



RESERVOIR LINK ENERGY BHD

Company No. : 201401044508 (1120690-K)

(Incorporated in Malaysia)

**Interim Financial Report
For The Financial Period Ended
30 September 2020
(3rd Quarter)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 ^(a)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Quarter Unaudited 30.09.19 ^(b) RM'000	Current Year -To-Date Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Period Unaudited 30.09.2019 ^(b) RM'000
REVENUE	26,055	N/A	65,448	N/A
COST OF SALES	(21,124)	N/A	(51,213)	N/A
GROSS PROFIT	4,931	N/A	14,235	N/A
OTHER INCOME	454	N/A	1,260	N/A
	5,385	N/A	15,495	N/A
ADMINISTRATIVE EXPENSES	(3,687)	N/A	(8,151)	N/A
PROFIT FROM OPERATION	1,698	N/A	7,344	N/A
FINANCE CHARGES	(184)	N/A	(612)	N/A
NET IMPAIRMENT LOSSES ON TRADE RECEIVABLES	(112)	N/A	(102)	N/A
NET PROFIT BEFORE TAXATION	1,402	N/A	6,630	N/A
INCOME TAX EXPENSES	(774)	N/A	(2,220)	N/A
NET PROFIT AFTER TAXATION	628	N/A	4,410	N/A
OTHER COMPREHENSIVE INCOME				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences	(1)	N/A	0	N/A
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	627	N/A	4,410	N/A
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Group	630	N/A	4,239	N/A
Non-controlling interests	(2)	N/A	171	N/A
	628	N/A	4,410	N/A
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Group	629	N/A	4,239	N/A
Non-controlling interests	(2)	N/A	171	N/A
	627	N/A	4,410	N/A
EARNING PER SHARE (SEN) ^(c)				
Basic ^(d)	0.22	N/A	1.49	N/A
Diluted ^(d)	0.22	N/A	1.49	N/A

Notes:

- (a) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 25 June 2020 and the accompanying explanatory notes are an integral part of this interim financial report.
- (b) No comparative figures for the preceding quarter and preceding year's corresponding period are presented as this is the third interim financial report on the consolidated results announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").
- (c) Based on the weighted average number of ordinary shares outstanding during the financial period under review.
- (d) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities as at 30 September 2020.

N/A Not applicable.

RESERVOIR LINK ENERGY BHDCompany No. 201401044508 (1120690-K)
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 ^(a)**

	Unaudited As At 30.09.2020 RM'000	Unaudited As At 30.09.2019 ^(b) RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	22,078	N/A
Investment properties	5,195	N/A
Other receivables	172	N/A
Deferred tax assets	4,624	N/A
	<u>32,069</u>	<u>N/A</u>
CURRENT ASSETS		
Inventories	13,511	N/A
Trade receivables	14,839	N/A
Other receivables, deposits and prepayments	5,987	N/A
Short-term investments	36,881	N/A
Fixed deposits with licensed banks	4,037	N/A
Cash and bank balances	1,555	N/A
	<u>76,810</u>	<u>N/A</u>
TOTAL ASSETS	<u>108,879</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	45,082	N/A
Foreign exchange translation reserve	887	N/A
Retained profits	27,195	N/A
Merger deficit	(15,779)	N/A
	<u>57,385</u>	<u>N/A</u>
Non-controlling interests	93	N/A
TOTAL EQUITY	<u>57,478</u>	<u>N/A</u>
NON-CURRENT LIABILITIES		
Bank borrowings	11,637	N/A
Deferred tax liabilities	311	N/A
	<u>11,948</u>	<u>N/A</u>
CURRENT LIABILITIES		
Bank borrowings	1,958	N/A
Trade payables	6,681	N/A
Other payables and accruals	26,293	N/A
Provision for taxation	4,521	N/A
	<u>39,453</u>	<u>N/A</u>
TOTAL LIABILITIES	<u>51,401</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>108,879</u>	<u>N/A</u>
Net asset per share ^(c) (RM)	0.20	N/A

Notes:

- (a) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 25 June 2020 and the accompanying explanatory notes attached to this interim financial report.*
- (b) *This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding quarter as no interim financial report was prepared for the comparative financial period concerned.*
- (c) *Based on the Company's issued share capital of 285,000,000 ordinary shares as at the end of the financial period.*

N/A *Not applicable*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 ^(a)

	Issued	Merger Deficit	Foreign Exchange Translation Reserve	Retained Earning	Non-controlling Interest	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance at 01.01.2020	7,008	-	887	22,956	(78)	30,773
Contributions by and distribution to owners of the Company:-						
- Issuance of ordinary shares	46,209	-	-	-	-	46,209
- Acquisition of subsidiaries in business combination under common control	(7,008)	(15,779)	-	-	-	(22,787)
- Share issuance expenses	(1,127)	-	-	-	-	(1,127)
Total transaction with owners	38,074	(15,779)	-	-	-	22,295
Profit after taxation for the financial year	-	-	-	4,239	171	4,410
Foreign exchange translation difference	-	-	-	-	-	-
Balance at 30.09.2020 (Unaudited)	45,082	(15,779)	887	27,195	93	57,478

Note:

(a) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 25 June 2020 and the accompanying explanatory notes are an integral part of this interim financial report.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020 ^(a)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Quarter Unaudited 30.09.2019 RM'000 ^(b)	Current Year -To-Date Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Period Unaudited 30.09.2019 RM'000 ^(b)
Cash Flows from operating activities				
Profit before tax	1,402	N/A	6,630	N/A
Adjustments for:				
Depreciation of property, plant and equipment	675	N/A	1,860	N/A
Depreciation of investment property	29	N/A	91	N/A
Allowance for impairment losses on trade receivable	112	N/A	112	N/A
Reversal of allowance for impairment losses on trade receivable	0	N/A	(10)	N/A
Gain on disposal of property, plant and equipment	(50)	N/A	(176)	N/A
Loss on disposal of property, plant and equipment	36	N/A	36	N/A
Interest expenses	184	N/A	612	N/A
Interest income	(208)	N/A	(311)	N/A
Unrealised gain on foreign exchange	0	N/A	(7)	N/A
Unrealised loss on foreign exchange	107	N/A	105	N/A
Loss arising from acquisition of subsidiary	14	N/A	14	N/A
Operating profit before working capital changes	2,301	N/A	8,956	N/A
Increase in inventories	8,579	N/A	(2,230)	N/A
Increase in trade and other receivables	1,844	N/A	5,796	N/A
Decrease in trade and other payables	(10,607)	N/A	639	N/A
Decrease in amount owing to directors	0	N/A	(55)	N/A
Cash from operations	2,117	N/A	13,106	N/A
Interest expenses paid	(184)	N/A	(612)	N/A
Income tax paid	(489)	N/A	(1,743)	N/A
Net cash from operating activities	1,444	N/A	10,751	N/A
Cash flows for investing activities				
Disposal of investment property	0	N/A	1,225	N/A
Disposal of property, plant and equipment	194	N/A	194	N/A
Acquisition of subsidiary	(5)	N/A	(5)	N/A
Purchase of property, plant and equipment	(1,878)	N/A	(4,976)	N/A
Increase in money market fund	(29,251)	N/A	(33,143)	N/A
Increase/decrease in fixed deposits with licensed banks pledged to licensed banks	(300)	N/A	(479)	N/A
Interest income received	208	N/A	311	N/A
Net cash for investing activities	(31,032)	N/A	(36,873)	N/A

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(Incorporated in Malaysia)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Quarter Unaudited 30.09.2019 RM'000 ^(b)	Current Year -To-Date Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Period Unaudited 30.09.2019 RM'000 ^(b)
Cash flows for financing activities				
Repayment of credit cards facility	(34)	N/A	(20)	N/A
Proceed received from issuance of new shares	22,295		22,295	
Proceed received from issuance of pink form shares	0	N/A	902	N/A
Drawdown of term loans	1,264	N/A	2,923	N/A
Repayment of term loans	(224)	N/A	(824)	N/A
Net cash for financing activities	23,301	N/A	25,276	N/A
Net decrease in cash and cash equivalents	(6,287)	N/A	(846)	N/A
Cash and cash equivalents at beginning of the financial period	7,849	N/A	2,388	N/A
Effect of foreign exchange translation	(7)	N/A	13	N/A
Cash and cash equivalents at end of the financial period	1,555	N/A	1,555	N/A
Cash and cash equivalents comprise the followings:				
Fixed deposits with licensed banks	4,037	N/A	4,037	N/A
Cash and bank balances	1,555	N/A	1,555	N/A
Less:				
Fixed deposits with licensed banks more than 3 months	(4,037)	N/A	(4,037)	N/A
	1,555	N/A	1,555	N/A

Notes:

(a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 25 June 2020 and the accompanying explanatory notes attached to this interim financial report.

(b) This is the third interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding financial year's corresponding quarter and preceding financial year corresponding period as no interim financial report was prepared for the preceding financial year's corresponding quarter.

N/A Not applicable

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PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING**A1. Basis of Preparation**

The condensed consolidated interim financial report (“**Interim Financial Report**”) of Reservoir Link Energy Berhad (“**RLEB**” or “**the Company**”) and its subsidiaries (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Securities.

This is third Interim Financial Report on the Company’s unaudited condensed consolidated financial results for the third quarter ended 30 September 2020 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The Interim Financial Report should be read in conjunction with the Accountants’ Report as disclosed in the prospectus of the Company dated 25 June 2020 and the accompanying notes attached to this Interim Financial Report.

A2. Significant Accounting Policies

The significant accounting policies adopted in the preparation of this Interim Financial Report are consistent with those adopted as disclosed in the Accountants’ Report in the prospectus of the Company dated 25 June 2020. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

The amendments to published standards effective for financial year beginning on 1 January 2020 that are applicable and adopted by the Group are as follows:

Amendments to MFRS 3	Business Combinations – Definition of a Business
Amendments to MFRS 4	Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9 Financial Instruments
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 101	Classification of Liabilities as Current and Non-current – Deferral of Effective Date

The adoption of the above amendments to published standards did not have any material impact to the Company for the financial year ending 31 December 2020 upon their initial application.

The Group has not adopted the amendments to following standards that had been issued by the Malaysian Accounting Standards Board (“**MASB**”) which are effective in the following financial years:

- i. Financial year beginning on or after 1 June 2020:**
 - Amendments to MFRS 16 COVID-19 Related Rent Concessions
- ii. Financial year beginning on or after 1 January 2021:**
 - Amendments to MFRS 9, MFRS 139 Interest Rate Benchmark Reform - Phase 2
 - MFRS 7, MFRS 4, MFRS 16
- iii. Financial year beginning on or after 1 January 2022:**
 - Amendments to MFRS 3 Reference to the Conceptual Framework
 - Amendments to MFRS 116 Property, Plant and Equipment-Proceeds before intended Use
 - Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract
 - Annual Improvements to MFRS 1 Subsidiary as First-time Adopter

A2. Significant Accounting Policies (Cont'd)**iii. Financial year beginning on or after 1 January 2022: (Cont'd)**

- Annual Improvements to MFRS 141 Taxation in Fair Value Measurements
- Annual Improvements to MFRS 9 Fees in the '10 per cent' test for Derecognition of Financial Liabilities

- **Financial year beginning on or after 1 January 2023:**
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

- **Effective date yet to be determined**
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A3. Auditors' Report

The audited financial statements of the Group for the financial year ended 31 December 2019 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not affected by seasonal or cyclical factors.

A5. Material Unusual Items

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

A6. Material Changes in Estimates

There were no material changes in the estimates that have a material effect to the Group in the current financial quarter under review.

A7. Debt and Equity Securities

Save as disclosed in Note B6, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and current financial period-to-date.

A8. Dividend Paid

No dividends were paid during the current financial quarter under review.

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A9. Segmental Reporting

The Group's segment information for the current financial period ended 30 September 2020 is as follows:

Analysis of Revenue by Business Segments

Revenue	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.09.2020	Unaudited 30.09.2019	Unaudited 30.09.2020	Unaudited 30.09.2019
	RM'000	RM'000 ^(a)	RM'000	RM'000 ^(a)
O&G Well Services	25,989	N/A	65,084	N/A
Well leak repair	2,716	N/A	9,662	N/A
Well perforation	14,789	N/A	29,619	N/A
Well testing	3,545	N/A	6,228	N/A
Wash and cement	3,518	N/A	14,989	N/A
Wireline services	302	N/A	1,176	N/A
O&G production enhancement	1,119	N/A	3,410	N/A
Other Services	66	N/A	364	N/A
Total	26,055	N/A	65,448	N/A

Analysis of Gross Profit by Business Segments

Gross Profit	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.09.2020	Unaudited 30.09.2019	Unaudited 30.09.2020	Unaudited 30.09.2019
	RM'000	RM'000 ^(a)	RM'000	RM'000 ^(a)
O&G Well Services	4,886	N/A	14,116	N/A
Well leak repair	982	N/A	4,393	N/A
Well perforation	3,219	N/A	6,953	N/A
Well testing	321	N/A	(9)	N/A
Wash and cement	174	N/A	1,758	N/A
Wireline services	(139)	N/A	(288)	N/A
O&G production enhancement	329	N/A	1,309	N/A
Other Services	45	N/A	119	N/A
Total	4,931	N/A	14,235	N/A

Notes:

(a) No comparative figures for the preceding year's corresponding quarter and period-to-date is available as this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable

A10. Significant Related Party Transactions

There were no significant related party transactions during the current financial quarter and current financial year-to-date.

A11. Capital Commitments

	Unaudited As at 30.09.2020 RM'000	Unaudited As at 30.09.2019 RM'000 ^(a)
Approved and contracted for: Purchase of well testing equipment	24	N/A
Approved but not contracted for: Purchase of well testing equipment	10,013	N/A

Notes:

(a) No comparative figures for the preceding year's corresponding quarter and period-to-date is available as this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable

A12. Contingent Assets and Liabilities

The Group's contingent liabilities were as follow:

	Unaudited As at 30.09.2020 RM'000	Unaudited As at 30.09.2019 RM'000 ^(a)
Bank guarantee for performance	9,820	N/A
Bank guarantee for tenancy agreement	86	N/A
	9,906	N/A

Notes:

(a) No comparative figures for the preceding year's corresponding quarter and period-to-date is available as this is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable

There were no contingent assets of a material nature to be disclosed at the end of the financial period.

A13. Changes in Composition of the Group

Save as disclosed in Note B6, there were no changes in the composition of the Group during the current financial quarter and financial period-to-date under review.

A14. Significant Events after the Reporting Period

Save as disclosed in Note B6, "Status of Corporate Proposals", there were no other significant events subsequent to the end of the current quarter and financial period-to-date under review that have not been reflected in this Interim Financial Report.

A15. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial period under review.

PART B : ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of Performance**

For the financial quarter ended 30 September 2020, the Group registered revenue a of RM26.06 million. The Group's profit before tax was RM1.40 million after recognising one-off listing expenses of RM1.05 million. The Group had also provided an impairment loss on trade receivable of RM0.11 million.

B2. Comparison with Immediate Preceding Quarter's Results

	Current Quarter Unaudited 30.09.2020 RM'000	Preceding Quarter Unaudited 30.06.2020 RM'000	Variance RM'000
Revenue	26,055	16,536	9,519
Profit before taxation	1,402	1,181	221

The Group revenue for the current quarter increased by 57.56% or RM9.52 million to RM26.06 million as compared to the preceding financial quarter of RM16.54 million. The was mainly due to the improved performance from the well perforation segment whereby its revenue increased by RM9.43 million from RM5.36 million recorded in the preceeding quarter to RM14.79 million in this quarter.

However, despite the commendable increase in revenue in the current quarter, the Group's profit before tax only increased by RM0.22 million from RM1.18 million in the preceeding quarter to RM1.40 million in this current quarter. This was due to the recognition of the one-off listing expenses of RM1.05 million and RM0.11 million impairment loss on trade receivables.

B3. Commentary on Prospects

The Covid-19 pandemic continues to cause unprecedented impact and uncertainties to the global economic activities. Conditional movement control order ("CMCO") has been re-enforced by the authorities in Sabah, Labuan, Kuching in Sarawak, and all Peninsular Malaysia except Kelantan, Perlis and Pahang due to the rise in the number of Covid-19 cases. In Europe, the major economies like Germany, France, UK, Italy, Spain, have introduced various movement restriction measures, such as lockdowns and curfews, to curb the spread of the Covid-19 virus. Consequent to the movement restriction measures, there may be further delay in some of the works.

The Group will continue to undertake and implement its business strategies cautiously to sustain its growth. The Group participates actively in tenders for oil and gas wells services called by the oil operators. Additionally, the Group is also constantly evaluating its operational efficiencies to optimise its cost while maintaining its service quality to its clients. The Group is mindful of the health risk posed by the pandemic hence employees in the CMCO areas are encouraged to work from home to minimise their exposure to the Covid-19 virus in order to safeguard their safety.

Despite the challenges ahead, the Group is cautiously optimistic to deliver a satisfactory performance in the current financial year while remain positive on the Group's long-term potential.

B4. Profit Forecast

The Group does not issue any profit forecast during the current financial quarter under review.

B5. Income Tax Expenses

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Quarter Unaudited 30.09.2019 RM'000 ^(b)	Current Year-To-Date Unaudited 30.09.2020 RM'000	Preceding Year Corresponding Period Unaudited 30.09.2019 RM'000 ^(b)
Income tax	814	N/A	1,482	N/A
Deferred tax	(40)	N/A	738	N/A
	774	N/A	2,220	N/A
Effective tax rate ^(c)	55.21%	N/A	33.48%	N/A

Notes:

- (a) Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period.
- (b) No comparative figures for the preceding year's corresponding quarter and period-to-date is available as this is the third interim financial report announced in compliance with the Listing Requirements.
- (c) The effective tax rate ("ETR") is computed by dividing tax expense by profit before tax for the financial period. The ETR of the Group for the current period were higher than the statutory tax rate was mainly due to listing-related expenses incurred which was not tax deductible.

N/A Not applicable

B6. Status of Corporate Proposals

The Company had issued its prospectus on 25 June 2020 in relation to the public issue of 57,126,000 new ordinary shares ("Public Issue") and offer for sale of 31,000,000 ordinary shares at an issue/ offer price of RM0.41 per share in conjunction with the Company's listing on the ACE Market of Bursa Securities. Thereafter, the Company's entire enlarged issued share capital of RM45,061,324 comprising of 285,000,000 ordinary shares was listed on the ACE Market of Bursa Securities on 15 July 2020.

B7. Utilisation of Proceeds Raised from the Public Issue

The gross proceeds raised from the Public Issue of RM23.42 million are intended to be utilised in the following manner:

No.	Purpose	Proposed Utilisation RM'000	Actual Utilisation Up to 30 September 2020 RM'000	Transfer RM'000	Balance Unutilised RM'000	Estimated Timeframe for Utilisation (from the date of Listing)
1	Repayment of bank borrowings	5,000	-	-	5,000	Within 6 months
2	Estimated listing expenses	3,500	(3,205)	(295) ⁽²⁾	-	Immediate
3	Capital expenditure	10,000	-	-	10,000	Within 24 months
4	Working capital	4,922	(2,061)	295 ⁽²⁾	3,156	Within 12 months
		23,422	(5,266)	-	18,156	

B7. Utilisation of Proceeds Raised from the Public Issue (Cont'd)

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the prospectus dated 25 June 2020.
- (2) The unutilised balance of RM295,000 allocated for listing-related expenses had been re-allocated to the working capital during the financial period as the actual listing-related expenses incurred are lower than the budgeted listing-related expenses.
- N/A Not applicable

B8. Bank Borrowings

	Unaudited	
	Current Year-To-Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000 ^(a)
<u>Secured</u>		
Current liabilities:		
Term loans	1,866	N/A
	1,866	N/A
Non-current liability:		
Term loans	11,422	N/A
<u>Non-secured</u>		
Current liabilities:		
Credit cards	11	N/A
Term loans	81	N/A
	92	N/A
Non-current liability:		
Term loans	215	N/A
Total borrowings:		
Credit cards	11	N/A
Term loans	13,584	N/A
	13,595	N/A

Notes:

- (a) No comparative figures for the preceding year's corresponding period is available as this is the third Interim Financial Report announced in compliance with the Listing Requirements.
- N/A Not applicable

B9. Material Litigation

With respect to the Group's litigation case between its subsidiary, Reservoir Link Sdn Bhd ("RLSB") as plaintiff and Uzma Engineering Sdn Bhd ("UESB") as defendant, consent judgement was entered on 18 August 2020 whereby UESB will pay the amount of RM0.74 million in 5 monthly instalments in 5 post-dated cheques commencing from 31 August 2020.

For the other litigation case between RLSB as plaintiff and UESB as defendant for an amount of approximately RM0.92 million, UESB has agreed to settle the amount in 6 monthly instalments in 6 post-dated cheques commencing from 31 October 2020. The Defendant's solicitor has written to the Court to request for a Case Management date to be fixed for the purpose of recording the Consent Judgment on the above settlement before the Sessions Court Judge.

B10. Dividend Proposed

On 23 November 2020, the Board of the Company declared an interim single-tier dividend of 0.75 sen per ordinary share amounting to RM2,137,500 in respect of financial year ending 31 December 2020.

B11. Earnings per Share (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Unaudited 30.09.2020 RM	Preceding Year Corresponding Quarter Unaudited 30.09.2019 ^(c) RM	Current Year -To-Date Unaudited 30.09.2020 RM	Preceding Year Corresponding Period Unaudited 30.09.2019 ^(c) RM
(Loss)/ Profit after taxation attributable to owners of the Company (RM'000)	630	N/A	4,239	N/A
Weighted average number of ordinary shares in issue ('000) ^(a)	285,000	N/A	285,000	N/A
Basic EPS attributable to equity holders of the Company (sen) ^(b)	0.22	N/A	1.49	N/A
Diluted EPS (sen) ^(b)	0.22	N/A	1.49	N/A

Notes:

(a) In calculation of EPS for the financial period ended 30 September 2020, it is based on the 285,000,000 issued share capital as at the end of the financial period.

(b) The diluted EPS is equal to the basic EPS as the Company does not have any convertible options as at the end of the reporting period.

(c) No comparative figures for the preceding year's corresponding quarter and period-to-date is available as this is the third interim financial report announced in compliance with the Listing Requirements.

N/A Not applicable

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B12. Profit Before Tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Year	Year	Year -To-	Year
	Quarter	Corresponding	Date	Corresponding
	Unaudited	Unaudited	Unaudited	Unaudited
	30.09.2020	30.09.19	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000 ^(a)
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- under provision in prior year	-	N/A	8	N/A
- current year	-	N/A	-	N/A
Depreciation of property, plant and equipment	675	N/A	1,860	N/A
Depreciation of investment properties	29	N/A	91	N/A
Impairment on trade receivables	112	N/A	112	N/A
Reversal of impairment loss on trade receivables	-	N/A	(10)	N/A
Gain on disposal of property, plant and equipment	(50)	N/A	(176)	N/A
Loss on disposal of property, plant and equipment	36	N/A	36	N/A
Interest expenses	184	N/A	612	N/A
Interest income	(208)	N/A	(311)	N/A
Listing expenses	1,053	N/A	1,122	N/A
Realised loss on foreign exchange	31	N/A	415	N/A
Realised gain on foreign exchange	(137)	N/A	(464)	N/A
Short term lease expenses	21	N/A	65	N/A
Rental income	(67)	N/A	(189)	N/A
Unrealised gain on foreign exchange	-	N/A	(7)	N/A
Unrealised loss on foreign exchange	107	N/A	105	N/A

Notes:

(a) No comparative figures for the preceding year's corresponding quarter and period-to-date is available as this is the third Interim Financial Report announced in compliance with the Listing Requirements of Bursa Securities.

N/A Not applicable

B13. Derivative Financial Instruments

The Group has not entered into any derivatives as at the date of this Interim Financial Report.

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