



Quarterly report on consolidated results for the third financial quarter ended 31 March 2020

Condensed Consolidated Statements of Comprehensive Income for the third financial quarter ended 31 March 2020

(The figures have not been audited)

| | Notes | 3 months ended | | Changes amount (%) | 12 months ended | | Changes amount (%) |
|---|-------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|--------------------------|
| | | 31st March 2020 RM'000 | 31st March 2019 RM'000 | | 31st March 2020 RM'000 | 31st March 2019 RM'000 | |
| Revenue | A4 | 9,476 | 31,626 | -0.70 | 69,591 | 153,778 | -0.55 |
| Operating Expenses | | (13,168) | (32,153) | | (80,540) | (171,820) | |
| Other operating income | A5 | 2,345 | 24,748 | | 10,888 | 27,918 | |
| Profit before interest and tax | A4 | (1,347) | 24,221 | -1.06 | (61) | 9,876 | -1.01 |
| Finance costs | | (62) | (3) | | (440) | (632) | |
| Profit before tax | | (1,409) | 24,218 | -1.06 | (501) | 9,244 | -1.05 |
| Income tax expense | B5 | (330) | (1,513) | | (717) | (2,189) | |
| Profit for the year | | (1,739) | 22,705 | -1.08 | (1,218) | 7,055 | -1.17 |
| Other comprehensive income/ (loss), net of tax | | | | | | | |
| Fair value of available-for-sale financial assets | | - | (8) | | - | (8) | |
| Reclassification to profit or loss upon disposal | | - | | | - | | |
| Total other comprehensive income/ (loss) for the year | | - | (8) | | - | (8) | |
| Total comprehensive income for the year | | (1,739) | 22,697 | | (1,218) | 7,047 | |
| Profit Attributable to: | | | | | | | |
| Owners of the parent | | (1,438) | 22,715 | -1.06 | (461) | 7,065 | -1.07 |
| Non - controlling interests | | (301) | (10) | | (757) | (10) | |
| | | (1,739) | 22,705 | | (1,218) | 7,055 | |
| Earnings per share attributable to equity holders of the parent: | | | | | | | |
| Total comprehensive income attributable to: | | | | | | | |
| Owners of the parent | | (1,438) | 22,707 | -1.06 | (461) | 7,057 | -1.07 |
| Non - controlling interests | | (301) | (10) | | (757) | (10) | |
| | | (1,739) | 22,697 | | (1,218) | 7,047 | |
| Basic - sen | | (0.68) | 10.82 | | (0.22) | 3.37 | |

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.



Quarterly report on consolidated results for the third financial quarter ended 31 March 2020

Condensed Consolidated Statements of Financial Position as at 31 March 2020

(The figures have not been audited)

| | Notes | As at 31 March 2020 RM RM'000 | As at 31 March 2019 RM RM'000 |
|---|-------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment | | 78,794 | 72,963 |
| Property Development Cost | | 39,886 | 5,022 |
| Investment Properties | | 82,455 | 82,432 |
| Goodwil on Consolidation | | | 7,707 |
| Other investments | | | |
| Tresury Shares | | - | - |
| | | <u>201,135</u> | <u>168,124</u> |
| Current assets | | | |
| Inventories | | 103,304 | 77,647 |
| Trade receivables | | 15,553 | 17,591 |
| Other receivables | | 51,979 | 45,000 |
| Short Term Investment | B6 | 26,297 | 16,992 |
| Tax recoverable | | | |
| Fixed Deposit with licensed banks | | 4,440 | 16,207 |
| Cash and bank balances | | 22,586 | 62,685 |
| Assets held for sale | | - | - |
| | | <u>224,159</u> | <u>236,122</u> |
| TOTAL ASSETS | | <u>425,294</u> | <u>404,246</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Share capital | | 212,203 | 212,203 |
| 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 | | 24,605 | 25,033 |
| | | <u>342,864</u> | <u>343,292</u> |
| Non-controlling interests | | <u>18,709</u> | <u>19,731</u> |
| Total equity | | <u>361,573</u> | <u>363,023</u> |
| Non-current liabilities | | | |
| Borrowings | B9 | 2,578 | 3,542 |
| ICULS | | - | - |
| Goodwill on consolidation | | (6,798) | - |
| Deferred tax liabilities | | 4,973 | 4,973 |
| | | <u>753</u> | <u>8,515</u> |
| Current liabilities | | | |
| Borrowings | B9 | 2,270 | 3,690 |
| Trade payables | | 14,941 | 10,051 |
| Other payables | | 47,004 | 19,904 |
| Provision for taxation | | (1,247) | (937) |
| | | <u>62,968</u> | <u>32,708</u> |
| Total liabilities | | <u>63,721</u> | <u>41,223</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>425,294</u> | <u>404,246</u> |
| Net asset per share attributable to ordinary equity holders of the parent (RM) | | 1.63 | 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 third financial quarter ended 31 March 2020

Condensed Consolidated Statements of Cash Flow for the third financial quarter ended 31 March 2020

(The figures have not been audited)

| | 12 months ended | |
|---|----------------------------------|----------------------------------|
| | As at 31 March 2020 RM'000 | As at 31 March 2020 RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit /(loss) before taxation | (501) | (9,819) |
| Adjustments for: | | |
| Depreciation | 4,396 | 4,630 |
| Property development cost | (4) | 5,718 |
| Investment properties | | (33,212) |
| Quasi Loan | | 25,850 |
| Other investment | (23) | 25,318 |
| Increase In Share Capital | | (150) |
| Conversion of ICPS into Ordinary Shares | | 4,000 |
| Investment in subsidiaries | | (53,000) |
| Retain Profits - Sungguh Gemilang Sdn Bhd | | (704) |
| Retain Profits- Sunrise Manner Sdn Bhd | | 25,594 |
| Retain Profits - Tetap Gembira Development Sdn Bhd | 1,685 | (261) |
| Gain on bargain purchase - Santro Match Sdn Bhd | (22) | |
| Investment in a subsidiary | (1,762) | |
| Opening Balance Adjustment | | (1,376) |
| Impairment loss on receivables | | 444 |
| Fair value adjustment reserve | | (3,863) |
| Interest expense | 455 | 633 |
| Operating profit before working capital changes | 4,224 | (10,198) |
| (Increase)/ decrease in inventories | (25,657) | (63,625) |
| (Increase)/ decrease in receivables | (4,859) | 7,364 |
| (Decrease)/ increase in payables | 8,677 | 8,233 |
| Net change in intercompanies | (25,665) | 186 |
| Cash generated from/ (used in) operations | (43,280) | (58,040) |
| Income tax paid | (1,575) | (1,287) |
| Interest paid | (455) | (633) |
| Net cash from/ (used in) operating activities | (45,310) | (59,960) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividend received | | 14,000 |
| Purchase of subsidiary | | 20,508 |
| Purchase of property, plant and equipment | (5,442) | (4,210) |
| Proceeds from disposal of property, plant and equipment | 13,235 | 354 |
| Disposal/ (Purchase) of investment | (11,612) | - |
| Net cash from/ (used in) investing activities | (3,819) | 30,652 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net changes in short term borrowings | 14,804 | 80,156 |
| Dividend paid | | (14,000) |
| Dividend paid - Single Tier | | (4,166) |
| Dividend paid - Icps | | (1,883) |
| Repayment of Term Loan | (1,675) | (1,607) |
| (Repayment)/ proceeds of HP borrowings | 711 | (1,015) |
| | 13,840 | 57,485 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (35,289) | 28,177 |
| CASH AND CASH EQUIVALENTS AT BEGINNING | 62,315 | 50,715 |
| CASH AND CASH EQUIVALENTS AT END | 27,026 | 78,892 |
| Represented by: | | |
| Cash and bank balances | 22,586 | 11,831 |
| Fixed deposits with a licenced bank | 4,440 | 67,061 |
| Bank overdrafts | | |
| | 27,026 | 78,892 |

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.



Quarterly report on consolidated results for the third financial quarter ended 31 March 2020

Condensed Consolidated Statement of Changes in Equity for the third financial quarter ended 31 March 2020

| | ----- Attributable to Owners of the Parent ----- | | | | | | | | | | | |
|--|--|-------------------------------|-----------------|----------------|---------------|--------------------------------------|--|------------------|------------------|---------------|--------------------------|--------------|
| | Share capital | ----- Non-Distributable ----- | | | | Irredeemable Convertible Loan Stocks | Irredeemable Convertible Preference Shares | Warrants reserve | Retained profits | Total | Non Controlling Interest | Total Equity |
| | | Share premium | Treasury shares | Other reserve | RM'000 | | | | | | | |
| 12 months ended 31 March 2019 | | | | | | | | | | | | |
| 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) | 4,000 | - | - | (3,863) | - | (400) | - | (8,492) | (8,755) | 9,208 | 453 | |
| Net profit for the period | - | - | - | - | - | - | - | 7,057 | 7,057 | - | 7,057 | |
| At 31 March 2018 | <u>212,203</u> | <u>-</u> | <u>-</u> | <u>(106)</u> | <u>12,349</u> | <u>93,757</u> | <u>81</u> | <u>21,942</u> | <u>340,226</u> | <u>19,731</u> | <u>359,957</u> | |
| 12 months ended 31 March 2020 | | | | | | | | | | | | |
| 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) | - | - | - | - | - | - | - | 33 | 33 | (265) | (232) | |
| Net profit for the period | - | - | - | - | - | - | - | (461) | (461) | (757) | (1,218) | |
| At 31 March 2019 | <u>212,203</u> | <u>-</u> | <u>-</u> | <u>(5,829)</u> | <u>12,349</u> | <u>93,757</u> | <u>5,779</u> | <u>24,605</u> | <u>342,864</u> | <u>18,709</u> | <u>361,573</u> | |

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 Basis 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 | 65,381,750 | (5,987,314) |
| Trading | 1,517,684 | (288,560) |
| Others | 2,691,616 | 6,214,097 |
| | ----- | ----- |
| | 69,591,050 | (61,777) |
| | ===== | ===== |



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

A5 Other operating income

| | 31 March 2020 | 31 March 2019 |
|-----------------------------------|----------------------|----------------------|
| | RM'000 | RM'000 |
| Interest Received | 30 | 116 |
| Interest Waiver | - | 1,654 |
| Gain on Sale of Fixed Asset | 2,195 | 1 |
| Gain on foreign exchange | 321 | 365 |
| Fair Value on Investment Property | - | 3,100 |
| Administrative Charges | 13 | - |
| FD interest | 465 | 1,899 |
| Gain on Investment | 4,176 | 2,586 |
| Rental receivable | 563 | 1,252 |
| Rental income | 19 | 23 |
| Scrap sales | 47 | 17 |
| Dividend Received | 33 | 30 |
| Gain on Bargain Purchase | 22 | 16,875 |
| Director Waiver | 3,004 | - |
| | <hr/> | <hr/> |
| | 10,888 | 27,918 |

A6 Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, incidence and other than notes disclose in A13.

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 31st March 2020

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 31 March 2020, 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 31 March 2020.

A12 Changes in the composition of the Group

There is no transaction or event of changes between 31st Dec 2019 and the date of this announcement.

A13 Material events

A) Disposal of Property

- i) On 16th Jan 2020 Sparkle Gateway Sdn Bhd (“**SGSB**” or the “**Vendor**”) a wholly-owned sub-subsidiary of the company has entered into a Sale and Purchase agreement (“**SPA**”) with ISEC (Penang) Sdn Bhd (“**ISEC**” or **Purchaser**”) for the disposal of the following property for total consideration of RM 18,100,000.00 (“**the purchase price**”):

Description of property

The property known as No Lot 1047, Section 13, Bandar Georgetown, Daerah Timur Laut, Penang comprised in Geran No 8892 with premises erected thereon now bearing address No 56, Jalan Larut 10050 Penang (“the said property”)



B) Police Investigation

- i) On 16 January 2020, a portion of the Company's premises located at Prai Industrial Estate which is tenanted by a third party had been raided by the Police Diraja Malaysia ("PDRM") for investigation of an offence under the Dangerous Drugs Act 1952. The Executive Chairman, Mr. Ooi Chieng Sim has also been remanded by PDRM to assist in the investigations.

In regard to the ongoing investigations,

- a total of nine (9) banking accounts in the name of the Company and its subsidiaries, namely Duro Metal Industrial (M) Sdn. Bhd., SMPC Industries Sdn. Bhd., Syarikat Perkilangan Besi Gaya Sdn. Bhd. and Progerex Sdn. Bhd. have been frozen;
- the securities maintained in the CDS accounts belonging to the Company's subsidiaries, namely Progerex Sdn. Bhd. and Park Avenue Construction Sdn. Bhd. have been suspended;
- some of the Group's motor vehicles had been seized;
- the Executive Chairman, Mr. Ooi Chieng Sim's personal banking accounts and CDS accounts have been frozen; and
- the Executive Director, Mr. Ng Chin Nam's personal banking accounts have been frozen.

Hence, the financial and operations of the Group will be substantially affected.

The Board had taken the following proactive actions to address the above matters:

- Termination of the Tenancy Agreement dated 1 April 2016 with the involved tenant with effect from 20 January 2020;
- To re-designate the following two (2) Non-Executive Directors of the Company with effect from 17 February 2020:
 - Mr. Tan Kim Hee from Non-Independent Non-Executive Director to Executive Director.
 - Mr. Chiok Kian Chau from Independent Non-Executive Director to Executive Director.



To be Continued

The above arrangement would allow:

- Mr. Tan Kim Hee also a major shareholder of the Group holding 21.80% of the equity shares to take stewardship of the Group's direction and spearhead the running of the Group's operations.
- Mr. Chiok Kian Chau with financial planning and audit background will be able to give a check and balance on the Group's operations and discharging his responsibilities to protect the shareholders' interest.
- To appoint Mr. Chiok Kian Chau as Executive Chairman in place of Mr. Ooi Chieng Sim of which his directorship has been suspended by the Board on 31 January 2020.
- To change its financial year end from 31 March 2020 to 30 June 2020 and 30 June in every subsequent year.



ii) On 31 Jan 2020 further development for investigation of an offence under the Dangerous Drugs Act 1952 are as follow.

1. the securities maintained in the CDS accounts of the Company have been suspended;
2. the securities maintained in the CDS account of the Company's subsidiary, SMPC Industries Sdn. Bhd. has been suspended;
3. the securities maintained in the CDS account of the Executive Director, Mr. Ng Chin Nam has been suspended;
4. additional one banking account of the Company's subsidiary, Metal Perforators (M) Sdn. Bhd. has been frozen;
5. the following properties of the Company and its subsidiary have been seized:

| Name of Company | Description of Property |
|-----------------------------|---|
| 1. ATTA Global Group Berhad | <p>i) Lot 5037, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang, No. Lot 5037, No. Geran PN 3394.</p> <p>ii) Lot 5038, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang, No. Lot 5039, No. Geran PN 3887.</p> <p>iii) PT 1444, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang, No. Lot 766, No. Geran HSD 41686.</p> |
| 2. Progerex Sdn. Bhd. | <p>i) Lot 4707, Mukim 3, Seberang Perai Utara, Pulau Pinang, No. Lot 4707, No. Geran GM 2857.</p> <p>ii) Lot 4661, Mukim 7, Seberang Perai Utara, Pulau Pinang, No. Lot 4661, No. Geran GM 2510.</p> <p>iii) PMT 3-14, Blok C, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Pulau Pinang, No. Lot 3793, No. Geran GM 1189/M1/4/71, Mukim 6.</p> <p>iv) PMT 3-15, Blok C, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Pulau Pinang, No. Lot 3793, No. Geran GM 1189/M1/4/72, Mukim 6.</p> |



To be Continued

v) PMT 3-16, Blok C, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Pulau Pinang, No. Lot 3793, No. Geran GM 1189/M1/4/73, Mukim 6.

vi) PMT 4-11, Blok C, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Pulau Pinang, No. Lot 3793, No. Geran GM 1189/M1/5/88, Mukim 6.

vii) PMT 4-12, Blok C, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Pulau Pinang, No. Lot 3793, No. Geran GM 1189/M1/5/89, Mukim 6.

viii) PMT 4-12A, Blok C, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Pulau Pinang, No. Lot 3793, No. Geran GM 1189/M1/5/90, Mukim 6.

ix) No. Lot 10707, No. Geran 8716, Daerah Seberang Perai Tengah, Mukim 14.

x) No. Lot 10708, No. Geran 8717, Daerah Seberang Perai Tengah, Mukim 14.

xi) No. Lot 10709, No. Geran 8718, Daerah Seberang Perai Tengah, Mukim 14.

xii) No. Lot 10710, No. Geran 8719, Daerah Seberang Perai Tengah, Mukim 14.

xiii) Lot 1242, Seksyen 3, Bandar Georgetown, Daerah Timor Laut, Pulau Pinang, No. Geran 62181/M1A/20/82.

xiv) Lot 1435, Bandar Bukit Mertajam, Seksyen 5, Daerah Seberang Perai Tengah, Pulau Pinang, No. Geran 148898.



To be Continued

iii) The Company has made the payment of RM500,000 to Akauntan Negara Malaysia as bond for the release of the following 10 units of motor vehicles which have been seized pursuant to Section 26(2) of the Dangerous Drugs (Forfeiture of Property) Act, 1988 except one Toyota Vellfire in the name of SMPC Industries Sdn. Bhd.:

| Name of Company | Description of Motor Vehicle |
|------------------------------|---|
| 1. ATTA Global Group Berhad | BMW X5 |
| 2. SMPC Industries Sdn. Bhd. | Mercedes Benz E350 |
| 3. Progerex Sdn. Bhd. | i) 3 units of Excavator, Model Kobelco ii) 4 units of Lorry, Model Hino iii) 1 unit of Proton Persona |

On 14 May 2020, the above said motor vehicles have been released by Police Diraja Malaysia (PDRM) pursuant Section 26(2)(a) of the Dangerous Drugs (Forfeiture of Property) Act, 1988.

2. Application for Return of Properties Seized

The Company has exercised its right under the Law to apply for release of the properties seized by the Police. The said claim was made under the relevant law and has been referred to the Sessions Court of Georgetown, Penang for determination. Due to Conditional Movement Control Order, the Company is still waiting for court's date from the Authority.

3. The Resumption of Operation of the Company and its Subsidiaries

In view of the above release of motor vehicles for excavators, lorries and Proton Persona by Police Diraja Malaysia (PDRM), the Company had sought the legal opinion on the resumption of operation of the Company and its subsidiaries. It was concluded that the Company and its subsidiaries are at liberty to commence the operation. Hence, the subsidiaries, namely Progerex Sdn. Bhd. and Syarikat Perkilangan Besi Gaya Sdn. Bhd. plan to resume its scrap metal operation by 1 June 2020.



At this juncture, the Board of Directors of ATTA would take the following actions:

- i) appointment of a solicitor to file a Notice of Claim for the release of the seized assets covering banking accounts, CDS accounts and properties to protect the interest of the Company & the Group and the shareholders;
- ii) suspension of Mr Ooi Chieng Sim as the Executive Chairman of the Company and his executive roles in the subsidiaries in the best interest of the Group to enable him to focus on his defence.

Save as disclosed above, there is no transaction or event of a material or unusual nature occurring between 31st Dec 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 | |
|--------------------------|-----------------------------|-----------------------------|
| | 31 st March 2020 | 31 st March 2019 |
| | RM'000 | RM'000 |
| Revenue | 9,476 | 31,626 |
| Profit/(Loss) before tax | (1,409) | 24,218 |

The Group generated revenue of approximately RM9.476 million for the 3rd quarter ended 31 March 2020 which decrease by approximately RM22.150 million or 70.04% as compared to revenue generated for the preceding year correspond quarter of RM31.626million. The weaker performance was attributed mainly due to complete cessation of business of metal processing division to facilitate the ongoing investigations and also contributed by lower metric tons sales from both Cable support system, Metal roofing Division

The Group recorded a loss before tax of RM1.409million for 3rd^d quarter ended 31 March 2020 as compared to profit of RM24.218 million in preceding year correspond quarter. The decrease in profit are mainly in line with the decline in revenue. Whereas the profit in proceeding year correspond quarter was mainly arise from other income of Acquisition of Subsidiaries and gain on adjustment of fair value on investment properties.

B2 Financial review for current quarter compared with immediate preceding quarter

| | Current Quarter 31 March 2020 | Immediate Preceding Quarter 31 Dec 2019 | Changes (Amount/ %) |
|---|----------------------------------|---|------------------------|
| | RM'000 | RM'000 | RM'000 |
| Revenue | 9,476 | 17,380 | - 45.48 % |
| Profit / (Loss) Before Interest and Tax | -1,347 | 2,231 | -160.38 % |
| Profit / (Loss) before tax | -1,409 | 2,104 | -166.97 % |
| Profit / (Loss) after tax | -1,739 | 2,006 | - 186.69 % |
| Profit/(Loss) Attributable to Ordinary Equity Holders Of the parent holders of the parent | -1,438 | 2,131 | - 167.48 % |

The Group's registered revenue of RM9.476 million for the current quarter under review as compared to RM17.380million in the immediate preceding quarter. Turnover reduced by Rm7.904 million or 45.48% are mainly due to complete cessation of business of metal processing division to facilitate the ongoing investigations and also contributed by lower metric tons sales from both Cable support system, Metal roofing Division.

The Group made Loss before tax of RM1.409 million for current quarter compared to Profit before tax of RM2.104 million for the immediate preceding quarter. The decrease in profit are mainly in line with the decline in revenue .



B3 Prospects of the current financial year

The coronavirus (Covid-19) pandemic has an adverse impact on the Group's financial performance due to disruption of operations. The Board of Directors is of the view that business environment for the manufacturing and trading of steel products will continue to be challenging due to huge drop in demand resulting from imposition of Movement Control Order (MCO) as well as volatility in steel prices. Management will continue to focus on implementing strategies to turnaround the Group even in the midst of facing the investigation on offence under Dangerous Drugs Act, 1953, and also manage operating cost and continue to explore ways to reduce cost.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises:-

| | Current Year Quarter 31/3/2020 RM'000 | Cumulative Quarters Current Year To Date 31/3/2020 RM'000 | Preceding Year Corresponding Period 31/3/2019 RM'000 |
|--|---|--|--|
| Current year expense | - | - | - |
| Provision of Income tax | (330) | (717) | (2,189) |
| | (330) | (717) | (2,189) |
| Current year Deferred tax provision | - | - | - |
| | (330) | (717) | (2,189) |



B6 Other Investments

| | RM 31st March 2020 | RM 31 March 2019 |
|--------------------------------------|-----------------------|---------------------|
| Non-current | | |
| Available for sale financial assets: | | |
| At fair value: | | |
| - Quoted securities in Malaysia | 21,031,737 | 11,848,320 |
| - Addition | | |
| | <u>21,031,737</u> | <u>11,848,320</u> |
| Held-to-maturity investments | | |
| At cost: | | |
| - Loan stocks quoted in Malaysia | 5,265,715 | 5,144,334 |
| | <u>26,297,452</u> | <u>16,992,654</u> |
| Market value of: | | |
| - Quoted securities | 16,920,094 | 11,824,960 |
| - Loan stocks | 4,286,945 | 5,144,334 |
| | <u>21,207,039</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 31st March 2020:-

| 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 3 rd quarter ended March 2020 | | | | | |
|--------------------|--|------------------|----------------------|------------------|----------------------|------------------|
| | Long term | | Short term | | Total borrowings | |
| | Foreign denomination | RM denomination | Foreign denomination | RM denomination | Foreign denomination | RM denomination |
| Secured | | | | | | |
| Bank Overdrafts | - | - | - | 486,893 | - | 486,893 |
| Bankers Acceptance | - | - | - | 140,292 | - | 140,292 |
| Term Loan | - | 845,746 | - | 1,643,415 | - | 2,489,161 |
| Unsecured | | | | | | |
| Term Loan | - | - | - | - | - | - |
| Hire Purchase | - | 1,733,221 | - | - | - | 1,733,221 |
| TOTAL | - | 2,578,967 | - | 2,270,600 | - | 4,849,567 |



B9 Group borrowings and debt securities – con't

| | As at 3 rd quarter ended March 2019 | | | | | |
|--------------------|--|------------------|----------------------|------------------|----------------------|------------------|
| | Long term | | Short term | | Total borrowings | |
| | Foreign denomination | RM denomination | Foreign denomination | RM denomination | Foreign denomination | RM denomination |
| Secured | | | | | | |
| Bank Overdrafts | - | - | - | 456,858 | - | 456,858 |
| Bankers Acceptance | - | - | - | 492,442 | - | 492,442 |
| Term Loan | - | 2,521,077 | - | 1,643,415 | - | 4,164,492 |
| Revolving Credit | - | - | - | - | - | - |
| Unsecured | | | | | | |
| Term Loan | - | - | - | - | - | - |
| Hire Purchase | - | 2,118,384 | - | - | - | 2,118,384 |
| TOTAL | - | 4,639,461 | - | 2,592,715 | - | 7,232,176 |



B10 Dividends

The Board of Directors of the Company has not recommended any dividend for the period ended 31/3/2020

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 (RM 461,410) 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.