

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS**

**1(a) (i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Group statement of comprehensive income for HY2021 and HY2020.**

	Group		
	RM'000		%
	HY2021 (Unaudited)	HY2020 (Unaudited)	Increase/ (Decrease)
<b>Revenue</b>	26,260	34,379	-23.6%
Cost of sales	(22,057)	(24,818)	-11.1%
<b>Gross profit</b>	4,203	9,561	-56.0%
<b>Other income</b>			
- Interest	14	17	-17.6%
- Others	1,207	878	37.5%
<b>Other gains and losses</b>			
- Reversal/(impairment loss) on financial assets	12	(48)	125.0%
- Others	71	1,551	-95.4%
<b>Expenses</b>			
- Selling and distribution	(1,560)	(2,385)	-34.6%
- Administrative	(6,506)	(6,838)	-4.9%
- Finance	(1,670)	(1,574)	6.1%
	(4,229)	1,162	NM
Share of profit of associated companies	1,061	425	149.6%
<b>(Loss)/profit before income tax</b>	(3,168)	1,587	NM
Income tax (expense)/credit	(297)	150	NM
<b>Total comprehensive (loss)/income, representing net (loss)/profit</b>	(3,465)	1,737	NM
<b>Net (loss)/profit attributable to:</b>			
Equity holders of the Company	(3,619)	1,702	NM
Non-controlling interests	154	35	NM
	(3,465)	1,737	NM

NM: Not meaningful

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**Note:**

Profit before income tax is arrived at after charging/ (crediting) the following:

	<b>HY2021 RM'000</b>	<b>HY2020 RM'000</b>
Bad debts written off	-	3
Commission	42	128
Depreciation of investment properties	30	30
Depreciation of property, plant and equipment	2,017	1,870
Depreciation of right-of-use assets	703	757
Directors' remuneration	541	551
Net foreign exchange loss	66	32
Gain on modified lease liabilities	(37)	-
Gain on disposal of property, plant and equipment	(5)	(12)
Distribution from associated companies	-	(1,572)
Interest income	(14)	(17)
Interest expense	1,670	1,574
Rental expenses	61	172
Rental income	(572)	(764)
Staff costs	5,054	7,507

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As at 30/9/20 (Unaudited)	As at 31/3/20 (Audited)	As at 30/9/20 (Unaudited)	As at 31/3/20 (Audited)
	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	14,182	13,266	217	304
Trade and other receivables	25,787	29,376	16,729	16,838
Inventories	12,363	14,571	-	-
Other current assets	6,849	5,175	-	-
Income tax recoverable	811	775	-	-
	59,992	63,163	16,946	17,142
<b>Non-current assets</b>				
Property, plant and equipment	55,127	55,673	-	-
Investment properties	3,652	3,682	-	-
Investments in subsidiary corporations	-	-	19,954	19,954
Investments in associated companies	6,871	5,810	5,056	5,056
	65,650	65,165	25,010	25,010
<b>Total assets</b>	<b>125,642</b>	<b>128,328</b>	<b>41,956</b>	<b>42,152</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	11,385	13,623	1,706	1,579
Borrowings	40,825	37,428	-	-
Lease liabilities	5,168	3,384	-	-
	57,378	54,435	1,706	1,579
<b>Non-current liabilities</b>				
Borrowings	26,108	24,776	-	-
Deferred income tax liabilities	7	7	-	-
Lease liabilities	7,187	10,683	-	-
	33,302	35,466	-	-
<b>Total liabilities</b>	<b>90,680</b>	<b>89,901</b>	<b>1,706</b>	<b>1,579</b>
<b>NET ASSETS</b>	<b>34,962</b>	<b>38,427</b>	<b>40,250</b>	<b>40,573</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	30,158	30,158	30,158	30,158
Retained earnings	4,034	7,653	10,092	10,415
Currency translation reserve	(61)	(61)	-	-
	34,131	37,750	40,250	40,573
Non-controlling interests	831	677	-	-
<b>Total equity</b>	<b>34,962</b>	<b>38,427</b>	<b>40,250</b>	<b>40,573</b>

\* Denotes amounts below RM1,000

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**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Bank Borrowings**

**Amount repayable in one year or less, or on demand**

	<b>Group</b>	
	<b>RM'000</b>	
	<b>As at 30/9/20 (Unaudited)</b>	<b>As at 31/3/20 (Audited)</b>
Bank overdrafts	11,606	11,513
Bank loans	3,236	1,683
Bills payables	25,983	24,232
	<b>40,825</b>	<b>37,428</b>

**Amount repayable after one year**

	<b>Group</b>	
	<b>RM'000</b>	
	<b>As at 30/9/20 (Unaudited)</b>	<b>As at 31/3/20 (Audited)</b>
<b>Bank loans</b>		
- due within two to five years	10,920	10,220
- due after five years	15,188	14,556
	<b>26,108</b>	<b>24,776</b>

**Details of collaterals**

All of the above bank borrowings are fully secured. The bank overdrafts, bank loans and bills payables are secured on:

- (i) Legal mortgages over the Group's freehold and leasehold land and buildings. As at 30 September 2020, the Group's freehold and leasehold land and buildings with carrying amounts of approximately RM37.5 million were mortgaged for bank borrowings. As at 30 September 2020, the Group's investment properties with carrying amounts of approximately RM3.7 million were mortgaged for bank borrowings;
- (ii) Short-term bank deposits; and
- (iii) Joint and personal guarantee of certain directors and a controlling shareholder.

**Leased Liabilities**

**Amount repayable in one year or less, or on demand**

	<b>Group</b>	
	<b>RM'000</b>	
	<b>As at 30/9/20 (Unaudited)</b>	<b>As at 31/3/20 (Audited)</b>
Lease Liabilities	5,168	3,384

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**Amount repayable after one year**

	<b>Group</b>	
	<b>RM'000</b>	
	<b>As at 30/9/20 (Unaudited)</b>	<b>As at 31/3/20 (Audited)</b>
<b>Lease Liabilities</b>		
- due within two to five years	7,119	10,472
- due after five years	68	211
	<b>7,187</b>	<b>10,683</b>

**Details of collaterals**

As at 30 September 2020, the Group's lease liabilities of approximately RM10.5 million were fully secured by:

- (i) Corporate guarantee; and
- (ii) Joint and personal guarantee of certain directors and a controlling shareholder.

Lease liabilities of the Group are effectively secured over to the leased plant and machinery, motor vehicles and computer and office equipment, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the lease liabilities.

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**1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>	
	<b>RM'000</b>	
	<b>HY2021 (Unaudited)</b>	<b>HY2020 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Net profit	(3,465)	1,737
Adjustments for:		
- Income tax expense	297	(150)
- Depreciation of property, plant and equipment	2,017	1,870
- Depreciation of investment properties	30	30
- Depreciation of right-of-use assets	703	757
- Gain on disposal of property, plant and equipment	(5)	(12)
- Distribution from associated companies	-	(1,572)
- Gain on modified lease liabilities	(37)	-
- Share of profit of associated companies	(1,061)	(425)
- Interest income	(14)	(17)
- Interest expense	1,670	1,574
	<b>135</b>	<b>3,792</b>
<b>Change in working capital</b>		
- Trade and other receivables	3,589	2,764
- Inventories	2,208	(320)
- Other current assets	(1,674)	948
- Trade and other payables	(2,238)	(3,351)
- Bills payable	1,751	(2,578)
<b>Cash generated from operations</b>	<b>3,771</b>	<b>1,255</b>
Interest paid	(646)	(934)
Interest received	14	17
Income tax paid	(333)	(269)
<b>Net cash provided by operating activities</b>	<b>2,806</b>	<b>69</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(1,823)	(113)
Proceeds from disposals of property, plant and equipment	5	12
<b>Net cash used in investing activities</b>	<b>(1,818)</b>	<b>(101)</b>

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

	<b>Group</b>	
	<b>RM'000</b>	
	<b>HY2021 (Unaudited)</b>	<b>HY2020 (Unaudited)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	2,885	2,000
Short-term bank deposits pledged	(14)	(17)
Repayment of bank borrowings	-	(670)
Repayment of lease liabilities	(2,026)	(2,249)
Interest paid	(1,024)	(640)
<b>Net cash used in financing activities</b>	<b>(179)</b>	<b>(1,576)</b>
Net increase/ (decrease) in cash and cash equivalents	809	(1,608)
Cash and cash equivalents at beginning of financial period	691	(4,064)
<b>Cash and cash equivalents at end of financial period</b>	<b>1,500</b>	<b>(5,672)</b>

**Note:**

For the purpose of presenting the statement of cash flows, the cash and cash equivalents comprise the following:

	<b>Group</b>	
	<b>RM'000</b>	
	<b>HY2021 (Unaudited)</b>	<b>HY2020 (Unaudited)</b>
Cash and bank balances	14,182	5,579
Less: Short-term bank deposits pledged	(1,076)	(1,046)
Less: Bank overdraft	(11,606)	(10,205)
<b>Cash and cash equivalents at end of financial period per Statement of Cash Flows</b>	<b>1,500</b>	<b>(5,672)</b>

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	Share capital	Translation reserve	Retained earnings	Total	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2020	30,158	(61)	7,653	37,750	677	38,427
Total comprehensive (loss)/income for the financial period	-	-	(3,619)	(3,619)	154	(3,465)
Balance as at 30 September 2020	30,158	(61)	4,034	34,131	831	34,962
Balance as at 31 March 2019	26,862	(61)	16,935	43,736	603	44,339
Adoption of SFRS(I) 16	-	-	(55)	(55)	-	(55)
Balance as at 1 April 2019	26,862	(61)	16,880	43,681	603	44,284
Total comprehensive income for the financial period	-	-	1,702	1,702	35	1,737
Balance as at 30 September 2019	26,862	(61)	18,582	45,383	638	46,021

Company	Share capital	Translation reserve	Retained earnings	Total	Non-controlling Interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2020	30,158	-	10,415	40,573	-	40,573
Total comprehensive loss for the financial period	-	-	(323)	(323)	-	(323)
Balance as at 30 September 2020	30,158	-	10,092	40,250	-	40,250
Balance as at 1 April 2019	26,862	-	6,972	33,834	-	33,834
Total comprehensive income for the financial period	-	-	2,612	2,612	-	2,612
Balance as at 30 September 2019	26,862	-	9,584	36,446	-	36,446

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.



**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

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**1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since 31 March 2020 up to 30 September 2020.

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2019 and 30 September 2020.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
Total number of issued shares (excluding treasury shares)	105,391,186	105,391,186

The Company did not have any treasury shares or convertibles outstanding as at 30 September 2020 and 31 March 2020.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

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**3. Whether the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in Note 5 below, the Group had consistently applied the same accounting policies and methods of computation in the Group's financial statement for the current financial period as those applied for the most recently audited financial statements for the financial year ended 31 March 2020.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

During the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect for accounting periods beginning on or after 1 January 2020:

- Amendments to SFRS(I) 3: *Business Combinations Definition of a Business*
- Amendments to SFRS(I) 1-1 and SFRS(I) 8: *Definition of Material*
- Amendments to References to the Conceptual Framework in SFRS(I) standards
- Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements
- Amendments to SFRS(I) 9 SFRS(I) 1-39 and SFRS(I) 7: *Interest Rate Benchmark Reform*

The adoption of the above new SFRS(I)s, amendments and interpretations of SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ending 31 March 2021.

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020**

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	HY2021	HY2020
(Loss)/earnings attributable to equity holders of the Company, after deducting any provision for preference dividends (RM'000)	(3,619)	1,702
Weighted average number of shares used in computation of basic EPS	105,391,186	90,000,000
Basic (loss)/earnings attributable to equity holders of the Company (Malaysian sen)	(3.43)	1.89
Diluted (loss)/earnings attributable to equity holders of the Company (Malaysian sen)	(3.43)	1.89

Basic (loss)/earnings per share is computed by dividing the (loss)/earnings attributable to the equity holders of the Company in the respective financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period.

Diluted earnings per share is the same as the basic earnings per share as the Company does not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial periods.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	As at		As at	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
NAV per ordinary share (Malaysian sen)	33.17	36.46	38.19	38.50
Number of shares used in computation of NAV per share	105,391,186	105,391,186	105,391,186	105,391,186

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Commentary on Financial Results**

***Revenue***

<b>Segments</b>	<b>HY2021 RM'000</b>	<b>HY2020 RM'000</b>
Original Equipment Manufacturer ("OEM")	11,624	13,593
Kitchen appliances, equipment and related services ("F&B")	9,367	17,961
Cleanroom and laboratories	5,269	2,825
<b>Total</b>	<b>26,260</b>	<b>34,379</b>

Revenue decreased by approximately RM8.1 million or 23.6% from approximately RM34.4 million in HY2020 to RM26.3 million in HY2021. This was mainly due to the decrease in revenue from the OEM segment and F&B segment by RM1.9 million and RM8.6 million respectively netted off against increase in revenue from the cleanroom and laboratories segment by RM2.4 million.

The decrease in revenue were because of lower demand from customers especially from the F&B segment, which has been affected by the movement control order implemented the by Government of Malaysia since March 2020. Customers are more cautious and conservative on spending and expanding their businesses during this period and have postponed their orders to next year.

***Cost of sales***

Cost of sales decreased by approximately RM2.8 million or 11.1% from approximately RM24.8 million in HY2020 to approximately RM22.0 million in HY2021 in line with the decrease in revenue. The decrease in revenue has affected the GP margin which decreased from 27.8% in HY2020 to 16.0% in HY2021 as the Group continued to incur certain fixed cost of production such as depreciation, insurance and basic staff cost despite lower revenue recorded. Furthermore, the Group also reduced the product profit margin in order to maintain market competitiveness.

***Other income - others***

Other income increased by approximately RM0.3 million in HY2021 from approximately RM0.9 million in HY2020 to approximately RM1.2 million in HY2021 mainly due to the wage subsidy of approximately RM0.5 million received from government under PENJANA ("Short term economy recovery plan") program netted off against the reduction in rental income received of approximately RM0.2 million.

***Other gains and losses***

Other gains and losses decreased by approximately RM1.4 million in HY2021 from approximately RM1.5 million in HY2020 to approximately RM0.1 million in HY2021. The higher gains in HY2020 was due to the distribution from associated company of RM1.6 million resulting from the completion of the associated company's listing exercise on the LEAP Market of Bursa Malaysia Securities Berhad ("Listing Exercise"), as announced on SGXNET on 9 March 2020.

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***Selling and distribution expenses***

Selling and distribution expenses decreased by approximately RM0.8 million or 34.6% from approximately RM2.4 million in HY2020 to approximately RM1.6 million in HY2021 which is in line with the decrease in sales. This decrease was mainly due to the decrease in travelling expenses, commission paid and staff salaries of approximately RM0.3 million, RM0.1 million and RM0.4 million respectively.

***Administrative expenses***

Administrative expenses decreased by approximately RM0.3 million or 4.9% from approximately RM6.8 million in HY2020 to approximately RM6.5 million in HY2021. This was mainly due to the increase in depreciation on right-of-use assets of approximately RM0.5 million partially offset by reduction in staff cost of approximately RM0.8 million.

***Finance expenses***

Finance expenses increased by approximately RM0.1 million or 6.1% from approximately RM1.6 million in HY2020 to approximately RM1.7 million in HY2021. This was mainly due to higher term loan interest paid which relates to additional purchase of a property and drawdown for working capital purpose in prior year.

***Share of profit of associated companies***

The Group has a share of profit from its associated companies of approximately RM1.1 million in HY2021 compared to RM0.4 million in HY2020 as a result of higher revenue and better profit recorded by associated companies.

**Commentary on Financial Position**

***Trade and other receivables***

	Group	
	RM'000	
	30 September 2020 (Unaudited)	31 March 2020 (Audited)
Trade receivables	18,477	21,877
Other receivables	7,310	7,499
	<i>25,787</i>	<i>29,376</i>

Trade receivables decreased by approximately RM3.4 million from RM21.9 million as at 31 March 2020 to approximately RM18.5 million as at 30 September 2020 in line with the decrease in revenue. There was no material change for other receivables as at 30 September 2020 as compared to 31 March 2020.

***Inventories***

Inventories decreased by approximately RM2.2 million from RM14.6 million as at 31 March 2020 to approximately RM12.4 million as at 30 September 2020 mainly due to a decrease in sales order demand and low production during the period.

***Other current assets***

Other current assets increased by approximately RM1.7 million from approximately RM5.1 million as at 31 March 2020 to RM6.8 million as at 30 September 2020. This was mainly due to higher prepayment paid to the suppliers of cleanroom and laboratories segment to purchase goods.

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***Property, plant and equipment***

Property, plant and equipment decreased by approximately RM0.5 million from approximately RM55.6 million as at 31 March 2020 to RM55.1 million as at 30 September 2020. This was mainly due to construction cost for a factory on the Group's existing land, purchase of plant and machineries and other assets amounting to approximately RM1.9 million, RM0.2 million and RM0.1 million respectively offset by depreciation of approximately RM2.7 million.

***Investments in associated companies***

The investment in associated companies increased by approximately RM1.1 million from approximately RM5.8 million as at 31 March 2020 to RM6.9 million as at 30 September 2020 due to the share of profit in HY2021 of approximately RM1.1 million.

***Trade and other payables***

	<b>Group</b>	
	<b>RM'000</b>	
	<b>30 September 2020 (Unaudited)</b>	<b>31 March 2020 (Audited)</b>
Trade payables	6,666	7,979
Other payables	4,719	5,644
	<b>11,385</b>	<b>13,623</b>

Trade and other payables decreased by approximately RM2.2 million from approximately RM13.6 million as at 31 March 2020 to approximately RM11.4 million as at 30 September 2020 corresponding to the decrease in purchases and in line with the decrease in revenue.

***Borrowings***

	<b>Group</b>	
	<b>RM'000</b>	
	<b>30 September 2020 (Unaudited)</b>	<b>31 March 2020 (Audited)</b>
Bills payables	25,983	24,232
Bank loans	29,344	26,459
Bank overdrafts	11,606	11,513
Total borrowings	<b>66,933</b>	<b>62,204</b>

Total borrowings increased by approximately RM4.7 million from approximately RM62.2 million as at 31 March 2020 to approximately RM66.9 million as at 30 September 2020. This was mainly due to an increase in bank loans, bills payables and bank overdrafts of approximately RM2.9 million, RM1.7 million and RM0.1 million respectively.

Bank Negara Malaysia ("BNM") has announced that financial institutions registered under BNM will provide a 6-month moratorium for loan/financing repayments from 1 April 2020 to 30 September 2020 to help relieve the monthly burden of businesses whose income have been affected by the COVID-19 pandemic.

The said program has enabled the Group to defer the repayment of bank loans and bills payables falling due during the moratorium period.

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***Lease liabilities***

Lease liabilities decreased by approximately RM1.7 million from approximately RM14.1 million as at 31 March 2020 to approximately RM12.4 million as at 30 September 2020 due to the repayment of lease liabilities of approximately RM2.1 million netted off against addition of lease liabilities of approximately RM0.4 million in HY2021 pursuant to purchase of machineries and motor vehicles.

**Commentary on Cash Flow**

The Group generated a net cash from operating activities of approximately RM2.8 million for HY2021. This was derived from operating profit before working capital changes of approximately RM0.1 million, adjusted net working capital inflow of approximately RM3.6 million, net interest paid of approximately RM0.6 million and net income tax paid of approximately RM0.3 million.

Net cash used in investing activities amounted to approximately RM1.8 million mainly due to the net purchase of property, plant and equipment.

Net cash used in financing activities amounted to approximately RM0.2 million mainly due to the drawdown of term loan after net off against the net repayment of lease liabilities and interest paid.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement has been previously disclosed to the shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group had to cease all business operations from 18 March 2020 which was in compliance with the Movement Control Order issued by the Government of Malaysia but resumed operations in early May 2020. The Group faced a challenging start to the financial year 2020 arising from the Covid-19 pandemic and uncertainties to the global economic outlook. These challenges are expected to remain for the next 12 months. To maintain its competitive advantage, the Group will continue to explore opportunities to expand its business in all segments both locally and abroad, via the development of new products, strategic investments and acquisitions. The Group will continue its efforts in controlling costs and reducing overheads to streamline operations in order to improve overall efficiency and recoverability of the receivables.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared or recommended for HY2021.

**(b) (i) Amount per share (cents)**

Not applicable.

**(b) (ii) Previous corresponding period (cents)**

Not applicable. No dividend had been declared or recommended for HY2020.

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**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared / recommended for the HY2021 in order to reserve capital for business growth.

**13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from shareholders for interested person transactions and none of the interested person transactions (individually) were of a value of S\$100,000 and above.

**14. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual**

The Company has procured undertakings from all its directors and executive officer under Rule 720 (1).

**15. Use of Proceeds**

The net proceeds raised by the Company from the issuance of 15,391,186 new ordinary shares in the Company arising from the renounceable non-underwritten rights issue, which was allotted and issued on 23 October 2019, was approximately S\$1.0 million (after deducting expenses of approximately S\$0.1 million) (“Net Proceeds”). As at 10 November 2020, the Company had utilised approximately S\$0.4 million as follows:-

<b>Intended use of Net Proceeds</b>	<b>Amount allocated S\$</b>	<b>Amount utilised S\$</b>	<b>Balance available S\$</b>
i) Funding Operating Costs	684,168	360,500*	323,668
ii) Expansion of Existing Business And Making New Strategic Investments and/ or Acquisitions	293,215	51,000	242,215
	977,383	411,500	565,883

Note:

\*The amount utilised under “Funding Operating Costs” was for the purpose of payment to suppliers.



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**16. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual Section B:  
Rules of Catalyst**

On behalf of the Board of Directors of the Company, we hereby confirm that to the best knowledge of the Directors of the Company nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial statements for the HY2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chan Kee Sieng  
Executive Chairman

Chan Kit Moi  
Executive Director

**BY ORDER OF THE BOARD**

**Chan Kee Sieng**  
**Executive Chairman**  
**11 November 2020**

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg).