

AGESON BERHAD
(Formerly known as Prinsiptek Corporation Berhad)
(Registration No. 200201027337 (Company No. 595000-H))
(Incorporated in Malaysia)

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		(Unaudited) Current Year Quarter 31.12.2019	(Audited) Preceding Year Corresponding Quarter 31.12.2018	(Unaudited) Current Year To Date 31.12.2019	(Audited) Preceding Year To Date 31.12.2018
		RM'000	RM'000	RM'000	RM'000
Revenue	9	10,558	8,579	20,645	15,835
Cost of sales		555	(6,060)	(4,618)	(9,677)
Gross profit		11,113	2,519	16,027	6,158
Other operating income		1	50	81	781
Operating expenses		(4,126)	(1,565)	(6,191)	(4,317)
Finance costs		707	(547)	-	(1,250)
Profit before taxation	9, 20	7,695	457	9,917	1,372
Taxation	21	99	(194)	(3)	(444)
Profit for the financial period		7,794	263	9,914	928
Other comprehensive income/(expense):-					
Items that may be reclassified subsequently to profit or loss:					
- Exchange differences arising from translation of foreign operations		(2,016)	121	570	1,914
Total comprehensive income for the financial period		5,778	384	10,484	2,842
Profit for the financial period attributable to:-					
- Owners of the Company		8,943	224	10,947	329
- Non-controlling interests		(1,149)	39	(1,033)	599
		7,794	263	9,914	928
Total comprehensive income/(expense) attributable to:-					
- Owners of the Company		9,864	353	14,241	2,143
- Non-controlling interests		(4,086)	31	(3,757)	699
		5,778	384	10,484	2,842
Earnings per share attributable to owners of the Company:-					
Basic (sen)	25(a)	1.87	0.06	2.46	0.09
Diluted (sen)	25(b)	1.87	0.06	2.46	0.09

The Unaudited Condensed Consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) At End Of Current Period To Date 31.12.2019	(Audited) At End Of Preceding Year To Date 30.06.2019
Note	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	170	2,943
Land and property development costs	63,057	73,691
Intangible assets	3,273	8,261
Trade receivables	4,923	12,205
Deferred tax assets	1,002	1,292
	<hr/>	<hr/>
Total Non Current Assets	72,425	98,392
CURRENT ASSETS		
Inventories	894	887
Land and property development costs	50,134	64,278
Contract assets	88,596	95,200
Trade receivables	73,116	56,556
Other receivables	23,028	28,085
Tax recoverable	63	155
Fixed deposits with licensed bank	-	5,447
Cash held under Housing Development Account	203	210
Cash and bank balances	4,113	4,549
	<hr/>	<hr/>
Total Current Assets	240,147	255,367
CURRENT LIABILITIES		
Contract liabilities	-	682
Trade payables	7,441	41,151
Other payables	12,209	23,474
Finance lease payables	42	245
Bank borrowings	23 62,194	56,008
Provision for taxation	5	680
	<hr/>	<hr/>
Total Current Liabilities	81,891	122,240
NET CURRENT ASSETS		
	<hr/>	<hr/>
	158,256	133,127
	<hr/>	<hr/>
	230,681	231,519
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share Capital	85,647	52,977
Reserves	140,292	153,898
	<hr/>	<hr/>
	225,939	206,875
NON-CONTROLLING INTERESTS		
	(1,357)	2,400
TOTAL EQUITY		
	<hr/>	<hr/>
	224,582	209,275
NON-CURRENT LIABILITIES		
Trade payables	-	6,860
Bank borrowings	23 6,099	15,380
Deferred tax liabilities	-	4
	<hr/>	<hr/>
Total Non Current Liabilities	6,099	22,244
	<hr/>	<hr/>
	230,681	231,519
NET ASSETS PER SHARE (RM)		
	<hr/>	<hr/>
	0.51	0.59

The Unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.

PRINSIPTEK CORPORATION BERHAD
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**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Company					Total	Non-Controlling Interests	Total Equity
	Non - Distributable			Distributable				
	Share Capital	Exchange Reserve	Capital Reserve	Warrants Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>At End Of Current Period To Date</u>								
<u>31.12.2019 (Unaudited)</u>								
At 1 July 2019	52,977	2,245	58,030	18,788	74,835	206,875	2,400	209,275
Changes of stakes in a subsidiary company	-	(2,259)	(6,800)	-	-	(9,059)		(9,059)
Issuance of shares pursuant to conversion of warrants	25,507	-	-	(16,712)	-	8,795	-	8,795
Expiry of unexercised warrants	2,076	-	-	(2,076)	-	-	-	-
Issuance of shares pursuant to private placement	5,087	-	-	-	-	5,087	-	5,087
Profit for the financial period	-	-	-	-	10,947	10,947	(1,033)	9,914
Other comprehensive income for the period	-	3,294	-	-	-	3,294	(2,724)	570
Total comprehensive income for the period	-	3,294	-	-	10,947	14,241	(3,757)	10,484
At 31 December 2019	<u>85,647</u>	<u>3,280</u>	<u>51,230</u>	<u>-</u>	<u>85,782</u>	<u>225,939</u>	<u>(1,357)</u>	<u>224,582</u>
<u>At End Of Preceding Year</u>								
<u>Corresponding Period 31.12.2018 (Audited)</u>								
At 1 July 2018	44,885	(1,168)	58,030	24,089	74,555	200,391	1,547	201,938
Effect of adoption of MFRS 9	-	-	-	-	(2,437)	(2,437)	-	(2,437)
At 1 July 2018 (restated)	44,885	(1,168)	58,030	24,089	72,118	197,954	1,547	199,501
Profit for the financial period	-	-	-	-	329	329	599	928
Other comprehensive income for the period	-	1,814	-	-	-	1,814	100	1,914
Total comprehensive income for the period	-	1,814	-	-	329	2,143	699	2,842
At 31 December 2018	<u>44,885</u>	<u>646</u>	<u>58,030</u>	<u>24,089</u>	<u>72,447</u>	<u>200,097</u>	<u>2,246</u>	<u>202,343</u>

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.

AGESON BERHAD
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**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Current Year To Date 31.12.2019	(Audited) Preceding Year To Date 31.12.2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,917	1,372
Adjustments for:-		
Non-cash items	(3,843)	1,225
Non-operating items	(65)	472
Operating profit before working capital changes	6,009	3,069
Net change in current assets	(10,664)	31,539
Net change in current liabilities	(16,393)	(28,211)
Cash generated from operations	(21,048)	6,397
Interest received	65	163
Interest paid	(53)	(2,946)
Tax refund	(29)	-
Tax paid	(639)	(649)
Net cash generated from operating activities	(21,704)	2,965
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29)	-
Reduction/(Addition) in land and property development costs	10,634	(1,300)
Net cash generated/(used in) investing activities	10,605	(1,300)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(203)	(126)
Drawdown of bank borrowings	-	1,901
Proceeds from issuance of shares	13,883	-
Repayment of bank borrowings	(4,091)	(206)
Release/(Pledged) of fixed deposits	67	(59)
Net cash generated from financing activities	9,656	1,510
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,443)	3,175
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	4	24
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(32,980)	(37,177)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(34,419)	(33,978)
Cash and cash equivalents at the end of period comprise:-		
Cash and bank balances	4,316	2,919
Fixed deposits with licensed banks	-	5,896
Less: short term borrowings	(38,735)	(36,897)
	(34,419)	(28,082)
Less: fixed deposits pledged with licensed banks	-	(5,896)
	(34,419)	(33,978)

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019.

The notes set out on pages 5 to 16 form an integral part of the interim financial report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

PART A: EXPLANATORY INFORMATION IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD ("FRS") 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the annual audited financial statements of the Ageson Berhad Group ("the Group") for the financial year ended 30 June 2019.

These explanatory information attached to the interim financial report 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 30 June 2019.

2. CHANGES IN ACCOUNTING STANDARDS

The financial statements of the Group have been prepared in accordance with the MFRS, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies below.

Accounting standards, amendments to accounting standards and interpretations that are applicable for the Group in the following periods but are not yet effective:

		<u>Effective date for financial periods beginning on or after</u>
Amendments to MFRS 2	Share Based Payments	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14	Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

2. CHANGES IN ACCOUNTING STANDARDS (CONT'D)

		<u>Effective date for financial periods beginning on or after</u>
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138	Intangible Assets	1 January 2020
Amendments to IC Interpretation 12	Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC interpretation 132	Intangible Assets – Web Site Costs	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date yet to be determined by the Malaysian Accounting Standards Board

The impact of the above is still being assessed. Aside from the above mentioned, the adoption of the accounting standards, amendments to accounting standards, IC Interpretation and amendments to IC Interpretation are not expected to have any significant impact to the financial statements of the Group.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding audited financial statements of the Group was not subjected to any audit qualifications.

4. SEASONAL OR CYCLICAL FACTORS

The Group's performance during the current year quarter under review and year to date was not affected by unusual seasonal or cyclical fluctuations.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

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

6. CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported by the Group in prior financial years which have a material effect in the current year quarter.

7. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities by the Company during the current year quarter under review and year to date, save and except as follows:

(a) Private Placement

A total of 37,600,000 new ordinary shares were issued at RM0.1353 per share and subsequently listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 5 August 2019.

(b) Exercise of warrants

Issuance of 87,955,519 new ordinary shares pursuant to the conversion of 87,955,519 warrants at the exercise price of RM0.10 per warrant.

8. DIVIDEND

There was no dividend paid during the current year quarter under review and year to date.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

9. SEGMENTAL INFORMATION

Segmental information for the current year to date is presented in respect of the Group's business segments as follows:-

	<u>Construction</u> RM'000	<u>Property Development</u> RM'000	<u>Trading and Others</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
<u>Revenue</u>					
External sales	10,077	10,551	17	-	20,645
Inter-segment sales	-	-	-	-	-
Total revenue	<u>10,077</u>	<u>10,551</u>	<u>17</u>	<u>-</u>	<u>20,645</u>
<u>Results</u>					
Segment results	6,344	8,315	4,806	-	9,853
Interest expense					-
Interest income					64
Total results					<u>9,917</u>
<u>Assets</u>					
Segment assets	164,176	140,014	7,317	-	311,507
Unallocated corporate assets					1,065
Total Assets					<u>312,572</u>

10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group states its property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. The Group does not adopt a policy to revalue its property, plant and equipment.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material subsequent events from the end of the current interim financial period to the date of this report that have not been reflected in this report other than as disclosed in Note 22.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

12. CHANGES IN COMPOSITION OF THE GROUP

On 1 October 2019, Prinsiptek International Ltd, a subsidiary company of Ageson Berhad, disposed 600,000 ordinary shares in Prinsiptek Thai Ltd (“PTL”), representing 60% equity interest in PTL.

On 20 October 2019, the Company’s equity interest in Prinsiptek (M) Sdn Bhd’s Group has decreased from 100% to 9% as the result of conversion of 1,000,000 Preferences Shares by non-controlling interests into 100,000,000 new ordinary shares.

13. DISCONTINUED OPERATIONS

There was no discontinued operations event during the current year quarter under review / year to date.

14. CAPITAL COMMITMENT

Non-cancellable operating lease commitments are as follows:-

	Current Year To Date <u>31.12.2019</u> RM'000	Preceding Year To Date <u>31.12.2018</u> RM'000
Future minimum rentals payables:		
Within one year	-	71
Between one and two years	-	59
	-	130
	-	130

15. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	Current Year To Date <u>31.12.2019</u> RM'000
Secured bank guarantees given by the Group in the ordinary course of business to:-	
- trade suppliers	1,000
- authorities	670
- clients	12,730
	14,400
	14,400

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

**PART B: ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**

16. REVIEW OF PERFORMANCE

Ageson Group achieved a total revenue of RM10.56 million, representing an increase of RM1.98 million or 23.08% as compared to RM8.58 million in the preceding year corresponding quarter. This was mainly due to the higher progress billing recognized from both construction and property development projects.

As result, Ageson Group recorded the profit after taxation of RM7.79 million, representing an increase of RM7.53 million as compared to RM0.26 million in the preceding year corresponding quarter. The improvement was due to the recognition of higher profit margin and cost saving from inter-group restructuring during the current year quarter.

The Group registered a total revenue of RM20.65 million for the current year to date representing an increase of RM4.81 million or 30.37% as compared to RM15.84 million in the preceding year to date. And, the profit after taxation was RM9.91 million as compared to RM0.93 million in the preceding year to date, representing an increase of RM8.98 million.

The Property Development Division to be the main contributor to the Group revenue representing 51.11% of the total revenue, following by the Construction Division of 48.81% and Others Division contributed the balance of the Group revenue.

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group registered a slight increase in revenue of RM10.56 million for the current year quarter as compared to RM10.09 million in the preceding quarter.

Profit before taxation was increased to RM7.70 million in the current financial quarter as compared to RM2.22 million in the preceding quarter, representing an increase of RM5.48 million of the profit before taxation. This was mainly due to costs saving from inter-group restructuring during the current year quarter.

18. PROSPECTS

With the existing balance order book in the Construction Division, the progressive recognition of sales from the Property Development Division and the potential new construction projects, the Board of Directors is cautious of the sustaining performance of the Group for the coming financial quarter.

The Group will continue to adopt a prudent approach in its investments and focus on its core activities to enhance and strengthen the synergy among its group of companies.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

19. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT AND SHORTFALL IN PROFIT GUARANTEE

The Group did not publish any profit forecast in respect of the current year quarter.

20. PROFIT BEFORE TAXATION IS DERIVED AFTER CHARGING/(CREDITING)

	Current Year Quarter <u>31.12.2019</u> RM'000	Current Year To Date <u>31.12.2019</u> RM'000
Interest income	15	(64)
Other income	(16)	(17)
Interest expense	(707)	-
Loss on disposal / dilution of shareholdings in subsidiary companies	3,333	3,333
Depreciation and amortisation	(45)	10
Property, plant and equipment written off	(7)	-

21. TAXATION

	Current Year Quarter <u>31.12.2019</u> RM'000	Current Year To Date <u>31.12.2019</u> RM'000
Malaysia tax in respect of:-		
- current results	<u>(99)</u>	<u>3</u>

The effective tax rate for the Group for the current year quarter and year to date was lower than the statutory tax rate as the utilization of tax relief to set off against its taxable income.

22. CORPORATE PROPOSALS - STATUS OF THE CORPORATE PROPOSALS

Save as disclosed below, there was no other corporate proposal announced but not completed as at the date of this report.

On 3 September 2019, UOB Kay Hian Securities Sdn Bhd (“UOBKH”) on behalf of the board, announced that the Company proposed to undertake the following multiple proposals:-

- (i) Proposed a renounceable rights issue of up to 6,669,457,652 irredeemable convertible preferences shares (“ICPS”) on the basis of 13 ICPS for every 1 existing PCB Share held on the entitlement date to be determined later at an Issue Price of RM0.01 per ICPS (“Proposed Rights Issue”); and

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

22. CORPORATE PROPOSALS - STATUS OF THE CORPORATE PROPOSALS (CONT'D)

- (ii) AGESON and Prinsiptek Properties Sdn Bhd (“PPSB”), a wholly-owned subsidiary company of AGESON, had on 3 September 2019 entered into a conditional sale and purchase agreement (“SPA”) with Daya Intelek Usahasama Sdn Bhd for the proposed acquisition by PPSB of a parcel of development land measuring 7,395 square metres identified as Lot No. PT 129 held under Title No. H.S.(D) 18991, Section 1, Town of Batu Ferringi, District of Timor Laut, Pulau Pinang (“Subject Land”) from Daya Intelek for a purchase consideration of RM57 million (“Purchase Consideration”) to be satisfied via combination of RM15 million in cash and RM42 million in issuance and allotment of 4,200,000,000 ICPS at an issue price of RM0.01 per ICPS (“Proposed Acquisition”);

(Collectively referred to as the “Proposals”).

On 29 October 2019, UOB on behalf of the Board of Directors, announced that the listing application and draft circular in relation to the Proposals had submitted to Bursa Malaysia Securities Berhad.

On 17 December 2019, UOB on behalf of the Board of Director, announced the following:-

- (i) AGESON and PPSB had on 17 December 2019 entered into a supplementary agreement with the vendor to vary and amend the mode of settlement for the Purchase Consideration (“Supplementary Agreement”); and
- (ii) In conjunction with the Supplementary Agreement, the Board intends to amend the proposed utilization of proceeds of the proposed Rights Issue.

On 14 January 2020, UOB on behalf of the Board of Director, announced that Bursa Malaysia Securities Berhad had vide its letter dated 13 January 2020 approved the listing and quotation for the Proposed Rights Issue and ICPS to be issued pursuant to the Proposed Acquisition.

On 31 January 2020, the Proposals was approved by the shareholders at an extraordinary general meeting.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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23. GROUP BORROWINGS

	Current Year To Date <u>31.12.2019</u> RM'000	Preceding Year To Date <u>31.12.2018</u> RM'000
<u>Secured</u>		
Bank overdrafts	38,735	36,897
Fixed loan	3,790	3,885
Term loan	25,768	30,439
Total bank borrowings	68,293	71,221
Analyzed as:		
<u>Secured</u>		
Repayable within twelve months	62,194	48,302
Repayable after twelve months	6,099	22,919
	68,293	71,221

24. MATERIAL LITIGATIONS

Pursuant to the dilution of shareholdings, Prinsiptek (M) Sdn Bhd become a non-subsiary of the Company. The material litigation in relation to Prinsiptek (M) Sdn Bhd is not compulsory to be disclosed and the Company is of the view that it will not have any significant impact to the financial position of the Group.

Other than the above, there were no material litigations from the end of the current interim financial period to the date of this report that have not been reflected in this report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

25. EARNINGS PER SHARE

a) Basic earnings per share

The basic earnings per share is calculated by dividing the Group's profit attributable to the owners of the Company for the current year quarter / year to date by the weighted average number of ordinary shares in issue during the current year quarter / year to date under review as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter <u>31.12.2019</u>	Preceding Year Corresponding Quarter <u>31.12.2018</u>	Current Year To Date <u>31.12.2019</u>	Preceding Year To Date <u>31.12.2018</u>
Profit attributable to the owners of the Company (RM'000)	8,943	224	10,947	329
Weighted average number of shares in issue ('000)	478,670	348,652	444,556	348,652
Basic earnings per share (sen)	<u>1.87</u>	<u>0.06</u>	<u>2.46</u>	<u>0.09</u>

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

25. EARNINGS PER SHARE (CONT'D)

b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the Group's profit attributable to the owners of the Company for the current year quarter / year to date by the weighted average number of ordinary shares, after adjusted for dilutive effects of all potential ordinary shares from the assumed full exercise of warrants at the beginning of the financial period of the Company as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter <u>31.12.2019</u>	Preceding Year Corresponding Quarter <u>31.12.2018</u>	Current Year To Date <u>31.12.2019</u>	Preceding Year To Date <u>31.12.2018</u>
Profit attributable to the owners of the Company (RM'000)	8,943	224	10,947	329
Weighted average number of shares in issue ('000)	478,670	348,652	444,556	348,652
Adjustment for the assumed full exercise of warrants ('000)	-	36,224	-	36,224
Adjusted weighted average number of ordinary shares in issue ('000)	478,670	384,876	444,556	384,876
Diluted earnings per share (sen)	1.87	0.06	2.46	0.09

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2019**

**PART C : INFORMATION ON PROVISION OF FINANCIAL ASSISTANCE PURSUANT TO
PARAGRAPH 8.23 AND PRACTICE NOTE 11 / 2001 UNDER LISTING
REQUIREMENTS OF BURSA SECURITIES**

26. FINANCIAL ASSISTANCE

There is no financial assistance rendered by the Company and the Group for the current year quarter / year to date.

By order of the Board

Dato' Liew Kok Leong
Executive Director

Subang Jaya
Date: 11 February 2020