



ATTA GLOBAL GROUP BERHAD
(79082-V)

Quarterly report on consolidated results for the second financial quarter ended 30 September 2019

Condensed Consolidated Statements of Comprehensive Income for the second financial quarter ended 30 September 2019

(The figures have not been audited)

	Notes	3 months ended		Changes	6 months ended		Changes
		30th Sept 2019	30th Sept 2018	amount	30th Sept 2019	30th Sept 2018	amount
		RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	A4	20,423	41,264	-0.51	42,735	82,982	-0.49
Operating Expenses		-22,592	-40,841		-45,591	-81,960	
Other operating income	A5	960	699		1,911	1,984	
Profit before interest and tax	A4	-1,209	1,122	-2.08	-945	3,006	-1.31
Finance costs		-124	-158		-251	(327)	
Profit before tax		(1,333)	964	-2.38	(1,196)	2,679	-1.45
Income tax expense	B5	-111	-160		-289	(305)	
Profit for the year		(1,444)	804	-2.80	(1,485)	2,374	-1.63
Total comprehensive income for the year		-1,444	804		-1,485	2,374	
Profit Attributable to:							
Owners of the parent		(1,230)	825	-2.49	(1,154)	2,395	-1.48
Non - controlling interests		(214)	(21)		(331)	(21)	
		(1,444)	804		(1,485)	2,374	
Total comprehensive income attributable to:							
Owners of the parent		(1,423)	825	-2.72	(1,464)	2,395	-1.61
Non - controlling interests		(21)	(21)		(21)	(21)	
		(1,444)	804		(1,485)	2,374	
Basic - sen		(0.58)	0.39		(0.54)	1.14	

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2019 and the accompanying explanatory notes attached to the interim financial statements.



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Quarterly report on consolidated results for the second financial quarter ended 30th September 2019

Condensed Consolidated Statements of Financial Position as at 30th September 2019

(The figures have not been audited)

	Notes	As at 30 Sept 2019 RM RM'000	As at 31 March 2019 RM RM'000
ASSETS			
Non-current assets			
Property, plant & equipment		62,847	72,963
Property Development Cost		5,022	5,022
Investment Properties		82,455	82,432
Goodwill on Consolidation		7,707	7,707
Other investments			
		<u>158,031</u>	<u>168,124</u>
Current assets			
Inventories		101,683	77,647
Trade receivables		19,534	17,591
Other receivables		91,042	45,000
Short Term Investment	B6	27,393	16,992
Tax recoverable			
Fixed Deposit with licensed banks		13,818	16,207
Cash and bank balances		6,177	62,685
Non - Current Assets held for sale			
		<u>259,647</u>	<u>236,122</u>
TOTAL ASSETS		<u>417,678</u>	<u>404,246</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		212,203	212,203
Treasury Shares		-	-
Other reserves		(5,829)	(5,829)
ICULS- Equity reserve		12,349	12,349
ICPS		93,757	93,757
Warrants reserve		5,779	5,779
Retained profits		23,872	25,033
		<u>342,131</u>	<u>343,292</u>
Non-controlling interests		<u>19,400</u>	<u>19,731</u>
Total equity		<u>361,531</u>	<u>363,023</u>
Non-current liabilities			
Borrowings	B9	3,585	3,542
Deferred tax liabilities		4,973	4,973
		<u>8,558</u>	<u>8,515</u>
Current liabilities			
Borrowings	B9	3,756	3,690
Trade payables		13,181	10,051
Other payables		30,793	19,904
Provision for taxation		(141)	(937)
		<u>47,589</u>	<u>32,708</u>
Total liabilities		<u>56,147</u>	<u>41,223</u>
TOTAL EQUITY AND LIABILITIES		<u>417,678</u>	<u>404,246</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)		1.61	1.62

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2019 and the accompanying explanatory notes attached to the interim financial statements.



Quarterly report on consolidated results for the second financial quarter ended 30th September 2019

Condensed Consolidated Statements of Cash Flow for the second financial quarter ended 30th September 2019
(The figures have not been audited)

	6 months ended	
	As at 30 Sept 2019 RM'000	As at 30 Sept 2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(1,196)	2,680
Adjustments for:		
Depreciation	2,322	2,283
Increase In Share Capital		250
Conversion Of ICPS into Ordinary Shares		3,600
Other Investment	(23)	(78)
Investment Properties		(34,573)
Property Development Cost		(2,620)
Provision for doubtful debts		453
Retain Profit Sungguh Gemilang		(700)
Interest expense	259	333
Operating profit before working capital changes	1,362	(28,372)
(Increase)/ decrease in inventories	(24,035)	(5,043)
(Increase)/ decrease in receivables	(47,567)	(21,889)
(Decrease)/ increase in payables	15,066	(3,857)
Net change in intercompanies	370	-
Cash generated from/ (used in) operations	(54,804)	(59,161)
Income tax paid	(541)	(455)
Interest paid	(259)	(333)
Net cash from/ (used in) operating activities	(55,604)	(59,949)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,436)	(1,078)
Proceeds from disposal of property, plant and equipment	10,230	
Disposal/ (purchase) of equity investments - Treasury shares		78,194
Placement of fixed deposit		-
Disposal/ (Purchase) of investment	(10,826)	
Dividend received		14,000
Net cash from/ (used in) investing activities	(3,032)	91,116
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in short term borrowings	16,274	1,397
Dividend paid - Single Tier		(4,166)
Dividend paid - ICPS		(1,883)
Dividend Paid		(14,000)
Proceeds/(Repayment) of term loans	(914)	(853)
Proceeds/(Repayment) of hire purchase	956	1,272
	16,316	(18,233)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(42,320)	12,934
CASH AND CASH EQUIVALENTS AT BEGINNING	62,315	50,715
CASH AND CASH EQUIVALENTS AT END	19,995	63,649
Represented by:		
Cash and bank balances	6,177	18,090
Fixed deposits with a licenced bank	13,818	45,559
Bank overdrafts		
	19,995	63,649

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31st March 2019 and the accompanying explanatory notes attached to the interim financial statements.



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Quarterly report on consolidated results for the second financial quarter ended 30th September 2019

Condensed Consolidated Statement of Changes in Equity for the second financial quarter ended 30th September 2019

	Attributable to Owners of the Parent										
	Share capital	Share premium	Treasury shares	Other reserve	Irredeemable Convertible Loan Stocks	Irredeemable Convertible Preference Shares	Warrants reserve	Retained profits	Total	Non Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30 September 2018											
As at 1 April 2018	208,203	-	-	3,757	12,349	94,157	81	23,377	341,924	10,523	352,447
Movements during the period (cumulative)	3,850	-	-	-	-	-	-	(6,750)	(2,900)	(21)	(2,921)
Net profit for the period	-	-	-	-	-	-	-	(1,154)	(1,154)	-	(1,154)
At 30 September 2017	212,053	-	-	3,757	12,349	94,157	81	15,473	337,870	10,502	348,372
6 months ended 30 September 2019											
As at 1 April 2019	212,203	-	-	(5,829)	12,349	93,757	5,779	25,033	343,292	19,731	363,023
Movements during the period (cumulative)	-	-	-	-	-	-	-	(7)	(7)	(7)	(7)
Net profit for the period	-	-	-	-	-	-	-	(1,154)	(1,154)	(331)	(1,485)
At 30 September 2018	212,203	-	-	(5,829)	12,349	93,757	5,779	23,872	342,131	19,400	361,531

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES: (AS PER MFRS 134)

A1 Basis of Preparation

The condensed consolidated interim financial statements (“Report”) are unaudited and have been prepared in accordance with applicable Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia. This Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The accounting policies and methods used in preparing the quarterly financial statements are consistent and should be read in conjunction with the audited financial statements for the financial year ended 31st March 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 year ended 31st March 2019.

A2 Basic of measurement

The unaudited financial statements of the Group have been prepared under the historical cost convention other than as disclosed.

The explanation and financial impacts on transition to MFRSs are disclosed below:

(i) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standards IAS 16 (Revised) Property, Plant and Equipment, which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain property, plant and equipment at revalued amounts, but had not adopted a policy of regular revaluation, and continued to carry those assets on the basis of their previous revaluations subject to continuity in its depreciation policy and the requirement to write down the assets to their recoverable amounts for impairment adjustments.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

A2.1 Adoption of Amendments/Improvement to MFRS

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year expect for the adoption of the following standards that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2018

Amendment for MFS 2 Share-based Payment : Classification and measurement of Share-based Transactions

MFRS 9 Financial Instruments

MFRS 15 revenue from Contract with customers

Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts

Amendments to MFRS 140 Investment Property : Transfer of Investment Property.

Annual Improvements to MFRS Standard 2014 – 2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The initial application of the above standards did not have any material impact to the financial statement of the Group and of the company upon adoption expect for :

MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment and hedge accounting.

The Group has applied MFRS 9 prospectively, with an initial application date of 1 April 2018. The Group has not restated the comparative information, which continues to be reported under MFRS 139. Differences arising from the adoption of MFRS 9 in relation to classification, measurement and Impairment are recognised in retained profits.



EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)

A2.2 Standards Issued But Not Yet Effective

The Group and the Company have not applied the following standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2019

Amendments to MFRS 9 Financial Instrument: Prepayment Features with Negative Compensation
MFRS 16 Leases
Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
IC Interpretation 23 Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle

Effective for annual periods beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Business Combinations: Definition of a Business
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31st March, 2019.

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st March 2019 was not subject to any audit qualification.

A4 Segmental reporting

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit/(Loss) before interest and tax (RM)
Manufacturing	39,962,235	(381,748)
Trading	1,017,832	(135,773)
Others	1,755,363	(427,813)
	-----	-----
	42,735,430	(945,334)
	=====	=====



EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)

A5 Other operating income

	30 Sep 2019	30 Sep 2018
	RM'000	RM'000
Interest Received	12	6
Gain on Sale of Fixed Asset	32	323
Gain on foreign exchange	235	73
Administrative Charges	6	-
FD interest	392	804
Gain on Investment	787	-
Rental receivable	413	763
Rental income	11	12
Scrap sales	22	3
Dividend Received	1	-
	<u>1,911</u>	<u>1,984</u>

A6 Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A7 Changes in estimates

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

A8 Seasonality or cyclicity of operation

The business of the Group is generally neither non-cyclical nor seasonal except for decreased activities during the festive season.

A9 Dividends Paid

No Dividend was paid during the financial period ended 30th Sept 2019

A10 Valuation of property, plant and equipment

Investment properties have been revalued to fair value according to MFRS140 for the financial year ended 31st March 2019.



EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)

A11 Issuances and repayments of debts and equity securities

As at 30 Sept 2019, out of the total 212,203,372 issued and fully paid ordinary shares 774 shares were held as treasury shares at an average purchase price of RM0.52. The share buyback transactions were financed by internally generated funds.

Save as disclosed above, there were no other issuances, cancellations, resale or repayments of debt and equity securities during the quarter ended 30 Sept 2019.

A12 Changes in the composition of the Group

There are no changes in the composition of the Group for the current quarter.

A13 Material events

- i) On 15th May 2019 the company has entered into a Share Sale Agreement (“SSA”) with Tac Wind Sdn Bhd (“**the vendor**”) for the acquisition of 5,000,000 ordinary shares (“**Sale Shares**”) representing 100% equity interest in **MPSBV** for the total consideration of RM28,000,000 to be satisfied as follow:

- a) RM 3,000,000 as cash consideration . and
- b) The remaining sum of RM25,000,000.00 as an agreed sum of the full settlement of total amount owing by MPSBV to the directors.

On 16th Aug 2019 the Company has completed the acquisition in accordance with the term and condition of the sale and purchase of Share Sales Agreement dated 15th May 2019.

- ii) On 19th Aug 2019 the company has entered into a Share Sale Agreement (“SSA”) with Climate Attitude Sdn Bhd (“**the vendor**”) for the acquisition of 2 ordinary shares (“**Sale Shares**”) representing 100% equity interest in **Climate Attitude Sdn Bhd (“CMASB”)** for the Total consideration of RM24,000,000 to be satisfied as follow:

- a) RM 2.00 as cash consideration . and
- b) the remaining sum of RM23,999,998.00 as an agreed sum of the full settlement of total amount owing by CMASB to the directors.

On 2nd Oct 2019 the Company has completed the acquisition in accordance with the term and condition of the sale and purchase of Share Sales Agreement dated 19th Aug 2019.



Material events

iii) On 1st Oct the company (“**the vendor**”) has entered into Sale and Purchase Agreement (“**SPA**”) with Edwin Ooi Jia Wei for the disposal of 1,237,500 ordinary share (“**the said Shares**”) representing 55.31% equity interest in **Tetap Gembira Development Sdn Bhd (“TG”)** for total consideration of RM 16,000,000 (“**the consideration**”) to be satisfied as follow :-

- a) RM 5,000,000 to be paid upon the execution of SPA ; and
- b) RM 11,000,000 to be paid to vendor being agreed reimbursement of cost and expenses/advances made by the vendor in respect of the project currently under construction in respect of all one block of 23 storey building comprising 62 units of residential apartments, 38 units of office suites , car parking bays and other facilities erected on No.lot 71113,Mukim 12 , Daerah Barat Daya , Penang held under Geran Mukim No.Hakmilik 3416 as total payment paid by the vendor as at cutoff date of 31 March 2019.

(Herein referred to as “proposed Disposal”)

Upon completion of the Proposed Disposal , TG will cease to be subsidiary of ATTA.

Save as disclosed above, there is no transaction or event of a material or unusual nature occurring between 31 March 2019 and the date of this announcement.

A14 Material commitments

Property, plant and equipment

- Authorized and contracted for

Group (RM'000)

2,000



B1 Review of the performance of the Company and its principal subsidiaries

	3 months ended	
	30 th Sept 2019	30 th Sept 2018
	RM'000	RM'000
Revenue	20,423	41,264
Profit/(Loss) before tax	-1,333	964

The Group generated revenue of approximately RM20.423 million for the 2nd quarter ended 30 September 2019 which decrease by approximately RM20.841 million or 50.51% as compared to revenue generated for the preceding year correspond quarter of RM41.264million.The weaker performance was attributed to lower metric tons sales from metal processing Division and both cable support system , metal roofing Division..

In line with the downward revenue trend, the Group recorded a loss before tax of RM-1.333million for 2nd quarter ended 30 September 2019 as compared to RM0.964 million achieved in preceding year correspond quarter.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30 Sept 2019	Immediate Preceding Quarter 30 June 2019	Changes (Amount/ %)
	RM'000	RM'000	RM'000
Revenue	20.423	22.313	- 8.47 %
Profit / (Loss) Before Interest and Tax	- 1.209	0. 264	-557.95 %
Profit / (Loss) before tax	-1.333	0.137	-1072.99 %
Profit / (Loss) after tax	-1.444	-0.041	- 3421.95 %
Profit/(Loss) Attributable to Ordinary Equity Holders Of the parent holders of the parent	-1.230	0.076	- 1718.42 %

The Group's registered revenue of RM20.423million for the current quarter under review as compared to RM22.313million in the immediate preceding quarter. Turnover reduced by Rm1.890 million or 8.47% are mainly due to lower tonnage sales in metal processing divisions. .

The Group made loss before tax of RM-1.333 million for current quarter compared to profit before tax of RM0.137 million for the immediate preceding quarter. The loss are in line with the downward revenue trend and lower selling price.



B3 Prospects of the current financial year

The Board of Directors is of the view that in the short term the business environment for the manufacturing and trading of steel products will continue to be challenging due to the volatility in steel prices and increase in competitiveness in the construction and other related industries.

However Management will continue to focus on implementing strategies to manage operating cost to improve profit margin.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises:-

	Current Year Quarter 30/9/2019 RM'000	Cumulative Quarters Current Year To Date 30/9/2019 RM'000	Preceding Year Corresponding Period 30/9/2018 RM'000
Current year expense	-	-	-
Provision of Income tax	(111)	(289)	(305)
	(111)	(289)	(305)
Current year Deferred tax provision	-	-	-
	(111)	(289)	(305)



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Quarterly report on consolidated results the fourth financial quarter ended 30 Sept 2019

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B6 Other Investments

	RM 30th Sept 2019	RM 31 March 2019
Non-current		
Available for sale financial assets:		
At fair value:		
- Quoted securities in Malaysia	22,127,177	11,848,320
- Addition		
	<u>22,127,177</u>	<u>11,848,320</u>
Held-to-maturity investments		
At cost:		
- Loan stocks quoted in Malaysia	5,265,715	5,144,334
	<u>27,392,892</u>	<u>16,992,654</u>
Market value of:		
- Quoted securities	23,460,613	11,824,960
- Loan stocks	5,144,334	5,144,334
	<u>28,604,947</u>	<u>16,969,294</u>

B7 Status of corporate proposals

There are no other corporate proposals at the date of issue of the quarterly report.



B8 Status of Utilisation of Proceeds

The Company received proceeds amounting to RM97.794 million from the issuance of 1,222,426,720 Irredeemable Convertible Preference Shares (“ICPS”) at an issue price of RM0.08 per ICPS in December 2017. The proceeds have been utilized in the following manner as at 30th Sept 2019:-

Purpose	Approved utilisation RM'000	Amount utilised RM'000	Balance unutilized RM'000
Purchase of new equipment/machineries	6,550	4,078	2,472
Investment in new business	30,000	29,970	30
Upgrading of building	10,000	6,712	3,288
Working capital	50,244	49,325	919
Expenses in relation to the Proposal (ICPS)	1,000	763	237
Total :	97,794	90,848	6,946

B9 Group borrowings and debt securities

There were no bank borrowings other than as detailed below and debt securities as at the end of the reporting period.

	As at 2nd quarter ended 2019					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
Secured						
Bank Overdrafts	-	-	-	489,250	-	489,250
Bankers Acceptance	-	-	-	1,623,970	-	1,623,970
Term Loan	-	1,606,637	-	1,643,415	-	3,250,052
Unsecured						
Term Loan	-	-	-	-	-	-
Hire Purchase	-	1,979,171	-	-	-	1,979,171
TOTAL	-	3,585,808	-	3,756,635	-	7,342,443



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B9 Group borrowings and debt securities – con't

	As at 2nd quarter ended 2018					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
Secured						
Bank Overdrafts	-	-	-	-	-	-
Bankers Acceptance	-	-	-	1,700,000	-	1,700,000
Term Loan	-	3,275,057	-	1,422,648	-	4,697,705
Revolving Credit	-	-	-	-	-	-
Unsecured						
Term Loan	-	-	-	-	-	-
Hire Purchase	-	3,309,268	-	-	-	3,309,268
TOTAL	-	6,584,325	-	3,122,648	-	9,706,973



B10 Dividends

The Board of Directors of the Company has recommended has not recommended any dividend for the period ended 30/9/2019

Save for the above no any other dividends for the period ended 30th Sept 2019.

B11 Earnings per Share

- (i) Basic earnings per ordinary share
The earnings per share is calculated by dividing the net profits / (loss) attributable to owners of the parent of (RM1,153,957) by the number of ordinary shares in issue during the current quarter after treasury shares of 212,203,372.
- (ii) Diluted earnings per ordinary share
The diluted earnings per share is not presented as the assumed conversion of potential ordinary share are anti-dilutive.