

Condensed consolidated interim financial statements
For the fourth quarter year ended 31 March 2020

Condensed consolidated statements of comprehensive income

| | Note | Current quarter 3 months ended | | Cumulative quarter 12 months ended | |
|---|------|---|---|---|---|
| | | 31 March 2020 (Unaudited) RM'000 | 31 March 2019 (Unaudited) RM'000 | 31 March 2020 (Unaudited) RM'000 | 31 March 2019 (Audited) RM'000 |
| Revenue | 7 | 426,013 | 346,428 | 1,826,733 | 1,654,215 |
| Cost of sales | | (394,854) | (310,491) | (1,638,619) | (1,463,369) |
| Gross profit | | 31,159 | 35,937 | 188,114 | 190,846 |
| Other operating income | | 6,322 | 5,372 | 9,590 | 9,451 |
| Operating expenses | | (27,583) | (20,415) | (104,934) | (82,990) |
| Operating profit | | 9,898 | 20,894 | 92,770 | 117,307 |
| Interest expense | | (217) | (3) | (227) | (13) |
| Interest income | | 1,719 | 2,544 | 6,679 | 7,302 |
| Profit before tax | 9 | 11,400 | 23,435 | 99,222 | 124,596 |
| Income tax expense | 10 | (4,355) | (4,313) | (24,554) | (28,592) |
| Profit for the period | | 7,045 | 19,122 | 74,668 | 96,004 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the period, net of tax | | 7,045 | 19,122 | 74,668 | 96,004 |
| Total comprehensive income for the period, net of tax attributable to: | | | | | |
| Owners of the Company | | 7,045 | 19,457 | 75,693 | 96,658 |
| Non-controlling interests | | - | (335) | (1,025) | (654) |
| | | 7,045 | 19,122 | 74,668 | 96,004 |
| Earnings per share attributable to equity holders of the Company (sen per share) : | | | | | |
| -Basic | 11 | 0.56 | 1.56 | 6.05 | 7.73 |
| -Diluted | 11 | 0.56 | 1.56 | 6.05 | 7.73 |

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

Condensed consolidated interim financial statements

For the fourth quarter year ended 31 March 2020

Condensed consolidated statements of financial position

| | Note | 31 March 2020 Unaudited RM'000 | 31 March 2019 Audited RM'000 |
|---|-------|---|---------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 233,210 | 186,844 |
| Land use rights | | - | 15,939 |
| Right of used assets | | 22,694 | - |
| Investment properties | | 5,995 | 1,543 |
| Other investments | 15,17 | 213 | 213 |
| | | <u>262,112</u> | <u>204,539</u> |
| Current assets | | | |
| Inventories | 13 | 162,912 | 93,589 |
| Trade and other receivables | | 344,395 | 312,302 |
| Other current asset | | 35,875 | 11,232 |
| Other investments | 15,17 | 135,920 | 208,018 |
| Tax recoverable | | 4,809 | 3,393 |
| Cash and bank balances | 14 | 45,541 | 40,035 |
| | | <u>729,452</u> | <u>668,569</u> |
| TOTAL ASSETS | | <u><u>991,564</u></u> | <u><u>873,108</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | | 296,126 | 296,126 |
| Merger deficit | | (95,002) | (95,002) |
| Treasury share | 16 | (208) | - |
| Other reserve | | (1,388) | - |
| Retained earnings | | 414,214 | 386,528 |
| | | <u>613,742</u> | <u>587,652</u> |
| Non-controlling interests | | - | 1,012 |
| Total equity | | <u>613,742</u> | <u>588,664</u> |
| Non-current liabilities | | | |
| Borrowing | 18 | 69 | 174 |
| Lease liabilities | | 2,660 | - |
| Deferred tax liabilities | | 15,558 | 17,104 |
| | | <u>18,287</u> | <u>17,278</u> |
| Current liabilities | | | |
| Trade and other payables | | 352,002 | 265,552 |
| Contract liabilities | | 4,967 | 1,513 |
| Borrowing | 18 | 106 | 101 |
| Lease liabilities | | 2,460 | - |
| | | <u>359,535</u> | <u>267,166</u> |
| Total liabilities | | <u>377,822</u> | <u>284,444</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>991,564</u></u> | <u><u>873,108</u></u> |
| Net assets per share (RM) | | <u>0.49</u> | <u>0.47</u> |

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

Condensed consolidated interim financial statements
For the fourth quarter year ended 31 March 2020

Condensed consolidated statements of changes in equity

| | ATTRIBUTABLE TO OWNERS OF THE PARENT | | | | | NON-CONTROLLING INTERESTS RM'000 | EQUITY, TOTAL RM'000 |
|--|--------------------------------------|--------------------------|---------------------------|-------------------------|--|-------------------------------------|-------------------------|
| | SHARE CAPITAL RM'000 | MERGER DEFICIT RM'000 | TREASUREY SHARE RM'000 | OTHER RESERVE RM'000 | DISTRIBUTABLE RETAINED EARNINGS RM'000 | | |
| Opening balance at 1 April 2018 | 296,126 | (95,002) | - | - | 354,181 | 1,666 | 556,971 |
| Effect of adoption of new accounting standards | - | - | - | - | (964) | - | (964) |
| Opening balance at 1 April 2018 (restated) | 296,126 | (95,002) | - | - | 353,217 | 1,666 | 556,007 |
| Total comprehensive income | - | - | - | - | 96,658 | (654) | 96,004 |
| Transactions with owners | | | | | | | |
| Dividends | - | - | - | - | (63,347) | - | (63,347) |
| Closing balance at 31 March 2019 | 296,126 | (95,002) | - | - | 386,528 | 1,012 | 588,664 |
| Opening balance at 1 April 2019 | 296,126 | (95,002) | - | - | 386,528 | 1,012 | 588,664 |
| Total comprehensive income | - | - | - | - | 75,693 | (1,025) | 74,668 |
| Transactions with owners | | | | | | | |
| Dividends | - | - | - | - | (48,007) | - | (48,007) |
| Acquisition of non-controlling interests | - | - | - | - | - | 13 | 13 |
| Premium paid on acquisition of non-controlling interests | - | - | - | (1,388) | - | - | (1,388) |
| Purchase of treasury shares (Note 16) | - | - | (208) | - | - | - | (208) |
| Closing balance at 31 March 2020 | 296,126 | (95,002) | (208) | (1,388) | 414,214 | - | 613,742 |

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

Condensed consolidated interim financial statements

For the fourth quarter year ended 31 March 2020

Condensed consolidated statements of cash flows

| | Note | 12 months ended | |
|---|------|---|---|
| | | 31 March 2020 (Unaudited) RM'000 | 31 March 2019 (Audited) RM'000 |
| Cash flows from operating activities | | | |
| Profit before taxation | | 99,222 | 124,596 |
| Adjustments for: | | | |
| Depreciation and amortisation | | 28,408 | 22,072 |
| Property, plant and equipment written off | | - | 110 |
| Reversal of impairment loss on trade receivable | | (190) | (221) |
| Impairment on trade receivables | | 86 | 400 |
| Inventories written off | | - | 1,558 |
| Gain on disposal of other investment | | - | (27) |
| Gain on disposal of property, plant and equipment | 12 | (787) | (209) |
| (Gain)/Loss on unrealised foreign exchange | | (6) | 581 |
| Interest expense | | 227 | 13 |
| Interest income | | (6,679) | (7,302) |
| Operating profit before working capital changes | | 120,281 | 141,571 |
| (Increase)/Decrease in inventories | | (69,323) | 27,159 |
| (Increase)/Decrease in receivables | | (31,833) | 83,886 |
| Increase in other current assets | | (24,643) | (1,162) |
| Increase/(Decrease) in payables | | 89,725 | (72,830) |
| Cash flows generated from operations | | 84,207 | 178,624 |
| Taxes paid | | (27,516) | (26,709) |
| Interest expenses | | (227) | (13) |
| Net cash flows generated from operating activities | | 56,464 | 151,902 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 12 | (76,348) | (29,108) |
| Purchase of right of used assets | | (1,898) | - |
| Acquisition of non-controlling interests | | (1,375) | - |
| Proceeds from disposal of property, plant and equipment | 12 | 1,251 | 789 |
| Proceeds from disposal/(Purchase of) other investments | | 72,098 | (90,809) |
| Purchase of investment properties | | (1,600) | - |
| Interest received | | 6,679 | 7,302 |
| Net cash flows used in investing activities | | (1,193) | (111,826) |
| Cash flows from financing activities | | | |
| Repayment of finance lease liability | 18 | (100) | (100) |
| Repayment of lease liabilities | | (1,479) | - |
| Purchase of treasury shares | 16 | (208) | - |
| Dividend paid | | (48,007) | (63,347) |
| Net cash flows used in financing activities | | (49,794) | (63,447) |
| Net increase/(decrease) in cash and cash equivalents | | 5,477 | (23,371) |
| Effects of foreign exchange rate changes | | 29 | 328 |
| Cash and cash equivalents at beginning of year | | 40,035 | 63,078 |
| Cash and cash equivalents at end of year | 14 | 45,541 | 40,035 |

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompany explanatory notes attached to these interim financial statements.)

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2020****1. Corporate information**

SKP Resources Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 22 June 2020.

2. Basis of preparation

These condensed interim financial statements, for the year ended 31 March 2020, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of 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 consolidated financial statements of the Group for the year ended 31 March 2019, which were prepared under MFRS are available upon request from the Company registered office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 March 2019.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2019.

3. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2019, the Company has adopted the following new and amended MFRS.

Description

MFRS 16 Leases
IC Interpretation 23 Uncertainty over Income Tax Treatments
Amendment to MFRS 9 Prepayment Features with Negative Compensation
Amendments to MFRS 128 Long-term interests in Associates and Joint Ventures
Amendment to MFRS 3 and MFRS 11 Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015 - 2017 Cycle)
Amendments to MFRS 112 Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements MFRSs 2015 - 2017 Cycle)
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123 Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015 - 2017 Cycle)

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, the Group a lessee will recognise a liability to make lease payments (i.e. lease liability) and an asset representing the right to use the underlying asset (i.e. the right-of-use asset) during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events such as a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments. The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2020**

3. Changes in accounting policies (Cont'd)

Lessors accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15.

The adoption of MFRS 16 has the following impact on the unaudited consolidated financial statements for the year ended 31 March 2020.

| | Unaudited 31/3/2020 Normalised RM'000 | Impact of MFRS 16 adoption RM'000 | Unaudited 31/3/2020 with adoption of MFRS 16 RM'000 |
|-------------------------------|--|--|--|
| Land use rights | 15,939 | (15,939) | - |
| Right of used assets | - | 22,694 | 22,694 |
| Lease liabilities | - | 5,120 | 5,120 |
| Depreciation and amortisation | 26,832 | 1,576 | 28,408 |
| Finance costs | 15 | 212 | 227 |

4. Change in estimates

There were no significant changes in estimates that have had a material effect in the current interim results.

5. Changes in composition of the Group

There were no significant changes in composition of the Group for the current financial quarter.

6. Segment information

The Group is principally involved in manufacturing of plastic products and fabrication of moulds, which are predominantly carried out in Malaysia. Segment information is not prepared as the manufacturing of moulds is insignificant to the Group.

7. Revenue

| | Current quarter 3 months ended | | Cumulative quarters 12 months ended | |
|---|---|-------------------------------------|--|-------------------------------------|
| | 31 March 2020 RM'000 | 31 March 2019 RM'000 | 31 March 2020 RM'000 | 31 March 2019 RM'000 |
| Rental Income | 46 | 41 | 185 | 180 |
| Moulding and modification works | 2,559 | 14,592 | 33,104 | 30,191 |
| Sales of goods | 423,408 | 331,795 | 1,793,444 | 1,623,844 |
| Total revenue, representing revenue recognised at point of time | 426,013 | 346,428 | 1,826,733 | 1,654,215 |

8. Seasonality of operations

The business operations of the Group are not significantly affected by any seasonal factors.

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2020**
9. Profit before tax

Included in the profit before tax are the following items :

| | Current quarter 3 months ended | | Cumulative quarters 12 months ended | |
|--|---|-------------------------------------|--|-------------------------------------|
| | 31 March 2020 RM'000 | 31 March 2019 RM'000 | 31 March 2020 RM'000 | 31 March 2019 RM'000 |
| Interest income | (1,719) | (2,544) | (6,679) | (7,302) |
| Interest expense | 217 | 3 | 227 | 13 |
| Depreciation and amortisation | 9,197 | 5,748 | 28,408 | 22,072 |
| (Gain)/Loss on disposal of property, plant and equipment | (23) | 45 | (787) | (209) |
| Gain on foreign exchange - realised | (1,865) | (2,331) | (2,187) | (3,860) |
| (Gain)/Loss on foreign exchange - unrealised | (83) | 246 | (6) | 581 |

10. Income tax expense

| | Current quarter 3 months ended | | Cumulative quarters 12 months ended | |
|--|---|-------------------------------------|--|-------------------------------------|
| | 31 March 2020 RM'000 | 31 March 2019 RM'000 | 31 March 2020 RM'000 | 31 March 2019 RM'000 |
| Current income tax | | | | |
| - Malaysia income tax | 6,420 | 2,865 | 26,100 | 26,036 |
| Deferred tax | | | | |
| - Origination and reversal of temporary difference | (2,065) | 1,448 | (1,546) | 2,556 |
| Income tax expense recognised in profit or loss | <u>4,355</u> | <u>4,313</u> | <u>24,554</u> | <u>28,592</u> |

The effective tax rate of the Group for the current quarter is higher than the statutory income tax rate due to under-provision of taxation for the preceding years. The effective tax rate of the Group for the financial year to-date is closed to the statutory income tax rate due to acquisition of new property, plant and equipments.

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2020**

11. Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the period :

| | Current quarter 3 months ended | | Cumulative quarters 12 months ended | |
|--|-----------------------------------|----------------------------|--|----------------------------|
| | 31 March 2020 RM'000 | 31 March 2019 RM'000 | 31 March 2020 RM'000 | 31 March 2019 RM'000 |
| Profit net of tax attributable to equity holders of the Company used in the computation of earnings per share (RM'000) | 7,045 | 19,457 | 75,693 | 96,658 |
| Weighted average number of ordinary shares in issue ('000) | 1,250,188 | 1,250,188 | 1,250,188 | 1,250,188 |
| Effects of dilution | - | - | - | - |
| Weighted average number of ordinary shares for diluted earnings per share computation ('000) | 1,250,188 | 1,250,188 | 1,250,188 | 1,250,188 |
| Basic earnings per share (sen) | 0.56 | 1.56 | 6.05 | 7.73 |
| Diluted earnings per share (sen) | 0.56 | 1.56 | 6.05 | 7.73 |

12. Property, plant and equipment

During the twelve months year ended 31 March 2020, the Group acquired assets at a cost of RM76.3 million (31 March 2019: RM29.1 million).

Assets with a carrying amount of RM464,000 were disposed off by the Group during the twelve months year ended 31 March 2020 (31 March 2019: RM580,000), resulting in a gain on disposal of RM787,000 (31 March 2019: RM209,000), recognised as other income in the statement of comprehensive income.

13. Inventories

There was no write-down of inventories to net realisable value for the current quarter (31 March 2019: Nil).

14. Cash and cash equivalents

Cash and cash equivalents comprised of the following amounts:

| | 31 March 2020 RM'000 | 31 March 2019 RM'000 |
|------------------------------------|----------------------------|----------------------------|
| Cash at banks and on hand | 45,513 | 34,035 |
| Fixed deposits with licensed banks | 28 | 6,000 |
| Total cash and cash equivalents | 45,541 | 40,035 |

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2020**

15. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs that are based on observable market data, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial instruments that are measured at fair value:

| | Total RM'000 | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 |
|--|-----------------|-------------------|-------------------|-------------------|
| At 31 March 2020 | | | | |
| Non current | | | | |
| Financial asset carried at amortised cost | | | | |
| Fixed deposits with licensed banks | 139 | - | 139 | - |
| Current | | | | |
| Fair value through profit or loss | | | | |
| Investment in Malaysia | | | | |
| - Cash management fund | 135,920 | | 135,920 | - |
| At 31 March 2019 | | | | |
| Non current | | | | |
| Financial asset carried at amortised cost | | | | |
| Deposits with licensed banks | 139 | - | 139 | - |
| Current | | | | |
| Fair value through profit or loss | | | | |
| Investment in Malaysia | | | | |
| - Cash management fund | 207,990 | - | 207,990 | - |
| Financial asset carried at amortised cost | | | | |
| Fixed deposits with licensed banks | 28 | - | 28 | - |

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2020**

16. Share capital and treasury shares

At the AGM held on 27 September 2019, the Proposed Share Buy-Back Authority to purchase and/or hold its own shares up to ten per centum (10%) of the total number of issued shares of the Company ("Proposed Share Buy-Back Authority") was approved by the shareholders, with effective from 27 September 2019 until the conclusion of the 20th AGM of the Company to be convened in Year 2020.

There were no share buy backs and share cancellations for the current financial year, except as follows:

| Date | No. of treasury shares | Lowest Price | Highest Price | Cost |
|----------------------------|------------------------|--------------|---------------|---------|
| | | RM | RM | RM |
| As at 1 April 2019 | - | | | - |
| Purchased in Mar 2020 | 300,000 | 0.685 | 0.700 | 208,320 |
| As at 31 March 2020 | 300,000 | | | 208,320 |

The number of treasury shares held as at the date of this report is 300,000 ordinary shares at an average cost of RM0.697 per ordinary share.

17. Other investments

Investment in cash management fund is placed with licensed investment banks and asset management companies in Malaysia which are highly liquid.

18. Interest-bearing borrowing

| | 31 March 2020 RM'000 | 31 March 2019 RM'000 |
|--------------------------------|-------------------------------------|----------------------------|
| Current | | |
| <u>Secured:</u> | | |
| Obligation under finance lease | 106 | 101 |
| Non-Current | | |
| <u>Secured:</u> | | |
| Obligation under finance lease | 69 | 174 |
| Total borrowing | 175 | 275 |

19. Dividends

No interim dividend has been declared for the financial year ended 31 March 2020 (31 March 2019: Nil).

The Company will endeavour to maintain the dividend policy of minimum 50% payout subject to amongst others, factors such as the availability of distributable reserves as well as the Company's future cash flow or capital expenditure requirements, investment opportunities, regulatory and statutory restrictions and market conditions.

**Explanatory notes pursuant to MFRS 134
For the fourth quarter year ended 31 March 2020****20. Commitment**

The Group did not have any material commitment for contracted capital expenditure which might have a material impact on the financial position or business of the Group.

| | 31 March 2020 RM'000 | 31 March 2019 RM'000 |
|---|-------------------------------------|----------------------------|
| Capital expenditure | | |
| Approved and contracted for: | | |
| Property, plant and equipment | 11,612 | 26,815 |
| Approved and not contracted for: | | |
| Property, plant and equipment | 140 | - |

21. Contingencies

There were no contingent assets and no changes in the contingent liability for the Group for the current financial year to date.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A
For the twelve-month year ended 31 March 2020**

22. Significant Related party transactions

There were no significant recurrent related party transactions.

23. Events after the reporting period

There were no material events that have arisen subsequent to the financial year ended 31 March 2020.

24. Performance review

| | Current quarter | | Variance (%) | Cumulative quarter | | Variance (%) |
|---|----------------------------|----------------------------|-----------------|----------------------------|----------------------------|-----------------|
| | 3 months ended | | | 12 months ended | | |
| | 31 March 2020 RM'000 | 31 March 2019 RM'000 | | 31 March 2020 RM'000 | 31 March 2019 RM'000 | |
| Revenue | 426,013 | 346,428 | 23.0% | 1,826,733 | 1,654,215 | 10.4% |
| Operating profit | 9,898 | 20,894 | -52.6% | 92,770 | 117,307 | -20.9% |
| Profit before tax | 11,400 | 23,435 | -51.4% | 99,222 | 124,596 | -20.4% |
| Profit after tax | 7,045 | 19,122 | -63.2% | 74,668 | 96,004 | -22.2% |
| Profit attributable to equity holders of the Company | 7,045 | 19,457 | -63.8% | 75,693 | 96,658 | -21.7% |

The Group recorded a turnover of RM1.8 billion with profit before tax of RM99.2 million for the current financial year to date as compared to RM1.7 billion and RM124.6 million in the preceding year respectively.

The increase in revenue for the 12 months period of 10.4% was due to the higher revenue recorded from existing key customers, whereas the decrease in profit before tax of 20.4% was due to the different products mix and mandatory closure of business operations by the Government to curb the outbreak of the Covid-19 pandemic.

25. Comment on material change in profit before tax

| | Current Quarter 31 March 2020 RM'000 | Preceding Quarter 31 December 2019 RM'000 | Variance (%) |
|---|--|---|-----------------|
| Revenue | 426,013 | 551,316 | -22.7% |
| Operating profit | 9,898 | 30,871 | -67.9% |
| Profit before tax | 11,400 | 32,432 | -64.8% |
| Profit after tax | 7,045 | 24,973 | -71.8% |
| Profit attributable to equity holders of the Company | 7,045 | 25,251 | -72.1% |

Compared with preceding quarter, the revenue had decreased by 22.7% from RM551.3 million to RM426.0 million. The profit before tax has decreased by 64.8% from RM32.4 million to RM11.4 million due to sudden imposition of movement control order "MCO" by the Malaysia Government on 18th March 2020 which affected our business. The Group has resumed operations during the relaxation of MCO at the end of April 2020.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A
For the twelve-month year ended 31 March 2020****26. Commentary on prospects**

The outbreak of Covid-19 pandemic worldwide has prompted many countries to impose temporary lockdown measures.

When MCO was initiated by our Government on 18 March 2020, the Group fully complied and implemented various standard operating procedures and health precautionary measures.

Following the relaxation of MCO at the end of April 2020, the Group resumed its business operations to normal and export markets remain resilient post MCO period.

Despite the challenges in the global market as a result of trade tensions as well as the Covid-19 outbreak, business sentiment of most of the Group's customers remain positive.

The Group is strategically well positioned in the Electronics Manufacturing Services ("EMS") industry and continue to pursue opportunities to grow its market share from existing customers. We will continue to expand our PCBA, injection moulding and engineering capabilities to take advantage of a widened product portfolio. The Group remains driven to achieve profitable growth, focusing on the continuous pursuit of operational excellence.

Going forward, using the Group's customer guidance, we anticipate higher capacity utilisation and improve production throughput. Barring any unforeseen circumstances, we expect revenue contribution from customers' orders to increase in the coming quarters.

Prospects remain good and backed by the Group's strong Balance Sheet, the Board is optimistic and expects to achieve profit growth for the financial year ending 31 March 2021.

27. Profit forecast or profit guarantee

Not applicable as no profit forecast or profit guarantee announced as at the date of this quarterly report.

28. Corporate proposals

There were no corporate proposals announced but not completed as to date.

29. Changes in material litigation

There were no material litigation as at the date of this quarterly report.

30. Dividend payable

Please refer to Note 19 for details.

31. Disclosure of nature of outstanding derivatives

There are no outstanding derivative as at reporting period.

32. Rationale for entering into derivatives

The Group did not enter into any derivatives during the year ended 31 March 2020 or the previous financial year ended 31 March 2019.

33. Risks and policies of derivatives

The Group did not enter into any derivatives during the year ended 31 March 2020 or the previous financial year ended 31 March 2019.

34. Disclosure of gains / losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2020 and 31 March 2019.

35. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 March 2019 was not qualified.