

M3 TECHNOLOGIES (ASIA) BERHAD 199901007872(482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Three(03) months ended 31 March 2020

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31-Mar-20 Unaudited RM'000	31-Mar-19 Unaudited RM'000	31-Mar-20 Unaudited RM'000	31-Mar-19 Unaudited RM'000
Revenue	9,794	9,268	9,794	9,268
Operating Expenses	(10,148)	(10,268)	(10,148)	(10,268)
Profit/(Loss) from Operations	<u>(354)</u>	<u>(1,000)</u>	<u>(354)</u>	<u>(1,000)</u>
Net interest income/(expense)	166	210	166	210
Profit/(Loss) before taxation	<u>(188)</u>	<u>(790)</u>	<u>(188)</u>	<u>(790)</u>
Income tax expense	(617)	(480)	(617)	(480)
Net Profit/(Loss) for the period	<u><u>(805)</u></u>	<u><u>(1,270)</u></u>	<u><u>(805)</u></u>	<u><u>(1,270)</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	<u>(1,224)</u>	<u>(399)</u>	<u>(1,224)</u>	<u>(399)</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(1,224)</u>	<u>(399)</u>	<u>(1,224)</u>	<u>(399)</u>
Total comprehensive income/(loss) for the period	<u><u>(2,029)</u></u>	<u><u>(1,669)</u></u>	<u><u>(2,029)</u></u>	<u><u>(1,669)</u></u>
Attributable to:				
Equity holders of the Company	(1,071)	(1,663)	(1,071)	(1,663)
Non-controlling interests	<u>266</u>	<u>393</u>	<u>266</u>	<u>393</u>
	<u><u>(805)</u></u>	<u><u>(1,270)</u></u>	<u><u>(805)</u></u>	<u><u>(1,270)</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(2,270)	(1,858)	(2,270)	(1,858)
Non-controlling interests	<u>241</u>	<u>189</u>	<u>241</u>	<u>189</u>
	<u><u>(2,029)</u></u>	<u><u>(1,669)</u></u>	<u><u>(2,029)</u></u>	<u><u>(1,669)</u></u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(0.17)	(0.28)	(0.17)	(0.28)

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD 199901007872(482772-D)
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NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
For the Three(03) months ended 31 March 2020

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31-Mar-20 Unaudited RM'000	31-Mar-19 Unaudited RM'000	31-Mar-20 Unaudited RM'000	31-Mar-19 Unaudited RM'000
Profit before taxation				
Included in the Profit before tax are the following items:				
Allowance for impairment of receivables	-	-	-	-
Amortisation of product development expenditure	243	236	243	236
Bad debts recovered	-	-	-	-
Bad debts written off	-	-	-	-
Depreciation of right of use assets	-	-	-	-
Depreciation of plant and equipment	390	317	390	317
Impairment loss on investment in associate	-	-	-	-
Investment income - Profit Guarantee	-	-	-	-
(Gain)/loss on disposal of plant and equipment	-	(49)	-	(49)
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	2	(2)	2	(2)
- Unrealised	(981)	155	(981)	155
<u>Interest expense/(income)</u>				
- Interest expense	19	8	19	8
- Interest income	(185)	(218)	(185)	(218)
Inventories written down	-	-	-	-
Inventories written off	-	-	-	-
Property, plant and equipment written off	-	24	-	24

There is no income/expenses in relation to the below items :

- Allowance for impairment of joint venture
- Exceptional items (Otherwise disclosed)
- Gain/loss on derivatives
- Impairment loss on goodwill
- Impairment loss on investment in an associate
- Investment income - Profit Guarantee ; and
- Product development expenditure written off

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 March 2020

	31-Mar-20 Unaudited RM'000	31-Dec-19 Audited RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	5,421	4,586
Right of use assets	935	1,856
Intangible Asset	2,935	2,992
Other investment	2,009	2,009
Trade and other receivables	29	34
Deferred tax assets	85	87
	11,414	11,564
Current Assets		
Other investment	-	3,960
Inventories	1,453	1,430
Trade and other receivables	20,836	19,997
Amount due from related company	-	-
Amount due from jointly controlled entity	-	-
Tax refundable	1,804	13
Cash and bank balances	10,759	12,897
	34,852	38,297
Asset classified as held for sale	-	-
TOTAL ASSETS	46,266	49,861
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,049	65,049
Share premium	-	-
Treasury shares	(566)	(566)
Warrant reserve	-	-
Accumulated losses	(38,670)	(37,600)
Foreign currency translation reserve	(4,832)	(3,633)
	20,981	23,250
Non-controlling interests	6,200	7,659
Total equity	27,181	30,909
Current Liabilities		
Trade and other payables	15,736	15,131
Lease liabilities	680	816
Loans and borrowings	133	132
Amount due to a director	880	880
Tax payable	63	404
	17,492	17,363
Non-current Liabilities		
Loans and borrowings	384	420
Deferred tax liabilities	52	58
Provision for gratuity	9	8
Lease liabilities	1,148	1,103
	1,593	1,589
Total liabilities	19,085	18,952
TOTAL EQUITY AND LIABILITIES	46,266	49,861
Net assets per share attributable to ordinary equity holders of the parent (sen)	3.26	5.54

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three(03) months ended 31 March 2020

	(Note a) Share Capital	Share Premium	Treasury Shares	Warrant Reserve	Foreign Currency Translation Reserve	Retained Earnings/ (Accumulated Losses)	Total	Non-Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three(03) months ended 31 March 2020									
Balance at 1 January 2020	65,049	-	(566)	-	(3,634)	(37,600)	23,249	7,659	30,908
Issuance of shares	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	(1,198)	(1,071)	(2,269)	241	(2,028)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	(1,700)	(1,700)
Balance at 31 March 2020	65,049	-	(566)	-	(4,832)	(38,671)	20,980	6,200	27,180
Eighteen (12) months ended 31 December 2019									
Balance at 1 January 2019	62,946	-	(566)	9,816	(2,174)	(35,795)	34,227	8,940	43,167
Prior year adjustment	-	-	-	-	-	(1,512)	(1,512)	-	(1,512)
Issuance of shares	2,103	-	-	(9,816)	-	9,816	2,103	-	2,103
Total comprehensive income/(loss) for the period	-	-	-	-	(1,460)	(10,109)	(11,569)	355	(11,214)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	(1,636)	(1,636)
Balance at 31 December 2019	65,049	-	(566)	-	(3,634)	(37,600)	23,249	7,659	30,908

Note a

With the Companies Act 2016 ("NewAct") coming into effect on 31 January 2017, the credit standing in the share premium account of RM4,261,000 has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three(03) months ended 31 March 2020

	12 months ended	
	31-Mar-20 Unaudited RM'000	31-Mar-19 Audited RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(188)	(790)
Adjustment for :		-
Allowance for impairment of receivables	-	-
Allowance for impairment of amount owing from joint venture	-	-
Amortisation of product development expenditure	243	236
Bad debts recovered	-	-
Bad debts written off	-	-
Depreciation of plant and equipment	390	317
Depreciation of right of use assets	-	-
(Gain)/loss on disposal of plant and equipment	-	(49)
(Gain)/loss on foreign exchange translation - Realised	2	-
(Gain)/loss on foreign exchange translation - Unrealised	(981)	155
Impairment loss on investment in associate	-	-
Investment income from profit guarantee	-	-
Interest expense	19	8
Interest income	(185)	(218)
Inventories write-down	-	-
Inventories written off	-	-
Plant and equipment written off	-	24
Provision for gratuity	-	-
Share of results in an associate	-	-
Share of results in a jointly controlled entity	-	-
Operating profit before working capital changes	<u>(700)</u>	<u>(317)</u>
Changes in working capital :		
Increase/(Decrease) in inventories	(23)	16
Increase/(Decrease) in trade and other receivables	145	(1,466)
Decrease in amount due from an joint venture	-	-
(Decrease)/Increase in trade and other payables	606	1,299
Increase/(Decrease) in right of use assets	921	-
(Decrease)/Increase in lease liabilities	(91)	-
(Decrease)/Increase in amount due to a Director	-	-
Cash flows (used in)/generated from operating activities	<u>858</u>	<u>(468)</u>
Interest expense	-	-
Tax paid	(2,753)	(126)
Net cash (used in)/generated from operating activities	<u>(1,895)</u>	<u>(594)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of an associate		-
(Addition) / Return of other investment	3,960	4,440
Interest received	185	218
Purchase of plant and equipment	(1,225)	(261)
Proceed from disposal of plant and equipment	-	-
Product development expenditure	(186)	(153)
Repayment of advance to jointly controlled entity	-	-
Proceed from disposal of investment in an associate	-	-
Net cash used in investing activities	<u>2,734</u>	<u>4,244</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expense	(19)	(8)
Dividend paid by subsidiaries to non-controlling interests	(1,700)	-
Proceed from issued share capital	-	-
Bank borrowings and term loan	-	-
Issuance of new shares	-	-
Repayment of loans and borrowings	(35)	(38)
Net cash generated from/(used in) financing activities	<u>(1,754)</u>	<u>(46)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(915)	3,604
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(1,223)	(400)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>12,897</u>	<u>13,696</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>10,759</u>	<u>16,900</u>

The cash and cash equivalents at beginning of year and quarter end represents cash on hand, cash and banks balances.

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements)

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Part A - Explanatory Notes Pursuant to MFRS 134

1. Corporate Information

M3 Technologies (Asia) Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to understanding the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

3. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited condensed consolidated interim financial statements are consistent with those adopted and as disclosed in the audited financial statements of the Group for the financial year ended 31 December 2019.

The Group has adopted the new and revised MFRSs, amendments to published standards and IC Interpretation that became mandatory effective for annual period beginning on or after 1 January 2018 where applicable to the Group. The adoption of these new and revised MFRSs, amendments to published standard and IC Interpretation does not result in significant changes in the accounting policies of the Group.

4. Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors

5. Unusual Items due to their Nature, Size or Incidence

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the current quarter under review.

6. Changes in Accounting Estimates and Errors

There were no changes in accounting estimates or error that have a material effect in the current quarter under review.

7. Debt and Equity Securities

Saved as disclosed above, there were no issuance or repayment of debt and equity securities, share buy-back, shares cancellations, shares held as treasury shares and resale of treasury shares in the current quarter under review.

8. Dividend Paid

No dividend has been proposed or paid in the current quarter under review.

9. Segmental Information

Segmental information of the results of the Group for the cumulative quarter is as follows:

(i) Geographical Segment

<u>03 months ended</u> <u>31 March 20</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	5,668	14	6,310	684	(2,882)	9,794
Segment results	1,065	285	1,568	(719)	(2,553)	(354)
Interest (expense)/income	(6)	-	(11)	(2)	185	166
Profit/(loss) before taxation	1,059	285	1,557	(721)	(2,368)	(188)
Segment assets	47,629	7,754	25,977	19,636	(54,732)	46,265
Segment liabilities	34,550	4,794	6,957	48,141	(75,357)	19,085

<u>03 months ended</u> <u>31 March 19</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	3,749	69	5,409	531	(490)	9,268
Segment results	(616)	(454)	1,620	(1,307)	(243)	(1,000)
Interest (expense)/income	(8)	-	-	-	218	210
Profit/(loss) before taxation	(624)	(454)	1,620	(1,307)	(25)	(790)
Segment assets	48,310	7,551	34,846	30,490	(65,392)	55,805
Segment liabilities	32,163	3,917	6,717	41,726	(70,214)	14,309

8. Segmental Information (cont'd)

(ii) Business Segment

<u>03 months ended</u> <u>31 March 20</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	10,092	2,584	(2,882)	9,794
Segment results	2,907	(708)	(2,553)	(354)
Interest income/(expense)	(19)	-	185	166
Profit/(loss) before taxation	2,888	(708)	(2,368)	(188)
Segment assets	88,238	12,759	(54,732)	46,265
Segment liabilities	72,698	21,744	(75,357)	19,085

<u>03 months ended</u> <u>31 March 19</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	8,271	1,487	(490)	9,268
Segment results	685	(1,443)	(242)	(1,000)
Interest income/(expense)	(8)	-	218	210
Profit/(loss) before taxation	677	(1,443)	(24)	(790)
Segment assets	105,018	16,179	(65,392)	55,805
Segment liabilities	64,602	19,921	(70,214)	14,309

10. Related parties transactions

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	RM'000	RM'000	RM'000	RM'000
Sales to a related party	9	-	9	-
Purchase from a related party	40	35	40	35
	<u>49</u>	<u>35</u>	<u>49</u>	<u>35</u>

The transactions were carried out in the ordinary course of business and are on normal commercial terms

11. Subsequent Events

There was no material event took place between 1st January 2020 to the seventh day before the date of issuing this report.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

12. Performance Review

Table 1: Financial review for current quarter and financial year to date

Business Segment	Current quarter 3 months ended			Cumulative quarter 3 months ended		
	31-Mar-20	31-Mar-19	Changes	31-Mar-20	31-Mar-19	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Mobile Solutions and Trading						
Revenue	10,092	8,271	22%	10,092	8,271	22%
Profit/(loss) before taxation	2,888	677	326%	2,888	677	326%
Cloud Service Solutions						
Revenue	2,584	1,487	74%	2,584	1,487	74%
Profit/(loss) before taxation	(708)	(1,443)	-51%	(708)	(1,443)	-51%
Adjustment						
Revenue	(2,882)	(490)	488%	(2,882)	(490)	488%
Profit/(loss) before taxation	(2,368)	(24)	9767%	(2,368)	(24)	9767%
Total						
Revenue	9,794	9,268	6%	9,794	9,268	6%
Profit/(loss) before taxation	(188)	(790)	-76%	(188)	(790)	-76%
Profit/(loss) after taxation	(805)	(1,270)	-37%	(805)	(1,270)	-37%
Profit/(loss) attributable to owners of the company	(1,072)	(1,663)	-36%	(1,072)	(1,663)	-36%

Review of result for the quarter

In Q1 2020, The Group recorded higher quarter-to quarter revenue of 6% or RM0.5 million in Mobile Solution Services, mainly due to the growth of customer's business leading to higher demand on Mobile Solution Services.

The Group reported a loss before tax of RM0.2 million in current quarter, a reduction of RM0.6 million or 76% as compared to Q1, 2019 was mainly attributable to an unrealised gain on foreign exchange.

Review of result for the 3-months of financial period

For the current quarter under review, The Group Revenue grew by 6%, from RM9.3 million to RM9.8 million as Mobile Solution grew by 17% and Cloud Service Solutions decrease by 58%.

The Group posted a loss before tax of RM0.2 million for the current period as compared to RM0.8 million in previous year corresponding period. The decrease of loss before tax was mainly due to an unrealised gain on foreign exchange.

Table 2: Financial review for current quarter compared with immediate preceding quarter

Business Segment	Current quarter 3 months ended		
	31-Mar-20	31-Dec-19	Changes
	RM'000	RM'000	(%)
Mobile Solutions and Trading			
Revenue	10,092	10,189	-1%
Profit/(loss) before taxation	2,888	(1,550)	186%
Cloud Service Solutions			
Revenue	2,584	292	785%
Profit/(loss) before taxation	(708)	(1,928)	-63%
Adjustment			
Revenue	(2,882)	(372)	675%
Profit/(loss) before taxation	(2,368)	(76)	3016%
Total			
Revenue	9,794	10,109	-3%
Profit/(loss) before taxation	(188)	(3,554)	-95%
Profit/(loss) after taxation	(805)	(3,847)	-79%
Profit/(loss) attributable to owners of the company	(1,072)	(4,272)	-75%

Review of result of 1Q 2020 vs 4Q 2019

The Group reported a revenue of RM 9.8 million in this current quarter under review as compared to RM10 million in the preceding quarter. The decrease was mainly due to a sharp decrease demand on Cloud Solutions Services due to the enforced shutdown during the Movement Control Order imposed by the Malaysian Government to fight against the Covid-19 pandemic.

The Group reported a loss before tax of RM0.2 million as compared to RM3.6 million in the preceding quarter. The decrease of quarter-on-quarter loss before tax was mainly due to provision of impairment loss on receivables and inventories written-down amounted to RM2.4 million in Q4 2019. A weaken of Ringgit Malaysia has resulted an unrealised gain of RM1 million arising from the subsidiaries of the Group on inter-company borrowing.

13. Commentary on Prospects

The Group's Mobile VAS Solution Services continues to grow, achieving a growth rate of 17% as compared to the preceding Quarter. We have persistently developed new products as well as service enhancements and upgrades to cater to more specific customer needs. This has allowed us to extend and expand our business to different industries.

This Quarter saw the spread of COVID-19 throughout the world, starting a pandemic that looks to begin a new world paradigm. Not only was international travel severely restricted, but in some countries resulted in an outright ban. Locally, the government announced the implementation of a Movement Control Order ("MCO"), beginning on 18th March 2020, that has had a severe impact on many of our client's businesses, especially the tourism, leisure, and hospitality industries.

As such, the i3Display business unit's revenue suffered a decreased of 58% from RM1.1 million in Q1 2019 to RM0.5 million in Q1 2020. The enforced closures of showrooms and shopping malls directly resulted in lower demand for our display panel business. This has also lead to a postponement of customer's willingness for advertising expenditure, the effects of which trickles down to our i3Display as well.

To combat the above, we have developed face recognition and body temperature sensing devices integrated with our software to identifying any person displaying signs of fever, and to deter people with fever entering the premises. One of the solutions can also be retro-fitted to existing displays, which has drawn interest from existing clientele. A new collaboration with AT Engineering Solution Sdn Bhd (a wholly-owned subsidiary of AT Systematization Berhad) for developing thermometry and integrated disinfection chambers has also been initiated.

Our Sales and Marketing teams have begun sales of these latest devices for combating COVID-19, and the response has been highly positive, particularly amongst shopping malls and other institutional clients.

13. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

14. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	RM'000	RM'000	RM'000	RM'000
In respect of current period:-				
- Malaysian tax	-	-	-	-
- Foreign tax	617	480	617	480
	<u>617</u>	<u>480</u>	<u>617</u>	<u>480</u>

Foreign income tax is calculated at the statutory tax rate of 29% of the estimated assessable profit for the current and the statutory tax rate of 30% of the actual profit for previous corresponding periods for subsidiary company in Pakistan.

15. Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2020 and 31 December 2019 are as follows:

	31-Mar-20 RM'000	31-Dec-19 RM'000
Current		
<u>Secured</u>		
- Term loan	68	67
- Obligations under finance leases	65	65
	<u>133</u>	<u>132</u>
Non-current		
<u>Secured</u>		
- Term loan	150	168
- Obligations under finance leases	234	252
	<u>384</u>	<u>420</u>
Total Group borrowings	<u>517</u>	<u>552</u>

The Group did not have any debt securities as at 31 March 2020.

16. Realised and Unrealised Earnings or Losses Disclosure

The retained earnings as at 31 March 2020 and 31 December 2019 are analysed as follows:

	31-Mar-20 RM'000	31-Dec-19 RM'000
The accumulated losses of the Group		
- Realised	(38,670)	(37,600)
- Unrealised	(52)	(58)
Total Group accumulated losses as per unaudited consolidated financial statement	<u>(38,722)</u>	<u>(37,658)</u>

17. Changes in Material Litigation

As at the seventh (7th) day before the date of issuing this report, the Company was not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

18. Earnings Per Share

The earnings per share was calculated by dividing the Company's profit after taxation and non-controlling interests by the weighted average number of ordinary shares in the respective period as follows:

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Profit/(Loss) after tax and non-controlling interests (RM'000)	(1,071)	(1,270)	(1,071)	(1,270)
Weighted average number of ordinary shares in issue	642,717,620	584,288,820	642,717,620	584,288,820
<u>Profit/(Loss) Per Share</u>				
Basic Earnings/(Diluted) Sen	(0.17)	(0.28)	(0.17)	(0.28)

19. Derivatives

The Group did not enter into any derivatives during the current quarter under review.

20. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

21. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2019 was not qualified.

By order of the Board of Directors

Lim Seng Boon
Director
16 June 2020