



RESERVOIR LINK ENERGY BHD

Company No. : 201401044508 (1120690-K)

(Incorporated in Malaysia)

**Interim Financial Report
For The Financial Period Ended
31 March 2021
(1st Quarter)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2021 ^(a)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited)		(Unaudited)	
	3 months ended		3 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
REVENUE	11,883	22,857	11,883	22,857
COST OF SALES	(9,385)	(16,417)	(9,385)	(16,417)
GROSS PROFIT	2,498	6,440	2,498	6,440
OTHER INCOME	298	613	298	613
	2,796	7,053	2,796	7,053
ADMINISTRATIVE EXPENSES	(2,371)	(2,757)	(2,371)	(2,757)
PROFIT FROM OPERATION	425	4,296	425	4,296
FINANCE CHARGES	(112)	(224)	(112)	(224)
NET IMPAIRMENT LOSSES ON TRADE RECEIVABLES	-	(25)	-	(25)
NET PROFIT BEFORE TAXATION	313	4,047	313	4,047
INCOME TAX EXPENSES	(274)	(1,161)	(274)	(1,161)
NET PROFIT AFTER TAXATION	39	2,886	39	2,886
OTHER COMPREHENSIVE INCOME				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences	-	1	-	1
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	39	2,887	39	2,887
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Group	98	2,721	98	2,721
Non-controlling interests	(59)	165	(59)	165
	39	2,886	39	2,886
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Group	98	2,722	98	2,722
Non-controlling interests	(59)	165	(59)	165
	39	2,887	39	2,887
EARNING PER SHARE (SEN) ^(b)				
Basic ^(c)	0.03	1.19	0.03	1.19
Diluted ^(c)	0.03	1.19	0.03	1.19

Notes:

- (a) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2020 and the accompanying explanatory notes are an integral part of this interim financial report.
- (b) Based on the weighted average number of ordinary shares in issue of 285,000,000 shares during the financial period/year under review.
- (c) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities as at 31 March 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021 ^(a)

	(Unaudited) As At 31.03.2021 RM'000	(Audited) As At 31.12.2020 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	23,862	22,805
Investment properties	5,137	5,166
Right-of-use assets	723	722
Other receivables	154	154
Deferred tax assets	3,533	3,507
	<u>33,409</u>	<u>32,354</u>
CURRENT ASSETS		
Inventories	12,011	13,197
Trade receivables	8,040	5,457
Other receivables, deposits and prepayments	1,437	1,549
Short-term investments	24,869	27,243
Fixed deposits with licensed banks	3,005	3,414
Cash and bank balances	1,678	1,896
	<u>51,040</u>	<u>52,756</u>
TOTAL ASSETS	<u>84,449</u>	<u>85,110</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	45,082	45,082
Foreign exchange translation reserve	886	886
Retained profits	32,677	32,579
Merger deficit	(15,779)	(15,779)
	<u>62,866</u>	<u>62,678</u>
Non-controlling interests	(114)	(55)
TOTAL EQUITY	<u>62,752</u>	<u>62,713</u>
NON-CURRENT LIABILITIES		
Bank borrowings	6,812	7,006
Lease liabilities	347	380
Deferred tax liabilities	394	424
	<u>7,553</u>	<u>7,810</u>
CURRENT LIABILITIES		
Bank borrowings	804	788
Lease liabilities	397	360
Trade payables	4,128	1,615
Other payables and accruals	8,040	10,940
Provision for taxation	775	884
	<u>14,144</u>	<u>14,587</u>
TOTAL LIABILITIES	<u>21,697</u>	<u>22,397</u>
TOTAL EQUITY AND LIABILITIES	<u>84,449</u>	<u>85,110</u>
Net asset per share (RM)	0.22^(b)	0.25^(c)

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 audited financial statements of the Company for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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(b) *Based on the Company's weighted number of ordinary shares in issue of 285,000,000 shares as at the end of the financial period .*

(c) *Based on the Company's weighted number of ordinary shares in issue of 254,323,969 shares as at the end of the financial year.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2021 ^(a)

	Share Capital	Merger Deficit	Non-distributable Foreign Exchange Translation Reserve	Distributable Retained Profits	Attributable to owners of the Company	Non-controlling Interest	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance at 01.01.2021	45,082	(15,779)	886	32,579	62,768	(55)	62,713
Contributions by and distribution to owners of the Company:-							
- Issuance of ordinary shares	-	-	-	-	-	-	-
- Acquisition of subsidiaries in business combination under common control	-	-	-	-	-	-	-
- Share issuance expenses	-	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	-	-	-
Profit after taxation for the financial year	-	-	-	98	98	(59)	39
Other comprehensive income for the financial period:							
Foreign exchange translation difference	-	-	-	-	-	-	-
Balance at 31.03.2021	45,082	(15,779)	886	32,677	62,866	(114)	62,752

Note:

(a) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2020 and the accompanying explanatory notes are an integral part of this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021 ^(a)

	(Unaudited) Cumulative Year To Date 31.03.2021 RM'000	(Unaudited) Corresponding Year To Date 31.03.2020 RM'000
<u>Cash Flows from operating activities</u>		
Profit before tax	313	4,047
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	675	576
Depreciation of investment properties	29	33
Depreciation of right-of-use assets	99	0
Loss/(Gain) on disposal of property, plant and equipment	6	(126)
Finance costs	112	224
Interest income	(141)	(36)
Unrealised loss/(gain) on foreign exchange	(45)	73
Allowance for impairment losses on trade receivable	0	36
Reversal of allowance for impairment losses on receivable	0	(10)
Operating profit before working capital changes	1,048	4,817
Increase in inventories	1,187	(7,326)
Increase in trade and other receivables	(2,314)	(1,425)
Increase in trade and other payables	(503)	5,286
Increase in non-related company	0	10
Decrease in amount owing to directors	0	(55)
Cash from operations	(582)	1,307
Interest expenses paid	(112)	(224)
Income tax paid	(440)	(765)
Net cash from operating activities	(1,134)	318
<u>Cash flows for investing activities</u>		
Interest income received	141	36
Purchase of property, plant and equipment	(1,773)	(1,284)
Proceeds from disposal of property, plant and equipment	67	0
Proceeds from disposal of investment property	0	1,225
(Increase)/decrease in money market fund	2,374	(797)
(Increase)/decrease in fixed deposits with licensed banks pledged to licensed banks	409	589
Net cash for investing activities	1,218	(231)

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	(Unaudited) Cumulative Year To Date 31.03.2021 RM'000	(Unaudited) Corresponding Year To Date 31.03.2020 RM'000
Cash flows for financing activities		
Drawdown of credit cards facility	11	26
Drawdown of term loans	0	1,050
Repayment of term loans	(189)	(169)
Repayment of lease liabilities	(124)	0
Net cash for financing activities	(302)	907
Net decrease in cash and cash equivalents	(218)	994
Cash and cash equivalents at beginning of the financial period	1,896	2,388
Effect of foreign exchange translation	0	25
Cash and cash equivalents at end of the financial period	1,678	3,407
Cash and cash equivalents comprise the followings:		
Fixed deposits with licensed banks	3,005	2,976
Cash and bank balances	1,678	3,407
Less: Fixed deposits with licensed banks more than 3 months	(3,005)	(2,976)
	1,678	3,407

Note:

- (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 audited financial statements of the Company for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.*

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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 ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Securities.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 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 in the audited financial statements of the Group for the financial year ended 31 December 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 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021

The adoption of the above amendments to published standards did not have any material impact on the financial statements of the Group 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 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 Standards 2018-2020 Cycle

ii. 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
- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 108 Definition of Accounting Estimates

iii. 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 2020 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 31 March 2021 is as follows:

(I) The Results of the Current Quarter Compared to the Results of the Corresponding Quarter

Revenue	Current Quarter Unaudited 31.03.2021 RM'000	Correspondence Quarter Unaudited 31.03.2020 RM'000 ^(a)	Variance RM'000	Variance %
O&G Well Services	11,883	22,630	(10,747)	(47%)
Well leak repair	2,501	3,424	(923)	(27%)
Well perforation	4,143	9,468	(5,325)	(56%)
Well testing	36	8	28	>100%
Wash and cement	4,792	7,495	(2,703)	(36%)
Wireline services	0	289	(289)	(100%)
O&G production enhancement	411	1,946	(1,535)	(79%)
Other Services	-	227	(227)	(100%)
Total	11,883	22,857	(10,974)	(48%)

Gross Profit	Current Quarter Unaudited 31.03.2021 RM'000	Correspondence Quarter Unaudited 31.03.2020 RM'000 ^(a)	Variance RM'000	Variance %
O&G Well Services	2,498	6,400	(3,902)	(61%)
Well leak repair	1,057	1,812	(755)	(42%)
Well perforation	618	3,747	(3,129)	(84%)
Well testing	(336)	(388)	52	(13%)
Wash and cement	1,279	469	810	>100%
Wireline services	(118)	(92)	(26)	28%
O&G production enhancement	(2)	852	(854)	(100%)
Other Services	0	40	(40)	(100%)
Total	2,498	6,440	(3,942)	(61%)

(II) The Results of the Current Quarter Compared to the Results of the Preceding Quarter

Revenue	Current Quarter Unaudited 31.03.2021 RM'000	Preceding Quarter Unaudited 31.12.2020 RM'000 ^(a)	Variance RM'000	Variance %
O&G Well Services	11,883	22,077	(10,194)	(46%)
Well leak repair	2,501	3,312	(811)	(24%)
Well perforation	4,143	17,326	(13,183)	(76%)
Well testing	36	58	(22)	(38%)
Wash and cement	4,792	1,209	3,583	>100%
Wireline services	0	93	(93)	(100%)
O&G production enhancement	411	79	332	>100%
Total	11,883	22,077	(10,194)	(46%)

Gross Profit	Current Quarter Unaudited 31.03.2021 RM'000	Preceding Quarter Unaudited 31.12.2020 RM'000 ^(a)	Variance RM'000	Variance %
O&G Well Services	2,498	12,778	(10,280)	(80%)
Well leak repair	1,057	1,155	(98)	(8%)
Well perforation	618	12,300	(11,682)	(95%)
Well testing	(336)	(369)	33	(9%)
Wash and cement	1,279	(27)	1,306	>(100%)
Wireline services	(118)	(28)	(90)	>100%
O&G production enhancement	(2)	(253)	251	(99%)
Total	2,498	12,778	(10,280)	(80%)

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 31.03.2021 RM'000	Unaudited As at 31.03.2020 RM'000
Approved and contracted for:		
Purchase of equipment	5,194	2,063
Approved but not contracted for:		
Purchase of equipment	3,200	10,013

A12. Contingent Assets and Liabilities

The Group's contingent liabilities were as follow:

	Unaudited As at 31.03.2021 RM'000	Unaudited As at 31.03.2020 RM'000
Bank guarantee for performance	7,348	6,668
Bank guarantee for tenancy agreement	86	70
Letter of credit for purchase of well testing equipment	-	1,696
	7,434	8,434

Note:

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

- (i) The Company had on 13 January 2021 incorporated a 100% owned subsidiary company in Malaysia with the name RL Healthcare Sdn. Bhd. (202101001506) with total issued and paid up share capital of RM2 comprising of 2 ordinary shares. The intended principal activity of RL Healthcare Sdn. Bhd. is to engage in the business of trading and investment holding;
- (ii) Reservoir Link Renewable Sdn. Bhd., a wholly-owned subsidiary of the Group, had on 29 March 2021 incorporated a 100% owned subsidiary company in Malaysia with the name RL Sigma Engineering Sdn. Bhd. (202101011322) with total issued and paid up share capital of RM2 comprising of 2 ordinary shares. The intended principal activity of RL Sigma Engineering Sdn. Bhd. is to engage in the business of renewable energy and related services.

Save as disclosed in the above and 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.

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

	(Unaudited) Current Quarter	(Unaudited) Correspondence Quarter		
	31.03.2021 RM'000	31.03.2020 RM'000	Variance RM'000	Variance %
Revenue	11,883	22,857	(10,974)	(48%)
Profit before taxation ("PBT")	313	4,047	(3,734)	(92%)

For the current financial quarter ended 31 March 2021 ("CQ"), the Group registered revenue of RM11.88 million. The Group revenue reduced by RM10.97 mil or 48% as compared to previous year corresponding quarter ended 31 March 2020 ("PYCQ"). The reduction of revenue was mainly due to deferment of jobs by clients and pending arrival of equipment. Barring for any unforeseen circumstances, the Group expects the deferred jobs will be carried out in the coming quarters. In line with the reduction of revenue, the PBT has also reduced accordingly.

B2. Comparison with Preceding Financial Quarter's Results

	(Unaudited) Current Quarter Ended	(Unaudited) Preceding Quarter Ended		
	31.03.2021 RM'000	31.12.2020 RM'000	Variance RM'000	Variance %
Revenue	11,883	22,077	(10,194)	(46%)
Profit before taxation	313	9,794	(9,481)	(97%)

The Group revenue for the CQ decreased by 46% or RM10.19 million to RM11.88 million as compared to the preceding financial quarter ("PQ"). The reduction of revenue is as discussed in note B1 above.

The Group's PBT declined by RM9.48 million or 97% in CQ. The declined was due to the recognition of the deferred income from our perforating, wash and cement contract in Mauritania in PQ.

B3. Commentary on Prospects

The Covid-19 pandemic continues to cause unprecedented impact and uncertainties to the global economic activities. Different stages of movement control order (“MCO”) have been re-enforced in Malaysia to contain the spread of the Covid-19 virus. 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. Consequently, there was / may be disruption and delay in some of the works in Malaysia and Mauritania.

Recognising the health risk posed by the Covid-19 pandemic, the Group has taken various measures to minimise its employees’ exposure to the Covid-19 by implementing several measures such as encouraging employees to work from home, ensure social distancing, wearing face mask at workplace as well as in public places and practicing self hygiene at all time. Besides, the Group continues its effort to constantly evaluate its operational efficiencies and proactively taking pre-emptive and counter measures to manage its cost while maintaining its service quality to its clients.

Despite the economic slowdown and soft oil and gas industry activities due to the outbreak of Covid-19 at the beginning of 2020, the Group managed to secure new contracts since the listing of the Company on the ACE Market of Bursa Securities as follows:

- (i) As announced on 16 July 2020, the Group had received from PETRONAS Carigali Sdn. Bhd. (“PCSB”) a work order award for the Provision of Annulus Wash and Cementing for Sepat DPS for a period of six (6) months and the job was fully completed in August 2020;
- (ii) As announced on 13 October 2020, the Group received from PTTEP HK Offshore Limited, PTTEP Sabah Oil Limited and PTTEP Sarawak Oil Limited, a letter of award for the Provision of Downhole Mechanical Heating Equipment and Services for Production Operation with contract duration of two (2) years effective from 28 August 2020 and will expire on 27 August 2022;
- (iii) As announced on 18 December 2020, the Group received from PC Mauritania 1 Pty Ltd (“PCMPL”) a letter of award for the Provision of Perforation and Wash for Abandonment and Decommissioning of Chinguetti and Banda Fields, offshore Mauritania. The estimated contract period is nine (9) months unless extended or earlier terminated in accordance with the terms and conditions of the contract;
- (iv) As announced on 12 April 2021, the Group received a letter of award from PETRONAS Carigali Sdn Bhd for the provision of well leak repair equipment and service for a period of 3 years from 22 March 2021 to 22 March 2024; and
- (v) As announced on 14 April 2021, the Group was appointed by PETRONAS as an umbrella contractor for the provision of completion of new technology equipment and services for a period of five (5) years until 10 December 2025 unless terminated in accordance with the terms of the appointment.

The Group will continue to actively participate in tenders for oil and gas wells services. The Group will also continue to undertake and implement its business strategies cautiously to sustain its growth in order to deliver a satisfactory performance in the financial year 2021.

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	
	(Unaudited) Current Quarter Ended 3 months 31.03.2021 RM'000	(Unaudited) Corresponding Quarter Ended 3 months 31.03.2020 RM'000	(Unaudited) Current Year To Date 3 months 31.03.2021 RM'000	(Unaudited) Corresponding Year To Date 3 months 31.03.2020 RM'000
Income tax	331	1,161	331	1,161
Deferred tax	(57)	-	(57)	-
	<u>274</u>	<u>1,161</u>	<u>274</u>	<u>1,161</u>
Effective tax rate ^(b)	87.5%	28.7%	87.5%	28.7%

Notes:

- (a) Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period.
- (b) 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 non-deductibility of certain expenses for tax purposes.

B6. Status of Corporate Proposals**(a) Bonus Issue of Warrants and ESOS**

On 4 February 2021, the Company announced the following:

- (i) proposed bonus issue of up to 71,250,000 free warrants in the Company on the basis of one (1) free warrant for every four (4) existing ordinary shares in the Company held on an entitlement date to be determined and announced later ("Bonus Issue of Warrants"); and
- (ii) proposed establishment of an employees' share option scheme ("ESOS") involving up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for eligible directors and employees of the Group (excluding dormant subsidiaries).

The Bonus Issue of Warrants and ESOS were completed on 6 May 2021.

(b) Proposed Acquisition

As announced on 12 April 2020, RLEB had entered into a conditional term sheet with Lee Seng Chi (“Vendor”). The term sheet expresses the parties’ mutual intention to enter into a shares sale agreement (“SSA”) for the proposed acquisition by RLEB of such number of shares representing 51.0% equity interest in a new special purpose vehicle to be incorporated by the Vendor (“Target Company”) for the purpose of the parties’ joint co-operation to undertake solar renewable energy projects in Malaysia (“Proposed Acquisition”).

Currently, RLEB is performing financial and legal due diligence on the Target Company. The Company will make necessary announcement on subsequent development on the Proposed Acquisition, accordingly.

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	Actual Utilisation Up to 31 March 2021	Transfer	Balance Unutilised	Estimated Timeframe for Utilisation (from the date of Listing)
		RM'000	RM'000	RM'000	RM'000	
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	(2,493)	-	7,507	Within 24 months
4	Working capital	4,922	(5,217)	295 ⁽²⁾	-	Within 12 months
		23,422	(15,915)	-	7,507	

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.

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B8. Bank Borrowings

	Unaudited	
	Current Year To Date 31.03.2021 RM'000	Corresponding Year To date 31.03.2020 RM'000
<u>Secured</u>		
Current liabilities:		
Term loans	676	1,536
	676	1,536
Non-current liability:		
Term loans	6,639	10,543
<u>Non-secured</u>		
Current liabilities:		
Credit cards	45	58
Term loans	83	79
	128	137
Non-current liability:		
Term loans	173	206
Total borrowings:		
Credit cards	45	58
Term loans	7,571	12,364
	7,616	12,422

B9. Material Litigation

The Group has no material litigation as at the date of this interim financial report.

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B10. Dividend Proposed

There was no dividend proposed for the current quarter under review.

B11. Earnings per Share (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited) 3 months ended		(Unaudited) 3 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM	RM	RM	RM
(Loss)/ Profit after taxation attributable to owners of the Company (RM'000)	98	2,721	98	2,721
Weighted average number of ordinary shares in issue ('000) ^(a)	285,000	227,873	285,000	227,873
Basic EPS attributable to equity holders of the Company (sen) ^(b)	0.03	1.19	0.03	1.19
Diluted EPS (sen) ^(b)	0.03	1.19	0.03	1.19

Notes:

(a) In calculation of EPS for the financial year ended 31 December 2020, it is based on the weighted number of ordinary shares in issue of 254,323,969 shares as at the end of the financial period / year.

(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.

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B12. Profit Before Tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(Unaudited)		(Unaudited)	
	3 months ended		3 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- under provision in prior year	0	8	0	8
Depreciation of plant and equipment	675	576	675	576
Depreciation of investment properties	29	33	29	33
Depreciation of right-of-use assets	99	0	99	0
Gain on disposal of property, plant and equipment	0	(126)	0	(126)
Interest expenses	112	224	112	224
Interest income	(141)	(36)	(141)	(36)
Listing expenses	0	68	0	68
Loss on disposal of plant and equipment	6	0	6	0
Realised loss on foreign exchange	0	301	0	301
Realised gain on foreign exchange	(36)	206	(36)	206
Short term lease expenses	23	24	23	24
Rental income	(69)	(66)	(69)	(66)
Unrealised gain on foreign exchange	(45)	0	(45)	0
Unrealised loss on foreign exchange	0	73	0	73

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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