

TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	18,257	22,060	18,257	22,060
Cost of sales	(15,210)	(17,255)	(15,210)	(17,255)
Gross Profit	3,047	4,805	3,047	4,805
Others income	253	107	253	107
Administration expenses	(2,903)	(2,816)	(2,903)	(2,816)
Finance costs	(112)	(275)	(112)	(275)
Share of results of associate companies	80	161	80	161
Profit before taxation	365	1,982	365	1,982
Taxation	(94)	(126)	(94)	(126)
Profit for the period	271	1,856	271	1,856
Other comprehensive income				
Share of other comprehensive income in associate	-	840	-	840
Total comprehensive income	271	2,696	271	2,696
Profit for the period attributable to:				
- Owners of the Company	271	1,856	271	1,856
- Non-controlling interests	-	-	-	-
	271	1,856	271	1,856
Total comprehensive income attributable to:				
- Owners of the Company	271	2,696	271	2,696
- Non-controlling interests	-	-	-	-
	271	2,696	271	2,696
Weighted average number of ordinary shares ('000)	166,000	122,793	166,000	122,793
Earnings per share attributable to owners of the Company (sen):				
- Basic ⁽²⁾	0.16	1.51	0.16	1.51
- Diluted ⁽³⁾	0.16	1.51	0.16	1.51

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (¹) (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share of the Group for the quarter and year to date of 2018 is calculated based on weighted average of ordinary shares of 122,793,000 before the public issue.
- (3) Diluted earnings per share of the Group for the quarter and year to date is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31.03.2019	Audited As at 31.12.2018
	RM'000	RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	68,534	67,967
Right of use assets	1,213	-
Other investments	175	175
Investment in associate companies	3,432	3,552
Deferred tax assets	-	-
	73,354	71,694
Current assets		
Inventories	160	110
Trade receivables	11,763	12,713
Other receivables	1,739	2,250
Tax recoverable	318	194
Fixed deposits with licensed banks	18,763	19,866
Cash and bank balances	3,816	973
	36,559	36,106
TOTAL ASSETS	109,913	107,800
EQUITY AND LIABILITIES		
Equity		
Share capital	47,503	47,503
Acquisition reserves	(5,533)	(5,533)
Retained earnings	28,517	28,280
Total equity attributable to owners of the Company	70,487	70,250
Non-controlling interest	-	-
Total Equity	70,487	70,250
Liabilities		
Non-current liabilities		
Finance lease payables	4,015	4,045
Bank borrowings	15,731	14,570
Lease liabilities	545	-
Deferred tax liabilities	4,207	4,240
	24,498	22,855

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (CONT'D)

	Unaudited As at 31.03.2019	Audited As at 31.12.2018
	RM'000	RM'000
Current liabilities		
Trade payables	4,621	3,749
Other payables	1,046	3,616
Amount due to associate companies	2,692	3,065
Finance lease payables	2,715	3,572
Bank borrowings	3,139	611
Lease liabilities	707	-
Tax payable	8	82
	14,928	14,695
Total liabilities	39,426	37,550
TOTAL EQUITY AND LIABILITIES	109,913	107,800
NET ASSETS PER SHARE (RM)	0.42	0.42
Number of ordinary shares ('000)	166,000	166,000

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Non-distributable		Distributable	Total
	Share capital	Acquisition reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2019	47,503	(5,533)	28,280	70,250
Effect of MFRS 16	-	-	(34)	(34)
At 1 January 2019, as restated	47,503	(5,533)	28,246	70,216
Profit for the period	-	-	271	271
Balance at 31 March 2019	47,503	(5,533)	28,517	70,487
Balance at 1 January 2018	8,260	(369)	25,950	33,841
Profit for the period	-	-	1,856	1,856
Share of other comprehensive income in associate	-	-	840	840
Acquisitions	12,887	(5,164)	-	7,723
Balance at 31 March 2018	21,147	(5,533)	28,646	44,260

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	31.03.2019	31.03.2018
	RM'000	RM'000
Cash flow From Operating Activities		
Profit before tax	365	1,982
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment ("PPE")	679	629
Interest paid	112	275
Provision for expected credit losses	41	-
Gain on disposal of PPE	(6)	(31)
Unrealised (gain)/loss on foreign exchange	19	
Interest received	(226)	(16)
Share of profit in associated	(80)	(161)
Operating profit before working capital changes	904	2,678
<u>Changes in working capital</u>		
Inventories	(50)	-
Receivables	1,402	(1,224)
Payables	(1,698)	692
Associate companies	(373)	369
Directors	-	(7,276)
Cash generated from operating activities	185	(4,761)
Interest paid	(112)	(275)
Interest received	226	16
Tax paid	(324)	(412)
Net Cash flows from operating activities	(25)	(5,432)
Cash flow From Investing Activities		
Dividend Receivable	200	100
Purchase of PPE	(1,289)	(151)
Proceeds from disposal of PPE	49	252
Net Cash flows from investing activities	(1,040)	201

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾ (CONT'D)

	PERIOD-TO-DATE	
	31.03.2019	31.03.2018
	RM'000	RM'000
Cash flow From Financing Activities		
Proceeds from issuance of shares	-	7,263
Drawdown of term loan	632	100
Repayment of bank borrowings	-	(53)
Repayment of finance lease liabilities	(887)	(1,164)
Interest expenses on lease liabilities	4	-
Increase in fixed deposits	(186)	(32)
Net Cash flows used in financing activities	(437)	6,114
Net increase in cash and cash equivalents	(1,502)	883
Cash and cash equivalents at beginning of the period	2,179	(3,077)
Cash and cash equivalents at the end of the period	677	(2,194)
Cash and Cash Equivalents		
Cash and bank balances	3,816	1,385
Fixed deposits with licensed banks	18,763	2,106
Bank Overdraft	(3,139)	(3,579)
	19,440	(88)
Less: Fixed deposits with licensed banks	(16,609)	-
Less: Fixed deposits pledged with licensed banks	(2,154)	(2,106)
	677	(2,194)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2019

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2019

A1. Basis of preparation

The interim financial report of Tri-Mode System (M) Berhad (“**TMS**” or “**the Company**”) and its subsidiaries (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) No. 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

Except for the adoption of the MFRS 16: Leases (“**Adoption**”), the accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2018. The Group has adopted those MFRS standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

The main effects of the Adoption which is effective for the financial periods beginning on or after 1 January 2019 are summarised as below:

MFRS 16: Leases (“MFRS 16”)

MFRS 16, which upon the effective date will supersede MFRS 117: Leases (“MFRS 117”), introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

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In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Effect of Adoption (full retrospective approach):

	MFRS 117	MFRS 16	Effect
	RM'000	RM'000	RM'000
Right of use assets	-	1,213	1,213
Lease liabilities	-	1,252	1,252
<u>1st quarter 2019</u>			
Rental payment	217	-	217
Depreciation of right of use assets	-	201	(201)
Interest expenses on lease liabilities	-	20	(20)
	<u>217</u>	<u>221</u>	<u>(4)</u>

The Group has assessed the impact of the Adoption, concluded that the Adoption does not have any significant impact to the financial performance or position of the Group.

A3. Auditors' report

The auditors' report on the preceding year audited financial statements was not subject to any qualification.

A4. Seasonal or cyclical factors

We experience sales fluctuations in our business during festive periods such as Hari Raya and Chinese New Year as there are lesser working days compared to the normal month with normal working days.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A6. Material changes in estimates

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

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A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial quarter under review.

A8. Dividends paid

On 21 November 2018, the Board has approved the declaration and payment of first single-tier interim dividend of 1.0 sen per ordinary share totalling RM1,660,000 in respect of the financial year ending 31 December 2018. The entitlement to dividend was determined based on the record of depositors as at 12 December 2018 whilst the payment was made on 11 January 2019.

A9. Contingent liabilities or contingent assets

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

A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

A11. Segmental reporting

The Group is principally involved in the provision of sea freight, container haulage, air freight, freight forwarding, warehousing and marine insurance services.

(a) Revenue by business activities

The table below set out the breakdown of the Group's revenue by business activities for the financial quarter under review:

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Sea freight	11,125	13,567	11,125	13,567
Container haulage	5,955	6,762	5,955	6,762
Air freight	731	1,334	731	1,334
Freight forwarding	151	102	151	102
Warehousing	232	251	232	251
Marine insurance	63	44	63	44
Total Revenue	18,257	22,060	18,257	22,060

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Sea freight, container haulage and air freight segment are the top 3 revenue contributors under the financial period under review. The factors affecting our top 3 key revenue contributors are as follows:

- (i) fluctuation in sea freight rate;
- (ii) fluctuation in fuel price; and
- (iii) fluctuation in air freight rate.

(b) Revenue by geographical regions

The table below set out the breakdown of the Group's revenue by geographical regions for the financial period under review:

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019 RM'000	31.03.2018 RM'000	31.03.2019 RM'000	31.03.2018 RM'000
Malaysia	16,642	20,366	16,642	20,366
Overseas	1,615	1,694	1,615	1,694
Total Revenue	18,257	22,060	18,257	22,060

A12. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

A13. Material events subsequent to the end of the current financial quarter

There were no subsequent material events as at the date of this report.

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A14. Related Party Transactions

Related party transactions have been entered into in the normal course of business and have been established on terms and conditions that are not more favourable to the related parties. The significant related party transactions of the Group are as follows:

Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
(a) Atama Logistics (M) Sdn Bhd				
Trade receivable	983	1,285	983	1,285
Trade payable	3,675	5,396	3,675	5,396
Net amount payable/(receivable)	2,692	4,111	2,692	4,111
Services income	2,669	1,285	2,669	1,285
Services expenses	4,141	4,937	4,141	4,937
(b) Container Connections (M) Sdn Bhd				
Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Trade receivable	-	-	-	-
Trade payable	-	-	-	-
Net amount payable/(receivable)	-	-	-	-
Services income	-	-	-	-
Services expenses	16	15	16	15
(a) PT. Oriental Logistics Indonesia				
Transaction with companies in which certain Directors have financial interests	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Trade receivable	3	2	3	2
Trade payable	-	-	-	-
Net amount payable/(receivable)	(3)	(2)	(3)	(2)
Services income	13	2	13	2
Services expenses	9	-	9	-

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	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
(b) Oriental Thailand				
Trade receivable	-	-	-	-
Trade payable	-	-	-	-
Net amount payable/(receivable)	-	-	-	-
Services income	6	-	6	-
Services expenses	2	3	2	3

A15. Capital commitments

As at current financial quarter under review, our Group's material commitments (including commitments to be incurred) for capital expenditure are as follows:

	Unaudited
	3-MONTH ENDED 31.03.2019
	RM'000
Senja Aman' apartment ⁽¹⁾	1,397
Pulau Indah Land ⁽²⁾	1,269
Richard W.Z. Lee Architect ⁽³⁾	1,012
Total capital commitments for capital expenditures	3,678

Notes:

- (1) Investment property under construction and will be leased to hotel operator to generate income upon completion. In addition, there will be free stay to be made available as staff welfare post completion of the said property.
- (2) The Pulau Indah Land will be used to construct our future headquarters, warehouse and haulage operation yard ("Proposed HQ and Distribution Hub").
- (3) Architectural fees for Proposed HQ and Distribution Hub.

The material commitment for capital expenditures above will be financed by a combination of bank borrowings and internally generated funds.

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PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

The Group recorded revenue of RM18.26 million and profit before tax of RM0.37 million for the current financial quarter ended 31 March 2019. The Group's revenue was derived from the provision of sea freight, container haulage, air freight, freight forwarding, warehousing and marine insurance services.

With reference to Malaysia External Trade Statistics: March 2019, a quarter on quarter basis, exports dropped by 10.8% and imports also declined by 13.4%. (*Malaysia External Trade Statistics March 2019, Department of Statistics, 3 May 2019.*) In view of the slowdown in Malaysia's economy, the Group's business was affected directly with revenue drop by 17% or RM3.80 million to RM18.26 million as compared to RM22.06 million in the previous year corresponding quarter.

The profit before tax decreased from RM1.98 million to RM0.37 million as compared to the previous year corresponding quarter, with 81% decrease as compared with the previous year corresponding quarter mainly due to lower revenue as a result of economy slowdown, intense competition that lower our profit margin, increase in fleets maintenance costs and provision for expected credit losses as per MFRS 9.

B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		CHANGE	
	31.03.2019	31.12.2018		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	18,257	20,592	(2,335)	- 11.34%
Profit/(Loss) before tax	365	1,119	(754)	- 67.38%

For the current quarter ended 31 March 2019, the Group recorded lower revenue of RM18.26 million as compared to RM20.60 million in the immediate preceding quarter ended 31 December 2018, mainly due to the slowdown in Malaysia's economy and seasonal factor as disclosed in note A4.

The decrease in profit before tax of 67% for current quarter was mainly due to lower revenue coupled with lower profit margin and increase in fleets maintenance costs.

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B3. Prospects

As disclosed in the Prospectus of the Company dated 18 April 2018, the Group has put in place a series of future plans. As at the date of this report, the progress of the plans is as follows:

- (a) We have on 14 May 2019 obtained the planning approval from local town council for our Proposed HQ and Distribution Hub in West Port. Meanwhile, we also received notice from the developer that there will be delay in delivery of vacant possession for the Pulau Indah Land until September 2019 from the original planned date of April 2019. We are of the view that the delay will not significantly affect us as we target to submit the building plan for approval for our Proposed HQ and Distribution Hub in June 2019.
- (b) We are actively exploring the opportunity to cooperate with overseas logistics players in international trade logistics services. We have successfully secured the cooperation with AIT Corporation Japan (“AIT”) under mutual agency agreement in 2018, a leading logistics services provider that listed on Tokyo Stock Exchange in Japan. The volume of transaction with AIT is expected to grow further in the current financial year.
- (c) We have been successfully appointed as the exclusive agent in Malaysia for Heppner Group (“Heppner”), a leading logistics services provider in France since year 1925, an established logistics company in Europe with 70 sites in France and 10 offices in Germany. The cooperation with Heppner will commence in August 2019. We strongly believed the cooperation with Heppner will increase our business volume and also gain confidence from others potential overseas logistics players towards our Group.
- (d) We are also seeking the opportunity to expand our business to Vietnam, where the potential of international trade transaction is growing and demand for international logistics services is high due to rapid economic growth of the country. We have identified potential partners to venture into logistics business in Vietnam and we target to finalise the joint venture agreement by July 2019.

In view of slowdown in economy, we will focus on costs reduction, expanding our customer base and more prudent in capital expenditures.

Barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the prospects for the financial year ending 31 December 2019 will be more challenging amid uncertainties surrounding world trade. Nevertheless, the Group will continue to seek opportunities in both domestic and international market to deliver sustainable growth in the long term.

B4. Profit Forecast or Profit Guarantee

The Company did not issue any profit forecast or profit guarantee during the current financial quarter under review.

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B5. Taxation

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Current financial period:				
- Income tax	136	367	136	367
- Deferred tax	(42)	98	(42)	98
Previous year overprovision:				
- Income tax		-		
- Deferred tax		(339)		(339)
Total tax expense	94	126	94	126
Effective tax rate	25.75%	6.36%	25.75%	6.36%

Notes:

- (1) Adjusted effective tax rate computation

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Profit before tax	365	1,982	365	1,982
Current tax provision	94	465	94	465
Effective tax rate	25.75%	23.46%	25.75%	23.46%

- (a) The period to date effective tax rate of 25.75% is in line with the statutory tax rate of 24%.
(b) Income tax expense is recognised based on management's best estimate.

B6. Corporate Proposals

(a) Status of corporate proposal

There are no other corporate proposals announced by the Company but not completed as at date of this report.

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(b) Utilisation of proceeds

The Company was listed on the ACE Market of Bursa Securities on 14 May 2018, the gross proceeds raised from the Public Issue amounting to RM26.356 million and the status of the utilisation of the proceed are as follows:

<u>Details of utilisation</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Estimated timeframe for utilisation upon listing</u>
	RM'000	RM'000	
Business expansion			
- Construction of the Proposed HQ and Distribution Hub	15,000	-	Within 30 months
- Purchase of prime movers and trailers	500	107	Within 24 months
Repayment of bank borrowings	5,000	5,000	Within 6 months
Working capital	2,356	2,389 ⁽¹⁾	Within 12 months
Estimated listing expenses	3,500	3,467 ⁽¹⁾	Within 3 months
Total	26,356	10,963	

Note:

(1) Balance of unutilised portion, utilised as working capital.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 18 April 2018.

As at the date of this report, we have utilised RM5.0 million for repayment of bank borrowings consist of term loan and overdraft facilities. The repayment of these bank borrowings provides interest savings of approximately RM0.40 million per annum to the Group.

We have utilised RM0.10 million to part finance 15 units of new trailers that were delivered during the quarter under review. We have also utilised RM5.86 million for listing expenses and working capital purposes.

The remaining proceeds of RM15.39 million has been placed as fixed deposits with local banks in Malaysia.

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B7. Trade Receivables

The Group grant credit on various terms. Trade receivables disclosed below include amounts which are past due at the end of reporting period but has not recognised as receivables subject to impairment as there has not been a significant change in credit quality and still considered recoverable by the management.

	PERIOD-TO-DATE					
	31.03.2019			31.03.2018		
	<u>Non-RPT⁽¹⁾</u>	<u>RPT⁽¹⁾</u>	<u>Total</u>	<u>Non-RPT⁽¹⁾</u>	<u>RPT⁽¹⁾</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than 1 month	6,071	1	6,072	8,945	-	8,945
1 month	3,475	2	3,477	4,139	1	4,140
2 months	1,578	-	1,578	2,108	-	2,108
3 months	342	-	342	152	1	153
More than 3 months	294	-	294	463	-	463
Trade Receivables	11,760	3	11,763	15,807	2	15,809

Note:

(1) RPT – Related party transactions as per note A14.

B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 31.03.2019	AS AT 31.03.2018
	RM'000	RM'000
Secured:		
<u>Current:</u>		
Bank overdraft	3,139	3,579
Revolving credit	-	1,101
Finance leases payables	2,715	4,100
Term loans	-	224
	5,854	9,004
<u>Non-current :</u>		
Finance leases payables	4,015	6,669
Term loans	15,731	6,922
	19,746	13,591
Total bank borrowings	25,600	22,595

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The weighted average interest rate of bank borrowings is 6.04% p.a. All the finance leases are based on fixed rate and only the term loans are based on floating rate.

All the Company's borrowings are denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigation involving the Group as at 31 March 2019.

B10. Dividend proposed

The Board does not recommend any dividend in respect of the current financial period.

B11. Earnings per share

The basic earnings per share ("EPS") are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

		3-MONTH ENDED		PERIOD-TO-DATE	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
Profit/(Loss) attributable to ordinary owners of the Company	(RM'000)	271	1,856	271	1,856
weighted average number of ordinary shares ⁽¹⁾	('000)	166,000	122,793	166,000	122,793
Basic EPS, RM	(Sen)	0.16	1.51	0.16	1.51
Diluted EPS, RM ⁽²⁾	(Sen)	0.16	1.51	0.16	1.51

Notes:

- (1) Basic earnings per share of the Group for the quarter and year to date 2018 is calculated based on weighted average of ordinary shares of 122,793,000 before the public issue.
- (2) Diluted earnings per share of the Group for the quarter and year to date is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

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B12. Disclosure on selected expense/income items as required by the Listing Requirements

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(226)	(16)	(226)	(16)
Interest expenses	112	275	112	275
Other income including investment income	-	(59)	-	(59)
Depreciation	679	629	679	629
Provision for expected credit losses	41	-	41	-
Impairment loss recovered	-	-	-	-
Foreign exchange – realised (gain) / loss	-	-	-	-
Foreign exchange – unrealised (gain) / loss	19	40	19	40
Disposal of PPE – (gain) / loss	(6)	(31)	(6)	(31)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

BY ORDER OF THE BOARD

Company Secretary

Date: 30 May 2019