

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Jun-19 RM'000 Unaudited	3 MONTHS ENDED 30-Jun-18 RM'000 Audited	15 MONTHS ENDED 30-Jun-19 RM'000 Unaudited	12 MONTHS ENDED 31-Mar-18 RM'000 Audited
Revenue	26,651	17,311	104,904	83,943
Cost of sales	(51,985)	(5,223)	(82,325)	(30,413)
Gross profit	(25,335)	12,088	22,580	53,531
Other operating income	1,355	504	5,339	2,684
Other operating expenses	25,976	(12,196)	(23,857)	(57,285)
Finance costs	(187)	(56)	(564)	(124)
<b>Profit/(Loss) before tax</b>	<b>1,809</b>	<b>340</b>	<b>3,498</b>	<b>(1,195)</b>
Tax expense	779	(139)	317	(1,056)
<b>Profit/(Loss) for the financial quarter / period</b>	<b>2,589</b>	<b>201</b>	<b>3,815</b>	<b>(2,250)</b>
<b>Other comprehensive (loss) / income , net of tax</b>				
<b>- Item that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations, net of tax	420	(271)	702	124
<b>Other comprehensive (loss) / income for the financial quarter / period, net of tax</b>	<b>420</b>	<b>(271)</b>	<b>702</b>	<b>124</b>
<b>Total comprehensive (loss) / income for the financial quarter / period</b>	<b>3,009</b>	<b>(70)</b>	<b>4,517</b>	<b>(2,126)</b>
<b>Profit attributable to:-</b>				
Owners of the parent	2,588	201	3,818	(2,248)
Non-controlling interest	1	-	(3)	(2)
<b>Profit/(Loss) for the financial quarter / period</b>	<b>2,589</b>	<b>201</b>	<b>3,815</b>	<b>(2,250)</b>
<b>Total comprehensive (loss) / income attributable to:-</b>				
Owners of the parent	2,572	(70)	4,083	(2,124)
Non-controlling interest	438	-	435	(2)
<b>Total comprehensive (loss) / income for the financial quarter / period</b>	<b>3,009</b>	<b>(70)</b>	<b>4,517</b>	<b>(2,126)</b>
EPS attributable to Owners of the parent (sen)				
- Basic and diluted	0.35	0.01	0.31	(0.17)

(The Financial year end of the company has been changed from 31st March to 30th June to cover the 15-months period from 1st April 2018 to 30 June 2019 and thereafter, to end on 30th June each year. Accordingly, there are no comparative to be presented in this Condensed Consolidated Statement of Comprehensive Income.



	As at 30-Jun-19 RM'000 Unaudited	As at 31-Mar-18 RM'000 Audited
<b>Non-Current Assets</b>		
Property, plant and equipment	2,824	3,771
Goodwill	6,467	5,738
Deferred tax assets	5,259	3,872
Trade receivables	5,915	11,522
	20,465	24,903
<b>Current Assets</b>		
Inventories	2,491	2,617
Trade receivables	19,709	17,282
Other receivables, deposits and prepayments	23,030	17,026
Amounts owing by related companies	-	2,351
Current tax assets	7,704	5,619
Cash and bank balances	28,089	18,421
	81,022	63,316
<b>TOTAL ASSETS</b>	101,487	88,219
<b>Equity attributable to owners of the parent</b>		
Share capital	60,054	150,834
Reverse acquisition reserve	(131,013)	(131,013)
Exchange translation reserve	(519)	(498)
Retained earnings	126,847	23,029
	55,369	42,352
Non-controlling interest	522	87
<b>TOTAL EQUITY</b>	55,891	42,439
<b>Non-Current Liabilities</b>		
Borrowings	7	20
Provision for post-employment benefits	5,253	4,164
Deferred tax liabilities	-	146
	5,260	4,330
<b>Current Liabilities</b>		
Trade payables	7,460	10,971
Other payables, deposits and accruals	26,295	19,612
Amounts owing to related companies	-	9,960
Borrowings	6,583	907
	40,337	41,450
<b>TOTAL LIABILITIES</b>	45,597	45,780
<b>TOTAL EQUITY AND LIABILITIES</b>	101,487	88,219
<b>Net assets per share (sen)</b>	7.42	3.12

\* Net assets per share attributable to owners of the Company is computed based Total Shareholders' Funds (excluding Non-controlling interests) divided by the total number of ordinary shares in issue.

(The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these consolidated interim financial information and the audited financial statements for the financial year ended 31 March 2018.)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Attributable to owners of the Parent					Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>Unaudited</b>							
<b>Twelve Months Financial Period Ended 31 Mar. 2019</b>							
Balance as at 1 April 2018	150,834	(131,013)	(498)	23,029	42,352	87	42,439
Profit for the financial period	-	-	-	3,818	3,818	(3)	3,815
Private Placement	9,220	-	-	-	9,220	-	9,220
Capital Reduction	(100,000)	-	-	100,000	-	-	-
Foreign currency translation differences for foreign operations, net of tax	-	-	692	-	692	-	692
Deconsol of ISS (I)	-	-	(713)	-	-	-	-
Acquisition of QBI	-	-	-	-	-	437	437
Total comprehensive income for the financial period	(90,780)	-	(21)	103,818	13,017	435	13,452
Balance as at 30 June 2019	60,054	(131,013)	(519)	126,847	55,369	522	55,891

	Attributable to owners of the Parent					Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>Audited</b>							
<b>Twelve Months Financial Period Ended 31 Mar. 2018</b>							
Balance as at 1 April 2017	150,834	(131,013)	(622)	25,277	44,476	89	44,565
Loss for the financial period	-	-	-	(2,248)	(2,248)	(2)	(2,250)
Foreign currency translation differences for foreign operations, net of tax	-	-	124	-	124	-	124
Total comprehensive (loss) / income for the financial period	-	-	124	(2,248)	(2,124)	(2)	(2,126)
Balance as at 31 Mar 2018	150,834	(131,013)	(498)	23,029	42,352	87	42,439

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these consolidated interim financial information and the audited financial statements for the financial year ended 31 March 2018.)

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	15 MONTHS ENDED 30-Jun-19 RM'000 Unaudited	12 MONTHS ENDED 31-Mar-18 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	3,498	(1,195)
Adjustment for non-cash items:		
Bad debts written off	3	58
Bad debts recovered		-
Waiver of debt	(34)	-
Depreciation of property, plant and equipment	1,900	1,648
Fair value adjustments on non-current trade receivables	(806)	1,351
Property, plant & equipment written off	60	-
Software development written off	38	-
Gain on disposal of property, plant & equipment	(1)	-
Loss on disposal of property, plant & equipment	1	8
Gain on deconsolidation	(270)	-
Impairment losses on goodwill	-	-
Impairment losses on trade receivables	1,779	2,615
Interest income	(516)	(293)
Interest expense	443	124
Inventories written off	393	771
Inventories written down	98	-
Net movement for post-employment benefits	682	3,026
Reversal of impairment losses on trade receivables	(1,323)	(1,180)
Net movement for post-employment benefits	-	-
Net unrealised gain on foreign exchange	(504)	-
Net unrealised loss on foreign exchange	781	219
Operating profit before working capital changes	6,222	7,152
Net changes in assets	1,824	(6,123)
Net changes in liabilities	(9,012)	6,585
Cash (used in) / from operations	(966)	7,614
Tax paid	(3,125)	(2,384)
Tax refund	183	38
Net cash (used in) / from operating activities	(3,909)	5,268
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net advance / (repayment) from related companies	85	(1,837)
Private placement	9,220	(247)
Purchase of property, plant and equipment	(939)	(776)
Gain or loss on disposal of property, plant & equipment	(0)	42
Net withdrawal of fixed deposits placed to bank		(71)
Placement of deposits with licensed banks with maturity > 3 mths	(3)	
Acquisition of subsidiary, net of cash acquired	(161)	
Interest received	516	293
Proceed from deconsol of sub, net of cash disposal	(15)	
Net cash from / (used in) investing activities	8,702	(2,596)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables	(178)	(335)
Drawdown/(Repayment) of short term borrowings	(3)	-
Interest paid	(436)	(124)
Net cash used in financing activities	(617)	(459)
Net change in cash and cash equivalents	4,177	2,213
Cash and cash equivalents at beginning of financial period	5,850	3,474
Effect of foreign exchange on opening balance	(345)	162
Cash and cash equivalents at end of financial period	9,682	5,849

(The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these consolidated interim financial information and the audited financial statements for the financial year ended 31 March 2018.)

PART A:  
Notes to the Consolidated Interim Financial Information

1 Basis of preparation

The consolidated interim financial information has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting*.

The consolidated interim financial information should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018. The explanatory notes attached to this consolidated interim financial information 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 March 2018.

2 Significant Accounting Policies

The Group has applied the same accounting policies and method of computation in the consolidated interim financial information as in the 31 March 2018 annual financial statements except for those that relate to new standards and amendments effective for the first time for the periods beginning on or after 1 January 2017, and will be adopted in the 2018 financial statements. None of the new standards and amendments that are effective for the first time for periods beginning on or after 1 January 2017 however have a material effect on the Group.

(a) New MFRSs adopted during the current financial year

The Group adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the current financial period:

Title	Effective Date
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 12 Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2017

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

PART A:  
Notes to the Consolidated Interim Financial Information

**3 Qualification of independent auditors' report on preceding annual audited financial statements**

The auditors' report on the financial statements for the financial year ended 31 March 2018 was an unqualified opinion.

**4 Seasonal and cyclical factors**

The business of the Group was not affected by any seasonal and cyclical factors.

**5 Unusual items due to their nature, size or incidence**

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

**6 Material changes in estimates**

There were no material changes in estimates during the quarter under review.

**7 Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

**8 Dividends paid**

There was no dividends paid during the quarter under review.

**9 Segmental information**

The Group's reportable segments were identified as follows: -

- Business Performance Services - Provision of business performance improvement related services.
- Trading & Distribution Services - Distribution and reselling of hardware and software and related services.
- Digital & Infrastructure Services - Provision of a comprehensive range of tele/data communication, networking solutions and related services.

The Others segment comprises operations related to investment holding activities and subsidiaries that have ceased operations and remained inactive.

Business Segments	Business Performance Services RM'000	Trading & Distribution Services RM'000	Digital & Infrastructure Services RM'000	Food Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
<b>15 Months Financial Period Ended 30 Jun 2019</b>							
External sales	90,000	-	14,904	-	-	-	104,904
Inter segment sales	-	-	-	-	435	(435)	-
Total sales	<u>90,000</u>	<u>-</u>	<u>14,904</u>	<u>-</u>	<u>435</u>	<u>(435)</u>	<u>104,904</u>
Segment results	5,880	(35)	(3,535)	-	(1,540)	2,650	3,419
Finance costs	(1)	-	(436)	-	-	-	(438)
Interest Income	89	-	221	-	206	-	516
Profit / (loss) before tax	<u>5,968</u>	<u>(35)</u>	<u>(3,751)</u>	<u>-</u>	<u>(1,334)</u>	<u>2,650</u>	<u>3,498</u>
Taxation							317
Profit for the period							<u>3,815</u>
Segment assets	<u>47,055</u>	<u>35</u>	<u>42,203</u>	<u>2,169</u>	<u>58,500</u>	<u>(48,475)</u>	<u>101,487</u>

PART A:  
Notes to the Consolidated Interim Financial Information

9 Segmental information (cont'd.)

Business Segments	Business Performance Services RM'000	Trading & Distribution Services RM'000	Digital & Infrastructure Services RM'000	Food Manufacturing RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
<b>12 Months Financial Period Ended 31 Mar 2018</b>							
External sales	69,618	-	14,312	-	13	-	83,943
Inter segment sales	-	111	-	-	22,030	(22,141)	-
Total sales	<u>69,618</u>	<u>111</u>	<u>14,312</u>	<u>-</u>	<u>22,043</u>	<u>(22,141)</u>	<u>83,943</u>
Segment results	3,111	(36)	(3,127)	-	(46,037)	44,725	(1,364)
Finance costs	(12)	(42)	(112)	-	-	42	(124)
Interest Income	98	-	195	-	-	-	293
Profit / (loss) before tax	3,197	(78)	(3,044)	-	(46,037)	44,767	(1,195)
Taxation							(1,056)
Profit / (Loss) for the period							<u>(2,250)</u>
Segment assets	<u>47,101</u>	<u>76</u>	<u>57,722</u>	<u>-</u>	<u>89,626</u>	<u>(106,306)</u>	<u>88,219</u>

10 Related Party Disclosures

Significant related party transactions are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED	3 MONTHS ENDED	15 MONTHS ENDED	12 MONTHS ENDED
	30-Jun-19 RM'000	30-Jun-18 RM'000	30-Jun-19 RM'000	31-Mar-18 RM'000
Sale of goods and services to related companies	634	1,313	2,462	2,057
Purchase of goods and services from related companies	-	2	30	7
Corporate secretarial services fees paid/ payable to a related company	12	9	80	47
Shared office, network, data center and other services	<u>64</u>	<u>90</u>	<u>349</u>	<u>360</u>

11 Carrying amount of revalued assets

There were no changes to the valuation of property, plant and equipment during the quarter under review.

12 Subsequent events

On 4 July 2019, the Company have entered into a share sale agreement with itelligence AG for the proposed disposal of 24,500 ordinary shares of THB100 each in ISS Consulting (Thailand) Ltd for total cash of consideration of THB236,429,000 (Proposed Disposal)

The Company have submitted the circular to company shareholders to the Bursa Securities for approval on 15 August 2019.

The completion of the Proposed Disposal are conditional upon the followings :-

- Fulfillment of all conditions precedent to share sale agreement for the Proposed Disposal
- All relevant approvals, consents or waivers from any other third party, if required
- Approval of shareholders of the Company at the extraordinary general meeting to be held

The Proposed Disposal is expected to be completed before end of year 2019.

The Group will make announcements in relation to any further development on the Proposed Disposal from time to time.

Save for the above, there were no material events subsequent to the end of the quarter under review.

13 Changes in the composition of the Group

On 28 June 2019, the Company has acquired 100,000 ordinary shares in QBI Packaging Sdn Bhd ("QBI"), equivalent to 50.0% equity interest in QBI for a total cash consideration of RM750,000. On the same day, the Company had subscribed for 133,330 new ordinary shares of RM7.50 each in QBI for total cash consideration of RM999,975. Upon the completion, the Company owned 70% equity interest in QBI.

Save for the above, there were no other changes in the composition of the Group for the current quarter under review.

**PART A:**  
**Notes to the Consolidated Interim Financial Information**

**14 Changes in contingent liabilities or contingent assets**

Bank guarantee granted for the quarter under review are as follows:-

RM'000

Bank guarantees given by financial institutions in respect of projects of the Group

1,502

**15 Capital commitments**

No capital commitments for purchase of property, plant & equipment not provided for on the interim financial information.

**16 Deposit, cash and bank balances**

For the purpose of the statement of cash flows, cash and cash equivalents include the following:

	<b>As at 30-Jun-19 RM'000</b>
Cash and bank balances	15,482
Fixed deposits with licensed financial institutions	<u>12,606</u>
	28,089
Less: Fixed deposits pledged with licensed banks	(11,839)
Less: Bank overdraft	<u>(6,568)</u>
	<u><u>9,682</u></u>



**PART B:**  
**EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

**1 Detailed analysis of performance**

The detailed breakdown of revenue by operating segments of the Group are as follows: -

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 30-Jun-19 RM'000	3 MONTHS ENDED 30-Jun-18 RM'000	Variance %	15 MONTHS ENDED 30-Jun-19 RM'000	12 MONTHS ENDED 31-Mar-18 RM'000	Variance %
Business Performance Services	22,516	14,449	55.8	90,000	69,618	29.3
Trading & Distribution Services	-	-		-	111	(100.0)
Digital & Infrastructure Services	4,174	2,862	45.9	14,904	14,312	4.1
Others	120	-		435	22,043	(98.0)
	<u>26,810</u>	<u>17,311</u>	54.9	<u>105,339</u>	<u>106,084</u>	(0.7)
Less : Inter Segment Revenue	(160)	-		(435)	(22,141)	98.0
Total Group Revenue	<u>26,650</u>	<u>17,311</u>	54.0	<u>104,904</u>	<u>83,943</u>	25.0

The Group recorded the higher revenue of RM 26.65 million for the quarter ended 30 June 2019, an increase by RM 9.3 million (53.9%) against revenue achieved in the previous corresponding quarter. The higher revenue for the current quarter under review was attributable to the higher billing of SAP services under the Business Performance Services for the quarter under review.

The detailed breakdown of profit before tax by business segments of the Group are as follows: -

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 MONTHS ENDED 30-Jun-19 RM'000	3 MONTHS ENDED 30-Jun-18 RM'000	Variance %	15 MONTHS ENDED 30-Jun-19 RM'000	12 MONTHS ENDED 31-Mar-18 RM'000	Variance %
Business Performance Services	2,060	719	186.6	5,968	3,197	86.7
Trading & Distribution Services	(4)	(8)	46.7	(35)	(78)	54.6
Digital & Infrastructure Services	(1,189)	(194)	(513.1)	(2,196)	(3,044)	27.9
Others	944	(177)	633.1	(239)	(1,270)	81.2
(Loss) /Profit before tax	<u>1,810</u>	<u>340</u>	432.5	<u>3,498</u>	<u>(1,195)</u>	392.8

In the financial quarter under review, the Group recorded higher profit before tax of RM1.8 million, compared to profit before tax of RM0.34 million in the corresponding financial period of the preceding financial period. The profit before tax for the current quarter under review are mainly due to higher profit resulting from higher SAP billings for current quarter under review.

PART B:  
EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

2 Variation of results against preceding quarter

	3 months ended 30-Jun-19 RM'000	3 months ended 31-Mar-19 RM'000	Variance %
Revenue	<u>26,650</u>	<u>21,631</u>	23.2
(Loss) / Profit before tax	<u>1,810</u>	<u>(6)</u>	30,273.3

The higher Group's revenue for the current quarter under review of RM26.65 million, an increase of RM5.4 million (23.2%) compared to RM21.6 million in the immediate preceding quarter are mainly due to higher SAP billings for the current quarter under review.

3 Prospects

The Group's two major operating subsidiaries in FY2019 are Diversified Gateway Berhad ("DGB"), which mainly operates in the telecommunication infrastructure sector in Malaysia, and ISS Consulting (Thailand) Ltd ("ISST"), which offers SAP consulting services in Thailand.

For FY2020, DGB's operating environment is expected to improve with the recent developments in 5G network and the national fiberization and connectivity plan (NFCP), as well adding new products and skillsets to its range of technology integration and maintenance services. In the technology integration business, the Group has added new business products in media screens and media-linked vending machines which are being gradually rolled out in FY2020. The media screen and vending machine business is being undertaken by the Group's subsidiary ISS Consulting (M) Sdn Bhd ("ISSM").

ISST provide SAP consulting services in Thailand, in particular, to the manufacturing and retail sectors. ISST's business remained to continue to be steady and positive, despite slower global outlook. (Please also see note 8 of explanatory notes pursuant to Ace Market Listing Requirements Of Bursa Malaysia Securities Berhad).

Our new acquisition, QBI Packaging Sdn Bhd, is investing into new technology and production capacity for the non-dairy creamer business to add to its existing ghee and dry packaging business. Due to lead time in setting up the production capacity of about 9 months, QBI is expected to contribute significantly to the top & bottom lines of the group beginning with the first quarter of FY2021.

The Board remains cautiously optimistic of the Group's prospects for the coming financial year while continuing to explore new business opportunities for the Group

4 Profit forecast

Not applicable.

5 Tax expense

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS ENDED 30-Jun-19 RM'000	3 MONTHS ENDED 30-Jun-18 RM'000	15 MONTHS ENDED 30-Jun-19 RM'000	12 MONTHS ENDED 31-Mar-18 RM'000
Current tax expense				
- Malaysian taxation	(78)	7	6	291
- Foreign taxation	376	144	1,157	1,549
	(6)	-	(4)	-
- Malaysian taxation	-	-	-	-
- Foreign taxation	-	-	-	-
Deferred tax	(1,070)	(12)	(1,476)	(784)
	<u>(779)</u>	<u>139</u>	<u>(317)</u>	<u>1,056</u>

The Group's effective tax rate for the current financial period is disproportionate to the statutory tax rate due to unabsorbed capital allowances and unutilised tax losses carried forward of a subsidiary.

6 Unquoted investments and properties

There were no purchase or disposal of unquoted investments and properties during the financial quarter under review.

**PART B:**  
**EXPLANTORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

**7 Quoted securities**

There were no acquisitions or disposals of quoted securities during the financial quarter under review.

**8 Status of corporate proposals**

On 4 July 2019, the Company have entered into a share sale agreement with itelligence AG for the proposed disposal of 24,500 ordinary shares of THB100 each in ISS Consulting (Thailand) Ltd for total cash of consideration of THB236,429,000 (Proposed Disposal)

The Company have submitted the circular to company shareholders to the Bursa Securities for approval on 15 August 2019.

The completion of the Proposed Disposal are conditional upon the followings :-

- i. Fulfillment of all conditions precedent to share sale agreement for the Proposed Disposal
- ii. All relevant approvals, consents or waivers from any other third party, if required
- iii. Approval of shareholders of the Company at the extraordinary general meeting to be held

The Proposed Disposal is expected to be completed before end of year 2019.

The Group will make announcements in relation to any further development on the Proposed Disposal from time to time.

**9 Borrowings and debts securities**

The Group's bank borrowings as at 30 Jun 2019 are as follows:

	RM'000
Short term bank borrowings - secured - Denominated in Ringgit Malaysia	6,583
Long term bank borrowings - secured - Denominated in Ringgit Malaysia	<u>7</u>
	<u><u>6,589</u></u>

The Group has not issued any debt securities as at the reporting date.

**10 Realised and Unrealised Profits**

The retained earnings as at the end of the reporting date can be analysed as follows:

	As at 30.06.2019 RM'000	As at 31.03.2018 RM'000
Total retained earning of the Group: -		
- Realised	1,844	(44,131)
- Unrealised	5,659	4,589
	<u>7,504</u>	<u>(39,542)</u>
Consolidation adjustments	119,343	62,570
Total retained earnings as per consolidated financial statements	<u><u>126,847</u></u>	<u><u>23,028</u></u>

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants ("MIA Guidance") and directive of Bursa Malaysia Securities Berhad.

**PART B:**  
**EXPLANTORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

**11 Changes in material litigation**

There was no material litigation against the Group as at reporting date.

**12 Dividends**

No dividends have been recommended during the quarter ended 30 June 2019.

**13 Earning per ordinary share**

**(a) Basic earning per ordinary share**

Basic earning per ordinary share for the financial period under review is calculated based on the Group's profit after tax and non-controlling interests divided by the weighted average ("WA") number of ordinary shares in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS		15 MONTHS	
	30-Jun-19	30-Jun-18	30-Jun-19	31-Mar-18
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to the Owners of the parent	2,588	201	3,818	(2,248)
WA number of ordinary shares in issue ('000)	745,731	1,355,877	1,251,121	1,355,877
Basic profit per ordinary share (sen)	0.35	0.01	0.31	(0.17)

**(b) Fully diluted earnings per ordinary share**

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted earnings per share has not been presented.

**14 Profit before tax**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 MONTHS	3 MONTHS	15 MONTHS	12 MONTHS
	ENDED	ENDED	ENDED	ENDED
	30-Jun-19	30-Jun-18	30-Jun-19	31-Mar-18
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging: -				
Bad debts written off	(3)	-	3	58
Depreciation of property, plant and equipment	373	382	1,900	1,648
Fair value loss on long term trade receivables	-	-	-	1,351
Impairment loss on trade receivables	493	144	1,779	1,435
Inventories written off	23	3	490	771
Interest expenses	126	33	438	124
Loss on disposal of property, plant & equipment	-	-	1	8
Property, plant & equipment written off	(53)	53	60	-
Net movement for post-employment benefits	(376)	190	682	3,026
Realised loss on foreign currency transactions	6	13	44	46
Unrealised loss on foreign currency transactions	612	14	781	173
And crediting: -				
Fair value gain on long term trade receivables	545	-	806	-
Reversal of impairment losses on trade receivables	(236)	-	-	-
Interest income	146	47	515	293
Realised gain on foreign currency transactions	727	-	843	(9)
Unrealised gain on foreign currency transactions	215	27	504	(4)