



BERHAD
KTG BERHAD

(FORMERLY KNOWN AS DWL RESOURCES BERHAD)
[REGISTRATION NO. 200001002113 (504718-U)]

QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER ENDED 30.6.2020	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.6.2019	CHANGES	CURRENT YEAR-TO-DATE ENDED 30.6.2020	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30.6.2019	CHANGES
	UNAUDITED RM'000	UNAUDITED RM'000	%	UNAUDITED RM'000	AUDITED RM'000	%
Revenue	3,192	1,572	103.1	8,848	9,374	(5.6)
Cost of sales	(1,383)	(1,477)	6.4	(6,292)	(7,658)	17.8
Gross profit	1,809	95	1,804.2	2,556	1,716	49.0
Other income	670	1,087	(38.4)	2,856	2,167	31.8
Operating expenses	(2,034)	(2,562)	20.6	(10,165)	(9,689)	(4.9)
Other operating expenses	(89)	(625)	85.8	(196)	(728)	73.1
Finance costs	(1)	(233)	99.6	(7)	(244)	97.1
Profit/(Loss) before taxation	355	(2,238)	115.9	(4,956)	(6,778)	26.9
Taxation	(57)	3	(2,000.0)	(68)	(19)	(257.9)
Profit/(Loss) after taxation	298	(2,235)	113.3	(5,024)	(6,797)	26.1
Other comprehensive income/ (loss) net of tax:						
- Foreign currency translation	2	7	(71.4)	(4)	9	(144.4)
Total comprehensive income/ (loss)	300	(2,228)	113.5	(5,028)	(6,788)	25.9
Profit/(Loss) after taxation attributable to:-						
Owners of the Company	298	(2,235)	113.3	(5,024)	(6,797)	26.1
Total comprehensive income/ (loss) attributable to:-						
Owners of the Company	300	(2,228)	113.5	(5,028)	(6,788)	25.9
Profit/(Loss) per share attributable to Owners of the Company (sen):						
Basic	0.13	(1.09)		(2.18)	(3.39)	
Diluted	0.13	(1.09)		(2.18)	(3.39)	

(The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.)



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QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.6.2020	AS AT 30.6.2019
	UNAUDITED	AUDITED
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,719	22,803
Investment properties	23,144	800
Goodwill	3,520	3,520
Trade and other receivables	7,500	8,263
	<u>63,883</u>	<u>35,386</u>
Current assets		
Inventories	28,028	27,127
Trade and other receivables	13,883	31,716
Current tax assets	154	397
Deposits with licensed banks	706	13,166
Cash and bank balances	15,963	12,326
	<u>58,734</u>	<u>84,732</u>
TOTAL ASSETS	<u>122,617</u>	<u>120,118</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	118,841	108,581
Warrants reserve	1,004	1,004
Foreign exchange translation reserve	227	231
Accumulated losses	(10,700)	(5,676)
Total equity	<u>109,372</u>	<u>104,140</u>
Non-current liabilities		
Hire purchase payables	42	65
Deferred tax liabilities	2,184	2,230
	<u>2,226</u>	<u>2,295</u>
Current liabilities		
Trade and other payables	10,913	13,307
Current tax liabilities	67	15
Amount owing to directors	8	263
Hire purchase payables	31	98
	<u>11,019</u>	<u>13,683</u>
Total liabilities	<u>13,245</u>	<u>15,978</u>
TOTAL EQUITY AND LIABILITIES	<u>122,617</u>	<u>120,118</u>
Net assets per ordinary share (sen)	46.97	48.70

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Share capital →		Share Premium RM'000	Warrants Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity/ Attributable to Owners of the Company RM'000
	Ordinary Shares RM'000	Irredeemable Convertible Preference Shares RM'000					
	Balance at 1.7.2019	95,642					
Issuance of shares pursuant to conversion of irredeemable convertible preference shares ("ICPS")	10,735	(475)	-	-	-	-	10,260
Total transactions with Owners of the Company	10,735	(475)	-	-	-	-	10,260
Loss after taxation for the financial period	-	-	-	-	-	(5,024)	(5,024)
Other comprehensive loss for the financial period, net of tax	-	-	-	-	(4)	-	(4)
Total comprehensive loss for the financial period	-	-	-	-	(4)	(5,024)	(5,028)
Balance at 30.6.2020	106,377	12,464	-	1,004	227	(10,700)	109,372

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

	← Share capital →					Retained Profits	Total Equity/ Attributable to Owners of the Company
	Ordinary	Irredeemable	Share	Warrants	Foreign		
	Shares	Convertible	Premium	Reserve	Exchange		
	RM'000	Preference	RM'000	RM'000	Reserve	RM'000	RM'000
	RM'000	Shares	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2018	66,752	10,495	22,577	1,145	222	1,121	102,312
Issuance of shares pursuant to conversion of irredeemable convertible preference shares ("ICPS")	4,973	(220)	-	-	-	-	4,753
Issuance of shares pursuant to exercise of warrants	4,004	-	-	(141)	-	-	3,863
Total transactions with Owners of the Company	8,977	(220)	-	(141)	-	-	8,616
Loss after taxation for the financial period	-	-	-	-	-	(6,797)	(6,797)
Other comprehensive income for the financial period, net of tax	-	-	-	-	9	-	9
Total comprehensive income/(loss) for the financial period	-	-	-	-	9	(6,797)	(6,788)
Transfer in accordance with Section 618(2) of the Companies Act 2016	19,913	2,664	(22,577)	-	-	-	-
Balance at 30.6.2019	95,642	12,939	-	1,004	231	(5,676)	104,140



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QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW		
	CURRENT PERIOD-TO-DATE ENDED 30.6.2020 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30.6.2019 AUDITED RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(4,956)	(6,778)
Adjustments for:-		
Bad debts written off	-	-
Deposit/Cash written off	-	2
Depreciation of investment properties	117	-
Depreciation of property, plant and equipment	1,019	1,302
Impairment losses on trade receivables	-	7
Impairment losses on goodwill	-	160
Unwinding of discount on other receivables carried at amortised cost	(349)	(55)
Interest expense	7	244
Inventories written down	-	101
Inventories written off	-	-
Goodwill written off	51	-
Property, plant and equipment written off	6	1
Unrealised loss on foreign exchange	3	23
(Gain)/loss on disposal of plant and equipment	(8)	403
Gain on disposal of subsidiary	-	(221)
Gain on termination	(1,269)	-
Deposit forfeited	(500)	-
Interest income	(151)	(116)
Waiver of debts owing to payables	(14)	(290)
Operating loss before working capital changes	(6,044)	(5,217)
Net change in inventories	(901)	(8,148)
Net change in trade and other receivables	22,209	(10,370)
Net change in trade and other payables	(19,852)	21,177
Cash flows for operations	(4,588)	(2,558)
Interest paid	(7)	(244)
Income tax refunded/(paid)	164	(139)
Net cash for operating activities	(4,431)	(2,941)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	151	116
Acquisition of subsidiaries, net of cash acquired	(2,313)	-
Net cash inflow from disposal of subsidiary	-	750
Purchase of property, plant and equipment	(8,998)	(55)
Proceeds from disposal of plant and equipment	10	7,690
Net cash for investing activities	(11,150)	8,501



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONT'D)

	CURRENT PERIOD-TO-DATE ENDED 30.6.2020 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30.6.2019 AUDITED RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease payables	(91)	(135)
Proceeds from issuance of shares pursuant to conversion of ICPS	10,260	4,753
Proceeds from issuance of shares pursuant to exercise of warrants	-	3,863
Advance/(Repayment) from/to directors	(3,407)	15
Net cash from financing activities	6,762	8,496
Net changes in cash and cash equivalents	(8,819)	14,056
Cash and cash equivalents at beginning of period	25,492	11,427
Effect of foreign exchange translation	(4)	9
Cash and cash equivalents at end of period	16,669	25,492
Cash and cash equivalents at end of financial period comprised:-		
Cash and bank balances	15,963	12,326
Deposits with licensed banks	706	13,166
	16,669	25,492

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.)



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QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2020

**PART A - DISCLOSURE NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD 134 AND INTERNATIONAL ACCOUNTING STANDARD 34**

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard 134: *Interim Financial Reporting* (“MFRS 134”), International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 30 June 2019. The explanatory notes attached to the condensed consolidated 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 and methods of computation adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2019, except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”), Amendments to MFRSs and new IC Interpretation with effect from 1 July 2019.

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
Annual Improvements to MFRS Standards 2015 – 2017 Cycle:		
● Amendments to MFRS 3, Business Combinations and MFRS 11, Joint Arrangements – Previously Held Interest in a Joint Operation		1 January 2019
● Amendments to MFRS 112, Income Taxes – Income Tax Consequences of Payments on Financial Instruments Classified as Equity		1 January 2019
● Amendments to MFRS 123, Borrowing Costs – Borrowing Costs Eligible for Capitalisation		1 January 2019
IC Interpretation 23, Uncertainty over Income Tax Treatments		1 January 2019
MFRS 16	Leases	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019



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2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

The Group and the Company have not early adopted the following new MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:-

MFRSs (Including The Consequential Amendments)		Effective Date
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 7 and MFRS 9	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sales or contribution of Assets between an Investor and its Associates or Joint Venture	Date to be determined by the MASB

The Group and the Company will apply the above new MFRSs and amendments to MFRSs that are applicable once they become effective. The initial application of the new MFRSs and amendments to MFRSs is not expected to have any significant impact on the Group’s and on the Company’s financial statements.

Amendments to MFRS 3 – Definition of a Business

The Amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The Amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The Amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

An entity shall apply these Amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period.



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2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

Amendments to MFRS 101 and Amendments to MFRS 108 – Definition of Material

The Amendments refine the definition by including ‘obscuring information’ in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of an entity’s financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the Amendments align the definition of material across MFRS Standards and other publications.

Entities are required to apply the Amendments prospectively for annual periods beginning on or after 1 January 2020.

MFRS 17, Insurance Contracts

MFRS 17 will supersede the existing MFRS 4 *Insurance Contracts* and related Interpretations. The new Standard introduces consistent accounting for all insurance contracts based on a current measurement model. MFRS 17 requires entities that issue insurance contracts to recognise and measure a group of insurance contracts at: (i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus (ii) an amount representing the unearned profit in the group of contracts. Profits from the group of insurance contracts are recognised over the insurance coverage period. In addition, MFRS 17 changes the financial statements presentations of insurance service results whereby insurance revenue is presented separately from insurance finance income or expenses.

For insurance contracts with coverage period of one year or less, MFRS 17 allows an entity to measure the amount relating to remaining service by allocating the premium over the coverage period.

3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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



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4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The ceramic segment of the Group is cyclical in nature as it is affected by the seasonal pattern of the importing countries.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review that were unusual because of their nature, size or incidence.

6. CHANGE IN ESTIMATES OF AMOUNTS REPORTED IN PRIOR INTERIM PERIODS OF THE CURRENT FINANCIAL PERIOD OR IN PRIOR FINANCIAL YEARS

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial period that have a material effect in the current financial period under review.

7. DEBT AND EQUITY SECURITIES

Total of 19,000,000 ordinary shares (“KTG Shares”) have been issued and listed on the following dates pursuant to the conversion of 19,000,000 ICPS to 19,000,000 KTG Shares by conversion of 1 ICPS and payment of RM0.54 in cash for 1 new KTG Share.

Listing Date	No. of ICPS	No. of KTG Shares
14.8.2019	2,798,500	2,798,500
16.8.2019	5,682,000	5,682,000
19.8.2019	10,519,500	10,519,500
Total	19,000,000	19,000,000

Save for the above, there were no other issuances, cancellations, repurchase, resale and repayment of debt and equity securities since the last annual reporting date.

8. DIVIDENDS

No dividend was paid during the current financial period under review.



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9. SEGMENTAL INFORMATION

The Group has five main business segments as follows:-

Ceramic segment - involved in the retail, trading, manufacturing, exporting and marketing of pottery, porcelain products and ceramics wares and ornaments.

Construction segment - involved in property construction and other related businesses.

Property investment segment - involved in property investment.

Property development segment - involved in property development and other related services.

Moneylending segment – involved in moneylending business.

The Group operates principally in Malaysia.



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9. SEGMENTAL INFORMATION (CONT'D)

Segmental information is provided based on business segments, as follows:

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Construction</u> RM'000	<u>Property</u> <u>Investment</u> RM'000	<u>Property</u> <u>Development</u> RM'000	<u>Moneylending</u> RM'000	<u>The Group</u> RM'000
Current year quarter ended 30.6.2020							
External revenue	-	2,631	-	-	-	561	3,192
Results							
Results before following adjustments	(925)	13	55	(4)	(34)	286	(609)
Interest income	5	38	1	-	-	-	44
Gain on termination	1,269	-	-	-	-	-	1,269
Unwinding of discount on other receivables carried at amortised cost	36	-	-	-	-	-	36
Realised loss on foreign exchange	-	(12)	-	-	-	-	(12)
Unrealised loss on foreign exchange	-	(12)	-	-	-	-	(12)
Deposit/Cash written off	-	- *	-	-	-	-	- *
Depreciation of investment properties	-	-	-	-	(59)	-	(59)
Depreciation of property, plant and equipment	(12)	(224)	(14)	-	- *	-	(250)
Inventories written off	-	- *	-	-	-	-	- *
Goodwill written off	(51)	-	-	-	-	-	(51)
Segment results	322	(197)	42	(4)	(93)	286	356
Finance costs	-	(1)	-	-	-	-	(1)
Taxation	16	- *	(16)	-	- *	(57)	(57)
Profit after taxation							<u>298</u>

Note:-

* - Amount less than RM1,000



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9. SEGMENTAL INFORMATION (CONT'D)

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Construction</u> RM'000	<u>Property</u> <u>Investment</u> RM'000	<u>Property</u> <u>Development</u> RM'000	<u>Moneylending</u> RM'000	<u>The Group</u> RM'000
Current year-to-date ended 30.6.2020							
External revenue	-	8,261	-	-	-	587	8,848
Results							
Results before following adjustments	(5,406)	(209)	(292)	(14)	(292)	232	(5,981)
Interest income	96	38	2	15	-	-	151
Gain on disposal of plant and equipment	-	8	-	-	-	-	8
Gain on termination	1,269	-	-	-	-	-	1,269
Deposit forfeited	500	-	-	-	-	-	500
Unwinding of discount on other receivables carried at amortised cost	349	-	-	-	-	-	349
Realised loss on foreign exchange	-	(63)	-	-	-	-	(63)
Unrealised loss on foreign exchange	-	(3)	-	-	-	-	(3)
Waiver of debts owing to payables	-	-	-	-	14	-	14
Deposit/Cash written off	-	- *	-	-	-	-	- *
Depreciation of investment properties	-	-	-	-	(117)	-	(117)
Depreciation of property, plant and equipment	(26)	(980)	(11)	-	(2)	-	(1,019)
Inventories written off	-	- *	-	-	-	-	- *
Property, plant and equipment written off	(6)	-	-	-	-	-	(6)
Goodwill written off	(51)	-	-	-	-	-	(51)
Segment results	(3,275)	(1,209)	(301)	1	(397)	232	(4,949)
Finance costs	-	(7)	-	-	-	-	(7)
Taxation	63	- *	(70)	(4)	- *	(57)	(68)
Loss after taxation							<u>(5,024)</u>

Note:-

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9. SEGMENTAL INFORMATION (CONT'D)

	<u>Investment</u> <u>Holding</u>	<u>Ceramic</u>	<u>Construction</u>	<u>Property</u> <u>Investment</u>	<u>Property</u> <u>Development</u>	<u>Moneylending</u>	<u>The Group</u>
30.6.2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets	19,018	23,164	15,052	916	45,129	19,184	122,463
Unallocated assets							154
Consolidated total assets							<u>122,617</u>
Liabilities							
Segment liabilities	267	1,614	156	6	8,885	66	10,994
Unallocated liabilities							2,251
Consolidated total liabilities							<u>13,245</u>



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("KTG" OR "THE COMPANY")

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9. SEGMENTAL INFORMATION (CONT'D)

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Construction</u> RM'000	<u>Property</u> <u>Investment</u> RM'000	<u>Property</u> <u>Development</u> RM'000	<u>The Group</u> RM'000
Preceding year quarter ended 30.6.2019						
External revenue	-	1,572	-	-	-	1,572
Results						
Results before following adjustments	(1,076)	(269)	(132)	(4)	(217)	(1,698)
Interest income	22	1	3	11	-	37
Waiver of debts owing to payables	290	-	-	-	-	290
Gain/(Loss) on disposal of plant and equipment	(406)	3	-	-	-	(403)
Gain on disposal of subsidiary	-	221	-	-	-	221
Unwinding of discount on other receivables carried at amortised cost	55	-	-	-	-	55
Realised gain on foreign exchange	-	6	-	-	-	6
Unrealised loss on foreign exchange	-	(1)	-	-	-	(1)
Bad debts written off	-	- *	-	-	-	- *
Deposit/Cash written off	-	(2)	-	-	-	(2)
Depreciation of property, plant and equipment	84	(260)	(167)	-	- *	(343)
Impairment losses on goodwill	(160)	-	-	-	-	(160)
Impairment losses on receivables	-	(7)	-	-	-	(7)
Property, plant and equipment written off	-	- *	- *	-	-	- *
Segment results	(1,191)	(308)	(296)	7	(217)	(2,005)
Finance costs						(233)
Taxation						3
Loss after taxation						(2,235)

Note:-

* - Amount less than RM1,000



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9. SEGMENTAL INFORMATION (CONT'D)

	<u>Investment</u> <u>Holding</u> RM'000	<u>Ceramic</u> RM'000	<u>Construction</u> RM'000	<u>Property</u> <u>Investment</u> RM'000	<u>Property</u> <u>Development</u> RM'000	<u>The Group</u> RM'000
Preceding year-to-date ended 30.6.2019						
External revenue	-	7,539	1,835	-	-	9,374
Results						
Results before following adjustments	(3,483)	(206)	(363)	(12)	(1,221)	(5,285)
Interest income	23	3	79	11	-	116
Gain/(loss) on disposal of plant and equipment	(406)	3	-	-	-	(403)
Gain on disposal of subsidiary	-	221	-	-	-	221
Unwinding of discount on other receivables carried at amortised cost	55	-	-	-	-	55
Realised loss on foreign exchange	-	(33)	-	-	-	(33)
Unrealised loss on foreign exchange	-	(23)	-	-	-	(23)
Waiver of debts owing to payables	290	-	-	-	-	290
Bad debts written off	-	-	*	-	-	-
Deposit/Cash written off	-	(2)	-	-	-	(2)
Depreciation of property, plant and equipment	(54)	(1,056)	(191)	-	(1)	(1,302)
Impairment losses on goodwill	(160)	-	-	-	-	(160)
Impairment losses on receivables	-	(7)	-	-	-	(7)
Property, plant and equipment written off	-	(1)	-	*	-	(1)
Segment results	(3,735)	(1,101)	(475)	(1)	(1,222)	(6,534)
Finance costs						(244)
Taxation						(19)
Loss after taxation						<u>(6,797)</u>

Note:-

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9. SEGMENTAL INFORMATION (CONT'D)

	<u>Investment</u> <u>Holding</u>	<u>Ceramic</u>	<u>Construction</u>	<u>Property</u> <u>Investment</u>	<u>Property</u> <u>Development</u>	<u>The Group</u>
30.6.2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Segment assets	23,456	24,249	14,946	13,965	43,105	119,721
Unallocated assets						397
Consolidated total assets						<u>120,118</u>
Liabilities						
Segment liabilities	2,196	1,395	381	5	9,756	13,733
Unallocated liabilities						2,245
Consolidated total liabilities						<u>15,978</u>

Geographical Information for Revenue

	Current year quarter ended 30.6.2020	Current year-to- date ended 30.6.2020
	RM'000	RM'000
United States	382	613
Europe	49	773
Malaysia	2,761	7,462
	<u>3,192</u>	<u>8,848</u>



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10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

Save for the following and those disclosed in Note 22 and 25, there were no other material events subsequent to the end of the current quarter up to 20 August 2020, being the last practicable date from the date of the issue of this report (“LPD”) that are expected to have an operational or financial impact on the Group.

- (a) On 22 June 2020, the Board had announced that the Company proposed to change its name from “DWL Resources Berhad” to “KTG Berhad” of which shareholders’ approval at the Extraordinary General Meeting held on 24 July 2020 had been obtained.
- (b) On 18 August 2020, the Company had entered into shares sale agreement with Bestinet Technology Sdn Bhd for the disposal of the entire equity interest in DWL Technologies Sdn Bhd, comprising 100 ordinary shares of RM1.00 each for a total cash consideration of RM100.00 only. The transaction has yet to be completed as at the LPD.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current financial period under review except for the following:-

- (a) On 8 August 2019, the Company had incorporated a new wholly-owned subsidiary, namely DWL Technologies Sdn. Bhd. (“DTSB”) with an issued and paid-up share capital of RM100 divided into 100 ordinary shares. DTSB will be principally involved in the business of providing the Information, Communication and Technologies (“ICT”) solutions including technology-based security systems, cross-border communications technology and management system solutions.
- (b) On 10 January 2020, the Company, Million Rich Development Sdn Bhd (“MRDSB”), a wholly-owned subsidiary of KTG and Titanium Hallmark Sdn Bhd (“THSB”) and all shareholders of THSB (i.e. Leong Seng Hoong, Yap Yee Siew Audrey and Lim Bee Wan) entered into a settlement agreement to settle the balance deposit owing by THSB to MRDSB pursuant to the termination of CMPA by way of KTG acquiring all the ordinary shares of THSB from the shareholders of THSB. The debt settlement has been completed on 13 January 2020 and THSB has become a wholly-owned subsidiary of KTG. THSB is principally engaged in the business of property development and other related services.



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11. CHANGES IN COMPOSITION OF THE GROUP (CONT'D)

- (c) On 13 March 2020, the Company had entered into a shares sale agreement with MMAG Holdings Berhad to acquire the entire equity interest in MMAG Capital Sdn Bhd (“MCSB”) for a cash consideration of RM2,050,000.00. The acquisition has been completed on 17 March 2020 and MCSB has become a wholly-owned subsidiary of KTG. MCSB is principally engaged in the business of moneylending and has commenced its business on 17 March 2020.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities since the last annual reporting date and there were no contingent assets since the last annual reporting date.

13. CAPITAL COMMITMENTS

There were no capital commitments as at LPD.

14. RELATED PARTY TRANSACTIONS

	Current year quarter ended 30.06.2020 RM'000	Current year-to- date ended 30.06.2020 RM'000
Professional services rendered by a company in which a director is a common director and has substantial financial interest	-	14
Subscription fees for accounting software charged by a company in which a director is a common director	3	14
Rental received for office premises from a related party in which a director is a common director	2	16



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15. CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES, TRANSFERS AND CLASSIFICATIONS

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group’s financial assets and financial liabilities in the current financial period under review.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of hire purchase payables approximate their carrying amounts. The carrying amounts of the Group’s and of the Company’s financial assets and financial liabilities are reasonable approximation of their fair values, either due to their short-term nature or that they are priced to market interest rates. There were no transfer in between fair value levels during the current financial period under review.



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17. REVIEW OF GROUP PERFORMANCE

	Individual Quarter			Cumulative Period		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Revenue						
- Investment holding	-	-	-	-	-	-
- Ceramic	2,631	1,572	67.4	8,261	7,539	9.6
- Construction	-	-	-	-	1,835	(100.0)
- Property investment	-	-	-	-	-	-
- Property development	-	-	-	-	-	-
- Moneylending	561	-	-	587	-	-
	3,192	1,572	103.1	8,848	9,374	(5.6)
(Loss)/Profit before taxation						
- Investment holding	322	(1,421)	122.7	(3,275)	(3,965)	17.4
- Ceramic	(198)	(311)	36.3	(1,216)	(1,115)	(9.1)
- Construction	42	(296)	114.2	(301)	(475)	36.6
- Property investment	(4)	7	(157.1)	1	(1)	200.0
- Property development	(93)	(217)	57.1	(397)	(1,222)	67.5
- Moneylending	286	-	-	232	-	-
	355	(2,238)	115.9	(4,956)	(6,778)	26.9

The Group's revenue in the current quarter increased by RM1.62 million, representing an increase of 103% as compared to the corresponding quarter ended 30.6.2019. The increase was mainly contributed by an increase of revenue from its ceramic segment due to the reclassification of sales of packaging and transportation of RM1.16 million from other income to revenue in the current quarter, partially offset by less orders from major customers. There was also a revenue of RM0.56 million from its moneylending segment in the current quarter contributed by interest income on the loan given to the borrowers, while there was none in the corresponding quarter ended 30.6.2019 due to business commenced since 17 March 2020.



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17. REVIEW OF GROUP PERFORMANCE (CONT'D)

For the current cumulative period under review, the revenue slightly decreased by RM0.53 million, representing a decrease of 6% as compared to the corresponding period ended 30.6.2019 due to no revenue was generated from its construction segment in the current cumulative period as a result of absence of sales of inventory of completed properties, which was partially offset by the following:

- (i) higher revenue from its ceramic segment by RM0.72 million, representing an increase of 10% mainly caused by the reclassification of sales of packaging and transportation of RM1.16 million from other income to revenue. If the sales of packaging and transportation had not been reclassified, the revenue of ceramic segment in the current cumulative period would be lower than the corresponding period ended 30.6.2019 by RM0.44 million caused by less orders from major customers, which affected by the Covid-19 pandemic; and
- (ii) higher revenue of RM0.59 million derived from its moneylending segment in the current cumulative period, while there was none in the corresponding period ended 30.6.2019 due to business commenced since 17 March 2020.

For the current quarter under review, the Group recorded a profit before taxation of RM0.36 million in the current quarter as compared to a loss before taxation of RM2.24 million in the corresponding quarter ended 30.6.2019. The Group's profit before taxation increased dramatically by RM2.59 million, representing an increase of 116% as compared to the corresponding quarter ended 30.6.2019 mainly contributed by:

- (i) higher revenue from its ceramic segment and moneylending segment, as explained above;
- (ii) lower total operating expenses by RM1.06 million mainly due to lower staff cost of RM0.51 million and the absence of the corresponding quarter's impairment losses on goodwill of RM0.16 million and loss attributable to the disposal of five properties in Mukim Ceras via lease-to-own agreement of RM0.41 million; and
- (iii) lower finance cost by RM0.23 million mainly due to the absence of the corresponding quarter's interest expenses on long term receivables arising from the disposal of Sama Restu Sdn Bhd ("SRSB") via share sale agreement; partially offset by;
- (iv) lower other income of RM0.42 million mainly due to the reclassification of sales of packaging and transportation of RM1.16 million from other income to revenue in the current quarter and the absence of the corresponding quarter's gain on the disposal of a subsidiary of RM0.22 million as well as the waiver of debts of RM0.29 million, which were partially offset by gain arising from the termination of lease-to-own agreement of RM1.27 million.



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17. REVIEW OF GROUP PERFORMANCE (CONT'D)

For the current cumulative period under review, the Group's loss before taxation had decreased by RM1.82 million, representing a decrease of 27% as compared to the corresponding period ended 30.6.2019. The lower Group's loss before taxation was mainly due to:

- (i) higher revenue from its ceramic segment and moneylending segment, as explained above;
- (ii) higher other income by RM0.69 million, which mainly comprised of gain of RM0.50 million arising from the forfeiture of deposit paid resulting from the termination of shares sale agreement in relation to the disposal of Profit Sunland Sdn Bhd (“PSSB”) and the gain of RM1.27 million arising from the termination of lease-to-own agreement, which were partially offset by the reclassification of sales of packaging and transportation of RM1.16 million from other income to revenue; and
- (iii) lower finance cost by RM0.24 million mainly due to the absence of the corresponding period's interest expenses on long term receivables resulting from the disposal of SRSB.



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18. MATERIAL CHANGE IN PERFORMANCE AS COMPARED TO PRECEDING QUARTER

	Current quarter ended 30.06.2020 RM'000	Immediate preceding quarter ended 31.03.2020 RM'000	Changes %
Revenue			
- Investment holding	-	-	-
- Ceramic	2,631	2,194	19.9
- Construction	-	-	-
- Property investment	-	-	-
- Property development	-	-	-
- Moneylending	561	26	2,057.7
	3,192	2,220	43.8
Profit/(Loss) before taxation			
- Investment holding	322	(839)	138.4
- Ceramic	(198)	(190)	(4.2)
- Construction	42	(36)	216.7
- Property investment	(4)	(5)	20.0
- Property development	(93)	(214)	56.5
- Moneylending	286	(54)	629.6
	355	(1,338)	126.5



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**18. MATERIAL CHANGE IN PERFORMANCE AS COMPARED TO PRECEDING
QUARTER (CONT'D)**

The Group's revenue in the current quarter increased by RM0.97 million, representing an increase of 44% as compared to the preceding quarter, mainly due to:

- (i) higher revenue from its ceramic segment due to the reclassification of sales of packaging and transportation of RM1.16 million from other income to revenue in the current quarter, which were partially offset by less orders from major customers of RM0.76 million, which affected by the Covid-19 pandemic; and
- (ii) higher revenue of RM0.54 million from its moneylending segment contributed by interest income on the loan given to its borrowers.

The Group recorded a profit before taxation of RM0.35 million in the current quarter as compared to a loss before taxation of RM1.34 million in the preceding quarter. The Group's profit before taxation increased by RM1.69 million, representing an increase of 127% as compared to the preceding quarter. The increase in the Group's profit before taxation was mainly due to:

- (i) higher revenue from its ceramic segment and moneylending segment, as explained above;
- (ii) higher other income by RM0.56 million, which mainly comprised of gain of RM1.27 million arising from the termination of lease-to-own agreement in the current quarter, partially offset by the absence of the preceding quarter's gain of RM0.50 million arising from the forfeiture of deposit paid resulting from the termination of shares sale agreement in relation to the disposal of PSSB; and
- (iii) lower total operating expenses by RM0.59 million mainly caused by lower staff cost, consultancy fee and other operating costs.



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19. COMMENTARY ON PROSPECTS

With the recent COVID-19 pandemic which has affected almost all businesses worldwide, the ceramic division continues to face challenges and risks in continuing to meet customers' and market demands, as well as competition from other regions and rising costs in determining its pricing policy. The Group is striving to rectify the situation by reviewing, revisiting and realigning our next steps and strategies to ensure the continuity of the business.

As for the construction division, KTG Group continues to persist and further explore viable opportunities.

Moving on to property development division, Klasik Ikhtiar Sdn Bhd, the wholly-owned subsidiary of KTG Group is finalising a development agreement with the Ministry of Housing and Local Government for its Unit Perumahan Penjawat Awam Malaysia (PPAM) project. On the other hand, the Group is still working to complete the assessment and feasibility studies for our concept master planning project at Klebang, Melaka.

The Group has diversified into the moneylending business which has been approved by the shareholders at the Extraordinary General Meeting held on 24 July 2020 and the segment is progressing well with revenue generated. The Board believes that despite our other business segments have been affected by the current inevitable economic constraints, the favourable outlook for the loan market in Malaysia will provide opportunities for KTG Group.

Moving forward, KTG will increase its resources and focus on the property development, construction and moneylending businesses to ensure that these are successfully executed, whilst safeguarding the continuous development of the ceramic business to new markets and increase its range of products. However, the Group will also work to seek more opportunities beyond these businesses in order to mitigate the risks and find a way to overcome this hurdle together. The Board is of the view that the current issues affecting our country, i.e. the Covid-19 pandemic outbreak, the performance of our Group will be impacted.

20. PROFIT FORECAST OR PROFIT GUARANTEE

There was no profit forecast or guarantee made public for the current financial period under review.



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21. TAXATION

The tax expense is as follows:

	Current year quarter ended 30.06.2020 RM'000	Current year-to- date ended 30.06.2020 RM'000
Current tax expense	72	130
Deferred tax expense	(16)	(63)
	<u>57</u>	<u>68</u>

22. CORPORATE PROPOSALS

As disclosed in Note 11 (c), KTG Group has commenced its moneylending business through its wholly-owned subsidiary MCSB since 17 March 2020. On 5 June 2020, the Company announced that the Company proposed to diversify the existing businesses of KTG Group to include moneylending (“Proposed Diversification”), of which shareholder’s approval at the Extraordinary General Meeting held on 24 July 2020 had been obtained. There were no other corporate proposal pending for completion as at LPD.



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23. UTILISATION OF PROCEEDS

Rights issue of ICPS with warrants

Rights issue of ICPS with warrants was completed with the listing of 522,500,000 ICPS together with 52,250,000 warrants on the Main Market of Bursa Securities on 19 April 2016 and the details of the utilisation of proceeds raised from the rights issue as at 30 June 2020 are disclosed in the table below:-

Description	Proposed /Revised Utilisation RM'000	Actual Utilisation as at 30 June 2020 RM'000	Revised Timeframe for Utilisation with extension of time (from 9 October 2019)	Deviation RM'000	%	Explanation
Southern City Project - Phase 1B	4,000	4,000	-	-	-	
Construction Project in Johor	8,000	8,000	-	-	-	
PPAM Project	10,000	8,110	Within 18 months [^]	1,890	18.9	Pending Utilisation
Future projects and/or acquisitions	4,500	4,500	-	-	-	
Working capital	4,178 [#]	4,178	-	-	-	
Expenses in relation to the rights issue	672 [#]	672	-	-	-	
	31,350	29,460				



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23. UTILISATION OF PROCEEDS (CONT'D)

Notes:-

The variation of the actual amount of expenses for the rights issue was adjusted against the working capital of the Company.

^ *On 8 October 2019, the Company announced that the Board had resolved to extend the timeframe for a period of eighteen (18) months from 9 October 2019 to 8 April 2021 to provide additional time for the Group to utilise the proceeds allocated for PPAM Project. The delay in the utilisation of proceeds allocated for PPAM Project was mainly due to the development agreement which is pending approval from Kementerian Perumahan dan Kerajaan Tempatan despite the PPAM Project is progressing with the earthworks, piling and pilecap works which has been completed in April 2019.*

24. BORROWINGS AND DEBT SECURITIES

The Group's borrowings are as follows:

	As at 30.06.2020	As at 30.06.2019
	RM'000	RM'000
Current - unsecured		
Hire purchase payables	31	98
Non-current - unsecured		
Hire purchase payables	42	65
	<u>73</u>	<u>163</u>



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25. CHANGES IN MATERIAL LITIGATION

Save for the following, the Directors were not aware of any other material litigation, which, if enforced, may have a material impact on the profit or net asset value of the Group.

On 1 July 2019, Instant Initiative Sdn. Bhd. ("IISB"), a wholly-owned subsidiary of the Company via IISB's solicitors, Messrs. Pearly Ng, Soh & Associates ("Solicitor"), had filed a Writ of Summons and Statement of Claim in the High Court of Malaya at Kuala Lumpur against Sunthara Orthopaedic Physio Centre Sdn. Bhd. ("Sunthara") to exercise its right to claim for specific performance by directing Sunthara to continue with the sale of a commercial complex known as "Lanai Complex" erected on a piece of freehold land held under H.S. (D) No. 6776, PT No. 2303, Presint 10, Bandar Putrajaya, Daerah Putrajaya, Wilayah Persekutuan Putrajaya measuring an area of approximately 3,478 square metres, ("the Property") for a total consideration of RM10,300,000. Pursuant to the Letter of Intent to Purchase dated 27 November 2018 ("LOI"), IISB had paid an earnest deposit of RM206,000 to Sunthara and there was a term requiring Sunthara to continue with the sale of the Property to IISB by entering into a Sale and Purchase Agreement ("SPA") with IISB based on the terms and conditions stipulated in the LOI. Subsequent to the execution of the LOI and the payment of the earnest deposit, Sunthara refused to enter into a SPA for the sale of the Property with IISB. Further to 1 July 2019, the Solicitor has submitted all the necessary documents on behalf of IISB and due to the Movement Control Order, the Court has vacated the trial dates from 8 June 2020 to 11 June 2020 and has fixed an e-review Case Management on 9 June 2020 for the judge to give parties fresh direction to file pre-trial documents and to fix new trial dates. On 9 July 2020, IISB had entered into a Settlement Letter with Sunthara, which Sunthara had refunded the earnest deposit sum of RM206,000.00 to IISB and IISB shall withdraw the High Court Originating Summons with no order as to cost and withdraw the private caveat lodged on the title. Thereafter, IISB and Sunthara shall have no further claims against each other.

26. PROPOSED DIVIDEND

There were no dividends proposed or declared by the Company for the current financial period under review.



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QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2020

**PART B - DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING
REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

27. PROFIT/(LOSS) PER SHARE

(i) Basic profit/(loss) per share

The basic profit/(loss) per share of the Group is calculated by dividing the profit/(loss) attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the reporting period.

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30.06.2020	Preceding year corresponding quarter ended 30.06.2019	Current year-to- date ended 30.06.2020	Preceding year corresponding period ended 30.06.2019
Profit/(Loss) attributable to Owners of the Company (RM'000)	298	(2,235)	(5,024)	(6,797)
Weighted average number of ordinary shares ('000)	232,845	205,799	230,570	200,400
Basic profit/(loss) per share (sen)	0.13	(1.09)	(2.18)	(3.39)



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27. PROFIT/(LOSS) PER SHARE (CONT'D)

(ii) Diluted profit/(loss) per share

The diluted profit/(loss) per share of the Group is calculated by dividing the profit/(loss) attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the reporting period which the weighted average number of ordinary shares has been adjusted to assume full conversion of all dilutive potential ordinary shares.

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30.06.2020	Preceding year corresponding quarter ended 30.06.2019	Current year-to- date ended 30.06.2020	Preceding year corresponding period ended 30.06.2019
Profit/(Loss) attributable to Owners of the Company (RM'000)	298	(2,235)	(5,024)	(6,797)
Weighted average number of ordinary shares ('000)	232,845	205,799	230,570	200,400
Adjustment for assumed conversion of ICPS ('000)	-	-	-	-
Adjustment for assumed conversion of warrants ('000)	-	-	-	-
	<u>232,845</u>	<u>205,799</u>	<u>230,570</u>	<u>200,400</u>
Diluted profit/(loss) per share (sen)	0.13	(1.09)	(2.18)	(3.39)

Note:-

The diluted profit/(loss) per share is equal to the basic profit/(loss) per share as there is anti-dilutive effect arising from the assumed conversion of the ICPS and exercise of warrant.



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QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 2020

**PART B - DISCLOSURE NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING
REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**

**28. NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**

	Current year quarter ended 30.06.2020 RM'000	Current year-to- date ended 30.06.2020 RM'000
Interest income	44	151
Other income	(655)	842
Interest expense	1	7
Amortisation	NA	NA
Depreciation of investment properties	59	117
Depreciation of property, plant and equipment	250	1,019
Impairment losses on goodwill	NA	NA
Inventories written down	NA	NA
Reversal of inventories written down	NA	NA
Bad debts written off	NA	NA
Deposit/Cash written off	- *	- *
Deposit forfeited	-	500
Property, plant and equipment written off	-	6
Goodwill written off	51	51
Gain or loss on disposal of quoted or unquoted investment	NA	NA
Waiver of debts owing by payables	NA	NA
Gain on disposal of plant and equipment	-	8
Gain on disposal of subsidiary	NA	NA
Gain on termination	1,269	1,269
Impairment losses on property, plant & equipment	NA	NA
Realised loss on foreign exchange	12	63
Unrealised loss on foreign exchange	12	3
Waiver of debts owing to payables	-	14
Gain or loss on derivatives	NA	NA
Exceptional items	NA	NA

Note:-

* - Amount less than RM1,000

Dated: 27 August 2020