



**ROHAS TECNIC BERHAD**  
(302675-A)  
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM  
1 OCTOBER 2018 TO 31 DECEMBER 2018

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**ROHAS TECNIC BERHAD (302675-A)**

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period	Preceding	Variance	Current Period	Preceding	Variance
	Quarter	Period		To date	Period	
	31-12-2018	Corresponding 31-12-2017		31-12-2018	31-12-2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	146,926	157,719	-7%	402,179	310,879	29%
Cost of sales	(139,556)	(127,147)		(346,236)	(237,092)	
<b>Gross profit</b>	<b>7,370</b>	<b>30,572</b>	<b>-76%</b>	<b>55,943</b>	<b>73,787</b>	<b>-24%</b>
Other income	3,942	3,931		8,988	5,948	
Distribution expenses	(343)	(461)		(1,652)	(1,367)	
Administrative expenses	(12,531)	(12,315)		(34,443)	(31,521)	
<b>Operating profit/(loss)</b>	<b>(1,562)</b>	<b>21,727</b>	<b>-107%</b>	<b>28,836</b>	<b>46,847</b>	<b>-38%</b>
Regularisation Plan expense	-	-		-	(4,007)	
Share-based payment expense	-	-		-	(21,414)	
Acquisition-related expenses	-	(1,305)		-	(1,305)	
Provision for liquidated and ascertained damages	-	-		(4,137)	-	
Finance costs	(2,239)	(2,714)		(7,908)	(4,382)	
Share of result of an associate	(77)	(31)		(102)	(154)	
<b>Profit/(Loss) before tax</b>	<b>(3,878)</b>	<b>17,677</b>	<b>-122%</b>	<b>16,689</b>	<b>15,585</b>	<b>7%</b>
Tax expense	4,023	(5,145)		(1,291)	(11,015)	
<b>Profit/(Loss) after tax</b>	<b>145</b>	<b>12,532</b>	<b>-99%</b>	<b>15,398</b>	<b>4,570</b>	<b>237%</b>
<b>Other comprehensive income:</b>						
Items that may not be reclassified subsequently to profit or loss:						
Remeasurement of retirement benefit obligation	-	(418)		-	(418)	
Tax effect on items that will not be classified to profit or loss	-	102		-	102	
Items that may be reclassified subsequently to profit or loss:						
Unrealised currency translation differences	(409)	190		(1,811)	1,124	
Fair value of available-for-sale financial assets	-	51		-	250	
<b>Total comprehensive profit/(loss)</b>	<b>(264)</b>	<b>12,457</b>	<b>-102%</b>	<b>13,587</b>	<b>5,628</b>	<b>141%</b>

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**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period	Preceding	Variance	Current Period	Preceding	Variance
	Quarter	Period		To date	Period	
	31-12-2018	Corresponding 31-12-2017	%	31-12-2018	Corresponding 31-12-2017	%
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit/(Loss) after tax</b>						
<b>attributable to:</b>						
Owners of the company	221	11,021		16,108	3,059	
Non-controlling interests	(76)	1,511		(710)	1,511	
	<u>145</u>	<u>12,532</u>	-99%	<u>15,398</u>	<u>4,570</u>	237%
<b>Total comprehensive</b>						
<b>income/(loss) attributable to:</b>						
Owners of the company	(188)	10,867		14,297	4,038	
Non-controlling interests	(76)	1,590		(710)	1,590	
	<u>(264)</u>	<u>12,457</u>	-102%	<u>13,587</u>	<u>5,628</u>	141%
Dividends per share (sen)	<u>-</u>	<u>-</u>		<u>1.50</u>	<u>1.00</u>	
Earnings per share (sen)						
Basic	0.03	2.65		3.26	0.97	
Diluted	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	

(The Condensed Consolidated Statements Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

**ROHAS TECNIC BERHAD (302675-A)**

(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at Current Period To Date 31-12-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	58,694	46,684
Investment in an associate	3,606	4,134
Other investments	1,733	1,960
Deferred tax assets	9,411	3,856
Goodwill	7,545	7,545
Total non-current assets	80,989	64,179
<b>CURRENT ASSETS</b>		
Inventories	134,653	117,378
Trade and other receivables	259,283	313,797
Amount due from contract customers	147,686	93,517
Tax recoverable	8,539	3,715
Cash and bank balances, deposits and short-term placements	60,838	104,685
Total current assets	610,999	633,092
<b>TOTAL ASSETS</b>	<b>691,988</b>	<b>697,271</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owner of the Company:</b>		
Share capital	299,484	299,484
Other reserves	(104,981)	(101,873)
Retained earnings	122,409	116,288
	316,912	313,899
Non-controlling interests	28,790	29,628
<b>Total equity</b>	<b>345,702</b>	<b>343,527</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	2,892	18,340
Deferred tax liabilities	143	212
Finance lease liabilities	1,919	988
Retirement benefits	2,689	5,830
Total non-current liabilities	7,643	25,370

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**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at Current Period To Date 31-12-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
<b>CURRENT LIABILITIES</b>		
Trade and other payables	148,251	205,520
Amount due to contract customers	101,449	15,817
Borrowings	87,059	105,600
Finance lease liabilities	1,079	911
Tax payable	805	526
Total current liabilities	<u>338,643</u>	<u>328,374</u>
<b>Total liabilities</b>	<u>346,286</u>	<u>353,744</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>691,988</u>	<u>697,271</u>
Net Assets Per share attributable to equity holders of parent (RM)	<u>0.73</u>	<u>0.73</u>

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

**ROHAS TECNIC BERHAD (302675-A)**  
(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to owners of the Company							Total RM'000
	Non-distributable				Distributable		Non-controlling Interests RM'000	
	Share Capital RM'000	Reserve upon consolidation RM'000	Fair value adjustment reserve RM'000	Foreign Currency translation reserve RM'000	Retained earnings RM'000	Total RM'000		
Balance at 1 January 2018								
- as previously stated	299,484	(104,799)	1,297	1,629	116,288	313,899	29,628	343,527
- effect of adopting MFRS 9	-	-	(1,297)	-	(2,897)	(4,194)	(128)	(4,322)
Balance at 1 January 2018, as restated	299,484	(104,799)	-	1,629	113,391	309,705	29,500	339,205
Foreign currency translation for foreign operations	-	-	-	(1,811)	-	(1,811)	-	(1,811)
Profit after taxation	-	-	-	-	16,108	16,108	(710)	15,398
Total comprehensive income	-	-	-	(1,811)	16,108	14,297	(710)	13,587
Dividend paid	-	-	-	-	(7,090)	(7,090)	-	(7,090)
Balance at 31 December 2018	299,484	(104,799)	-	(182)	122,409	316,912	28,790	345,702
Balance at 1 January 2017	73,787	-	1,126	505	118,110	193,528	-	193,528
Issuance of shares pursuant to acquisition of REIB	200,000	-	-	-	-	200,000	-	200,000
Adjustment arising from Regularisation Plan	(69,748)	(104,799)	-	-	162	(174,385)	-	(174,385)
Issuance of shares pursuant to private placement	26,285	-	-	-	-	26,285	-	26,285
Issuance of shares pursuant to acquisition of HGPT	69,160	-	-	-	-	69,160	-	69,160
Arising from non-controlling interest	-	-	-	-	-	-	28,038	28,038
Fair value of available-for-sale financial assets	-	-	171	-	-	171	79	250
Foreign currency translation for foreign operations	-	-	-	1,124	-	1,124	-	1,124
Profit after taxation	-	-	-	-	2,743	2,743	1,511	4,254
Total comprehensive income	-	-	171	1,124	2,743	4,038	1,590	5,628
Dividend paid	-	-	-	-	(4,727)	(4,727)	-	(4,727)
Balance at 31 December 2017	299,484	(104,799)	1,297	1,629	116,288	313,899	29,628	343,527

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

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**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year To date 31-12-2018 <u>RM'000</u>	Current Year To date 31-12-2017 <u>RM'000</u>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	16,689	15,585
Adjustments for non-cash movements:		
Share of results of an associate	102	153
Depreciation of property, plant and equipment	6,464	4,058
Provision for liquidated and ascertained damages	4,137	-
Provision for retirement benefits	-	418
Allowance for impairment losses on receivables	1,414	2,226
Write down of inventories	(817)	-
Unrealised loss/(gain) in foreign exchange	(383)	689
Interest expense	7,908	4,382
Interest income	(1,177)	(1,170)
Share-based payment expense	-	21,414
Gain on disposal of property, plant and equipment	132	(33)
	<u>34,469</u>	<u>47,722</u>
Changes in working capital:		
Inventories	(16,457)	(15,846)
Bills payable	(38,585)	29,206
Receivables, deposits and prepayments	81,400	(85,565)
Payables	(61,325)	58,642
	<u>(498)</u>	<u>34,159</u>
Cash flow (used in)/generated from operations	(498)	34,159
Interest paid	(7,788)	(132)
Income Tax paid, net of refund	(11,462)	(13,327)
Provision for retirement benefits paid	(3,141)	-
	<u>(22,889)</u>	<u>20,700</u>
Net cash (used in)/generated from operating activities	(22,889)	20,700
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(18,809)	(2,784)
Proceeds from disposal of property, plant and equipment	203	154
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(19,305)
Change in bank balances pledged as security	15,997	4,850
Interest received	1,177	1,170
Purchase of other investments	-	(21)
	<u>(1,432)</u>	<u>(15,936)</u>
Net cash (used in) investing activities	(1,432)	(15,936)

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(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Year To date 31-12-2018 <u>RM'000</u>	Current Year To date 31-12-2017 <u>RM'000</u>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(120)	(4,186)
Repayment of hire purchase liabilities	1,099	(625)
Proceed from issuance of share capital	-	26,285
Dividends paid	(7,090)	(4,727)
Net cash (used in)/generated from financing activities	<u>(6,111)</u>	<u>16,747</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(30,432)</b>	<b>21,511</b>
<b>CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>67,830</b>	<b>44,794</b>
<b>FOREIGN EXCHANGE DIFFERENCES ARISING ON OPENING BALANCE</b>	<b>(2,014)</b>	<b>1,525</b>
<b>CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>35,384</u></b>	<b><u>67,830</u></b>
Presented by:		
Deposits with financial institution	19,867	31,923
Deposits with fund management corporation	284	33,314
Cash and bank balances	<u>40,687</u>	<u>39,448</u>
	60,838	104,685
Less: Bank balances pledged as security	(17,588)	(33,586)
Less: Bank overdraft	<u>(7,866)</u>	<u>(3,269)</u>
Cash and cash equivalents	<b><u>35,384</u></b>	<b><u>67,830</u></b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)



**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018  
The figures have not been audited.

**A. EXPLANATORY NOTES**

**A1 Basis of Preparation**

This interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the financial period ended 31 December 2017 and the explanatory notes attached to the interim financial statements.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 31 December 2017.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial period ended 31 December 2017, except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial period:

**MFRS effective 1 January 2018:**

MFRS 9, Financial Instruments

MFRS 15, Revenue from Contracts with Customers

**A2 Significant Accounting Policies**

**A2.1 Adoption of Amendments/Improvements to MFRS**

At the beginning of the current financial year, the Group adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2018. The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:-

**MFRS 9, Financial Instruments**

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group adopted the new standards on the required effective date and will not restate comparative information. During 2017, the Group have performed a detailed impact assessment of all three aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group will adopt MFRS 9. Overall, the Group expect no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of MFRS 9. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments are not required.

**a. Classification and measurement of Financial Assets**

The Group and the Company do not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale (AFS) with gains and losses recorded in OCI will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss.

The fair value adjustment reserve currently presented as accumulated OCI amounting to RM1.3 million, will be reclassified to retained earnings.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Group and the Company will apply the option to present fair value changes in OCI, and, therefore, believes the application of MFRS 9 would not have a significant impact.

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(Incorporated in Malaysia)

**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018

The figures have not been audited.

**A. EXPLANATORY NOTES****A2 Significant Accounting Policies (cont'd)****A2.1 Adoption of Amendments/Improvements to MFRS (cont'd)**

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group and the Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

**b. Impairment of Financial Assets**

MFRS 9 requires the Group and the Company to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Group and the Company will apply the simplified approach and record lifetime expected losses on its loans and receivables. The impact of applying the impairment requirement of MFRS 9 resulted in an impairment adjustment of RM4.3 million as at 1 January 2018. As permitted by the transitional provision of MFRS 9, the Group has elected not to restate comparative figures and these adjustments were recognised in the opening retained earnings of the current period.

**c. Hedge Accounting**

The Group and the Company do not apply hedge accounting and do not expect any impact on the Group's and the Company's financial position.

**MFRS 15, Revenue from Contracts with Customers**

MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under MFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018.

The Group adopted the new standard on the required effective date using the full retrospective method. During 2017, the Group completed a detailed analysis of MFRS 15.

**a. Sale of Goods**

For contracts with customers in which the sale of equipment is generally expected to be the only performance obligation, adoption of MFRS 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

In preparing to MFRS 15, the Group considers variable consideration of the sales transaction. Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under MFRS 15 and will be required to be estimated at contract inception.

MFRS 15 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Group continues to assess individual contracts to determine the estimated variable consideration and related constraint.

The Group has performed an initial assessment on sales of goods and does not expect that there will be significant impact on the financial statements.

**QUARTERLY REPORT**

Quarterly report on consolidated results for the 4th quarter ended 31 December 2018  
The figures have not been audited.

**A. EXPLANATORY NOTES**

**A2 Significant Accounting Policies (cont'd)**

**A2.1 Adoption of Amendments/Improvements to MFRS (cont'd)**

**b. Rendering of Services**

The Group recognises service revenue by reference to the stage of completion. Under MFRS 15, allocation will be made based on relative stand-alone selling prices. As a result, the allocation of the consideration and, consequently, the timing of the amount of revenue recognised in relation to these sales may be impacted.

The Group has preliminarily assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, the Group would continue to recognise revenue for these service contracts/service components of bundled contracts over time rather than at a point in time.

**c. Contract Project**

The revenue arising from the contract project are assessed as fulfilled the criteria of sales over time under the MFRS 15. The revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognised, the measured of contract progress or contract price is revised and the cumulative percentage of completion is reassessed at each reporting date.

Under MFRS 15, claims and variations will be included in the contract accounting when they are approved.

The Group has performed an initial assessment on contract project and do not expect that there will be significant impact on financial statements.

**d. Commission**

For commissions earned by the Group, the Group has determined that it acts in the capacity of an agent for certain transactions. Under MFRS 15, the assessment will be based on whether the Group controls the specific goods before transferring to the end customer, rather than whether it has exposure to significant risks and rewards associated with the sale of goods.

The Group has performed an initial assessment on these transactions and do not expect that there will be significant impact on its financial statements.

**e. Presentation and Disclosure Requirements**

MFRS 15 provides presentation and disclosure requirements, which are more detailed than under current MFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in MFRS 15 are completely new. The Group is constantly in the process of developing of appropriate systems, internal controls, policies and procedures where necessary to collect and disclose the required information.

**Standards Issued But Not Yet Effective**

MFRS 16 Leases (effective on or after 1 January 2019)

Early adoption of MFRS 16 is permitted, provided MFRS 15 Revenue from Contract with Customers is also applied.

The Group anticipates that the adoption of above new MFRS, may result in a change in accounting policy. The Group are currently assessing the financial impact.

**A3 Audit Report of Preceding Annual Financial Statements**

The auditors' report for the preceding annual financial statements was not subject to any qualification.

**A4 Seasonality or Cyclicity of Operations**

There were no seasonality or cyclicity of operations in the current quarter under review and financial period to date.

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**QUARTERLY REPORT**

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The figures have not been audited.

**A. EXPLANATORY NOTES****A5 Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow in the current quarter under review and financial year-to-date, other than the liquidated and ascertained damages from previously completed EPCC projects.

**A6 Material Changes in Estimates**

There were no changes in estimates of amount reported in prior financial years that have a material effect in the current quarter under review and financial year-to-date.

**A7 Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter under review and financial year-to-date.

**A8 Dividend Paid**

No dividend was paid or declared in the current quarter under review and financial year-to-date.

The Company has declared a final single tier dividend of 1.5 sen per share in respect of the financial year ending 31 December 2017 amounting to RM7,089,865 and was paid on 27 June 2018.

**A9 Segmental Reporting**

Primary reporting basis - by business segment:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-12-2018	Preceding Period Corresponding 31-12-2017	Current Period To date 31-12-2018	Preceding Period Corresponding 31-12-2017
	RM'000	RM'000	RM'000	RM'000
Group Revenue (External Sales)				
Tower fabrication				
- Power Transmission	42,469	38,727	129,341	141,044
- Telecommunication	2,074	16,825	24,289	35,724
EPCC*	101,932	100,536	235,356	126,846
Other business activities	451	1,631	13,193	7,265
	<u>146,926</u>	<u>157,719</u>	<u>402,179</u>	<u>310,879</u>
Results				
Segment results	(1,562)	21,727	28,836	46,847
Reverse acquisition listing expense	-	-	-	(4,007)
Share-based payment expense	-	-	-	(21,414)
Acquisition-related expenses	-	(1,305)	-	(1,305)
Provision for liquidated and ascertained damages	-	-	(4,137)	-
Finance costs	(2,239)	(2,714)	(7,908)	(4,382)
Share of results of an Associate	(77)	(31)	(102)	(154)
	<u>(3,878)</u>	<u>17,677</u>	<u>16,689</u>	<u>15,585</u>

\* EPCC refers to Engineering, Procurement, Construction and Commissioning.

**A10 Carrying Amount of Revalued Assets**

The Group does not have a revaluation of property, plant and equipment policy.

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(Incorporated in Malaysia)

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The figures have not been audited.

**A. EXPLANATORY NOTES**

**A11 Material Events Subsequent to the End of the Interim Period**

There is no material events subsequent to the current financial period under review.

**A12 Effect of changes in the Group Composition, Long Term Investments, Restructuring and Discontinued Operations**

There were no changes in the composition of the Group in the current quarter under review and financial year-to-date including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring and discontinued operation.

**A13 Contingent Liabilities/Assets**

The following are the changes in the Group's contingent liabilities as at end of current quarter under review.

	Unaudited As at Current Period To Date 31-12-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
Unsecured		
Bank guarantees for design warranty given to a customer by a subsidiary	-	13,154
Performance bond granted to third party by a subsidiary	8,977	11,091
Secured		
Bank guarantees issued in favour of third parties	56,324	90,165

**A14 Capital Commitment**

Capital expenditure of the Group not provided for as at 31 December 2018 in relation to property, plant and equipment were as follows:

	Unaudited As at Current Period To Date 31-12-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
Authorised and contracted for	-	453

**A15 Significant Related Party Transactions**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-12-2018 RM'000	Preceding Period Corresponding 31-12-2017 RM'000	Current Period To date 31-12-2018 RM'000	Preceding Period Corresponding 31-12-2017 RM'000
Related companies:				
- sales	-	1	1	24
- rental expenses	228	228	911	913

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Review of Performance of the Company and its Principal Subsidiaries**

In the current quarter under review, the Group's revenue of RM146.9 million, decreased by RM10.8 million or 6.8% from the preceding corresponding quarter of RM157.7 million and recorded a drop in its operating profit to become an operating loss of RM1.5 million, decreased by RM23.2 million or 106.9% from RM21.7 million in the preceding corresponding quarter. The Group reported a profit after taxation of RM0.1 million.

The Group's revenue from tower fabrication segment of RM44.5 million, decreased by RM11.0 million or 19.8% from the preceding corresponding period of RM55.5 million, due to decrease in deliveries of towers. EPCC segment contributed to a revenue of RM101.9 million in the current quarter, an increase by RM1.4 million or 1.4% from the preceding corresponding period of RM100.5 million, which was mainly contributed from EPCC works done in Bangladesh and Malaysia that contributed to 69.4% of total Group revenue. Revenue from other business activities of RM0.5 million decreased by RM1.2 million or 72.3% from the preceding corresponding period of RM1.6 million, mainly due to lesser work from fabrication of electrical substation structure.

In the current period to date under review, the Group achieved a higher revenue by RM91.3 million or 29.4% at RM402.2 million from RM310.9 million in the preceding corresponding period but recorded a decrease in operating profit by RM18.0 million or 38.5% at RM28.8 million from RM46.8 million in the preceding corresponding period. The Group reported a profit after taxation of RM 15.4 million.

The Group's EPCC segment contributed to revenue of RM235.4 million, an increase by RM108.5 million or 85.5% from the preceding corresponding period of RM126.8 million, which was mainly contributed from EPCC works done in Bangladesh and Malaysia that contributed to 58.5% of total Group revenue. Revenue from other business activities of RM13.1 million also increased by RM5.9 million or 81.9% from the preceding corresponding period of RM7.2 million mainly from fabrication of electrical substation structure. Revenue from tower fabrication segment of RM153.6 million, decreased by RM23.1 million or 13.1% from the preceding corresponding period of RM176.7 million, due to decrease in deliveries of towers.

**B2 Review of Performance of the Company and its Principal Subsidiaries Compared to the Results of Immediate Preceding Quarter**

	Current Period Quarter	Immediate Preceding Period Quarter	Variance
	31-12-2018	30-09-2018	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	146,926	77,956	88.5%
Operating Profit	(1,562)	7,197	-121.7%
Profit Before Tax	(3,878)	1,147	-438.1%
Profit After Tax	145	113	28.3%

The Group recorded a revenue of RM146.9 million in the current quarter, an increase of RM69.0 million or 88.5%, compared to its immediate preceding quarter's revenue of RM77.9 million. The increase in group revenue were mainly contributed by the EPCC segment that had a higher revenue recognised by RM57.0 million or 127.0%, and an increased in revenue for tower fabrication segment by RM14.8 million or 49.7% due to higher deliveries. Revenue from other business activities segment decreased mainly due to lesser work from fabrication of electrical substation structure by RM2.8 million or 86.3%.

**B3 Group's Future Prospects**

The reassessment of national priorities had affected the timing of infrastructure projects and this had an impact on our Group results for the year ended 2018. Nevertheless we are optimistic that initiatives taken during the year to expand the Group's businesses regionally in the telecommunications and water sectors will begin to contribute positively in the coming years. We expect the Group will show healthy growth in profit in 2019 barring unforeseen fluctuations in metal prices and the exchange rate.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B4 Variance of Actual Profit from Forecast Profit**

There were no profit forecasts or profit guarantees released to the public.

**B5 Taxation**

Tax expense comprises the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Period Corresponding	Current Period To date	Preceding Period Corresponding
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
	RM'000	RM'000	RM'000	RM'000
Current tax	(4,023)	5,145	1,291	11,015
	(4,023)	5,145	1,291	11,015
Effective tax rate	104%	29%	6%	27%

Malaysian income tax is calculated at the statutory rate of 24% of the estimated assessable profits for the financial period.

The difference in the effective tax rate as compared to the statutory rate for the individual current quarter and current period to date are mainly due to recognition of unabsorbed losses carried forward and deductible losses made by subsidiaries. The individual and cumulative preceding period corresponding is calculated after excluding the Regularisation Plan expense and share-based payment expense.

**B6 Status Of Corporate Proposals Announced But Not Completed**

On 1 August 2018, RBC Water Sdn Bhd ("RBC"), an indirect wholly owned subsidiary, had entered into a non-binding term sheet ("Term Sheet") with the shareholders of PHU MY VINH CONSTRUCTION AND INVESTMENT CORPORATION ("PMV") namely, Nguyen Vu Hien, Tran Thi Mai Tram, Le Van Xin, Nguyen Thi Thanh, Vo Minh Thanh, Nguyen Vu Vinh and Minh Thong Company (collectively referred to as the "Vendors") in respect of a proposed sale and purchase of shares of PMV. RBC and the Vendors are collectively referred to as the "Parties".

On 25 January 2019, RBC entered into a Share Purchase Agreement ("SPA") with Vendors and PMV.

Subject to the terms and conditions of the SPA, the Vendors shall sell and RBC shall purchase collectively 8,000,000 shares of the Vendors in PMV ("PMV Shares") representing 40% equity interest in PMV, for a purchase consideration of VND232,000,000,000 (in words two hundred thirty two billion Vietnamese Dong) ("Acquisition Amount"), equivalent to approximately RM41,300,000 (in words Ringgit Malaysia forty one million three hundred thousand), based on unit price (per ordinary share) of VND29,000 (in words twenty nine thousand Vietnamese Dong), equivalent to approximately RM5.16 (in words Ringgit Malaysia five and sixteen cents) per unit (per ordinary share) of PMV. The Acquisition Amount is to be fully satisfied via cash.

The salient terms of the SPA for the Acquisition are as follows:

## a. Sale and Purchase of PMV Shares

RBC Water has conditionally agreed to purchase from the Vendors the PMV Shares, free from any encumbrances and together with all rights attaching thereto as at completion of the Acquisition in accordance with the terms of the SPA.

## b. Acquisition Amount

The total purchase consideration shall be the sum of the Acquisition Amount, of which 10% of the Acquisition Amount amounting to the sum of VND23,200,000,000 (in words twenty three billion two hundred million Vietnamese Dong), equivalent to approximately Ringgit Malaysia Four Million and One Hundred Thirty Thousand (RM4,130,000) is to be paid within seven (7) business days from the date of the SPA. The balance of the Acquisition Amount shall be due payable within seven (7) business days upon fulfilment of the conditions precedent as set out in the SPA. The conditions precedent are set-out in the announcement dated 25 January 2019.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B7 Status of corporate proposal**

The total proceeds generated from the Issuance of Shares pursuant to private placement will be utilised as follows:-

<u>Purpose</u>	<u>Intended Timeframe for Utilisation</u>	<u>Proposed Utilisation (previous) RM'000</u>	<u>Proposed Utilisation (revised) RM'000</u>	<u>Actual Utilisation up to 28-Feb-19 RM'000</u>
i) Establish new facilities at Lot 5C & 5D in Bentong Pahang	12 months	5,700	5,700	5,700
ii) Project investment for Mini hydropower plant in Indonesia	12 months	5,000	5,000	5,000
iii) Establish a new fabrication facility in Indonesia	24 months	* 4,300	-	-
iv) Purchase of machinery and equipment to upgrade existing facilities in Bentong, Pahang	24 months	4,260	4,260	865
v) Working capital	24 months	3,000	3,000	3,000
vi) Estimated expenses for the Proposed Regularisation Plan	1 month	4,200	4,200	4,200
vii) Partial funding of the cash consideration for the purchase of HGPT	24 months	-	* 4,300	* 4,300
Total gross proceeds		<u>26,460</u>	<u>26,460</u>	<u>23,065</u>

\* On 27 October 2017, the Company announced to vary the utilisation of establishment of a new fabrication facility in Indonesia to partial funding of the cash consideration for the purchase of a subsidiary.

**B8 Group Cash and bank balances, deposits and short-term placements**

	<u>Unaudited As at Current Period To Date 31-12-2018 RM'000</u>	<u>Audited As at Preceding Financial Year Ended 31-12-2017 RM'000</u>
Cash and bank balances, deposits and short-term placements		
- Islamic	34,363	67,443
- Conventional	<u>26,475</u>	<u>37,242</u>
	<u>60,838</u>	<u>104,685</u>
Total assets	<u>691,988</u>	<u>697,271</u>
Percentage of Conventional Cash and bank balances, deposits and short-term placements over Total Assets	<u>4%</u>	<u>5%</u>



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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B9 Group Borrowings**

	Unaudited			Audited		
	As at Current Period To Date			As at Preceding Financial Year Ended		
	31-12-2018	31-12-2018	31-12-2018	31-12-2017	31-12-2017	31-12-2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	USD	RM		USD	RM	
Unsecured Short Term Borrowings						
Bankers acceptance	962	41,498	42,460	-	90,722	90,722
Short term loans	-	20,876	20,876	-	11,184	11,184
Bank overdraft	3,656	4,210	7,866	-	3,269	3,269
	<u>4,618</u>	<u>66,584</u>	<u>71,202</u>	<u>-</u>	<u>105,175</u>	<u>105,175</u>
Secured Short Term Borrowings						
Term loan	-	857	857	-	425	425
Secured Long Term Borrowings						
Term loan	-	17,892	17,892	-	18,340	18,340
Total Group Borrowings	<u>4,618</u>	<u>85,333</u>	<u>89,951</u>	<u>-</u>	<u>123,940</u>	<u>123,940</u>

The above borrowings of the Group are denominated in Ringgit Malaysia equivalent analysed by currencies.

	Unaudited As at Current Period To Date 31-12-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
Borrowings		
- Islamic	31,029	69,944
- Conventional	<u>58,922</u>	<u>53,996</u>
	<u>89,951</u>	<u>123,940</u>
Total Assets	<u>691,988</u>	<u>697,271</u>
Percentage of Conventional Borrowings over Total Assets	<u>9%</u>	<u>8%</u>

**B10 Changes In Material Litigations**

There has been no material litigation since the date of the last audited financial statements of Group as at 31 December 2017.

**B11 Dividend**

The Directors recommends a final single tier dividend of 1.0 sen per share in respect of the financial year ended 31 December 2018 for the shareholders' approval at the forthcoming Annual General Meeting. The current quarterly announcement does not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2019.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B12 Earnings Per Share**

**(a) Basic earnings per share**

Basic earnings per share of the Group is calculated as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-12-2018	Preceding Period Corresponding 31-12-2017	Current Period To date 31-12-2018	Preceding Period Corresponding 31-12-2017
Profit/(Loss) after tax for the period (RM'000)	145	12,532	15,398	4,570
Weighted average number of ordinary shares in issue	472,657,651	472,657,651	472,657,651	472,657,651
Basic earnings per share (sen)	<u>0.03</u>	<u>2.65</u>	<u>3.26</u>	<u>0.97</u>

For the individual and cumulative preceding period corresponding, if not for the regularisation plan expense and share-based payment expense, the Group would have achieved profit after tax of RM12.5 million and RM30.0 million respectively, the basic earnings per share would have been 2.65 sen and 6.35 sen respectively.

**(b) Diluted earnings per share**

There was no dilution of shares.

N/A

**B13 Profit/(Loss) Before Tax**

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31-12-2018	Preceding Period Corresponding 31-12-2017	Current Period To date 31-12-2018	Preceding Period Corresponding 31-12-2017
	RM'000	RM'000	RM'000	RM'000
Interest income	183	(242)	(1,177)	(1,170)
Realised foreign exchange gain	1,723	327	325	762
Interest expense	2,239	2,740	7,908	4,382
Depreciation of property, plant and equipment	1,077	2,463	6,464	4,058
Allowance for impairment losses on receivables	2,502	109	1,414	2,226
Provision for liquidated and ascertained damages	-	-	4,137	-
(Reversal)/Write down of inventories	170	(113)	(817)	-
Gain on disposal of property, plant and equipment	<u>(30)</u>	<u>(28)</u>	<u>(132)</u>	<u>(33)</u>

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B14 Realised and unrealised profit/(loss)**

	Unaudited As at Current Period To Date 31-12-2018 RM'000	Audited As at Preceding Financial Year Ended 31-12-2017 RM'000
Total retained earnings of the Group		
- Realised	131,294	121,045
- Unrealised	(8,885)	(4,757)
	<u>122,409</u>	<u>116,288</u>

**BY ORDER OF THE BOARD**

**Laang Jhe How**  
**MIA 25193**  
**Company Secretary**

**Dated : 28 February 2019**