

Interim Financial Report on Consolidated Results for the Financial Year Ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended		Year to date Ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Revenue	5,765	5,566	22,963	22,939
Cost of sales	(2,304)	(2,410)	(8,274)	(8,561)
Gross profit	<u>3,461</u>	<u>3,156</u>	<u>14,689</u>	<u>14,378</u>
Other income	342	298	1,485	3,708
Other expenses	-	-	-	(1,564)
Other operating expenses	(317)	(444)	(1,421)	(1,769)
Marketing expenses	(14)	(8)	(30)	(26)
Administrative expenses	(1,470)	(1,480)	(6,403)	(6,792)
Finance cost	(4)	-	(20)	-
Profit before tax	<u>1,998</u>	<u>1,522</u>	<u>8,300</u>	<u>7,935</u>
Tax expense	(357)	(334)	(1,780)	(1,278)
Profit for the year	<u>1,641</u>	<u>1,188</u>	<u>6,520</u>	<u>6,657</u>
Other comprehensive income/(loss) for the year, net of tax	<u>(27)</u>	<u>-</u>	<u>(27)</u>	<u>-</u>
Total comprehensive income for the year	<u>1,614</u>	<u>1,188</u>	<u>6,493</u>	<u>6,657</u>
Total comprehensive income for the year attributable to:				
Owners of the parent	<u>1,614</u>	<u>1,188</u>	<u>6,493</u>	<u>6,657</u>
Earnings per share				
- Basic (sen)	<u>0.26</u>	<u>0.29</u>	<u>1.06</u>	<u>1.61</u>
- Diluted (sen)	<u>0.26</u>	<u>0.19</u>	<u>1.06</u>	<u>1.07</u>

(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Year Ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	(Unaudited) 31.12.2019 RM'000	(Audited) 31.12.2018 RM'000
ASSETS			
Non-current assets			
Capital work in progress		-	8,385
Property, plant and equipment		22,247	2,747
Rights of use assets		341	-
Development costs		11,318	11,090
Investment		13,759	-
Total non-current assets		47,665	22,222
Current assets			
Inventories		24	45
Trade and other receivables	B8	30,999	6,639
Cash and cash equivalents	B7	22,734	29,813
Tax recoverable	B5	-	4
Total current assets		53,757	36,501
TOTAL ASSETS		101,422	58,723
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		89,303	20,998
Treasury shares		(19,441)	-
Reserves		26,656	26,204
		96,518	47,202
Non-controlling interests		-	-
TOTAL EQUITY		96,518	47,202

Interim Financial Report on Consolidated Results for the Financial Year Ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	(Unaudited) 31.12.2019 RM'000	(Audited) 31.12.2018 RM'000
Note		
EQUITY AND LIABILITIES		
(continued)		
Current liabilities		
Trade and other payables	3,090	10,451
Contract liabilities	1,739	1,070
Tax payable	75	-
Total current liabilities	4,904	11,521
TOTAL LIABILITIES	4,904	11,521
TOTAL EQUITY AND LIABILITIES	101,422	58,723
Net assets per share attributable to equity holders of the Company (RM)	0.16	0.11

(The unaudited Condensed Consolidated Statements of Financial Position should read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Year Ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Distributable Retained Earnings RM'000	Total Attributable to the Owners of the Parent RM'000	Total Equity RM'000
<u>12 Months Period Ended</u>						
<u>31 December 2019</u>						
At 1 January 2019	20,998	-	-	26,204	47,202	47,202
Profit after tax for the period	-	-	-	6,520	6,520	6,520
Other comprehensive income/(loss) for the year	-	-	(27)	-	(27)	(27)
Adoption of MFRS16	-	-	-	(13)	(13)	(13)
Issuance of ordinary shares pursuant to exercise of warrants	68,305	-	-	-	68,305	68,305
Purchase of treasury share	-	(19,441)	-	-	(19,441)	(19,441)
Dividend paid	-	-	-	(6,028)	(6,028)	(6,028)
At 31 December 2019	<u>89,303</u>	<u>(19,441)</u>	<u>(27)</u>	<u>26,683</u>	<u>96,518</u>	<u>96,518</u>
<u>12 Months Period Ended</u>						
<u>31 December 2018</u>						
At 1 January 2018						
- as previous stated	20,743	-	-	25,829	46,572	46,572
- effect of adoption of MFRS 9	-	-	-	(65)	(65)	(65)
As 1 January 2018 (restated)	<u>20,743</u>	<u>-</u>	<u>-</u>	<u>25,764</u>	<u>46,507</u>	<u>46,507</u>
Total comprehensive income for the year	-	-	-	6,657	6,657	6,657
Issuance of ordinary shares pursuant to exercise of warrants	255	-	-	-	255	255
Dividend paid	-	-	-	(6,217)	(6,217)	(6,217)
At 31 December 2018	<u>20,998</u>	<u>-</u>	<u>-</u>	<u>26,204</u>	<u>47,202</u>	<u>47,202</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Year Ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	Year-To-Date	
	Unaudited 31.12.2019 RM'000	Audited 31.12.2018 RM'000
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,300	7,935
Adjustments for:		
Impairment loss on trade receivables	37	84
Amortisation of development costs	2,453	2,103
Depreciation of property, plant and equipment	1,066	827
(Gain)/Loss on disposal of property, plant and equipment	-	(22)
(Gain)/Loss on disposal of assets held for sale	-	(2,284)
Written off of property, plant and equipment	-	162
Unrealised loss/(gain) on foreign exchange	4	(4)
Interest expense	20	-
Interest income from deposits with licensed banks	(1,473)	(813)
Operating profit before working capital changes	10,407	7,988
Changes in working capital:		
Decrease/(Increase) in inventories	21	(19)
(Increase) in trade and other receivables	(24,397)	(1,117)
(Decrease)/Increase in trade and other payables	(6,500)	8,174
Cash generated from operations	(20,469)	15,026
Tax paid	(1,702)	(1,568)
Net cash (used in)/from operating activities	(22,171)	13,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of product development cost	(2,681)	(2,762)
Interest received	1,473	813
Purchase of property, plant and equipment	(11,808)	(8,753)
Proceeds from disposal of property, plant and equipment	1	15,712
Purchase of right of use asset	(715)	-
Purchase of other investment	(13,786)	-
Net cash (used in)/from investing activities	(27,516)	5,010

Interim Financial Report on Consolidated Results for the Financial Year Ended 31 December 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	Note	Year-To-Date	
		Unaudited 31.12.2019 RM'000	Audited 31.12.2018 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of			
- Term loan		-	(4,240)
- Lease liability		(387)	-
Proceed from issuance of new shares		68,305	255
Proceed from lease liability		197	-
Interest paid		(33)	-
Purchase of treasury shares		(19,441)	-
Dividend paid		(6,028)	(6,217)
Net cash from/(used in) financing activities		42,613	(10,202)
Net (decrease)/increase in cash and cash equivalents		(7,074)	8,266
Effects of exchange rate changes		(5)	5
Cash and cash equivalents at 1 January		29,813	21,542
Cash and cash equivalents at 31 December	B7	22,734	29,813

(The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

A1. Basis of Preparation

The unaudited interim financial statements, for the year ended 31 December 2019, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2018. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2018.

Since the previous annual audited financial statements as at 31 December 2018 were issued, the Group has adopted the Malaysia Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converged Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

At the date of issuance of this unaudited interim financial statements, the MFRSs, amendments to MFRSs and IC Interpretation have been issued by MASB but not yet effective are as listed below:

	Effective dates for financial periods beginning on or after
Annual Improvements to MFRSs 2015 - 2017 Cycle:	
• Amendments to MFRS 2 <i>Share-Based Payment</i>	1 January 2020
• Amendment to MFRS 3 <i>Business Combination</i>	1 January 2020
• Amendments to MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
• Amendment to MFRS 14 <i>Regulatory Deferral Account</i>	1 January 2020
• Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2020
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
• Amendments to MFRS 134 <i>Interim Financial Reporting</i> Amendments to References to the Conceptual Framework in MFRS Standards (Cont’d)	1 January 2020
• Amendment to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
• Amendment to MFRS 138 <i>Intangible Assets</i>	1 January 2020
• Amendment to IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2020
• Amendment to IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
• Amendment to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020

	Effective dates for financial periods beginning on or after
<ul style="list-style-type: none"> Amendment to IC Interpretation 22 <i>Foreign Currency Transactions and Advances Consideration</i> 	1 January 2020
<ul style="list-style-type: none"> Amendments to IC Interpretation 132 <i>Intangible Assets – Website Costs</i> 	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	Deferred until further notice

The Group and the Company are in the process of assessing the impact of implementing these Amendments and Standards, since the effect would only be observable for the future financial years.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2018 was not qualified.

A3. Seasonality or Cyclicity of Interim Operations

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review and financial year.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the current financial quarter under review and financial year, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Material Changes in Accounting Estimates

There was no material changes in estimates of amounts reported in the prior financial year that has a material effect on the current financial quarter under review and financial year.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A6. Issuances, Cancellation, Repurchases, Resale and Repayments of Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial year under review, save as disclosed below

	Ordinary Share Capital
	RM'000
Balance at 1 January 2019	20,998
Add : Warrants converted to ordinary shares	68,305
Balance at 31 December 2019	89,303

A7. Dividends

On 22 August 2019, the Board of Directors has declared the first interim single tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3.1 million in respect of financial year ending 31 December 2019. The dividend was paid on 19 September 2019.

On 26 November 2019, the Board of Directors has declared the second interim single tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3.1 million in respect of financial year ending 31 December 2019. The dividend was paid on 18 December 2019.

A8. Segmental Reporting

Segment information is presented in respect of the Group’s business segments.

- (i) Application Solutions (“AS”)
 - Sales of software applications and product on an outright purchase basis.
- (ii) Application Services Providers (“ASP”)
 - Income from outsourcing service charge which is volume and transaction based.
- (iii) Maintenance Services
 - Provision of maintenance services.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A8. Segmental Reporting

(a) Individual quarter

<u>3 Months Period Ended</u> <u>31 December 2019</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	1,253	4,102	500	5,855
Inter-segment revenue	-	(90)	-	(90)
Revenue from external customers	1,253	4,012	500	5,765
Results				
Segment results	361	1,109	196	1,666
Finance costs	-	-	-	(5)
Interest income from deposits with licensed bank				337
Profit before tax				1,998
Income tax expense				(357)
Net profit for the period				1,641

<u>3 Months Period Ended</u> <u>31 December 2018</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	1,343	3,852	450	5,645
Inter-segment revenue	-	(79)	-	(79)
Revenue from external customers	1,343	3,773	450	5,566
Results				
Segment results	253	944	74	1,271
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				251
Profit before tax				1,522
Income tax expense				(334)
Net profit for the period				1,188

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A8. Segmental Reporting (continue)

(b) Cumulative quarter

<u>12 Months Period Ended</u> <u>31 December 2019</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	5,103	16,144	2,044	23,291
Inter-segment revenue	-	(328)	-	(328)
Revenue from external customers	5,103	15,815	2,044	22,963
Results				
Segment results	2,071	3,988	788	6,847
Finance costs	-	-	-	(20)
Interest income from deposits with licensed bank				1,473
Profit before tax				8,300
Income tax expense				(1,780)
Net profit for the year				6,520

<u>12 Months Period Ended</u> <u>31 December 2018</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	5,253	16,213	1,790	23,256
Inter-segment revenue	-	(317)	-	(317)
Revenue from external customers	5,253	15,896	1,790	22,939
Results				
Segment results	2,343	3,999	780	7,122
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				813
Profit before tax				7,935
Income tax expense				(1,278)
Net profit for the year				6,657

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A9. Subsequent Material Event

There was no material event subsequent to the current financial quarter ended 31 December 2019 up to the date of the announcement of this report which is likely to substantially affect the results of the operations of the Group for the current financial quarter under review.

A10. Changes in the Composition of the Group

As at 31 December 2019, there is no changes in the composition of the Group.

A11. Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets for the current financial quarter under review.

A12. Recurrent Related Party Transactions (“RRPT”)

On 26 December 2017, we have entered into a tenancy agreement with MY E.G. Services Berhad for renting office space located at Level 31, MYEG Tower, Empire City. No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya. Detail of transaction as follows :

Term of tenancy : 1 December 2017 to 30 November 2020
Monthly rental : RM30,256.20

A13. Capital Commitments

On 16 November 2018, the company entered into a Sales and Purchase Agreement (SPA) with Cosmopolitan Avenue Sdn Bhd for the purchase of commercial space for an aggregate purchase consideration of RM9,864,600.00. This is fully paid as of 3 May 2019.

A14. Memorandum of Understanding (MOU)

On 1 August 2017, The Board of Directors of EForce announced the signing of a MOU with Aquis for software and operations support. The MOU concerns intention to enter into a software delivery, support and operations agreement in the area of designing and building infrastructure and software, and customised training to support operationalization.

As at reporting date, we are still in discussion with Aquis and has not formalise the MOU into a definitive agreement yet.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of Group's Performance

Current Year -to date vs. Previous Year-to date

	Individual Period		Changes (Amount/%)	Cumulative Period		Changes (Amount/%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31/12/19	31/12/18		31/12/19	31/12/18	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,765	5,566	199 / 4%	22,963	22,939	24 / 0.1%
Operating Profit	1,660	1,223	437 / 36%	6,835	5,790	1,045 / 18%
Profit Before Interest and Tax	1,657	1,270	387 / 30%	6,807	7,122	(315) / (4%)
Profit Before Tax	1,998	1,522	476 / 31%	8,300	7,935	365 / 5%
Profit After Tax	1,641	1,188	453 / 38%	6,520	6,657	(137) / (2%)
Profit Attributable to Ordinary Equity Holders of the Parent	1,641	1,188	453 / 38%	6,520	6,657	(137)/(2%)

The Group registered a turnover of RM23 million, 0.1% increase compared to corresponding period in 2018. The Group managed to sustain its performance despite the negative performance of Malaysian stock market, with Bursa's Average Daily Value (ADV) decreased by 19.3% compared to 2018, which impacts the business performance of our stock broking customers.

The Group's operating profit margin improved from 25.2% to 29.8% due to better management of cost structure and expenses, but registered a lower profit after tax compared to 2018. In 2018, the Group enjoy a lower tax rate due to property gains tax exemption.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B2. Variation of Results against Preceding Quarter

	Current Quarter 31/12/19	Immediate Preceding Quarter 30/09/19	Changes (Amount / %)
	RM'000	RM'000	RM'000
Revenue	5,765	5,612	153 / 3%
Operating Profit	1,660	1,545	115 / 7%
Profit Before Interest and Tax	1,657	1,540	117 / 8%
Profit Before Tax	1,998	2,119	(121) / (6%)
Profit After Tax	1,641	1,555	86 / 6%
Profit Attributable to Ordinary Equity Holders of the Parent	1,641	1,555	86 / 6%

The Group recorded a 3% increase in revenue compared to preceding quarter due to higher billing in Application Service Provider segment. This is in line with Bursa's improved stock trading performance in quarter 4 vs quarter 3. Profit after tax improved by 6% due to lower taxation.

B3. Prospects for 2020

The speed and global spread of the on-going Coronavirus (Covid-19) outbreak shocked businesses and world stock markets. The immediate impact to travel, leisure and global supply chain is felt worldwide and the long term effect of which is still being assessed.

Notwithstanding the current business uncertainties, the Group intends to continue focusing on its' customers and strive to discover unmet needs. Customers are concentrating their effort on growing business volume and saving operational costs to grow margin.

We are actively engaging our customers to ensure our comprehensive solutions are continuously enhanced, updated and ready for any increase in daily share volume and value. In addition, we are developing new solutions that help customers target growth in business volume and improve processes to reduce operational costs.

Covid-19 outbreak has affected stock trading sentiment and dampened the business outlook of our customers. We are closely monitoring and assessing the situation, and will introduce measures to safeguard our business as needed.

Depending on the extent and duration on containment of this outbreak, and the effectiveness of the government fiscal stimulus to speed up economic recovery, we are cautious on the business prospect ahead.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B4. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast nor profit guarantee for the current financial quarter under review and the financial year.

B5. Taxation

The taxation charge for the individual financial quarter and the financial year are as follows:

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Income tax	357	371	1,780	1,278
Deferred tax	-	(37)	-	-
	<u>357</u>	<u>334</u>	<u>1,780</u>	<u>1,278</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced as at the date of this quarterly report.

B7. Cash and Cash Equivalents

The Group cash and cash equivalents as at 31 December 2019 comprise of:-

	RM'000
Cash in hand	7
Cash at banks	2,714
Short term fund – Investment in fixed income trust funds	20,013
	<u>22,734</u>

B8. Trade and Other Receivables

	RM'000
Trade receivables	5,340
Other receivables	25,659
	<u>30,999</u>

Analysis of the trade receivables ageing of the Group is as follows:

	RM'000
0 – 30 days	2,592
31 – 60 days	884
61 – 90 days	234
91 – 120 days	357
121 – 150 days	59
More than 150 days	1,412
	<u>5,538</u>
Expected Credit Loss	(168)
Impairment (specific)	(30)
Net trade receivables	<u>5,340</u>

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B) (continued)**

B9. Group Borrowings and Debt Securities

The Company does not have any borrowing and debt securities as at the date of this report.

B10. Off Balance Sheet Financial Instruments

The Company does not have any off balance sheet financial instruments as at the date of this report.

B11. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B12. Dividends

On 22 August 2019, the Board of Directors has declared the first interim single tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3.1 million in respect of financial year ending 31 December 2019. The dividend was paid on 19 September 2019.

On 26 November 2019, the Board of Directors has declared the second interim single tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3.1 million in respect of financial year ending 31 December 2019. The dividend was paid on 18 December 2019.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B13. Earnings per Share ("EPS")

	Individual Financial Quarter Ended		Year to date Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
<u>(a) Basic EPS</u>				
Net profit attributable to the equity holders of the Company (RM'000)	1,614	1,188	6,493	6,657
Weighted average number of ordinary shares in issue ('000)	615,378	414,482	615,378	414,482
Basic EPS (sen)	<u>0.26</u>	<u>0.29</u>	<u>1.06</u>	<u>1.61</u>

The calculation of the basic EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter / year ended 31 December 2019, divided by the weighted average number of ordinary shares outstanding during the financial year.

	Individual Financial Quarter Ended		Year to date Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
<u>(b) Diluted EPS</u>				
Net profit attributable to the equity holders of the Company (RM'000)	1,614	1,188	6,493	6,657
Weighted average number of ordinary shares in issue ('000)	615,378	414,482	615,378	414,482
Adjusted for :				
Assumed full conversion of Warrants (expiry 17 July 2019)	-	205,822	-	205,822
	<u>615,378</u>	<u>620,304</u>	<u>615,378</u>	<u>620,304</u>
Diluted EPS (sen)	<u>0.26</u>	<u>0.19</u>	<u>1.06</u>	<u>1.07</u>

The calculation of the diluted EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter / year ended 31 December 2019, divided by the weighted average number of ordinary shares outstanding during the financial year. As the warrants expired on 17 July 2019, the diluted EPS is the same as basic EPS.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B14. Profit for the year

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Profit for the year is arrived after charging:				
Amortisation of development costs	613	526	2,453	2,103
Depreciation of property, plant and equipment	269	178	1,066	827
Written off of property, plant and equipment	-	-	-	162
Loss on foreign exchange	<u>3</u>	<u>2</u>	<u>15</u>	<u>13</u>
and after crediting:				
Gain on disposal of property, plant and equipment	-	21	-	22
Gain on disposal of Assets held for sales	-	-	-	2,284
Gain on foreign exchange	(10)	(1)	(4)	4
Interest income from deposits with licensed bank	337	251	1,473	813
Reversal impairment loss on trade receivables	-	18	-	18
Rental income	<u>-</u>	<u>-</u>	<u>-</u>	<u>386</u>