

M3 TECHNOLOGIES (ASIA) BERHAD 199901007872(482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Twelve(12) months ended 31 December 2019

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31-Dec-19 Unaudited RM'000	31-Dec-18 Unaudited RM'000	31-Dec-19 Unaudited RM'000	31-Dec-18 Unaudited RM'000
Revenue	10,109	8,554	37,894	35,007
Operating Expenses	(13,884)	(12,519)	(45,580)	(42,647)
Profit/(Loss) from Operations	<u>(3,775)</u>	<u>(3,965)</u>	<u>(7,686)</u>	<u>(7,640)</u>
Net interest income/(expense)	221	196	1,013	457
Profit/(Loss) before taxation	<u>(3,554)</u>	<u>(3,769)</u>	<u>(6,673)</u>	<u>(7,183)</u>
Income tax expense	(293)	(2,508)	(2,107)	(5,525)
Net Profit/(Loss) for the period	<u><u>(3,847)</u></u>	<u><u>(6,277)</u></u>	<u><u>(8,780)</u></u>	<u><u>(12,708)</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	(14)	(3,292)	(2,668)	(5,558)
Other comprehensive (loss)/income for the period, net of tax	<u>(14)</u>	<u>(3,292)</u>	<u>(2,668)</u>	<u>(5,558)</u>
Total comprehensive income/(loss) for the period	<u><u>(3,861)</u></u>	<u><u>(9,569)</u></u>	<u><u>(11,448)</u></u>	<u><u>(18,266)</u></u>
Attributable to:				
Equity holders of the Company	(4,272)	(6,024)	(10,241)	(14,006)
Non-controlling interests	425	(253)	1,461	1,298
	<u>(3,847)</u>	<u>(6,277)</u>	<u>(8,780)</u>	<u>(12,708)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(4,155)	(8,010)	(11,692)	(17,408)
Non-controlling interests	294	(1,559)	244	(858)
	<u>(3,861)</u>	<u>(9,569)</u>	<u>(11,448)</u>	<u>(18,266)</u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(0.71)	(1.03)	(1.74)	(2.40)

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

M3 TECHNOLOGIES (ASIA) BERHAD 199901007872(482772-D)

(Incorporated in Malaysia)

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**For the Twelve(12) months ended 31 December 2019**

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31-Dec-19 Unaudited RM'000	31-Dec-18 Unaudited RM'000	31-Dec-19 Unaudited RM'000	31-Dec-18 Unaudited RM'000
Profit before taxation				
Included in the Profit before tax are the following items:				
Allowance for impairment of receivables	1,760	2,165	1,760	2,449
Amortisation of product development expenditure	(156)	372	993	1,425
Bad debts recovered	-	-	(78)	-
Bad debts written off	-	(2)	-	167
Depreciation of plant and equipment	316	296	1,275	1,189
(Gain)/loss on disposal of plant and equipment	(65)	(12)	(238)	(319)
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(1)	3	14	144
- Unrealised	318	(224)	449	(303)
<u>Interest expense/(income)</u>				
- Interest expense	7	9	31	36
- Interest income	(228)	(205)	(1,044)	(493)
Inventories written down	584	538	584	538
Inventories written off	-	-	-	-
Property, plant and equipment written off	-	-	24	-

There is no income/expenses in relation to the below items :

- Allowance for impairment of joint venture
- Exceptional items (Otherwise disclosed)
- Gain/loss on derivatives
- Impairment loss on goodwill
- Impairment loss on investment in an associate
- Investment income - Profit Guarantee ; and
- Product development expenditure written off

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2019

	31-Dec-19	31-Dec-18
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	4,982	5,464
Intangible Asset	2,992	3,497
Other investment	2,009	2,009
Trade and other receivables	34	43
Deferred tax assets	35	39
	<u>10,052</u>	<u>11,052</u>
Current Assets		
Other investment	3,960	4,440
Inventories	1,430	2,244
Trade and other receivables	20,854	24,418
Amount due from related company	-	-
Amount due from jointly controlled entity	-	-
Tax refundable	13	13
Cash and bank balances	12,897	13,696
	<u>39,154</u>	<u>44,811</u>
Asset classified as held for sale	-	-
TOTAL ASSETS	<u>49,206</u>	<u>55,863</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	65,049	62,946
Share premium	-	-
Treasury shares	(566)	(566)
Warrant reserve	-	9,816
Accumulated losses	(36,221)	(35,795)
Foreign currency translation reserve	(3,626)	(2,174)
	<u>24,636</u>	<u>34,227</u>
Non-controlling interests	<u>7,548</u>	<u>8,940</u>
Total equity	<u>32,184</u>	<u>43,167</u>
Current Liabilities		
Trade and other payables	15,075	11,994
Loans and borrowings	132	117
Amount due to a director	880	-
Tax payable	457	-
	<u>16,544</u>	<u>12,111</u>
Non-current Liabilities		
Loans and borrowings	420	521
Deferred tax liabilities	58	56
Provision for gratuity	-	8
	<u>478</u>	<u>585</u>
Total liabilities	<u>17,022</u>	<u>12,696</u>
TOTAL EQUITY AND LIABILITIES	<u>49,206</u>	<u>55,863</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	4.18	5.86

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

M3 TECHNOLOGIES (ASIA) BERHAD 199901007872(482772-D)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Twelve(12) months ended 31 December 2019

	(Note a) Share Capital	Share Premium	Treasury Shares	Warrant Reserve	Foreign Currency Translation Reserve	Retained Earnings/ (Accumulated Losses)	Total	Non-Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve(12) months ended 31 December 2019									
Balance at 1 January 2019	62,946	-	(566)	9,816	(2,174)	(35,795)	34,228	8,940	43,167
Issuance of shares	2,103	-	-	(9,816)	-	9,816	2,103	-	2,103
Total comprehensive income/(loss) for the period	-	-	-	-	(1,452)	(10,242)	(11,694)	244	(11,450)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	(1,636)	(1,636)
Balance at 31 December 2019	65,049	-	(566)	-	(3,626)	(36,221)	24,637	7,548	32,184
Eighteen (18) months ended 31 December 2018									
Balance at 1 July 2017	62,946	-	(566)	9,816	2,414	(20,124)	54,486	10,373	64,859
Issuance of shares	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	(4,588)	(15,671)	(20,259)	(731)	(20,989)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	(703)	(703)
Balance at 31 December 2018	62,946	-	(566)	9,816	(2,174)	(35,795)	34,228	8,940	43,167

Note a

With the Companies Act 2016 ("NewAct") coming into effect on 31 January 2017, the credit standing in the share premium account of RM4,261,000 has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Twelve(12) months ended 31 December 2019

	12 months ended	
	31-Dec-19 Unaudited RM'000	31-Dec-18 Audited RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(6,673)	(6,495)
Adjustment for :		-
Allowance for impairment of receivables	1,760	834
Amortisation of product development expenditure	993	2,118
Bad debts recovered	(78)	-
Bad debts written off	-	2,146
Depreciation of plant and equipment	1,275	1,817
(Gain)/loss on disposal of plant and equipment	(238)	(364)
(Gain)/loss on foreign exchange translation - Realised	14	144
(Gain)/loss on foreign exchange translation - Unrealised	449	990
Interest expense	31	66
Interest income	(1,044)	(708)
Inventories write-down	584	501
Plant and equipment written off	24	-
Provision for gratuity	-	3
Operating profit before working capital changes	<u>(2,903)</u>	<u>1,052</u>
Changes in working capital :		
Increase/(Decrease) in inventories	230	2,084
Increase/(Decrease) in trade and other receivables	1,428	(2,462)
(Decrease)/Increase in trade and other payables	3,073	652
(Decrease)/Increase in amount due to a Director	880	(15)
Cash flows (used in)/generated from operating activities	<u>2,708</u>	<u>1,311</u>
Tax paid	<u>(1,644)</u>	<u>(5,372)</u>
Net cash (used in)/generated from operating activities	<u>1,064</u>	<u>(4,061)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Addition) / Return of other investment	480	-
Interest received	1,044	708
Purchase of plant and equipment	(579)	(2,457)
Proceed from disposal of plant and equipment	-	621
Product development expenditure	(488)	(1,677)
Net cash used in investing activities	<u>457</u>	<u>(2,805)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expense	(31)	(66)
Dividend paid by subsidiaries to non-controlling interests	(1,636)	(703)
Repayment of loans and borrowings	(86)	(506)
Net cash generated from/(used in) financing activities	<u>350</u>	<u>(1,275)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,871	(8,141)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(2,670)	(7,207)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>13,696</u>	<u>29,044</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>12,897</u>	<u>13,696</u>

The cash and cash equivalents at beginning of year and quarter end represents cash on hand, cash and banks balances.

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

M3 TECHNOLOGIES (ASIA) BERHAD 199901007872(482772-D)
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Part A - Explanatory Notes Pursuant to MFRS 134

1. Corporate Information

M3 Technologies (Asia) Berhad is a public limited liability company incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

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

3. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited condensed consolidated interim financial statements are consistent with those adopted and as disclosed in the audited financial statements of the Group for the financial year ended 31 December 2018.

The Group has adopted the new and revised MFRSs, amendments to published standards and IC Interpretation that became mandatory effective for annual period beginning on or after 1 January 2018 where applicable to the Group. The adoption of these new and revised MFRSs, amendments to published standard and IC Interpretation does not result in significant changes in the accounting policies of the Group.

4. Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors

5. Unusual Items due to their Nature, Size or Incidence

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the current quarter under review.

6. Changes in Accounting Estimates and Errors

There were no changes in accounting estimates or error that have a material effect in the current quarter under review.

7. Debt and Equity Securities

The company had on 19 December 2019 issued 58,428,800 new ordinary shares at RM0.036 under private placement and the shares were listed on ACE market of Bursa Securities on 20 December 2019.

Saved as disclosed above, there were no issuance or repayment of debt and equity securities, share buy-back, shares cancellations, shares held as treasury shares and resale of treasury shares in the current quarter under review.

8. Dividend Paid

No dividend has been proposed or paid in the current quarter under review.

9. Segmental Information

Segmental information of the results of the Group for the cumulative quarter is as follows:

(i) Geographical Segment

<u>12 months ended</u> <u>31 December 19</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	16,881	225	23,690	1,581	(4,483)	37,894
Segment results	(2,641)	(1,523)	6,246	(6,201)	(3,567)	(7,686)
Interest (expense)/income	(31)	-	-	-	1,044	1,013
Profit/(loss) before taxation	(2,672)	(1,523)	6,246	(6,201)	(2,523)	(6,673)
Segment assets	51,759	7,440	31,076	29,313	(70,383)	49,205
Segment liabilities	35,603	4,653	6,425	45,157	(74,815)	17,023

<u>12 months ended</u> <u>31 December 18</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	8,926	401	25,838	1,157	(1,315)	35,007
Segment results	(7,571)	(1,138)	9,247	(7,707)	(471)	(7,640)
Interest (expense)/income	(36)	-	-	-	493	457
Profit/(loss) before taxation	(7,607)	(1,138)	9,247	(7,707)	22	(7,183)
Segment assets	47,854	7,656	33,069	30,440	(63,425)	55,594
Segment liabilities	31,185	3,627	5,391	41,339	(69,120)	12,422

8. Segmental Information (cont'd)

(ii) Business Segment

<u>12 months ended</u> <u>31 December 19</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	38,548	3,829	(4,483)	37,894
Segment results	2,599	(6,718)	(3,567)	(7,686)
Interest income/(expense)	(31)	-	1,044	1,013
Profit/(loss) before taxation	2,568	(6,718)	(2,523)	(6,673)
Segment assets	105,313	14,275	(70,383)	49,205
Segment liabilities	69,186	22,652	(74,815)	17,023

<u>12 months ended</u> <u>31 December 18</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	35,036	1,286	(1,315)	35,007
Segment results	2,134	(9,303)	(471)	(7,640)
Interest income/(expense)	(36)	-	493	457
Profit/(loss) before taxation	2,098	(9,303)	22	(7,183)
Segment assets	83,013	36,006	(63,425)	55,594
Segment liabilities	38,245	43,297	(69,120)	12,422

10. Related parties transactions

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31-Dec-19 RM'000	31-Dec-18 RM'000	31-Dec-19 RM'000	31-Dec-18 RM'000
Sales to a related party	-	17	35	21
Purchase from a related party	31	21	137	58
	<u>31</u>	<u>38</u>	<u>172</u>	<u>79</u>

The transactions were carried out in the ordinary course of business and are on normal commercial terms

11. Subsequent Events

There was no material event took place between 1st January 2019 to the seventh day before the date of issuing this report.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

12. Performance Review

Table 1: Financial review for current quarter and financial year to date

Business Segment	Current quarter 3 months ended			Cumulative quarter 12 months ended		
	31-Dec-19	31-Dec-18	Changes	31-Dec-19	31-Dec-18	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Mobile Solutions and Trading						
Revenue	10,189	9,221	10%	38,548	35,036	10%
Profit/(loss) before taxation	(1,550)	(1,302)	19%	2,568	2,098	22%
Cloud Service Solutions						
Revenue	292	(520)	156%	3,829	1,286	198%
Profit/(loss) before taxation	(1,928)	(2,469)	22%	(6,718)	(9,303)	28%
Adjustment						
Revenue	(372)	(147)	153%	(4,483)	(1,315)	241%
Profit/(loss) before taxation	(76)	2	-3900%	(2,523)	22	-11568%
Total						
Revenue	10,109	8,554	18%	37,894	35,007	8%
Profit/(loss) before taxation	(3,554)	(3,769)	5%	(6,673)	(7,183)	7%
Profit/(loss) after taxation	(3,847)	(6,277)	39%	(8,780)	(12,708)	31%
Profit/(loss) attributable to owners of the company	(4,272)	(6,024)	29%	(10,241)	(14,006)	27%

Review of result for the quarter

During the quarter, Total Group Revenue grew 18%, from RM8.5 million recorded in 4Q2018 to RM10 million in 4Q2019. The growth was attributed to a 19% increase in higher demand on Mobile Solution and 45% increase in Cloud Service Solutions.

The Group posted a loss before tax of RM3.5 million in the current quarter as compared to a loss before tax of RM3.8 million reported in Q4 previous year. However, the decrease in loss before tax was mainly due to the provision of impairment loss on receivables and inventories written-down amounted to RM2.7 million in 4Q2018 as compared to RM2.4 million was provided in Q42019. The higher cost of sales was resulted in lower gross profit margin on Mobile Solution in this quarter.

Review of result for the 12-months of financial period

For the full year, Total Group Revenue grew by 8%, from RM35 million to RM38 million as Mobile Solution grew by 17% and Cloud Service Solutions grew by 108%.

The Group posted a loss before tax of RM6.7 million for the current period as compared to RM7.2 million in previous year corresponding period. The decrease of loss before tax was mainly due to lower provision of impairment loss on receivables and inventories written-down as compared to last year.

Table 2: Financial review for current quarter compared with immediate preceding quarter

Business Segment	Current quarter 3 months ended		
	31-Dec-19	30-Sept-19	Changes
	RM'000	RM'000	(%)
Mobile Solutions and Trading			
Revenue	10,189	10,740	-5%
Profit/(loss) before taxation	(1,550)	3,099	-150%
Cloud Service Solutions			
Revenue	292	1,110	-74%
Profit/(loss) before taxation	(1,928)	(1,916)	1%
Adjustment			
Revenue	(372)	(3,052)	88%
Profit/(loss) before taxation	(76)	(2,447)	97%
Total			
Revenue	10,109	8,798	15%
Profit/(loss) before taxation	(3,554)	(1,264)	181%
Profit/(loss) after taxation	(3,847)	(1,975)	95%
Profit/(loss) attributable to owners of the company	(4,272)	(2,182)	96%

Review of result of 4Q 2019 vs 3Q 2019

The Group reported a revenue of RM 10 million in this current quarter under review as compared to RM8.8 million in the preceding quarter. The quarter-on-quarter increase was due to higher demand on Mobile Solutions.

The Group reported a loss before tax of RM3.55 million as compared to RM1.26 million in the preceding quarter. The increase of quarter-on-quarter loss before tax was mainly due to provision of impairment loss on receivables RM1.76 million and inventories written-down RM0.58 million.

13. Commentary on Prospects

This quarter, the company recorded total revenue of RM10.161 million, a reduction of RM0.121 million from the previous quarter. Unfortunately, during the end of year holiday period, many projects have been stalled, and sales have been lackluster through the Group's operations. With this in mind, we are still positive with regard to performance for the next financial year.

Our display panel business continues to grow, but we have encountered difficulties with increased competition from cheaper vendors. This has proven both good and bad in that there have been customers who have returned to us after sampling the inferiority of our competitor's products. This is a concrete way to cement our reputation in the minds of consumers, but it is time consuming and risky. In the meantime, through aggressive marketing ploys, we have managed to grow our database, and continue our efforts to mine them and increase our sales revenue.

Our larger projects are actively being developed and negotiated, but it remains a large drain on manpower and resources to close projects, due to the stringent terms provided by large corporations that we need to adhere to. We have performed many site visits and reconnaissance, and many have proven unfruitful as the cost of attractive and efficient installations often proves too high for many clients. Nevertheless, we are in the midst of exploring profit sharing and financing methods to overcome this.

Malaysia & South East Asia

At home in Malaysia, we have increased our VAS revenue from RM7.5m in 2018 to RM10.5m in 2019. As mentioned in previous reports, this increase may be attributed to more systematic marketing efforts implemented in the previous years, which are beginning to bear fruit. More importantly, revenue generated by our newer i3Display business has grown quite substantially year-on-year, from RM1.3m in 2018 to RM3.3m in 2019. Again, similar marketing efforts and sales training have helped us achieve this.

The Group will continue to instill the proven sales & marketing strategies, as well as implement and test new ones. In the meantime, we are also continuing negotiations with existing larger-scale projects, and also searching for newer ones. Bearing in mind that the margin for electronics is small, we are building a brand name which will be synonymous with high-end LCD displays, which will help to guarantee our margins and value.

In Pakistan, the team there has done a great job in increasing revenue, but due to the weakening of the Pakistani Rupee, it ultimately appears in our accounts as a fall in revenue from RM25.3m in 2018 to RM22.6m in 2019. This has been exacerbated by a fall in our profit margin from 55% to 46%, which has been caused by increased Telco charges. Nevertheless, we are confident in our ability to further increase revenue, and are also in the midst of launching new Fintech-related products and services, subject to the successful application of all relevant government licenses.

Hong Kong & China

The Group has further reduced overseas expense by just under 10%, whilst at the same time continuing our efforts in the digital signage marketplace. Some of our major customers have renewed their licenses with us, and we are still working closely with major manufacturers to explore any co-operative ventures available to us. Our software remains as the best value for money in terms of functions per dollar spent, whilst our efforts on selling and renting hardware are still being relentlessly pursued.

13. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

14. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	RM'000	RM'000	RM'000	RM'000
In respect of current period:-				
- Malaysian tax	-	-	-	-
- Foreign tax	293	2,508	2,107	5,525
	<u>293</u>	<u>2,508</u>	<u>2,107</u>	<u>5,525</u>

Foreign income tax is calculated at the statutory tax rate of 29% of the estimated assessable profit for the current and the statutory tax rate of 30% of the actual profit for previous corresponding periods for subsidiary company in Pakistan.

15. Group Borrowings and Debt Securities

The Group borrowings as at 31 December 2019 and 31 December 2018 are as follows:

	31-Dec-19 RM'000	31-Dec-18 RM'000
Current		
<u>Secured</u>		
- Term loan	67	64
- Obligations under finance leases	65	52
	<u>132</u>	<u>116</u>
Non-current		
<u>Secured</u>		
- Term loan	168	242
- Obligations under finance leases	252	279
	<u>420</u>	<u>521</u>
Total Group borrowings	<u>552</u>	<u>637</u>

The Group did not have any debt securities as at 31 December 2019.

16. Realised and Unrealised Earnings or Losses Disclosure

The retained earnings as at 31 December 2019 and 31 December 2018 are analysed as follows:

	30-Sept-19	31-Dec-18
	RM'000	RM'000
The accumulated losses of the Group		
- Realised	(36,163)	(35,739)
- Unrealised	(58)	(56)
Total Group accumulated losses as per unaudited consolidated financial statement	<u>(36,221)</u>	<u>(35,795)</u>

17. Changes in Material Litigation

As at the seventh (7th) day before the date of issuing this report, the Company was not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

18. Earnings Per Share

The earnings per share was calculated by dividing the Company's profit after taxation and non-controlling interests by the weighted average number of ordinary shares in the respective period as follows:

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Profit/(Loss) after tax and non-controlling interests (RM'000)	(4,272)	(6,024)	(10,241)	(14,006)
Weighted average number of ordinary shares in issue	603,765,087	584,288,820	589,157,887	584,288,820
<u>Profit/(Loss) Per Share</u>				
Basic Earnings/(Diluted) Sen	(0.71)	(1.03)	(1.74)	(2.40)

19. Derivatives

The Group did not enter into any derivatives during the current quarter under review.

20. Disclosure of gains/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 current quarter under review.

21. Auditors' Report on Preceding Annual Financial Statements

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

By order of the Board of Directors

Lim Seng Boon
Director
27 February 2020