-	4,320	(399)	(2,717)	67,287	-	67,287
Profit for the period	-	-	-	-	-	1,156	1,156	(268)	888
<u>Other comprehensive income</u>									
Foreign currency translation differences for foreign operation	-	-	-	-	(12)	-	(12)	-	(12)
Revaluation surplus of property	-	-	-	8,899	-	-	8,899	-	8,899
Total comprehensive income for the period	-	-	-	8,899	(12)	1,156	10,043	(268)	9,775
<i>Contribution by and distributions to owners of the Company</i>									
Issue of ordinary shares:									
- Share option exercised	4,002	-	-	-	-	-	4,002	-	4,002
- Special issue	3,308	-	-	-	-	-	3,308	-	3,308
- Share-based payment expenses	332	-	-	-	-	-	332	-	332
	7,641	-	-	-	-	-	7,641	-	7,641
Arising from business combination	-	-	-	-	-	-	-	2,450	2,450
Total transactions with owners of the Company	7,641	-	-	-	-	-	7,641	2,450	10,091
<b>Balance at 30 June 2019</b>	73,725	-	-	13,219	(411)	(1,562)	84,971	2,182	87,153

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOUR QUARTER ENDED 30 JUNE 2020

	(Unaudited) 12 months ended 30-Jun-20 RM'000	(Audited) 18 months ended 30-Jun-19 RM'000
<b>Operating activities</b>		
Profit/(loss) before tax	(12,815)	1,984
Adjustments for :		
Depreciation of property, plant and equipment	2,122	1,308
Interest expense	2,000	4,890
Impairment loss on inventories	-	733
Gain/(Loss) on fair value on derivative (assets)/liability	267	838
Share-based payment expenses	-	332
Unrealised foreign exchange loss/(gain)	463	124
Interest income	(677)	(354)
Rental income	(36)	(119)
Gain on disposal of investment property	-	(300)
Gain on disposal of property, plant and equipment	(18)	(8,723)
<b>Operating cash flows before changes in working capital</b>	<u>(8,693)</u>	<u>713</u>
<u>Changes in working capital</u>		
Decrease/(increase) in receivables	(23,191)	5,059
(Increase)/decrease in inventories	(2,790)	(2,396)
(Decrease)/increase in payables	44,431	(3,365)
<b>Cash flows (used)/from operations</b>	<u>9,757</u>	<u>11</u>
Tax (paid)/refunded	(1,293)	(334)
Interest paid	(2,000)	(4,890)
Interest received	677	354
<b>Net cash flows (used in)/from operating activities</b>	<u>7,141</u>	<u>(4,859)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(8,048)	(13,836)
Proceeds from disposal of property plant and equipment	100	209
Placement of deposit pledged with bank	(1,013)	(13,051)
Rental income	36	119
<b>Net cash flows used in investing activities</b>	<u>(8,925)</u>	<u>(26,559)</u>
<b>Financing activities</b>		
Repayment of loans and borrowings	(245,150)	(382,667)
Drawdown of loans and borrowings	221,144	416,085
Repayment of hire purchase financing	(221)	(155)
Drawdown of hire purchase financing	556	-
Repayment of lease payables	(287)	-
Drawdown of lease payables	636	-
Amount due to directors	-	764
Proceeds from issuance of shares	23,884	7,309
Proceeds from issuance of shares to non-controlling interests	600	2,450
Proceeds from issuance of ordinary shares from ICPS exercise	2,920	-
Proceeds from issuance of Preference Share - ICPS exercise	973	-
Proceeds from issuance of Preference Share - ICPS	10,969	-
<b>Net cash flows from/(used in) financing activities</b>	<u>16,024</u>	<u>43,786</u>

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOUR QUARTER ENDED 30 JUNE 2020

	(Unaudited) 12 months ended 30-Jun-20 RM'000	(Audited) 18 months ended 30-Jun-19 RM'000
<b>Net increase/(decrease) in cash and cash equivalents</b>	14,240	12,368
<b>At beginning of financial period</b>	19,216	6,857
<b>Effects of exchange rate changes</b>	-	(9)
<b>At end of financial year</b>	<u>33,456</u>	<u>19,216</u>
<b>Cash and bank balances</b>	51,633	36,380
<b>Deposit pledged with banks</b>	<u>(18,177)</u>	<u>(17,164)</u>
<b>Net cash and cash equivalents</b>	<u>33,456</u>	<u>19,216</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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## NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

### 1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 : Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2019.

### 2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2019 except for the adoption of the following MFRSs, Amendments to MFRSs, Issues Committee Interpretations ("IC Interpretations") and Statement of Principles.

Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 140	Investment Property – Transfers of Investment Property
IC Interpretation 23, Uncertainty over Income Tax Treatment	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group

#### MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted by the Group:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 2, Share-based Payment	1 January 2020
Amendments to MFRS 3, Business Combinations	1 January 2020
Amendments to MFRS 3, Annual Improvements to MFRS Standards 2015 - 2017 Cycle - Definition of a Business	1 January 2019
Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 9, Prepayment Features with Negative Compensation	1 January 2020
Amendments to MFRS 11, Annual Improvements to MFRS Standards 2015 - 2017 Cycle - Joint Arrangements	1 January 2019
Amendments to MFRS 14, Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 16 and 117, Leases	1 January 2019
Amendments to MFRS 17, Insurance Contracts	1 January 2021
Amendments to MFRS 101, Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020

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## NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

Amendments to MFRS 112, Annual Improvements to MFRS Standards 2015 - 2017 Cycle - Income Taxes	1 January 2019
Amendments to MFRS 119, Plan Amendment, Curtailment, or Settlement	1 January 2019
Amendments to MFRS 123, Annual Improvements to MFRS Standards 2015 - 2017 Cycle - Borrowing Costs	1 January 2019
Amendments to MFRS 128, Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 134, Interim Financial Reporting	1 January 2020
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138 Intangible Assets	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

### **MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

### **MFRS 16: Leases**

MFRS 16, the standard introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying assets and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains unchanged to the current standard which continues to be classified as finance or operating lease.

The Group has assessed the financial impact on its financial statements upon initial application of MFRS 16. As allowed by the transitional provision of MFRS 16, the Group has elected the modified retrospective approach with no restatement of comparatives and the cumulative adjustments resulting from the initial application of MFRS 16 to be recognised in retained earnings and reserves as at 1 July 2019.

Effects arising from the initial application of MFRS 16 is as follows:-

	RM
Impact on Statement of Financial Position as at 1 July 2019	
Non-current Asset	
Right-of use assets	636
<b>Total Assets</b>	<b>636</b>
Equity attributable to equity holders of the Company retained earnings	82
Total Equity	82
Non-current liabilities	
Lease payable	554
Total Equity and Liabilities	554

### **3. Audit Qualification of Preceding Annual Financial Statements**

The auditors' report on the annual audited financial statements for the financial year ended 30 June 2019 was not qualified.

### **4. Comments About Seasonal or Cyclical Factors**

The sales of copper wire and rods are not subject to significant cyclical or seasonal factors, other than mild slowdowns due to holidays, especially during festival holiday season.

### **5. Unusual Items Due to their Nature, Size or Incidence**

There were no other material unusual items in this financial period/year.



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## NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

### 6. Changes in Estimates

There were no significant changes in estimates that had a material effect in the current quarter.

### 7. Debt and Equity Securities

There were no material issuances, repayments of debt or equity securities, or share cancellation in the current interim period under review. The Company has not implemented any share buy back scheme and it does not hold any shares as treasury shares during the current financial year.

### 8. Dividend Paid

No dividend was paid in the current financial year under review.

### 9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment had been revalued and amended from the financial statements for the period ended 30 June 2019.

### 10. Segmental Reporting

Segment information for the 3 months ended 30 June 2020 is as follows:-

	Malaysia RM'000	Hong Kong RM'000	Elimination RM'000	Total RM'000 30-Jun-20
<b>Revenue</b>				
External sales	37,620	-	-	37,620
Inter-segment sales	1,026	-	(1,026)	-
Total revenue	<u>38,646</u>	<u>-</u>	<u>(1,026)</u>	<u>37,620</u>
<b>Results</b>				
Operating profit/(loss)	(5,555)	(8)	(7)	(5,569)
Finance costs	(275)	-	48	(227)
Profit/(loss) before tax	<u>(5,829)</u>	<u>(8)</u>	<u>41</u>	<u>(5,796)</u>
Income tax expenses	167	-	-	167
Profit/(loss) for the period	<u>(5,662)</u>	<u>(8)</u>	<u>41</u>	<u>(5,629)</u>
<b>Assets</b>				
Segment assets	375,009	11	(151,566)	223,455
<b>Liabilities</b>				
Segment liabilities	158,082	589	(48,251)	110,420

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### NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

#### 11. Subsequent Event

There were material events subsequent to the financial year ended 30 June 2020:

- a) On 9 July 2020, Mercury Securities Sdn Bhd, on behalf of the Board of Directors of Ta Win announced that the Company proposes to undertake the following:
  - i) proposed acquisition of 1,747,581 ordinary shares in Sin Line Tek Electronic Co. Sdn Bhd ("Sin Line Tek"), representing approximately 30.0% of the enlarged issued share capital of Sin Line Tek after the completion of the Proposed Investment (approximately 38.0% of the existing issued share capital of Sin Line Tek) for purchase consideration of approximately RM12.2million, to be satisfied via a combination of new ordinary shares in Ta Win and cash; and
  - ii) proposed subscription of 1,221,264 ordinary shares in Sin Line Tek, representing approximately 21.0% of the enlarged issued share capital of Sin Line Tek after the completion of the Proposed Investment for a total subscription amount of RM8.5million.
- b) On 29 Jul 2020, the Board of Directors of Ta Win announced that the Company had entered into the following proposal:
  - i) Proposed Joint Venture between Ta Win and Perbadanan Menajukan Iktisad Negeri Terengganu to formalised their relationship in a joint venture company to be incorporated which shall develop an industrial park on a piece of leasehold industrial land located at the Kawasan Lembah Perasing, Mukim Hulu Jabor, Daerah Kemaman, Terengganu Darul Iman measuring approximately 500 acres.
  - ii) further to the above Joint Venture announcement, on 13 August 2020, the company had incorporated a new subsidiary with the total issued share capital of 800,000 ordinary shares wholly owned by TA Win, namely Ta Win Copper Ecocycle Sdn Bhd ("TWCEcocycle"), the TWCEcocycle is an investment and management company specially set up to undertake the design, development, financing, build to operate, sell and market the industrial park called "Terengganu Ecocycle Park".

Save as disclosed above, there are no other material subsequent event to the end of the current financial quarter that have not been reflected in this interim financial report.

#### 12 Changes in the Composition of the Group

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

#### 13. Changes in Contingent Liabilities and Contingent Assets

Save for the following, there are no other material changes in contingent liabilities or contingent assets for the quarter ended 30 June 2020.

On 16 June 2020, Ta Win Industries (M) Sdn Bhd had received two bills of demand from the Melaka State Customs Director of Royal Malaysian Customs ("Customs") for the following:

- i) Sales tax amounting to RM141,966.42 for the period 1 July 2017 to 30 June 2019;
- ii) Import duty amounting to RM1,588,390.30 for the period 1 July 2017 to 30 June 2019.

Based on the legal advice sought, Ta Win Industries (M) Sdn Bhd believes it has strong reasonable grounds to object the basis of the bill of demand for sales tax and import duty issued by the Customs. Ta Win will make the necessary announcement on any material development relating to this matter, as and when appropriate.

Ta Win Industries (M) Sdn Bhd does not admit liability on the bills of demand made by Customs and will take appropriate measures to address these matters. As a result, no provision has been recognised.

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### NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

#### 14. Capital Commitments

Capital commitments of the Group in respect of capital expenditure is as follows:

	<b>As at 30-Jun-20 RM'000</b>
<b>Approved and contracted for</b>	
Share of joint venture's capital commitments (Cyprium Wire Technology Sdn. Bhd.)	3,586
Property, Plant and Equipment Purchase of Plant and Machinery (Ta Win Industries (M) Sdn. Bhd.)	7,837
	11,423

#### Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

On 30 November 2018, the Company announced the change of financial year end from 31 December to 30 June. As such, there are no comparative figures.

Segment	3 months ended	
	30-Jun-20	30-Jun-19
	RM'000	RM'000
<b>Malaysia</b>		
Revenue	37,620	104,150
Gross (loss)/profit	(1,895)	(1,895)
Profit/(loss) before tax	(5,823)	8,616
<b>Hong Kong</b>		
Revenue	-	-
Gross Profit	-	-
Loss before tax	(8)	(1)
<b>Group Total</b>		
Revenue	37,620	104,150
Gross (Loss)/Profit	(1,895)	(1,895)
Profit/(loss) before tax	(5,831)	8,615

For the 3 months ended 30 June 2020, the Group registered a low revenue of RM37.620 million as compared to RM104.150 million in the same corresponding quarter ended 30 June 2019. The heavily decline in revenue of RM66.530million is mainly due to the outbreak of the COVID-19 pandemic and the Movement Control Order ("MCO") has been implemented immediately, which led to factory production are temporary suspension in operation with the business as well during this period.

The Group recorded a loss before tax of RM5.283million for the current quarter as compared to a profit before tax of RM8.615million for the immediately preceding quarter. This is mainly due to the sunk cost incurred during this MCO period which the company has been provided immediately in the current quarter period.

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## NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

### 16. Comparison with immediate Preceding Quarter's results

Segment	3 months ended	
	30-Jun-20	31-Mar-20
	RM'000	RM'000
<b>Malaysia</b>		
Revenue	37,620	63,266
Gross (loss)/profit	(1,895)	(1,230)
Profit/(loss) before tax	(5,823)	(3,246)
<b>Hong Kong</b>		
Revenue	-	-
Gross profit	-	-
Loss before tax	(8)	(3)
<b>Group Total</b>		
Revenue	37,620	63,266
Gross profit	(1,895)	(1,230)
Profit/(loss) before tax	(5,831)	(3,249)

The Group's revenue for the current financial quarter decreased by 68.2% to RM37.620million from RM63.266million recorded in the preceding quarter. The heavy decrease in revenue was mainly due to the delivery as a result of the disruption to the businesses in the local and oversea markets due to the effect of the COVID-19 pandemic.

The Group recorded a 62.6% enlarged in loss before tax from RM3.249 million in the preceding quarter to RM5.283 million in the current financial quarter. The increase in the loss before tax was mainly due to the lower revenue and sunk cost has been provided as mentioned above.

### 17. Commentary on Prospects

Malaysia's economic prospects for 2020 are negatively impacted by the COVID-19 pandemic with most business environments adversely impacted by the unprecedented movement control order imposed by the government to contain the pandemic. However, economic activities are expected to gradually pick up in the second half of 2020 as we enter the Recovery stage of the movement Control Order for the period from 10 June 2020 until 31 August 2020.

Given the ongoing COVID-19 pandemic and the economic uncertainties on a global, the Management expects the outlook for the current financial year to be challenging. The Management will undertake cautious measures and continue to monitor closely its ongoing business development to ensure the stability of the Group's business operation. Barring any unforeseen circumstances, the management is optimistic the pandemic can be contained and its performance to be stabilized towards the end of the current financial year.

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## NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

### 18. Profit Forecast or Profit Guarantee

There was neither a profit forecast nor a profit guarantee issued by the Company for the current quarter ending 30 June 2020.

### 19. Income Tax Expense

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30-Jun-20 RM'000	31-Mar-19 RM'000	30-Jun-20 RM'000	31-Mar-19 RM'000
Tax expenses				
Malaysia Income tax	167	-	(92)	-
Real Property Gain Tax	-	-	(168)	-
Deferred tax	-	-	(41)	-
Total tax expenses charges in current/cumulative period	<u>167</u>	<u>-</u>	<u>(301)</u>	<u>-</u>

The above corporate exercise was completed on 13 August 2019. Except the above-mentioned, there were no other corporate

There were no other corporate proposals announced as at the of issue of these interim financial statement.

### 21. Borrowings and Debts Securities

There were no debts securities for the current financial period to the date. Particular of the Group's borrowings as at 30 June 2020 are as follows:

	As at 30-Jun-20 RM'000	As at 31-Mar-19 RM'000
	Short term borrowings Secured	<u>56,516</u>

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### NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

#### 22. Derivative Financial Instruments

##### (i) Disclosure of derivative liability

As at 30 June 2020, the Group has the following derivative financial instrument:

Type of derivative	Contract value RM'000	Fair value RM'000	Fair value Gain/(Loss) RM'000
Commodity swap contract - less than 1 year	<u>6,876</u>	<u>6,616</u>	<u>(259)</u>

Commodity swap contract is used to mitigate copper commodity price risk arising from volatile market prices. There are no cash requirement risks as the Group only uses commodity swap contract as hedging instrument.

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's management objectives, accounting policies and processes.

##### (ii) Fair value changes of derivative liability

The Group determines the gains or losses from fair value changes of the derivative financial instruments (commodity swap contracts) by using the difference between the contracted value and market price.

#### 23. Changes in Material Litigation

There was no material litigation pending as at the date of this announcement.

#### 24. Dividend

No dividend was recommended for the current financial period under review.

#### 25. Profit/(loss) before tax

The following items have been included in the statement of comprehensive income in arriving at loss before tax:

	Cumulative Qtr 12 months ended 30-Jun-20 RM'000
Interest income	(603)
Rental income	(36)
Gain on disposal of plant and machinery	18
Realised Foreign exchange gain	576
Depreciation and amortization	2,122
Gain on disposal of property, plant and equipment	8,800
Unrealised Foreign exchange (gain)/loss	<u>(448)</u>

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### NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

#### 26. Earnings Per Share ("EPS")

The basic EPS is calculated by dividing the profit/(loss) for the period attributable to the owners of the Company by weighted average number of ordinary issue shares in during the period as follows:

		3 months ended Current Quarter		12 months ended Cummulative Quarter	
		30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
<b>a) Basic earning/(loss) per share</b>					
Loss for the period attributable to equity holders of the parent	(RM'000)	(5,664)	8,195	(13,476)	N/A
Weighted average number of ordinary shares in issue	('000)	357,391	79,614	357,391	N/A
Basic earnings/(loss) per share	(sen)	(1.585)	10.29	(3.771)	N/A
<b>b) Diluted earning/(loss) per share</b> <small>(Note 2)</small>					
Weighted average number of ordinary shares in issue after convertible securities	('000)	955,367	N/A	955,367	N/A
Diluted earnings/(loss) per share	(sen)	(0.593)	N/A	(1.411)	N/A
				<small>(Note 1)</small>	

Note:

N/A Not Applicable.

(1) No comparative figures for the corresponding period of preceding year are presented as this is 4th interim financial report on the consolidated results for the year ended 30 June 2020 announced by the Company in compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

(2) For the financial year ended 30 June 2020, diluted EPS was calculated by dividing the loss attributable to owners of the Company by the weighted average diluted number of ordinary shares outstanding during the period and after accounting for the effect of all diluted potential ordinary share arising from the exercise of outstanding ICPS and warrants.

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### NOTES TO INTERIM FINANCIAL REPORT FOR THE FOUR QUARTER ENDED 30 JUNE 2020

#### 27. Corporate Proposals

##### a) Status of Utilisation of Proceeds from Right Issue and ICPS

During the last financial period ended 30 June 2019, the Company has undertaken the Renounceable Rights Issue of 238,841,790 new ordinary shares in the Company ("Right Shares") and 477,683,580 Irredeemable Convertible Preference Shares ("ICPS") in the Company together with 159,227,860 free detachable Warrants ("Warrants") which was completed on 13 August 2019.

The status of utilisation of proceeds raised from the Rights Shares and ICPS as at 30 June 2020 are as follows:-

Purpose	Estimated Time-frame For utilisation of proceeds from date of listing of Rights Share and ICPS	Proposed Utilisation RM'000	Actual utilisation RM'000	Deviation RM'000
Working capital require	Within 12 months	34,576	(34,576)	-
Estimated expenses in relation to proposal	Immediate	1,250	(1,250)	-
		<u>35,826</u>	<u>(35,826)</u>	<u>-</u>

#### 28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2020.