

# **XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia)

Registration No.: 201301002265 (1032102-P)

## **INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

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**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Registration no.: 201301002265 (1032102-P)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Period Ended 31 December 2020**

	Note	Third Quarter Ended		Cumulative Quarter Ended	
		31.12.2020 RM'000 Unaudited	31.12.2019 RM'000 Unaudited	31.12.2020 RM'000 Unaudited	31.12.2019 RM'000 Unaudited
REVENUE	A9	31,393	32,355	77,785	96,969
COST OF SALES		(20,827)	(21,692)	(52,344)	(64,291)
GROSS PROFIT		10,566	10,663	25,441	32,678
OTHER INCOME		70	325	985	653
ADMINISTRATIVE EXPENSES		10,636 (7,262)	10,988 (7,789)	26,426 (21,141)	33,331 (22,306)
SELLING AND DISTRIBUTION EXPENSES		(254)	(317)	(592)	(908)
FINANCE COSTS		(1,102)	(1,202)	(3,343)	(3,466)
PROFIT BEFORE TAX	B5	2,018	1,680	1,350	6,651
INCOME TAX EXPENSE	B6	(106)	(215)	(193)	(667)
PROFIT AFTER TAX		1,912	1,465	1,157	5,984
OTHER COMPREHENSIVE INCOME		(96)	3	47	8
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		1,816	1,468	1,204	5,992
PROFIT / (LOSS) AFTER TAX ATTRIBUTABLE TO:-					
- Owners of the Company		2,205	1,513	1,456	5,964
- Non-controlling interests		(293)	(48)	(299)	20
		1,912	1,465	1,157	5,984
TOTAL COMPREHENSIVE INCOME / (EXPENSE) ATTRIBUTABLE TO:-					
- Owners of the Company		2,095	1,516	1,508	5,972
- Non-controlling interests		(279)	(48)	(304)	20
		1,816	1,468	1,204	5,992
Earnings per share (sen) attributable to owners of the Company:-	B11				
- Basic		1.00	0.70	0.67	2.76
- Diluted		n/a	n/a	n/a	n/a

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to these interim financial statements.

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Registration no.: 201301002265 (1032102-P)

**Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2020**

	Note	As at 31.12.2020 RM'000 Unaudited	As at 31.3.2020 RM'000 Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		258,308	250,277
Right-of-use assets		53,388	53,886
Goodwill		345	345
		312,041	304,508
<b>CURRENT ASSETS</b>			
Inventories		1,121	1,966
Trade receivables		26,134	26,577
Other receivables, deposits and prepayments		3,078	3,770
Current tax assets		2,302	1,832
Fixed deposits with licensed banks		158	26
Cash and bank balances		3,957	3,402
		36,750	37,573
<b>TOTAL ASSETS</b>		348,791	342,081
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		109,458	108,000
Reserves		73,795	72,287
		183,253	180,287
Equity attributable to owners of the Company			180,287
Non-controlling interests		2,183	2,487
<b>TOTAL EQUITY</b>		185,436	182,774
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		986	1,392
Term loans	B8	105,481	90,130
Deferred tax liabilities		13,347	13,247
		119,814	104,769
<b>CURRENT LIABILITIES</b>			
Trade payables		6,281	8,531
Other payables and accruals		8,968	16,029
Lease liabilities		1,052	1,201
Term loans	B8	14,332	13,963
Bankers' acceptances	B8	4,150	5,200
Bank overdrafts	B8	8,758	9,574
Current tax liabilities		-	40
		43,541	54,538
<b>TOTAL LIABILITIES</b>		163,355	159,307
<b>TOTAL EQUITY AND LIABILITIES</b>		348,791	342,081
Net assets per share attributable to ordinary equity holders of the parent (RM) (1)		0.83	0.83

*The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to these interim financial statements.*

(1) - Based on the issued share capital of 221,399,998 ordinary shares.

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Registration no.: 201301002265 (1032102-P)

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Financial Period Ended 31 December 2020**

Note	Attributable to owners of the Company						Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable					
	Share Capital RM'000	Merger Deficit RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000				
<b>As at 1 April 2020</b>	<b>108,000</b>	<b>(68,979)</b>	<b>49,538</b>	<b>(58)</b>	<b>91,786</b>	<b>180,287</b>	<b>2,487</b>	<b>182,774</b>	
Contributions by owners of the Company:-									
- Issuance of ordinary shares	A7	1,458	-	-	-	1,458	-	1,458	
Profit after tax for the financial period		-	-	-	1,456	1,456	(299)	1,157	
Other comprehensive income for the financial period:-									
- Foreign currency translation differences		-	-	52	-	52	(5)	47	
Total comprehensive income for the financial period		-	-	52	1,508	1,508	(304)	1,204	
<b>As at 31 December 2020</b>	<b>109,458</b>	<b>(68,979)</b>	<b>49,538</b>	<b>(6)</b>	<b>93,294</b>	<b>183,253</b>	<b>2,183</b>	<b>185,436</b>	
<b>As at 1 April 2019</b>	<b>108,000</b>	<b>(68,979)</b>	<b>51,332</b>	<b>(4)</b>	<b>91,793</b>	<b>182,142</b>	<b>1,215</b>	<b>183,357</b>	
Profit after tax for the financial period		-	-	-	5,964	5,964	20	5,984	
Other comprehensive income for the financial period:-									
- Foreign currency translation differences		-	-	8	-	8	-	8	
Total comprehensive income for the financial period		-	-	8	5,964	5,972	20	5,992	
Dividend paid		-	-	-	(1,080)	(1,080)	-	(1,080)	
Issue paid up capital		-	-	-	-	-	370	370	
<b>As at 31 December 2019</b>	<b>108,000</b>	<b>(68,979)</b>	<b>51,332</b>	<b>4</b>	<b>96,677</b>	<b>187,034</b>	<b>1,605</b>	<b>188,639</b>	

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to these interim financial statements.

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Registration no.: 201301002265 (1032102-P)

**Unaudited Condensed Consolidated Statement of Cash Flows for the Financial Period Ended 31 December 2020**

	Note	As at 31.12.2020 RM'000 Unaudited	As at 31.12.2019 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		1,350	6,651
Adjustments for:-			
Depreciation expense		9,401	8,474
Interest expense		3,274	3,343
Interest income		(10)	(212)
(Gain) / Loss on disposal of property, plant and equipment		(2)	6
Net reversal of impairment losses on trade receivables		(781)	(165)
		<hr/>	<hr/>
Operating profit before working capital changes		13,232	18,097
Decrease in inventories		845	1,059
Decrease / (Increase) in trade and other receivables		1,915	(1,980)
Decrease in trade and other payables		(9,311)	(5,363)
		<hr/>	<hr/>
<b>CASH FROM OPERATIONS</b>		6,681	11,813
Income tax paid		(599)	(1,071)
Income tax refunded		-	4,117
		<hr/>	<hr/>
<b>NET CASH FROM OPERATING ACTIVITIES</b>		6,082	14,859
		<hr/>	<hr/>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>			
Interest income received		10	1
Proceeds from disposal of property, plant and equipment		2	15
Purchase of property, plant and equipment		(16,803)	(43,771)
		<hr/>	<hr/>
<b>NET CASH FOR INVESTING ACTIVITIES</b>		(16,791)	(43,755)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(1,080)
Drawdown of term loans		22,244	34,389
Interest paid		(3,274)	(3,343)
Proceeds from the issuance of ordinary shares	A7	1,458	-
Net (repayment) / drawdown of bankers' acceptances		(1,050)	1,455
Repayment of lease liabilities		(555)	(155)
Repayment of term loans		(6,656)	(4,340)
		<hr/>	<hr/>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		12,167	26,926
		<hr/>	<hr/>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		1,458	(1,970)
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>		47	9
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>		(6,163)	(2,495)
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>		(4,658)	(4,456)
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:-</b>			
- Deposit with financial institutions		158	26
- Cash and bank balances		3,957	852
- Bank overdraft		(8,758)	(5,318)
		<hr/>	<hr/>
		(4,643)	(4,440)
Less: Fixed deposits pledged with licensed banks		(16)	(16)
		<hr/>	<hr/>
		(4,659)	(4,456)
		<hr/>	<hr/>

*The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to these interim financial statements.*

## XIN HWA HOLDINGS BERHAD

(Incorporated in Malaysia) Registration no.: 201301002265 (1032102-P)

### Interim Financial Report for the Financial Period Ended 31 December 2020

#### Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

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##### A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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

The accounting policies and methods of computations adopted in these interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2020.

##### A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those adopted as disclosed in the financial statements for the year ended 31 March 2020 except for the following :-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 16: COVID-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

##### A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2020.

##### A4. Seasonal or Cyclical Factors

The financial performance of the Group is not significantly affected by any seasonal or cyclical factors.

##### A5. Item of Unusual Nature

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow because of their nature, size or incidence for the financial quarter under review.

##### A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Registration no.: 201301002265 (1032102-P)

**Interim Financial Report for the Financial Period Ended 31 December 2020****Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting****A7. Changes in Debt and Equity Securities**

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

**A8. Dividend Paid**

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

**A9. Segmental Information**

The Group has three reportable segments as shown below, which are the Group's strategic business units in two principal geographical areas. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

**Business activities**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
<u>Revenue</u>				
Land transport operations	28,485	29,583	69,235	87,876
Warehousing and distribution operations	2,734	2,770	8,376	9,081
Other services	174	2	174	12
Total	<u>31,393</u>	<u>32,355</u>	<u>77,785</u>	<u>96,969</u>
<u>Profit before tax</u>				
Land transport operations	1,588	1,267	90	4,872
Warehousing and distribution operations	421	413	1,252	1,777
Other services	9	-	8	2
Total	<u>2,018</u>	<u>1,680</u>	<u>1,350</u>	<u>6,651</u>

**Geographical area**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
<u>Revenue</u>				
Malaysia	29,216	28,615	72,000	85,673
Singapore	2,123	3,575	4,996	10,647
Indonesia	54	165	789	649
Total	<u>31,393</u>	<u>32,355</u>	<u>77,785</u>	<u>96,969</u>

## XIN HWA HOLDINGS BERHAD

(Incorporated in Malaysia) Registration no.: 201301002265 (1032102-P)

### Interim Financial Report for the Financial Period Ended 31 December 2020

#### Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

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##### A10. Capital Commitments

Capital commitments for property, plant and equipment not provided for as at 31 December 2020 are as follows:-

	<b>RM'000</b>
Approved and contracted for:	
- Property, plant and equipment	26,963

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##### A11. Material Events Subsequent To the End of Interim Period

On 9 November 2020, the Company had announced a proposal to undertake an issuance of 110,699,999 free warrants in XHH (“Warrants”) on the basis of 1 Warrant for every 2 ordinary shares in XHH (“XHH Share” or “Shares”) (“Proposed Free Warrants Issue”). The shareholders have approved the Proposed Free Warrants Issue during the extraordinary general meeting held on 23 December 2020

The Proposed Free Warrants Issue has been completed on 25 January 2021 with an exercise price of RM0.33 following the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of 110,699,996 Warrants on the Main Market of Bursa Securities on 25 January 2021.

Save for the above, there were no material events that have occurred subsequent to the end of the current financial quarter from 1 January 2021 to the date of this report.

##### A12. Changes in Composition of the Group

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

##### A13. Contingent Liabilities or Contingent Assets

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	<b>RM'000</b>
Secured:	
- Corporate guarantee given to licensed bank for credit facilities granted to subsidiary	132,721

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## XIN HWA HOLDINGS BERHAD

(Incorporated in Malaysia) Registration no.: 201301002265 (132102-P)

### Interim Financial Report for the Financial Period Ended 31 December 2020

#### Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities

##### B1. Review of Performance of the Group

For the current financial quarter ended 31 December 2020, the Group recorded revenue of RM31.39 million and profit before tax (“PBT”) of RM2.02 million. The revenue was mainly derived from land transport operations which accounted for approximately 90.74% of the Group’s total revenue. The land transport operations incurred a PBT of RM 1.59 million due to higher revenue, better profit margins and cost savings. The Group’s revenue from land transport operations comprises cargo transportation services and container haulage services.

For the current quarter ended 31 December 2020, cargo transportation services accounted for approximately 60.5% of the Group’s total revenue whilst container haulage services accounted for approximately 30.2% of the Group’s total revenue.

Warehousing and distribution operations accounted for approximately 8.71% of the Group’s total revenue and achieved a PBT of RM0.42 million for the current quarter ended 31 December 2020. The period of warehousing varies between customers and the warehousing rental rate is charged based on a weekly or monthly basis. For the financial quarter under review, rental rate of the warehousing services has remained relatively constant. The demand for warehousing for the current quarter has been consistent as compared to the previous year corresponding period and our customers’ business activities is slowly resuming. The PBT has remained consistent with the previous year corresponding period.

The revenue from other services which comprise e-commerce services as well as manufacturing and fabrication of trailers which amounted to RM0.17 million for the current financial quarter is derived from the repair and maintenance services on trailers and prime movers for external parties.

Overall, the revenue for the nine (9) month financial period ended 31 December 2020 has decreased by approximately RM17.78 million (representing a 18.6% decrease) as compared to the previous year corresponding period. This was mainly due to disruptive events to the Malaysia’s business activities such as the Movement Control Order (“MCO”) that occurred during the financial period ended 30 June 2020 and COVID-19 pandemic event that has negatively impacted the economic activities.

##### B2. Variation of Quarterly Results Compared To the Results of the Preceding Quarter

	3 Months Ended		Deviation	
	31.12.2020	30.9.2020	Amount	
	RM'000	RM'000	RM'000	%
Revenue	31,393	26,858	4,535	16.89
Profit / (Loss) After Tax	1,912	(867)	2,779	320.53

The Group’s total revenue increased by 16.89% from RM26.86 million recorded for the immediate preceding financial quarter to RM31.93 million for the current financial quarter. The increase in revenue as compared to immediate preceding quarter was contributed from the land transport operation after the resumption of more business activities following the relaxation of restrictions via Recovery Movement Control Order (“RMCO”) on 10 June 2020 onwards.

The Group achieved a profit after tax of the Group of RM1.91 million for the current quarter as compared to a loss after tax of RM0.87 million for the immediate preceding quarter. The increase in profit after tax as compared to the immediate preceding quarter was mainly due to higher revenue and profit margins from the resumption of project-based cargo transportations and lower operating costs such as repairs and maintenance and etc.

## XIN HWA HOLDINGS BERHAD

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### Interim Financial Report for the Financial Period Ended 31 December 2020

#### Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities

#### B3. Prospects of the Group

Despite the rising positive cases of COVID-19 that may severely impact the global and local supply chains, the Group is recovering from the Covid-19 pandemic disruptions following the relaxation of restrictions in major business activities. The Group maintains its cautiousness and adheres to the Standard Operating Procedures (“SOPs”) COVID-19 counter-measures.

Further, in view that the vaccination for COVID-19 has already started globally, the Group is optimistic that the global economic environment will return to its normal course in the near future. But the Group is also cautious of any risks that may have an adverse effect on the Group and the economic conditions.

The Group has taken measures to actively engage with businesses, ensure cost-savings and reductions to combat the challenging economic environment whilst continuously monitor the changes in business environment and supply chains.

The Group is committed to expand that is in line with the current economic environment through the following business expansion plans:

- Expansion of the Group’s fleet of vehicles;
- Expansion into the Indonesian market;
- Enhance the warehousing facilities of the Group;
- Expansion of the external haulage division in Penang and Kuantan; and
- Setting-up the “Integrated Logistic Solution Hub” in Pasir Gudang, Johor Bahru.

#### B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

#### B5. Profit before tax

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Depreciation expenses	3,030	2,895	9,401	8,474
Interest expense	1,077	1,160	3,274	3,343
Interest income	(4)	-	(10)	(212)

Save for the above, the other items as required under Paragraph 16, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

#### B6. Income Tax Expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
<u>Income tax expense</u>				
Current tax expense	55	236	93	451
Deferred tax expense	50	-	100	-
Total	105	236	193	451

## XIN HWA HOLDINGS BERHAD

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### Interim Financial Report for the Financial Period Ended 31 December 2020

#### Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities

##### B6. Income Tax Expense (Cont'd)

The effective tax rate for the current financial year-to-date is higher than the statutory tax rate of 24% due to higher non-deductible expenses. The Company has been granted investment tax allowance of 60% in respect of qualifying capital expenditure incurred for the period of 5 years from 19 January 2018 until 18 January 2023.

##### B7. Status of Corporate Proposals

###### a) Private Placement

On 26 September 2018, the Company had proposed a Private Placement via the issuance of 21,599,999 new ordinary shares representing up to 10% of the total number of issued shares at an issue price to be determined and announced later. Bursa Malaysia Securities Berhad had, vide its letter dated 3 April 2020, approved the application for an extension of time until 1 October 2020 to complete the implementation of the Proposed Private Placement.

On 18 August 2020, the Company had successfully placed out 5,400,000 new ordinary shares at RM0.27 per share amounted to approximately RM1,458,000.

On 1 October 2020, the Private Placement is deemed to be completed following the expiry of the listing application extension.

###### b) Proposed Free Warrants Issue

On 9 November 2020, the Company had announced a proposal to undertake an issuance of 110,699,999 Warrants on the basis of 1 Warrant for every 2 XHH Shares. The shareholders have approved the Proposed Free Warrants Issue during the extraordinary general meeting held on 23 December 2020

The Proposed Free Warrants Issue has been completed on 25 January 2021 with an exercise price of RM0.33 following the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of 110,699,996 Warrants on the Main Market of Bursa Securities on 25 January 2021.

Save for the above, there was no other corporate proposal announced and not completed as at the date of this report.

##### B8. Group Borrowings

The Group's borrowings as at 31 December 2020 are as follows:

	As at 31.12.2020 RM'000 Unaudited	As at 31.3.2020 RM'000 Audited
<u>Long-term borrowings (Secured)</u>		
Term loans	105,481	90,130
<u>Short-term borrowings (Secured)</u>		
Term loans	14,332	13,963
Banker acceptance	4,150	5,200
Bank overdrafts	8,758	9,574
	27,240	28,737
Total borrowings	132,721	118,867

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Registration no.: 201301002265 (132102-P)

**Interim Financial Report for the Financial Period Ended 31 December 2020****Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities**

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**B9. Material Litigation**

The Group does not have any material litigation and the Directors are not aware of any proceedings pending or threatened against the Group as at the date of issuance of this interim financial report.

**B10. Dividends**

No dividend was declared or paid for the financial quarter under review.

**B11. Earnings Per Share****(a) Basic Earnings Per Share**

The basic earnings per share for the current quarter and financial period to date are computed as follows:-

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Profit after tax attributable to owners of the Company	2,205	1,513	1,456	5,964
Weighted average number of ordinary shares in issue ('000)	221,400	216,000	218,690	216,000
Basic earnings per share (sen)	1.00	0.70	0.67	2.76

**(b) Diluted Earnings Per Share**

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter and financial period-to-date.