

**INDEPENDENT PRACTITIONER'S REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS**

ASDION BERHAD (Registration No.: 200201023149 (590812-D))

(Incorporated in Malaysia)

Report on the Review of Interim Financial Statements

We have reviewed the accompanying 30 September 2020 condensed interim financial information of ASDION BERHAD and its subsidiary companies ("the Group") as set out in the accompanying Appendix 1, which we have stamped for purposes of identification, which comprises:

- (a) the condensed consolidated statement of financial position as at 30 September 2020;
- (b) the condensed consolidated statement of profit or loss and other comprehensive income for the 12 months ended 30 September 2020;
- (c) the condensed consolidated statement of cash flows for the 12 months ended 30 September 2020; and
- (d) the condensed consolidated statement of changes in equity for the 12 months ended 30 September 2020; and
- (e) explanatory notes to the condensed interim financial statements (our review does not cover Part B of the explanatory notes).

Management's responsibility for the Financial Statements

Directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with MFRS 134, "*Interim Financial Reporting*" issued by Malaysian Accounting Standards Board and IAS 34, "*Interim Financial Reporting*" issued by the International Accounting Standard Board and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying condensed financial statements. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2400 (Revised), Engagement to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the condensed financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

**INDEPENDENT PRACTITIONER'S REPORT ON REVIEW OF
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ASDION BERHAD (Registration No.: 200201023149 (590812-D))
(Incorporated in Malaysia)

Practitioner's Responsibility (continued)

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note A1.4 of the condensed interim financial statements for the 12 months ended 30 September 2020, which indicates that the Group has prepared its condensed interim financial statements on a going concern basis, notwithstanding that the Group's current liabilities exceeded its current assets by RM5,454,900 and incurred a net loss of RM3,787,533.

The ability of the Group to operate as going concern is dependent on successful outcome and implementation of the current business plans including progressive uplifting of restriction on travelling, to generate sufficient cash flows in the future to fulfil their obligations as and when they fall due. The financial statements of the Group do not include any adjustment relating to the amount and classification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern. In view of the fact that the preparation of the financial statements is on a going concern basis, we consider that these disclosures should be brought to your attention. As stated in Note A1.4, these conditions, along with other matters as set forth in Note A1.4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 30 September 2020 does not present fairly, in all material respects, in accordance with MFRS 134 and IAS 34, Interim Financial Reporting.



CAS MALAYSIA PLT
[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

Date: 30 November 2020

Puchong

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2020 RM	Preceding Year Corresponding Quarter 30.9.2019 RM	Current Year To Date 30.9.2020 RM	Preceding Year Corresponding Period 30.9.2019 RM
Revenue	317,467	N/A	3,786,284	N/A
Cost of sales	(718,396)	N/A	(3,782,627)	N/A
Gross (loss) / profit	<u>(400,929)</u>	<u>N/A</u>	<u>3,657</u>	<u>N/A</u>
Administrative expenses	1,802,926	N/A	(2,247,624)	N/A
Other operating expenses	(4,864,465)	N/A	(5,936,679)	N/A
Operating loss	<u>(3,462,468)</u>	<u>N/A</u>	<u>(8,180,646)</u>	<u>N/A</u>
Finance income	124,011.00	N/A	124,013	N/A
Other income	4,536,468	N/A	4,553,189	N/A
Finance cost	(79,407)	N/A	(132,742)	N/A
Share in loss of equity-accounted associates	(188,921)	N/A	(200,191)	N/A
Profit / (Loss) before taxation	<u>929,683</u>	<u>N/A</u>	<u>(3,836,377)</u>	<u>N/A</u>
Taxation	48,844	N/A	48,844	N/A
Profit / (Loss) for the period	<u>978,527</u>	<u>N/A</u>	<u>(3,787,533)</u>	<u>N/A</u>
Other comprehensive income:				
Exchange difference on translation of foreign operation	-	N/A	-	N/A
Revaluation of land and building	-	N/A	-	N/A
Total comprehensive income / (loss) for the period	<u>978,527</u>	<u>N/A</u>	<u>(3,787,533)</u>	<u>N/A</u>
Loss for the period attributable to:				
Equity holders of the Company	(812,208)	N/A	(4,675,666)	N/A
Non-controlling interests	1,790,735	N/A	888,133	N/A
Profit / (Loss) for the period	<u>978,527</u>	<u>N/A</u>	<u>(3,787,533)</u>	<u>N/A</u>
Total comprehensive loss attributable to:				
Equity holders of the Company	(812,208)	N/A	(4,675,666)	N/A
Non-controlling interests	1,790,735	N/A	888,133	N/A
Total comprehensive profit / (loss) for the period	<u>978,527</u>	<u>N/A</u>	<u>(3,787,533)</u>	<u>N/A</u>
Basic EPS (sen)	(0.64)	N/A	(3.66)	N/A
Diluted EPS (sen)	N/A	N/A	N/A	N/A
Note:				

There will be no comparative figures disclosed for the current quarter and cumulative period-to-date results following the change in the financial year end from 31 March to 30 September.





CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Unaudited As at 30.9.2020 RM	Audited As at 30.09.2019 RM
ASSETS		
Non-current assets		
Property, plant and equipment	104,693	1,261,321
Investment property	2,500,000	2,400,000
Right of use assets	258,184	-
Investment in associate	994,099	1,194,290
Other investment	1,912,763	2,300,000
Goodwill on consolidation	4,280,351	4,280,351
	<u>10,050,090</u>	<u>11,435,962</u>
Current assets		
Trade receivables	338,603	812,964
Other receivables, deposits and prepayments	5,477,716	2,586,440
Tax recoverable	4,952	4,952
Fixed deposits with a licensed banks	138,150	145,605
Cash and bank balances	123,122	119,611
	<u>6,082,543</u>	<u>3,669,572</u>
TOTAL ASSETS	<u>16,132,633</u>	<u>15,105,534</u>
Equity attributable to owners of the Company		
Share capital	3,500,000	34,264,433
Redeemable Convertible Preference Shares ("RCPS")	2,700,000	2,700,000
Accumulated losses	(1,991,094)	(28,079,861)
	<u>4,208,906</u>	<u>8,884,572</u>
Non-controlling interests	189,261	(698,872)
Total equity	<u>4,398,167</u>	<u>8,185,700</u>
Non-current liabilities		
Finance lease liabilities	-	40,804
Lease liabilities	187,023	-
Deferred taxation	10,000	-
	<u>197,023</u>	<u>40,804</u>
Current liabilities		
Trade payables	1,805,600	2,035,668
Other payables and accruals	8,428,578	3,525,060
Finance lease liabilities	-	1,073,060
Lease Liabilities	1,131,949	-
Tax payable	171,316	245,242
	<u>11,537,443</u>	<u>6,879,030</u>
TOTAL EQUITY AND LIABILITIES	<u>16,132,633</u>	<u>15,105,534</u>
Net assets per share attributable to ordinary equity holders of the parent company (sen)	3.29	6.95



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Attributable to owners of the Company					Accumulated losses RM	Total RM	Non-controlling interest RM	Total Equity RM
	Non-distributable		Distributable						
	Share capital RM	RUCPS RM	Warrant reserves RM	Revaluation reserve RM	Foreign currency translation reserve RM				
12 months period ended 30 September 2020									
Balance as at 1 October 2019	14,264,433	2,700,000	-	-	-	(28,079,861)	8,884,572	(698,972)	8,185,709
Transactions with owners-									
Capital reduction exercise	(30,764,433)	-	-	-	-	30,764,433	-	-	-
Total transactions with owners	(30,764,433)	-	-	-	-	30,764,433	-	-	-
Other comprehensive income									
- Revaluation of land and building	-	-	-	-	-	-	-	-	-
- Disposal of subsidiaries	-	-	-	-	-	-	-	-	-
- Foreign currency translation	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(4,675,666)	(4,675,666)	888,133	(3,787,533)
Total comprehensive (loss) / income for the financial year	-	-	-	-	-	(4,675,666)	(4,675,666)	888,133	(3,787,533)
Balance as at 30 September 2020	3,500,000	2,700,000	-	-	-	(1,931,634)	4,208,906	189,261	4,398,167
12 months period ended 30 September 2019									
Balance as at 1 October 2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Loss for the period	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balance as at 30 September 2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

There will be no comparative figures disclosed for the current quarter and cumulative period-to-date results following the change in the financial year ended from 31 March to 30 September.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	12 MONTHS 30.9.2020 RM	12 MONTHS 30.9.2019 RM
Cash flow from operating activities		
Loss before taxation	(3,836,377)	N/A
Non cash adjustments		
Depreciation of property, plant and equipment	585,217	N/A
Depreciation of Right of use asset	675,095	
Bad debt written off for:		
- Trade receivables	1,245	
- Other receivables	85,449	
Impairment loss on investment in RCPS	387,237	
Share of loss from associate	200,191	N/A
Property, plant and equipment written off	2,501	
Provision for doubtful debt for trade and other receivable	491,987	
Reversal of amount due to director waived	1,043,849	N/A
Fair value - gain on investment property	(100,000)	
Lease liabilities interest	71,545	
Late payment interest	61,197	
Interest income	(124,013)	N/A
Operating loss before working capital changes	(454,877)	N/A
Changes in working capital:		
Increase in receivables	(2,995,595)	N/A
Increase in payables	3,590,567	N/A
Cash from operations	140,095	N/A
Interest received	124,013	N/A
Income tax paid	(15,082)	N/A
Net cash from operating activities	249,026	N/A
Cash flows from investing activities		
Purchase of plant and equipment	(44,990)	N/A
Change in fixed deposit with maturity more than 3 months	7,455	
Net cash used in investing activities	(37,535)	N/A
Cash flows from financing activities		
Repayment of finance lease liabilities	(63,100)	N/A
Repayment of lease liabilities	(144,880)	
Net cash used in financing activities	(207,980)	N/A
Net decrease in cash and cash equivalents	3,511	N/A
Cash and cash equivalents at beginning of year	119,611	N/A
Exchange differences	-	N/A
Cash and cash equivalents as at 30 September	123,122	N/A
Cash and cash equivalents as at 30 September comprises the following:		
Cash and bank balances	123,122	N/A
Fixed deposits with a licensed bank	138,150	N/A
	261,272	N/A
Less: Fixed deposits pledged	(138,150)	N/A
	123,122	N/A

There will be no comparative figures disclosed for the current quarter and cumulative period-to-date results following the change in the financial year ended from 31 March to 30 September.



NOTES TO INTERIM FINANCIAL REPORT

PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

1. Basis of preparation of financial statement

1.1 Statement of compliance

These condensed interim financial statements of the Company are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements for the period ended 30 September 2019.

1.2 Change of Financial year end

As announced on 19 July 2019, the Company has changed the financial year end from 31 March to 30 September. The comparative figures are not applicable for the current financial year. The next audited financial statements shall be for a period of twelve (12) months, made up from 1 October 2019 to 30 September 2020.

1.3 Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial period ended 30 September 2019, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations that have become effective on 1 October 2019.

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Joint Arrangements
MFRS 16	Lease
Amendments to MFRS 112	Income Taxes
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015–2017 Cycle	

The initial adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company except as mentioned in Note 2 “changes in accounting policies”.

NOTES TO INTERIM FINANCIAL REPORT**PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)****1.4 Fundamental accounting concept**

During the financial year, the Group reported net loss of RM3, 787,533 (30.09.2019: RM4, 902,068) respectively. Further, the Group also had net current liabilities of RM5,454,900 (30.09.2019: RM3,209,458).

The Group's and the Company's financial statements have been prepared as a going concern basis. The ability of the Group to continue as going concern is dependent on successful outcome and implementation of the current business plans including progressive uplifting of restriction on travelling, to generate sufficient cash flows in the future to fulfil their obligations as and when they fall due.

2. Changes in Accounting Policies and disclosures

In the current year, the Group and the Company have applied MFRS 16 which is effective for an annual period that begins on or after 1 January 2019. Several other amendment and interpretations are also applied for the first time in 2019, but do not have a material effect on the financial statements of the Group and the Company. The Group and the Company have not early adopted any standards, interpretations or amendments that have been issued but not yet effective.

The changes of the new standard are described below:

2.1 MFRS 16 Leases

The Group and the Company changed their accounting policies on leases at the date of initial application of 1 October 2019 by applying modified retrospective approach. As permitted by the Standard, the Group and the Company have elected not to restate comparative information, which continues to be reported under MFRS 117. Under this method, the cumulative effect of adopting MFRS 16 where the Group is a lessee is recognised in equity as an adjustment to the opening balance of retained earnings as at 1 October 2019.

As a lessor, the Group will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117 at the date of initial application. The Group is not required to make any adjustment on transition, except for the reassessment of existing operating subleases at the date of initial application.

Under MFRS 16, it eliminates the classification of leases by the lessee as either finance leases or operating leases. It requires a lessee to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. The details of the changes in accounting policies are disclosed below.

PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)**2. Changes in Accounting Policies and disclosures (continued)****2.1 MFRS 16 Leases (continued)****(a) Definition of a lease**

Under MFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(b) The Group and the Company as a lessee

The Group and the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership.

Under MFRS 16, it requires lessee to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The Group recognises right-of-use assets and lease liabilities for those leases which had previously been classified as operating leases under the principles of MFRS 117. However, the Group and the Company have elected not to recognise right-of-use assets and liabilities for leases of low-value assets. The Group and the Company also made use of the transition practical expedient in the standard to not recognise lease arrangements for which the lease term ends within 12 months from the date of initial application. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company have elected, on a lease-by-lease basis, to recognise the right-of-use assets at the amount equal to the lease liabilities, hence there were no impact to the retained earnings brought forward as at 1 October 2019.

For the first time application of MFRS 16, the Group has elected to apply the following practical expedients on a lease-by-lease basis:

- (i) The use of single discount rate to those portfolio of leases with reasonably similar characteristics;
- (ii) Lease contracts with lease term not exceeding 12 months at the date of initial application are not recognised under MFRS 16;
- (iii) The exclusion of initial direct costs from the measurement of right-of-use asset at the date of initial application; and
- (iv) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(c) Plant and equipment

Computer equipment and motor vehicle financed through hire purchase (within property, plant and equipment) has been reclassified to right-of-use assets.

PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

2. Changes in Accounting Policies and disclosures (continued)

2.1 MFRS 16 Leases (continued)

The adoption of MFRS 16 impacts the Group's and the Company's performance in the current financial year as follows:-

(i) **Statement of profit and loss and other comprehensive income**

Leasing expenses that previously being included under operating cost within Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") were replaced by interest expense in respect of lease liability and amortisation of right-of-use asset.

(ii) **Statement of financial position**

Under MFRS 16, for those leases which has previously been classified as operating leases under the principles of MFRS 117, in relation to single on-balance sheet model, assets and liabilities are increased due to the recognition of right-of-use asset and lease liabilities as at the date of initial application.

(iii) **Statement of cash flows**

The rental payments paid for operating lease which are previously recorded within cash flow from operating activities were reclassified as cash flow from financing activities for repayment of principal and interest portion of lease liabilities.

As at 1 October 2019, the right of use assets of the Group, which is equal to the lease liabilities, is measured at RM634,924 with no restatement to prior year comparative information. This includes the lease assets recognised previously under finance lease liabilities of RM613,904 for the Group that were reclassified from plant and equipment.

PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

2. Changes in Accounting Policies and disclosures (continued)

2.1 MFRS 16 Leases (continued)

In summary, the adoption of MFRS 16 Leases has the following impact:

(a) To the opening balance as at 1 October 2019:

Statement of Financial Position

Group	MFRS 16 Adjustment RM	As previously reported RM	After Adjustment RM
Non-current assets			
Property, plant and equipment	(613,904)	1,261,321	647,417
Right-of-use assets	634,924	-	634,924
Non-current liabilities			
Finance lease liabilities	-	40,804	40,804
Lease liabilities	9,783	-	9,783
Current Liabilities			
Finance lease liabilities	(1,050,764)	1,073,060	22,296
Lease liabilities	1,062,001	-	1,062,001

(b) To the Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 September 2020:

	Group 01.10.2019 To 30.09.2020 RM	Company 01.10.2019 To 30.09.2020 RM
Depreciation of right-of-use assets (included in other expenses)	675,095	-
Interest on lease liabilities (included in finance cost)	71,545	-
Expense relating to lease of low-value assets and short term lease (included in other expenses)	57,772	54,480
	804,362	54,480

PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

2. Changes in Accounting Policies and disclosures (continued)

2.1 MFRS 16 Leases (continued)

(c) To the Statement of Cash Flows for the financial year ended 30 September 2020:

Assets	Group RM	Company RM
Operating lease commitments as at 30 September 2019	84,092	54,480
Less: Lease ending within 12 months recognised as expenses	(49,560)	(49,560)
Less: Low-value lease recognised on a straight-line basis as expense	(12,532)	(4,920)
	22,000	-
Incremental borrowing rate as at 1 October 2019 (%)	4.80%	
Discounted operating lease commitments as at 1 October 2019	21,020	-
Add: Commitments relating to lease previously classified	1,050,764	-
Lease liabilities as at 1 October 2019	1,071,784	-

3. Auditors’ Report

The auditors’ report on the financial statements for the financial period ended 30 September 2019 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal/cyclical factors during the current quarter under review.

5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items of unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter ended 30 September 2020.

6. Material Changes in Estimates

There were no material changes in the nature and amount of estimates reported in prior interim periods of the current financial year or in prior financial years that will have a material effect in the current quarter under review.

PART A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

8. Dividends Paid

There were no dividends paid and/or proposed during the current quarter under review.

9. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Group did not carry out any revaluation on the property, plant and equipment during the current quarter under review.

10. Changes in the Composition of the Group

There was no changes in the composition of the Group in the current quarter under review.

11. Segmental Information

The segmental analysis of revenue and loss before taxation of the Group for the financial year ended 30 September 2020 is tabulated below:

	Logistics Business RM'000	Stevedoring & trucking RM'000	Investment holding RM'000	Elimination	Total RM'000
Revenue					
External revenue	3,235	551	-	-	3,786
Inter Segment - revenue	-	96	-	(96)	-
Segment revenue	3,235	547	-	(96)	3,786
Result					
Interest income	-	124	-	-	124
Interest expenses	9	113	-	-	132
Depreciation	27	537	21	-	585
Right-of-use assets	61	614	-	-	675
Income tax recoverable / expense	(133)	81	3	-	(48)
Segmental profit / (loss) after tax	(2,056)	(3,826)	(3,238)	5,332	(3,788)

12. Material Events Subsequent to the End of the Interim Period

As at the date of the report, being the latest practicable date of this report, there are no material events subsequent to the quarter ended 30 September 2020.

13. Contingent Liabilities

	Current Quarter ended 30.9.2020 RM	Financial Year ended 30.09.2019 RM
Corporate guarantee given to licensed leasing house for leasing facility granted to a subsidiary	599,326	545,732
Corporate guarantee given to a licensed bank for banking facility granted to a subsidiary	138,150	133,000
Corporate guarantee given to a third party for rental of machineries facility granted to a subsidiary	455,033	505,033
	<u>1,192,509</u>	<u>1,183,765</u>

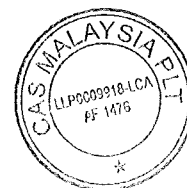
14. Capital Commitments

There were no material capital commitments during the current quarter under review.

15. Related Party Transaction

During the current financial year, transaction with related parties of the Group:-

	Current Quarter ended 30.9.2020 RM	Financial Year ended 30.09.2019 RM
Sales to companies in which a Director has interest	354,679	3,397,371
Purchases from a company in which a Director has interest	-	-
	<u>354,679</u>	<u>3,397,371</u>



PART B - Explanatory Notes Pursuant to Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

16. Review of performance for the quarter ended 30 September 2020 and year-to-date

For the quarter ended 30 September 2020, the Group generated RM0.317 million in revenue. The revenue in the current quarter mainly attributable to the logistics business which has contributed approximately RM0.2 million revenue during current quarter under review.

The Group recorded a loss before taxation (“LBT”) of RM4.6 million as at year-to-date ended 30 September 2020. The increase in current year losses was mainly resulted from the slow pace in the business activities in logistics, stevedoring & trucking segment during the COVID-19 outbreak and Movement Control Order (“MCO”) period.

17. Comparison between the Current Quarter and the Immediate Preceding Quarter

	3 Months Current Quarter 30.9.2020 RM'000	3 Months Preceding Quarter 30.6.2020 RM'000	Changes	
			Amount RM,000	Percent age %
Revenue	317	2,330	(2,013)	>100
Gross (Loss) / Profit	(401)	342	(743)	>100
Operating loss	(3,397)	(2,914)	(483)	17
Profit / (Loss) before tax	206	(2,910)	3,116	>100
Profit / (Loss) after tax	265	(2,910)	3,175	>100
Loss attributable to owners of the Company	(826)	(2,073)	204	>100

The Group revenue of RM0.317 million in current quarter reflected a decrease as compared to the revenue of approximately RM2.33 million achieved in the immediate preceding quarter ended 30 June 2020. The decrease was attributed to some delay of the shipment orders from the customers in the logistics segment.

The increase in profit before tax in current quarter 30 September 2020 was mainly contribute by other income from our litigation compensation recorded in the current quarter.

The Group registered a profit before tax of approximately RM0.206 million for the current quarter as compared to the immediate preceding quarter of a loss before tax of RM2.91 million.

18. Prospects for the Current Financial Year

The Group expects the business environment for the financial year ended 30 September 2020 to be very difficult impacted by the Movement Control Order (“MCO”) period to contain the Covid-19 pandemic. It is expected that even after the MCO is uplifted, the business conditions will take some time before it returns to normalcy. The Management is taking a prudent approach to initiate cost management strategies and exploring other business opportunities to navigate through this economic slowdown and challenging period.

For the period of post Covid-19 pandemic, the Company has achieved a slight increase in revenue and the Management will continue to explore potential business expansion and to focus on improving operational efficiencies and monitoring and controlling its operational expenses to achieve improved profitability and sustainable business growth.

19. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial period to-date.

20. Taxation

Taxation comprises:

	Quarter ended	Year-to-date ended
	30.9.2020	30.9.2020
	RM	RM
Income Tax		
Local	58,844	58,844
Overseas	-	-
Deferred Tax	-	-
	58,844	58,844

21. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There was no purchase or disposals of unquoted investment and /or properties during the current quarter under review and current period to-date.

22. Purchase or Disposal of Quoted Securities

There was no purchases or disposals of quoted securities by the Group during the current quarter under review.

23. Status of Corporate Proposals and Utilisation of Proceeds

There are no corporate proposals during the current quarter under review and current period to-date.

24. Borrowings

Details of the Group's borrowings at 30 September 2020 are as follows:

	Current 30.9.2020	Non-Current 30.9.2020	Total 30.9.2020
- Lease liabilities	1,131,949	187,023	1,318,972
Total	1,131,949	187,023	1,318,972

25. Off Balance Sheet Financial Instruments

The Group has not entered into any off balance sheet financial instruments as at the date of this quarterly report.

26. Material Litigation

There is no material litigation as at the date of the report except the following:-

- (a) As at the date of issue this quarterly report, the Group On 22 October 2015, the subsidiary of the Company - Taz Logistics Sdn Bhd vide its Company's solicitors, initiated legal action ("Legal Matter") against Taz Metals Sdn Bhd and 4 other defendants. whilst against the 1st Defendant, is knowingly receipt of trust properties, the claim against the 1st, 2nd and 3rd Defendants as knowingly assisting the 4th and 5th Defendants to breach their fiduciary duties to Taz Logistics whilst the claim against the 4th and 5th Defendants is for a breach of fiduciary duties towards Taz Logistics.

An interim remedy is sought whereby the appointment of receiver and manager is sought over Taz Metals, save for the announcement made on 29 October 2015, 15 December 2015, 27 January 2016 and 28 January 2016, 29 August 2016, 30 November 2016 and 9 January 2017, 22 February 2017, 10 July 2017, 11 August 2017, 25 October 2017, 1 November 2017, 27 November 2017 and 16 January 2018.

Subsequently on 28 November 2016, the learned High Court Judge has dismissed TAZ Logistics' claim against TAZ Metals and 4 Ors. The Company had on 23 December 2016 filed an appeal to the Court of Appeal against the decision of the High Court.

The Court of Appeal has fixed the matter for Hearing on 29 March 2018, with Written Submissions, Bundle of Authorities, Common Core Bundle and Common Chronology to be filed by 15 March 2018.

On 23th October 2018, the Court of Appeal allowed the Company's appeal with costs of RM100,000.00 in Court of Appeal and High Court. Damages and exemplary damages to be assessed by High Court.

The leave application by the other party was fixed for hearing on 10th April 2019 at Federal Court.

On 10th April 2019, the Board of Directors of Asdion had announced that the matter was vacated due to a Medical Certificate by the defendant's solicitor. Therefore, the matter is now fixed for hearing on 4 July 2019 at 9.00am at Federal Court, Putrajaya.

The Federal Court has dismissed the Applicants' application for leave with costs of RM15,000-00 each application.

Subsequently, the High Court will have a hearing of the application by the Plaintiff for assessment of the damages. The Plaintiff and Defendants to file their affidavits by 31 July 2019 and 21 July 2019. Both parties to file Submissions and Bundle of Authorities by 11 September 2019 and to file Reply to the Submission by 18 September 2019.

The Hearing date on 26 September 2019, the High Court has directed that Plaintiff to file the Supplementary Submissions by 17 October 2019, Defendant to file the reply to the Plaintiff's Supplementary Submissions by 7 November 2019 and Plaintiff to file the reply to the Defendant's Supplementary Submissions in Reply by 21 November 2019.

Subsequently, the next hearing date was fixed on 9 December 2019. High Court has rescheduled the hearing date on 9 January 2020

26. Material Litigation (Continued)

(a) High Court awarded the following sums as damages against the Defendants for hearing on 9 December 2019, 9 January 2020 and 20 January 2020.

- (1) General Damages of RM4,050,000.00;
- (2) The value of Plant, Machinery and Assets held under trust by Defendant 1, in the value of RM1,003,761.00;
- (3) Exemplary Damages of RM900,000.00;
- (4) Interest at 5% per annum until settlement; and
- (5) Costs of RM15,000.00.

The Court of Appeal has now fixed the matter for E-review on 1 April 2020.

Both parties have filed their respective appeals. The Record of Appeal for both parties were been filed on 19 May 2020. Next case management is on 06 July 2020.

A winding-up notice under the Companies Act is being issued.

The Court of Appeal has fixed the matters for Case Management on 19th November 2020 and Hearing on 9th December 2020.

(b) On 3 October 2017, Venice Sanctuary Sdn Bhd (“VSSB”), a wholly owned subsidiary of the Company has filed a writ of summon against Metro Hartamas Sdn Bhd, a debtor (“the Defendant”) due to the fact the Defendant failing to settle the outstanding sum amounting to approximately RM335,970.81.

On 3 March 2018, we have received the Revised Notice of Demand to Metro Hartamas and ordered to pay the outstanding amounted RM395,267.00.

The court has further directed that the Defendant to file in Statement of Defence and reply on or before 22 May 2018. And the Court also requested the parties to update on Case Management Date whether there is any chance of settlement.

On 2 July 2018, we have submitted Affidavit in reply for the Summary Judgment case for Venice Sanctuary against Metro Hartamas. We have obtained Summary Judgement against Metro Hartamas on 18 July 2018 for a sum of RM335,970.81 for the services rendered to the Defendants.

On 31 July 2018, the Defendants has filed a Notice of Appeal and hearing dated on 9th November 2018. The High Court’s decision will be fixed at 14th January 2019.

On 14th January 2019, the Court has dismissed the Defendant’s appeal in the High Court and the Sessions Court Summary Judgement remains.

26. Material Litigation (Continued)

- (c) CD Logistics Sdn Bhd (“Plaintiff”) had brought an action against Asdion Logistics Sdn Bhd for services rendered to Asdion.

Sessions Court case between CD Logistics and Asdion Logistics and the Magistrate Court case between Ciriduta Logistics Sdn Bhd and Asdion Logistics, the Plaintiffs has filed Summary Judgment applications against us.

On 31 July 2018, both parties have reached a settlement whereby Asdion shall pay the outstanding debt in amount of RM327,724.84 to the Plaintiff in 6 installments by way of post-dated cheques.

The Plaintiff has agreed to grant an extension for us to deliver the replacement cheques on or before 15th November 2018.

On 3rd August 2018, the Plaintiffs have withdrawn both the cases with no order to costs and with liberty to file afresh.

The Court had fixed the matter for Case Management on 19 August 2019 and instructed to file the defence by 6 September 2019.

The next hearing date for Case Management was fixed on 2nd December 2019. As refer to Session Court Order dated 2nd December 2019, the Plaintiff has issued winding up notice of demand on 14th January 2020.

- (d) On 22nd October 2019 the Company and its subsidiary, Asdion Project Synergy Sdn Bhd (“APSSB”) (“the Defendants”) had received a Writ of Summons and Statement of Claim from Desmond Chan & Jeff Law, the solicitors for TCIM Sdn. Bhd. (“Plaintiff”).

APSSB is not a major subsidiary of Asdion Berhad. In the event that Company losses the case, the potential liability on the Company and its Group would be RM587,313.84 plus interest of RM4,000.00.

APSSB had filed the Notice of Appeal to the Court of Appeal Putrajaya against the decision of the High Court of Kuala Lumpur and this matter was fixed for E-review on 18 February 2020.

The next Case Management is fixed on 20 April 2020 to file the appeal documents.

Summary judgement for a portion of the claim had been awarded. Case Management for the balance of the claim is now fixed for 19 June 2020.

Defendants have filed an appeal to the Court of Appeal for the summary judgment already granted. Case Management has been fixed for 24 June 2020.

The Case Management on 7th July 2020, the main suit matter (the balance sum, after the summary judgement) had been withdrawn by the Plaintiff’s solicitor.

26. Material Litigation (Continued)

- (e) On 10 February 2020 Asdion Berhad (“Respondent”) received a winding up petition (“Petition”) by Angka-Tan Motor Sdn. Bhd. (“Petitioner”).

The petition against the Respondent was due to the Respondent had failed, refused and/or neglected to pay the Hire Purchase outstanding for Petitioner as at 30 June 2019.

The potential liability on the Company and its Group would be RM842,650.00 from 7 May 2019 to the date of full settlement with interest rate at 5% per annum.

The Petition is fixed for Case Management on 4 March 2020 and the Hearing for the Winding-Up Petition is fixed on 14 April 2020.

This matter is now fixed for further Case Management on 9 June 2020 and the Hearing on 14 July 2020.

On 14th July 2020, Angka-Tan Motor Sdn Bhd and Asdion Berhad have agreed to a full and final settlement and adjourned to 4th August 2020.

The impact of this action will not have any additional financial and operational impact to the Group.

27. Dividend

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

28. Earnings Per Share

The basic EPS for the current quarter and cumulative period to date are computed as follows:

a) Basic

Basic EPS is calculated by dividing the net loss attributable to the shareholders of the Group by the weighted average number of shares during the period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.9.2020	Preceding Year Corresponding Quarter 30.9.2019	Current Year To Date 30.9.2020	Preceding Year Corresponding To Date 30.9.2019
Loss attributable to the ordinary equity holders of the parent company (RM)	(826,290)	N/A	(4,689,748)	N/A
Weighted average number of shares	127,896,800	N/A	127,896,800	N/A
Basic EPS (sen)	(0.65)	N/A	(3.67)	N/A

b) Diluted

Not applicable

29. **Loss Before Taxation**

Loss before taxation is arrived at after charging / (crediting):

	Quarter ended RM 30.9.2020	Year to date RM 30.9.2020
Depreciation of property, plant & equipment	188,098	585,217
Right-of-use assets	675,095	675,095
Interest expense	79,407	132,742
Bad debt written off for trade and other receivable	166,587	166,587
Impairment loss on investment RCPS	387,237	387,237
Property, plant equipment written off	186,131	186,131
Provision for doubtful debt for trade and other receivable	521,987	521,987
Share of profit in equity-accounted associates	(888,133)	(888,133)
Interest income	(124,010)	(124,013)