



MAG HOLDINGS BERHAD

(formerly known as XingHe Holdings Berhad)

200401004611 (643114-X)

(Incorporated in Malaysia)

Unaudited Fourth Quarter and 12 Months ended

31 December 2020

Interim Financial Statements Announcement

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

Condensed Consolidated Statement of Profit or Loss

	3 months		12 months	
	1.10.2020 to 31.12.2020 RM'000 (Unaudited)	1.10.2019 to 31.12.2019 RM'000 (Unaudited)	1.1.2020 to 31.12.2020 RM'000 (Unaudited)	1.1.2019 to 31.12.2019 RM'000 (Audited)
Continuing operations				
Revenue	19,027	1,624	50,610	1,624
Cost of sales	(16,046)	(1,316)	(40,849)	(1,316)
Gross profit	2,981	308	9,761	308
Other income	1,096	574	4,335	574
Operating expenses	(986)	(2,967)	(5,454)	(4,363)
Loss on dilution of equity interest in an associate	-	(22,413)	-	(22,413)
Finance costs	(1,057)	(5)	(2,778)	(5)
Foreign exchange gain/(loss)	330	(2,645)	3,092	(2,645)
Share of loss of an associate	(326)	-	(605)	-
Profit/(loss) before taxation	2,038	(27,148)	8,351	(28,544)
Taxation	-	(2)	-	(18)
Profit/(loss) from continuing operations	2,038	(27,150)	8,351	(28,562)
Discontinued operations				
Loss from discontinued operations, net of tax	-	(76,457)	-	(79,693)
Profit/(loss) for the period	2,038	(103,607)	8,351	(108,255)
Profit/(loss) for the period attributable to:				
Owners of the Company:				
- from continuing operations	2,041	(26,498)	8,363	(27,867)
- from discontinued operations	-	(77,483)	-	(80,888)
	2,041	(103,981)	8,363	(108,755)
Non-controlling interests:				
- from continuing operations	(3)	(652)	(12)	(695)
- from discontinued operations	-	1,026	-	1,195
	(3)	374	(12)	500
	2,038	(103,607)	8,351	(108,255)
Earnings/(loss) per share:				
Basic (Sen)				
- from continuing operations	0.30	(4.58)	1.30	(6.99)
- from discontinued operations	-	(13.40)	-	(20.29)
	0.30	(17.98)	1.30	(27.28)

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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Condensed Consolidated Statement of Comprehensive Income

	3 months		12 months	
	1.10.2020 to 31.12.2020 RM'000 (Unaudited)	1.10.2019 to 31.12.2019 RM'000 (Unaudited)	1.1.2020 to 31.12.2020 RM'000 (Unaudited)	1.1.2019 to 31.12.2019 RM'000 (Audited)
Profit/(loss) for the period	2,038	(103,607)	8,351	(108,255)
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Continuing operations:				
Foreign currency translations	15	(662)	10,432	(2,649)
Discontinued operations:				
Foreign currency translations	-	(1,255)	-	(7,789)
Total other comprehensive income for the period, net of tax	<u>15</u>	<u>(1,917)</u>	<u>10,432</u>	<u>(10,438)</u>
Total comprehensive income for the period, net of tax	<u><u>2,053</u></u>	<u><u>(105,524)</u></u>	<u><u>18,783</u></u>	<u><u>(118,693)</u></u>
Total comprehensive income attributable to:				
Owners of the Company				
- from continuing operations	2,056	(27,160)	18,795	(30,516)
- from discontinued operations	-	(77,740)	-	(87,679)
	<u>2,056</u>	<u>(104,900)</u>	<u>18,795</u>	<u>(118,195)</u>
Non-controlling interests				
- from continuing operations	(3)	(652)	(12)	(695)
- from discontinued operations	-	28	-	197
	<u>(3)</u>	<u>(624)</u>	<u>(12)</u>	<u>(498)</u>
	<u><u>2,053</u></u>	<u><u>(105,524)</u></u>	<u><u>18,783</u></u>	<u><u>(118,693)</u></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.

MAG Holdings Berhad
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Condensed Consolidated Statement of Financial Position

	31.12.2020	31.12.2019
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	114,625	98,549
Investment in an associate	90,989	94,339
Loan to an associate	250,902	234,723
Goodwill	1,388	1,388
	<u>457,904</u>	<u>428,999</u>
CURRENT ASSETS		
Biological assets	3,807	3,118
Inventories	821	502
Trade and other receivables	33,120	11,824
Cash and bank balances	104,241	94,936
	<u>141,989</u>	<u>110,380</u>
		0
TOTAL ASSETS	<u><u>599,893</u></u>	<u><u>539,379</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	366,074	346,680
Reserves	151,081	131,566
Total equity attributable to owners of the Company	<u>517,155</u>	<u>478,246</u>
Non-controlling interest	1,677	1,689
TOTAL EQUITY	<u><u>518,832</u></u>	<u><u>479,935</u></u>
NON-CURRENT LIABILITIES		
Bank borrowings	45,556	47,976
RCN- liability portion	3,280	-
Lease liability	277	72
	<u>49,113</u>	<u>48,048</u>
CURRENT LIABILITIES		
Trade and other payables	25,926	9,117
Bank borrowings	5,929	2,224
Lease liability	93	23
Taxation	-	32
	<u>31,948</u>	<u>11,396</u>
TOTAL LIABILITIES	<u><u>81,061</u></u>	<u><u>59,444</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>599,893</u></u>	<u><u>539,379</u></u>
Net assets per share (Sen)	<u><u>73</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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Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to owners of the Company						Non-Controlling Interests RM'000	Total Equity RM'000
	<-----Non-distributable----->			Distributable		Total		
	Share Capital RM'000	Equity portion of RCN RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	RM'000		RM'000	
At 1 January 2020	346,680	-	5,514	126,052	478,246	1,689	479,935	
Total comprehensive income								
Profit/(loss) for the period	-	-	-	8,363	8,363	(12)	8,351	
Foreign currency translations	-	-	10,432	-	10,432	-	10,432	
	-	-	10,432	8,363	18,795	(12)	18,783	
Transactions with owners of the Company								
Issuance of redeemable convertible notes ("RCN")	-	720	-	-	720	-	720	
Conversion of RCN into ordinary shares	22,000	-	-	-	22,000	-	22,000	
Amortisation of RCN transaction costs	(2,606)	-	-	-	(2,606)	-	(2,606)	
	19,394	720	-	-	20,114	-	20,114	
At 31 December 2020	366,074	720	15,946	134,415	517,155	1,677	518,832	

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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Condensed Consolidated Statement of Changes in Equity (Audited)

	Attributable to owners of the Company									
	<----->		Non-Distributable ----->				<-----Distributable----->		<----->	
	Share Capital RM'000	Redeemable Convertible Notes (RCN) 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	Non- Controlling Interests RM'000	Total Equity 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	-	-	-	-	-	-	(108,755)	(108,755)	500	(108,255)
Foreign currency translations	-	-	-	-	-	(9,440)	-	(9,440)	(998)	(10,438)
	-	-	-	-	-	(9,440)	(108,755)	(118,195)	(498)	(118,693)
Transactions with owners of the Company:										
Issue of ordinary shares pursuant to exercise of warrants	70	-	-	-	-	-	-	70	-	70
Issuance of RCN	-	55,000	-	-	-	-	-	55,000	-	55,000
Conversion of RCN into ordinary shares	55,000	(55,000)	-	-	-	-	-	-	-	-
Amortisation of RCN transaction costs	(5,083)	-	-	-	-	-	-	(5,083)	-	(5,083)
Disposal of a subsidiary	-	-	(3,983)	(18,901)	154,550	(37,902)	-	93,764	(38,873)	54,891
	49,987	-	(3,983)	(18,901)	154,550	(37,902)	-	143,751	(38,873)	104,878
At 31 December 2019	346,680	-	-	-	-	5,514	126,052	478,246	1,689	479,935

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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Condensed Consolidated Statement of Cash Flows

	1.1.2020	1.1.2019
	to	to
	31.12.2020	31.12.2019
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows from Operating Activities		
Profit/(loss) before taxation:		
from continuing operations	8,351	(28,544)
from discontinued operations	-	(78,729)
	8,351	(107,273)
Adjustments for:		
Amortisation of land use rights	-	329
Depreciation of property, plant and equipment	3,990	446
Fair value gain on loan to an associate	(3,987)	-
Finance costs	2,778	9,730
Interest income	(348)	(1,185)
Loss on disposal of a subsidiary	-	80,540
Loss on dilution of equity interest in an associate	-	22,413
Share of loss of an associate	605	-
Unrealised foreign exchange (gain)/loss	(3,092)	2,645
Write off of inventories	-	504
Write off of other receivables	-	1,358
Operating profit before working capital changes	8,297	9,507
Changes in working capital:		
Biological assets	(689)	479
Inventories	(320)	(2,066)
Receivables	(21,295)	(3,690)
Payables	11,461	18,188
Cash flows (used in)/generated from operations	(2,546)	22,418
Interest paid	(281)	(9,280)
Tax paid	(31)	(9)
Net cash (used in)/generated from operating activities	(2,858)	13,129
Cash Flows from Investing Activities		
Acquisition of a business	-	(100,000)
Net cash outflow from disposal of a subsidiary	-	(174,635)
Purchase of property, plant and equipment	(13,823)	(3,533)
Interest income	348	1,185
Net cash used in investing activities	(13,475)	(276,983)
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	-	70
Proceeds from issuance of redeemable convertible notes ("RCN")	26,000	55,000
RCN issuance expenses	(2,606)	(5,083)
Drawdown of bank borrowings, net	1,284	50,200
Repayment of lease liability	(24)	(22)
Net cash generated from financing activities	24,654	100,165
Net increase/(decrease) in cash and cash equivalents	8,321	(163,689)
Effects of exchange rate changes	984	(1,931)
Cash and cash equivalents at beginning of period	94,936	260,556
Cash and cash equivalents at end of period	104,241	94,936
Cash and cash equivalents comprise of:		
Cash and bank balances	104,241	94,936

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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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 2 - *Share-Based Payment*

Amendment to MFRS 3 - *Definition of a Business*

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

Amendment to MFRS 14 - *Regulatory Deferral Accounts*

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

Amendment to MFRS 134 - *Interim Financial Reporting*

Amendment to MFRS 137 - *Provisions, Contingent Liabilities and Contingent Assets*

Amendment to MFRS 138 - *Intangibles Assets*

Amendment to IC Interpretation 19 - *Extinguishing Financial Liabilities with Equity Instruments*

Amendment to IC Interpretation 22 - *Foreign Currency Transaction and Advance Consideration*

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:

	3 months		12 months	
	1.10.2020	1.10.2019	1.1.2020	1.1.2019
	to	to	to	to
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue by products:				
<u>Continuing operations</u>				
Sales of prawns and other seafood products	19,027	1,624	50,610	1,624
<u>Discontinued operations</u>				
Raw peanuts trading	-	66,235	-	567,640
Branded products	-	2,446	-	7,861
Non-branded products	-	6,590	-	19,196
Others	-	1,304	-	3,735
	-	76,575	-	598,432
	19,027	78,199	50,610	600,056
Gross profit/(loss) by products:				
<u>Continuing operations</u>				
Sales of prawns and other seafood products	2,981	308	9,761	308
<u>Discontinued operations</u>				
Raw peanuts trading	-	59	-	9,700
Branded products	-	471	-	1,823
Non-branded products	-	1,857	-	5,040
Others	-	(347)	-	(358)
	-	2,040	-	16,205
	2,981	2,348	9,761	16,513

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 financial period 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 financial period to-date.

A8 Seasonality or cyclical nature of operations

Live prawn aquaculture are generally affected by rainy season where prawn fries supply is reduced by the lower productivity of suppliers' broodstock. In addition, the quality of prawn fries supplied is usually 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 financial period to-date.

A10 Changes in debt and equity securities

During the current financial period 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 a total of RM26 million worth of Redeemable Convertible Notes ("**RCN**") of which RM22 million have been converted into 110 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 RM366.07 million, after accounting for the amortisation of RCN transaction costs of RM7.69 million.

Subsequent to the end of current quarter till 17 February 2021, 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 of RCNs.

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

A12 Contingent assets or liabilities

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

A13 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 fourth quarter ended 31 December 2020.

A14 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:

3 months		12 months	
1.10.2020	1.10.2019	1.1.2020	1.1.2019
to	to	to	to
31.12.2020	31.12.2019	31.12.2020	31.12.2019
RM'000	RM'000	RM'000	RM'000
(Unaudited)	(Unaudited)	(Unaudited)	(Audited)

With companies in which a Director who is also a substantial shareholder of the Company, have interests:

- Rental of office space	23	-	90	-
- Sale of prawns	2,276	1,624	8,238	1,624

A15 Fair value of financial instruments

Save for the fair value adjustment of RM3.98 million on loan to an associate in 12M2020, there were no gain or loss arising from fair value changes on financial assets and liabilities for the current quarter and financial period to-date.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

3 months ended 31 December 2020 ("Q42020")

On continuing operations, revenue for the three months' ended 31 December 2020 increased RM17.40 million to RM19.03 million from RM1.62 million a year ago ("Q42019"). Q42019 revenue comprised only one month revenue as the Group commenced its prawn aquaculture in December 2019. On profitability, the Group recorded a profit before taxation of RM2.038 million in Q42020 as compared to a loss before taxation of RM27.15 million in Q42019. Higher loss in Q42019 was due largely to loss on dilution of equity interest in an associate, Henan XingHe Oil and Fat Company Limited ("HXOF").

The financial performance of edible oil and peanut trading business under HXOF is shown as a share of result of an associate, following the classification of the investment from a subsidiary to an associate of the Group. HXOF continued to operate under difficult and challenging market conditions. The Group recognised a share of loss of RM0.326 million in Q42020.

The discontinued operations in the previous year's three and 12 months ended 31 December 2019 referred to the financial performance of HXOF, following the classification from a subsidiary to an associate.

12 months ended 31 December 2020 ("12M2020")

On continuing operations, the Group recorded a profit before taxation of RM8.35 million in 12M2020 on the back of RM50.61 million revenue from the prawn aquaculture and other seafood products business. The previous year's 12 months ended 31 December 2019 comprised only one month financial result as the Group commenced its prawn aquaculture business in December 2019. 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 RM4.33 million in 12M2020 derived largely from the fair value gain on loan to an associate, HXOF, amounting to RM3.98 million.

The 12M2020 results saw an unrealised foreign exchange gain of RM3.09 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 31.12.2020 RM'000 (Unaudited)	Preceding Quarter 30.9.2020 RM'000 (Unaudited)
Revenue	19,027	15,129
Cost of sales	(16,046)	(11,860)
Gross profit	<u>2,981</u>	<u>3,269</u>
Other income/(expense)	1,096	(320)
Operating expenses	(986)	(2,444)
Finance costs	(1,057)	(569)
Foreign exchange gain	330	4,755
Share of profit/(loss) of an associate	(326)	364
Profit before taxation	<u><u>2,038</u></u>	<u><u>5,055</u></u>

Revenue grew 25.8% quarter-on-quarter, reflecting a better business environment with a gradual economic recovery from the Covid-19 pandemic effect.

Other income for the current quarter derived largely from the fair value gain on loan to an associate, HXOF.

Lower operating expenses for the current quarter on better cost management and reversal of provision no longer required.

The financial results of edible oil and peanut trading business is reflected as share of results of an associate, reporting a share of loss of RM0.326 million for the current quarter compared to RM0.364 million share of profit 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

	3 months		12 months	
	1.10.2020 to 31.12.2020 RM'000 (Unaudited)	1.10.2019 to 31.12.2019 RM'000 (Unaudited)	1.1.2020 to 31.12.2020 RM'000 (Unaudited)	1.1.2019 to 31.12.2019 RM'000 (Audited)
Continuing operations:				
<u>Income tax:</u>				
Malaysian income tax:				
- Current year	-	10	-	32
- Overprovision in prior year	-	(14)	-	(14)
	-	(4)	-	18
<u>Deferred tax:</u>				
Origination of temporary differences	-	6	-	-
	-	2	-	18
Discontinued operations:				
<u>Income tax:</u>				
The People's Republic of China				
- Current year	-	(47)	-	690
<u>Deferred tax:</u>				
Origination of temporary differences	-	530	-	274
	-	483	-	964
Total	-	485	-	982

The effective tax rate of the Group for the current quarter and financial period 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")

Purpose	Proposed Utilisation RM'000	Utilisation as at 31.12.2020 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	8,256	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	7,886	within 3 years
	<u>120,000</u>	<u>67,779</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:

	31.12.2020 RM'000 (Unaudited)	31.12.2019 RM'000 (Audited)
Current:		
Trade working capital- <i>i</i>	1,374	-
Term financing - <i>i</i>	4,055	2,024
Cashline- <i>i</i>	500	200
	<u>5,929</u>	<u>2,224</u>
Non-current:		
Term financing - <i>i</i>	45,556	47,976
	<u>45,556</u>	<u>47,976</u>
Total	<u><u>51,485</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 period to-date.

B10 Basic and diluted earnings/(loss) per share

	3 months		12 months	
	1.10.2020 to 31.12.2020 (Unaudited)	1.10.2019 to 31.12.2019 (Unaudited)	1.1.2020 to 31.12.2020 (Unaudited)	1.1.2019 to 31.12.2019 (Audited)
<u>Basic earnings/(loss) per share</u>				
Profit/(loss) attributable to owners of the Company (RM'000)				
- from continuing operations	2,041	(26,498)	8,363	(27,867)
- from discontinued operations	-	(77,483)	-	(80,888)
	<u>2,041</u>	<u>(103,981)</u>	<u>8,363</u>	<u>(108,755)</u>
Weighted average number of shares in issue ('000)	689,108	578,297	641,525	398,618
Basic earning/(loss) per share (Sen)				
- from continuing operations	0.30	(4.58)	1.30	(6.99)
- from discontinued operations	-	(13.40)	-	(20.29)
	<u>0.30</u>	<u>(17.98)</u>	<u>1.30</u>	<u>(27.28)</u>
<u>Diluted earnings/(loss) per share</u>				

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

B11 Notes to the statement of comprehensive income

The profit/(loss) for the period from continuing and discontinued operations is arrived at after charging/(crediting):

	3 months		12 months	
	1.10.2020 to 31.12.2020 RM'000 (Unaudited)	1.10.2019 to 31.12.2019 RM'000 (Unaudited)	1.1.2020 to 31.12.2020 RM'000 (Unaudited)	1.1.2019 to 31.12.2019 RM'000 (Audited)
Amortisation of land use rights	-	84	-	329
Depreciation of property, plant and equipment	1,005	359	3,990	446
Interest and profit charges on bank borrowings	1,057	2,788	2,778	9,730
Interest income	(87)	(390)	(348)	(1,185)
Loss on disposal of a subsidiary	-	80,540	-	80,540
Loss on dilution of equity interest in an associate	-	22,413	-	22,413
Rental of office space	23	-	90	-
Unrealised foreign exchanges (gain)/loss	(330)	(3,406)	(3,092)	2,645
Write off /(write-back) of inventories	-	(38)	-	504
Write off of other receivables	-	1,358	-	1,358

B12 Discontinued operations

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

	3 months		12 months	
	1.10.2020 to 31.12.2020 RM'000 (Unaudited)	1.10.2019 to 31.12.2019 RM'000 (Unaudited)	1.1.2020 to 31.12.2020 RM'000 (Unaudited)	1.1.2019 to 31.12.2019 RM'000 (Audited)
Revenue	-	76,575	-	598,432
Cost of sales	-	(74,535)	-	(582,227)
Gross profit	-	2,040	-	16,205
Other (expense)/ income	-	(184)	-	611
Operating expenses	-	(558)	-	(5,280)
Finance cost	-	(2,783)	-	(9,725)
Loss on disposal of discontinued operation	-	(74,489)	-	(80,540)
Loss from operation	-	(75,974)	-	(78,729)
Taxation	-	(483)	-	(964)
Loss for the period	-	(76,457)	-	(79,693)

By Order of the Board

Wong Yuet Chyn
Company Secretary

23 February 2021