

MMAG HOLDINGS BERHAD (200301007003)(609423-V)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
31 DECEMBER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

Note	UNAUDITED AS AT 31.12.2019 RM'000	AUDITED AS AT 31.03.2019 RM'000
ASSETS		
Non-current assets		
	78,028	76,090
Property, plant and equipment		
	5,552	5,642
Investment properties		
	23,019	6,304
Investment in associate		
	577	577
Intangible assets		
	9,845	9,845
Goodwill on consolidation		
	-	1,000
Fixed deposits with a licensed bank		
Total non-current assets	117,021	99,458
Current assets		
	7,837	1,168
Inventories		
	25,957	24,456
Trade receivables		
	7,576	8,885
Other receivables		
	57	963
Tax recoverable		
	1,255	27,052
Fixed deposits with licensed banks		
	4,909	3,338
Cash and bank balances		
Total current assets	47,591	65,862
TOTAL ASSETS	164,612	165,320
EQUITY AND LIABILITIES		
Equity		
	141,714	134,528
Share capital		
	17,268	19,023
Irredeemable convertible preference shares		
	(48,036)	(31,552)
Reserves		
	110,946	121,999
Non-controlling interest		
	168	313
TOTAL EQUITY	111,114	122,312
Non-current liabilities		
	3,505	3,753
Borrowings	B6	
	10,667	11,749
Finance lease liabilities		
	1,636	1,636
Deferred taxation		
Total non-current liabilities	15,808	17,138
Current liabilities		
	1,586	1,614
Trade payables		
	32,366	20,837
Other payables		
	329	317
Borrowings	B6	
	3,408	3,101
Finance lease liabilities		
	1	1
Tax payable		
Total current liabilities	37,690	25,870
TOTAL LIABILITIES	53,498	43,008
TOTAL EQUITY AND LIABILITIES	164,612	165,320
Net Assets per share attributable to Owners of the Company (RM)	0.1545	0.1788

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes to this interim financial statements

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2019**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER ENDED 31.12.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.12.2018 RM'000	CURRENT YEAR-TO-DATE ENDED 31.12.2019 RM'000	PRECEDING YEAR-TO-DATE ENDED 31.12.2018 RM'000
Revenue	59,813	17,216	138,225	36,530
Cost of Sales	(59,238)	(18,526)	(138,904)	(38,253)
Gross profit/(loss)	575	(1,310)	(679)	(1,723)
Other income	656	467	1,096	1,243
Gain/(Loss) on foreign exchange	5	(4)	6	(7)
Depreciation and amortisation	(791)	(488)	(2,285)	(1,365)
Loss on disposal of property	(44)	-	(44)	(249)
Write back for impairment loss on receivables	-	-	-	9
Finance costs	(681)	(191)	(1,289)	(480)
Other expenses	(6,198)	(3,809)	(15,137)	(10,267)
Results from operating activities	(6,478)	(5,335)	(18,332)	(12,839)
Share of results of associate	(543)	(1,615)	(139)	(1,615)
Interest income	40	440	229	1,402
Loss before taxation	(6,981)	(6,510)	(18,242)	(13,052)
Taxation	-	(32)	-	(32)
Loss after taxation for the period	(6,981)	(6,542)	(18,242)	(13,084)
Loss attributable to:				
Owners of the Company	(6,923)	(6,485)	(18,094)	(12,978)
Non-controlling interest	(58)	(57)	(148)	(106)
	(6,981)	(6,542)	(18,242)	(13,084)
Basic loss per share (sen)	(0.97)	(1.03)	(2.58)	(2.41)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A
Loss after taxation for the period	(6,981)	(6,542)	(18,242)	(13,084)
Other comprehensive profit/(loss) for the period, net of tax	228	(86)	97	(63)
Total other comprehensive loss for the period, net of tax	(6,753)	(6,628)	(18,145)	(13,147)
Total comprehensive loss, attributable to:				
Owners of the parent	(6,696)	(6,571)	(18,000)	(13,050)
Non-controlling interest	(57)	(57)	(145)	(97)
	(6,753)	(6,628)	(18,145)	(13,147)

Note: N/A – Not applicable

Included in cost of sales, a depreciation charges of RM1.09 million for Q3-2020 (RM0.76 million; Q3-2019) and current year-to-date depreciation charges of RM3.22 million (2019: RM1.57 million).

During the quarter and year-to-date under review, there is no gain/(loss) on disposal of quoted or unquoted investment, impairment of assets and gain/(loss) on derivatives.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2019

	Attributable to Equity Holders of the Company							Non-controlling interest RM'000	Total equity RM'000	
	Non-distributable									
	Share capital RM'000	Irredeemable convertible preference shares RM'000	Revaluation reserve RM'000	Warrant reserve RM'000	Merger deficit RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000		
Balance at 1 April 2019	134,528	19,023	8,046	29,033	(7,900)	(185)	(60,546)	121,999	313	122,312
Transactions with owners:										
Issuance of shares arising from conversion of ICPS	7,013	(1,755)	-	-	-	-	-	5,258	-	5,258
Issuance of shares arising from conversion of warrants	173	-	-	(67)	-	-	-	106	-	106
Revaluation of property, plant and equipment	-	-	1,583	-	-	-	-	1,583	-	1,583
Total transaction with owners	7,186	(1,755)	1,583	(67)	-	-	-	6,947	-	6,947
Net loss for the period	-	-	-	-	-	-	(18,094)	(18,094)	(148)	(18,242)
Other comprehensive income for the period	-	-	-	-	-	94	-	94	3	97
Total comprehensive income/(loss) for the period	-	-	-	-	-	94	(18,094)	(18,000)	(145)	(18,145)
Balance as at 31 December 2019	141,714	17,268	9,629	28,966	(7,900)	(91)	(78,640)	110,946	168	111,114
Balance as at 1 April 2018	89,140	30,367	7,353	29,038	(7,900)	-	(38,370)	109,628	-	109,628
Transactions with owners:										
Issuance of shares arising from conversion of ICPS	35,842	(8,961)	-	-	-	-	-	26,881	-	26,881
Issuance of shares arising from conversion of warrants	13	-	-	(5)	-	-	-	8	-	8
Arising from subscription of shares in a subsidiary	-	-	-	-	-	-	-	-	423	423
Total transaction with owners	35,855	(8,961)	-	(5)	-	-	-	26,889	423	27,312
Net loss for the period	-	-	-	-	-	-	(12,978)	(12,978)	(106)	(13,084)
Other comprehensive (loss)/income for the period	-	-	-	-	-	(72)	-	(72)	9	(63)
Total comprehensive loss for the period	-	-	-	-	-	(72)	(12,978)	(13,050)	(97)	(13,147)
Balance as at 31 December 2018	124,995	21,406	7,353	29,033	(7,900)	(72)	(51,348)	123,467	326	123,793

The condensed consolidated statement of changes of equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes to this interim financial statements

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2019**

	CURRENT YEAR-TO-DATE ENDED 31.12.2019 RM'000	PRECEDING YEAR-TO-DATE ENDED 31.12.2018 RM'000
Cash Flows From Operating Activities		
Loss before tax	(18,242)	(13,052)
Adjustments for:		
Non-cash items	5,592	(922)
Non-operating items	1,056	4,872
Operating loss before working capital changes	<u>(11,594)</u>	<u>(9,102)</u>
Changes in working capital		
Inventories	(6,669)	(272)
Receivables	(191)	(8,786)
Payables	11,505	(8,103)
Cash used in operations	<u>(6,949)</u>	<u>(26,263)</u>
Tax paid	(24)	(61)
Tax refunded	930	36
Interest paid	(1,289)	(480)
Interest received	229	1,402
Net cash used in operating activities	<u>(7,103)</u>	<u>(25,366)</u>
Investing Activities		
Acquisition of subsidiaries	(13,049)	(2,225)
Investment in an associate	(16,764)	(10,250)
Purchase of property, plant and equipment and investment properties	(4,049)	(11,073)
Proceeds from disposal of property, plant and equipment	13,004	1,613
Net cash used in investing activities	<u>(20,858)</u>	<u>(21,935)</u>
Financing Activities		
Proceeds from issuance of shares	5,363	26,890
Repayment of finance lease payables	(2,494)	(1,075)
Repayment of term loan	(236)	(242)
Upliftment of fixed deposit with licensed banks	1,000	-
Net cash generated from financing activities	<u>3,633</u>	<u>25,573</u>
Cash and cash equivalents		
Net changes	(24,328)	(21,728)
Effect of foreign currency translation differences	101	(67)
At beginning of period	29,811	67,819
At end of period	<u>5,584</u>	<u>46,024</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	4,909	8,021
Fixed deposits with a licensed bank	1,255	39,583
	<u>6,164</u>	<u>47,604</u>
Less:		
Fixed deposits pledged to licensed banks	(580)	(580)
Non-current fixed deposit with a licensed bank	-	(1,000)
	<u>5,584</u>	<u>46,024</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes to this interim financial statements

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)
- INTERIM FINANCIAL REPORTING****A1 Basis of preparation**

The interim financial statements is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the annual audited financial statement of the Group for the financial year ended 31 March 2019.

The accounting policies and methods adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2019.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on and after 1 April 2019 are not expected to have any significant financial impacts on the Group.

A2 Auditors’ Report of preceding annual financial statements

There were no qualifications to the audited financial statements for the Company and its subsidiaries for the financial year ended 31 March 2019.

A3 Seasonal or cyclical factors

Our business is heavily dependent on working days, public or festive holidays during the current quarter and period under review.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

During the current quarter under review, there were no items or events that arose, which affect the assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5 Changes in estimates

There were no material changes in the estimates of amounts reported in previous reporting which have a material effect in the current quarter.

A6 Debt and equity securities

On 4 October 2019, 14 October 2019, 16 October 2019, 18 October 2019, 22 October 2019, 24 October 2019, 30 October 2019, 1 November 2019, 5 November 2019, 7 November 2019, 11 November 2019, 18 November 2019, 20 November 2019, 26 November 2019, 28 November 2019, 3 December 2019, 17 December 2019 and 26 December 2019, there are total of 6,251,400 new ordinary shares had been issued pursuant to the conversion of 6,251,400 Irredeemable Convertible Preference Shares (“ICPS”) by conversion of 1 unit ICPS and payment of RM0.15 in cash for 1 new ordinary share, 13,250 new ordinary shares had been issued pursuant to the conversion of 53,000 ICPS by conversion of 4 units ICPS for 1 new ordinary share.

On 15 November 2019, 25 November 2019, 27 November 2019 and 2 December 2019, 528,000 new ordinary shares had been issued pursuant to the conversion of 528,000 Warrant 2017/2022 (“Warrant”) by conversion of 1 unit Warrant and payment of RM0.20 in cash for 1 new ordinary share.

Other than above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter.

A7 Dividend

There were no dividend paid during the current quarter under review.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

A8 Segmental information

Segment information is presented in respect of the Group's business segments.

The Group comprises the following main business segments:

- (i) **Mobile devices and fulfilment business ("Mobile & Fulfilment")**
 - (a) Mobile operators' 3PL & 4PL contract
 - (b) Fulfilment business
 - (c) Physical and online sale of smart devices
- (ii) **Courier and logistics services**
Express delivery or last mile delivery services B2B, B2C and C2C, warehousing, customised solutions, freight forwarding and customs clearance services.

Segmental information for the Group is presented as follows:

For the financial period ended 31 December 2019	Mobile & fulfilment RM'000	Courier & logistic services RM'000	Other non-reportable segment RM'000	Total RM'000	Adjustments and eliminations RM'000	Total RM'000
Sales to external customer	119,941	18,285	-	138,226	(1)	138,225
Inter-segment sales	-	1,049	-	1,049	(1,049)	-
Total sales	119,941	19,334	-	139,275	(1,050)	138,225
Profit/(Loss) before tax	731	(16,042)	(3,170)	(18,481)	239	(18,242)
Segment assets	81,362	27,902	49,441	158,705	(3,506)	155,199
Other unallocated assets						9,413
						<u>164,612</u>
Segment liabilities	10,830	17,697	25,208	53,735	(237)	53,498
Other unallocated liabilities						-
						<u>53,498</u>

For the financial period ended 31 December 2018	Mobile & fulfilment RM'000	Courier & logistic services RM'000	Other non-reportable segment RM'000	Total RM'000	Adjustments and eliminations RM'000	Total RM'000
Sales to external customer	27,976	8,554	-	36,530	-	36,530
Inter-segment sales	-	641	-	641	(641)	-
Total sales	27,976	9,195	-	37,171	(641)	36,530
Loss before tax	(2,100)	(8,660)	(2,292)	(13,052)	-	(13,052)
Segment assets	86,610	23,160	210,427	320,197	(168,190)	152,007
Other unallocated assets						9,413
						<u>161,420</u>
Segment liabilities	128,650	26,832	13,929	169,411	(131,784)	37,627
Other unallocated liabilities						-
						<u>37,627</u>

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019**A9 Valuation of property, plant and equipment**

There were no valuation of the property, plant and equipment in the current quarter under review.

A10 Events subsequent to the end of the interim reporting period

The following was the material events subsequent to the financial period ended 31 December 2019:

- (i) On 3 January 2020, total of 300,000 ordinary shares have been issued pursuant to the conversion of 300,000 Irredeemable Convertible Preference Shares (“ICPS”) to 300,000 new ordinary shares by conversion of 1 unit ICPS and payment of RM0.15 in cash for 1 new ordinary share.
- (ii) On 16 January 2020, the Board of Director of MMAG announced that the resolution as prescribed in the notice convening the Extraordinary General Meeting (“EGM”) of the Company dated 31 December 2019 was duly passed by way of poll at the EGM held on 16 January 2020.

A11 Changes in the composition of the Group

During the financial period ended 31 December 2019, the board’s approval for the acquisition and incorporated subsidiaries as below:

- (i) On 19 November 2018, the Group entered into a share sale agreement in relation to the acquisition of entire equity interest in Active Trio Deluxe Sdn Bhd for a total consideration of RM12.67 million. The transactions was completed on 22 July 2019.
- (ii) On 3 July 2019, the Board of Directors of MMAG announced that a wholly-owned subsidiary, Line Clear Expresss & Logistics Sdn Bhd (“Line Clear”) had on 3 July 2019 incorporated a wholly-owned subsidiary, namely Line Shield Sdn Bhd (“Line Shield”) with an initial share capital of RM2.00 comprising 2 ordinary shares. Line Shield is principally engaged in insurance.
- (iii) On 25 November 2019, the Board of Directors of MMAG announced that a wholly-owned subsidiary, Line Clear Expresss & Logistics Sdn Bhd (“Line Clear”) had on 25 November 2019 incorporated a wholly-owned subsidiary, namely Line Haul Sdn Bhd (“Line Haul”) with an initial share capital of RM2.00 comprising 2 ordinary shares. Line Haul is principally engaged in business transportation, haulage and freight consolidators.

A12 Contingent liabilities

The amounts of contingent liabilities of the Company as at the end of the current financial period as follows:

	As at 31.12.2019 RM'000
Corporate guarantees given to certain suppliers and financial institutions of certain subsidiaries	148,073
Corporate guarantee given to vendor as a security for due payment of the balance purchase price on acquisition of 2 parcels of freehold land with buildings	38,950
	187,023

A13 Commitments

	As at 31.12.2019 RM'000
Commitments authorised but not provided for	
Acquisition of 2 parcels of freehold land with buildings	38,950
Lease of land	8,100
	47,050

The Company leased a land and the lease period is for three years with an option to renew after every three years for a further three (3) years up to total lease period of twelve (12) years.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) FOR THE ACE MARKET**B1 Financial review for current quarter and financial year-to-date.**

	Individual period		Changes		Cumulative period		Changes	
	Current year	Preceding year			Current	Preceding		
	quarter	corresponding	year-to-date	year-to-date				
	ended	quarter ended	ended	ended				
31.12.2019	31.12.2018	31.12.2019	31.12.2018					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%	
Revenue	59,813	17,216	42,597	247%	138,225	36,530	101,695	278%
Operating losses	(6,478)	(5,335)	(1,143)	21%	(18,332)	(12,839)	(5,493)	43%
Loss before interest and tax	(6,300)	(6,319)	19	0%	(16,953)	(12,572)	(4,381)	35%
Loss before tax	(6,981)	(6,510)	(471)	7%	(18,242)	(13,052)	(5,190)	40%
Loss after tax	(6,981)	(6,542)	(439)	7%	(18,242)	(13,084)	(5,158)	39%
Loss attributable to owner of the company	(6,923)	(6,485)	(438)	7%	(18,094)	(12,978)	(5,116)	39%

The Group revenue for current quarter ended 31 December 2019 was RM59.81 million represents an increase of RM42.60 million or 247% as compared to RM17.22 million in the preceding year corresponding quarter ended 31 December 2018.

However, the Group registered a loss before tax (“LBT”) of RM6.98 million for the current quarter ended 31 December 2019 as compared to LBT of RM6.51 million in the preceding year corresponding quarter of 2019.

The Group revenue for financial period ended 31 December 2019 was RM138.23 million represents an increase of RM101.70 million as compared to RM36.53 million in the preceding year corresponding financial period ended 31 December 2018. This was mainly due to mobile devices and fulfilment division had contributed an improvement of more than 300% on revenue, which was generated from 3PL and 4PL contracts with mobile operators.

The Group registered a LBT of RM18.24 million for the financial period ended 31 December 2019 as compared to LBT of RM13.05 million in the preceding year corresponding financial period of 2019. The higher LBT for the current quarter under review was from the courier & logistics division. It was due to higher operation expenses incurred for the expansion of new branches, purchased of additional new vehicles and recruitment of additional workforces which in line with the branches expansion for the courier & logistics services division.

B2. Material change in the quarterly results compared to the results of the immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
			RM'000	%
Revenue	59,813	44,026	15,787	36%
Operating losses	(6,478)	(5,607)	(871)	16%
Loss before interest and tax	(6,300)	(4,968)	(1,332)	27%
Loss before tax	(6,981)	(5,274)	(1,707)	32%
Loss after tax	(6,981)	(5,274)	(1,707)	32%
Loss attributable to owners of the company	(6,923)	(5,247)	(1,676)	32%

Revenue of the current quarter (Q3-2020) is RM59.81 million, which is an increase of RM15.79 million compared to the immediate preceding quarter (Q2-2020). The LBT of RM6.98 million is higher by 32% of the immediate preceding quarter (LBT of RM5.27 million in Q2-2020). The higher LBT is mainly due to higher operation expenses incurred for the expansion of new branches, purchased of additional new vehicles and recruitment of additional workforces which in line with the branches expansion for the courier & logistics services division.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

B3 Prospects

The mobile and fulfilment division has been appointed by a few telecommunication companies as their 3rd Party Logistics (“3PL”) and 4th Party Logistics (“4PL”) partners. The primary objective of this partnership is for the division to act on behalf of the telecommunication companies to procure, process, store and deliver the business tools/devices/terminals to their customers with agreed SLA targets. To remain agile, the division will continue to embrace digitisation solutions to improve on productivity and continue to meet SLA in order to provide greater customer experience.

Given the fact that last mile delivery/courier business and warehousing are on the uptrend, the Group will accelerate the logistics business through direct and indirect business partnership arrangements. As for the performance parameters, the Group will continue to work on revenue enhancement and cost optimisation initiatives. Margin will continue to be a challenge in the courier & logistics service division as industry players will compete indirectly in the price game in order to get a bigger slice of the pie.

The following are the plans to be undertaken by the Group to strengthen our financial performance and position in the medium and long term:

- (i) On 11 September 2019, the Company's wholly-owned subsidiary, Line Clear Express & Logistics Sdn Bhd had entered into a Multi-Year Business Collaboration Agreement with PT Lion Express, a subsidiary of the Indonesia's Lion Group at Jakarta. The partnership is to ease the sending of goods or parcels by Malaysians or Indonesians residing in Malaysia to Indonesia and vice versa.
- (ii) On 3 October 2019, the Company had entered into a Memorandum of Understanding (“MOU”) with Perbadanan Kemajuan Negeri Selangor (“PKNS”), Perbadanan Kemajuan Pertanian Selangor (“PKPS”), Koperasi Warga Hijrah Selangor Berhad (“KOHIJRAH”) and SSDU Innovations Sdn Bhd (“SSDU”), for a collaboration in implementing the concept of a smart economy in the state of Selangor Darul Ehsan commencing with the SELDEC (Selangor Digital E-Supply Chain) ecosystem.

B4 Profit forecast/Profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

B5 Corporate proposal

Status of utilisation of proceeds raised from corporate proposals (Special Bumiputera Issue, Rights Issue of Shares with Warrants and Rights Issue of Irredeemable Convertible Preference Shares) as at 31 December 2019 are as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation
Expansion of Line Clear Express & Logistic Sdn Bhd	40,390	38,770	Within 36 months
Working capital for ICT distribution business	32,706	32,706	Within 36 months
Estimated expenses in relation to the Prosposals	1,000	1,000	Within 2 weeks
	74,096	72,476	

Note: For the variation in the actual amount of expenses for the corporate exercises will be adjusted proportionately from the working capital for ICT distribution business of our Group.

NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

B6 Borrowing and debt securities

The Group's borrowings as at 31 December 2019 are as follows:

	As at 3rd quarter 2020 (31.12.2019)		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Term loan	3,505	329	3,834
	As at 3rd quarter 2019 (31.12.2018)		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Term loan	3,734	337	4,071

During the financial period under review, the group's borrowings have reduced to RM3.83 million as compared to RM4.07 million in the preceding year corresponding quarter of 2019 with a reduction of RM0.24 million due to repayment of term loan. The total finance costs (inclusive of hire purchase) for the financial period ended 31 December 2019 was RM0.90 million as compared to RM0.48 million in the corresponding financial period ended 31 December 2018.

B7 Material litigations

As at 21 February 2020 (being the latest practical date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

B8 Dividends

No interim dividend has been declared during the current quarter under review.

B9 Loss per share

	Current year quarter ended 31.12.2019 RM'000	Current year- to-date ended 31.12.2019 RM'000
Loss attributable to Owners of the Company	(6,923)	(18,094)
Weighted average number of shares in issue ('000)	715,763	700,444
Basic loss per share (sen)	(0.97)	(2.58)

B10 Authorised for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2020.