

**VERSATILE CREATIVE BERHAD**

Registration No. 200301001350 (603770-D)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020**

(The figures have not been audited)

	Note	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
		30/06/2020 RM '000	30/06/2019 RM '000	30/06/2020 RM '000	30/06/2019 RM '000
Revenue	A10	9,840	13,782	9,840	13,782
Cost of sales		(8,865)	(11,660)	(8,865)	(11,660)
Gross profit		975	2,122	975	2,122
Other income		6,242	292	6,242	292
Distribution expenses		(513)	(821)	(513)	(821)
Administrative expenses		(1,955)	(1,380)	(1,955)	(1,380)
Profit before interest and taxation		4,749	213	4,749	213
Finance costs		(89)	(207)	(89)	(207)
Profit before taxation		4,660	6	4,660	6
Taxation	B5	-	-	-	-
Profit after taxation		4,660	6	4,660	6
Other comprehensive income					
Fair value adjustment on revaluation of property, plant and equipment		-	3,184	-	3,184
Total other comprehensive income for the financial period		-	3,184	-	3,184
Total comprehensive income for the financial period		4,660	3,190	4,660	3,190
Earning per share - Basic (sen)	B11	2.11	0.00	2.11	0.00

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	As at 30/06/2020 (Unaudited) RM'000	As at 31/03/2020 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		21,980	20,409
Right-of-use assets		26,142	26,527
		<u>48,122</u>	<u>46,936</u>
Current Assets			
Trade and other receivables		10,417	10,555
Inventories		10,950	9,179
Prepayment		-	277
Tax Recoverable		258	254
Other Investment		7,098	5,389
Cash and Bank Balances		17,565	370
		<u>46,288</u>	<u>26,024</u>
Total Assets		<u>94,410</u>	<u>72,960</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
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(Continued)**

	Note	30/06/2020 (Unaudited) RM'000	31/03/2020 (Audited) RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		94,173	68,262
Reserve		21,522	21,522
Accumulated Losses		(51,841)	(56,501)
Total Equity		63,854	33,283
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		303	336
Deferred Tax Liabilities		6,928	6,928
		7,231	7,264
Current Liabilities			
Trade and other payables		13,964	15,750
Lease liabilities		487	700
Loan and Borrowings	B8	8,874	15,963
		23,325	32,413
Total Liabilities		30,556	39,677
Total Equity and Liabilities		94,410	72,960
Net Assets per share (RM)		0.25	0.23

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2020**

	Attributable to equity holders of the Company			
	Non-Distributable			
	Share Capital RM'000	Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
<u>Period ended 30 June 2020 (Unaudited)</u>				
At 01 April 2020	68,262	21,522	(56,501)	33,283
Issuance of ordinary shares	25,911	-	-	25,911
Profit for the period	-	-	4,660	4,660
Total comprehensive income for the financial period	-	-	4,660	4,660
At 30 June 2020	94,173	21,522	(51,841)	63,854
	-	-	-	
<u>Period ended 30 June 2019 (Unaudited)</u>				
At 01 April 2019	64,390	18,745	(43,101)	40,034
Issuance of ordinary shares	3,872	-	-	3,872
Profit for the period	-	-	6	6
Other comprehensive loss for the financial period	-	3,184	-	3,184
Total comprehensive loss for the financial period	3,872	3,184	6	7,062
At 30 June 2019	68,262	21,929	(43,095)	47,096

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

(The figures have not been audited)

	30/06/2020	30/06/2019
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	4,660	6
<u>Adjustments for non-cash flow items:</u>		
Non-cash items	(2,872)	867
Non-operating items	(2,046)	19
Operating (loss)/profit before working capital changes	(258)	892
<u>Changes in working capital:</u>		
Inventories	(1,771)	(333)
Trade and other receivables	420	1,614
Trade and other payables	(4,132)	(5,772)
Cash used in operations	(5,741)	(3,599)
Interest paid	(24)	(45)
Net income tax paid	(4)	(1)
Net cash used in operating activities	<u>(5,769)</u>	<u>(3,645)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(1,504)	-
Proceeds from disposal of other investment	4,455	1,744
Net cash generated from investing activities	<u>2,951</u>	<u>1,744</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 JUNE 2020 (Continued)**

	30/06/2020	30/06/2019
	<u>RM'000</u>	<u>RM'000</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Interest paid	(65)	(207)
Repayment of borrowings	(2,233)	(553)
Repayment of finance lease liabilities	(245)	(671)
Proceed from issuance of ordinary shares	25,911	3,872
Net cash generated from financing activities	<u>23,368</u>	<u>2,441</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	20,550	540
CASH & CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(2,985)	(2,885)
CASH & CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>17,565</u>	<u>(2,345)</u>
Analysis of Cash & Cash Equivalents:		
	RM'000	RM'000
Cash and bank balances	17,565	314
Fixed deposit placed with a licensed bank	-	848
	<u>17,565</u>	<u>1,162</u>
Less: Fixed deposit pledged to a licensed bank	-	(848)
Less: Bank overdraft	-	(2,659)
	<u>17,565</u>	<u>(2,345)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

NOTES TO INTERIM FINANCIAL REPORT

A. DISCLOSURE REQUIREMENTS AS PER MFRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The Group and the Company have adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

New MFRSs

MFRS 16 Leases

Amendments/Improvements to MFRSs

MFRS 3 Business Combinations
MFRS 9 Financial Instruments
MFRS 11 Joint Arrangements
MFRS 112 Income Taxes
MFRS 119 Employee Benefits
MFRS 123 Borrowing Costs
MFRS 128 Investments in Associates and Joint Ventures

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Interpretations did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group and the Company.

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective:



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		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021 [#]
MFRS 2	Share-based Payment	1 January 2020*
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 [#]
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021 [#]
MFRS 101	Presentation of Financial Statements	1 January 2020*
MFRS 107	Statements of Cash Flows	1 January 2021 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 116	Property, Plant and Equipment	1 January 2021 [#]
MFRS 132	Financial instruments: Presentation	1 January 2021 [#]
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*/ 1 January 2021 [#]
MFRS 138	Intangible Assets	1 January 2020*/ 1 January 2021 [#]
MFRS 140	Investment Property	1 January 2021 [#]
<u>Amendments to IC</u>		
<u>Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

* Amendments to References to the Conceptual Framework in MFRS Standards

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020**

2. Audit Report Qualification and Status of Matters Raised

The annual audited financial statements of the Group for the year ended 31 March 2020 were not subject to any qualifications.

3. Seasonal or Cyclical Nature of Operations

The Group operates in three main business segments which can be affected by seasonal and cyclical factors of operations.

4. Unusual Items

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

5. Changes in Estimates

There were no significant changes in the estimates which have a material effect for the current financial quarter under review.

6. Valuation of Property, Plant and Equipment

Land and buildings have been brought forward, without amendment from the annual audited financial statements for the financial year ended 31 March 2020.

7. Changes in Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares for the current financial quarter under review that have not been reflected in the quarterly financial report.

8. Dividend Paid

There was no dividend paid during the current financial quarter under review.

9. Material Events Subsequent to the End of the Reporting Period

There are no material events subsequent to the end of the reporting period that have not been reflected in the quarterly financial report except for the disposal of 38,366,500 units quoted shares in Iris Corporation Berhad by Versatile Paper Boxes Sdn Bhd in July 2020.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****10. Operating Segments**

The Group's operating segments for the financial year ended 30 June 2020 were as follows:

Financial period ended 30 June 2020

Business Segment	Paper products RM'000	Plastic products RM'000	Colour		Elimination RM'000	Consolidated RM'000
			Separation & Printing RM'000	Others RM'000		
Revenue from external customers	8,040	1,790	10	-	-	9,840
Inter-segment revenue	-	-	-	393	(393)	-
Total revenue	8,040	1,790	10	393	(393)	9,840
Operating results	(298)	(728)	(113)	5,888	-	4,749
Interest expense						(89)
Loss before taxation						4,660
Taxation						-
Profit after taxation						4,660

Segmental information for 3 months ended 30 June 2019**Financial period ended 30 June 2019**

Business Segment	Paper products RM'000	Plastic products RM'000	Colour		Elimination RM'000	Consolidated RM'000
			Separation & Printing RM'000	Others RM'000		
Revenue from external customers	10,426	3,215	141	-	-	13,782
Inter-segment revenue	-	-	-	550	(550)	-
Total revenue	10,426	3,215	141	550	(550)	13,782
Operating results	408	(451)	(46)	302	-	213
Interest income						-
Interest expense						(207)
Loss before taxation						6
Taxation						-
Profit after taxation						6

11. Changes in the Composition of the Group

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

12. Profit Before Taxation

The following items have been charged/(credited) in arriving at the profit before taxation:

	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
The following items have been charged/(credited) in arriving profit before taxation:				
Depreciation of property, plant and equipment	1,061	852	1,061	852
Fair value gain of financial asset	(6,163)	(232)	(6,163)	(232)
Interest expense	74	252	74	252
Net foreign exchange (gain)/loss	(11)	18	(11)	18

13. Changes in Contingent Liabilities

There were no contingent liabilities incurred or known to be incurred by the Group as at 30 June 2020.

14. Provision for Warranties

There was no provision for warranties for the current financial quarter under review.

15. Capital Commitments

There were no capital commitments as at 30 June 2020.

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16. Related Party Transactions

There were no significant related party transactions for the current financial quarter under review, save and except the following:

Transacting company	Transacting Related Party	Nature of transaction	Value (RM)
Versatile Creative Plastic Sdn. Bhd.	NSK Trading Sdn. Bhd. and its subsidiaries	Sale of disposable containers, cutlery and plastic products	145,247

The above transactions are recurrent transactions of a revenue or trading nature and are at arm's length entered in the ordinary course of business on terms not more favorable to the related party than those generally available to the public.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****B. Additional information required by the Bursa Malaysia's Listing Requirements****1. Review of Current Quarter Performance****Revenue**

	Individual Quarter		Variance
	Q1 - FY'21	Q1 - FY'20	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	8,040	10,426	(2,386)
Plastic Products	1,790	3,215	(1,425)
Colour Separation & Printing	10	141	(131)
Group Revenue	9,840	13,782	(3,942)

Total revenue of the Group reduced by RM3.94 million to RM9.84 million as compared to RM13.78 million recorded in the previous corresponding quarter as explained below:

- a) Drop in revenue from Paper Products division is approximately 22.89% due to significant drop in sales of a major customer. The management took initiative to reduce exposure on this customer due to financial constraint faced by the said customer. In addition, there is also reduced in sales to overseas customers resulted from the global impact of COVID-19 pandemic.
- b) Plastic Products Division's sales reduce by 44.32% due to delay in production caused by machine breakdown.
- c) Colour Separation & Printing Division's sales reduce as this division is not operational during the MCO period.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2020****Profit Before Taxation**

	Individual Quarter		Variance
	Q1 - FY'21	Q1 - FY'20	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	(294)	408	(702)
Plastic Products	(728)	(451)	(277)
Colour Separation & Printing	(114)	(46)	(68)
Others	5,888	302	5,586
Operating Profit	4,752	213	4,539
Finance:			
Total Finance Cost	(89)	(207)	118
<u>Segmental Profit Before Taxation</u>			
Group Profit Before Taxation	4,663	6	4,657

The Group registered a profit before taxation of RM4.66 million in Q1 FY21, compared against the Q1 FY20 profit before taxation of RM6k as explained below:

- a) The paper products division profit before taxation deteriorated in this quarter by RM0.70 million were mainly due to lower sales recorded for the quarter resulted a lower gross profit margin.
- b) The plastic products division registered an operating loss of RM0.73 million in Q1 FY21 as compared to Q1 FY20 of RM0.45 million. The increase in operating loss was due to delay in production caused by machine breakdown.
- c) The colour separation division registered an operating loss of RM0.11 million in Q1 FY21 as compared to Q1 FY20 of RM0.05 million.
- d) Other division comprises of investment activities and management service. The significant increase was contributed by the fair value gain on financial asset of RM6.16 million as compared to Q1 FY20 of RM0.23 million. There were also professional fee of RM0.43 million incurred during the quarter for the rights issue exercise.

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2. Variation of Results against Immediate Preceding Quarter**Revenue**

	Individual Quarter		Variance
	Q1 - FY'21	Q4 - FY'20	
	(Unaudited)		
	RM'000		
<u>Segmental Revenue</u>			
Paper Products	8,040	8,796	(756)
Plastic Products	1,790	2,344	(554)
Colour Separation & Printing	10	41	(31)
Group Revenue	9,840	11,181	(1,341)

Total revenue for the group reduced by RM1.34 million to RM9.84 million as compared to RM11.18 million in the last quarter as explained below: -

- a) The paper division recorded 8.59% decrease in revenue as compared to previous quarter due to lower sales recorded from overseas customers caused by the COVID-19 global impact. These overseas customers were experiencing lockdown and that the deliveries of goods was only made after the lifting of lockdown in respective countries.
- b) Plastic division recorded 23.63% decrease in revenue due to softening in demands from major customers.

**UNAUDITED INTERIM FINANCIAL REPORT
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	Individual Quarter		Variance
	Q1 - FY'21	Q4 - FY'20	
	(Unaudited)		
	RM'000		
<u>Operating Results:</u>			
Paper Products	(294)	(3,461)	3,167
Plastic Products	(728)	(1,796)	1,068
Colour Separation & Printing	(114)	(153)	39
Others	5,888	(4,214)	10,102
Operating Profit/(Loss)	4,752	(9,624)	14,376
Finance:			
Total Finance Cost	(89)	(252)	163
<u>Segmental Profit/(Loss) Before Taxation</u>			
Group Profit/(Loss) Before Taxation	4,663	(9,876)	14,539

The Group registered a profit before taxation of RM4.66 million in Q1 FY21, compared against the Q4 FY20 loss before taxation of RM9.88 million as explained below:-

- a) The Paper Products division operating loss before taxation decreased by RM3.17 million mainly caused by provision for doubtful debts of RM3.03 million in the previous quarter. With the exclusion of provision of doubtful debts, the paper products division recorded an improvement in its operating result by RM0.14 million as compared to previous quarter despite a lower sales recorded during the quarter.
- b) The Plastic Products division incurred an operating loss of RM0.73 million in Q1 FY21. The decrease in operating loss in Plastic Products division was due to unrecoverable deposit written off of RM0.76 million and additional impairment of receivables of RM0.08 million recorded in the previous quarter.
- c) Other division comprises of investment activities and management service. The significant increase was contributed by the fair value gain on financial asset of RM6.16 million as compared to fair value loss on financial asset of RM3.42 million in Q4 FY20. There were also professional fees of RM0.43 million incurred during the quarter for the rights issue exercise.



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3. Outlook And Prospects

Both paper packaging and plastics businesses are operating under economic uncertainties as well as the increasing production costs, rising materials costs and adverse fluctuation in foreign exchange rates.

The World Health Organisation declared the COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has resulted in the occurrence of events such as movement restrictions and quarantine measures taken by the Government of Malaysia causing disruption to business and economic activities. The Government of Malaysia imposed Movement Control Order (“MCO”) effective 18 March 2020 and this was followed by numerous MCO extensions and recovery MCO (“RMCO”). During the MCO, apart from the essential service, all Government and private business premises are ordered to be closed. Hence, factory operations are not allowed during this period.

However, our paper packaging and plastic products segments had obtained conditional approval during the quarter under review from the Ministry of International Trade and Industry (“MITI”) to continue operation albeit at a lower capacity. Versatile is also fortunate that as a player in the packaging industry with a wide range of customers including the Food and Beverage and Medical Sectors which are essential if not critical for the normal daily lives.

Despite sales order flows from customers remaining healthy and sustained, they remain uncertain in the coming months/quarters even after the RMCO is lifted, due to the extent and reach of the COVID-19 which have affected global trade activities. Notwithstanding the above, the Group is optimistic that the overall demand for paper and plastic packaging remain intact, but probably subdued in view that the global impact of COVID-19 can and might extend to end of FY2020. The Group will focus on credit risk management, securing various supply sources to minimise supply chain disruption, continues innovations to maintain product quality and enhancing production efficiencies to mitigate against the increase in operating costs and uncontrollable external factors such as economic downturns.

4. Profit Forecast

This is not applicable.

**UNAUDITED INTERIM FINANCIAL REPORT
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	Individual Financial		Cumulative Financial	
	Quarter Ended		Quarter Ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Taxation				
- in current quarter	-	-	-	-
- (under)/over provision in prior year	-	-	-	-
Deferred taxation				
- in current quarter	-	-	-	-
- under provision in prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. Disposal of Quoted or Unquoted Investments or Properties

The Company had disposed 38,366,500 quoted shares of held by Versatile Paper Boxes Sdn. Bhd. for a total cash consideration of RM9.72 million in July 2020.

7. Status of Corporate ExerciseRight Issue

On 28 April 2020, the Company announced that the Rights Issue of Shares has been completed following the listing of and quotation for 112,655,537 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad.

The utilisation of proceeds up to the date of this report is as follow:

Purpose	Proposed utilisation (RM'million)	Actual proceeds raised (RM'million)	Actual utilisation (RM'million)	Intended timeframe for utilisations
Purchase of machineries	4.00	4.00	1.06	Within 6 months
Repayment of trade facilities	17.00	17.00	13.98	Within 7 months
Working capital	10.91	4.16	1.35	Within 6 months
Estimated expenses in relation to the Rights Issue of Shares	0.75	0.75	0.75	Immediate
Total	32.66	25.91	17.14	

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8. Borrowings and Debts Securities

a) Total Group's borrowings as at the reporting quarter were as follows:

	As at 30/06/2020 (Unaudited) RM'000	As at 31/03/2020 (Audited) RM'000
<u>Short term borrowings</u>		
<i>Secured</i>		
Borrowings	8,874	12,607
Lease Liabilities	487	700
Bank Overdraft	-	3,356
	<u>9,361</u>	<u>16,663</u>
 <u>Long term borrowings</u>		
<i>Secured</i>		
Lease Liabilities	303	336
	<u>9,664</u>	<u>16,999</u>
Total Group's Borrowings	<u>9,664</u>	<u>16,999</u>

b) The above borrowings are denominated in Ringgit Malaysia. There are no foreign currencies borrowings.

9. Dividend

The Board of Directors does not recommend any dividend for the current financial quarter under review.

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10. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the financial period is based on the net earnings attributable to equity holders of the parent company and divided by the number of ordinary shares outstanding during the financial period.

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Group's Profit attributable to owners of the parent company (RM'000)	4,660	6	4,660	6
Weighted average number of ordinary shares in issue ('000)	221,210	138,292	221,210	138,292
Basic earning per share (sen)	2.11	0.00	2.11	0.00

(b) Diluted earnings per share

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.