

BAHVEST RESOURCES BERHAD (649504-D)
(FORMERLY KNOWN AS BORNEO AQUA HARVEST BERHAD)
(Incorporated in Malaysia)
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Quarter ended 31.12.2018 RM'000	Quarter ended 31.12.2017 (Restated) RM'000	Year to date 31.12.2018 RM'000	Year to date 31.12.2017 (Restated) RM'000
Revenue	23,430	4,030	33,233	21,464
Cost of sales	(18,972)	(2,952)	(27,512)	(58,387)
Gross profit / (loss)	4,458	1,078	5,721	(36,923)
Other income	193	549	1,986	1,466
Other expenses	-	(949)	-	(2,199)
Distribution costs	(1,929)	(1,493)	(4,969)	(5,701)
Administrative expenses	(1,138)	(1,812)	(4,354)	(5,558)
Profit / (loss) from operations	1,584	(2,627)	(1,616)	(48,915)
Finance costs	(495)	(247)	(1,452)	(718)
Profit / (loss) before tax	1,089	(2,874)	(3,068)	(49,633)
Taxation	-	-	-	-
Profit / (loss) for the period	1,089	(2,874)	(3,068)	(49,633)
Other comprehensive profit / (loss) :				
Foreign currency translation	-	-	-	-
Total comprehensive profit / (loss) for the period	1,089	(2,874)	(3,068)	(49,633)
Profit / (loss) for the period attributable to owners of the Company	1,089	(2,874)	(3,068)	(49,633)
Total comprehensive profit / (loss) for the period attributable to owners of the Company	1,089	(2,874)	(3,068)	(49,633)
Profit / (loss) per share attributable to owners of the Company (sen)				
- Basic	0.14	(0.48)	(0.47)	(8.27)
- Diluted	0.14	(0.48)	(0.45)	(8.24)

Note: 31 December 2017 financial results were restated pursuant to the adoption of MFRS 141 in financial year 31 March 2018.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	As at 31.12.2018 RM'000	As at 31.03.2018 (Audited) RM'000
Non-Current Assets		
Property, plant and equipment	68,399	62,196
Intangible assets	96,134	96,134
Biological assets	750	1,054
	165,283	159,384
Current Assets		
Non-current assets held for sale	-	1,506
Biological assets	156,936	155,782
Inventories	4,988	1,359
Trade and other receivables	40,025	37,236
Tax refundable	80	127
Deposit with a licensed bank	1,587	1,187
Cash and bank balances	2,545	4,718
	206,161	201,915
Total Assets	371,444	361,299
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital and premium	282,957	278,873
Employee share options reserve	10,815	10,815
Retained earnings	7,890	10,958
Total equity	301,662	300,646
Non-Current Liabilities		
Borrowings	7,785	7,660
Deferred government grants received	3,356	4,013
Deferred tax liabilities	25,701	25,701
	36,842	37,374
Current Liabilities		
Trade and other payables	17,419	7,696
Borrowings	15,521	15,583
	32,940	23,279
Total liabilities	69,782	60,653
TOTAL EQUITY AND LIABILITIES	371,444	361,299
Net asset per share attributable to ordinary equity holder (sen)	45.86	50.06

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Employee share Options Reserve	Foreign Currency Translation Reserves	Distributable Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 April 2017 (as restated)	94,301	179,888	10,815	(97)	(7,584)	277,323
Exercise of employee share options	4,684	-	-	-	-	4,684
Translation reserves transferred to equity				97		97
Total comprehensive profit for the year	-	-	-	-	18,542	18,542
As at 31 March 2018	98,985	179,888	10,815	-	10,958	300,646
As at 1 April 2018	98,985	179,888	10,815	-	10,958	300,646
Issue of bonus shares	61,074	(61,074)	-	-	-	-
Exercise of employee share options	4,084	-	-	-	-	4,084
Total comprehensive loss for the period	-	-	-	-	(3,068)	(3,068)
As at 31 December 2018	164,143	118,814	10,815	-	7,890	301,662

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Quarter ended 31.12.2018	Quarter ended 31.12.2017 (Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,068)	(49,633)
Adjustment for:		
Non cash items	8,621	8,184
Operating profit before working capital changes	5,553	(41,449)
Net changes in current assets	(8,077)	26,012
Net changes in current liabilities	9,722	1,388
Income tax paid	(28)	(56)
Income tax refunded	75	83
Net cash generated from (used in) operating activities	<u>7,245</u>	<u>(14,022)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of plant and equipments	1,526	-
Purchase of plant and equipment	(10,469)	(18,143)
Net cash used in investing activities	<u>(8,943)</u>	<u>(18,143)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase payables	(1,739)	(545)
Interest paid	(1,452)	(718)
Interest income	1	2
Proceeds from exercise of employee share options	4,084	2,364
Repayment of loan	(219)	(874)
Fixed deposits pledged with a licensed bank	(400)	(202)
Net cash generated from financing activities	<u>275</u>	<u>27</u>
Decrease in cash and cash equivalents	(1,423)	(32,138)
Cash and cash equivalents at beginning of period	(2,471)	26,151
Cash and cash equivalents at end of period	<u>(3,894)</u>	<u>(5,987)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	2,545	1,793
Bank overdraft	(6,439)	(7,780)
	<u>(3,894)</u>	<u>(5,987)</u>

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation and Accounting Policies

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirement.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018. These explanatory notes attached to the interim financial statements provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Borneo Aqua Harvest Berhad ("Company" or "Borneo Aqua") and its subsidiaries ("Group") since the year ended 31 March 2018.

2. Change in Accounting Policy

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2018, except for the adoptions of the following new Malaysian Financial Reporting Standards (MFRSs), Amendments to MFRSs and Interpretations,

Description	Effective for annual periods beginning on or after
MFRS 15 Revenue from contracts with customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance contracts	1 January 2021
Amendments to MFRSs :	
• MFRS 1 First-time adoption of Malaysian Financial Reporting Standards	1 January 2018
• MFRS 2 Classification and measurement of share-based payment transactions	1 January 2018
• MFRS 3 Business combinations	1 January 2019
• MFRS 9 Financial instruments	1 January 2018
• MFRS 9 Prepayment features with negative compensation	1 January 2019
• MFRS 11 Joint arrangements	1 January 2019
• MFRS 112 Income taxes	1 January 2019
• MFRS 123 Borrowing costs	1 January 2019
• MFRS 128 Investment in associates and joint ventures	1 January 2018
• MFRS 128 Long-term interest in associates and joint ventures	1 January 2019
• MFRS 140 Transfer of investment property	1 January 2018

The adoptions of above MFRSs, Amendments to MFRSs and Interpretations do not have any significant impact to the interim financial statements of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework until the MFRS framework becomes mandatory for the Transitioning Entities for annual periods beginning on or after 1 January 2018.

The Group and the Company falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2019. The Group has elected to early adopt the MFRS Framework which originally effective for annual period beginning on or after 1 January 2018. The financial statements of the Group for the financial year ended 31 March 2018 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 – First Time Adoption of Malaysian Financial Reporting Standards and MFRS 141 – Agriculture. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

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2. Change in Accounting Policy (cont'd)

The adoption of amendments/improvements to existing standards has no significant impact to the financial statements of the Group in the period of initial application, except as described below:

MFRS 141 Agriculture

With the adoption of MFRS 141, the Group is required to recognise biological assets, which is measured at fair value less cost to sell ("FVLCTS"). Biological assets represent fish fry, broodstock (i.e. mother fish) and fishery livestock.

3. Auditors' Report on Preceding Annual Financial Statements

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

4. Seasonal and Cyclical Factors

The results of the Group were not materially affected by any significant seasonal and cyclical factors during the quarter under review.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter under review.

6. Changes in Estimates

There were no changes in estimates of amounts that have a material effect in the current quarter results.

7. Debts and Equity Securities

Save for the shares issued pursuant to the exercise of the Employees Share Options Scheme, there were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial year-to-date.

8. Dividend Paid

No dividends were declared or paid during the quarter under review.

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9. Segmental Reporting

9.1 Segment review for current quarter compared with immediate preceding quarter

	Current Quarter Ended 31.12.2018				Immediate Preceding Quarter Ended 30.09.2018			
	Aquaculture	Mining	Holding Company	Consolidated	Aquaculture	Mining	Holding Company	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	11,933	11,497	-	23,430	5,554	1,027	-	6,581
Cost of sale	(9,739)	(9,233)	-	(18,972)	(4,699)	(4,373)	-	(9,072)
Gross profit / (loss)	2,194	2,264	-	4,458	855	(3,346)	-	2,491
Other income	226	(33)	-	193	222	5	-	227
Other expense	-	-	-	(33)	-	1,701	-	1,701
Distribution costs	(1,929)	-	-	(1,929)	(1,596)	-	-	(1,596)
Administrative expenses	(215)	(557)	(366)	(1,138)	(819)	(512)	(210)	(1,541)
Operating profit / (loss)	276	1,674	(366)	1,584	(1,338)	(2,152)	(210)	(3,700)
Finance costs	(158)	(337)	-	(495)	(153)	(331)	-	(484)
Profit / (loss) before tax	118	1,337	(366)	1,089	(1,491)	(2,483)	(210)	(4,184)
Taxation	-	-	-	-	-	-	-	-
Profit / (loss) after tax	118	1,337	(366)	1,089	(1,491)	(2,483)	(210)	(4,184)
Profit / (loss) attributable to the owners of the Company	118	1,337	(366)	1,089	(1,491)	(2,483)	(210)	(4,184)

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9. Segmental Reporting (cont'd)

9.2 Segment review for financial year to date

	Cumulative Period Ended 01.04.2018 - 31.12.2018				Cumulative Period Ended 01.04.2017 - 31.12.2017 (Restated)			
	Aquaculture	Mining	Holding Company	Consolidated	Aquaculture	Mining	Holding Company	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	20,709	12,524	-	33,233	21,464	-	-	21,464
Cost of sale	(13,906)	(13,606)	-	(27,512)	(58,387)	-	-	(58,387)
Gross profit / (loss)	6,803	(1,082)	-	5,721	(36,923)	-	-	(36,923)
Other income	670	1,316	-	1,986	710	756	-	1,466
Other expense	-	-	-	-	(9)	(2,190)	-	(2,199)
Distribution costs	(4,969)	-	-	(4,969)	(5,701)	-	-	(5,701)
Administrative expenses	(1,648)	(1,764)	(942)	(4,354)	(2,620)	(1,523)	(1,415)	(5,558)
Operating profit / (loss)	856	(1,530)	(942)	(1,616)	(44,543)	(2,957)	(1,415)	(48,915)
Finance costs	(472)	(980)	-	(1,452)	(556)	(162)	-	(718)
Profit / (loss) before tax	384	(2,510)	(942)	(3,068)	(45,099)	(3,119)	(1,415)	(49,633)
Taxation	-	-	-	-	-	-	-	-
Profit / (loss) after tax	384	(2,510)	(942)	(3,068)	(45,099)	(3,119)	(1,415)	(49,633)
Profit / (loss) attributable to the owners of the Company	384	(2,510)	(942)	(3,068)	(45,099)	(3,119)	(1,415)	(49,633)

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10. Subsequent Events

There were no material events subsequent to the end of current quarter that has not been reflected in the interim financial statements.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

12. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as at 31 December 2018.

13. Movement in Fair Value

	Individual quarter		Cummulative period	
	Current year Quarter	Preceding Year Corresponding Quarter (Restated)	Current Year to date	Preceding Year Corresponding period (Restated)
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Opening balance fair value of fishery livestock	154,179	98,629	154,179	98,629
Increase due to purchases	570	(1,381)	6,439	4,587
Decrease due to changes in FVLCTS	(4,373)	(17,010)	(1,105)	(32,566)
Increase due to biological transformation	4,043	823	12,467	10,863
Decrease due to transfers to frozen products	(305)	(156)	(630)	(330)
Decrease due to sales	(3,478)	(827)	(6,602)	(5,390)
Decrease due to mortalities	(3,576)	(2,630)	(11,183)	(15,779)
Net changes in fair value	(7,119)	(21,181)	(614)	(38,615)
Closing balance fair value of fishery livestock	147,060	77,448	153,565	60,014
Closing stock of fish fry and eggs			3,775	1,915
Less : Unrealised gain			(404)	(422)
Biological assets (Current)			156,936	61,507

Note : * Fair value less cost to sell (FVLCTS)

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14. Profit / (Loss) Before Taxation

14.1 Financial review for current quarter and financial year to date

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	Current year Quarter (RM'000)	Preceding Year Corresponding Quarter (Restated) (RM'000)		Current Year to date (RM'000)	Preceding Year Corresponding period (Restated) (RM'000)	
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
Revenue	23,430	4,030	481.39%	33,233	21,464	54.83%
Gross Profit / (Loss)	4,458	1,078	313.54%	5,721	(36,923)	115.49%
Profit / (Loss) Before Interest and Tax	1,584	(2,627)	160.30%	(1,616)	(48,915)	-96.70%
Profit / (Loss) Before Tax	1,089	(2,874)	137.89%	(3,068)	(49,633)	-93.82%
Profit / (Loss) After Tax	1,089	(2,874)	137.89%	(3,068)	(49,633)	-93.82%
Profit / (Loss) Attributable to Owners of the Company	1,089	(2,874)	137.89%	(3,068)	(49,633)	-93.82%

14.2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter (RM'000)	Immediate Preceding Quarter (RM'000)	Changes (%)
	31.12.2018	30.09.2018	
Revenue	23,430	6,581	256.02%
Gross Profit / (Loss)	4,458	(2,491)	278.96%
Profit / (Loss) Before Interest and Tax	1,584	(3,700)	142.81%
Profit / (Loss) Before Tax	1,089	(4,184)	126.03%
Profit / (Loss) After Tax	1,089	(4,184)	126.03%
Profit / (Loss) Attributable to Owners of the Company	1,089	(4,184)	126.03%

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15. Review of Performance

Overall the Group recorded a revenue and gross profit of RM23.430 million and RM4.458 million respectively for the current quarter ended 31 December 2018 ("Q3"), of which the performance is further explained below:

Aquaculture operations

The Group recorded a revenue and gross profit of RM11.933 million and RM2.194 million respectively for Q3, representing a substantial increase of 196.10% and of 103.53% respectively as compared to the corresponding period in 2017 of revenue and gross profit of RM4.030 million and RM1.078 million respectively.

The substantial increase of 196.10% in revenue for the current quarter as compared to the corresponding period in 2017 was due to the increase in sales of larger grouper fish during the festive season during the period. The Group achieved a gross profit of RM2.194 million, representing a substantial increase of 103.53% as compared to the corresponding period in 2017 which was mainly due to the increase in revenue mentioned above and also due to the movement in fair value of fishery stock, pursuant to the Group's adoption of MFRS Framework effective on 1 January 2018. With the adoption of MFRS 141, the Group is required to recognise biological assets, which is measured at fair value less cost to sell. Biological assets represent fish fry, broodstock (i.e. mother fish) and fishery livestock.

Revenue in Q3 increased to RM11.933 million as compared to RM5.554 million recorded in immediate preceding quarter ended 30 September 2018 ("Q2"), representing a substantial increase of 114.85%. The increase was due to increase demand from customers during the festive season in Hong Kong and China during the quarter.

The increase in revenue recorded by the Group in Q3 as explained above, had resulted in the Group reporting a gross profit of RM2.194 million as compared to a gross profit of RM0.855 million in the immediate preceding quarter ended as at 30 September 2018, representing a substantial increase of 156.61%.

Mining operations

The mining operations recorded a revenue and gross profit of RM11.497 million and RM2.264 million respectively under current quarter. The sales revenue of RM11.497 million represents approximately 69.34 kgs of net gold sold during the quarter under review while 17.26 kgs of net gold was kept under inventories. The Group started extracting gold from top soil clearing in previous quarter ended 30 September 2018 and has yet to start drilling and mining of the sulphide and oxide rocks/ore at the identified mining site in current quarter. This explains the low production currently as the sulphide and oxide rocks are expected to have much higher gold content.

Revenue and gross profit in Q3 increased to RM11.497 million and RM2.264 million respectively as compared to RM1.027 million and gross loss of RM3.346 million recorded in immediate preceding quarter ended 30 September 2018 ("Q2"), representing a substantial increase of 1,019.47% and 167.66% respectively. The substantial increase in sales and production were mainly due to high grade/volume of gold mined for processing into gold dore bars and also due to the smooth running of the gold mine plant.

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16. Profit / (Loss) Before Taxation

The following items have been included in arriving at profit / (loss) before taxation: -

	Current Quarter (RM'000)	Current year to date (RM'000)
Interest income	1	1
Other income including investment income	192	1,985
Interest expense	(495)	(1,452)
Depreciation and amortisation	(2,610)	(7,325)
Foreign exchange gain / (loss)	28	(511)

17. Comments on Material Change in other income and expenses

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	Current year Quarter (RM'000)	Preceding Year Corresponding Quarter (Restated) (RM'000)		Current Year to date (RM'000)	Preceding Year Corresponding period (Restated) (RM'000)	
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
Other income	193	549	-64.85%	1,986	1,466	35.47%
Other expenses	-	(949)	-100.00%	-	(2,199)	-100.00%
Distribution cost	(1,929)	(1,493)	29.20%	(4,969)	(5,701)	-12.84%
Administrative expenses	(1,138)	(1,812)	-37.20%	(4,354)	(5,558)	-21.66%
Finance cost	(495)	(247)	100.40%	(1,452)	(718)	102.23%

During the quarter under review, RM9.031 million was incurred for the operation cost for the Mining operations to be carried by Wullersdorf Resources Sdn Bhd, a wholly-owned subsidiary of Bahvest.

The increase in finance cost was mainly due to hire purchase and loan interest of RM0.337 million incurred during the current quarter pursuant to vehicle and heavy machineries purchased in current quarter for the Mining operations.

18. Income Tax Expense

Plentiful Earnings Sdn Bhd, a subsidiary company, has been granted tax incentive under Section 127 of the Income Tax Act, 1967 for the exemption of tax on statutory income from fish breeding, fish fry hatchery and fish rearing activities for a period of 10 years commencing 1 April 2013.

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19. Variance on Profit Forecast

No profit forecast was announced or published by the Group, hence, no comparison is made between actual and forecast results.

20. Material Impairment of Assets

There is no impairment to be recognized during the quarter under review.

21. Trade Receivables

	Current (RM'000)	1 month (RM'000)	2 months (RM'000)	> 3 months (RM'000)	Total (RM'000)
Trade Receivable	7,052	4,600	80	33,740	45,472
Allowance for Impairment					(9,029)
Total					36,443

Trade receivables are non-interest bearing and the normal credit terms granted by the Group are ranging from 30 to 270 days. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

During the quarter under review, the Group has collected the total sum of RM1.733 million of trade receivables from its Hong Kong customers as well as local customers.

The allowance for impairments is individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

22. Other Receivables

Other Receivables consists of the following: -

	Other Receivable (RM'000)	Deposit (RM'000)	Prepayment (RM'000)	Total (RM'000)
TOTAL	2,182	605	795	3,582

Included in other receivables are cash advances of RM0.93 million paid to contractors for construction of infrastructure at Bukit Mantri, Tawau, Sabah, for the Mining operations. Deposit included deposit paid for the acquisition of heavy machineries of RM0.318 million. Prepayment mainly consist of partial payment for purchase of equipment of processing plant and advance installments for Hire Purchase facilities amounting to RM0.189 million and RM0.279 million respectively.

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23. Loan and Borrowings

The Group has no any unsecured loan and borrowings, all the secured loan and borrowing are as follows:

	As at 31.12.2018		
	Long term (RM'000)	Short term (RM'000)	Total Borrowings (RM'000)
Bank overdraft	-	6,439	6,439
Bank loan	-	6,020	6,020
Hire purchase	7,785	3,062	10,847
Total	7,785	15,521	23,306
	As at 31.12.2017		
	Long term (RM'000)	Short term (RM'000)	Total Borrowings (RM'000)
Bank overdraft	-	7,780	7,780
Bank loan	-	2,012	2,012
Hire purchase	3,127	1,011	4,138
Total	3,127	10,803	13,930

As compared to preceding year corresponding period up to 31 December 2017, there was a net increase in total borrowings of RM9.376 million mainly due to the following:

- (i) a new drawdown of a loan amounting to RM5 million from a local financial institution for working capital purpose; and
- (ii) increase in hire purchase facilities of RM6.709 million for the purchase of heavy machineries and equipment by Wullersdorf Resources Sdn Bhd, to carry out the Group's mining operation at Bukit Mantri, Tawau, Sabah.

24. Company's Prospects

For FYE 2019, Bahvest will continue to face economic challenges and uncertainties for its Aquaculture operations both domestically as well as globally due to the stiff competitions from China producers. Nevertheless, the Group places great emphasis on the improvement of its operational efficiency in achieving a sustainable aquaculture business.

Bahvest has commercially commenced gold mining operations in previous quarter ended 30 September 2018. Through the diversification into gold mining business, the Group expects this new segment to contribute positively to its future earnings as well as its long-term objective of achieving sustainable growth and value enhancement to the shareholders of Group. The Group expects the gold production to increase further once it starts to drill and mine the sulphide and oxide rocks/ore at the identified mining site as explained in Section 15 above as the Group now only extracting gold from the top soil clearing above the sulphide and oxide rocks/ore.

Barring any unforeseen circumstances, the Board of Directors anticipates that the Group may be able to achieve satisfactory operating results for the financial year ending 31 March 2019.

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25. Corporate Proposals

a) Proposed Bonus Issue

The Company had on 4 September 2018 and 9 October 2018 respectively announced the proposed bonus issue of up to 938,995,138 new ordinary shares of the Company (“Shares”) (“Bonus Shares”) on the basis of 1 Bonus Share for every existing of the Company Share held on an entitlement date to be determined later. Bursa Malaysia Securities Berhad (“Bursa Securities”) had vide its letter dated 16 October 2018, resolved to approve the listing and quotation of the following:

- i) up to 938,995,138 Bonus Shares to be issued pursuant to the Proposed Bonus Issue;
- ii) up to 299,997,878 additional Warrants to be issue pursuant to the adjustment arising from the Proposed Bonus Issue;
- iii) up to 299,997,878 new ordinary shares arising from exercise of the additional Warrants.

The Company had on 11 December 2018 announced that the above mentioned corporate proposals of Bonus Issue were completed on even date.

b) Proposed Change of Company Name

The Company had on 25 September 2018 announced that the Company is proposing to change its name from Borneo Aqua Harvest Berhad to Bahvest Resources Berhad.

The shareholders of the Company had on 22 November 2018 vide an Extraordinary General Meeting approved the proposed bonus issue and the proposed change of company name mentioned above.

The Company had on 3 December 2018 announced that the above mentioned proposed change of company name was completed on even date with the Stock Name and Stock Number remain unchanged as 0098 and BAHVEST respectively.

26. Material Litigation

As at the date of this report, there are no pending material litigations.

27. Profit / (Loss) Per Share

Basic loss per share is calculated by dividing the profit / (loss) for the financial period / year under review by the weighted average number of ordinary shares in issue during the period / year.

	Individual Period		Cumulative Period	
	Current year Quarter	Preceding Year Corresponding Quarter (Restated)	Current Year to date	Preceding Year Corresponding period (Restated)
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit / (loss) for the period (RM'000)	1,089	(2,874)	(3,068)	(49,633)
Weighted average number of ordinary shares in issue ('000)	756,518	600,308	657,826	599,912
Basic profit / (loss) per share (sen)	0.14	(0.48)	(0.47)	(8.27)
Diluted profit / (loss) per share (sen)	0.14	(0.48)	(0.45)	(8.24)

As at the end of the quarter, there was only one class of shares in issue and they rank equally with each other.