



SUPPLEMENTARY DISCLOSURE
REPORTING OF FINANCIAL IMPACT OF COVID-19 AS AT 31st March 2021

Significant events and transactions

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. Since then, a Group has experienced significant disruption to its operations in the following respects:

- Decreased demand in domestic market for certain products as a consequence of social distancing requirements and recommendations;
- Decreased demand for products has compelled to Group to reduce selling price by 20%;
- Closure of international borders has significantly disrupted overseas sales of Group's primary products; and
- Significant uncertainty concerning when government lockdowns will be lifted, social distancing requirements will be eased and the long-term effects of the pandemic on the demand for Group's primary products.

Based on the nature of operations and the industry in which it operates, the Group's management assessed the significant impact of COVID-19 in the below areas:

- Increase in sales;
- Government grants; and
- Commitments and contingencies.
- *Increase in sales and cash flows;*

The Group has experienced elevation in sales which is represented by one of the subsidiaries, SABAYEK since pandemic effect was widespread during the three months ended 31 March 2021. The principal activities of SABAYEK include the production and marketing of ferro silicon, ferro manganese, silicon manganese, silicon and micro silicate. While there was a decrease in demand of primary products in the domestic market, overseas sales increased as the Group has dropped its selling prices of certain products in the last quarter of 2020 while increasing the volume causing the increase in sales by 105% as compared to the three months ended 31 March 2020.

- *Government grants*

The Group has not received any government grants or availed of government support programs during the three months ended 31 March 2021.

- *Commitments and contingent liabilities*

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

No other significant impact has been noted by the management on other financial statement areas during the period ended 31st March 2021.

