



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

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM
1 JULY 2019 TO 30 SEPTEMBER 2019

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ROHAS TECNIC BERHAD (302675-A)

(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2019

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current	Preceding	Variance	Current	Preceding	Variance
	Period	Period		Period	Period	
30-9-2019	30-9-2018	30-9-2018	30-9-2019	30-9-2018	30-9-2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	121,111	77,956	55%	342,156	255,253	34%
Cost of sales	(105,518)	(64,166)		(297,089)	(206,680)	
Gross profit	15,593	13,790	13%	45,067	48,573	-7%
Other income	1,293	1,959		11,074	5,046	
Distribution expenses	(108)	(418)		(330)	(1,309)	
Administrative expenses	(8,040)	(8,134)		(25,619)	(21,912)	
Operating profit/(loss)	8,738	7,197	21%	30,192	30,398	-1%
Provision for liquidated and ascertained damages	-	(4,137)		-	(4,137)	
Finance costs	(2,060)	(1,885)		(5,989)	(5,669)	
Share of result of an associate	(309)	(28)		(559)	(25)	
Profit/(Loss) before tax	6,369	1,147	455%	23,644	20,567	15%
Tax expense	(2,085)	(1,034)		(4,253)	(5,314)	
Profit/(Loss) after tax	4,284	113	3691%	19,391	15,253	27%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Unrealised currency translation differences	169	(303)		(309)	(1,402)	
Total comprehensive profit/(loss)	4,453	(190)	2444%	19,082	13,851	38%

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current	Preceding	Variance	Current	Preceding	Variance
	Period Quarter	Period Corresponding		Period To date	Period Corresponding	
	30-9-2019	30-9-2018		30-9-2019	30-9-2018	
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(Loss) after tax attributable to:						
Owners of the company	4,015	1,611		17,869	15,887	
Non-controlling interests	269	(1,498)		1,522	(634)	
	<u>4,284</u>	<u>113</u>	3691%	<u>19,391</u>	<u>15,253</u>	27%
Total comprehensive income/(loss) attributable to:						
Owners of the company	4,184	1,308		17,560	14,485	
Non-controlling interests	269	(1,498)		1,522	(634)	
	<u>4,453</u>	<u>(190)</u>	2444%	<u>19,082</u>	<u>13,851</u>	38%
Dividends per share (sen)	<u>1.00</u>	<u>-</u>		<u>1.00</u>	<u>-</u>	
Earnings per share (sen)						
Basic	0.85	0.34		3.78	3.36	
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)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at Current Period To Date 30-9-2019 RM'000	Audited As at Preceding Financial Year Ended 31-12-2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	56,516	58,694
Investment in an associate	44,295	3,191
Other investments	1,924	1,733
Deferred tax assets	9,739	9,649
Goodwill	7,545	7,545
Total non-current assets	<u>120,019</u>	<u>80,812</u>
CURRENT ASSETS		
Inventories	133,802	134,653
Trade and other receivables	206,802	253,358
Amount due from contract customers	154,676	151,002
Tax recoverable	9,499	8,568
Cash and bank balances, deposits and short-term placements	43,367	60,626
Total current assets	<u>548,146</u>	<u>608,207</u>
TOTAL ASSETS	<u>668,165</u>	<u>689,019</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owner of the Company:		
Share capital	299,484	299,484
Other reserves	(104,354)	(104,045)
Retained earnings	135,609	122,466
	<u>330,739</u>	<u>317,905</u>
Non-controlling interests	26,678	28,721
Total equity	<u>357,417</u>	<u>346,626</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term borrowings	2,060	2,892
Deferred tax liabilities	58	143
Finance lease liabilities	1,821	1,919
Retirement benefits	2,234	2,689
Total non-current liabilities	<u>6,173</u>	<u>7,643</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at Current Period To Date 30-9-2019 RM'000	Audited As at Preceding Financial Year Ended 31-12-2018 RM'000
CURRENT LIABILITIES		
Trade and other payables	216,554	144,830
Amount due to contract customers	4,849	100,978
Borrowings	77,322	87,059
Finance lease liabilities	954	1,079
Tax payable	4,896	804
Total current liabilities	<u>304,575</u>	<u>334,750</u>
Total liabilities	<u>310,748</u>	<u>342,393</u>
TOTAL EQUITY AND LIABILITIES	<u>668,165</u>	<u>689,019</u>
Net Assets Per share attributable to equity holders of parent (RM)	<u>0.70</u>	<u>0.67</u>

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Total RM'000	Non-controlling Interests RM'000	Total RM'000
	Non-distributable				Distributable		Total 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					
Balance at 1 January 2019	299,484	(104,799)	-	754	122,467	317,906	28,721	346,627		
Foreign currency translation for foreign operations	-	-	-	(309)	-	(309)	-	(309)		
Change in ownership interests in a subsidiary	-	-	-	-	-	-	(3,565)	(3,565)		
Profit after taxation	-	-	-	-	17,869	17,869	1,522	19,391		
Total comprehensive income	-	-	-	(309)	17,869	17,560	(2,043)	15,517		
Dividend paid	-	-	-	-	(4,727)	(4,727)	-	(4,727)		
Balance at 30 September 2019	<u>299,484</u>	<u>(104,799)</u>	<u>-</u>	<u>445</u>	<u>135,609</u>	<u>330,739</u>	<u>26,678</u>	<u>357,417</u>		
Balance at 1 January 2018										
- as previously stated	299,484	(104,799)	1,297	1,629	116,288	313,899	29,628	343,527		
- Adjustment on initial application of MFRS 9, net of tax	-	-	(1,297)	-	(2,761)	(4,058)	(89)	(4,147)		
	<u>299,484</u>	<u>(104,799)</u>	<u>-</u>	<u>1,629</u>	<u>113,527</u>	<u>309,841</u>	<u>29,539</u>	<u>339,380</u>		
Foreign currency translation for foreign operations	-	-	-	(1,402)	-	(1,402)	-	(1,402)		
Profit after taxation	-	-	-	-	15,887	15,887	(634)	15,253		
Total comprehensive income	-	-	-	(1,402)	15,887	14,485	(634)	13,851		
Dividends	-	-	-	-	(7,090)	(7,090)	-	(7,090)		
Balance at 30 September 2018	<u>299,484</u>	<u>(104,799)</u>	<u>-</u>	<u>227</u>	<u>122,324</u>	<u>317,236</u>	<u>28,905</u>	<u>346,141</u>		

(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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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To date 30-9-2019 <u>RM'000</u>	Current Year To date 30-9-2018 <u>RM'000</u>
OPERATING ACTIVITIES		
Profit before tax	23,643	20,567
Adjustments for non-cash movements:		
Taxation		
Share of results of an associate	559	25
Depreciation	5,486	5,387
Provision for liquidated and ascertained damages	-	4,137
Allowance for impairment losses on receivables	1,596	(1,088)
Write down of inventories	-	(987)
Unrealised (gain)/loss in foreign exchange	1,266	2,777
Interest expense	5,989	5,669
Interest income	(1,407)	(1,360)
Gain on disposal of property, plant and equipment	(42)	(102)
	<u>37,090</u>	<u>35,025</u>
Changes in working capital:		
Contract assets/liabilities	(99,801)	(52,160)
Inventories	850	(15,879)
Bills payable	(11,154)	(40,209)
Receivables	41,045	78,173
Payables	70,460	(24,597)
Provision for retirement benefits paid	(455)	(3,141)
	<u>38,035</u>	<u>(22,788)</u>
Cash flow generated from operations	38,035	(22,788)
Interest paid	(5,879)	(5,587)
Income Tax paid, net of refund	(1,266)	(8,704)
	<u>30,890</u>	<u>(37,079)</u>
Net cash generated from/(used in) operating activities	<u>30,890</u>	<u>(37,079)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,351)	(5,993)
Proceeds from disposal of property, plant and equipment	71	102
Acquisition of an associate company	(41,300)	-
Interest received	1,407	1,360
	<u>(43,173)</u>	<u>(4,531)</u>
Net cash used in investing activities	<u>(43,173)</u>	<u>(4,531)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Year To date 30-9-2019 <u>RM'000</u>	Current Year To date 30-9-2018 <u>RM'000</u>
FINANCING ACTIVITIES		
Interest paid	(110)	(83)
Change in bank balances pledged as security	(4,593)	1,434
Repayment of hire purchase liabilities	(223)	938
Dividends paid	(4,727)	(7,090)
Net cash used in financing activities	<u>(9,653)</u>	<u>(4,801)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(21,936)	(46,411)
CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE FINANCIAL PERIOD	38,417	67,830
FOREIGN EXCHANGE DIFFERENCES ARISING ON OPENING BALANCE	(500)	(1,665)
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE FINANCIAL PERIOD	<u>15,981</u>	<u>19,754</u>
Presented by:		
Deposits with financial institution	24,800	31,587
Deposits with fund management corporation	385	1,485
Cash and bank balances	<u>18,182</u>	<u>26,091</u>
	43,367	59,163
Less: Bank balances pledged as security	(22,592)	(32,152)
Less: Bank overdraft	<u>(4,794)</u>	<u>(7,257)</u>
Cash and cash equivalents	<u>15,981</u>	<u>19,754</u>

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

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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 year ended 31 December 2018 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 year ended 31 December 2018.

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 year ended 31 December 2018, 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 2019:

MFRS 16, Leases

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 2019. The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements.

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.

Lease liabilities arising from the premises and equipment are recognised and discounted using the weighted average incremental borrowing rate of the Group. Subsequent to initial recognition, the Group measure the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right-of-use assets comprise premises and equipment. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at an amount equal to the lease liabilities.

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.

QUARTERLY REPORT

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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 an amount received in the immediate preceding period quarter in the form of cash and shares from the other shareholder of HG Power Transmission Sdn Bhd ("HGPT") amounting to RM7.4 million as a final settlement for a claim of breach of warranties under the terms of the share sale agreement for the acquisition of HGPT.

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

The Company has declared a final single tier dividend of 1.0 sen per share in respect of the financial year ending 31 December 2018 amounting to RM4,726,576 and was paid on 28 August 2019.

A9 Segmental Reporting

Primary reporting basis - by business segment:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30-9-2019 RM'000	Preceding Period Corresponding 30-9-2018 RM'000	Current Period To date 30-9-2019 RM'000	Preceding Period Corresponding 30-9-2018 RM'000
Group Revenue (External Sales)				
Tower fabrication				
- Power Transmission	32,696	27,390	86,393	86,872
- Telecommunication	3,195	2,361	10,318	22,215
EPCC*	84,593	44,908	242,261	133,424
Other business activities	627	3,297	3,184	12,742
	<u>121,111</u>	<u>77,956</u>	<u>342,156</u>	<u>255,253</u>
Results				
Segment results	8,738	7,197	30,192	30,398
Provision for liquidated and ascertained damages	-	(4,137)	-	(4,137)
Finance costs	(2,060)	(1,885)	(5,989)	(5,669)
Share of results of an Associate	(309)	(28)	(559)	(25)
	<u>6,369</u>	<u>1,147</u>	<u>23,644</u>	<u>20,567</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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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 material 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 except the following:

On 10 May 2019, the Company obtained an additional 200,472 ordinary shares of HGPT from the other shareholder of HGPT as part of a final settlement under the claim of breach of warranties referred to in A5. As a result, the Company has increased its shareholding by 3.07% to 78.07% in HGPT.

On 21 May 2019, RBC Water Sdn Bhd, an indirect wholly owned subsidiary of RTB acquired 8,000,000 shares in Phu My Vinh Construction and Investment Corporation ("PMV"), representing 40% of the total shares in PMV, for a purchase consideration of VND232,000,000,000 (equivalent to approximately RM41,300,000). Effective from that date PMV is a 40% associate company of the Group.

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 30-9-2019 RM'000	Audited As at Preceding Financial Year Ended 31-12-2018 RM'000
Unsecured Performance bond granted to third party by a subsidiary	9,586	8,794

A14 Capital Commitment

Capital expenditure of the Group not provided for as at 30 September 2019 in relation to property, plant and equipment were as follows:

	Unaudited As at Current Period To Date 30-9-2019 RM'000	Audited As at Preceding Financial Year Ended 31-12-2018 RM'000
Authorised and contracted for	4,240	1,292

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A. EXPLANATORY NOTES

A15 Significant Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Period Quarter	Period Corresponding	Period To date	Period Corresponding
	30-9-2019	30-9-2018	30-9-2019	30-9-2018
	RM'000	RM'000	RM'000	RM'000
Related companies:				
- sales	98	-	422	1
- rental income	26	-	115	-
- rental expenses	(246)	(227)	(739)	(683)

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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 RM121.1 million, increased by RM43.2 million or 55.4% from the preceding corresponding quarter of RM77.9 million and recorded operating profit of RM8.7 million, increased by RM1.5 million or 20.8% from RM7.2 million in the preceding corresponding quarter. The Group reported a profit after taxation of RM4.3 million.

The Group's EPCC segment contributed a revenue of RM84.6 million in the current quarter, an increase by RM39.7 million or 88.4% from the preceding corresponding period of RM44.9 million, which was mainly contributed from EPCC works done in Malaysia, Bangladesh and Laos, which contributed to 69.8% of total Group revenue. Revenue from tower fabrication segment of RM35.9 million, increased by RM6.1 million or 20.5% from the preceding corresponding period of RM29.8 million, due to increase in deliveries of towers. Revenue from other business activities amounts to RM0.6 million reduced from RM3.3 million in the preceding corresponding period, mainly due to lesser work from fabrication of electrical

In the current period to date under review, the Group achieved a higher revenue by RM86.9 million or 34.0% at RM342.2 million from RM255.3 million in the preceding corresponding period and recorded an decrease in operating profit by RM0.2 million or 1.0% at RM30.2 million from RM30.4 million in the preceding corresponding period. The Group reported a profit after taxation of RM19.4 million.

The Group's EPCC segment contributed to revenue of RM242.3 million, an increase by RM108.9 million or 81.6% from the preceding corresponding period of RM133.4 million, which was mainly contributed from EPCC works done in Malaysia, Bangladesh and Laos, which contributed to 70.8% of total Group revenue. Revenue from tower fabrication segment of RM96.7 million, decreased by RM12.4 million or 11.4% from the preceding corresponding period of RM109.1 million, due to decrease in deliveries of towers. Revenue from other business activities amounting to RM3.2 million reduced from RM12.7 million in the preceding corresponding period, mainly due to lesser work from fabrication of electrical substation structure.

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

	Current Period Quarter 30-9-2019 RM'000	Immediate Preceding Period Quarter 30-6-2019 RM'000	Variance %
Revenue	121,111	127,019	-4.7%
Operating Profit	8,738	15,829	-44.8%
Profit Before Tax	6,369	13,442	-52.6%
Profit After Tax	4,284	12,074	-64.5%

The Group recorded a revenue of RM121.1 million in the current quarter, a decrease of RM5.9 million or 4.7%, compared to its immediate preceding quarter's revenue of RM127.0 million. The decrease in group revenue was mainly contributed by the EPCC segment that had a lower revenue recognised from the immediate preceding quarter.

In the current quarter, the Group reported a profit after tax of RM4.3 million as compared to a profit after tax of RM12.1 million in the immediate preceding quarter due to a sum received and included under Other Income of the immediate preceding quarter of RM7.4 million being final settlement for a claim of breach of warranties referred to in Note A5 above.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B3 Group's Future Prospects**

We are optimistic that initiatives taken in the previous year to expand the Group's businesses regionally will begin to contribute positively in the coming years. We expect the Group will show healthy growth in 2019 barring unforeseen fluctuations in metal prices and the exchange rate.

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
	30-9-2019	30-9-2018	30-9-2019	30-9-2018
	RM'000	RM'000	RM'000	RM'000
Current tax	2,085	1,034	4,253	5,314
	<u>2,085</u>	<u>1,034</u>	<u>4,253</u>	<u>5,314</u>
Effective tax rate	<u>33%</u>	<u>20%</u>	<u>18%</u>	<u>22%</u>

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, deductible losses made by subsidiaries and other capital income not subject to tax.

B6 Status Of Corporate Proposals Announced But Not Completed

On 21 June 2019, Rohas Tecnic Berhad ("RTB") entered a Share Sale and Purchase Agreement ("SSPA") with shareholders of Global Tower Corporation (Cambodia) Pty Ltd ("GTC"), namely Mr. Alan Tay Swei Loong and Mr. Aldwin Tay Swei Leeng (collectively referred to as the "Sellers") on the acquisition of 750 Shares (Sale Shares) by RTB in GTC, representing 75% of the total shares in GTC for a purchase consideration Of USD1,050,000 (equivalent to approximately RM4,368,050.00).

On 24 September 2019, RTB and GTC had mutually agreed to grant an extension of time until 21 December 2019 to enable GTC to fulfill all the obligations in relation to the Conditions Precedent.

QUARTERLY REPORT

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2019
The figures have not been audited.

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:-

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation (previous) RM'000	Proposed Utilisation (revised) RM'000	Actual Utilisation up to 29-May-19 RM'000
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	4,260
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>26,460</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

	Unaudited As at Current Period To Date 30-9-2019 RM'000	Audited As at Preceding Financial Year Ended 31-12-2018 RM'000
Cash and bank balances, deposits and short-term placements		
- Islamic	19,157	34,249
- Conventional	<u>24,210</u>	<u>26,377</u>
	<u>43,367</u>	<u>60,626</u>
Total assets	<u>668,165</u>	<u>689,019</u>
Percentage of Conventional Cash and bank balances, deposits and short-term placements over Total Assets	<u>4%</u>	<u>4%</u>

QUARTERLY REPORT

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2019

The figures have not been audited.

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

B9 Group Borrowings

	Unaudited As at Current Period To Date			Audited As at Preceding Financial Year Ended		
	USD denomination 30-9-2019	RM denomination 30-9-2019	Total 30-9-2019	USD denomination 31-12-2018	RM denomination 31-12-2018	Total 31-12-2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unsecured Short Term Borrowings						
Bankers acceptance	6,370	10,520	16,890	962	48,627	49,589
Short term loans	3,656	51,045	54,701	3,656	28,747	32,403
Bank overdraft	-	4,794	4,794	-	4,210	4,210
	<u>10,026</u>	<u>66,359</u>	<u>76,385</u>	<u>4,618</u>	<u>81,584</u>	<u>86,202</u>
Secured Short Term Borrowings						
Term loan	-	937	937	-	857	857
Secured Long Term Borrowings						
Term loan	-	2,060	2,060	-	2,892	2,892
Total Group Borrowings	<u>10,026</u>	<u>69,356</u>	<u>79,382</u>	<u>4,618</u>	<u>85,333</u>	<u>89,951</u>

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

	Unaudited As at Current Period To Date 30-9-2019 RM'000	Audited As at Preceding Financial Year Ended 31-12-2018 RM'000
Borrowings		
- Islamic	33,974	34,785
- Conventional	45,408	55,166
	<u>79,382</u>	<u>89,951</u>
Total Assets	<u>668,165</u>	<u>689,019</u>
Percentage of Conventional Borrowings over Total Assets	<u>7%</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 2018.

B11 Dividend

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

The Group has declared an interim single tier dividend of 0.5 sen per share in respect of the financial year ending 31 December 2019 amounting to RM2,363,288. The entitlement date and the payment date of the interim dividend will be announced in due course.

QUARTERLY REPORT

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2019

The figures have not been audited.

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 30-9-2019	Preceding Period Corresponding 30-9-2018	Current Period To date 30-9-2019	Preceding Period Corresponding 30-9-2018
Profit/(Loss) after tax attributable to the owner of the company for the period (RM'000)	4,015	1,611	17,869	15,887
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>0.85</u>	<u>0.34</u>	<u>3.78</u>	<u>3.36</u>

(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 30-9-2019	Preceding Period Corresponding 30-9-2018	Current Period To date 30-9-2019	Preceding Period Corresponding 30-9-2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(728)	(423)	(1,407)	(1,360)
Realised foreign exchange gain	(1,500)	159	(1,565)	(1,398)
Interest expense	2,060	1,885	5,989	5,669
Depreciation	1,867	1,908	5,486	5,387
Allowance for impairment losses on receivables	188	(122)	1,596	(1,088)
Provision for liquidated and ascertained damages	-	4,137	-	4,137
Gain on disposal of property, plant and equipment	<u>(10)</u>	<u>(102)</u>	<u>(42)</u>	<u>(102)</u>

BY ORDER OF THE BOARD

Laang Jhe How
MIA 25193
Company Secretary

Dated : 26 November 2019