

MMAG HOLDINGS BERHAD 200301007003 (609423-V)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FORTH QUARTER ENDED
31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

Note	UNAUDITED AS AT 31.03.2020 RM'000	AUDITED AS AT 31.03.2019 RM'000
ASSETS		
Non-current assets		
	81,705	76,090
Property, plant and equipment		
	5,522	5,642
Investment properties		
	20,167	6,304
Investment in associate		
	577	577
Intangible assets		
	9,845	9,845
Goodwill on consolidation		
	580	1,000
Fixed deposits with a licensed bank		
Total non-current assets	118,396	99,458
Current assets		
	3,501	1,168
Inventories		
	27,422	24,456
Trade receivables		
	7,938	8,885
Other receivables		
	56	963
Tax recoverable		
	2,277	27,052
Fixed deposits with licensed banks		
	3,808	3,338
Cash and bank balances		
Total current assets	45,002	65,862
TOTAL ASSETS	163,398	165,320
EQUITY AND LIABILITIES		
Equity		
	141,774	134,528
Share capital		
	17,253	19,023
Irredeemable convertible preference shares		
	(58,261)	(31,552)
Reserves		
	100,766	121,999
Non-controlling interest		
	119	313
TOTAL EQUITY	100,885	122,312
Non-current liabilities		
	3,391	3,753
Borrowings	B6	
	12,632	11,749
Lease liabilities		
	1,900	1,636
Deferred taxation		
Total non-current liabilities	17,923	17,138
Current liabilities		
	2,659	1,614
Trade payables		
	21,733	20,837
Other payables		
	14,765	317
Borrowings	B6	
	5,433	3,101
Lease liabilities		
	-	1
Tax payable		
Total current liabilities	44,590	25,870
TOTAL LIABILITIES	62,513	43,008
TOTAL EQUITY AND LIABILITIES	163,398	165,320
Net Assets per share attributable to Owners of the Company (RM)	0.1403	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 MARCH 2020**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER ENDED 31.03.2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.03.2019 RM'000	CURRENT YEAR-TO-DATE ENDED 31.03.2020 RM'000	PRECEDING YEAR-TO-DATE ENDED 31.03.2019 RM'000
Revenue	44,316	38,563	182,541	75,093
Cost of Sales	(45,716)	(39,653)	(184,620)	(77,906)
Gross loss	(1,400)	(1,090)	(2,079)	(2,813)
Other income	369	(401)	1,465	842
Gain/(Loss) on foreign exchange	2	-	8	(7)
Depreciation and amortisation	(2,858)	(658)	(5,143)	(2,023)
Loss on disposal of property	-	-	(44)	(249)
Bad debts written off	(10)	(31)	(10)	(31)
Impairment loss on receivables	(624)	(1,219)	(624)	(1,210)
Impairment loss on investment in an associate	(446)	-	(446)	-
Finance costs	(1,072)	(392)	(2,361)	(872)
Other expenses	(1,270)	(3,738)	(16,407)	(14,005)
Results from operating activities	(7,309)	(7,529)	(25,641)	(20,368)
Share of results of associate	(2,529)	(2,128)	(2,668)	(3,743)
Interest income	8	426	237	1,828
Loss before taxation	(9,830)	(9,231)	(28,072)	(22,283)
Taxation	(3)	29	(3)	(3)
Loss after taxation	(9,833)	(9,202)	(28,075)	(22,286)
Loss attributable to:				
Owners of the Company	(9,785)	(9,198)	(27,879)	(22,176)
Non-controlling interest	(48)	(4)	(196)	(110)
	(9,833)	(9,202)	(28,075)	(22,286)
Basic loss per share (sen)	(1.36)	(1.38)	(3.96)	(3.89)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A
Loss after taxation	(9,833)	(9,202)	(28,075)	(22,286)
Other comprehensive profit, net of tax	1,168	571	1,265	508
Total other comprehensive loss, net of tax	(8,665)	(8,631)	(26,810)	(21,778)
Total comprehensive loss, attributable to:				
Owners of the parent	(8,616)	(8,618)	(26,616)	(21,668)
Non-controlling interest	(49)	(13)	(194)	(110)
	(8,665)	(8,631)	(26,810)	(21,778)

Note: N/A – Not applicable

The condensed consolidated statement of profit or loss and other comprehensive income 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 CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2020**

	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	7,073	(1,770)	-	-	-	-	-	5,303	-	5,303
Issuance of shares arising from conversion of warrants	173	-	-	(67)	-	-	-	106	-	106
Total transaction with owners	7,246	(1,770)	-	(67)	-	-	-	5,409	-	5,409
Effect on adoption of MFRS 16	-	-	-	-	-	-	(26)	(26)	-	(26)
Net loss for the period	-	-	-	-	-	-	(27,879)	(27,879)	(196)	(28,075)
Other comprehensive income/(loss)	-	-	1,319	-	-	(56)	-	1,263	2	1,265
Total comprehensive income/(loss)	-	-	1,319	-	-	(56)	(27,905)	(26,642)	(194)	(26,836)
Balance as at 31 March 2020	141,774	17,253	9,365	28,966	(7,900)	(241)	(88,451)	100,766	119	100,885
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	45,375	(11,344)	-	-	-	-	-	34,031	-	34,031
Issuance of shares arising from conversion of warrants	13	-	-	(5)	-	-	-	8	-	8
Total transaction with owners	45,388	(11,344)	-	(5)	-	-	-	34,039	-	34,039
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	423	423
Net loss for the period	-	-	-	-	-	-	(22,176)	(22,176)	(110)	(22,286)
Other comprehensive income/(loss)	-	-	693	-	-	(185)	-	508	-	508
Total comprehensive income/(loss)	-	-	693	-	-	(185)	(22,176)	(21,668)	(110)	(21,778)
Balance as at 31 March 2019	134,528	19,023	8,046	29,033	(7,900)	(185)	(60,546)	121,999	313	122,312

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 MARCH 2020**

	CURRENT YEAR-TO-DATE ENDED 31.03.2020 RM'000	PRECEDING YEAR-TO-DATE ENDED 31.03.2019 RM'000
Cash Flows From Operating Activities		
Loss before tax	(28,072)	(22,283)
Adjustments for:		
Non-cash items	10,065	9,747
Non-operating items	2,121	(754)
Operating loss before working capital changes	<u>(15,886)</u>	<u>(13,290)</u>
Changes in working capital		
Inventories	(2,332)	62
Receivables	(4,671)	(14,638)
Payables	1,947	1,531
Cash used in operations	<u>(20,942)</u>	<u>(26,335)</u>
Tax paid	(27)	(70)
Tax refunded	930	55
Interest paid	(2,361)	(872)
Interest received	237	1,828
Net cash used in operating activities	<u>(22,163)</u>	<u>(25,394)</u>
Investing Activities		
Acquisition of subsidiaries	(13,049)	(2,235)
Investment in an associate	(17,034)	(10,250)
Net cash inflow from disposal of a subsidiary company	2,049	-
Purchase of intangible asset	-	(577)
Purchase of property, plant and equipment and investment properties	(4,047)	(31,946)
Purchase of right-of-use assets	(4,479)	-
Proceeds from disposal of non-current asset held for sale	-	1,618
Proceeds from disposal of property, plant and equipment	13,005	3
Net cash used in investing activities	<u>(23,555)</u>	<u>(43,387)</u>
Financing Activities		
Proceeds from issuance of shares	5,408	34,040
Drawdown/(Repayment) of finance lease payables	1,489	(2,257)
Drawdown/(Repayment) of term loan	14,087	(244)
Upliftment of fixed deposit with licensed banks	1,000	-
Net cash generated from financing activities	<u>21,984</u>	<u>31,539</u>
Cash and cash equivalents		
Net changes	(23,734)	(37,242)
Effect of foreign currency translation differences	8	(186)
At beginning of year	29,811	67,239
At end of year	<u>6,085</u>	<u>29,811</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	3,808	3,338
Fixed deposits with a licensed bank	2,857	28,053
	<u>6,665</u>	<u>31,391</u>
Less:		
Fixed deposits pledged to licensed banks	(580)	(580)
Non-current fixed deposit with a licensed bank	-	(1,000)
	<u>6,085</u>	<u>29,811</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 FORTH QUARTER ENDED 31 MARCH 2020

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 30 January 2020, there are total of 300,000 new ordinary shares had been issued pursuant to the conversion of 300,000 Irredeemable Convertible Preference Shares (“ICPS”) by the way of conversion of 1 unit ICPS with payment of RM0.15 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 FORTH QUARTER ENDED 31 MARCH 2020

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 March 2020	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	156,193	26,349	-	182,542	(1)	182,541
Inter-segment sales	-	1,259	-	1,259	(1,259)	-
Total sales	156,193	27,608	-	183,801	(1,260)	182,541
Profit/(Loss) before tax	432	(21,434)	(11,462)	(32,464)	4,392	(28,072)
Segment assets	82,798	28,816	41,838	153,452	533	153,985
Other unallocated assets						9,413
						163,398
Segment liabilities	11,588	17,787	28,281	57,656	4,857	62,513
Other unallocated liabilities						-
						62,513

For the financial period ended 31 March 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	61,711	13,382	-	75,093	-	75,093
Inter-segment sales	-	955	-	955	(955)	-
Total sales	61,711	14,337	-	76,048	(955)	75,093
Loss before tax	(3,425)	(13,500)	(1,615)	(18,540)	(3,743)	(22,283)
Segment assets	84,169	24,954	48,335	157,458	(1,551)	155,907
Other unallocated assets						9,413
						165,320
Segment liabilities	24,908	16,515	1,659	43,082	(74)	43,008
Other unallocated liabilities						-
						43,008

NOTES TO THE QUARTERLY REPORT FOR THE FORTH QUARTER ENDED 31 MARCH 2020

A9 Valuation of property, plant and equipment

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

A10 Significant event during the interim reporting period

The following was the significant event during the financial year ended 31 March 2020:

- (i) 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 Events subsequent to the end of the interim reporting period

The following were the material events subsequent to the financial year ended 31 March 2020:

- (ii) On 29 April 2020, the Board of Directors of MMAG announced that MMAG had on 27 April 2020 disposed 2,848,700 ordinary shares in the associate company, MSCM Holdings Berhad (“MSCM”) at the consideration of RM0.13 each shares via open market;
- (iii) On 1 Jun 2020, total of 46,082,800 ordinary shares have been issued pursuant to the conversion of 46,082,800 ICPS by the way of conversion of 1 unit ICPS with payment of RM0.15 in cash for 1 new ordinary share;
- (iv) On 3 Jun 2020, total of 34,149,000 ordinary shares have been issued pursuant to the conversion of 34,149,000 ICPS by the way of conversion of 1 unit ICPS with payment of RM0.15 in cash for 1 new ordinary share;
- (v) On 5 Jun 2020, total of 33,316,000 ordinary shares have been issued pursuant to the conversion of 33,316,000 ICPS by the way of conversion of 1 unit ICPS with payment of RM0.15 in cash for 1 new ordinary share; and
- (vi) On 10 Jun 2020, total of 95,000,000 ordinary shares have been issued pursuant to the conversion of 95,000,000 ICPS by the way of conversion of 1 unit ICPS with payment of RM0.15 in cash for 1 new ordinary share.

A12 Changes in the composition of the Group

During the financial year ended 31 March 2020, the board’s approval for the acquisitions, disposal 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 transaction 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;

NOTES TO THE QUARTERLY REPORT FOR THE FORTH QUARTER ENDED 31 MARCH 2020

A12 Changes in the composition of the Group (Cont'd)

During the financial year ended 31 March 2020, the board's approval for the acquisitions, disposal and incorporated subsidiaries as below: (Cont'd)

- (iv) On 6 March 2020, the Board of Directors of MMAG announced that MMAG had on 5 March 2020 acquired additional 3,000,000 ordinary shares in the associate company, MSCM Holdings Berhad ("MSCM") at the consideration of RM0.13 each shares via open market; and
- (v) On 13 March 2020, the Company entered into a share sale agreement in relation to the disposal of entire equity interest in MMAG Capital Sdn Bhd for a total consideration of RM2.05 million. The transaction was completed on 13 March 2020.

A13 Contingent liabilities

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

	As at 31.03.2020 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

A14 Commitments

	As at 31.03.2020 RM'000
Commitments authorised but not provided for	
Acquisition of freehold land with buildings	47,397
Lease of land	7,920
	55,317

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 FORTH QUARTER ENDED 31 MARCH 2020

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 quarter ended 31.03.2020	Preceding year corresponding quarter ended 31.03.2019			Current year-to-date ended 31.03.2020	Preceding year-to-date ended 31.03.2019		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
			RM'000	%			RM'000	%
Revenue	44,316	38,563	5,753	15%	182,541	75,093	107,448	143%
Operating losses	(7,309)	(7,529)	220	-3%	(25,641)	(20,368)	(5,273)	26%
Loss before interest and tax	(8,758)	(8,839)	81	-1%	(25,711)	(21,411)	(4,300)	20%
Loss before tax	(9,830)	(9,231)	(599)	6%	(28,072)	(22,283)	(5,789)	26%
Loss after tax	(9,833)	(9,202)	(631)	7%	(28,075)	(22,286)	(5,789)	26%
Loss attributable to owner of the company	(9,785)	(9,198)	(587)	6%	(27,879)	(22,176)	(5,703)	26%

The Group revenue for current quarter ended 31 March 2020 was RM44.32 million recorded an increase of RM5.75 million or 15% as compared to RM38.56 million in the preceding year corresponding quarter ended 31 March 2019.

However, the Group registered a loss before tax (“LBT”) of RM9.83 million for the current quarter ended 31 March 2020 as compared to LBT of RM9.23 million in the preceding year corresponding quarter of 2019.

The Group revenue for financial year ended 31 March 2020 was RM182.54 million recorded an increase of RM107.45 million as compared to RM75.09 million in the preceding year corresponding financial year ended 31 March 2019. This was mainly due to mobile devices and fulfilment division had contributed an improvement of more than 300% on revenue, which was high demand generated from 3PL and 4PL contracts with mobile operators.

The Group registered a LBT of RM28.07 million for the financial year ended 31 March 2020 as compared to LBT of RM22.28 million in the preceding year corresponding financial year 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 RM'000	Immediate preceding quarter RM'000	Changes	
			RM'000	%
Revenue	44,316	59,813	(15,497)	-26%
Operating losses	(7,309)	(6,478)	(831)	13%
Loss before interest and tax	(8,758)	(6,300)	(2,458)	39%
Loss before tax	(9,830)	(6,981)	(2,849)	41%
Loss after tax	(9,833)	(6,981)	(2,852)	41%
Loss attributable to owners of the company	(9,785)	(6,923)	(2,862)	41%

Revenue of the current quarter (Q4-2020) is RM44.32 million, which is a decrease of RM15.50 million compared to the immediate preceding quarter (Q3-2020). The LBT of RM9.83 million is higher by 41% of the immediate preceding quarter (LBT of RM6.98 million in Q3-2020). 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. During the current quarter under review, there was allowance for impairment on trade receivables of RM0.62 million being provided.

NOTES TO THE QUARTERLY REPORT FOR THE FORTH QUARTER ENDED 31 MARCH 2020

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 is the plan 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.

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 March 2020 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	38,950	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
	<u>74,096</u>	<u>72,656</u>	

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 FORTH QUARTER ENDED 31 MARCH 2020

B6 Borrowing and debt securities

The Group's borrowings as at 31 March 2020 are as follows:

	Quarter ended 31.03.2020 RM'000	Quarter ended 31.03.2019 RM'000
Secured		
Borrowings		
- Short term	14,765	317
- Long term	3,391	3,753
	18,156	4,070

During the financial year under review, the total finance costs (inclusive of lease liabilities) for the financial year ended 31 March 2020 was RM1.40 million as compared to RM0.87 million in the corresponding financial year ended 31 March 2019.

B7 Material litigations

As at 12 June 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

There was no dividend has been proposed nor declared during the financial year under review.

B9 Loss per share

	Current year quarter ended 31.03.2020 RM'000	Preceding year corresponding quarter ended 31.03.2019 RM'000	Current year-to-date ended 31.03.2020 RM'000	Current year-to-date ended 31.03.2019 RM'000
Loss attributable to Owners of the Company	(9,785)	(9,198)	(27,879)	(22,176)
Weighted average number of shares in issue ('000)	718,220	668,231	704,863	569,752
Basic loss per share (sen)	(1.36)	(1.38)	(3.96)	(3.89)

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 18 June 2020.