

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	Note	Individual quarter		Cumulative quarter	
		Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
		31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Revenue		42,005	30,889	146,683	119,058
Cost of sales		(30,813)	(22,378)	(105,655)	(84,238)
Gross profit		11,192	8,511	41,028	34,820
Other operating income		992	430	1,464	802
Distribution costs		(2,322)	(1,843)	(9,647)	(8,996)
Administration expenses		(4,986)	(3,603)	(19,839)	(14,369)
Finance costs		(297)	(269)	(1,382)	(942)
Profit before tax		4,579	3,226	11,624	11,315
Tax expense	B5	(1,221)	(986)	(3,171)	(2,679)
Profit for the financial period		3,358	2,240	8,453	8,636
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		3,358	2,240	8,453	8,636
Profit attributable to:					
Owners of the parent		2,721	2,240	7,372	8,636
Non-controlling interests		637	-	1,081	-
		3,358	2,240	8,453	8,636
Total comprehensive income attributable to:					
Owners of the parent		2,721	2,240	7,372	8,636
Non-controlling interests		637	-	1,081	-
		3,358	2,240	8,453	8,636
Earnings per ordinary share attributable to owners of the parent:					
- Basic (sen)	B14	1.35	1.23	3.78	4.74
- Diluted (sen)	B14	1.35	1.23	3.78	4.74

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	As at 31/12/2020 RM'000	Audited As at 31/12/2019 RM'000
Non-current asset			
Property, plant and equipment		73,127	57,660
Right-of-use assets		12,605	12,050
Investment property		5,610	5,653
Biological assets		2,217	-
Goodwill		3,941	-
Other investment	B8	31	40
		<u>97,531</u>	<u>75,403</u>
Current assets			
Inventories		30,631	33,819
Trade and other receivables		33,171	30,411
Current tax assets		185	43
Cash and bank balances and short term funds		24,563	9,209
		<u>88,550</u>	<u>73,482</u>
Total assets		<u>186,081</u>	<u>148,885</u>
Equity			
Share capital		103,618	92,114
Reorganisation debit balance	B16	(59,489)	(59,489)
Retained earnings		80,072	74,709
Total attributable to owners of the parent		<u>124,201</u>	<u>107,334</u>
Non-controlling interests		6,537	-
Total equity		<u>130,738</u>	<u>107,334</u>
Non-current liabilities			
Borrowings	B9	30,548	25,221
Lease liabilities		492	-
Deferred tax liabilities		435	342
		<u>31,475</u>	<u>25,563</u>
Current Liabilities			
Trade and other payables		18,076	12,953
Borrowings	B9	4,250	2,066
Lease liabilities		337	191
Current tax liabilities		1,205	778
		<u>23,868</u>	<u>15,988</u>
Total liabilities		<u>55,343</u>	<u>41,551</u>
Total equity and liabilities		<u>186,081</u>	<u>148,885</u>
Net assets per share attributable to owners of the parent (RM)	B15	0.62	0.59

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	<----- Attributable to owners of the parent ----->		<----- Non-distributable ----->		Total attributable to owners of the parent RM'000	Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation debit balance RM'000	Retained earnings RM'000	Distributable			
Balance as at 1 January 2020	92,114	(59,489)	74,709		107,334	-	107,334
Profit for the financial year	-	-	7,372		7,372	1,081	8,453
Other comprehensive income, net of tax	-	-	-		-	-	-
Total comprehensive income	-	-	7,372		7,372	1,081	8,453
Transactions with owners:							
Issuance of new ordinary shares	11,504	-	-		11,504	-	11,504
Dividends paid	-	-	(2,009)		(2,009)	-	(2,009)
Non-controlling interests arising from acquisition of subsidiaries	-	-	-		-	3,926	3,926
Non-controlling interests' capital contribution in a subsidiary	-	-	-		-	1,530	1,530
Total transactions with owners	11,504	-	(2,009)		9,495	5,456	14,951
Balance as at 31 December 2020	103,618	(59,489)	80,072		124,201	6,537	130,738

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	<----- Attributable to owners of the parent ----->					
	<----- Non-distributable ----->		Distributable		Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reorganisation debit balance RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000		
Balance as at 1 January 2019	92,114	(59,489)	71,569	104,194	-	104,194
Effects of adoption of MFRS 16	-	-	(18)	(18)	-	(18)
Balance as at 1 January 2019, as restated	92,114	(59,489)	71,551	104,176	-	104,176
Profit for the financial year	-	-	8,636	8,636	-	8,636
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	8,636	8,636	-	8,636
Transactions with owners:						
Dividends paid	-	-	(5,478)	(5,478)	-	(5,478)
Total transactions with owners	-	-	(5,478)	(5,478)	-	(5,478)
Balance as at 31 December 2019	92,114	(59,489)	74,709	107,334	-	107,334

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	Current year- to-date 31/12/2020 RM'000	Preceding year-to-date 31/12/2019 RM'000
Cash flows from operating activities		
Profit before tax	11,624	11,315
Adjustments for:		
Depreciation	2,430	1,595
Inventories written off	2,172	533
Inventories written back	(279)	(192)
(Write back)/impairment loss on receivables	(318)	137
Impairment loss on other investment	9	10
Interest expense	1,382	942
Fair value gain on biological assets	(466)	-
Interest income	(177)	(273)
Gain on bargain purchase of a subsidiary	(138)	-
Unrealised loss/(gain) on foreign currency exchange	357	(262)
Operating profit before working capital changes	<u>16,596</u>	<u>13,805</u>
Changes in working capital:		
Inventories	2,844	(6,017)
Trade and other receivables	1,574	221
Trade and other payables	(881)	2,453
Cash generated from operations	<u>20,133</u>	<u>10,462</u>
Tax paid	<u>(2,840)</u>	<u>(3,050)</u>
Net cash from operating activities	<u>17,293</u>	<u>7,412</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,214)	(28,890)
Purchase of other investment	-	(50)
Acquisition of subsidiaries, net of cash acquired	(1,329)	-
Non-controlling interests' capital contribution in a subsidiary	1,530	-
Interest received	177	273
Net cash used in investing activities	<u>(13,836)</u>	<u>(28,667)</u>
Cash flows from financing activities		
Net drawdown of borrowings	7,512	12,743
Interest paid	(1,339)	(924)
Dividend paid	(2,009)	(5,478)
Payment of lease liabilities	(445)	(312)
Net proceeds from issuance of shares	8,178	-
Net cash from financing activities	<u>11,897</u>	<u>6,029</u>
Net increase/(decrease) in cash and cash equivalents	15,354	(15,226)
Cash and cash equivalents at beginning of financial year	<u>9,209</u>	<u>24,435</u>
Cash and cash equivalents at end of financial year	<u>24,563</u>	<u>9,209</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

A2. Significant accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2019, except for the adoption of the following amendments to MFRSs during the financial year:

- *Amendments to References to the Conceptual Framework in MFRS Standards*
- *Amendments to MFRS 3 Definition of a Business*
- *Amendments to MFRS 101 and MFRS 108 Definition of Material*
- *Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform*

The adoption of the above amendments had no significant impact to the financial statements of the Group.

A3. Auditors’ report

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2019.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal and cyclical factors during the current quarter and financial year-to-date under review.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

Save for the completion of the acquisition of 49% equity interests in One Lazuli Sdn Bhd (“OLSB”), Nor Lazuli Nutrition Sdn Bhd (“NLN”) and Nor Livestock Farm Sdn Bhd (“NLF”) on 1 July 2020 as per the Company’s announcement on even date, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date under review.

A6. Changes in estimates

There were no changes in estimates that have a material effect in the current quarter and financial year-to-date under review.

A7. Debt and equity securities

- (i) On 2 April 2020, the issued shares of the Company increased from 182,600,000 ordinary shares to 195,580,589 ordinary shares pursuant to a private placement of 12,980,589 new ordinary shares in the Company.
- (ii) On 23 June 2020, the issued shares of the Company further increased from 195,580,589 ordinary shares to 200,860,000 ordinary shares pursuant to the issuance of 5,279,411 new ordinary shares in the Company as partial purchase consideration for the acquisition of 49% equity interest in OLSB.
- (iii) On 25 November 2020, the Company had announced the proposed issuance of free warrants which entails the issuance of up to 80,344,000 free warrants on the basis of 2 warrants for every 5 existing ordinary shares held by the shareholders of the Company whose names appear in the Record of Depositors of the Company at the close of business on the entitlement date (“Proposed Issuance of Free Warrants”). The listing application in relation to the Proposed Issuance of Free Warrants was approved by Bursa Malaysia Securities Berhad (“Bursa Securities”) on 29 December 2020. Pursuant thereto, the Proposed Issuance of Free Warrants was approved by the shareholders of the Company on 18 January 2021. Thereafter, a total of 80,343,987 new warrants of the Company have been issued and allotted to the entitled shareholders of the Company on 5 February 2021. On 10 February 2021, the Company announced that the Proposed Issuance of Free Warrants have been completed following the admission to the Official List of Bursa Securities and the listing and quotation of 80,343,987 new warrants of the Company on the Main Market of Bursa Securities.

Save for the above, there were no other issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial year-to-date under review.

A8. Dividend

A final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2019 was approved by shareholders at the Company’s Annual General Meeting on 16 June 2020. The dividend was paid on 15 July 2020 and had been accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2020.

A9. Segmental information

The Group’s operating segments are animal health products and equipment, food ingredients and others. These operating segments are required to be organised and managed separately according to the nature of products and services as well as specific expertise which require different business and marketing strategies. The segmental results are as follows:

	Individual quarter		Cumulative quarter	
	Current year quarter 31/12/2020 RM’000	Preceding year quarter 31/12/2019 RM’000	Current year- to-date 31/12/2020 RM’000	Preceding year-to-date 31/12/2019 RM’000
Revenue				
Animal health products and equipment	33,676	21,951	113,838	88,322
Food ingredients	7,518	8,222	30,062	28,153
Others	811	716	2,783	2,583
	<u>42,005</u>	<u>30,889</u>	<u>146,683</u>	<u>119,058</u>

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year quarter	Current year- to-date	Preceding year-to-date
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Profit before tax				
Animal health products and equipment	3,514	2,377	9,404	8,602
Food ingredients	785	699	2,169	2,323
Others	280	150	51	390
	4,579	3,226	11,624	11,315

A10. Property, plant and equipment

(i) Acquisitions and disposals

There were no material acquisitions and disposals during the current quarter and financial year-to-date under review.

(ii) Impairment losses

There were no material impairment losses during the current quarter and financial year-to-date under review.

(iii) Valuation

The Group has not carried out any valuation on its property, plant and equipment during the current quarter and financial year-to-date under review.

A11. Material events subsequent to the end of the quarter

Save for the issuance and allotment of 80,343,987 new warrants of the Company on 5 February 2021 as mentioned in Note A7 (iii) above, there were no material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

(i) On 1 July 2020, the Company completed the acquisition of 49% equity interests in OLSB, NLN and NLF.

(ii) On 11 December 2020, NLF incorporated a wholly-owned subsidiary known as A2 Fresh Sdn Bhd which intended principal activities comprise the wholesale, marketing and distribution of milk.

Save for the above, there were no other changes in the composition of the Group during the current quarter and financial year-to-date under review.

A13. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at the date of this report.

A14. Capital commitments

The capital commitments of the Group as at the end of the quarter under review were as follows:

	RM'000
Approved and contracted for:	
- Construction of GMP-compliant plant in Nilai, Negeri Sembilan	5,482
- Machineries and equipment	2,615
	<u>8,097</u>

A15. Significant related party transactions

The related party transactions during the current quarter and financial year-to-date under review are as follows:

	Individual quarter		Cumulative quarter	
	Current year quarter 31/12/2020 RM'000	Preceding year quarter 31/12/2019 RM'000	Current year-to-date 31/12/2020 RM'000	Preceding year-to-date 31/12/2019 RM'000
NLF purchases feed from NLN	128	-	306	-
NLF purchases milk replacer from NLN	9	-	13	-
NLN purchases hay from NLF	10	-	23	-
OLSB purchases feed from NLN	1	-	6	-
OLSB provides transportation services to NLN	4	-	11	-
NLF purchases anti-inflammatory medication, mastitis medication, antibiotics, anti-parasitics and dairy milk machine parts from OLSB	16	-	39	-
NLF purchases milking machines from OLSB	-	-	167	-
NLN rents an office space from OLSB	3	-	6	-
NLF rents an office space from OLSB	-	-	1	-
NLF rents a farm land from Raja Mariam Binti Raja Rustam Shahrome	7	-	15	-
NLN rents a factory building from Raja Mariam Binti Raja Rustam Shahrome	7	-	15	-
OLSB rents an office space from Raja Mariam Binti Raja Rustam Shahrome	45	-	90	-

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group recorded revenue of approximately RM42.01 million for the current quarter, an increase of approximately RM11.12 million compared to the revenue of approximately RM30.89 million in the preceding year's corresponding quarter. This was due to the revenue of approximately RM6.98 million being contributed by the newly acquired subsidiaries namely, OLSB, NLN and NLF upon completion of the acquisitions on 1 July 2020, as well as the increase in revenue of approximately RM4.14 million from the Group's existing operations. Revenue from animal health products and equipment increased by approximately RM11.73 million from approximately RM21.95 million in the preceding year's corresponding quarter to approximately RM33.68 million in the current quarter. Revenue from food ingredients however, recorded a decrease of approximately RM0.70 million from approximately RM8.22 million in the preceding year's corresponding quarter to approximately RM7.52 million in the current quarter.

Despite the increase in revenue contributing to an increase in gross profit of approximately RM2.68 million, the Group's profit before tax for the current quarter of approximately RM4.58 million was only approximately RM1.35 million higher compared to the profit before tax of approximately RM3.23 million reported for the preceding year's corresponding quarter. This was mainly due to the increase in administration expenses of approximately RM1.38 million as well as the increase in distribution costs of approximately RM0.48 million compared to the preceding year's corresponding quarter. The increase in administration expenses was mainly due to the inclusion of administration expenses of the newly acquired subsidiaries amounting to approximately RM1.03 million.

For the financial year under review, the Group recorded revenue of approximately RM146.68 million, an increase of approximately RM27.62 million compared to the revenue of approximately RM119.06 million in the preceding year. The increase was due to the revenue of approximately RM14.39 million being contributed by the newly acquired subsidiaries namely, OLSB, NLN and NLF upon the completion of the acquisitions on 1 July 2020, as well as the increase in revenue of approximately RM13.23 million from the Group's existing operations. Revenue from animal health products and equipment increased by approximately RM25.52 million whereas food ingredients contributed to an increase in revenue of approximately RM1.91 million for the current financial year.

Although the increase in revenue contributed to an increase in gross profit of approximately RM6.21 million, the Group's profit before tax for the financial year under review of approximately RM11.62 million was only approximately RM0.31 million higher compared to the profit before tax of approximately RM11.31 million reported for the preceding year. This was mainly due to the increase in administration expenses of approximately RM5.47 million as well as the increase in distribution costs of approximately RM0.65 million compared to the preceding year. The increase in administration expenses was mainly due to higher write down of inventories of approximately RM1.64 million, professional fees of approximately RM0.61 million incurred for the acquisitions of OLSB, NLN and NLF as well as the private placement exercise, and professional fees of approximately RM0.12 million incurred for issuance of free warrants during the financial year. The increase in administration expenses was also due to the inclusion of administration expenses of the newly acquired subsidiaries amounting to approximately RM1.77 million.

B2. Material changes in the quarterly results compared to the immediate preceding quarter

The Group's revenue of approximately RM42.01 million for the current quarter was approximately RM1.91 million higher compared to the revenue of approximately RM40.10 million reported for the preceding quarter. Revenue from animal health products and equipment increased by approximately RM1.49 million from approximately RM32.19 million in the preceding quarter to approximately RM33.68 million in the current quarter. Revenue from food ingredients also increased by approximately RM0.40 million from approximately RM7.12 million in the preceding quarter to approximately RM7.52 million in the current quarter.

Despite the increase in revenue contributing to an increase in gross profit of approximately RM0.61 million, the Group's profit before tax for the current quarter of approximately RM4.58 million was approximately RM1.64 million higher compared to the profit before tax of approximately RM2.94 million reported for the preceding quarter. This was mainly due to the fair value gain on biological assets of approximately RM0.46 million during the current quarter.

B3. Prospects

The continued expansion of our capacity and operations through our future plans would provide a platform to grow and sustain our business. The Group will continue to focus on strengthening its production capabilities, product competitiveness and market position, while constantly seeking ways to mitigate the risks associated with its business. The Group will also continue to improve its internal controls and processes based on prudent management practices.

In addition to improving on current operations, the Group is vigilant in identifying new business opportunities that has the potential for continuous growth and expansion. Accordingly, the Group has undertaken the acquisitions of OLSB, NLN and NLF in view of the favourable outlook of the livestock industry and dairy industry in Malaysia. The acquisitions are in line with the Group's strategy to tap into other segment of the animal health products i.e. ruminant segment and to venture into other related businesses with growth prospects in order to deliver positive and sustainable growth to its shareholders. With the completion of the acquisitions, the Group would now be able to broaden its product offerings, gain immediate increase in the market share of the ruminant segment and create new revenue stream in the future. This is expected to contribute positively to the Group's future earnings and enhance its financial performance in the medium to long term.

The Covid-19 pandemic that has been sweeping the globe in recent times has been anticipated to have a negative impact on the Malaysian macro-economy as well as on the economic welfare of its population. The main sources of the economic damage in Malaysia are two-fold; the first is the knock-on effect from the impacts of the Covid-19 virus abroad and the second is generated domestically due to the movement control measures imposed by the government. Notwithstanding these developments, the Group which is actively involved in the animal health and nutrition market, is within the ambit of the food industry's supply chain and is cautiously optimistic of the minimal impact that the pandemic will have on our operations.

B4. Profit forecast

The Group has not issued any profit forecast in any form of public documentation and announcement.

B5. Tax expense

	Individual quarter		Cumulative quarter	
	Current year	Preceding	Current	Preceding
	quarter	year quarter	year-to-date	year-to-date
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Current tax				
Current year	1,080	1,005	3,030	2,606
Under/(over) provision in prior years	58	(33)	58	59
	<u>1,138</u>	<u>972</u>	<u>3,088</u>	<u>2,665</u>
Deferred tax				
Origination of temporary differences	19	(11)	19	(11)
Under provision in prior years	64	25	64	25
	<u>83</u>	<u>14</u>	<u>83</u>	<u>14</u>
	<u>1,221</u>	<u>986</u>	<u>3,171</u>	<u>2,679</u>

The effective tax rates of the Group for the current quarter and financial year-to-date of 26.67% and 27.28% respectively were higher than the statutory tax rate of 24.00% as certain subsidiaries were in loss making positions. The higher effective tax rates were also due to expenses non-allowable for tax purposes and under provision of tax in the previous financial year.

B6. Notes to the Condensed Consolidated Statement of Comprehensive Income

	Individual quarter		Cumulative quarter	
	Current year	Preceding	Current	Preceding
	quarter	year quarter	year-to-date	year-to-date
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging / (crediting):				
Depreciation	1,255	709	2,430	1,595
Inventories written off	590	224	2,172	533
Inventories written back	(831)	(732)	(279)	(192)
(Write back)/impairment loss on receivables	(558)	(18)	(318)	137
Impairment/(write back) loss on other investment	1	(2)	9	10
Interest expense	297	269	1,382	942
Loss/(gain) on foreign currency exchange	253	(526)	872	(591)
Interest income	<u>(33)</u>	<u>(89)</u>	<u>(177)</u>	<u>(273)</u>

Save for the above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B7. Status of corporate proposals

There is no corporate proposal announced but not completed as at the date of this report.

B8. Other investment

	As at 31/12/2020 RM'000	As at 31/12/2019 RM'000
Financial asset at fair value through profit or loss		
Quoted shares in Malaysia	50	50
Less: Impairment loss	<u>(19)</u>	<u>(10)</u>
	<u>31</u>	<u>40</u>

B9. Borrowings

The Group's borrowings are as follows:

	As at 31/12/2020 RM'000	As at 31/12/2019 RM'000
Non-current liabilities (secured)		
Term loans	<u>30,548</u>	<u>25,221</u>
Current liabilities (secured)		
Term loans	<u>4,250</u>	<u>2,066</u>
Total borrowings	<u>34,798</u>	<u>27,287</u>

All borrowings are denominated in Ringgit Malaysia.

B10. Material litigation

There was no litigation which has a material effect on the financial position of the Group and the Board was not aware of any proceedings pending or of any fact likely to give rise to any proceedings as at the date of this report.

B11. Dividend

No dividend in respect of the financial year ended 31 December 2020 was declared or recommended for payment by the Company during the current quarter and financial year-to-date under review.

B12. Derivative financial instruments

The Group does not have any derivative financial instruments as at the end of the current quarter.

B13. Gains/losses arising from fair value changes of financial liabilities

There were no material gains or losses arising from fair value changes of financial liabilities during the current quarter and financial year-to-date under review.

B14. Earnings per share

(a) Basic earnings per share

Basic earnings per share is computed based on the profit attributable to owners of the parent divided by the weighted average number of ordinary shares in issue for the period under review.

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year quarter	Current year-to-date	Preceding year-to-date
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Profit attributable to owners of the parent (RM'000)	2,721	2,240	7,372	8,636
Weighted average number of ordinary shares in issue ('000)	<u>200,860</u>	<u>182,600</u>	<u>195,087</u>	<u>182,327</u>
Basic earnings per share (sen)	<u>1.35</u>	<u>1.23</u>	<u>3.78</u>	<u>4.74</u>

(b) Diluted earnings per share

The diluted earnings per share is equal to the basic earnings per share as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

B15. Net assets per share

Net assets per share attributable to owners of the parent is arrived at by dividing the total equity attributable to owners of the parent at the end of the financial period by the number of ordinary shares in issue at the end of the financial period.

	As at 31/12/2020	As at 31/12/2019
Total equity attributable to owners of the parent (RM'000)	<u>124,201</u>	<u>107,334</u>
Number of ordinary shares in issue ('000)	<u>200,860</u>	<u>182,600</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.62</u>	<u>0.59</u>

B16. Reorganisation debit balance

The reorganisation debit balance arose from the acquisition of RMM on 28 September 2016 based on the difference between the share capital issued by the Company and the share capital issued by RMM amounting to approximately RM59.49 million.