

nova pharma solutions
Designing for Healthier Future

NOVA PHARMA SOLUTIONS BERHAD
(Company No. 34608-K)
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE
HALF YEAR ENDED 31 DECEMBER 2019**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES
BERHAD (“BURSA SECURITIES”)**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY NOVA PHARMA SOLUTIONS BERHAD (“NPS” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	UNAUDITED INDIVIDUAL		UNAUDITED CUMULATIVE	
	6 months ended		Financial year ended	
	31 December		31 December	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Revenue	3,123	5,029	6,295	7,898
Cost of Sales	(1,787)	(2,394)	(3,346)	(3,787)
Gross Profit	1,336	2,635	2,949	4,111
Other operating income	128	251	245	308
Operating expenses	(1,004)	(1,263)	(2,043)	(2,250)
Profit from operating activities	460	1,623	1,151	2,169
Finance Costs	-	-	-	-
Profit before tax	460	1,623	1,151	2,169
Tax expenses	(31)	1	(32)	(5)
Profit for the period	429	1,624	1,119	2,164
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	429	1,624	1,119	2,164
Profit for the period attributable to:				
Owners of the Company	400	1,624	1,090	2,164
Non-controlling interest	29	-	29	-
	429	1,624	1,119	2,164
Total comprehensive income for the period attributable to:				
Owners of the Company	400	1,624	1,090	2,164
Non-controlling interest	29	-	29	-
	429	1,624	1,119	2,164
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Basic (Sen)	0.27	1.11	0.73	1.47
Diluted (Sen)	N/A	N/A	N/A	N/A

Note:

The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

NOVA PHARMA SOLUTIONS BERHAD
(Company No. 34608 K)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Unaudited as at 31.12.2019 RM'000	Audited as at 31.12.2018 RM'000
NON-CURRENT ASSETS		
Right-of-use Asset	122	-
Property, plant and equipment	227	167
	<u>349</u>	<u>167</u>
CURRENT ASSETS		
Trade receivables	1,522	1,268
Other receivables, deposits and prepayments	46	33
Contract assets	3,140	2,487
Tax recoverable	261	111
Right-of-use Asset	73	-
Fixed deposit with licensed banks	6,157	4,099
Cash and bank balances	1,067	4,992
	<u>12,266</u>	<u>12,990</u>
TOTAL ASSETS	12,615	13,157
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	7,985	7,985
Retained earnings	2,524	2,030
Non-controlling interest	78	-
	<u>10,587</u>	<u>10,015</u>
CURRENT LIABILITIES		
Trade payables	86	171
Other payables and accruals	1,430	2,651
Amount due to a director	-	171
Lease liabilities	73	-
Dividend payable	298	-
Contract liabilities	19	149
	<u>1,906</u>	<u>3,142</u>
NON-CURRENT LIABILITIES		
Lease liabilities	122	-
TOTAL LIABILITIES	2,028	3,191
TOTAL EQUITY AND LIABILITIES	12,615	13,157
NET ASSETS PER SHARE (RM)⁽¹⁾	0.07	0.07

Notes:

The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

(1) Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Share Capital RM'000	Retained earnings RM'000	Non- controlling Interest RM'000	Total Equity RM'000
Opening balance at 1 January 2019	7,985	2,030	-	10,015
Total comprehensive income for the period	-	1,090	29	1,119
Investment held by minority shareholder	-	-	49	49
Final single-tier dividend paid for the financial year ended 31 December 2018	-	(298)	-	(298)
Interim single-tier dividend declared for the financial year ended 31 December 2019	-	(298)	-	(298)
Closing balance at 31 December 2019	7,985	2,524	78	10,587
Opening balance at 1 January 2018	5,000	1,320	-	6,320
Total comprehensive income for the period	-	2,164	-	2,164
Issuance of bonus share	-	(858)	-	(858)
New Issuance of shares	2,985	-	-	2,985
Dividend	-	(596)	-	(596)
Closing balance at 31 December 2018	7,985	2,030	-	10,015

Note:

The basis of preparation of the Unaudited Condensed Statement of Changes in Equity are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

NOVA PHARMA SOLUTIONS BERHAD
(Company No. 34608 K)

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Financial year ended 31 December	
	2019 RM'000	2018 RM'000
Operating activities		
Profit before tax	1,151	2,169
Adjustments for:		
Depreciation	64	83
Interest income	(5)	(33)
Unit Trust Dividend	(223)	(99)
Unrealized (gain)/loss on foreign exchange	83	(176)
Reversal of provision	(18)	-
Provision for doubtful debts	-	438
Foreseeable loss for contract works	-	138
Operating profit before working capital changes	1,052	2,520
Change in trade and other receivables	(268)	(95)
Change in contract assets/liabilities	(783)	(1,031)
Change in trade and other payables	(1,508)	353
Cash generated from operations	(1,507)	1,747
Tax paid	(261)	(64)
Tax refund	111	-
Unit Trust Dividend	223	99
Interest received	5	33
Net Cash flows generated from operating activities	(1,429)	1,815
Investing activities		
Purchase of property, plant and equipment	(124)	(117)
Net cash used in investing activities	(124)	(117)
Financing activities		
Dividend paid	(298)	-
Proceeds from minority shareholders investment	49	-
Proceeds from issuance of shares less listing expenses	-	2,127
Net cash from financing activities	(249)	2,127
Net (decrease)/increase in cash and cash equivalents	(1,802)	3,825
Effect of foreign exchange rate changes	(65)	166
Cash and cash equivalents at beginning of period	9,091	5,100
Cash and cash equivalents at the end of period	7,224	9,091
Analysis of cash and cash equivalents:		
Deposit with licensed banks	6,157	4,099
Cash and bank balances	1,067	4,992
Cash and cash equivalents at the end of period	7,224	9,091

Note:

The basis of preparation of the Unaudited Condensed Statement of Cash Flows are detailed in Note A1 and the accompanying explanatory notes to this interim financial report.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

A1 COMPLIANCE WITH FINANCIAL REPORTING STANDARD AND LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by Nova Pharma Solution Berhad ("NPS") and its subsidiary ("Group") in this interim financial report are consistent with those adopted in the Audited Financial Statements for the financial year ended 31 December 2018 except the adoption of standards and amendments to standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3	Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)
Amendments to MFRS 11	Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)
Amendments to MFRS 112	Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements 2015-2017 Cycle)
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of these new MFRS, amendments and IC interpretations did not have any material impact on the interim financial report of the Group except for the following:

MFRS 16 Leases

MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payments liabilities in the statement of financial position.

On the adoption of this standard, the Group has capitalized its rented premises on the statements of financial position by recognizing them as 'right-of-use' assets and their corresponding lease liabilities for the present value for future lease payments.

As permitted under the standard, the Group has adopted MFRS 16 retrospectively from 1 January 2019 using the simplified transition approach and has not restated comparatives for the 2018 reporting period.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019 (CONT'D)

A1 COMPLIANCE WITH FINANCIAL REPORTING STANDARD AND LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

MFRSs, Amendments to MFRSs and Issue Committees (“IC”) Interpretation that have been issued but are not yet effective

The Group has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretation that have been issued but not yet effective:

<u>MFRSs/Amendments to MFRSs/IC Interpretation</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7, Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group will adopt the above new MFRS, amendments and IC interpretations when they become effective in the respective financial periods. The adoption of these standards and amendments that have been issued but not yet effective are not expected to have a material impact to the financial statements of the Group.

A2 SEASONAL OR CYCLICAL FACTORS

The business operation of the Group are not significantly affected by any seasonal or cyclical factors.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019 (CONT'D)

A3 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income and cash flow of the Group for the financial year ended 31 December 2019.

A4 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates for the financial year ended 31 December 2019.

A5 DEBTS AND EQUITY SECURITIES

There were no material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the financial year ended 31 December 2019.

A6 SEGMENTAL INFORMATION

The Group's revenue by its business activities are presented as follows:

	INDIVIDUAL		CUMULATIVE	
	6 months ended 31 December		Financial year ended 31 December	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Design	740	3,330	2,460	5,437
Post Design	361	1,269	739	1,893
Other Support ⁽¹⁾	1,369	430	2,443	568
EPCC ⁽²⁾	653	-	653	-
Total	3,123	5,029	6,295	7,898

Notes:

- 1- Other support mainly comprise of Good Manufacturing Practice documents review, maintenance and other related services.
- 2- EPCC comprise of works and services pertaining to engineering and/or procurement and/or construction and/or commissioning.

The Group's revenue by its industry is presented as follows:

	INDIVIDUAL		CUMULATIVE	
	6 months ended 31 December		Financial year ended 31 December	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Pharmaceutical	783	2,967	1,729	4,296
Biotechnology	1,687	2,062	3,913	3,602
Others ⁽¹⁾	653	-	653	-
Total	3,123	5,029	6,295	7898

Note:

- 1- Mainly comprise of advanced technology facilities in various industries other than pharmaceutical and biotechnology.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019 (CONT'D)

A6 SEGMENTAL INFORMATION (CONT'D)

The Group's revenue by geographical location is presented as follows:

	INDIVIDUAL		CUMULATIVE	
	6 months ended 31 December		Financial year ended 31 December	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,573	3,050	2,565	4,429
Taiwan	1,254	1,705	2,918	3,057
Thailand	280	177	494	315
United Arab Emirates	-	52	-	52
France	16	45	318	45
Total	3,123	5,029	6,295	7,898

The Group's revenue was generated from design, post design, other support services from pharmaceutical and biotechnology project as well as EPCC project for the advanced technology facilities in various industries.

The contribution of revenue for the half year ended 31 December 2019 ("2H19") and financial year ended 31 December 2019 ("FYE19") has decreased by RM1.91 million and RM1.60 million or 37.90% and 20.30%, respectively as compared to the previous half year ended 31 December 2018 ("2H18") and financial year ended 31 December 2018 ("FYE18"). This was mainly due to the slower pace of pharmaceutical activities in Malaysia market.

The revenue from pharmaceutical segment has decreased by RM2.18 million (73.61%) and RM2.57 million (59.75%) for 2H19 and FYE19 respectively as compared to 2H18 and FYE18.

An increase in the revenue for the 2H19 and FYE19 from the other support activity by RM0.94 million and RM1.88 million respectively as compared to 2H18 and FY19 was mainly due to the engineering works in relation to Good Manufacturing Practice documentation review for biotechnology projects located in Taiwan and France.

The revenue from the EPCC activity was due to the works and services pertaining to engineering, procurement and construction for advanced technology facilities such as semiconductor plant located in Malaysia. The EPCC works were carried out by NPS' subsidiary, Nova Hitech Solutions Sdn Bhd ('NHS').

A7 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the date of this interim financial report.

A8 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019 (CONT'D)

A9 CAPITAL COMMITMENTS

There were no material capital commitments in respect of property, plant and equipment as at the date of this interim financial report.

A10 CHANGES IN THE COMPOSITION OF THE GROUP

The changes in the composition of the Group during FYE19 are as follows:

- (1) On 13 June 2019, NPS had incorporated and subscribed 51,000 ordinary shares for RM51,000 in NHS representing 51% of the total paid up capital of RM100,000 of NHS. NHS is currently engaged in the business of providing total engineering solutions focusing on turnkey or EPCC services for advanced technology facilities.

Other than the above, there were no material changes in the composition of the Group as at the end of this interim financial report.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

B ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

2H19 compared with 2H18

The Group's revenue in 2H19 was RM3.12 million, a decrease of approximately RM1.91 million or 37.90% as compared to 2H18, which was mainly due to lower contribution from local pharmaceutical projects and overseas biotechnology projects. The decrease was partially offset by revenue contribution from NHS for the EPCC works carried out for advanced technology facilities.

The lower Group's gross profit for the 2H19 of RM1.34 million as compared to 2H18 of RM2.64 million was mainly due to lower revenue and profit margin. The Group's gross profit margin for 2H19 was 42.78%, a decrease of 9.62% compared with 52.40% in 2H18. The lower gross profit margin was mainly attributed to lower gross profit margin contribution from the pharmaceutical and advanced technology facilities projects secured locally.

The Group's profit before tax for 2H19 was RM0.46 million, a decrease of 71.66% as compared to the 2H18 of RM1.62 million was mainly due to:

- (1) lower revenue contribution from local pharmaceutical projects;
- (2) higher staff cost incurred for the newly incorporated subsidiary, NHS, which is still undergoing the gestation period; and
- (3) lower other income contribution due to the decrease of Group's investment in cash management fund placement.

FYE19 compared with FYE18

The Group's revenue in FYE19 was RM6.30 million, a decrease of approximately RM1.60 million or 20.30% as compared to FYE18, which was mainly due to lower contribution from local pharmaceutical projects. The decrease was partially offset by higher contribution from overseas biotechnology projects and local advanced technology facilities projects.

The Group's profit before tax for FYE19 was RM1.15 million, a decrease of 46.93% as compared to the FYE18 of RM2.16 million was mainly due to:

- (1) lower revenue contribution from local pharmaceutical projects;
- (2) lower profit margin contribution from the pharmaceutical and advanced technology facilities projects secured locally;
- (3) higher staff cost incurred for the newly incorporated subsidiary, NHS, which is still undergoing the gestation period; and
- (4) lower other income contribution due to the decrease of Group's investment in cash management fund placement.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

B ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2 PROSPECTS

The Board of Directors is of the view that business sentiment shall remain soft in both local and global markets for year 2020. Nonetheless, the Group will continue to explore various potential business opportunities in its targeted markets amid of uncertainty of economic activities due to the outbreak of coronavirus. It also endeavours to stay at the forefront of the engineering services for pharmaceutical and biotechnology industries and aim to deliver quality and value to its customers, while ensuring excellence and professionalism at every level of its business operations. This is achieved by providing effective, efficient and economical services.

In January 2019, the Group has registered a Representative Office in Taiwan in order to facilitate the marketing activities of its range of services in Taiwan market. The Group is currently exploring new business opportunities with its existing customers in Taiwan and expects the Taiwan market to continue to contribute positively to the Group's revenue and profitability in future.

In June 2019, the Group has subscribed 51,000 ordinary shares of NHS as part of the Group's plan to further expand its existing business through undertaking of turnkey or EPCC projects. NHS is expected to contribute positively to the Group in the near future and will enhance the Group's engineering capabilities in advanced technology facilities setup.

In December 2019, the Group has signed a teaming agreement with Triplan India Pvt Ltd and its subsidiaries as part of the engineering and marketing collaboration arrangement for future potential project in the target markets mainly South East Asia, Taiwan, India, Europe and South Korea. The arrangement is expected to contribute positively to the Group's revenue and profitability.

B3 PROFIT FORECAST, PROFIT GUARANTEE AND INTERNAL TARGETS

The Group did not provide any profit forecast, profit guarantee or made any internal targets as at the date of this interim financial report.

NOVA PHARMA SOLUTIONS BERHAD

(Company No. 34608 K)

C OTHER INFORMATION

C1 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this interim financial report.

C2 BORROWINGS AND DEBT SECURITIES

As at the date of this interim financial report, there were no borrowings and the Group has not issued any debt securities.

C3 MATERIAL LITIGATION

On 10 October 2018, the Company has served a Payment Claim pursuant to Section 5 of the Construction Industry Payment and Adjudication Act 2012 (CIPAA) against Oriental Maze Sdn Bhd (“**OMSB**”) claiming for a sum of RM437,600 with interest and costs.

The Claim is made by the Company against OMSB for failing to pay the remaining outstanding debts of RM437,600 (“**Debts**”) pertaining to the first phase of design works totalling RM975,200 (inclusive of Goods and Services Tax) which has been completed, delivered and invoiced by the Company to OMSB. The first phase of design works were part of the scope of work for the project pertaining to the contract agreement dated 26 August 2016 awarded by OMSB to the Company.

On 25 February 2019, the Adjudicator of Asian International Arbitration Center had pursuant to Section 12(2)(b) of the Construction Industry Payment and Adjudication Act 2012 provided its adjudication decision which awarded to and in favor of NPS of the abovesaid claim. It also orders OMSB to pay NPS, a total of RM482,899.20 together with interest at 5% per annum from 14 days after receipt of invoice 00000319 being the aggregate of the following:-

- (1) NPS's claims of RM437,600 (in respect of Debts);
- (2) Interest rate of 5% per annum from 14 days after receipt of invoice 00000319 on the Debt;
- (3) Costs of Adjudication Proceedings of RM15,299.20; and
- (4) Legal Costs of RM30,000.00.

This litigation is still ongoing and there are no changes to the status since 25 February 2019. Any material new development will be announced in due course.

C4 DIVIDENDS

- (i) A final dividend of 0.2 sen per ordinary share in respect of FYE18 was paid on 8 August 2019.
- (ii) On 24 December 2019, the Company declared an interim single tier dividend of 0.2 sen per ordinary share in respect of FYE19 which was paid on 17 January 2020.

NOVA PHARMA SOLUTIONS BERHAD
(Company No. 34608 K)

C OTHER INFORMATION (CONT'D)

C5 EARNINGS/(LOSS) PER SHARE

	INDIVIDUAL half year ended 31 December		CUMULATIVE Financial year ended 31 December	
	2019	2018	2019	2018
Profit attributable to owners of the Company (RM'000)	400	1,624	1,090	2,164
Weighted average number of shares at end of period ('000)	149,010	146,983	149,010	146,983
Basic earnings per ordinary share (Sen)	0.27	1.11	0.73	1.47

Diluted earnings per share is not computed as the Company did not have any convertible financial instruments as at the date of this interim financial report.

C6 UTILISATION OF PROCEEDS

The status of utilisation of proceeds raised from the Excluded Issue of RM2.46 million pursuant to the listing in LEAP Market of Bursa Securities as at 31 December 2019 is as follows:

Purpose	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Reallocation of Unutilised Proceeds RM'000	Unutilised Proceeds RM'000	Estimated timeframe for utilisation upon listing
Future business expansion	500	-	-	(500) ⁽²⁾	-	Within 24 months
Working Capital	960	142 ⁽¹⁾	(1,102)	500 ⁽²⁾	500	Within 12 months
Estimated listing expenses	1,000	(142) ⁽¹⁾	(858)	-	-	Within 2 weeks
Total	2,460	-	(1,960)	-	500	

Notes:

(1) The surplus of estimated listing expenses were adjusted to the amount allocated for working capital.

(2) On 15 January 2020, the Company announced the decision to re-allocate the proceeds of RM500,000 previously earmarked for future business expansion to the working capital of the Group to be utilised by 8 March 2020.