

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

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

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTERS</u>	
		Current Quarter Ended	Preceding Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year To Date Ended
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		RM '000	RM '000	RM '000	RM '000
Revenue		10,150	10,210	36,200	34,077
Cost of sales		(8,600)	(8,156)	(27,069)	(24,734)
Gross profit		1,550	2,054	9,131	9,343
Other income		100	440	502	1,317
Administrative expenses		(1,277)	(1,361)	(4,270)	(4,464)
Other operating expenses		(638)	(726)	(1,838)	(2,224)
Finance costs		(163)	(177)	(482)	(476)
(Loss)/Profit before taxation		(428)	230	3,043	3,496
Taxation		(198)	(55)	(1,056)	(840)
(Loss)/Profit after taxation/total comprehensive income for the financial period		(626)	175	1,987	2,656
Attributable to:					
- Owners of the Company		(640)	135	1,806	2,556
- Non-controlling interests		14	40	181	100
		(626)	175	1,987	2,656
Attributable to equity holders of the Company:					
- Basic earnings per share (sen)	B11	(0.22)	0.05	0.66	0.98
- Diluted earnings per share (sen)	B11	(0.22)	0.05	0.66	0.98

Note:

- (1) The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	UNAUDITED AS AT 31.03.2021 RM'000	AUDITED AS AT 30.06.2020 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		24,664	22,281
Investment properties		9,697	4,247
Right of use assets ²		13,979	14,646
		<u>48,340</u>	<u>41,174</u>
CURRENT ASSETS			
Contract costs		5,334	2,792
Trade receivables and contract assets		20,368	18,278
Other receivables, deposits and prepayments		216	632
Current tax assets		4,820	3,836
Short-term investments		22,712	27,867
Cash and bank balances		12,174	12,687
		<u>65,624</u>	<u>66,092</u>
TOTAL ASSETS		<u>113,964</u>	<u>107,266</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		63,464	56,588
Merger deficit		(16,052)	(16,052)
Retained profits		40,131	38,325
Equity attributable to owners of the Company		<u>87,543</u>	<u>78,861</u>
Non-controlling interests		<u>365</u>	<u>184</u>
TOTAL EQUITY		<u>87,908</u>	<u>79,045</u>
NON-CURRENT LIABILITIES			
Borrowings	B9	18,849	19,455
Deferred tax liabilities		173	173
		<u>19,022</u>	<u>19,628</u>

BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.03.2021	30.6.2020
Notes	RM'000	RM'000
CURRENT LIABILITIES		
Trade payables and contract liabilities	3,680	3,517
Other payables, deposits and accruals	1,916	3,969
Borrowings	B9 1,438	1,107
	<u>7,034</u>	<u>8,593</u>
TOTAL LIABILITIES	26,056	28,221
TOTAL EQUITY AND LIABILITIES	<u>113,964</u>	<u>107,266</u>
Net asset per share (RM) ³	<u>0.31</u>	<u>0.30</u>

Notes:

- (1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the FYE 30 June 2020 and accompanying explanatory notes attached to the interim financial statements.
- (2) Arising from the adoption of MFRS 16 Leases.
- (3) Based on the Company's total number of issued shares of 286,436,750 ordinary shares for financial period ended 31 March 2021 and 264,367,550 ordinary shares for financial year ended 30 June 2020.

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable		Distributable		Non-Controlling Interests	Total
	Share Capital	Merger Deficit	Retained Profits	Attributable to Owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2019	55,219	(16,052)	35,400	74,567	(102)	74,465
Total comprehensive income for the financial year	-	-	2,556	2,556	100	2,656
<u>Transactions with owners:</u>						
Issuance of ordinary shares	1,369	-	-	1,369	-	1,369
Balance at 31.03.2020	56,588	(16,052)	37,956	78,492	(2)	78,490
Balance at 1.7.2020	56,588	(16,052)	38,325	78,861	184	79,045
Total comprehensive income for the financial year	-	-	1,806	1,806	181	1,987
<u>Transactions with owners:</u>						
Issuance of ordinary shares	6,876	-	-	6,876	-	6,876
Balance at 31.03.2021	63,464	(16,052)	40,131	87,543	365	87,908

Note:

- (1) The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year To Date Ended 31.03.2021 RM'000	Preceding Year To Date Ended 31.03.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,043	3,496
Adjustments for:		
Allowance for impairment losses on trade and other receivables	201	1,084
Depreciation of property, plant and equipment	660	820
Depreciation of investment properties	168	72
Depreciation of right of use assets	666	247
Interest expenses	482	476
Gain on disposal of property, plant and equipment	-	*
Interest income	(346)	(806)
Reversal of impairment losses on trade receivables	(117)	(375)
Unrealised loss/(gain) on foreign exchange	85	(55)
Operating profit before working capital changes	<u>4,842</u>	<u>4,959</u>
Changes in working capital:		
Receivables	(4,300)	2,604
Payables	<u>(1,880)</u>	<u>(4,605)</u>
CASH (FOR)/FROM OPERATIONS	<u>(1,338)</u>	<u>2,958</u>
Tax paid	(2,050)	(2,446)
Tax refund	10	220
Interest paid	(111)	(186)
Interest received	<u>346</u>	<u>806</u>
Net cash flows (for)/from operating activities	<u>(3,143)</u>	<u>1,352</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,660)	(8,046)
Proceeds from disposal of property, plant and equipment	-	*
Net cash flows for investing activities	<u>(8,660)</u>	<u>(8,046)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	6,876	1,369
Repayment of term loans	(297)	(400)
Repayment of lease liabilities	<u>(359)</u>	<u>(397)</u>
Net cash flows from financing activities	<u>6,220</u>	<u>572</u>

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Current Year To Date Ended 31.03.2021 RM'000	Preceding Year To Date Ended 31.03.2020 RM'000
Net change in cash and cash equivalents	(5,583)	(6,122)
Effects of changes in foreign exchange rate	(85)	55
Cash and cash equivalents at beginning of financial year	<u>40,554</u>	<u>44,418</u>
Cash and cash equivalents at end of financial year	<u><u>34,886</u></u>	<u><u>38,351</u></u>
Cash and cash equivalents consist of:		
Cash and bank balances	12,174	7,675
Short- term investments	<u>22,712</u>	<u>30,676</u>
	<u><u>34,886</u></u>	<u><u>38,351</u></u>

Note:

- (1) The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

* Less than RM1,000.

[The rest of this page is intentionally left blank]

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 March 2021

A1 Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2020.

MFRS, amendments and improvements to MFRSs and IC Interpretation

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC interpretation, all of which are effective for the financial period beginning on or after 1 January 2020.

- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 101 and MFRS 108 Definition of Material
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to References to the Conceptual Framework in MFRS Standards

The Group has not applied in advance any new or revised MFRS and IC interpretation which are applicable to the Group but are not yet effective for the Group’s current financial period.

A2 Auditor’s Report of preceding annual financial statements

The preceding year’s audited financial statements of the Group did not contain any qualification.

A3 Comments about Seasonal and Cyclical Factors

The Group did not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the period under review.

A4 Items of Unusual Nature and Amount

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

A5 Material Changes in Estimates

There were no material changes in estimates that may have a material effect in the period under review and the financial period to date.

[The rest of this page is intentionally left blank]

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 March 2021 (Cont'd)**A6 Debt and Equity Securities**

During the financial year, the Company increased its issued and paid-up share capital from RM56.5 million to RM63.4 million via the issuance of 12,000,000 new ordinary shares of RM0.2870 each and 10,069,200 new ordinary shares of RM0.3334 pursuant to the private placement mentioned in Note B8.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities since the last annual reporting date.

A7 Dividends Paid

No dividend has been paid in the period under review and the previous corresponding period.

A8 Segmental Reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely in the provision of support services for satellite, mobile and fibre optic telecommunications networks in Malaysia.

A9 Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment in the period under review.

A10 Capital Commitments

	As at 31.03.2021 RM'000	As at 30.06.2020 RM'000
Approved and contracted for:		
- Property, plant and equipment	1,254	1,649
- Office building	2,287	4,313
Approved and not contracted for:		
- Teleport	313	267
	<u>3,854</u>	<u>6,229</u>

A11 Material Subsequent Event

There are no material events subsequent to the end of the period under review.

A12 Changes in Composition of the Group

There were no changes in the composition of the Group in the period under review.

A13 Contingent Assets or Liabilities

There were no contingent assets as at the date of this report. Contingent liabilities of the Group as at 31 March 2021 comprises bank guarantees issued to our customers for the purpose of performance bonds amounting to RM1,749,561.

[The rest of this page is intentionally left blank]

Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 March 2021 (Cont'd)

B Additional Information Required by the Listing Requirements

B1 Comparison with Preceding Year Corresponding Quarter

	<u>Quarter ended</u>		Variance
	31.03.2021 (3Q 21) RM'000	31.03.2020 (3Q 20) RM'000	
Revenue	10,150	10,210	-0.59%
Gross Profit	1,550	2,054	-24.54%
(Loss)/Profit before taxation	(427)	230	-285.65%

In 3Q21, the Group's revenue decreased by RM0.06 million or 0.59% as compared to the preceding year corresponding quarter. The decrease in revenue was mainly due to the completion of several projects in relation to the building of telecommunication towers from the previous corresponding quarter.

The Group's gross profit ("GP") decreased by RM0.50 million or 24.54% as compared to the preceding year corresponding quarter. This was mainly due to lesser engineering work being performed following the completion of 4G LTE rollout but the operating cost remained unchanged.

The Group recorded a loss before taxation of RM0.43 million as compared to the preceding year corresponding quarter. This was mainly due to decrease in gross profit and lower interest income of RM0.14 million.

B2 Comparison with Preceding Year Corresponding Period

	<u>Cumulative 9 months Period ended</u>		
	31.03.2021 (3Q 21) RM'000	31.03.2020 (3Q 20) RM'000	Variance %
Revenue	36,200	34,077	6.23%
Gross Profit	9,131	9,343	-2.27%
Profit before taxation	3,043	3,496	-12.96%

The Group's revenue for the 9-month financial period ended 31 March 2021 increased by RM2.12 million or 6.23% as compared to preceding year corresponding period. The increase in revenue was mainly attributed to the higher revenue recorded from civil infrastructure and fibre optic cabling works.

The Group's GP decreased by RM0.21 million or 2.27% as compared to the preceding year corresponding period. The decrease in the Group's GP was due to lower margin generated from civil infrastructure and fibre optic cabling works.

The Group's profit before taxation decreased by RM0.45 million or 12.96% as compared to the preceding year corresponding period. This was mainly due to the decrease in gross profit, lower interest income of RM0.46 million and lower reversal of impairment loss of trade receivables of RM0.26 million as compared to the preceding year corresponding period.

B Additional Information required by the Listing Requirements (Cont'd)

B3 Comparison with Immediate Preceding Quarter Results

	Quarter ended		Variance
	31.03.2021	31.12.2020	
	(3Q 21)	(2Q 21)	
	RM'000	RM'000	%
Revenue	10,150	13,010	-21.98%
Gross Profit	1,550	3,755	-58.72%
(Loss)/Profit before taxation	(427)	1,675	-125.49%

In 3Q21, the Group's revenue decreased by RM2.86 million or 21.98% as compared to the immediate preceding quarter. The decrease in revenue was mainly due to the delay in the execution of civil infrastructure and fibre optic cabling works. The progress of these works was interrupted from 13 January 2021 until to date upon announcement for MCO 2.0 due to the COVID-19 pandemic and the movement control order ("MCO") imposed by the Malaysian Government.

The Group's GP decreased by RM2.21 million or 58.72% as compared to the immediate preceding quarter. This was mainly due to the decrease in revenue as explained above.

The Group recorded a loss before taxation of RM0.43 million as compared to the immediate preceding quarter. This was mainly due to the decrease in gross profit and absence of the reversal of impairment loss on trade receivables (2Q21: RM0.07 million).

B4 Commentary on Prospects

As a result of the COVID-19 pandemic, the Malaysian Government announced the MCO on 16 March 2020. Thereafter, the MCO was implemented on 18 March 2020 and has been extended several times, with the recovery MCO ending on 31 December 2020. However, MCO 2.0 was imposed by the Malaysian Government from 13 January 2021 and ended on 4 March 2021.

The MCO has affected the Group's business operations as its ongoing network installation and commissioning projects were temporarily interrupted. In addition, several government agencies were not fully operating and affected the progress of the project.

Presently, the Group has completed one of the 2 satellite teleport C-band gateway in the first half of 2020. The aforementioned satellite commenced operations in July 2020 and contributed to the revenue of the Group. The Group expects to complete the installation of a Ka-band gateway in June 2021 and another C-band gateway by end of 2021. The delay is due to the extension of the conditional MCO by the Malaysian Government.

In February 2021, the Prime Minister of Malaysia announced the MyDIGITAL initiative and the Malaysia Digital Economy Blueprint which aim to digitalise the Malaysian economy by 2030 and rollout 5G technology by end of 2021. Under this initiative, RM21 billion will be invested over 5 years through National Digital Network (JENDELA) project to strengthen existing connectivity. In addition, RM15 billion will be invested over 10 years for the implementation of 5G technology nationwide. The Group expects to benefit from this initiative through its fibre infrastructure for 5G deployment and/or potential demand for its existing data centre.

Premised on the above, the Board will remain cautiously optimistic and take a prudent approach in managing the operations of the Group.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

B Additional Information Required by the Listing Requirements (Cont'd)

B5 Profit Forecast

The Company did not issue any profit forecast or guarantee during the period under review.

B6 Taxation

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax:				
- Current tax	198	55	1,056	840
	<u>198</u>	<u>55</u>	<u>1,056</u>	<u>840</u>
Effective tax rate ⁽¹⁾	-46.37%	23.91%	34.70%	24.03%

Note:

- (1) The Group's effective tax rate of -46.37% for the current quarter is due to under provision of tax for its previous financial year.

B7 Status of Corporate Proposals

There are no outstanding corporate proposals which have been announced but are pending completion as at the date of this report.

B8 Utilisation of Proceeds

(i) Public Issue

As at 18 May 2020, the gross proceeds from the Company's initial public offering amounting to RM39.55 million has been utilised in the following manner:

Details of use of proceeds	Estimated Timeframe for Utilisation⁽¹⁾	Proposed Utilisation RM'000	Actual Utilisation RM'000	Percentage Utilised %
1 Setting up a teleport	Within 24 months	14,360	14,360	100.00%
2 Enhancing operations and maintenance services capability	Within 36 months	4,900	1,505	30.71%
3 Enhancing fiber optic network installation and commissioning services capability	Within 36 months	4,800	58	1.21%
4 Regional business expansion in ASEAN countries	Within 36 months	1,500	8	0.53%
5 Working capital	Within 30 months	10,790	10,790	100.00%
6 Estimated listing expenses	Within 3 months	3,200	3,200	100.00%
		<u>39,550</u>	<u>29,921</u>	<u>75.65%</u>

BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 8 January 2018. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2017 and the company's announcement dated 28 February 2020.

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

B Additional Information required by the Listing Requirements (Cont'd)

B8 Utilisation of Proceeds (Cont'd)

As announced on 15 June 2020, items 2, 3 and 4 of the above utilisation of proceeds has been varied. The status of the utilisation of proceeds as at 31 March 2021 is as follows:

Details of use of proceeds		Estimated Timeframe for Utilisation ⁽¹⁾	Initial Utilisation RM'000	Actual	Balance	Varied Amount RM'000	Total amount after Variation RM'000	Actual utilisation RM'000	Balance
				Utilisation as at 18 May 2020 RM'000	unutilised as at 18 May 2020 RM'000				unutilised as 31 March 2021 RM'000
2	Enhancing operations and maintenance services capability	Within 18 months ⁽¹⁾	4,900	1,505	3,395	-	3,395	1,127	2,268
3	Enhancing fiber optic network installation and commissioning services capability	Within 18 months ⁽¹⁾	4,800	58	4,742	1,492	6,234	6,081	153
4	Regional business expansion in ASEAN countries	Within 18 months ⁽¹⁾	1,500	8	1,492	(1,492)	-	-	-
			11,200	1,571	9,629	-	9,629	7,208	2,421

Note:

(1) From the date of announcement in relation to the variation of utilisation of proceeds on 15 June 2020.

[The rest of this page is intentionally left blank]

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

B Additional Information required by the Listing Requirements (Cont'd)

B8 Utilisation of Proceeds (Cont'd)

(ii) Private placement

Details of use of proceeds		Estimated Timeframe for Utilisation	Proceed	Actual	Balance
			Utilisation	Utilisation	unutilised as
			RM'000	RM'000	31 March 2021
					RM'000
i.	Installation of new data centre at the Group's satellite teleport facility	Within 24 months	4,000	2,813	1,187
ii.	Working capital	Within 24 months	2,704	2,704	-
iii.	Estimated expenses for the Proposed Private Placement	Immediate	97	97	-
			6,801	5,614	1,187

B9 Group Borrowings

	As at	As at
	31.03.2021	30.06.2020
	RM'000	RM'000
Non-current:		
Hire purchase payables (secured)	526	1,270
Term loans (secured)	5,594	5,981
Lease liabilities (secured)	12,729	12,204
	18,849	19,455
Current:		
Hire purchase payables (secured)	401	404
Term loans (secured)	603	470
Lease liabilities (secured)	434	233
	1,438	1,107

The Group's borrowings are denominated in Ringgit Malaysia.

B10 Material Litigation

As at the date of this report, the Group is not engaged in any material litigations.

[The rest of this page is intentionally left blank]

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

B Additional Information required by the Listing Requirements (Cont'd)

B11 Earnings per Share

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

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company (RM)	(640)	135	1,806	2,556
Weighted average number of shares	286,437	264,368	274,566	261,636
Basic earnings per share (sen) ⁽¹⁾	(0.22)	0.05	0.66	0.98
Diluted earnings per share (sen) ⁽²⁾	(0.22)	0.05	0.66	0.98

Notes:

- (1) The basic earnings per share is calculated by dividing the profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares for the period under review.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Group does not have convertible securities as at 31 March 2021.

B12 Derivatives

The Group did not enter into any derivative contracts during the period under review.

B13 Disclosure of gain/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit and loss for the period under review.

[The rest of this page is intentionally left blank]

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

B Additional Information required by the Listing Requirements (Cont'd)

B14 Notes to the Statement of Profit or Loss and Other Comprehensive Income

Profit before taxation is arrived at after charging/(crediting):

	Current Quarter Ended 31.03.2021 RM'000	Preceding Year Corresponding Quarter Ended 31.03.2020 RM'000	Current Year To Date Ended 31.03.2021 RM'000	Preceding Year To Date Ended 31.03.2020 RM'000
Allowance for impairment losses on trade and other receivables	(1)	290	201	1,084
Depreciation of property, plant and equipment	218	301	660	820
Depreciation of investment properties	56	24	168	72
Depreciation of right of use assets	222	111	666	247
Interest expenses	163	177	482	476
Realised loss on foreign exchange	28	(30)	58	(10)
Rental income	-	(21)	-	(60)
Reversal of impairment losses on trade receivables	-	(94)	(117)	(375)
Interest income	(97)	(241)	(346)	(806)
Gain on disposal of property, plant and equipment	-	*	-	*
Unrealised loss/(gain) on foreign exchange	(83)	(51)	85	(55)
Other income ⁽¹⁾	(3)	(3)	(39)	(11)

Note:

- (1) Other income includes, amongst others, compensation from the Group's customer and processing fees.

Same as disclosed above and in the Condensed Consolidated Statement of Profit or Loss, other disclosure items pursuant to Note 16 of Appendix 9B Part A of the Listing Requirements are not applicable to the Group.

BY ORDER OF THE BOARD

**TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
COMPANY SECRETARIES**

**KUALA LUMPUR
28 MAY 2021**