



**GAGASAN NADI CERGAS**  
BERHAD [1238966-U]

(Incorporated in Malaysia)

**Interim Financial Statements  
For The Financial Period Ended  
30 September 2019**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3<sup>RD</sup>) QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019<sup>(1)</sup>**

	Note	Quarter Ended		Year-To-Date Ended	
		30.9.2019 RM'000	30.9.2018 RM'000	30.9.2019 RM'000	30.9.2018 RM'000
Revenue	A9	75,460	89,277	215,369	210,923
Operating expenses		(69,900)	(78,771)	(199,678)	(185,554)
Other operating income		8,141	8,858	27,100	27,367
Finance costs		(4,441)	(4,964)	(13,986)	(14,749)
<b>Profit before taxation</b>	B12	<u>9,260</u>	<u>14,400</u>	<u>28,805</u>	<u>37,987</u>
Income tax expense	B6	(1,341)	(3,844)	(7,469)	(10,107)
<b>Profit after taxation</b>		<u>7,919</u>	<u>10,556</u>	<u>21,336</u>	<u>27,880</u>
<b>Profit after taxation</b>					
<b>attributable to:-</b>					
Owners of the Company		7,869	10,624	20,925	28,009
Non-controlling interests		50	(68)	411	(129)
		<u>7,919</u>	<u>10,556</u>	<u>21,336</u>	<u>27,880</u>
<b>Total comprehensive</b>					
<b>income attributable to:-</b>					
Owners of the Company		7,869	10,624	20,925	28,009
Non-controlling interests		50	(68)	411	(129)
		<u>7,919</u>	<u>10,556</u>	<u>21,336</u>	<u>27,880</u>
<b>Earnings per share</b>					
<b>attributable to owners of</b>					
<b>the Company:</b>					
Basic EPS (sen)	B11	1.05	1.73	2.78	4.57
Diluted EPS (sen)	B11	<u>1.05</u>	<u>1.73</u>	<u>2.78</u>	<u>4.57</u>

**Notes:**

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019<sup>(1)</sup>**

	Note	Unaudited 30.9.2019 RM'000	Audited 31.12.2018 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		30,773	30,429
Inventories		77,261	75,822
Trade receivables		569,637	589,875
		<u>677,671</u>	<u>696,126</u>
<b>Current assets</b>			
Contract assets		22,102	32,980
Property development cost		20,134	17,532
Trade receivables		75,460	76,815
Other receivables, deposits and prepayments		10,080	11,838
Tax refundable		2,267	239
Short-term deposits with licensed banks		48,358	50,519
Cash and bank balances		64,363	23,187
		<u>242,764</u>	<u>213,110</u>
<b>TOTAL ASSETS</b>		<u>920,435</u>	<u>909,236</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		136,444	95,444
Reserves		300,462	283,302
Equity attributable to owners of the Company		<u>436,906</u>	<u>378,746</u>
Non-controlling interests		4,756	4,319
<b>Total equity</b>		<u>441,662</u>	<u>383,065</u>
<b>Non-current liabilities</b>			
Borrowings	B8	288,542	316,667
Deferred tax liabilities		80,301	78,845
		<u>368,843</u>	<u>395,512</u>
<b>Current liabilities</b>			
Trade payables		64,803	73,666
Other payables and accruals		8,181	9,155
Borrowings	B8	35,695	46,549
Provision for taxation		1,251	1,289
		<u>109,930</u>	<u>130,659</u>
<b>Total liabilities</b>		<u>478,773</u>	<u>526,171</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>920,435</u>	<u>909,236</u>
<b>Number of issued shares ('000)</b>		753,000	613,000
<b>Net asset per share attributable to Owners of the Company (RM)</b>		0.58	0.62

**Note:**

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3<sup>RD</sup>)  
QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019<sup>(1)</sup>**

	Note	← Distributable →			Non-Controlling Interests	Total Equity
		Share Capital	Retained Profits	Attributable to Owners of the Company		
		RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2018		95,444	257,876	353,320	4,117	357,437
Change in accounting policy, MFRS 9 adoption	A2	-	(7,164)	(7,164)	-	(7,164)
Balance at 31.12.2017/1.1.2018 (Restated)		95,444	250,712	346,156	4,117	350,273
Profit for the financial year, representing total comprehensive income for the financial year		-	32,590	32,590	202	32,792
Balance at 31.12.2018 (Audited)		95,444	283,302	378,746	4,319	383,065
Profit for the financial period, representing total comprehensive income for the financial period		-	20,925	20,925	411	21,336
Contributions by and distribution to owners of the Company:						
- Issuance of shares		42,000	-	42,000	-	42,000
- Share issuance expenses <sup>(2)</sup>		(1,000)	-	(1,000)	-	(1,000)
- Issuance of shares to non-controlling interest		-	-	-	26	26
- Dividends paid		-	(3,765)	(3,765)	-	(3,765)
Total transaction with owners		41,000	(3,765)	37,235	26	37,261
Balance at 30.9.2019 (Unaudited)		136,444	300,462	436,906	4,756	441,662

**Notes:**

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) In relation to the Initial Public Offering in conjunction with the listing of the Company on the ACE Market of Bursa Securities.

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD (3<sup>RD</sup>) QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019<sup>(1)</sup>**

	Year-To-Date Ended	
	30.9.2019	30.9.2018
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	28,805	37,987
Adjustments for:-		
Accretion of fair value on non-current trade receivables	(22,432)	(23,416)
Depreciation of property, plant and equipment	1,544	1,632
Gain on disposal of property, plant and equipment	(15)	(160)
Property, plant and equipment written off	-	20
Reversal of allowance for impairment losses under MFRS 9	(2,410)	(2,098)
Listing expense	1,157	-
Finance income	(1,725)	(1,214)
Finance cost	13,986	14,749
Operating profit before working capital changes	<u>18,910</u>	<u>27,500</u>
Decrease in inventories	(2,602)	-
Decrease/(Increase) in contract assets	10,878	(20,632)
Decrease in trade and other receivables	46,365	20,577
(Decrease)/Increase in trade and other payables	(9,836)	27,094
<b>Cash from operating activities</b>	<u>63,715</u>	<u>54,539</u>
Tax paid	(8,080)	(6,133)
<b>Net cash from operating activities</b>	<u>55,635</u>	<u>48,406</u>
<b>Cash flows from investing activities</b>		
Finance income received	1,725	1,213
Proceeds from disposal of property, plant and equipment	15	-
Withdrawal of deposits pledged and with original maturity periods of more than three months	5,384	3,457
Purchase of properties held for future development	(1,440)	(1,209)
Addition of property development expenditure	-	151
Purchase of property, plant and equipment	(2,011)	(3,256)
<b>Net cash from investing activities</b>	<u>3,673</u>	<u>356</u>



**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD (3<sup>RD</sup>) QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019<sup>(1)</sup> (CONT'D)**

	<b>Year-To-Date Ended</b>	
	<b>30.9.2019</b>	<b>30.9.2018</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows for financing activities</b>		
Dividend paid	(3,765)	-
Drawdown of borrowings	6,064	-
Repayment of borrowings	(43,139)	(34,412)
Finance cost paid	(13,986)	(14,749)
Proceeds from issuance of shares to non-controlling interest in a subsidiary	26	-
Payment for listing expense	(328)	-
Proceeds from issuance of shares	42,000	-
<b>Net cash for financing activities</b>	<b>(13,128)</b>	<b>(49,161)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>46,180</b>	<b>(399)</b>
<b>Allowance for impairment losses under MFRS 9</b>	<b>-</b>	<b>(165)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>23,630</b>	<b>44,249</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>69,810</b>	<b>43,685</b>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposit placed with licensed banks	48,358	42,190
Cash in hand and at bank	64,362	27,856
Bank overdraft	(5,001)	-
	<b>107,719</b>	<b>70,046</b>
Less: Fixed Deposit pledged with licensed banks	(37,909)	(26,361)
	<b>69,810</b>	<b>43,685</b>

**Notes:**

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



## **A. NOTES TO THE INTERIM FINANCIAL REPORT**

### **A1. Basis of preparation**

The interim financial report of Gagasan Nadi Cergas Berhad (“Gagasan Nadi” or “the Company”) and its subsidiaries (collectively known as “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 of Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim financial report should be read together with the audited Annual Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to this report.

### **A2. Summary of Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited Annual Financial Statements for the year ended 31 December 2018.

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

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 140 – Transfers of Investment Property

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) did not have any material impact on the Group’s financial statements.

**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A3. Auditors' report on preceding annual financial statements**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2018.

**A4. Seasonal or cyclical factors**

The Group's performance have not been materially affected by any seasonal or cyclical factors during the current quarter and year-to-date.

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

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and year-to-date.

**A6. Changes in estimates**

There were no material changes in estimates for the current quarter and year-to-date.

**A7. Debt and equity securities**

Other than the issuance of new shares pursuant to the Company's Initial Public Offering and listing on the ACE Market of Bursa Securities as disclosed below, there were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

	<b>Number of shares '000</b>	<b>RM'000</b>
<b>Issued and Fully Paid-Up</b>		
At 1 January 2019	613,000	95,444
Issuance of new shares	140,000	42,000
Share issuance expenses	-	(1,000)
At 30 June 2019	<u>753,000</u>	<u>136,444</u>

**A8. Dividends paid**

First interim dividend comprising 0.5 sen per ordinary share, amounting to RM3,765,000 for financial year ended 31 December 2019 was paid on 30 September 2019.



## A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### A9. Segmental information

The Group's segmental information for the current financial period ended 30 September 2019 is as follows:

30.9.2019	Construction RM'000	Concession and Facility Management RM'000	Utility Services RM'000	Property Development RM'000	Others RM'000	Consolidation Adjustments RM'000	Total RM'000
<b>Revenue</b>							
External revenue	188,398	11,834	3,388	11,749	-	-	215,369
Inter-segment revenue	-	-	-	-	6,390	(6,390)	-
	<u>188,398</u>	<u>11,834</u>	<u>3,388</u>	<u>11,749</u>	<u>6,390</u>	<u>(6,390)</u>	<u>215,369</u>
<b>Results</b>							
Segment results	13,815	3,654	1,582	1,513	(1,780)	(1,016)	17,768
Accretion of fair value on non-current trade receivables	-	22,432	-	-	-	-	22,432
Depreciation	(841)	(248)	(277)	(3)	(175)	-	(1,544)
Finance income	278	923	120	36	368	-	1,725
Finance costs	(105)	(12,224)	(2)	(1,653)	(207)	205	(13,986)
Reversal of allowance for impairment losses under MFRS 9	874	1,511	25	-	-	-	2,410
Profit/(Loss) before taxation	<u>14,021</u>	<u>16,048</u>	<u>1,448</u>	<u>(107)</u>	<u>(1,794)</u>	<u>(811)</u>	<u>28,805</u>
Income tax expense	(4,136)	(2,225)	(603)	(392)	(113)	-	(7,469)
Profit/(Loss) after taxation	<u>9,885</u>	<u>13,823</u>	<u>845</u>	<u>(499)</u>	<u>(1,907)</u>	<u>(811)</u>	<u>21,336</u>
<b>Assets</b>							
Segment assets	131,665	646,802	17,132	84,565	42,393	(4,389)	918,168
Unallocated asset: Tax refundable							2,267
Consolidated total assets							<u>920,435</u>
Additions to non-current assets other than financial instruments:							
- Property, plant and equipment	1,082	267	538	1	-	-	1,888
- Properties held for future development	402	-	-	1,038	-	-	1,440
<b>Liabilities</b>							
Segment liabilities	71,474	289,242	226	29,781	6,598	(100)	397,221
Unallocated liabilities:							
- Deferred tax liabilities							80,301
- Provision for taxation							1,251
Consolidated total liabilities							<u>478,773</u>



**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A10. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment during the current quarter and year-to-date.

**A11. Significant Events Subsequent to the End of the Interim Financial Period**

Save as disclosed in Note B5 "Status of corporate proposals" below, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

**A12. Changes in the composition of the Group**

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

**A13. Contingent assets and contingent liabilities**

Save as disclosed below, there were no other contingent assets and contingent liabilities as at the date of this interim report.

**Unaudited  
As at 30.9.2019  
RM'000**

Financial guarantee contract in relation to corporate guarantee given to third parties in the ordinary course of business.

66,213

**A14. Capital commitments**

There were no capital commitments as at the end of the current and previous corresponding financial periods.

**A15. Related party transactions**

Save as disclosed below, there were no other significant related party transactions as at the date of this interim report.

<b>Quarter Ended 30.9.2019 RM'000</b>	<b>Year-To-Date 30.9.2019 RM'000</b>
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Related Parties

- Progress billing income

-

1,831

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

### **B1. Review of Group Performance**

#### **(a) Results for current quarter**

The Group recorded revenue of RM75.46 million as compared to RM89.28 million recorded in the corresponding quarter last year. The lower revenue recorded for the current financial quarter was mainly attributable to lower progress from several construction projects which were at final stage of completion, namely PRIMA Pasir Mas project and Rumah Selangorku Bukit Raja project.

The Group recorded profit before tax of RM9.26 million as compared to RM14.40 million recorded in the corresponding quarter last year. The lower profit before tax for the current quarter was mainly attributable to lower revenue and lower profits recorded from construction projects as well as higher administration expenses incurred.

#### **(b) Results for financial year-to-date**

For the current financial year-to-date, the Group recorded a marginally higher revenue of RM215.37 million as compared to RM210.92 million recorded in previous financial year-to-date. The higher revenue was mainly attributable to higher revenue recorded from property development.

The Group recorded a lower profit before tax of RM28.81 million for the current financial year-to-date as compared to RM37.99 million recorded in previous financial year-to-date. The lower Group profit before tax for the current financial year-to-date was mainly attributed to lower gross profit margin from construction projects and higher administration expense incurred in current financial year-to-date.

### **B2. Comparison with immediate preceding quarter's results**

The Group registered a slightly higher revenue of RM75.46 million for the current financial quarter as compared to RM71.02 million in the preceding quarter. The Group's profit before tax decreased to RM9.26 million as compared to RM9.80 million in the preceding quarter. The lower profit before tax registered in the current quarter was due to higher administrative expenses during the current quarter.

### **B3. Commentary on prospects**

The Group's order book stood at approximately RM577.40 million as at 30 September 2019 and with the continuous tendering for new jobs, the Board expects the performance of the construction segment for the current financial year to be sustainable. The performance of the Group's facility management for the concession projects and the utility services segment is also expected to be maintained for the rest of the current financial year. For the property development segment, its performance is expected to improve for the current financial year in line with the progress of the Antara Residence Project.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the quarter under review.

**B5. Status of corporate proposals**

- a) The Company successfully listed its entire enlarged issued share capital of RM136.44 million comprising of 753,000,000 shares on the ACE Market of Bursa Securities on 8 January 2019.
- b) On 29 October 2019, the Company entered into a Conditional Share Sale agreement with P.A.E Builders Sdn Bhd and Seri Delima Anggun Sdn Bhd for the proposed acquisition of 4,500,000 ordinary shares, representing the entire ordinary shares in Konsortium PAE Sepakat Sdn Bhd ("Proposed Acquisition") for a cash consideration of RM158,000,000.

The funding for the Proposed Acquisition will partially be met through the establishment of a proposed issuance of Islamic medium term notes pursuant to an Islamic medium term note programme of RM200.0 million in nominal value ("Proposed IMTN Programme") and a proposed issuance of convertible Sukuk pursuant to a convertible Sukuk programme of RM60.0 million in nominal value ("Proposed CS Programme").

In addition to the above, the Company also proposed to establish an employees' share option scheme ("ESOS") of up to 15% of the total number of issued GNCB Shares at any point in time over the duration of the ESOS for the eligible employees and directors of GNCB and its subsidiaries ("Proposed ESOS").

On 11 November 2019, Kenanga Investment Bank Berhad had on behalf of the Company submitted the listing application pursuant to the Proposed CS Programme and Proposed ESOS and the draft circular pursuant to the Proposed Acquisition, Proposed CS Programme and Proposed ESOS to Bursa Securities for their approval and clearance respectively.

The Proposed Acquisition, Proposed CS Programme and Proposed ESOS are subject to the approval of the Company's shareholders at an extraordinary general meeting to be convened.

**B6. Income tax expenses**

	<b>Current Quarter 30.9.2019 RM'000</b>	<b>Year-To- Date 30.9.2019 RM'000</b>
Current tax expense	1,058	6,013
Deferred tax expense	283	1,456
	<u>1,341</u>	<u>7,469</u>
Effective tax rates	14.48% <sup>(1)</sup>	25.93% <sup>(2)</sup>



## B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

### B6. Income tax expenses (Cont'd)

**Note:**

- (1) The lower effective tax rate for the current quarter than the statutory tax rate of 24% was mainly due to a reversal for overprovisional tax in the previous finance year.
- (2) The higher effective tax rate for the financial year-to-date than the statutory tax rate of 24% was mainly attributed to higher taxable income from collection of Availability Charges from Concession Projects. As the qualifying expenditure is only restricted to 91% of total construction costs, 9% of the Availability Charges collected during the current year-to-date was deemed as taxable income resulting in the increase in tax expense.

### B7. Utilisation of proceeds from the Initial Public Offer ("IPO")

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 13 December 2018. The gross proceeds raised from the Public Issue of RM42 million and status of utilisation as at 30 September 2019 is disclosed in the following table:

No.	Purpose	Time frame for utilisation from the date of listing	%	Proposed utilisation	Actual utilisation RM'000
(a)	Funding for the AFF Mixed Development <sup>(1)</sup>	Within 30 months	33.3	14,000	6,091
(b)	Capital expenditures for the district cooling system for the supply of chilled water to a shopping mall under the Datum Jelatek development	Within 12 months	15.5	6,500	4,807
(c)	Working capital for a construction project	Within 24 months	39.3	16,500	16,500
(d)	Estimated listing expenses	Within 3 months	11.9	5,000	5,000
<b>Gross proceeds</b>			<b>100.0</b>	<b>42,000</b>	<b>32,398</b>

**Note:**

- (1) Antara Residence Project



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B8. Bank borrowings**

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

	<b>Unaudited As at 30.9.2019 RM'000</b>
<b>Current:</b>	
Hire purchase payable	344
Term loan	10,350
Bonds	20,000
Bank overdraft	5,001
	<hr/> 35,695 <hr/>
<b>Non-current:</b>	
Hire purchase payable	808
Term loan	147,734
Bonds	140,000
	<hr/> 288,542 <hr/>
Total	<hr/> 324,237 <hr/>

All the borrowings are secured and denominated in Ringgit Malaysia.

**B9. Material litigation**

There were no material litigation involving the Group as at the date of this report.

**B10. Dividend**

- a) The Board of Directors declared an interim single-tier of 0.5 sen per ordinary shares in respect of the financial year ending 31 December 2019.

The entitlement to the interim single-tier dividend was determined based on the shareholders registered in the record of depositors as at 13 September 2019 and payment was made on 30 September 2019.

- b) The total dividend for current period to date is 0.5 sen per ordinary share.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B11. Earnings per share**

The basic and diluted 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 periods are as follows:

	Quarter Ended		Year-To-Date	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
Profit attribute to owners of the Company (RM'000)	7,869	10,624	20,925	28,009
Weighted average number of ordinary shares:				
- Ordinary shares at 1 January	613,000	613,000	613,000	613,000
- Issuance of shares	140,000	-	138,462	-
Weighted average number of ordinary shares in issue ('000)	<u>753,000</u>	<u>613,000</u>	<u>751,462</u>	<u>613,000</u>
Basic EPS (sen) <sup>(1)</sup>	1.05	1.73	2.78	4.57
Diluted EPS (sen) <sup>(1) &amp; (2)</sup>	1.05	1.73	2.78	4.57

**Notes:**

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 September 2019.
- (2) Diluted earnings per share of the Company for the individual quarter ended 30 September 2019 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

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

	<b>Current Quarter</b>	<b>Year-To-Date</b>
	<b>30.9.2019</b>	<b>30.9.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	527	1,544
Finance cost	4,441	13,986
Accretion of fair value on non-current trade receivables	(7,393)	(22,432)
Gain on disposal of property, plant and equipment	-	(15)
Finance income	(519)	(1,725)
Reversal of impairment losses under MFRS 9	136	(2,410)

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

**B13. Derivatives**

The Group did not enter into any derivatives during the current quarter under review.