

Interim report on unaudited consolidated results for the financial period ended 31 December 2020

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	Current Quarter			Cumulative Quarter		
	31-Dec-20	31-Dec-19	Changes	31-Dec-20	31-Dec-19	Changes
	RM' 000	RM' 000	%	RM' 000	RM' 000	%
Revenue	13,654	14,710	-7.18%	13,654	14,710	-7.18%
Cost of sales	<u>(12,169)</u>	<u>(13,236)</u>		<u>(12,169)</u>	<u>(13,236)</u>	
Gross profit	1,485	1,474	0.75%	1,485	1,474	0.75%
Other income						
- interest	164	40		164	40	
- others	98	5,050		98	5,050	
Administrative expenses	(589)	(660)		(589)	(660)	
Selling and marketing expenses	(142)	(388)		(142)	(388)	
Depreciation	(220)	(253)		(220)	(253)	
Depreciation of right-of-use assets	(228)	(91)		(228)	(91)	
Finance costs	(90)	(57)		(90)	(57)	
Profit before tax	<u>478</u>	<u>5,115</u>	90.65%	<u>478</u>	<u>5,115</u>	90.65%
Income tax expense	<u>(40)</u>	<u>-</u>		<u>(40)</u>	<u>-</u>	
Profit after tax representing total comprehensive income for the period	<u><u>438</u></u>	<u><u>5,115</u></u>	91.44%	<u><u>438</u></u>	<u><u>5,115</u></u>	91.44%
Attributable to:						
Equity holders of the Company	438	5,115	91.44%	438	5,115	91.44%
Non-controlling interests	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
	<u><u>438</u></u>	<u><u>5,115</u></u>	91.44%	<u><u>438</u></u>	<u><u>5,115</u></u>	91.44%
Profit per share (sen)						
- basic	0.06	1.72		0.06	1.72	
- diluted	0.04	1.64		0.04	1.64	

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

	As at 31-Dec-20 RM' 000 (Unaudited)	As at 30-Sep-20 RM' 000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	14,057	14,272
Right-of-use assets	8,930	9,174
Other investments	-*	-*
	<u>22,987</u>	<u>23,446</u>
Current assets		
Inventories	4,795	8,642
Trade receivables	5,317	6,512
Other receivables	5,894	5,280
Cash and bank balances	38,944	36,276
	<u>54,950</u>	<u>56,710</u>
TOTAL ASSETS	<u><u>77,937</u></u>	<u><u>80,156</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	65,065	59,065
Redeemable convertible preference shares	12,000	15,000
Warrant reserves	8,719	8,719
Accumulated losses	(26,581)	(27,019)
Shareholders' equity	<u>59,203</u>	<u>55,765</u>
Non-controlling interests	-	-
TOTAL EQUITY	<u><u>59,203</u></u>	<u><u>55,765</u></u>
Non-current liability		
Lease liabilities	<u>8,578</u>	<u>8,737</u>
Current liabilities		
Trade payables	3,972	7,148
Other payables	5,362	7,614
Borrowings	-	84
Lease liabilities	634	660
Current tax liabilities	188	148
	<u>10,156</u>	<u>15,654</u>
TOTAL LIABILITIES	<u>18,734</u>	<u>24,391</u>
TOTAL EQUITY AND LIABILITIES	<u><u>77,937</u></u>	<u><u>80,156</u></u>
Net assets per share attributable to ordinary owners of the Company (RM)	<u>0.08</u>	<u>0.08</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

* Represents RM2

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	← Attributable to Owners of the Company →						
	← Non-Distributable →						
	Share Capital RM' 000	Redeemable Convertible Preference Shares RM' 000	Warrant Reserves RM' 000	Accumulated Losses RM' 000	Total RM' 000	Non- controlling Interests RM' 000	Total Equity RM' 000
Opening balance as at 1 October 2019	3,442	-	-	(33,373)	(29,931)	-	(29,931)
Issuance of placement shares	2,729	-	-	-	2,729	-	2,729
Issuance of settlement shares	9,760	-	1,898	-	11,658	-	11,658
Issuance of rights shares	39,985	-	7,775	-	47,760	-	47,760
Issue of shares upon exercise of warrants	3,881	-	(954)	-	2,927	-	2,927
Share issuance expenses	(732)	-	-	-	(732)	-	(732)
Issuance of settlement preference shares	-	15,000	-	-	15,000	-	15,000
Dividend	-	-	-	(3,573)	(3,573)	-	(3,573)
Total comprehensive income	-	-	-	9,927	9,927	-	9,927
Closing balance as at 30 September 2020	<u>59,065</u>	<u>15,000</u>	<u>8,719</u>	<u>(27,019)</u>	<u>55,765</u>	<u>-</u>	<u>55,765</u>
Opening balance as at 1 October 2020	59,065	15,000	8,719	(27,019)	55,765	-	55,765
Total comprehensive income	-	-	-	438	438	-	438
Transactions with owners:-							
Issuance of shares	3,000	-	-	-	3,000	-	3,000
Conversion of RCPS	3,000	(3,000)	-	-	-	-	-
Closing balance as at 31 December 2020	<u>65,065</u>	<u>12,000</u>	<u>8,719</u>	<u>(26,581)</u>	<u>59,203</u>	<u>-</u>	<u>59,203</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	Three Months Ended	
	31-Dec-20	31-Dec-19
	RM' 000	RM' 000
OPERATING ACTIVITIES		
Profit before tax for the period	478	5,115
Adjustments for:		
Depreciation of property, plant and equipment	220	253
Depreciation of right-of-use assets	228	91
Waiver of liabilities	-	(4,996)
Inventories written down	-	1
Interest income	(164)	(40)
Interest expense	90	57
Operating cash flows before working capital changes	852	481
<u>Changes in working capital</u>		
- trade and other receivables	581	(490)
- inventories	3,847	(465)
- trade and other payables	(5,428)	(15,900)
Cash flows used in operations	(148)	(16,374)
Tax paid	-	-
Net cash flows used in operating activities	(148)	(16,374)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5)	(323)
Interest received	164	40
Net cash flows from/(used in) investing activities	160	(283)
FINANCING ACTIVITIES		
Payment of lease liabilities	(170)	(68)
Interest paid	(90)	(57)
Placement of fixed deposits pledged to a licensed bank	-	(9)
Repayment of borrowings	(84)	-
Proceeds from issuance of shares	3,000	47,858
Net cash flows from financing activities	2,656	47,724
CASH AND CASH EQUIVALENTS		
Net increase	2,668	31,067
At beginning of period	26,449	3,335
At end of period	29,117	34,402

Cash and cash equivalents at the end of the financial period comprise of the following:

	As at	As at
	31-Dec-20	31-Dec-19
	RM' 000	RM' 000
<u>Cash and cash equivalents included in consolidated statement of cash flows comprise the following:-</u>		
Fixed deposits with a licensed bank	9,827	143
Cash and bank balances	29,117	34,402
	38,944	34,545
Less: Fixed deposits pledged as security	(9,827)	(143)
	29,117	34,402

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

Part A - MFRS 134 Requirements

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group's audited financial statements for the period ended 30 September 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes on the financial position and performance of the Group since the financial period ended 30 September 2020.

A2 Accounting Policies

The accounting policies and presentation applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 30 September 2020, except for the adoption of the new and amended MFRSs, and Issues Committee (IC) Interpretations mandatory for annual financial periods beginning on or after 1 January 2020.

These new MFRS and revision and amendments not adopted by the Group do not have any significant impact on the financial statements of the Group.

A3 Auditors' Report on Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 30 September 2020 were not subject to any qualification.

A4 Comments about Seasonal or Cyclical Factors

The businesses of the Group are generally not affected by the seasonal and cyclical factors.

A5 Unusual Items due to their Nature, Size or Incidence

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

A6 Changes in Estimates

There were no changes in estimates that have any material effect on the current quarterly results.

A7 Debt and Equity Securities

During the 3-month period ended 31 December 2020, the Group has issued new ordinary shares as follows:-

	Issue Price	No. of Shares
Conversion of RCPS	RM0.10	60,000,000

As at 31 December 2020, the total number of outstanding warrants and RCPS were 267,808,360 and 240,000,000 respectively.

Other than as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A8 Dividend Paid

No dividend has been paid for the financial period under review.

A9 Segmental Information

There is no segmental reporting by the Group.

A10 Carrying Amount of Assets

The value of property, plant and equipment has been brought forward without amendment from the previous financial year ended 30 September 2020.

A11 Capital Commitments

There were no capital commitments as at the end of the reporting period.

A12 Related Party Transactions

The Group's recurrent related party transactions during the quarter and cumulative period-to-date ended 31 December 2020 are as follows:

	3 Months Ended 31-Dec-20 RM'000	Year-to-date ended 31-Dec-20 RM'000
Transactions with a company in which a major shareholder and Director has interests:		
Rental Income	(91)	(91)
Purchases	7,345	7,345
	<u>7,254</u>	<u>7,254</u>

A13 Material Subsequent Events

There were no material events subsequent to the end of current financial quarter.

A14 Changes in the Composition of the Group

There were no changes in the composition of the Group during this current quarter.

A15 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets during the financial period under review.

A16 Profit Before Tax

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

	Current quarter		Cumulative Quarter	
	Three Months Ended		Three Months Ended	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	RM' 000	RM' 000	RM' 000	RM' 000
Interest income	(164)	(40)	(164)	(40)
Rental income	(91)	-	(91)	-
Interest on lease liabilities	90	57	90	57
Depreciation of property, plant and equipment	220	253	220	253
Inventories written down	-	1	-	1
Depreciation of right-of-use assets	228	91	228	91
Waiver of liabilities	-	(4,996)	-	(4,996)
Insurance claims received	-	(54)	-	(54)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

B1 Review of Performance

	Individual Period		Changes	Cumulative Period		Changes
			%			%
	Three Months	Three Months		Current Year To-date	Preceding Year Corresponding Period	
	1-Oct-20 to 31-Dec-20	1-Oct-19 to 31-Dec-19		01-Oct-20 to 31-Dec-20	01-Oct-19 to 31-Dec-19	
	RM' 000	RM' 000		RM' 000	RM' 000	
Revenue	13,654	14,710	(7.18)	13,654	14,710	(7.18)
Gross profit	1,485	1,474	0.75	1,485	1,474	0.75
Profit Before Interest and Tax	568	5,172	(89.02)	568	5,172	89.02
Profit Before Tax	478	5,115	(90.65)	478	5,115	90.65
Profit After Tax	438	5,115	(91.44)	438	5,115	91.44

The revenue for the Group had decreased 7.18% from RM14.710 million in the previous year's corresponding quarter to RM13.654 million in the current quarter.

The Group is maintaining their gross profit at RM1.485 million. However, the profit after tax has dropped significantly due to there are one-off event occurred in the previous year's corresponding quarter, which is the other income on waiver of liabilities amounted to RM4.996 million.

However, if the waiver of liabilities are excluded in this comparison, there will be only RM0.119 million of net profit after tax for the previous year's corresponding quarter. This implies that current quarter is more profitable in this comparison.

B2 Material Changes in the Quarterly Results as compared to Results of the Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes %
	01-Oct-20 to 31-Dec-20	01-Jul-20 to 30-Sep-20	
	RM' 000	RM' 000	
Revenue	13,654	14,557	(6.20)
Gross profit	1,485	1,857	(20.03)
Profit Before Interest and Tax	568	422	34.60
Profit Before Tax	478	329	45.29
Profit After Tax	438	195	124.62

The Group's revenue had decreased by 6.2% from RM14.557 million in the preceding quarter to current quarter of RM13.654 million. This was mainly due to the impact of Covid-19 and lesser demand from our customers.

The Group has a lower gross profit of RM1.485 million for current quarter as compared to RM1,857 million in the preceding quarter. This was mainly due to the downturn of economy.

Besides that, the Group is doing well in cost-controlling especially within the administrative expenses. The management are paying much attention on cost during this crucial period. Saving cost are vitally important for every company to survive in the long run.

B3 Prospect

Global economic activities are expected to record unprecedented decline in 2020 due to the COVID-19 impact. Many businesses and individuals had been significantly affected. However, the Malaysian economy is expected to recover gradually over the time. The Board expects an improvement in the Group's performance for the coming year.

B4 Profit Forecast

There were no profit forecast nor profit guarantee made during the financial period under review.

B5 Taxation

There is provision of taxation due of RM0.040 million for the financial period.

B6 Profit / (Loss) on Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and properties during the quarter under review.

B7 Quoted Securities

For the period under review, the Group does not hold any quoted securities.

B8 Corporate Exercise

The status of utilisation of proceeds of RM34.114 million raised from the regularisation plan which was completed on 28 November 2019 are as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Estimated timeframe
	RM'000	RM'000	RM'000	
Wheat flour business	21,414	12,237	9,177	Within 24 months
Tapioca starch business	10,000	10,000	-	Within 24 months
Expenses relating to the regularisation plan	2,700	2,700	-	Within 3 months
	34,114	24,937	9,177	

B9 Group Borrowings and Debt Securities

During the quarter under review, the Group has no borrowings.

B10 Off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risks as at 5 February 2021 the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report.

B11 Changes in Material Litigation

There were no material litigation during the financial period under review.

B12 Dividend Declared

No dividend has been declared for the financial period under review.

B13 Profit Per Share**(a) Basic**

Basic profit per share are calculated by dividing the net earnings for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issued during the period.

	Current Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Net profit attributable to equity holders of the Company (RM' 000)	438	5,115	438	5,115
Weighted average number of ordinary shares in issue ('000)	737,236	297,901	737,236	297,901
Basic profit per share (sen)	0.06	1.72	0.06	1.72
(b) Diluted				
Net profit attributable to equity holders of the Company (RM' 000)	438	5,139	438	5,139
Weighted average number of ordinary shares in issue ('000)	1,160,701	312,614	1,160,701	312,614
Diluted profit per share (sen)	0.04	1.64	0.04	1.64