

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2020**

	Note	3 months ended		Cumulative 12 months ended	
		31/12/20	31/12/19	31/12/20	31/12/19
		RM'000	RM'000	RM'000	RM'000
REVENUE		15,390	15,987	56,167	58,668
COST OF SALES		(11,398)	(11,456)	(42,770)	(46,334)
GROSS PROFIT		<u>3,992</u>	<u>4,531</u>	<u>13,397</u>	<u>12,334</u>
OTHER INCOME		2,934	289	5,062	647
ADMINISTRATIVE EXPENSES		(3,302)	(4,730)	(13,363)	(15,832)
SELLING AND DISTRIBUTION EXPENSES		(211)	(250)	(765)	(843)
OTHER EXPENSES		(662)	(1,270)	(1,868)	(1,366)
FINANCE COST		(80)	(125)	(424)	(505)
PROFIT/(LOSS) BEFORE TAX		<u>2,671</u>	<u>(1,555)</u>	<u>2,039</u>	<u>(5,565)</u>
TAX EXPENSE	24	(676)	2,088	(739)	2,046
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD/YEAR		<u>1,995</u>	<u>533</u>	<u>1,300</u>	<u>(3,519)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME					
Foreign currency translation difference		(46)	70	239	(207)
		<u>(46)</u>	<u>70</u>	<u>239</u>	<u>(207)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD/YEAR		<u>1,949</u>	<u>603</u>	<u>1,539</u>	<u>(3,726)</u>
PROFIT/(LOSS) attributable to:					
Owners of the parent		1,871	252	2,002	(2,438)
Non-controlling interests		124	281	(702)	(1,081)
		<u>1,995</u>	<u>533</u>	<u>1,300</u>	<u>(3,519)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,825	322	2,241	(2,645)
Non-controlling interests		124	281	(702)	(1,081)
		<u>1,949</u>	<u>603</u>	<u>1,539</u>	<u>(3,726)</u>
Earning/(Loss) per share (sen)					
Basic	25	0.95	0.14	1.02	(1.36)
Diluted	25	#	0.12	#	##

Warrants 2015/2020 expired on 7 October 2020.

Warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
		As at 31/12/2020	As at 31/12/2019
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		25,872	27,868
Right-of-use assets		4,073	4,426
Deferred tax assets		764	1,422
Trade receivables		920	1,010
Other receivables		1,293	-
		<u>32,922</u>	<u>34,726</u>
Current assets			
Inventories		636	698
Trade receivables		14,665	16,854
Other receivables		4,174	3,330
Tax recoverable		13	41
Deposits with licensed banks		540	523
Cash and bank balances		3,886	6,030
		<u>23,914</u>	<u>27,476</u>
TOTAL ASSETS		<u>56,836</u>	<u>62,202</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		50,973	48,115
Accumulated losses		(234)	(2,329)
Other reserves		(22,112)	(22,258)
		<u>28,627</u>	<u>23,528</u>
Non-controlling interests		8,766	9,468
TOTAL EQUITY		<u>37,393</u>	<u>32,996</u>
Non-current liabilities			
Other payables		159	501
Borrowings	20	2,067	2,102
Lease liabilities		1,709	1,643
Deferred tax liabilities		155	155
		<u>4,090</u>	<u>4,401</u>
Current liabilities			
Trade payables		5,579	8,082
Other payables		5,320	10,630
Borrowings	20	1,834	3,240
Lease liabilities		2,620	2,808
Tax payable		-	45
		<u>15,353</u>	<u>24,805</u>
TOTAL LIABILITIES		<u>19,443</u>	<u>29,206</u>
TOTAL EQUITY AND LIABILITIES		<u>56,836</u>	<u>62,202</u>
Net assets per share attributable to owners of the parent (RM)		<u>0.15</u>	<u>0.13</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020

Cumulative year ended 31 December 2020

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	OTHER RESERVE RM'000				ACCUMULATED LOSSES RM'000
Balance as at 31.12.2019, as previously stated	48,115	-	(22,246)	93	3,842	(3,947)	(2,329)	23,528	9,468	32,996
Warrant conversion exercise	233	-	-	-	-	-	-	233	-	233
Private placement exercise	2,625	-	-	-	-	-	-	2,625	-	2,625
Warrants expired	-	-	-	(93)	-	-	93	-	-	-
Transaction with owners:-										
Profit/(Loss) for the financial year	-	-	-	-	-	-	2,002	2,002	(702)	1,300
Other comprehensive gain for the financial year	-	-	-	-	239	-	-	239	-	239
Total comprehensive profit/(loss) for the financial year	-	-	-	-	239	-	2,002	2,241	(702)	1,539
Balance as at 31.12.2020	50,973	-	(22,246)	-	4,081	(3,947)	(234)	28,627	8,766	37,393

Cumulative year ended 31 December 2019

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	OTHER RESERVE RM'000				RETAINED EARNINGS/ (ACCUMULATED LOSSES) RM'000
Balance as at 31.12.2018, as previously stated	48,115	-	(22,246)	93	4,049	(3,947)	195	26,259	10,549	36,808
Effect on adopting MFRS 16	-	-	-	-	-	-	(86)	(86)	-	(86)
Adjusted balance as at 01.01.2019	48,115	-	(22,246)	93	4,049	(3,947)	109	26,173	10,549	36,722
Loss for the financial year	-	-	-	-	-	-	(2,438)	(2,438)	(1,081)	(3,519)
Other comprehensive loss for the financial year	-	-	-	-	(207)	-	-	(207)	-	(207)
Total comprehensive loss for the financial year	-	-	-	-	(207)	-	(2,438)	(2,645)	(1,081)	(3,726)
Balance as at 31.12.2019	48,115	-	(22,246)	93	3,842	(3,947)	(2,329)	23,528	9,468	32,996

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited consolidated financial statements of Mclean Technologies Berhad for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020**

	12 months ended	
	31/12/2020	31/12/2019
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,039	(5,565)
Adjustments for:		
Allowance for impairment loss on trade receivables	1,103	68
Bad debt written off	45	459
Depreciation of property, plant and equipment	3,571	4,800
Depreciation of right-of-use assets	3,554	3,395
Excess of net fair value over acquisition cost		-
Loss on disposal of property, plant and equipment	81	68
Property, plant and equipment written off		364
Interest expenses	424	504
Interest income	(24)	(15)
Unrealised loss on foreign exchange	84	(267)
Operating profit before working capital changes	<u>10,877</u>	<u>3,811</u>
Changes in working capital:-		
Inventories	62	296
Receivables	(913)	(4,953)
Payables	(8,085)	4,213
CASH GENERATED FROM OPERATIONS	<u>1,941</u>	<u>3,367</u>
Interest paid	-	(252)
Tax (paid)/refunded	(99)	562
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>1,842</u>	<u>3,677</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,671)	(1,943)
Proceeds from disposal of property, plant and equipment	7	301
Interest received	24	15
Placements of deposits pledged with licenced banks	(17)	(12)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,657)</u>	<u>(1,639)</u>
FINANCING ACTIVITIES		
Repayment of account receivables financing	(1,408)	(99)
Interest paid	(424)	(238)
Proceed from warrant conversion	233	-
Proceed from private placement	2,625	-
Advances from directors	-	1,026
Repayment to directors	-	(629)
Repayment of finance lease liabilities	-	-
Repayment of lease liabilities	(3,323)	(3,346)
Proceed from term loan	-	2,169
Repayment of term loan	(30)	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	<u>(2,327)</u>	<u>(1,117)</u>
CASH AND CASH EQUIVALENTS		
Net changes	(2,142)	921
Brought forward	6,030	5,102
Effects of exchange translation differences on cash and cash equivalents	(2)	7
Carried forward	<u>3,886</u>	<u>6,030</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial statements.)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. Basis of Preparation

The Condensed Interim Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Statements also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to these condensed consolidated interim financial statements 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.

2. Significant Accounting Policies

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those adopted for the financial year ended 31 December 2019, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2020.

- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform
- Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above standards, amendments and annual improvement did not have any material financial impacts to the Group.

Standards issued but not yet effective

- i) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 June 2020
 - Amendment to MFRS 16, Leases – Covid-19 Related Rent Concessions
- ii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021
 - Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Insurance Contracts: Interest Rate Benchmark Reform-Phase 2
- iii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022
 - Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020”
 - Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework

2. Significant Accounting Policies (continued)

Standards issued but not yet effective (continued)

- iii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022 (continued)
- Amendments to MFRS 116, Property, Plant and Equipment – Property, Plant and Equipment – Proceeds before Intended Use
 - Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- iv) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023
- MFRS 17, Insurance Contracts
 - Amendments to MFRS17, Insurance Contracts
 - Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- v) MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group does not plan to apply MFRS 17, Insurance Contract that is effective for annual periods beginning on 1 January 2023 as it is not applicable to the Group. The adoption of the applicable accounting standards are not expected to have any material impacts to the financial statements of the Group up on the initial adoption.

3. Audit Report of Preceding Annual Financial Statements

The preceding year annual audited financial statements were not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's operations were not subject to any seasonal or cyclical changes.

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

Except for other income arising from compensation received and other expenses impairment of assets (see note 26), there were no other item which is unusual because of its size or incidences that has affected the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter under review.

6. Material Changes in Estimates

There were no material changes in estimates for the quarter ended 31 December 2020.

7. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial quarter.

22,240,996 Warrants expired on 7 October 2020 and has been withdrawn.

8. Dividend Paid

There were no dividends declared or paid by the Group for the current quarter under review.

9. Segmental Reporting

The segmental results of the Group for the current and previous financial year-to-date under review is set out below:

Geographical information

Revenue information based on the geographical location of customers are as follows:-

Location	<u>12 Months Ended</u>	<u>12 Months Ended</u>
	31.12.2020	31.12.2019
	RM'000	RM'000
People's Republic of China	2,500	3,973
Malaysia	20,347	26,094
Singapore	48,860	41,232
Others	2,139	2,891
Inter segment	(17,679)	(15,522)
	<u>56,167</u>	<u>58,668</u>

The business of the Group is generated from the business of surface treatment, precision cleaning, clean bulkpack and related service mainly in HDD and consumer electrics industries and there is only one business segment identified by the management.

10. Valuation of Property, Plant and Equipment

The Group's property, plant and equipment were stated at cost less accumulated depreciation.

11. Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

13. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

The Group has secured and unsecured bank guarantee given to the Royal Malaysian Customs Department and licensed bank for credit facilities granted to a subsidiary for RM400,000 and RM835,942 respectively.

(b) Contingent assets

There were no contingent assets as at the end of current financial quarter.

14. Capital Commitment

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Authorised but not contracted for:-		
Office equipment, electrical fittings and furniture and fittings	-	3
Plant and machineries	27	179
	27	182

15. Review of Performance

Comparison between Current Financial Quarter Ended 31 December 2020 and Previous Corresponding Quarter Ended 31 December 2019

A summary of the Group’s performance is set out below:-

	3 Months Ended			
	31.12.2020	31.12.2019		
	Surface Treatment & Precision Cleaning RM'000	Surface Treatment & Precision Cleaning RM'000	Increase/(Decrease) RM'000	%
Revenue	15,390	15,987	(597)	(3.73)
Gross profit	3,992	4,531	(539)	(11.90)
Profit/(Loss) before tax	2,671	(1,555)	4,226	NA
Profit after tax	1,995	533	1,462	274.30
Profit attributable to owners of the parent	1,871	252	1,619	642.46

Surface Treatment & Precision Cleaning Division

Revenue for the current financial quarter decreased by 3.73% as compared to the previous corresponding quarter. The decline is mainly from surface treatment services.

The overall gross profit margin decline to 25.94% for the current financial quarter as compared with 28.34% in the previous corresponding quarter as a result of change in precision cleaning product mix. There were lower cleanroom assembly services revenue in the current financial quarter as compared with previous corresponding quarter.

The Group’s administrative expenses decreased by RM1,428,000 as compared to the previous corresponding quarter mainly due to cost reduction in indirect staff salaries & benefits and lower legal & professional fees.

The Group’s other expenses decreased by RM608,000 mainly due to net decreased in bad debts written off and loss on disposal of property, plant and equipment approximately RM459,000 and RM350,000 in the current financial quarter as compared with previous corresponding quarter.

The Group’s other income increased by RM2,645,000 as compared to the previous corresponding quarter mainly due to the compensation received by the company approximately RM2,586,000 in the current financial quarter as compared with previous corresponding quarter.

Overall, the Group reported a profit before tax of RM2.671 million in the current financial quarter as compared to a loss before tax of RM1.555 million in the previous corresponding quarter.

15. Review of Performance (continued)

Comparison between Current Period-to-date Ended 31 December 2020 and Previous Corresponding Period-to-date Ended 31 December 2019

A summary of the Group’s performance is set out below:-

	12 Months Ended		Increase/(Decrease)	
	31.12.2020	31.12.2019		
	Surface Treatment & Precision Cleaning	Surface Treatment & Precision Cleaning	RM’000	%
	RM’000	RM’000		
Revenue	56,167	58,668	(2,501)	(4.26)
Gross profit	13,397	12,334	1,063	8.62
Profit/(Loss) before tax	2,039	(5,565)	7,604	NA
Profit/(Loss) after tax	1,300	(3,519)	4,819	NA
Profit/(Loss) attributable to owners of the parent	2,002	(2,438)	4,440	NA

Surface Treatment & Precision Cleaning Division

Revenue for the current period-to-date decreased by 4.26% as compared to the preceding corresponding period-to-date. The decline is mainly from surface treatment services.

Overall gross profit margin increased from 21.02% to 23.85% in the current period-to-date. The gross margin improvement is the result of costs reduction and costs rationalisation efforts by the surface treatment factories.

The Group’s administrative expenses decreased by RM2,469,000 as compared to the previous corresponding period-to-date mainly due to decrease of indirect staff salaries & benefits, legal & professional fees and travelling expenses.

The Group’s other expenses increased by RM502,000 mainly due to the allowance for impairment loss on trade receivables increased by RM1,035,000 and loss on foreign exchange increased by RM268,000 on in current period-to-date and partially offset by the decreased in bad debts written off and loss on disposal of property, plant and equipment which occurred in previous corresponding period-to-date of approximately RM414,000 and RM350,000 respectively

The Group’s other income increased by RM4,415,000 as compared to the previous corresponding period-to-date mainly due to the Covid-19 related government grant received from our Singapore and Malaysia subsidiary companies approximately RM1,869,000 and compensation received by the company approximately RM2,586,000 as compared with previous corresponding period-to-date.

Overall, the Group reported a profit before tax of RM2.039 million in the current financial period-to-date as compared to a loss before tax of RM5.565 million in the previous year corresponding period-to-date.

16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter		
	31.12.2020	30.09.2020		
	Surface Treatment & Precision Cleaning	Surface Treatment & Precision Cleaning	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	15,390	14,596	794	5.44
Gross profit	3,992	4,231	(239)	(5.65)
Profit before tax	2,671	139	2,532	1,821.58
Profit after tax	1,995	139	1,856	1,335.25
Profit attributable to owners of the parent	1,871	878	993	113.10

Surface Treatment & Precision Cleaning Division

Revenue for the current quarter increased by 5.44% as compared to the immediate preceding quarter. The increase is mainly from surface treatment services.

Overall gross profit margin decreased from 28.99% to 25.94% in the current quarter. Precision cleaning gross profit margin decreased 4.12% to 25.88% as compared to 30.00% in the immediate preceding quarter. Surface treatment gross profit margin was increased 1.89% in the current quarter as compared to the immediate preceding quarter.

The Group’s administrative expenses remain about the same in current quarter as compared with immediate preceding quarter.

The Group’s other expenses decreased by RM253,000 as compared to the immediate preceding quarter mainly due to lower loss on foreign exchange in the current quarter.

The Group’s other income increased by RM2,434,000 mainly due to compensation received by the company approximately RM2,586,000 and the Covid-19 related government grant received from our Singapore subsidiary company decreased by RM168,000 as compared to the immediate preceding quarter.

The Group registered a profit before tax of RM2.671 million as compared to a profit before tax of RM0.139 million in the immediate preceding quarter.

17. Future Prospects

The Hard Disk Drive industry (HDD) is expected to remain stable for the 1st half of 2021. To remain as the choice service provider for our key customers, we strive for production efficiency and further cost reduction & rationalization. Some of our factories are exploring alternative source of energy and recycling efforts to lower utility consumption and costs

Historically operating performance in the 1st half year is weak. We expect this trend to remain for 2021.

18. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter.

19. Status of Corporate Proposals

There is no corporate proposal announced but not completed as at the date of this report.

20. Group Borrowings and Debt Securities

The Group’s borrowings as at 31 December 2020 presented as follows:-

	As at 4th quarter ended 2020					
	Long term		Short term		Total borrowings	
	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000
Secured						
Term loan	-	2,067	-	73	-	2,140
Factoring loan	-	-	579	1,761	579	1,761

	As at 4th quarter ended 2019					
	Long term		Short term		Total borrowings	
	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000
Secured						
Term loan	-	2,102	-	67	-	2,169
Factoring loan	-	-	1,044	3,173	1,044	3,173

The total borrowings denominated in foreign currency as at 31 December 2020 are: -

	RM’000
Foreign currency – SGD 578,913 @ RM3.0423/SGD	1,761

The factoring loan is charged at an effective interest rate of approximately 3.25% per annum. The term loan is charged at an effective interest rate of 4.40% per annum.

21. Off Balance Sheet Financial Instruments

As at 31 December 2020, the Group does not have any off balance sheet financial instrument.

22. Material Litigation

There was no pending material adverse litigation from 1 January 2020 up to the date of this quarterly announcement.

23. Dividend Payable

There was no dividend payable or proposed during the current quarter ended 31 December 2020.

24. Tax (Income)/Expense

Details of taxation are as follows: -

	3 Months Ended		12 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Current taxation	16	40	16	62
Under provision in prior year	-	(10)	63	10
Deferred tax	660	(2,118)	660	(2,118)
	<u>676</u>	<u>(2,088)</u>	<u>739</u>	<u>(2,046)</u>
Effective tax rate	25%	(134%)	36%	(37%)
Statutory tax rate	24%	24%	24%	24%
Variance	1%	NA	12%	NA

The variance between the effective and statutory tax rate for year 2020 was mainly due to profits in certain subsidiaries cannot be offset against the taxable losses of other subsidiaries in different countries tax jurisdiction.

The tax income for year 2019 was mainly due to deferred tax asset recognised from unused tax losses arising from a subsidiary in Singapore as management considered the subsidiary had commenced profit-making for some time to the extent that it is probable that taxable profit will be available against which such tax losses can be utilised.

25. Earnings/Loss Per Share (“EPS/LPS”)

The calculation of the earnings/loss per share is based on the net profit/(loss) divided by the weighted average number of ordinary shares.

	3 Months Ended		Cumulative 12 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net profit/(loss) for the period attributable to owners of the parent (RM'000)	1,871	252	2,002	(2,438)
Weighted average number of ordinary shares in issue ('000)*	197,213	197,213	196,163	196,163@
Basic earning/(loss) per share (sen)	0.95	0.13	1.02	(1.24)

@ Adjusted for 17,500,000 ordinary shares issued under the private placement and 935,000 warrants exercised in order to be comparable with the current period's presentation.

25. Earnings/Loss Per Share (“EPS/LPS”) (continued)

	3 Months Ended		Cumulative 12 Months Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net profit/(loss) for the period attributable to owners of the parent (RM'000)	1,871	252	2,002	(2,438)
Weighted average number of ordinary shares in issue ('000)	197,213	178,778#	196,163*	178,778#
Basic earning/(loss) per share (sen)	0.95	0.14	1.02	(1.36)

* Adjusted for 17,500,000 ordinary shares issued under the private placement and 935,000 warrants exercised in order to be comparable with the current period's presentation.

Comparative figures were based on quarterly announcement made for the 12 months year ended 31 December 2019.

26. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Profit/(Loss) before tax is arrived at after charging/(crediting) the following items:-

	3 Months Ended 31 December 2020 RM'000	12 Months Ended 31 December 2020 RM'000
(a) Interest income	(18)	(24)
(b) Other income including investment income	(2,916)	(5,038)
(c) Interest expenses	80	424
(d) Depreciation and amortisation	1,962	7,125
(e) Bad debts written off	(8)	45
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	303	1,103
(i) Foreign exchange loss/(gain)	153	505
(j) Gain or loss on derivatives	-	-
(k) Exceptional items – Compensation received	(2,586)	(2,586)

- End -