

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS<sup>(1)</sup>

	3-MONTHS ENDED			YEAR-TO-DATE ENDED		
	31.03.2020 RM'000	31.03.2019 RM'000	CHANGES %	31.03.2020 RM'000	31.03.2019 RM'000	CHANGES %
Revenue	31,660	31,066	2%	31,660	31,066	2%
Cost of sales	<u>(25,748)</u>	<u>(24,754)</u>	4%	<u>(25,748)</u>	<u>(24,754)</u>	4%
Gross profit	5,912	6,312	-6%	5,912	6,312	-6%
Other income	154	92	67%	154	92	67%
Administrative expenses	<u>(3,807)</u>	<u>(2,930)</u>	30%	<u>(3,807)</u>	<u>(2,930)</u>	30%
Finance costs	<u>(250)</u>	<u>(194)</u>	29%	<u>(250)</u>	<u>(194)</u>	29%
Profit before tax	2,009	3,280	-39%	2,009	3,280	-39%
Income tax expense	<u>(523)</u>	<u>(919)</u>	-43%	<u>(523)</u>	<u>(919)</u>	-43%
<b>Profit for the financial period</b>	<b><u>1,486</u></b>	<b><u>2,361</u></b>	<b>-37%</b>	<b><u>1,486</u></b>	<b><u>2,361</u></b>	<b>-37%</b>
<b>Attributable to:</b>						
Owner of the Company	1,486	2,368	-37%	1,486	2,368	-37%
Non-controlling interests	<u>-</u>	<u>(7)</u>	>-100%	<u>-</u>	<u>(7)</u>	>-100%
	<b><u>1,486</u></b>	<b><u>2,361</u></b>	<b>-37%</b>	<b><u>1,512</u></b>	<b><u>2,361</u></b>	<b>-37%</b>
Earnings per share attributable to owners of the Company (sen) <sup>(2)</sup> :						
Basic	<u>0.20</u>	<u>0.74</u>		<u>0.20</u>	<u>0.74</u>	
Diluted	<u>0.19</u>	<u>0.74</u>		<u>0.19</u>	<u>0.74</u>	

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Earnings per share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME<sup>(1)</sup>

	3-MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
<b>Profit for the financial period</b>	1,486	2,361	1,486	2,361
<b>Other comprehensive expenses</b>				
Foreign currency translation differences for foreign operation <sup>(2)</sup>	(3)	-	(3)	-
Total comprehensive income for the financial period	<u>1,483</u>	<u>2,361</u>	<u>1,483</u>	<u>2,361</u>
<b>Attributable to:</b>				
Owner of the Company	1,483	2,368	1,483	2,368
Non-controlling interests	-	(7)	-	(7)
	<u>1,483</u>	<u>2,361</u>	<u>1,483</u>	<u>2,361</u>

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Comparative amount less than RM1,000.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

	Unaudited As at 31.03.2020 RM'000	Audited As at 31.12.2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,235	7,801
Investment properties	6,573	6,607
Deferred tax assets	119	119
Trade receivables	7,745	7,869
	<u>22,672</u>	<u>22,396</u>
<b>Current assets</b>		
Trade receivables	29,506	40,445
Other receivables, deposits and prepayments	5,724	4,702
Contract assets	40,841	35,021
Deposits with licensed banks	20,401	20,089
Cash and bank balances	12,737	15,132
	<u>109,209</u>	<u>115,389</u>
<b>TOTAL ASSETS</b>	<b><u>131,881</u></b>	<b><u>137,785</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	48,299	48,299
Treasury Shares	(241)	(241)
Retained profits	24,818	23,334
	<u>72,876</u>	<u>71,392</u>
<b>Non-controlling interest</b>	<u>(36)</u>	<u>(36)</u>
<b>Total Equity</b>	<b><u>72,840</u></b>	<b><u>71,356</u></b>
<b>Non-current liabilities</b>		
Finance lease liabilities	1,218	779
Term loan	4,296	5,767
Deferred tax liabilities	-	-
Trade payables	3,176	2,774
	<u>8,690</u>	<u>9,320</u>
<b>Current liabilities</b>		
Trade payables	37,515	41,428
Other payables and accruals	1,459	1,302
Contract liabilities	5,211	7,297
Finance lease liabilities	345	329
Short-term borrowings	5,188	5,721
Current tax liabilities	633	1,032
	<u>50,351</u>	<u>57,109</u>
<b>TOTAL LIABILITIES</b>	<b><u>59,041</u></b>	<b><u>66,429</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>131,881</u></b>	<b><u>137,785</u></b>
Net asset per share (RM) <sup>(2)</sup>	<u>0.10</u>	<u>0.21</u>

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's weighted average number of ordinary shares at the end of the reporting period.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>

	<-Attributable to Owners of the Company->		Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share Capital RM'000	Treasury Shares RM'000				
Balance at 01.01.2020	48,299	(241)	23,335	71,393	(36)	71,356
Total Comprehensive Income for the period	-	-	1,483	1,483	-	1,483
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31.03.2020</b>	<b>48,299</b>	<b>(241)</b>	<b>24,818</b>	<b>72,876</b>	<b>(36)</b>	<b>72,839</b>
Balance at 01.01.2019	32,000	-	16,257	48,257	-	48,257
Total Comprehensive Income for the period	-	-	2,368	2,368	(7)	2,361
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31.03.2019</b>	<b>32,000</b>	<b>-</b>	<b>18,625</b>	<b>50,625</b>	<b>(7)</b>	<b>50,618</b>

**Note:**

- (1) The basis of preparation of the Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

## UNAUDITED INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup>

	YEAR-TO-DATE ENDED	
	31.03.2020 RM'000	31.03.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,009	3,280
Adjustments for:		
Depreciation of property, plant and equipment	282	215
Depreciation of investment properties	34	15
Fair value discount on receivables	71	
Fair value discount on payables	(57)	
Interest expense	178	194
Interest income	(79)	(62)
Operating profit before changes in working capital	2,438	3,642
Net changes in trade receivables	10,992	634
Net changes in other receivables, deposits and prepayments	(1,021)	25
Net changes in contract assets / liabilities	(7,906)	49
Net changes in trade payables	(3,455)	(1,452)
Net changes in other payables and accrual	157	(1,203)
Cash flows from operations	1,205	1,695
Interest paid	(178)	(194)
Interest received	79	62
Tax paid	(922)	(1,049)
Net cash from operating activities	184	514
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(716)	(30)
Purchase of investment properties	-	-
Net cash used in investing activities	(716)	(30)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Pledged of fixed deposits as securities	(1,767)	(1,518)
Uplift of deposits pledged as securities	-	-
Drawdown of bank borrowings	3,910	2,979
Drawdown of finance lease obligations	540	-
Repayment of bank's borrowings	(5,914)	(84)
Repayment of finance lease obligations	(84)	(89)
Net cash used in financing activities	(3,315)	1,288
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of the financial period	(3,847)	1,771
Effect of foreign exchange rate changes <sup>(2)</sup>	22,132	9,381
	(3)	-
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>18,282</b>	<b>11,152</b>
<b>Cash and cash equivalents comprise :</b>		
Deposits with licensed banks	20,401	12,210
Cash and bank balances	12,737	10,712
Bank overdrafts	-	(1,058)
	33,138	21,864
Less: Deposits pledged to licensed banks	(14,856)	(10,712)
	18,282	11,152

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Comparative amount RM1,000.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

---

**A1 Basis of Preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements.

The interim financial reports should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

**A2 Significant Accounting Policies**

In addition to the accounting policies and presentations adopted by the Group for the audited financial statements for the year ended 31 December 2019, the Group has further adopted the following MFRS in this interim financial statement, effective from 1 January 2020:-

Amendments to MFRS 3	Business Combinations – Definition of a Business
Amendments to MFRS 101	Presentation of Financial Statement
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments : Recognition and Measurement
Amendments to MFRS 7	Financial Instruments : Disclosures – Interest Ratee Benchmark Reform

The Group expect that the adoption of the above Standards, Amendments and IC interpretation are not expected to have any material financial impacts to the current period and prior period financial statement.

**A3 Auditors’ Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2019.

**A4 Seasonal and Cyclical Factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There was no unusual item affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

**A6 Changes in Estimates**

There was no material change in estimates that have a material effect on the financial quarter and financial period under review.

**A7 Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial quarter, other than as disclosed.

On 26 February 2020, the number of issued shares of the Company were increased from 370,230,000 to 925,575,000 by way of subdivision of every 2 existing share into 5 subdivided share.

With regards to treasury shares, the number held in hand as at the financial period under review after taking into consideration the share split on 26 February 2020 was:

	<b>No. of Shares</b>
Total treasury shares as at 1 January 2020	1,126,900
Effect of subdivision of shares issue on 26 February 2020	1,690,350
Total treasury shares as at 31 March 2020	<u>2,817,250</u>

**A8 Dividends Paid**

No dividend has been paid during the financial quarter ended 31 March 2020.

**A9 Segmental Reporting**

The Group is principally involved in the provision of electrical and mechanical engineering services. As such, the revenue of the Group for the current financial period under review is derived entirely from its electrical and mechanical engineering services.

No geographical analysis has been prepared as the Group operates wholly in Malaysia.

**A10 Material Events after the End of the Reporting Period**

Save for those disclosed in Note B6 "Status of Corporate Proposals", there were no other material events subsequent to the end of the current financial period.

**A11 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial period.

**A12 Contingent Liabilities and Contingent Assets**

The changes in contingent liabilities of the Group are as follows:-

	<b>As at 31.03.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
Bank guarantees given to third parties in respect of performance bonds for the Group's projects	<u>22,629</u>	<u>21,942</u>

There was no contingent asset as at the date of this interim report.

**A13 Capital Commitments**

Capital commitment for financial quarter under review are as follows:-

	<b>RM'000</b>
Approved and contracted but not provided for:	
- Property, plant and equipment	<u>415</u>

**A14 Significant related party transactions**

There was no significant related party transaction in the current financial period under review.

**B1 Review of Group Performance**

For the current financial quarter under review, the Group posted revenues of RM31.66 million as compared to its preceding year's corresponding quarter ended 31 March 2019 of RM31.07 million. Despite the increase in revenues, profit before tax ("PBT") during the current quarter dropped to RM2.01 million, representing a decrease of RM1.27 million from its preceding year's corresponding quarter ended 31 March 2019 of RM3.28 million.

The decrease in PBT was mainly attributed to the increase in staff cost and certain non-recurring expenses incurred for corporate exercises.

**B2 Comparison with Immediate Preceding Quarter Results**

	< ----- 3-MONTHS ENDED ----- >			
	31.03.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	31,660	48,947	(17,287)	-35%
Gross Profit	5,912	8,209	(2,297)	-28%
Profit Before Tax	2,009	4,761	(2,752)	-58%

The Group recorded a gross profit of RM5.91 million for the current quarter as compared to RM8.21 million in the previous quarter ended 31 December 2019. This is in line with the decrease in revenue of RM31.66 million for current quarter as compared with RM48.95 million in the previous quarter ended 31 December 2019.

The Group's PBT of RM2.01 million for the current quarter was 58% lower than RM4.76 million achieved in the previous quarter ended 31 December 2019. The overall decreased was mainly due to the decrease in revenues and increase in staff costs.

## PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

**B3 Prospects for the Financial Period**

The Group will continue to focus on the following future plans and business strategies for the future growth and expansion of its business:-

- (i) expansion beyond Klang Valley, as well as venturing into neighbouring Asean countries;
- (ii) supporting the building and financing of energy efficiency systems and taking a share of the savings in energy costs; and
- (iii) diversifying service base to offer customised energy efficiency solutions, which relies on various interrelated technologies to achieve energy savings.

The unprecedented global pandemic of Covid-19 has brought significant economic uncertainty, the Malaysian economy is currently experiencing a sharp decline in its economic activities across most sectors as movement of all persons involved in non-essential industries were restricted, KAB is also affected in the short run mainly due to temporary suspension of project operations and supply chain disruptions.

With the recent announcements on relaxing Movement Control Order (“MCO”) that almost all businesses are allowed to resume operations and the nature of our revenues relies on adhering strictly to project delivery timelines that were decided during the award of respective projects. Despite the delay caused by the MCO, we expect to be able to continue to meet all of our obligations in accordance to the respective project timelines as agreed with the project owner and/or main contractor.

As at 31 March 2020, the Group’s order book, contracts secured and tenders are as follows:-

- (i) order book balance is approximately RM375 million;
- (ii) total value of new projects pending letter of award is approximately RM8 million; and
- (iii) approximately RM242 million worth of tenders still pending.

The Board will continue to review and monitor the pandemic and economic situation while exercising prudence in spending to sustain with the current market challenges and conditions.

**B4 Profit Forecast**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**B5 Taxation**

	3-MONTHS ENDED		YEAR-TO-DATE-ENDED	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Income tax	523	919	523	919
Under/ (over)provided in prior year	-	-	-	-
Deferred tax	-	-	-	-
	<u>523</u>	<u>919</u>	<u>523</u>	<u>919</u>
Effective tax rate <sup>(1)</sup>	26%	28%	26%	28%

**Note:**

- (1) The effective tax rate for the current quarter is higher than the statutory tax rate of 24% mainly due to adjustment for non-deductible expenses.

**B6 Status of Corporate Proposals**

(i) Private Placement

On 10 October 2019, Mercury Securities Sdn Bhd (“Mercury”) had announced on behalf of the Board of Directors of KAB (“Board”) that the Company proposes to undertake a private placement of up to 70,574,600 new ordinary shares in KAB (“Placement Shares”) representing up to 20% of the total number of issued shares of KAB, to independent third-party investors to be identified later, at an issue price to be determined later (“Proposed Private Placement”).

Bursa Malaysia Securities Berhad (“Bursa Securities”) had on 17 October 2019 approved the listing and quotation of up to 70,574,600 Placement Shares to be issued pursuant to the proposed Private Placement.

The shareholders of the Company had approved the Proposed Private Placement at an extraordinary general meeting (“EGM”) of the Company held on 8 November 2019.

On 29 November 2019, Mercury announced on behalf of the Board that the issue price for the private placement of 16,230,000 Placement Shares has been fixed at RM0.5853 per Placement Share. The Company had on 2 December 2019 issued 16,230,000 Placement Shares to the identified investors and there are up to 54,344,600 remaining Placement Shares to be allotted and issued under the Private Placement.

Pursuant to the completion of the Company’s Share Split exercised on 27 February 2020, the remaining Placement Shares is consequentially subdivided to 135,861,500 remaining Placement Shares to be allotted and issued under the Private Placement upon application.

On 18 March 2020, Mercury announced on behalf of the Board that the Company has submitted an application to seek Bursa Securities’ approval for an extension of time of 6 months from 16 April 2020 up to 16 October 2020 for the Company to complete the implementation of the Private Placement.

On 27 March 2020, Mercury announced on behalf of the Board that the Company had obtained the approval of Bursa Securities vide its letter dated 26 March 2020 (which was received on 27 March 2020) for an extension of time of 6 months up to 16 October 2020 for the Company to complete the implementation of the Private Placement.

(ii) Proposed Acquisition of Energy Optimization (Thailand) Co., Ltd (“EOT”)

On 24 October 2019, the Company has entered into Shares Purchase and Sale Agreement (“SPSA”) with Mr Chanchai Kitprotpisuth to acquire 24,000 shares in EOT, representing 80% of the total paid up share capital in EOT, for a total cash purchase consideration of THB4,640,000 (equivalent to approximately RM642,000).

The Company had on 26 February 2020 entered into a Supplemental Agreement to the SPSA to vary the terms and conditions of the SPSA. Among others, the major changes being:-

- (a) The Company has designated KAB Technologies Thai Co. Ltd as nominee of KAB to hold shares in EOT;
- (b) Shares acquired changed to 14,999 preferred shares, representing 49.997% of the total paid up share capital in EOT; and
- (c) The voting right of the preferred shares is 4 votes per 1 preferred share and the entitlement of dividend and profit sharing allocated to the preferred shareholder are 80%.

The transaction was completed on 26 March 2020.

(iii) Proposed Investment in Leveraged Sdn Bhd (“LSB”)

On 3 Jan 2020, the Company had entered into a Heads of Agreement (“HOA”) with LSB and Loo Chun Keat to invest 37,500 shares in LSB, representing 30% of total paid up share capital in LSB, for the total cash consideration of RM2.1 million.

On 19 March 2020, the Company announce that, after due consideration, both parties have mutually agreed to terminate the HOA with immediate effect. Upon the termination, LBS shall refund the refundable initial deposit of RM1,000.00 to KAB within three working days and the HOA shall have no further force or effect and neither party shall have claim whatsoever against the other, whether directly or indirectly in respect of the HOA.

On 24 March 2020, the Company announced that the HOA was terminated as the Parties were unable to agree to the commercial terms of the Definitive Agreements. The Company shall be entitled at its sole discretion to exercise the remedy of seeking monetary compensation from LSB including but not limited to the cost and expenses incurred pertaining to the Proposed Investment according to the HOA.

(iv) Share Split

On 16 January 2020, Mercury announced on behalf of the Board that the Company proposed to undertake the proposed share split involving the subdivision of every 2 existing ordinary shares in the Company into 5 ordinary shares. The Bursa Securities had on 22 January 2020 approved the Proposed Share Split.

The shareholders of the Company had approved the Proposed Share Split at an EGM of the Company held on 11 February 2020.

On 26 February 2020, Mercury announced on behalf of the Board that based on the books closure date of 26 February 2020 fixed by the Board, a total of 925,574,998 Split Shares will be listed and quoted on the ACE Market of Bursa Securities with effect from 27 February 2020.

On 27 February 2020, Mercury announced on behalf of the Board that the Share Split has been completed following the listing and quotation of 925,574,998 Split Shares on the ACE Market of Bursa Securities.

(v) Proposed Acquisition of KIEV CRG Sdn Bhd (“KIEV”)

On 5 February 2020, a 90% owned subsidiary of the Company had entered into a Sale and Purchase Agreement with KIEV Energy Sdn Bhd and Tree Hill Sdn Bhd to acquire the entire issued shares in KIEV, for the total cash consideration of RM250,000. Upon completion, KIEV will become a 70% indirect owned subsidiary of the Company.

KIEV is principally engaged in operating power generation facilities that produce electric energy.

As at the date of this announcement, the due diligence exercise is still in progress.

(vi) Proposed Acquisition of Konpro Industries Sdn Bhd (“Konpro”) and Meru One Sdn Bhd (“Meru”) from Invest Energy Sdn Bhd (“INVEN”)

On 25 March 2020, KAB Energy Power Sdn Bhd (“KABEP”), a 90% owned subsidiary of the Company had entered into a Heads of Agreement with INVEN to acquire 2,000,000 Ordinary

Shares in Konpro and 600,000 Ordinary Shares in Meru for a total cash consideration of RM7,260,000.00 and to assume liabilities totalling RM4,240,000.00 (“Purchase Consideration”).

On 24 April 2020, the Board announces that KABEP and INVEN had mutually agreed to further extend the period for additional 60 days from 24 April 2020 to enable both parties to enter into formal agreements for the Proposed Acquisitions subject to satisfactory due diligence.

As at the date of this announcement, the due diligence exercise is still in progress.

- (vii) Proposed Transfer of the listing and quotation of the entire issued share capital of KAB from the ACE Market to the Main Market of Bursa Securities.

On 13 April 2020, Mercury had announced on behalf of the Board that the Company proposes to undertake a transfer of the listing and quotation of the entire issued share capital of KAB from the ACE Market to the Main Market of Bursa Securities.

The the application in relation to the Proposed Transfer has been submitted to the Securities Commission Malaysia and Bursa Securities on 14 April 2020 and 12 May 2020 respectively.

Save as above, there was no corporate proposal announced.

**B7 Utilisation of Proceeds**

## (i) Special Issue

The utilisation of the gross proceeds from the Special Issue amounting to RM6.80 million is as follows:-

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Unutilised
Acquisition and/or investment in other complementary business and/or assets <sup>(1)</sup>	6,630	(629)	6,001	Within 24 months
Estimated expenses for the proposed Special Issue	170	(170)	-	Immediate
<b>Total</b>	<b>6,800</b>	<b>(799)</b>	<b>6,001</b>	

**Notes:**

The utilisation of proceeds as disclosed above should be read in conjunction with the Circular of the Company dated 19 December 2018.

## (ii) Private Placement

The proposed utilisation of the gross proceeds from the Private Placement amounting to RM27.1 million is as follows:

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Unutilised
Expansion of customised energy efficiency solutions business	17,000	-	17,000	Within 24 months
Project costs and expenses	4,500	(1,683)	2,818	Within 24 months
Acquisition and/or investment in other complementary businesses and/or assets	4,694	-	4,694	Within 24 months
Estimated expenses for the proposed Private Placement	900	(283)	617	Immediate
<b>Total</b>	<b>27,094</b>	<b>(1,965)</b>	<b>25,129</b>	

**Notes:**

The utilisation of proceeds as disclosed above should be read in conjunction with the Circular of the Company dated 24 October 2019.

**B8 Group's Borrowings and Debt Securities**

The details of the borrowings of the Group are as follows:-

	As at 31.03.2020 RM'000	As at 31.03.2019 RM'000
<b>Long term:</b>		
Term loans	4,296	4,522
Finance lease liabilities	1,218	769
	5,515	5,291
<b>Short term:</b>		
Term loans	338	404
Finance lease liabilities	345	387
Bank overdrafts	-	2,164
Trade finance	4,850	4,076
	5,533	7,031

All the Group's borrowings are secured and denominated in Ringgit Malaysia.

**B9 Material Litigation**

There was no material litigation since 31 December 2019.

**B10 Dividends Proposed or Declared**

An announcement was made on 3 March 2020 in relation to the entitlement of an interim Single-Tier Dividend of RM0.0025 per share and share dividend distribution of treasury shares on the basis of three treasury shares for every one thousand existing ordinary shares held. Both of the cash dividend has been paid and the share dividend has been distributed on 14 April 2020. The entitlement date for the dividend was 20 March 2020.

**B11 Derivatives and Fair Value Changes of Financial Liabilities**

- (i) There were no derivatives as at the current financial period under review.
- (ii) The fair value changes arising from discounting future retention sums receivable and retention sums payable to present value for the current quarter under review has been accounted for accordingly. The net fair value loss for the financial period amounted to RM0.01 million.

**B12 Earnings Per Share**

The basic and diluted earnings per share for the financial period is computed as follows:-

	3-MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit after tax attributable to owners of the Company (RM'000)	1,486	2,367	1,486	2,367
Weighted average number of ordinary shares in issue ('000)	726,220	320,000	726,220	320,000
Adjustment for assumed issuance of Placement Shares ('000)	54,345	-	54,345	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	780,565	320,000	780,565	320,000
Basic earnings per share (sen) <sup>(1)</sup>	0.20	0.74	0.20	0.74
Diluted earnings per share (sen)	0.19	0.74	0.19	0.74

**Notes:**

- (1) The basic earnings per share is computed based on the profit attributable to the equity shareholders of the Company divided by weighted average number of ordinary shares in issue for the financial period under review.

**B13 Notes to the Statement of Comprehensive Income**

Profit before tax is arrived at after (crediting) / charging:-

	3-MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Interest income	(79)	(62)	(79)	(62)
Interest expense	178	194	178	194
Depreciation of property, plant and machinery	282	215	282	215
Depreciation of investment properties	34	15	34	15

**B14 Authorised for issue**

The interim financial statements were authorised by the Board of Directors in accordance with the resolution of the Directors on 22 June 2020.