

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	32,868	20,921	32,868	20,921
Cost of sales	(27,714)	(17,174)	(27,714)	(17,174)
Gross Profit ("GP")	5,154	3,747	5,154	3,747
Others income	40	1,785 ⁽²⁾	40	1,785 ⁽²⁾
Administration expenses	(2,695)	(2,670)	(2,695)	(2,670)
Net gain on impairment of financial instruments	(30)	(116)	(30)	(116)
Finance costs	(397)	(30)	(397)	(30)
Share of results of associate companies	270	55	270	55
Profit before taxation ("PBT")	2,342	2,771	2,342	2,771
Taxation	(523)	(725)	(523)	(725)
Profit for the period ("PAT")	1,819	2,046	1,819	2,046
Other comprehensive income				
Share of other comprehensive income in associate	-	-	-	-
Total comprehensive income	1,819	2,046	1,819	2,046
Profit for the period attributable to:				
- Owners of the Company	1,819	2,046	1,819	2,046
- Non-controlling interests	-	-	-	-
	1,819	2,046	1,819	2,046
Total comprehensive income attributable to:				
- Owners of the Company	1,819	2,046	1,819	2,046
- Non-controlling interests	-	-	-	-
	1,819	2,046	1,819	2,046
Weighted average number of ordinary shares ('000)	166,000	166,000	166,000	166,000
Earnings per share attributable to owners of the Company (sen):				
- Basic ⁽³⁾	1.10	1.23	1.10	1.23
- Diluted ⁽⁴⁾	1.10	1.23	1.10	1.23

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (1) (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of Tri-Mode System (M) Berhad (“**TMS**” or “**Company**”) and its subsidiaries (“**Group**”) for financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) Consist of one-off liquidated damages compensation of RM1.62 million from the Pulau Indah Land developer on 21 February 2020 due to late delivery of vacant possession as per sales and purchase agreements.
- (3) Basic earnings per share of the Group for the quarter and year to date is calculated based on weighted average number of ordinary shares of 166,000,000.
- (4) Diluted earnings per share of the Group for the quarter and year to date is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31.03.2021	Audited As at 31.12.2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	76,202	76,474
Right of use assets	19,866	20,088
Other investments	175	175
Investment in associate companies	4,997	4,727
	101,240	101,464
Current assets		
Inventories	178	132
Trade receivables	20,545	15,269
Other receivables	2,866	2,048
Tax recoverable	157	153
Other investments	12	12
Fixed deposits with licensed banks	3,387	2,731
Cash and bank balances	2,277	1,357
	29,422	21,702
TOTAL ASSETS	130,662	123,166
EQUITY AND LIABILITIES		
Equity		
Share capital	47,503	47,503
Acquisition reserves	(5,533)	(5,533)
Retained earnings	35,680	33,861
Total Equity	77,650	75,831
Liabilities		
Non-current liabilities		
Bank borrowings	24,698	22,823
Lease liabilities	2,155	2,713
Deferred tax liabilities	4,308	4,374
	31,161	29,910

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (CONT'D)

	Unaudited As at 31.03.2021	Audited As at 31.12.2020
	RM'000	RM'000
Current liabilities		
Trade payables	8,583	5,795
Other payables	4,584	4,043
Amount due to associate companies	2,786	2,777
Lease liabilities	2,685	2,780
Bank borrowings	3,000	1,851
Tax payable	213	179
	21,851	17,425
Total liabilities	53,012	47,335
TOTAL EQUITY AND LIABILITIES	130,662	123,166
NET ASSETS PER SHARE (RM)	0.47	0.46
Number of ordinary shares ('000)	166,000	166,000

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Non-distributable		Distributable	Total
	Share capital	Acquisition reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2021	47,503	(5,533)	33,861	75,831
Profit for the period	-	-	1,819	1,819
Dividend to owners of the Company	-	-	-	-
Balance at 31 March 2021	47,503	(5,533)	35,680	77,650
At 1 January 2020, as previously stated	47,503	(5,533)	29,983	71,953
Profit for the period	-	-	5,538	5,538
Dividends to owners of the Company	-	-	(1,660)	(1,660)
Balance at 31 December 2020	47,503	(5,533)	33,861	75,831

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	31.03.2021	31.03.2020
	RM'000	RM'000
Cash flow From Operating Activities		
Profit before tax	2,342	2,771
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment ("PPE')	464	446
Depreciation of right of use assets	400	449
Reversal on impairment losses on trade receivables	30	-
Interest paid	404	116
Others income/interest received	(8)	(1,750)
Share of profit in associate companies	(270)	(55)
Unrealised (gain)/loss on foreign exchange	(7)	(27)
Operating profit before working capital changes	3,355	1,950
<u>Changes in working capital</u>		
Inventories	(46)	(73)
Receivables	(6,125)	(1,341)
Payables	4,408	(1,079)
Associate companies	9	175
	(1,754)	(2,318)
Cash generated from operating activities	1,601	(368)
Interest paid	(404)	(116)
Interest received	8	1,750
Tax paid	(559)	(167)
Net Cash flows from operating activities	646	1,099
Cash flow From Investing Activities		
Short term investment	(648)	-
Purchase of PPE	(191)	(4,722)
Proceeds from disposal of PPE	-	142
Net Cash flows used in investing activities	(839)	(4,580)

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾ (CONT'D)

	PERIOD-TO-DATE	
	31.03.2021	31.03.2020
	RM'000	RM'000
Cash flow From Financing Activities		
Drawdown of term loan	1,064	-
Dividend paid	(1,079)	
Repayment of bank borrowings	-	(180)
Net change of revolving credit	2,000	(800)
Repayment of finance lease liabilities	(832)	(733)
Interest expenses on lease liabilities	-	(203)
Increase/(decrease) in fixed deposits	-	4,460
Net Cash flows from financing activities	1,153	2,544
Net increase/(decrease) in cash and cash equivalents	960	(937)
Effect of exchange rate changes in cash & cash equivalent	-	26
Cash and cash equivalents at beginning of the period	1,767	8,170
Cash and cash equivalents at the end of the period	2,727	7,259
Cash and Cash Equivalents		
Cash and bank balances	2,277	771
Fixed deposits with licensed banks	3,387	13,527
Bank Overdraft	-	(1,112)
	5,664	13,186
Less: Fixed deposits pledged with licensed banks	(1,406)	(1,937)
Add/(Less): Fixed deposits with licensed banks less/(more) than 3 months	(1,531)	(3,990)
	2,727	7,259

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2021

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2021

A1. Basis of preparation

The interim financial report of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2021 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2020 except as disclosed below:

The following revised MFRSs and Amendments to MFRSs that effective from 1 January 2021 have been issued by the MASB:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

Amendments to MFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021

The adoption of the above pronouncements has no material financial impact to the Group and the Company.

A3. Auditors’ report

The auditors’ report on the preceding year audited financial statements was not subject to any qualification.

A4. Seasonal or cyclical factors

We experience sales fluctuations in our business during festive periods such as Hari Raya and Chinese New Year as there are lesser working days compared to the normal month with normal working days.

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A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6. Material changes in estimates

There were no material changes in the estimates in the current financial quarter under review.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial quarter under review.

A8. Dividends paid

On 23 February 2021, the Board has approved the declaration and payment of second single-tier interim dividend of 0.35 sen per ordinary share totalling RM581,000 in respect of the financial year ended 31 December 2020. The entitlement to dividend was determined based on the record of depositors as at 18 March 2021 whilst the payment was made on 16 April 2021.

A9. Contingent liabilities or contingent assets

There were no other contingent liabilities or contingent assets as at the date of this interim financial report.

A10. Changes in the composition of the Group

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

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A11. Segmental reporting

The Group is principally involved in the provision of sea freight, container haulage, air freight, freight forwarding, warehousing and marine insurance services.

(a) Revenue by business activities

The table below set out the breakdown of the Group's revenue by business activities for the financial quarter under review:

	3-MONTH ENDED		PERIOD-TO-DATE			
	31.03.2021	31.03.2020	31.03.2021	%	31.03.2020	%
	RM'000	RM'000	RM'000		RM'000	
Sea freight	24,602	12,608	24,602	74.9	12,608	60.3
Container haulage	5,518	5,651	5,518	16.8	5,651	27.0
Air freight	1,883	1,841	1,883	5.7	1,841	8.8
Freight forwarding	596	533	596	1.8	533	2.5
Warehousing	230	255	230	0.7	255	1.2
Marine insurance	39	33	39	0.1	33	0.2
Total Revenue	32,868	20,921	32,868	100	20,921	100

Sea freight, container haulage and air freight segment are the top 3 revenue contributors under the financial period under review. The factors affecting our top 3 key revenue contributors are as follows:

- (i) fluctuation in sea freight rate;
- (ii) fluctuation in fuel price; and
- (iii) fluctuation in air freight rate.

(b) Revenue by geographical regions

The table below set out the breakdown of the Group's revenue by geographical regions for the financial period under review:

	3-MONTH ENDED		PERIOD-TO-DATE			
	31.03.2021	31.03.2020	31.03.2021	%	31.03.2020	%
	RM'000	RM'000	RM'000		RM'000	
Malaysia	27,276	18,134	27,276	83.0	18,134	86.7
Overseas	5,592	2,787	5,592	17.0	2,787	13.3
Total Revenue	32,868	20,921	32,868	100	20,921	100

A12. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

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A13. Material events subsequent to the end of the current financial quarter

The COVID-19 outbreak has brought significant economic uncertainties in Malaysia and markets in which the Company operates. Subsequent to current financial quarter, the government of Malaysia had on 12 May 2021 imposed the Movement Control Order again (“MCO”) for all states throughout Malaysia, the Group will continue to monitor and take appropriate and timely measures to minimise the financial impact to the Group for the financial year ending 31 December 2021. Other than the impact of COVID-19 pandemic, there was no subsequent material event as at the date of this report.

A14. Related Party Transactions

Related party transactions have been entered into in the normal course of business and have been established on terms and conditions that are not more favourable to the related parties. The significant related party transactions of the Group are as follows:

Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
(a) Atama Logistics (M) Sdn Bhd				
Trade receivable	5,929	2,580	5,929	2,580
Trade payable	8,716	5,083	8,716	5,083
Net amount payable/(receivable)	2,787	2,503	2,787	2,503
Services income	3,766	3,741	3,766	3,741
Services expenses	6,348	5,260	6,348	5,260

Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
(b) Container Connections (M) Sdn Bhd				
Trade receivable	-	-	-	-
Trade payable	9	5	9	5
Net amount payable/(receivable)	9	5	9	5
Services income	-	-	-	-
Services expenses	35	15	35	15

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Transaction with companies in which certain Directors have financial interests	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
(a) PT. Oriental Logistics Indonesia				
Trade receivable	2	1	2	1
Trade payable	4	-	4	-
Net amount payable/(receivable)	2	(1)	2	(1)
Services income	1	1	1	1
Services expenses	4	10	4	10
(b) Oriental Thailand				
Trade receivable	-	-	-	-
Trade payable	11	-	11	-
Net amount payable/(receivable)	11	-	11	-
Services income	-	-	-	-
Services expenses	11	-	11	-

A15. Capital commitments

There was no material capital commitment during the quarter under review.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Performance

	3-MONTH ENDED		CHANGE		PERIOD-TO-DATE		CHANGE	
	31.03.2021	31.03.2020	RM'000	%	31.03.2021	31.03.2020	RM'000	%
(Unaudited)	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	32,868	20,921	11,947	57.11	32,868	20,921	11,947	57.11
GP	5,154	3,747	1,407	37.55	5,154	3,747	1,407	37.55
PBT	2,342	2,771 ⁽¹⁾	(429)	(15.48)	2,342	2,771 ⁽¹⁾	(429)	(15.48)
PAT	1,819	2,046 ⁽¹⁾	(227)	(11.09)	1,819	2,046 ⁽¹⁾	(227)	(11.09)

Notes:

(1) Consist of one-off liquidated damages compensation of RM1.62 million from the Pulau Indah Land developer on 21 February 2020 due to late delivery of vacant possession as per sales and purchase agreements.

The Group recorded revenue of RM32.87 million for the current financial quarter ended 31 March 2021, an increase of 57.11% from the previous year corresponding quarter of RM20.92 million. The increase in revenue was contributed by higher revenue generated from sea freight business due to increase in global shipping rate. PBT decreased by 15.48% to RM2.34 million as compared to the previous year corresponding quarter of RM2.77 million.

The decrease in profitability is mainly due to one-off liquidated damages compensation of approximately RM1.62 million from the Pulau Indah Land developer on 21 February 2020 for late delivery of vacant possession. For illustration purposes, the PBT without the one-off liquidated damages compensation will be RM1.15 million for previous year corresponding quarter. Hence, the PBT for the current quarter ended 31 March 2021 of RM2.34 million is an increase of 103.48% as compared to the PBT of RM1.15 million of the previous year corresponding quarter without taking into consideration the one-off liquidated damages compensation.

The Group managed to improve its financial performance via aggressive sales approaches and cost control exercise despite global and national economy slowdown due to the recurring waves and outbreaks of COVID-19 pandemic.

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B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		CHANGE	
	31.03.2021	31.12.2020		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	32,868	23,249	9,619	41.37
PBT	2,342	1,496	846	56.55

For the current quarter ended 31 March 2021, the Group's revenue increased by 41.37% to RM32.87 million from RM23.25 million in the immediate preceding quarter ended 30 December 2020. The increase of revenue was due to improvement in cargo movement and premium market sea freight rate due to global container shortage crisis.

The PBT increased by 56.55% for the current quarter as compared to the immediate preceding quarter mainly due to higher revenue generated and improvement in PBT margin.

B3. Prospects

We have commenced the operation of our new headquarters, warehouse and haulage operation yard on the Pulau Indah Land ("**HQ and Distribution Hub**") since end March 2021.

In April 2021, the International Monetary Fund ("**IMF**") reported global Gross Domestic Product growth projection of 6.0% with the expectation of a stronger global economy recovery in 2021, considering additional fiscal support in a few large economies and anticipated mass vaccination of many countries.

In March 2021, Bank Negara Malaysia expected Malaysia's growth to recover in 2021, at the range of 6.0% to 7.5% with the path of gradual recovery stronger external demand, higher public and private expenditure and the domestic COVID-19 vaccination programme.

With the commencement of our new HQ and Distribution Hub and positive estimation of economy recovery, the management is positive on the performance outlook of year 2021 as we are expecting centralized operation efficiency, cost saving, new source of income from warehousing and 3PL services (i.e., third-party logistics which include the outsourcing of logistics processes, inventory management, warehousing, and fulfilment services).

Barring any unforeseen circumstances, the Board of Directors of our Company ("**Board**") is of the opinion that the prospects for the financial year ending 31 December 2021 will be positive in view of high probability of global economy recovery from COVID-19 pandemic, stabilising of global container shortage crisis and new business income from warehousing services. Nevertheless, the Group will continue to seek opportunities in both the domestic and international markets to deliver sustainable growth in the long term.

B4. Profit Forecast or Profit Guarantee

The Company did not issue any profit forecast or profit guarantee during the current financial quarter under review.

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B5. Taxation

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Current financial period:				
- Income tax	589	729	589	729
- Deferred tax	(66)	(4)	(66)	(4)
	<u>523</u>	<u>725</u>	<u>523</u>	<u>725</u>
Previous year provision:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
Total tax expense	<u>523</u>	<u>725</u>	<u>523</u>	<u>725</u>
Effective tax rate	22.33%	26.16%	22.33%	26.16%

Note:

(1) Income tax expense is recognised based on management's best estimate.

B6. Corporate Proposals

(a) Status of corporate proposal

There are no corporate proposals announced by the Company during the current financial quarter under review.

(b) Utilisation of proceeds

The Company was listed on the ACE Market of Bursa Securities on 14 May 2018 ("**Listing Date**"), the gross proceeds raised from the public issue amounting to RM26.356 million and the status of the utilisation of the proceeds are as follows:

<u>Details of utilisation</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Intended timeframe for utilisation upon listing</u>	<u>Extended timeframe for utilisation</u>
	RM'000	RM'000		
Business expansion				Additional 6 months (by May 2021) ⁽³⁾
- Construction of the HQ and Distribution Hub	15,000	15,000	Within 30 months	
- Purchase of prime movers and trailers	500	378 ⁽¹⁾⁽²⁾	Within 24 months	Additional 12 months (by May 2021) ⁽³⁾
Repayment of bank borrowings	5,000	5,000	Within 6 months	
Working capital	2,356	2,511 ⁽¹⁾⁽²⁾	Within 12 months	
Estimated listing expenses	3,500	3,467 ⁽¹⁾	Within 3 months	
Total	<u>26,356</u>	<u>26,356</u>		

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Notes:

- (1) Balance of unutilised portion, utilised as working capital.
- (2) Our Board has on 23 February 2021 approved the variation of the remaining proceeds of RM0.12 million under purchase of prime movers and trailers for working capital purpose.
- (3) Our Company has on 14 May 2020 announced that the remaining proceeds will be utilised by May 2021 which is additional 12 months from 14 May 2020. The remaining proceeds has been fully utilised as at 28 April 2021.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 18 April 2018. As at the date of this report:

- 1) We have utilised RM15.0 million to finance the construction cost of HQ and Distribution Hub. Our Company has on 14 May 2020 announced that the remaining proceeds will be utilised by May 2021 which is additional 6 months from 14 November 2020 due to the delay caused by various MCO imposed by our government.
- 2) We have utilised RM5.0 million for repayment of bank borrowings consist of term loan and overdraft facilities. The repayment of these bank borrowings provides interest savings of approximately RM0.40 million per annum to the Group.
- 3) We have utilised RM0.38 million to part finance 5 units of new prime movers and 40 units of new trailers that were delivered since Listing Date up to current quarter under review.
- 4) We have also utilised RM5.98 million for listing expenses and working capital purposes.

B7. Trade Receivables

The Group grant credit on various terms. Trade receivables disclosed below include amounts which are past due at the end of reporting period but has not recognised as receivables subject to impairment as there has not been a significant change in credit quality and still considered recoverable by the management.

	PERIOD-TO-DATE					
	31.03.2021			31.03.2020		
	<u>Non-RPT⁽¹⁾</u>	<u>RPT⁽¹⁾</u>	<u>Total</u>	<u>Non-RPT⁽¹⁾</u>	<u>RPT⁽¹⁾</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than 1 month	10,523	2	10,525	6,617	-	6,617
1 month	6,084	-	6,084	4,733	1	4,734
2 months	3,463	-	3,463	1,951	-	1,951
3 months	369	-	369	331	-	331
More than 3 months	104	-	104	125	-	125
Trade Receivables	20,543	2	20,545	13,757	1	13,758

Note:

(1) RPT – Related party transactions as per note A14.

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B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 31.03.2021	AS AT 31.03.2020
	RM'000	RM'000
Secured:		
<u>Current:</u>		
Bank overdraft	-	1,112
Revolving credit	3,000	-
Bank borrowings	3,000	1,112
Lease liabilities	2,685	2,686
	5,685	3,798
<u>Non-current:</u>		
Bank borrowing: term loans	24,698	16,671
Lease liabilities	2,155	3,923
	26,853	20,594
Total bank borrowings & leases liabilities	32,538	24,392

The weighted average interest rate of bank borrowings is 5.41% p.a. All the finance leases are based on fixed rate and only the term loans are based on floating rate.

All the Company's borrowings are denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigation involving the Group as at the date of this report.

B10. Dividend proposed

The Board does not recommend any dividend in respect of the current financial period.

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B11. Earnings per share

The basic earnings per share are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

		3-MONTH ENDED		PERIOD-TO-DATE	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit/(Loss) attributable to ordinary owners of the Company	(RM'000)	1,819	2,046	1,819	2,046
Weighted average number of ordinary shares ⁽¹⁾	('000)	166,000	166,000	166,000	166,000
Basic earnings/(loss) per share	(Sen)	1.10	1.23	1.10	1.23
Diluted earnings/(loss) per share ⁽²⁾	(Sen)	1.10	1.23	1.10	1.23

Notes:

- (1) Basic earnings per share of the Group for the quarter and year to date is calculated based on weighted average number of ordinary shares of 166,000,000.
- (2) Diluted earnings per share of the Group for the quarter and year to date is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

B12. Disclosure on selected expense/income items as required by the Listing Requirements

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(8)	(1,750)	(8)	(1,750)
Interest expenses	404	116	404	116
Depreciation of PPE	464	446	464	446
Depreciation of right of use assets	400	449	400	449
Impairment losses on trade receivables	30	-	30	-
Foreign exchange – realised (gain) / loss	(59)	(24)	(59)	(24)
Foreign exchange – unrealised (gain) / loss	(7)	(27)	(7)	(27)

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Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD

Company Secretary

Date: 20 May 2021