



MAG HOLDINGS BERHAD

(formerly known as XingHe Holdings Berhad)

200401004611 (643114-X)

(Incorporated in Malaysia)

Interim Financial Statements

for the Third Quarter

From

1 July 2020 to 30 September 2020

MAG Holdings Berhad
(formerly known as XingHe Holdings Berhad)
200401004611 (643114-X)
(Incorporated in Malaysia)

Interim Financial Statements for the Third Quarter Ended 30 September 2020
Condensed Consolidated Statement of Profit or Loss

	Individual Quarter		Cumulative Quarter	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Continuing operations				
Revenue	15,129	-	31,583	-
Cost of sales	(11,860)	-	(24,803)	-
Gross profit	3,269	-	6,780	-
Other (expense)/income	(320)	-	3,239	-
Operating expenses	(2,444)	(735)	(4,468)	(1,396)
Finance costs	(569)	-	(1,721)	-
Foreign exchange gain	4,755	-	2,762	-
Share of profit/(loss) of an associate	364	-	(279)	-
Profit/(loss) before taxation	5,055	(735)	6,313	(1,396)
Taxation	-	-	-	(16)
Profit/(loss) from continuing operations	5,055	(735)	6,313	(1,412)
Discontinued operations				
Loss from discontinued operations, net of tax	-	(5,097)	-	(3,236)
Profit/(loss) for the period	5,055	(5,832)	6,313	(4,648)
Profit/(loss) for the period attributable to:				
Owners of the Company:				
- from continuing operations	5,073	(692)	6,322	(1,369)
- from discontinued operations	-	(5,034)	-	(3,405)
	5,073	(5,726)	6,322	(4,774)
Non-controlling interests:				
- from continuing operations	(18)	(43)	(9)	(43)
- from discontinued operations	-	(63)	-	169
	(18)	(106)	(9)	126
	5,055	(5,832)	6,313	(4,648)
Earnings/(loss) per share:				
Basic (Sen)				
- from continuing operations	0.77	(0.19)	1.01	(0.41)
- from discontinued operations	-	(1.36)	-	(1.02)
	0.77	(1.55)	1.01	(1.43)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

MAG Holdings Berhad

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200401004611 (643114-X)

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Interim Financial Statements for the Third Quarter Ended 30 September 2020

Condensed Consolidated Statement of Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Profit/(loss) for the period	5,055	(5,832)	6,313	(4,648)
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Continuing operations				
Foreign currency translations	(1,947)	(662)	10,417	(1,987)
Discontinued operations				
Foreign currency translations	-	(7,327)	-	(6,534)
Total other comprehensive income for the period, net of tax	<u>(1,947)</u>	<u>(7,989)</u>	<u>10,417</u>	<u>(8,521)</u>
Total comprehensive income for the period, net of tax	<u>3,108</u>	<u>(13,821)</u>	<u>16,730</u>	<u>(13,169)</u>
Total comprehensive income attributable to:				
Owners of the Company				
- from continuing operations	3,126	(1,354)	16,739	(3,356)
- from discontinued operations	-	(12,361)	-	(9,939)
	<u>3,126</u>	<u>(13,715)</u>	<u>16,739</u>	<u>(13,295)</u>
Non-controlling interests				
- from continuing operations	(18)	(43)	(9)	(43)
- from discontinued operations	-	(63)	-	169
	<u>(18)</u>	<u>(106)</u>	<u>(9)</u>	<u>126</u>
	<u>3,108</u>	<u>(13,821)</u>	<u>16,730</u>	<u>(13,169)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Interim Financial Statements for the Third Quarter Ended 30 September 2020

Condensed Consolidated Statement of Financial Position

	30-Sep-20	31-Dec-19
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	95,942	98,549
Investment in an associate	92,009	94,339
Loan to an associate	249,185	234,723
Goodwill	1,388	1,388
	<u>438,524</u>	<u>428,999</u>
CURRENT ASSETS		
Biological assets	3,350	3,118
Inventories	409	502
Trade and other receivables	36,041	11,824
Cash and bank balances	104,908	94,936
	<u>144,708</u>	<u>110,380</u>
TOTAL ASSETS	<u><u>583,232</u></u>	<u><u>539,379</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	361,019	346,680
Reserves	148,305	131,566
Total equity attributable to owners of the Company	<u>509,324</u>	<u>478,246</u>
Non-controlling interest	1,680	1,689
TOTAL EQUITY	<u><u>511,004</u></u>	<u><u>479,935</u></u>
NON-CURRENT LIABILITIES		
Bank borrowings	44,910	47,976
Lease liability	57	72
	<u>44,967</u>	<u>48,048</u>
CURRENT LIABILITIES		
Trade and other payables	20,026	9,117
Bank borrowings	7,187	2,224
Lease liability	27	23
Taxation	21	32
	<u>27,261</u>	<u>11,396</u>
TOTAL LIABILITIES	<u><u>72,228</u></u>	<u><u>59,444</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>583,232</u></u>	<u><u>539,379</u></u>
Net assets per share (Sen)	<u><u>75</u></u>	<u><u>80</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Interim Financial Statements for the Third Quarter Ended 30 September 2020
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to owners of the Company						Total Equity RM'000
	<-----Non-distributable----->			Distributable		Non- Controlling Interests RM'000	
	Share Capital RM'000	Redeemable Convertible Notes RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2020	346,680	-	5,514	126,052	478,246	1,689	479,935
Total comprehensive income							
Profit for the period	-	-	-	6,322	6,322	(9)	6,313
Foreign currency translations	-	-	10,417	-	10,417	-	10,417
	-	-	10,417	6,322	16,739	(9)	16,730
Transactions with owners of the Company							
Issuance of redeemable convertible notes ("RCN")	-	16,000	-	-	16,000	-	16,000
Conversion of RCN into ordinary shares	16,000	(16,000)	-	-	-	-	-
Amortisation of RCN transaction costs	(1,661)	-	-	-	(1,661)	-	(1,661)
	14,339	-	-	-	14,339	-	14,339
At 30 September 2020	361,019	-	15,931	132,374	509,324	1,680	511,004

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Interim Financial Statements for the Third Quarter Ended 30 September 2020
Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to owners of the Company									Total Equity RM'000
	Non-Distributable						Distributable		Non- Controlling Interests RM'000	
	Share Capital RM'000	Redeemable Convertible Notes RM'000	Capital Reserve RM'000	Statutory Reserve RM'000	Reverse Acquisition Reserve RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2019	296,693	-	3,983	18,901	(154,550)	52,856	234,807	452,690	41,060	493,750
Total comprehensive income										
(Loss)/profit for the period	-	-	-	-	-	-	(4,774)	(4,774)	126	(4,648)
Foreign currency translations	-	-	-	-	-	(8,521)	-	(8,521)	-	(8,521)
	-	-	-	-	-	(8,521)	(4,774)	(13,295)	126	(13,169)
Transactions with owners of the Company:										
Issue of ordinary shares pursuant to exercise of warrants	70	-	-	-	-	-	-	70	-	70
Issuance of redeemable convertible notes ("RCN")	-	48,000	-	-	-	-	-	48,000	-	48,000
Conversion of RCN into ordinary shares	43,000	(43,000)	-	-	-	-	-	-	-	-
Amortisation of RCN transaction costs	(3,511)	-	-	-	-	-	-	(3,511)	-	(3,511)
	39,559	5,000	-	-	-	-	-	44,559	-	44,559
At 30 September 2019	336,252	5,000	3,983	18,901	(154,550)	44,335	230,033	483,954	41,186	525,140

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Interim Financial Statements for the Third Quarter Ended 30 September 2020

Condensed Consolidated Statement of Cash Flows

	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Cash Flows from Operating Activities		
Profit/(loss) before taxation:		
from continuing operations	6,313	(1,396)
from discontinued operations	-	(2,755)
	<u>6,313</u>	<u>(4,151)</u>
Adjustments for:		
Amortisation of land use rights	-	245
Depreciation of property, plant and equipment	2,985	87
Fair value adjustment on loan to an associate	(2,979)	-
Finance costs	1,721	6,942
Interest income	(261)	(795)
Impairment loss on inventories	-	542
Share of loss of an associate	279	-
Unrealised foreign exchange (gain)/loss	(2,762)	6,051
Operating profit before working capital changes	<u>5,296</u>	<u>8,921</u>
Changes in working capital:		
Biological assets	(232)	-
Inventories	93	(858)
Receivables	(24,227)	(144,651)
Payables	9,424	16,502
Cash flows used in operations	<u>(9,646)</u>	<u>(120,086)</u>
Interest paid	(240)	(6,942)
Tax refund	1	125
Net cash used in operating activities	<u>(9,885)</u>	<u>(126,903)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(379)	-
Interest income	261	795
Net cash (used in)/generated from investing activities	<u>(118)</u>	<u>795</u>
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	-	70
Proceeds from issuance of redeemable convertible notes ("RCN")	16,000	48,000
RCN issuance expenses	(1,661)	(3,511)
Drawdown of bank borrowings, net	1,898	-
Repayment of lease liability	(10)	(16)
Net cash generated from financing activities	<u>16,227</u>	<u>44,543</u>
Net increase/(decrease) in cash and cash equivalents	6,224	(81,565)
Effects of exchange rate changes	3,748	(7,963)
Cash and cash equivalents at beginning of period	<u>94,936</u>	<u>260,556</u>
Cash and cash equivalents at end of period	<u><u>104,908</u></u>	<u><u>171,028</u></u>
Cash and cash equivalents comprise of:		
Cash and bank balances	<u>104,908</u>	<u>171,028</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Interim Financial Statements for the Third Quarter Ended 30 September 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1 Change in financial year end

The Company has on 6 October 2020 announced that it has changed its financial year end from 31 December to 30 June. Accordingly, the current financial period covers an eighteen (18) months period from 1 January 2020 to 30 June 2021.

A2 Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: *Interim Financial Reporting* and Rule 9.22 of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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

A3 Significant accounting policies

The accounting policies and methods of computation adopted by the Group in the preparation of the interim financial statements are consistent with those adopted in the preparation of the Group's financial statements for the year ended 31 December 2019, except for the adoption of the following accounting standards:

Effective for financial periods beginning on or after 1 January 2020

Amendment to MFRS 3 - *Definition of a Business*

Amendment to MFRS 9 and MFRS 7 - Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108 - *Definition of Material*

Amendments to References to the Conceptual Framework in MFRS Standards

Effective for financial periods beginning on or after 1 June 2020

Amendment to MFRS 16 - *Covid-19 Related Rent Concessions*

The adoption of the above new standards, amendments to published standards and interpretation, where relevant, did not have any significant impact on the financial results of the Group.

A4 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.

A5 Segment information

The Group's reportable segments are as follows:

Continuing operations

- (a) Live prawns aquaculture and other seafood products

Discontinued operations

- (a) Raw peanuts trading
(b) Branded products - peanut oil, blended oil, repackaged soybean oil and corn oil
(c) Non-branded products - non-branded peanut oil
(d) Others - peanut protein cake (a by-product) and other peanut by-products

As the Group's chief decision maker relies on internal reports which are similar to those currently disclosed externally, no further segment analysis is available for disclosure except for the following entity-wide disclosures as required by MFRS 8:

	Individual Quarter		Cumulative Quarter	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue by products:				
<u>Continuing operations</u>				
Sales of prawns and other seafood products	15,129	-	31,583	-
<u>Discontinued operations</u>				
Raw peanuts trading	-	69,065	-	501,405
Branded products	-	2,114	-	5,415
Non-branded products	-	8,343	-	12,606
Others	-	1,609	-	2,431
	-	81,131	-	521,857
	15,129	81,131	31,583	521,857
Gross profit/(loss) by products:				
<u>Continuing operations</u>				
Sales of prawns and other seafood products	3,269	-	6,780	-
<u>Discontinued operations</u>				
Raw peanuts trading	-	(16)	-	9,641
Branded products	-	336	-	1,352
Non-branded products	-	1,737	-	3,183
Others	-	55	-	(11)
	-	2,112	-	14,165
	3,269	2,112	6,780	14,165

The Group's assets and liabilities are managed on a group-wide basis and are not allocated to any of the operating segments.

The Group's continuing operations are entirely operated in Malaysia, and therefore segment information based on geographical location is not presented.

A6 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date.

A7 Changes in estimates

There were no changes in estimates of amounts reported in the prior financial year that have a material effect on the current quarter and year to-date.

A8 Seasonality or cyclicity of operations

Live prawn aquaculture are affected by rainy season where the prawn fries supply is reduced by the lower productivity of the vendors' broodstock. In addition, the quality of prawn fries supplied is lower and the growth rate of prawn fries is also diminished during rainy season.

A9 Dividends paid

No dividends were paid by the Company during the current quarter and year to-date.

A10 Changes in debt and equity securities

During the current financial year to-date, the Company:

- (a) Completed the issuance of 333,387,142 free warrants ("**Warrant(s)**") on the basis of one Warrant for every two existing ordinary shares of the Company. The Warrants were listed on the ACE Market of Bursa Securities on 8 September 2020.
- (b) Issued RM16 million worth of Redeemable Convertible Notes ("**RCN**"). These RCNs have been converted into 80 million ordinary shares at a conversion price of RM0.20 per share, thereby increasing the Company's issued share capital from RM346.68 million to RM361.02 million, after accounting for the amortisation of RCN transaction costs of RM6.74 million.

Subsequent to the end of current quarter till 21 November 2020, being the latest practicable date which is not more than 7 days from the date of this quarterly report ("**LPD**"), the Company issued a further RM3 million RCNs of which RM200,000 have been converted into 1 million ordinary shares at a conversion price of RM0.20 per share.

Save as disclosed above, there were no other issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial year to-date:

A11 Changes in the composition of the Group

There were no material changes in the composition of the Group during the current quarter and year to-date.

A12 Capital commitments

The Group has no material capital commitments as at the end of current quarter.

A13 Contingent assets or liabilities

The Group has no material contingent assets or liabilities since the end of the previous financial year.

A14 Material events subsequent to the end of current quarter

There were no material events subsequent to the end of current quarter, which have not been reflected in the interim financial statements for the third quarter ended 30 September 2020.

A15 Significant related party transactions

The related parties transactions of the Group have been entered into in the normal course of business and were carried out on normal commercial terms. List below are the significant transactions with related parties:

	Individual Quarter		Cumulative Quarter	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
With companies in which a Director who is also a substantial shareholder of the Company, have interests:				
- Rental of office space	22	-	67	-
- Sale of prawns	1,987	-	5,962	-

A16 Fair value of financial instruments

Save for the fair value adjustment of RM2.98 million on loan to an associate in 9M2020, there were no gain or loss arising from fair value changes on financial assets and liabilities for the current quarter and financial year to-date.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

3 months ended 30 September 2020 ("Q32020")

The Group recorded a profit before taxation of RM5.06 million in Q32020 on the back of RM15.13 million revenue from the prawn aquaculture and other seafood products business.

The financial performance of edible oil and peanut trading business under Henan XingHe Oil and Fat Company Limited ("HXOF") is reflected as a share of result of an associate, following the classification of the investment from a subsidiary to an associate of the Group. The Group recognised a share of profit of RM0.36 million in Q32020. Nevertheless the operating environment is expected to continue to be tough and challenging.

The financial performance of edible oil and peanut trading business in the previous year's quarter ended 30 September 2019, is presented as discontinued operations following the classification from a subsidiary to an associate.

9 months ended 30 September 2020 ("9M2020")

The Group recorded a profit before taxation of RM6.31 million in 9M2020 on the back of RM31.58 million revenue from the prawn aquaculture and other seafood products business. The gross profit margin remains stable and the Group endeavours to achieve a better yield on its prawn aquaculture farming through improvement in operational efficiency and cost management.

Other income of RM3.24 million in 9M2020 came largely from the fair value adjustment on loan to an associate, HXOF, amounting to RM2.98 million.

The 9M2020 results saw an unrealised foreign exchange gain of RM2.76 million, attributed largely to inter-company balances' exchange rate fluctuations which was a non-cash item.

B2 Comparison with immediate preceding quarter's results

	Current Quarter 30-Sep-20 RM'000 (Unaudited)	Preceding Quarter 30-Jun-20 RM'000 (Unaudited)
Revenue	15,129	14,217
Cost of sales	(11,860)	(11,347)
Gross profit	<u>3,269</u>	<u>2,870</u>
Other (expense)/income	(320)	3,475
Operating expenses	(2,444)	(1,803)
Finance costs	(569)	(576)
Foreign exchange gain/(loss)	4,755	(2,263)
Share of profit/(loss) of an associate	364	(110)
Profit before taxation	<u><u>5,055</u></u>	<u><u>1,593</u></u>

Revenue improved 6.4% quarter-on-quarter on better business environment following the relaxation of movement control order and the gradual business recovery from the Covid-19 pandemic effect.

The foreign exchange differences which turned from a loss in the preceding quarter to a gain in the current quarter was due largely to the favourable exchange rate movement between Chinese Renminbi and Ringgit.

The financial results of edible oil and peanut trading business is reflected as share of results of an associate, reporting a share of profit of RM0.36 million for the current quarter and RM0.11 million share of loss for the preceding quarter.

B3 Commentary on prospects

As part of the diversification, the Group had on 12 December 2019 completed the acquisition of Wakuba Farm, a prawn farm, for RM100.0 million. Wakuba Farm is a matured asset, which is revenue-generating and is expected to contribute meaningfully to the Group's financial performance in the current and future financial years.

The Group premised this on the fact that the marine shrimp aquaculture market will continue growing due to a persistent increase in global and local demand for shrimps, declining levels of captured fisheries as well as growing consumer health consciousness. Nevertheless, the Group remains cautious on its short-term prospects due to the COVID-19 pandemic which has severely impacted the global economy.

In the longer term plan, the Group will look into the setting up of a processing plant to process prawns harvested from its farms. This will enable the Group to add value to its produce with better margin products such as "peeled and deveined" and "cooked" prawns to a wider market. The timeframe and financial resources required for this processing plant have yet to be determined at this juncture.

The Group envisaged that its prawn aquaculture business will be the main driver of its financial performance going forward.

B4 Profit forecast or profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Income tax:				
Current:				
- In Malaysia	-	6	-	22
- In the People's Republic of China	-	-	-	737
	-	6	-	759
- Overprovision in prior periods	-	(426)	-	-
Deferred tax:				
Origination of temporary differences	-	(375)	-	(262)
	-	(795)	-	497

The effective tax rate of the Group for the current quarter and year to-date is lower than the statutory tax rate on non-taxable gain and availability of tax allowances.

B6 Corporate proposals

- (a) There were no corporate proposals announced but not completed as at the LPD.
- (b) Status of utilisation of proceeds raised from Redeemable Convertible Notes ("RCN")

On 17 July 2019, the shareholders of the Company approved the issuance of RCN with an aggregate principal amount of up to RM120 million which are convertible into a maximum of 600 million ordinary shares at a minimum conversion price of RM0.20 each. RCN with an aggregate principal amount of RM71 million have been issued and converted into new ordinary shares of the Company at a conversion price of RM0.20 per share. The utilisation of the proceeds raised is as follows:

Purpose	Proposed Utilisation RM'000	Utilisation	
		as at 30-Sep-20 RM'000	Estimated timeframe *
(a) Financing the acquisition of a prawn farm	101,000	50,037	within 3 years
(b) Working capital for the prawn farm	9,000	3,947	within 6 months
(c) Estimated expenses in relation to the issuance of RCN:			
(i) Setting up costs	1,600	1,600	within 1 month
(ii) Implementation costs	8,400	7,247	within 3 years
	<u>120,000</u>	<u>62,831</u>	

* The estimated timeframe for the utilisation is from the date of issuance of the respective sub-tranches of the RCN.

B7 Borrowings and debt securities

The Group's borrowings, all of which are secured and denominated in Ringgit Malaysia, were as follows:

	30-Sep-20 RM'000 (Unaudited)	31-Dec-19 RM'000 (Audited)
Current:		
Trade working capital- <i>i</i>	1,988	-
Term financing - <i>i</i>	4,701	2,024
Cashline- <i>i</i>	498	200
	<u>7,187</u>	<u>2,224</u>
Non-current:		
Term financing - <i>i</i>	44,910	47,976
	<u>44,910</u>	<u>47,976</u>
Total	<u><u>52,097</u></u>	<u><u>50,200</u></u>

B8 Material litigations

The Group has no material litigation pending as at the LPD.

B9 Proposed dividends

No dividends have been declared or recommended for the current quarter and financial year to-date.

B10 Basic and diluted earnings/(loss) per share

	Individual Quarter		Cumulative Quarter	
	30-Sep-20 (Unaudited)	30-Sep-19 (Unaudited)	30-Sep-20 (Unaudited)	30-Sep-19 (Unaudited)
<u>Basic earnings/(loss) per share</u>				
Profit/(loss) attributable to owners of the Company (RM'000)				
- from continuing operations	5,073	(692)	6,322	(1,369)
- from discontinued operations	-	(5,034)	-	(3,405)
	<u>5,073</u>	<u>(5,726)</u>	<u>6,322</u>	<u>(4,774)</u>
Weighted average number of shares in issue ('000)	655,108	370,199	625,664	333,067
Basic earning/(loss) per share (Sen)				
- from continuing operations	0.77	(0.19)	1.01	(0.41)
- from discontinued operations	-	(1.36)	-	(1.02)
	<u>0.77</u>	<u>(1.55)</u>	<u>1.01</u>	<u>(1.43)</u>

Diluted earnings/(loss) per share

The fully diluted earning/(loss) per share on the basis of the assumed conversion of unissued RCN and Warrants have not been disclosed as the effect is anti-dilutive.

B11 Notes to the statement of comprehensive income

The profit/(loss) before tax is arrived at after taking into account of the following income/(expense) items:

	Individual Quarter		Cumulative Quarter	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Amortisation of land use rights	-	(78)	-	(245)
Depreciation of property, plant and equipment	(995)	(29)	(2,985)	(87)
Foreign exchanges gain/(loss)	4,755	(4,787)	2,762	(6,051)
Impairment loss on inventories	-	(4)	-	(542)
Interest and profit charges on bank borrowings	(569)	(2,366)	(1,721)	(6,942)
Interest income	177	433	261	795
Rental of office space	(22)	-	(67)	-

B12 Discontinued operations

The profit/(loss) attributable to the discontinued operations:

	Individual Quarter		Cumulative Quarter	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Revenue	-	81,131	-	521,857
Cost of sales	-	(79,019)	-	(507,692)
Gross profit	-	2,112	-	14,165
Other income	-	433	-	795
Operating expenses	-	(1,284)	-	(4,722)
Finance cost	-	(2,366)	-	(6,942)
Foreign exchange loss	-	(4,787)	-	(6,051)
Loss from operation	-	(5,892)	-	(2,755)
Taxation	-	795	-	(481)
Loss for the period	-	(5,097)	-	(3,236)

By Order of the Board

Wong Yuet Chyn
Company Secretary

27 November 2020