

THETA EDGE BERHAD

[199301005265 (260002-W)]
(Incorporated in Malaysia)

QUARTERLY REPORT

SUMMARY OF KEY UNAUDITED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

| | Individual Period | | | Cumulative Period | | |
|--|--|---|----------------|--|--|----------------|
| | Current Year Quarter 30/9/2021 RM'000 | Preceding Year Corresponding Quarter 30/9/2020 RM'000 | Changes (%) | Current Year To-date 30/9/2021 RM'000 | Preceding Year Corresponding Period 30/9/2020 RM'000 | Changes (%) |
| 1. Revenue | 63,071 | 12,581 | 401% | 115,375 | 32,646 | 253% |
| 2. Gross Profit | 1,858 | 3,527 | -47% | 6,662 | 5,834 | 14% |
| 3. Profit/(Loss) before taxation | (340) | 678 | -150% | (862) | (2,216) | -61% |
| 4. Profit/(Loss) after taxation | (340) | 678 | -150% | (862) | (2,216) | -61% |
| 5. Profit/(Loss) for the period | (340) | 678 | -150% | (862) | (2,216) | -61% |
| 6. Profit/(Loss) attributable to owners of the Company | (340) | 678 | -150% | (862) | (2,216) | -61% |
| 7. Profit/(Loss) per share (sen) | (0.32) | 0.63 | -150% | (0.80) | (2.07) | -61% |
| 8. Proposed/Declared dividend per share (sen) | - | - | | - | - | |

| | As At End Of Current Financial Year End RM | As At Preceding Financial Year End RM | Changes % |
|---|--|---|--------------|
| 9. Net assets per share attributable to owners of the Company | 0.57 | 0.58 | -2% |

Additional Information

| | Individual Period | | | Cumulative Period | | |
|-------------------------|--|---|----------------|--|--|----------------|
| | Current Year Quarter 30/9/2021 RM'000 | Preceding Year Corresponding Quarter 30/9/2020 RM'000 | Changes (%) | Current Year To-date 30/9/2021 RM'000 | Preceding Year Corresponding Period 30/9/2020 RM'000 | Changes (%) |
| 1. Gross Finance income | 394 | 226 | 74% | 793 | 766 | 4% |
| 2. Gross Finance costs | 163 | 50 | 226% | 371 | 153 | 142% |

THETA EDGE BERHAD

[199301005265 (260002-W)]

(Incorporated in Malaysia)

QUARTERLY REPORT

UNAUDITED CONDENSED STATEMENTS OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

| | Individual Quarter | | Cumulative Quarter | |
|---|--|---|---|--|
| | Current Year Quarter Ended 30/9/2021 RM'000 | Preceding Year Corresponding Quarter Ended 30/9/2020 RM'000 | Current Year Period Ended 30/9/2021 RM'000 | Preceding Year Corresponding Period Ended 30/9/2020 RM'000 |
| Revenue | 63,071 | 12,581 | 115,375 | 32,646 |
| Cost of sales | (61,213) | (9,054) | (108,713) | (26,812) |
| Gross Profit | 1,858 | 3,527 | 6,662 | 5,834 |
| Other operating income | 173 | 92 | 746 | 393 |
| Operating expenses | (2,218) | (2,657) | (7,467) | (7,719) |
| Profit/(Loss) from operations | (187) | 962 | (59) | (1,492) |
| Finance income | 394 | 226 | 793 | 766 |
| Depreciation | (384) | (461) | (1,225) | (1,337) |
| Allowances and non cash expenses | - | 1 | - | - |
| Finance costs | (163) | (50) | (371) | (153) |
| Profit/(Loss) before taxation | (340) | 678 | (862) | (2,216) |
| Taxation | - | - | - | - |
| Profit/(Loss) for the period | (340) | 678 | (862) | (2,216) |
| Total comprehensive profit/(loss) for the period | (340) | 678 | (862) | (2,216) |
| Profit/(Loss) attributable to : | | | | |
| Owners of the Company | (340) | 678 | (862) | (2,216) |
| Non-controlling interest | - | - | - | - |
| Profit/(Loss) for the period | (340) | 678 | (862) | (2,216) |
| Total comprehensive profit/(loss) attributable to: | | | | |
| Owners of the Company | (340) | 678 | (862) | (2,216) |
| Non-controlling interest | - | - | - | - |
| Total comprehensive profit/(loss) for the period | (340) | 678 | (862) | (2,216) |
| Profit/(Loss) per ordinary share (sen) | | | | |
| Basic | (0.32) | 0.63 | (0.80) | (2.07) |
| Diluted | - | - | - | - |

The unaudited condensed Statements of Profit & Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2020.

THETA EDGE BERHAD

[199301005265 (260002-W)]
(Incorporated in Malaysia)

QUARTERLY REPORT

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

| | Unaudited As At 30/9/2021 RM'000 | Audited As At 31/12/2020 RM'000 |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Plant and equipment | 1,834 | 1,931 |
| Right-of-use assets | 2,271 | 2,557 |
| Trade Receivable | 18,734 | 1,891 |
| | 22,839 | 6,379 |
| Current assets | | |
| Inventories | 52 | 51 |
| Trade and other receivables | 35,208 | 12,603 |
| Contract assets | 3,480 | 12,139 |
| Contract costs | 3,637 | 1,262 |
| Cash and cash equivalents | 43,619 | 41,559 |
| | 85,996 | 67,614 |
| Total assets | 108,835 | 73,993 |
| EQUITY | | |
| Share capital | 107,243 | 107,243 |
| Reserves | (45,699) | (44,837) |
| Equity attributable to owners of the Company | 61,544 | 62,406 |
| LIABILITIES | | |
| Current liabilities | | |
| Lease Liabilities | 1,001 | 789 |
| Hire Purchase | 4,430 | 592 |
| Trade and other payables | 22,386 | 5,646 |
| Contract liabilities | 2,063 | 946 |
| | 29,880 | 7,973 |
| Non Current liabilities | | |
| Lease Liabilities | 1,374 | 1,847 |
| Hire Purchase | 16,037 | 1,767 |
| | 17,411 | 3,614 |
| Total liabilities | 47,291 | 11,587 |
| Total equity and liabilities | 108,835 | 73,993 |

The unaudited condensed Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2020

THETA EDGE BERHAD

[199301005265 (260002-W)]
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QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

| | <u>Attributable to the owners of the Company</u> | | |
|--|--|---------------------------------|---------------------------|
| | Share capital RM'000 | Accumulated losses RM'000 | Total equity RM'000 |
| <u>9 months ended 30 September 2020</u> | | | |
| At 1 January 2020 (audited) | 107,243 | (37,870) | 69,373 |
| Comprehensive loss for the financial period | - | (2,216) | (2,216) |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2020 (unaudited) | <u>107,243</u> | <u>(40,086)</u> | <u>67,157</u> |
| <u>9 months ended 30 September 2021</u> | | | |
| At 1 January 2021 (audited) | 107,243 | (44,837) | 62,406 |
| Comprehensive loss for the financial period | - | (862) | (862) |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2021 (unaudited) | <u>107,243</u> | <u>(45,699)</u> | <u>61,544</u> |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2020.

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QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

| | Unaudited 30/9/2021 RM'000 | Unaudited 30/9/2020 RM'000 |
|---|----------------------------------|----------------------------------|
| Cash flow from operating activities | | |
| Net loss before taxation | (862) | (2,894) |
| Adjustments for: | | |
| Depreciation of plant and equipment | 625 | 555 |
| Depreciation of right-of-use assets | 600 | 438 |
| Finance costs paid | 302 | 49 |
| Finance cost on lease liabilities | 69 | 54 |
| Finance income received | (557) | (480) |
| Finance income from lease | (236) | (60) |
| Bad debts recovered | (126) | (36) |
| (Gain)/loss on disposal of Plant and equipment | (5) | 1 |
| Operating loss before working capital changes | <u>(190)</u> | <u>(2,373)</u> |
| Movements in working capital | | |
| Inventories | (2,376) | (3,419) |
| Receivables | (30,427) | (1,327) |
| Payables | 17,857 | (191) |
| Cash flow used in operations | <u>(15,136)</u> | <u>(7,310)</u> |
| Finance costs paid | (302) | (49) |
| Finance income received | 557 | 480 |
| Net cash flow used in operating activities | <u>(14,881)</u> | <u>(6,879)</u> |
| Cash flow used in investing activities | | |
| Purchase of plant and equipment | (523) | (1,161) |
| | <u>(523)</u> | <u>(1,161)</u> |
| Cash flow from/(used in) financing activities | | |
| Hire purchase | 18,108 | - |
| Lease liabilities | (644) | (459) |
| Pledged deposits | (724) | (20) |
| | <u>16,740</u> | <u>(479)</u> |
| Net movement in cash and cash equivalents | <u>1,336</u> | <u>(8,519)</u> |
| Cash and cash equivalents at beginning of financial period | 38,904 | 42,532 |
| Cash and cash equivalents at end of financial period | <u>40,240</u> | <u>34,013</u> |
| Cash and cash equivalents consist of: | | |
| Deposits, cash & bank balances | 43,619 | 36,671 |
| Less : Pledged deposits | (3,379) | (2,658) |
| Cash and cash equivalents | <u>40,240</u> | <u>34,013</u> |

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2020.

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QUARTERLY REPORT

(A) EXPLANATORY NOTES PERTAINING TO MFRS 134

A.1 Basis of preparation and significant accounting policies

This interim unaudited financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

The accounting policies adopted in the preparation of the Condensed Consolidated Interim financial statements are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020 except for the following:

Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2021:

| | |
|------------------------|--|
| Amendments to MFRS 4 | Insurance contracts: Interest Rate Benchmark Reform—Phase 2 |
| Amendments to MFRS 7 | Financial Instrument: Disclosures - Interest Rate Benchmark Reform Phase 2 |
| Amendments to MFRS 9 | Financial Instrument: Disclosures - Interest Rate Benchmark Reform Phase 2 |
| Amendments to MFRS 16 | Leases: Disclosures - Interest Rate Benchmark Reform Phase 2 and Covid-19-Related Rent Concessions beyond 30 June 2021 |
| Amendments to MFRS 139 | Financial Instruments: Recognition and Measurement : Disclosures - Interest Rate Benchmark Reform Phase 2 |

Other than the below, the above pronouncements are either not relevant or do not have any material impact on the interim financial statements of the Company upon their initial application. The Company has adopted the relevant standards from 1 January 2021 with practical expedients permitted under the standards.

A.2 Report On the Financial Statements

The auditors' report on the financial statement for the financial year ended 31 December 2020 was not qualified.

A.3 Seasonality and cyclicity of operations

The Group's business operations were not materially affected by any seasonal or cyclical factors.

A.4 Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter under review and financial year to date.

A.5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter and financial year to date.

A.6 Debt and equity securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year to date.

A.7 Dividends

No dividends have been declared and paid during the current quarter and financial year to date.

A.8 Segmental information

| | Current Year to Date 30/09/2021 | | | Preceding Year Corresponding Period 30/09/2020 | | |
|----------------------------------|---------------------------------------|-----------------------------|-----------------|--|-----------------------------|-----------------|
| | Information Technology RM'000 | Telco Services RM'000 | Total RM'000 | Information Technology RM'000 | Telco Services RM'000 | Total RM'000 |
| Revenue | 111,299 | 4,076 | 115,375 | 28,260 | 4,386 | 32,646 |
| Gross profit / (loss) | 10,195 | (3,532) | 6,662 | 9,549 | (3,715) | 5,834 |
| Other operating income | | | 746 | | | 393 |
| Operating expenses | | | (7,467) | | | (7,719) |
| Loss from operations | | | (59) | | | (1,492) |
| Finance income | | | 793 | | | 766 |
| Depreciation | | | (1,225) | | | (1,337) |
| Allowances and non-cash expenses | | | - | | | - |
| Finance cost | | | (371) | | | (153) |
| Loss before taxation | | | (862) | | | (2,216) |

Geographical reporting is not presented as the operations of the Group are in Malaysia.

A.9 Valuation of property, plant and equipment

The valuations of plant and equipment have been brought forward without amendment from the previous financial statements ended 31 December 2020.

A.10 Subsequent events

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

A.11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year to date.

A.12 Changes in contingent liabilities and contingent assets

(A) There were no contingent assets for the current quarter and financial year to date.

(B) The changes in the Group's contingent liabilities are as follows:

- (i) Bank guarantees issued mainly to trade customers increased from RM7,220,171 to RM7,961,430 during the current quarter.

A.13 Material Litigation

There were no material litigation during the current quarter and financial year to date.

A.14 Capital Commitments

There were no major capital commitments as at the date of this report.

A.15 Related party transactions

The related party transactions of the Group are recurrent in nature and had been entered into in the ordinary course of business. Below are the significant transactions and balances with related parties of the Group during the current financial period.

| Related Parties | Transactions | Transactions for the year ended 30 September 2021 RM '000 | Balance due from / (to) as at 30 September 2021 RM '000 |
|-----------------------|---------------------------------|--|--|
| Lembaga Tabung Haji | Various ICT services | 6,728 | 1,169 |
| TH Properties Sdn Bhd | ICT Equipment rental & services | 65 | 17 |
| THP Bina Sdn Bhd | ICT Equipment rental & services | 2,195 | 2,195 |
| | | 8,989 | 3,381 |

A.16 Financial instruments and fair value measurements

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate fair values due to the relatively short term nature of these financial instruments as at the end of the current year to date other than the below:

| Group | Fair value of financial instruments not carried at fair value as at 30/9/2021 | | | | Total fair value 30/9/2021 RM'000 | Carrying amount 30/9/2021 RM'000 |
|-------------------------------------|--|---------|---------|--------|--|---|
| | Level 1 | Level 2 | Level 3 | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | | |
| <u>Financial liabilities</u> | | | | | | |
| Hire Purchase | | | 23,763 | 23,763 | 23,763 | 20,468 |
| lease liabilities | - | - | 2,508 | 2,508 | 2,508 | 2,375 |
| | - | - | 26,271 | 26,271 | 26,271 | 22,843 |

(B) EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B.1 Review of performance

| | Individual Period | | Changes (%) | Cumulative Period | | Changes (%) |
|---|---|---|-------------|---|--|-------------|
| | Current Year Quarter 30/9/2021 RM'000 | Preceding Year Corresponding Quarter 30/9/2020 RM'000 | | Current Year To date 30/9/2021 RM'000 | Preceding Year Corresponding Period 30/9/2020 RM'000 | |
| Revenue | 63,071 | 12,581 | 401% | 115,375 | 32,646 | 253% |
| Profit / (Loss) from Operations | (187) | 962 | -150% | (59) | (1,492) | -96% |
| Profit / (Loss) Before Finance cost and Taxation | (177) | 728 | -150% | (491) | (2,063) | -76% |
| Profit / (Loss) Before Taxation | (340) | 678 | -150% | (862) | (2,216) | -61% |
| Profit / (Loss) After Taxation | (340) | 678 | -150% | (862) | (2,216) | -61% |
| Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent | (340) | 678 | -150% | (862) | (2,216) | -61% |

Nine (9) months ended 30 September 2021

The Group reported a revenue of RM115.4 million as at 30 September 2021 as compared to the revenue of RM32.6 million in the corresponding period in the preceding year. The higher revenue in 2021 was due to large one-off trading revenues amounting to RM95.1 million. Margins were much lower due to trading revenues and high cost of project deployment during the MCO. Due to the higher revenue and lower operational expenses, the loss for the period was RM0.9 million compared to loss of RM2.2 million in the corresponding period in the preceding year.

Information technology

Information Technology revenue was RM111.3 million contributing 96% of the Group's revenue. It was mainly contributed from one-off trading revenues from "Cerdik" program, Mindef equipment and TH CES hardware amounting RM95.1 million.

Telecommunication services

The revenue contribution of this segment was RM4.1 million as compared to the preceding year of RM4.4 million. The revenue contribution of this segment is 3.5% as compared to the preceding year of 13.4%. This segment is reliant on the rollout of the infrastructure projects by the respective telecommunication or equipment providers. The low revenue and high cost of operations was due to lesser number of sites readiness for works due to work restrictions during MCO.

B.2 Material changes in quarterly results

| | Individual Current Quarter 30/9/2021 RM '000 | Immediate Preceding Quarter 30/06/2021 RM '000 | Changes (%) |
|---|--|--|----------------|
| Revenue | 63,071 | 39,607 | 59% |
| Gross profit | 1,858 | 2,845 | -35% |
| Profit/ (Loss) from operations | (187) | 335 | >-100% |
| Profit/ (Loss) before Finance cost and Taxation | (177) | 151 | >-100% |
| Profit/ (Loss) Before Taxation | (340) | 101 | >-100% |
| Profit/ (Loss) After Taxation | (340) | 101 | >-100% |
| Profit/ (Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent | (340) | 101 | >-100% |

The higher revenue of RM63.0 million in the current quarter was contributed from one-off trading supply of equipment.

B.3 Prospects

The outlook for the financial year 2021 in relation to the Information Technology (IT) segment is expected to remain challenging as we expect disruption from the pandemic with uncertainties in the global and local economy to continue in 2021. As the Group's customers for the IT segment are mainly the government, government linked companies and Essential Services, the Group was able to deliver project deliverables on hand during the MCO. However, for future projects we expect a change of approach on the business model and the Government procurement policies on IT turnkey projects.

For the Telecommunication (Telco) segment, revenue recognition was affected due to the constraints in fulfilment of activities on the ground during MCO. However, we have seen a spike of deployment activities based on customers' requests when we enter Phase 4 of the National Recovery Plan. The challenges of the Telco business remains as the cost of raw materials and vendors had seen a rise of 15% to 20% across board for all activities.

The Group continues to strive to identify key levers to improve productivity, acquire relevant skillsets and service offerings and broaden the customer base. The Group will monitor and manage the operations with vigilance with efforts to improve performance of all segments as well as implementing measures to reduce further operating expenditure. The Group continues to explore strategic investment opportunities, development of unique products and solutions and strategic alliances in new business segments to strengthen the earnings base and performance in the medium term.

B.4 Statement of the Board of Directors' opinion on financial estimate, forecast, projection, internal targets or profit guarantee

The Group did not previously announce, disclose or publish any financial estimate, forecast, projection, internal targets or profit guarantee in a public document.

B.5 Profit/(Loss) before taxation

The following amounts have been included in arriving at loss before taxation:

| | Individual Quarter | | Cumulative Quarter | |
|---|--|---|--|--|
| | Current Quarter 30/9/2021 RM'000 | Preceding Year Corresponding Quarter 30/9/2020 RM'000 | Current Year To Date 30/9/2021 RM'000 | Preceding Year Corresponding Period 30/9/2020 RM'000 |
| Short term investment income | 199 | 190 | 557 | 670 |
| Finance income from lease receivables | 195 | 36 | 236 | 96 |
| Other income | 173 | 92 | 746 | 393 |
| Finance cost | 146 | 26 | 302 | 75 |
| Finance cost from Right-of-Use assets | 17 | 24 | 69 | 78 |
| Depreciation | 195 | 285 | 625 | 841 |
| Depreciation from Right-of-Use assets | 189 | 233 | 600 | 671 |
| Amortisation/write off of development cost | - | - | - | - |
| Allowance for doubtful receivables | - | - | - | - |
| Write off / (recovery) of bad receivables | (54) | - | (126) | - |
| Allowance/ (writeback) for obsolete inventories | - | - | - | - |
| Derecognition of deferred taxation asset | - | - | - | - |
| Allowance for impairment of plant and machineries | - | - | - | - |
| Foreign exchange gain / (loss) | - | - | - | - |
| Gain / (loss) on derivatives | - | - | - | - |

B.6 Taxation

| | Individual Quarter | | Cumulative Quarter | |
|--|--|---|--|--|
| | Current Quarter 30/9/2021 RM'000 | Preceding Year Corresponding Quarter 30/9/2020 RM'000 | Current Year To Date 30/9/2021 RM'000 | Preceding Year Corresponding Period 30/9/2020 RM'000 |
| Current year income tax | - | - | - | - |
| Under / (over) provision for previous period | - | - | - | - |
| Derecognition of deferred taxation asset | - | - | - | - |
| | - | - | - | - |

B.7 Sale of unquoted investments and/or properties

The Group was not involved in any sale of unquoted investments and/or properties during the current quarter.

B.8 Quoted securities

There were no quoted securities held by the Group.

B.9 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 17 November 2021, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

B.10 Group borrowings

Details of the Group's borrowing as at the end of the reporting period are as follows:

| | | Current Quarter - 30/9/2021 (Amount in RM'000) | | |
|-----------|---------------|---|--------------|-----------------|
| Unsecured | | Long term | Short term | Total Borrowing |
| | Hire Purchase | 16,037 | 4,430 | 20,467 |
| | Total | 16,037 | 4,430 | 20,467 |

| | | Preceding Year Corresponding Quarter -30/9/2020 (Amount in RM'000) | | |
|-----------|---------------|---|------------|-----------------|
| Unsecured | | Long term | Short term | Total Borrowing |
| | Hire Purchase | 2,193 | 268 | 2,461 |
| | Total | 2,193 | 268 | 2,461 |

The fixed rate of borrowings as at 30 September 2021 is from 3.03% to 3.38%.

All the borrowings are denominated in Ringgit Malaysia and are guaranteed by the Company.

B.11 Lease liabilities

Details of the Group's lease liabilities as at the end of the reporting period are as follows:

| | | Current Quarter - 30/9/2021 (Amount in RM'000) | | |
|--|-------------------|---|--------------|-------------------------|
| | | Long term | Short term | Total Lease liabilities |
| | Lease Liabilities | 1,374 | 1,001 | 2,375 |
| | Total | 1,374 | 1,001 | 2,375 |

| | | Preceding Year Corresponding Quarter -30/9/2020 (Amount in RM'000) | | |
|--|-------------------|---|------------|-------------------------|
| | | Long term | Short term | Total lease liabilities |
| | Lease Liabilities | 1,116 | 913 | 2,029 |
| | Total | 1,116 | 913 | 2,029 |

The lease liabilities relates to the lease of office units and warehouses. The implicit interest rate of lease as at 30 September 2021 was assumed at 4.2% per annum (30 September 2020: 5.3%)

B.12 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 17 November 2021, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

B.13 Changes in material litigations

There were no changes in material litigations as at 17 November 2021, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

B.14 Dividends

No dividends have been paid, declared or proposed since the end of the Company's previous financial year. The Directors do not recommend any interim dividend for the period under review.

B.15 Loss per share

The basic loss per share for the quarter and year to date ended 30 September 2021 are computed as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--|------------------------------|---|--------------------------------------|--|
| | Current Quarter 30/9/2021 | Preceding Year Corresponding Quarter 30/9/2020 | Current Year To Date 30/9/2021 | Preceding Year Corresponding Period 30/9/2020 |
| Net loss (RM'000) | (340) | 678 | (862) | (2,216) |
| No of ordinary shares in issue ('000) | 107,243 | 107,243 | 107,243 | 107,243 |
| Weighted average number of ordinary shares in issue ('000) | 107,243 | 107,243 | 107,243 | 107,243 |
| Basic EPS /(LPS) (sen) | (0.32) | 0.63 | (0.80) | (2.07) |
| Diluted EPS /(LPS) (sen) | N/A | N/A | N/A | N/A |

Diluted LPS is not computed as there are no outstanding share options or instruments that will dilute the basic loss per share.

B.16 Derivatives

There are no derivatives outstanding as at the end of the current financial year to date.

B.17 Fair value changes of financial liabilities

There are no fair value changes of financial liabilities as at the end of the current financial year to date except for the below.

| | Lease Liabilities | | Hire Purchase | | Balance as at 30 September 2021 | |
|--------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------------|-------------------------------|
| | Carrying Amount RM'000 | Total Fair Value RM'000 | Carrying Amount RM'000 | Total Fair Value RM'000 | Carrying Amount RM'000 | Total Fair Value RM'000 |
| Balance at 01/1/2021 | 2,636 | 2,836 | 2,359 | 2,723 | 4,995 | 5,559 |
| Addition | - | - | 19,191 | 22,292 | 19,192 | 22,292 |
| Repayment/derecognition | (261) | (328) | (1,083) | (1,252) | (1,344) | (1,580) |
| Balance as at 30/9/2021 | 2,375 | 2,508 | 20,467 | 23,763 | 22,843 | 26,271 |

B.18 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors 29 November 2021.