



SKH CONSORTIUM BERHAD

SKH CONSORTIUM BERHAD

(Company No. 383028-D)

(Incorporated in Malaysia)

Year 2018

Quarterly Announcement

For The Quarter Ended 30 September 2017

SKH CONSORTIUM BERHAD
(Company No. 383028-D)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30 September 2017 (Unaudited) RM'000	30 September 2016 (Unaudited) RM'000	30 September 2017 (Unaudited) RM'000	30 September 2016 (Unaudited) RM'000
Revenue	35,228	33,636	69,739	68,075
Direct costs	(31,298)	(29,503)	(62,368)	(59,995)
Gross profit	<u>3,930</u>	<u>4,133</u>	<u>7,371</u>	<u>8,080</u>
Other income	174	236	354	575
	<u>4,104</u>	<u>4,369</u>	<u>7,725</u>	<u>8,655</u>
Operating expenses	(3,479)	(3,603)	(6,916)	(7,358)
Finance costs	(1)	(2)	(2)	(4)
Profit before taxation	<u>624</u>	<u>764</u>	<u>807</u>	<u>1,293</u>
Income tax expense	(212)	(360)	(400)	(685)
Profit after taxation/ Total comprehensive income	<u>412</u>	<u>404</u>	<u>407</u>	<u>608</u>
Profit after taxation attributable to:-				
Owners of the Company	412	396	407	603
Non-controlling interests	*	8	*	5
	<u>412</u>	<u>404</u>	<u>407</u>	<u>608</u>
Total comprehensive income attributable to:				
Owners of the Company	412	396	407	603
Non-controlling interests	*	8	*	5
	<u>412</u>	<u>404</u>	<u>407</u>	<u>608</u>
Earning per share [EPS] (in sen)				
Basic EPS	0.07	0.07	0.07	0.11
Diluted EPS	0.07	0.07	0.07	0.11

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.)

SKH CONSORTIUM BERHAD
(Company No. 383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at 30 September 2017 RM'000	As at 31 March 2017 RM'000
ASSETS:		
Non-Current Assets:		
Property and equipment	8,839	9,337
Investment properties	6,256	1,337
Trade receivable	-	2,432
Goodwill on consolidation	5,764	5,764
	<u>20,859</u>	<u>18,870</u>
Current Assets:		
Inventories	19,991	17,386
Trade and other receivables	22,215	25,221
Tax refundable	1,584	1,314
Short-term investments	15,586	13,846
Cash and bank balances	11,051	11,372
	<u>70,427</u>	<u>69,139</u>
TOTAL ASSETS	<u>91,286</u>	<u>88,009</u>
EQUITY AND LIABILITIES:		
EQUITY		
Share capital	55,444	55,444
Reserves	11,040	10,633
Total equity attributable to owners of the Company	66,484	66,077
Non-controlling interests	(109)	(109)
TOTAL EQUITY	<u>66,375</u>	<u>65,968</u>
Non-Current Liabilities:		
Hire purchase payables	73	87
Deferred tax liabilities	65	65
	<u>138</u>	<u>152</u>
Current Liabilities:		
Trade and other payables	24,728	21,863
Hire purchase payables	27	26
Provision for taxation	18	-
	<u>24,773</u>	<u>21,889</u>
TOTAL LIABILITIES	<u>24,911</u>	<u>22,041</u>
TOTAL EQUITY AND LIABILITIES	<u>91,286</u>	<u>88,009</u>
Net assets per share (sen)	11.99	11.92

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.)

SKH CONSORTIUM BERHAD
(Company No. 383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX (6) MONTHS ENDED 30 SEPTEMBER 2017

	(UNAUDITED)	(UNAUDITED)
	CURRENT PERIOD-TO-DATE 6 MONTHS ENDED 30 September 2017	CORRESPONDING PERIOD-TO-DATE 6 MONTHS ENDED 30 September 2016
Note	RM'000	RM'000
CASH FLOW FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	807	1,293
Adjustments for non-cash items:		
Amortisation of other intangible assets	-	72
Depreciation of property and equipment	506	483
Depreciation of investment properties	51	46
Impairment losses on receivables	-	47
Interest expense	2	4
Loss on disposal of other investment	-	169
Gain on disposal of equipment	*	(2)
Interest income	(249)	(253)
Reversal of impairment losses on receivables	(55)	(180)
Operating profit before changes in working capital	1,062	1,679
Net change in inventories	(2,605)	1,827
Net change in trade & other receivables	693	296
Net change in trade & other payables	2,865	(4,539)
Cash flow from/(for) operations	2,015	(737)
Income tax paid	(652)	(733)
Interest paid	(2)	(4)
Net cash from/(for) operating activities	1,361	(1,474)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	249	253
Proceeds from disposal of other investment	-	30
Proceeds from disposal of equipment	-	2
Repayment from lease receivable	-	24
Purchase of investment properties	(170)	-
Purchase of equipment	(8)	(520)
Net cash from/(for) investing activities	71	(211)
NET CASH FOR FINANCING ACTIVITY		
Repayment of hire purchase payables	(13)	(12)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,419	(1,697)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	25,218	27,077
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	26,637	25,380

Note:-

* - Amount less than RM1,000

Note 1

Purchase of Investment Properties:

Cost of investment properties	4,970
Debt settled via contra with properties	(4,800)
Cash disbursed for purchase of investment properties	170

Note 2

Cash and Cash Equivalents at End of the Financial Period comprised:

Short-term investments	15,586
Cash and bank balances	11,051
	26,637

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.)

SKH CONSORTIUM BERHAD
(Company No. 383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX (6) MONTHS ENDED 30 SEPTEMBER 2017

	Share Capital	Share Premium	Warrant Reserve	Retained Profit/ (Accumulated Losses)	Attributable To Owners of the Company	Non- Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30 September 2016							
Balance as at 1 April 2016	55,444	5,324	10,052	(6,294)	64,526	(111)	64,415
Profit after taxation for the 6 months ended 30 September 2016	-	-	-	603	603	5	608
Balance as at 30 September 2016	55,444	5,324	10,052	(5,691)	65,129	(106)	65,023
6 months ended 30 September 2017							
Balance as at 1 April 2017	55,444	5,324	-	5,309	66,077	(109)	65,968
Profit after taxation for the 6 months ended 30 September 2017	-	-	-	407	407	*	407
Balance as at 30 September 2017	55,444	5,324	-	5,716	66,484	(109)	66,375

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.)

SKH CONSORTIUM BERHAD (“SKH” or “the Company”)

(Company No. 383028-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2017

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“the Group”) for the financial year ended 31 March 2017. The explanatory notes attached to the condensed consolidated 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 period ended 31 March 2017.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2017 except for the adoption of the following:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments):-

- Amendments to MFRS 107: Disclosure Initiative
- Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to MFRS Standards 2014-2016 Cycles:
 - Amendments to MFRS 12: Clarification of the Scope of Standard
- Annual Improvements to MFRS Standards 2014-2016 Cycles:
 - Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
 - Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application. However, additional disclosure notes on the statements of cash flows may be required.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A2. Changes in Accounting Policies (Cont’d)

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments):-

- MFRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)
- MFRS 15: Revenue from Contracts with Customers
- MFRS 16: Leases
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an investor and its Associate or Joint Venture
- Amendments to MFRS 15: Effective Date of MFRS 15
- Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’
- Amendments to MFRS 140 – Transfers of Investment Property

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking ‘expected loss’ impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of ‘distinct’ for the purposes of this accounting standard. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 March 2017 was not qualified.

A4. Seasonality or Cyclicity of Operations

The Group’s operations are not materially affected by any seasonal or cyclical factors.

A5. Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review that were unusual because of their nature, size or incidence.

A6. Material Changes in Estimates

There were no material changes in estimates during the current financial period under review.

A7. Issuances, Repurchases, and Repayments of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares since the last annual reporting date.

A8. Dividends Paid

There were no dividends paid during the current financial period under review.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting (Cont'd)

A9. Operating Segments Information

The Group business segments comprise the following:-

- (i) Information Technology ("IT") and Information Communication Technology ("ICT") division – involved in research and development, system network support, trading in IT related products (hardware, software and accessories), electronic commerce provider and facilitator, software development and support services and others ("IT and ICT Division");
- (ii) Property construction and its related business ("Construction Division"); and
- (iii) Investment holding ("Investment Holding Division").

Segmental information is provided based on business segments, as follows:

	IT and ICT Division RM'000	Construction Division RM'000	Investment Holding Division RM'000	The Group RM'000
Current quarter ended 30 September 2017				
Revenue				
External revenue	35,228	-	-	35,228
Inter-segment revenue	1	-	1,700	1,701
	<u>35,229</u>	<u>-</u>	<u>1,700</u>	<u>36,929</u>
Consolidation adjustments				(1,701)
Consolidated revenue				<u>35,228</u>
Results				
Segment results	1,213	(49)	(408)	756
Interest income	4	-	122	126
Reversal of impairment losses on receivables	17	-	-	17
Depreciation of property and equipment	(225)	(4)	(17)	(246)
Depreciation of investment properties	(24)	-	(4)	(28)
Interest expense	(1)	-	-	(1)
Consolidated profit/(loss) before taxation	<u>984</u>	<u>(53)</u>	<u>(307)</u>	<u>624</u>
Income tax expense	(212)	-	-	(212)
Consolidated profit/(loss) after taxation	<u>772</u>	<u>(53)</u>	<u>(307)</u>	<u>412</u>
Assets				
Segment assets/Consolidated total assets	43,085	21,279	26,922	<u>91,286</u>
Liabilities				
Segment liabilities/Consolidated total liabilities	24,718	30	163	<u>24,911</u>

Part A**Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting (Cont'd)****A9. Operating Segment Information (Cont'd)**

	IT and ICT Division RM'000	Construction Division RM'000	Investment Holding Division RM'000	The Group RM'000
Preceding year corresponding quarter ended 30 September 2016				
Revenue				
External revenue	30,880	2,756	-	33,636
Inter-segment revenue	1	-	1,300	1,301
	<u>30,881</u>	<u>2,756</u>	<u>1,300</u>	<u>34,937</u>
Consolidation adjustments				(1,301)
Consolidated revenue				<u>33,636</u>
Results				
Segment results	699	631	(472)	858
Interest income	6	-	121	127
Reversal of impairment losses on receivables	81	-	-	81
Amortisation of other intangible assets	(36)	-	-	(36)
Depreciation of property and equipment	(195)	(4)	(42)	(241)
Depreciation of investment property	(23)	-	-	(23)
Interest expense	(2)	-	-	(2)
	<u>530</u>	<u>627</u>	<u>(393)</u>	<u>764</u>
Consolidated profit/(loss) before taxation				764
Income tax expense	(204)	(156)	-	(360)
	<u>326</u>	<u>471</u>	<u>(393)</u>	<u>404</u>
Consolidated profit/(loss) after taxation				404
Assets				
Segment assets/Consolidated total assets	39,990	23,601	22,356	<u>85,947</u>
Liabilities				
Segment liabilities/Consolidated total liabilities	20,466	349	109	<u>20,924</u>

The Group operates principally in Malaysia.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter up to 22 November 2017, being the last practicable date from the date of the issue of this report that are expected to have an operational or financial impact on the Group.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period under review.

A12. Changes in Contingent Liabilities and Contingent Assets since the Last Annual Balance Sheet Date

Since the last annual balance sheet date, there were no material changes in contingent liabilities and contingent assets for the Group as at 22 November 2017 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

A13. Capital Commitments

There were no capital commitments as at 22 November 2017 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting (Cont'd)

A14. Related Party Transactions

The Group's related party transactions are as follows:

	Current Year Quarter 30 September 2017 RM'000	Preceding Year Corresponding Quarter 30 September 2016 RM'000	Cumulative Current Year To-date 30 September 2017 RM'000	Cumulative Preceding Corresponding Period 30 September 2016 RM'000
Professional services rendered by a company in which a director is a common director and has substantial financial interest	16	10	16	10
Rental of office premises charged by a company in which a director is a common director and has substantial financial interest	-	33	-	67
Rental of office premises charged to a company in which a director is a common director and has substantial financial interest	1	-	2	-
Key management personnel:-				
- salaries and allowances	148	194	325	387
- defined contribution plans	18	23	39	46
- others	*	1	1	1
- fee	63	69	132	138

Note:-

* - Amount less than RM1,000

A15. Changes in Fair Value of Financial Assets and Financial Liabilities, Transfers and Classifications

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities in the current financial period under review.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements

B1. Detailed Analysis of Overall Performance

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30.9.2017 RM'000	30.9.2016 RM'000		30.9.2017 RM'000	30.9.2016 RM'000	
Revenue:-						
IT and ICT Division	35,228	30,880	14.1	69,739	62,013	12.5
Construction Division	-	2,756	(100.0)	-	6,062	(100.0)
Investment Holding Division	-	-		-	-	
	35,228	33,636	4.7	69,739	68,075	2.4
Profit/(Loss) before taxation ("PBT/(LBT)"):-						
IT and ICT division	984	530	85.7	1,470	953	54.5
Construction Division	(53)	627	(108.5)	(130)	1,238	(110.5)
Investment Holding Division	(307)	(393)	21.9	(533)	(898)	40.6
	624	764	(18.3)	807	1,293	(37.6)

Overall Performance

Overall, the Group's revenue has increased due to the increase in revenue from IT and ICT Division. The reduction in revenue in Construction Division was mainly due to the temporarily cease of the managing contractor work for a period of one year from 11 May 2017 for the development project in Kemaman as requested by the customer.

This was also the main reason for the decrease in the Group's PBT.

IT and ICT Division

The increase in revenue generated from IT and ICT Division was mainly derived from the improved sales for Do-It-Yourself ("DIY") products, accessories, gadgets and computers. This has led to the increase in PBT in IT and ICT Division.

Construction Division

As the ongoing project has yet to reach the stage of completion for progress claim, there was no revenue recognised in the current quarter. The LBT in the current quarter was mainly due to the staff costs incurred in this Division.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B1. Detailed Analysis of Overall Performance (Cont'd)

Investment Holding Division

The decrease in LBT was mainly due to the savings from rental expenses and lesser staff costs incurred in the current quarter. Higher LBT in the preceding year corresponding period was also due to the loss on disposal of other investment in the preceding year corresponding period.

B2. Comments on Material Changes in the Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter

	Current Quarter 30.9.2017 RM'000	Immediate Preceding Quarter 30.6.2017 RM'000	Changes %
Revenue:-			
IT and ICT Division	35,228	34,511	2.1
Construction Division	-	-	-
Investment Holding Division	-	-	-
	35,228	34,511	2.1
PBT/(LBT):-			
IT and ICT Division	984	486	102.5
Construction Division	(53)	(77)	31.2
Investment Holding Division	(307)	(226)	(35.8)
	624	183	241.0

Overall Performance

The Group's revenue has increased due to the increase in revenue from IT and ICT Division. There was no revenue recorded in Construction Division due to the temporarily cease of the managing contractor work for a period of one year from 11 May 2017 for the development project in Kemaman as requested by the customer and the ongoing project has yet to reach the stage of completion for progress claim.

The overall increase in Group's PBT was mainly due to the increase in revenue from IT and ICT Division.

IT and ICT Division

The increase in revenue was mainly due to better sales for gadgets and networking products. This has contributed to the higher PBT in the current quarter.

Construction Division

The LBT in the current quarter and immediate preceding quarter was mainly due to staff costs incurred in this Division.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B2. Comments on Material Changes in the Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter (Cont'd)

Investment Holding Division

The increase in LBT was mainly due to the AGM and EGM expenses in the current quarter.

B3. Commentary on Prospects

Looking at the current economic sentiment, the IT and general IT market will continue to be challenging. While profits were made from IT and ICT Division in this quarter, barring unforeseen circumstances, we expect this trend to continue. However, the Group is taking appropriate initiatives to expand and strengthen its market positioning such as expanding products offering, widening customers range and enhancing customers' satisfaction for loyalty retention. In addition, we negotiate contracts with vendors and suppliers to warrant better terms and conditions.

The Group's Construction Division has been suffering a loss due to postponement of the Kemaman project which has temporarily affected the overall Group's performance. Despite that, the Group is actively pursuing new projects and opportunities.

The management expects that the overall outlook for the Group's performance for the current financial year will be challenging but will strive for better performance. The Group will also from time to time look for more opportunities and when appropriate, implement the necessary changes.

B4. Variance between Actual Profit and Forecast Profit or Profit Guarantee

There were no profit forecast or profit guarantee made public for the current financial period under review.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B5. Tax Expense

The tax expense is as follows:

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE QUARTER SIX MONTHS ENDED	
	30.9.2017 RM'000	30.9.2016 RM'000	30.9.2017 RM'000	30.9.2016 RM'000
Current tax expense:				
- For the current financial period	(212)	(360)	(400)	(650)
Deferred tax expense:				
- Current deferred tax	-	-	-	(20)
- Underprovision in the previous financial period	-	-	-	(15)
	-	-	-	(35)
	(212)	(360)	(400)	(685)

B6. Status of Corporate Proposals

There were no corporate proposals as at 22 November 2017 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion, save for the following:-

On behalf of the Board of Directors of SKH ("the Board"), TA Securities Holdings Berhad ("TA Securities") announced on 10 November 2017 that the Company is proposing to place 55,444,100 ordinary shares in SKH ("SKH Shares") ("Placement Shares"), representing up to 10% of the existing number of issued shares of 554,441,745 SKH Shares as at 9 November 2017 (being the latest practicable date prior to this announcement ("Proposed Private Placement")).

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the number of SKH Shares on a date to be determined later after approval is obtained from Bursa Securities for the listing and quotation for the Placement Shares on the ACE market of the Bursa Securities.

On behalf of the Board, TA Securities announced on 14 November 2017 that the additional listing application in relation to the Proposed Private Placement has been submitted to Bursa Securities on even date.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B7. Utilisation of Proceeds

Rights Issue with Warrants

On 19 January 2012, Hong Leong Investment Bank Berhad on behalf of SKH announced that the Rights Issue with Warrants has been completed following the listing of and quotation for 312,631,700 Rights Shares together with 234,473,775 Warrants on the ACE Market of Bursa Securities.

Purposes	Proposed Utilisation	Actual Utilisation As At 30.9.2017	Revised Timeframe for Utilisation	Deviation		Explanation
	RM'000	RM'000		RM'000	%	
Working capital requirements	9,004	9,004	Within 48 months ⁽ⁱ⁾	-	-	
Expansion of existing business	9,782	9,782	Within 24 months ⁽ⁱ⁾	-	-	
Working capital requirements for:						
- the projects in Kemaman	770	770	Within 18 months ⁽ⁱⁱ⁾	-	-	
- other construction projects	4,230	-	Within 18 months ⁽ⁱⁱⁱ⁾	4,230	100	N1
Future projects in the property industry	7,000	7,000	Within 24 months ⁽ⁱⁱ⁾	-	-	
Estimated expenses in relation to the Rights Issue with Warrants	477	477	Within 1 month ⁽ⁱ⁾	-	-	
Total	31,263	27,033				

N1 Pending utilisation.

- (i) The timeframe was computed from the Right Issue with Warrants' completion date, i.e. 19 January 2012.
- (ii) The timeframe is computed from the date of the announcement on the redeployment of this part of proceeds i.e. 27 November 2015.
- (iii) The timeframe is computed from the date of the announcement on the redeployment of this part of proceeds i.e. 25 July 2017.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B8. Details of Group Borrowings and Debt Securities

The Group's interest-bearing borrowing as at the end of the reporting period are as follows:

	As at 30.9.2017 RM'000	As at 30.9.2016 RM'000
Current - unsecured		
Hire purchase payables - payables within 12 months	26	26
Non-current - unsecured		
Hire purchase payables - payables after 12 months	102	102
	128	128

B9. Gains and Losses arising from Fair Value Changes of Financial Liabilities

No gains or losses were recognised for changes in fair values of financial liabilities during the quarter under review.

B10. Dividends

No interim dividend has been declared or proposed for the current financial period under review.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B11. Earnings per Share

The basic earnings per share was calculated by dividing the profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue in the respective period as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
Profit after taxation attributable to the owners of the Company (RM'000)	412	396	407	603
Weighted average number of ordinary shares in issue	554,441,745	554,441,745	554,441,745	554,441,745
Basic earnings per share (sen)	0.07	0.07	0.07	0.11
Diluted earnings per share (sen)	0.07	0.07	0.07	0.11

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B12. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	Current Year Quarter	Preceding Year Corresponding Quarter	Cumulative Period Curent Year To-date	Cumulative Period Preceding Year Corresponding Period
	30.9.2017 RM'000	30.9.2016 RM'000	30.9.2017 RM'000	30.9.2016 RM'000
Interest income	126	127	249	253
Other income	-	-	-	-
Interest expense	1	2	2	4
Depreciation of property and equipment	246	241	506	483
Depreciation of investment properties	28	23	51	46
Amortisation of other intangible assets	-	36	-	72
Impairment losses on receivables	-	-	-	47
Reversal of impairment losses on receivables	17	81	55	180
Provision for and write off of inventories	-	-	-	-
Gain on disposal of equipment	-	1	*	2
Loss on disposal of other investment	-	-	-	169
Gain or loss on disposal of quoted or	-	-	-	-
Impairment of assets	-	-	-	-
Unrealised gain on foreign exchange	-	-	-	-
Realised gain on foreign exchange	-	-	-	73
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

Note:-

* - Amount less than RM1,000