



GLOBAL ORIENTAL BERHAD

(Incorporated in Malaysia)

(543867-T)

Interim Financial Report

31 December 2018

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GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2018 RM'000 unaudited	Preceding Year Corresponding Quarter 31.12.2017 RM'000 unaudited	Current Year To Date 31.12.2018 RM'000 unaudited	Preceding Year Corresponding Year To Date 31.12.2017 RM'000 unaudited
Revenue	41,925	17,530	104,189	58,417
Cost of sales	(35,491)	(13,898)	(90,096)	(39,221)
Gross profit	6,434	3,632	14,093	19,196
Interest income	657	1,744	2,174	3,425
Other operating income	639	2,097	2,372	15,105
Depreciation and amortisation	(316)	(308)	(943)	(1,553)
Loss on disposal of an associated company	-	-	-	(35,332)
Operating expenses	(26,082)	(14,920)	(50,984)	(53,545)
Loss from operations	(18,668)	(7,755)	(33,288)	(52,704)
Finance costs	(849)	(4,947)	(3,558)	(11,879)
Share of results of associated companies	-	-	-	38,395
Loss before tax	(19,517)	(12,702)	(36,846)	(26,188)
Taxation	(465)	(1,905)	(1,276)	(2,664)
Loss for the financial period	(19,982)	(14,607)	(38,122)	(28,852)
Other comprehensive income				
Net gain on available-for-sale ("AFS") investments:				
- Loss on fair value changes	-	(11)	-	(11)
Exchange differences arising on translation of foreign operations	(13)	1	(13)	-
Total comprehensive loss for the financial period	(19,995)	(14,617)	(38,135)	(28,863)
Loss attributable to:				
Equity holders of the Company	(19,793)	(13,100)	(37,583)	(26,082)
Non-controlling interests	(189)	(1,507)	(539)	(2,770)
	(19,982)	(14,607)	(38,122)	(28,852)
Total comprehensive loss attributable to:				
Equity holders of the Company	(19,806)	(13,110)	(37,596)	(26,093)
Non-controlling interests	(189)	(1,507)	(539)	(2,770)
	(19,995)	(14,617)	(38,135)	(28,863)
Earnings per share attributable to Equity Holders of the Company:				
- Basic (sen)	(4.35)	(2.88)	(8.27)	(5.74)
- Diluted (sen)	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	As at 31.12.2018 RM'000 unaudited	As at 31.03.2018 RM'000 (restated)	As at 01.04.2017 RM'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	2,479	5,813	13,811
Investment properties	1,740	-	-
Investment in an associated company	-	-	35,937
Other investment	1	1	1
Inventories	261,209	252,868	72,430
Goodwill	23,587	23,587	30,337
Deferred tax assets	5,995	5,994	12,469
	<u>295,011</u>	<u>288,263</u>	<u>164,985</u>
Current assets			
Inventories	430,705	387,844	132,210
Contract assets	2,229	-	16,249
Trade receivables	40,674	105,292	123,395
Other receivables, deposits and prepayments	100,042	142,100	123,462
Amount owing by associated companies	49,777	49,777	146,040
Tax recoverable	5,700	3,827	7,097
Short-term funds	-	10,329	-
Fixed deposits with licensed banks	14,322	12,339	7,647
Cash and bank balances	146,816	143,224	85,027
	<u>790,265</u>	<u>854,732</u>	<u>641,127</u>
TOTAL ASSETS	<u>1,085,276</u>	<u>1,142,995</u>	<u>806,112</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	227,338	227,338	227,338
Reserves	123,993	161,589	241,266
	<u>351,331</u>	<u>388,927</u>	<u>468,604</u>
Non-controlling interests	(2,707)	(2,168)	(722)
TOTAL EQUITY	<u>348,624</u>	<u>386,759</u>	<u>467,882</u>
LIABILITIES			
Non-current and deferred liabilities			
Redeemable preference shares	-	-	961
Borrowings - secured	129,538	133,833	85,009
Deferred tax liabilities	4,149	4,241	6,223
Trade payables	208,694	196,980	15,255
	<u>342,381</u>	<u>335,054</u>	<u>107,448</u>
Current liabilities			
Contract liabilities	56,327	25,704	-
Trade payables	69,779	71,771	93,209
Other payables and accruals	174,272	175,943	69,098
Provisions	25,158	25,298	23,815
Borrowings - secured	67,034	120,564	43,150
Tax liabilities	1,701	1,902	1,510
	<u>394,271</u>	<u>421,182</u>	<u>230,782</u>
TOTAL LIABILITIES	<u>736,652</u>	<u>756,236</u>	<u>338,230</u>
TOTAL EQUITY AND LIABILITIES	<u>1,085,276</u>	<u>1,142,995</u>	<u>806,112</u>
Net assets per ordinary share attributable to equity holders of the Company (RM)	<u>0.77</u>	<u>0.86</u>	<u>1.03</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Attributable to the Equity Holders of the Company									
	Issued capital RM'000	Capital reserve RM'000	Reserves			Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Available-for-sale reserve RM'000			Share option reserve RM'000	Warrant reserve RM'000						
Current 9 months ended										
31 December 2018 (unaudited)										
As at 1 April 2018, as previously reported	227,338	91,037	2	3,464	20,227	344	32,369	374,781	(2,168)	372,613
Effect of adoption of the MFRS Framework	-	-	(2)	-	-	-	14,148	14,146	-	14,146
As at 1 April 2018, as restated	227,338	91,037	-	3,464	20,227	344	46,517	388,927	(2,168)	386,759
Loss for the financial period	-	-	-	-	-	-	(37,583)	(37,583)	(539)	(38,122)
Other comprehensive income for the financial period	-	-	-	-	-	(13)	-	(13)	-	(13)
Total comprehensive loss for the financial period	-	-	-	-	-	(13)	(37,583)	(37,596)	(539)	(38,135)
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	-	(328)	-	-	328	-	-	-
As at 31 December 2018	227,338	91,037	-	3,136	20,227	331	9,262	351,331	(2,707)	348,624

	Attributable to the Equity Holders of the Company									
	Issued capital RM'000	Capital reserve RM'000	Reserves			Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Available-for-sale reserve RM'000			Share option reserve RM'000	Warrant reserve RM'000						
Preceding 9 months ended										
31 December 2017 (unaudited)										
As at 1 April 2017	227,338	91,037	-	4,520	20,227	343	125,139	468,604	(722)	467,882
Loss for the financial period	-	-	-	-	-	-	(26,082)	(26,082)	(2,770)	(28,852)
Other comprehensive loss for the financial period	-	-	(11)	-	-	-	-	(11)	-	(11)
Total comprehensive loss for the financial period	-	-	(11)	-	-	-	(26,082)	(26,093)	(2,770)	(28,863)
ESOS forfeited during the financial period	-	-	-	(1,056)	-	-	1,056	-	-	-
Non-controlling interests arising from the acquisition of a new	-	-	-	-	-	-	-	-	2,891	2,891
Arising from dilution of interest in existing subsidiary company	-	-	-	-	-	-	2	2	(2)	-
As at 31 December 2017	227,338	91,037	(11)	3,464	20,227	343	100,115	442,513	(603)	441,910

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 31 DECEMBER 2018**

	9 months ended 31.12.2018 RM'000 unaudited	9 months ended 31.12.2017 RM'000 (restated)
<u>Cash Flows from Operating Activities</u>		
Loss before taxation	(36,846)	(26,188)
Adjustments for:		
Depreciation of property, plant and equipment	943	1,553
Property, plant and equipment written off	2,892	33
Inventory written off	46	-
Bad debts written off	12,235	-
Realised foreign exchange loss	778	-
Loss on disposal of an associated company	-	35,332
Gain on disposal of subsidiary companies	-	(2,278)
(Gain)/Loss on disposal of property, plant and equipment	(3)	3
Allowance for doubtful debts no longer required	(142)	(1,684)
Share of results of associated companies	-	(38,395)
Interest expenses	3,558	11,879
Interest income	(2,174)	(3,425)
Operating loss before working capital changes	(18,713)	(23,170)
Decrease/(Increase) in:		
Inventories	(42,819)	(217,913)
Contract assets	(2,229)	14,712
Receivables	94,583	22,600
Increase/(Decrease) in:		
Contract liabilities	33,303	349
Payables	5,372	24,452
Cash generated from/(used in) operations	69,497	(178,970)
Interest received		
Interest paid	2,174	3,425
Liquidated and ascertained damages paid	(11,977)	(11,903)
Bumiputra quota penalties paid	(140)	(3,201)
Tax paid	-	(770)
	(3,442)	(382)
	(13,385)	(12,831)
Net cash generated from/(used in) operating activities	56,112	(191,801)
<u>Cash Flows from Investing Activities</u>		
Purchase of property, plant and equipment	(503)	(5,230)
Purchase of investment properties	(1,740)	-
Proceeds from disposal of property, plant and equipment	4	48
Proceeds from disposal of subsidiary companies	-	7,102
Proceeds from disposal of an associated company	-	39,000
Net cash outflow on acquisition of a new subsidiary company	-	(793)
Repayment from an associated company	-	146,040
Advances to joint ventures	-	(12,023)
Decrease/(Increase) of short-term funds	10,329	(15,235)
(Placement)/Withdrawal of fixed deposits	(1,483)	88
Net cash from investing activities	6,607	158,997
<u>Cash Flows from Financing Activities</u>		
Drawdown of bank borrowings	56,985	104,582
Repayment of bank borrowings	(113,111)	(12,637)
Proceeds from issuance of shares to non-controlling interests	-	2,891
Repayment of hire-purchase creditors	(139)	(284)
Net cash (used in)/from financing activities	(56,265)	94,552
Net increase in cash and cash equivalents	6,454	61,748
Currency translation differences	(13)	-
Cash and cash equivalents at beginning of financial period	128,109	78,538
Cash and cash equivalents at end of financial period	134,550	140,286
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	146,816	156,207
Fixed deposits with licensed banks	14,322	8,060
Bank overdraft	(12,766)	(16,421)
	148,372	147,846
Less: Fixed deposits pledged	(13,822)	(7,560)
	134,550	140,286

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to this interim financial statements.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

1. BASIS OF PREPARATION

The interim financial statements of Global Oriental Berhad (“GOB” or “Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

The Group is adopting the MFRS framework for the current financial period beginning 1 April 2018 and MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards has been applied. The Group has consistently applied the same accounting policies in its opening MFRS Statement of Financial Position as at 1 April 2017 and throughout all comparable interim financial statements presented, as if these policies had always been in effect.

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2018, except for the compliance with the new/revised Malaysian Financial Reporting Standards (“MFRSs”) that are effective for the financial period beginning on or after 1 January 2018.

The Group has adopted the following amendments/improvements to MFRSs that are mandatory:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standard (Annual Improvement to MFRS Standards 2014 – 2016 Cycle)
MFRS 2	Classification and Measurement of Share-based Payment Transactions
MFRS 128	Investment in Associates and Joint Ventures (Annual Improvement to MFRS Standards 2014 – 2016 Cycle)
MFRS 140	Transfer of Investment Property

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INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2018

The effect arising from the adoption of MFRS Framework on the financial statements is as follows:

	As Previously Reported RM'000	Effect of Transitioning to MFRS RM'000	As Restated RM'000
<u>As at 1 April 2017</u>			
Non-current assets			
Land held for property development	72,430	(72,430)	-
Inventories	-	72,430	72,430
Current assets			
Property development costs	61,086	(61,086)	-
Inventories	71,124	61,086	132,210
Accrued billings	16,249	(16,249)	-
Contract assets	-	16,249	16,249
<u>As at 31 March 2018</u>			
Non-current assets			
Land held for property development	252,868	(252,868)	-
Inventories	-	252,868	252,868
Current assets			
Property development costs	306,531	(306,531)	-
Inventories	64,488	323,356	387,844
Current liabilities			
Progress billings	23,025	(23,025)	-
Contract liabilities	-	25,704	25,704
Equity			
Available-for-sale reserve	2	(2)	-
Retained earnings	32,369	14,148	46,517

The Group has not elected for early adoption of the following new and amended MFRSs and IC Interpretations relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 31 March 2019:

Effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interest in Joint Ventures and Associates
Amendments to MFRS 3 and MFRS 11	Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 112	Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement

Amendments to MFRS 123 Borrowing Costs Eligible for Capitalisation (Annual
Improvements to MFRSs 2015-2017 Cycle)

Effective date deferred to a date to be determined by MASB:

Amendments to MFRS 10 Sale or Contribution of Assets between an Investor and its
and MFRS 128 Associate or Joint Venture

These new and amended MFRSs and IC Interpretations are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application.

2. AUDITORS' REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 31 December 2018 was not affected by any significant seasonal or cyclical fluctuations.

4. 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.

5. CHANGES IN ESTIMATES

There were no changes in estimates during the quarter under review that had a material effect on the interim financial statements.

6. DEBT AND EQUITY SECURITIES

During the quarter under review, no ordinary shares were allotted to the employees of the Group as no ESOS option was exercised. As at 31 December 2018, a total of 5,993,104 ESOS options to subscribe for ordinary shares remain unexercised.

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

7. DIVIDENDS PAID

There were no dividends paid or declared during the quarter under review.

8. SEGMENTAL INFORMATION

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and	holding			
	RM'000	RM'000	distribution	RM'000	RM'000	RM'000	RM'000
Results For 9 Months Ended							
31 December 2018							
Revenue							
External sales	85,134	-	16,913	-	2,142	-	104,189
Inter-segment sales	-	5,732	-	-	-	(5,732)	-
	<u>85,134</u>	<u>5,732</u>	<u>16,913</u>	<u>-</u>	<u>2,142</u>	<u>(5,732)</u>	<u>104,189</u>
Results							
Segment results	(12)	(309)	1,618	(3,133)	(12,911)	(18,541)	(33,288)
Unallocated expenses:							
- Finance costs							(3,558)
Loss before tax							(36,846)
Taxation							(1,276)
Loss for the financial period							<u>(38,122)</u>

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and	holding			
	RM'000	RM'000	distribution	RM'000	RM'000	RM'000	RM'000
Results For 9 Months Ended							
31 December 2017							
Revenue							
External sales	25,813	-	16,678	-	15,926	-	58,417
Inter-segment sales	-	8,975	-	-	-	(8,975)	-
	<u>25,813</u>	<u>8,975</u>	<u>16,678</u>	<u>-</u>	<u>15,926</u>	<u>(8,975)</u>	<u>58,417</u>
Results							
Segment results	(693)	(1,190)	2,158	3,309	(15,070)	(5,886)	(17,372)
Loss on disposal of an associated company							
	-	-	-	(35,332)	-	-	(35,332)
Unallocated expenses:							
- Finance costs							(11,879)
- Share of results of an associated company							38,395
Loss before tax							(26,188)
Taxation							(2,664)
Loss for the financial period							<u>(28,852)</u>

9. CARRYING AMOUNT OF REVALUED ASSETS

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

There has been no change to the valuations of the property, plant and equipment since the audited financial statements for the year ended 31 March 2018.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the reporting period, except as follows:

On 13 February 2019, the Group entered into a Share Sale Agreement with Kgrill Malaysia Sdn Bhd, for the disposal of 687,500 ordinary shares, representing 91.7% equity interest in Strategic Delight Sdn Bhd for a cash consideration of RM1.00.

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at the date of this report, there were no material contingent liabilities except as follows:

Corporate guarantee amounting to RM183.7 million given by our Company to financial institutions for credit facilities granted to our subsidiaries.

13. CAPITAL COMMITMENTS

There were no material capital commitments as at the date of this report.

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

1. REVIEW OF PERFORMANCE

a) Financial review for current quarter and financial year to date

	Individual Period		Changes	Cumulative Period		Changes
	Current Year Quarter 31.12.2018	Preceding Year Corresponding Quarter 31.12.2017		Current Year To Date 31.12.2018	Preceding Year To Date 31.12.2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	41,925	17,530	139%	104,189	58,417	78%
Operating loss	(18,668)	(7,755)	-141%	(33,288)	(52,704)	37%
Loss before tax	(19,517)	(12,702)	-54%	(36,846)	(26,188)	-41%
Loss after tax	(19,982)	(14,607)	-37%	(38,122)	(28,852)	-32%
Loss attributable to owners of the Company	(19,793)	(13,100)	-51%	(37,583)	(26,082)	-44%

Current Quarter

For the current quarter, the Group registered higher revenue of RM41.9 million compared to RM17.5 million of the preceding year corresponding quarter. The increase in revenue was mainly attributed to sales recognition from a development project in Kuala Lumpur.

However, the Group recorded higher loss before tax of RM19.5 million for the current quarter under review compared to RM12.7 million of the preceding year corresponding quarter. The higher loss was mainly due to higher operating expenses incurred.

Year-to-date (9 months)

The Group achieved higher revenue of RM104.2 million compared to RM58.4 million of the preceding year corresponding period. The increase in revenue was mainly attributed to sales recognition from a development project in Kuala Lumpur.

Despite the improved revenue, the Group recorded higher loss before tax of RM36.8 million compared to the preceding year corresponding period's loss before tax of RM26.2 million. The higher loss was mainly due to lower other operating income.

b) Financial review for current quarter compared with immediate preceding quarter

	Current Year Quarter 31.12.2018 RM'000	Immediate Preceding Quarter 30.09.2018 RM'000	Changes %
Revenue	41,925	34,409	22%
Operating loss	(18,668)	(6,412)	-191%
Loss before tax	(19,517)	(9,152)	-113%
Loss after tax	(19,982)	(9,495)	-110%
Loss attributable to owners of the Company	(19,793)	(9,326)	-112%

Compared against the immediate preceding quarter, the Group's revenue was higher at RM41.9 million against RM34.4 million but despite that, loss before tax was higher at RM19.5 million against RM9.2 million recorded previously. The increase in revenue was mainly due to higher sales recognition of a development project in Kuala Lumpur while the higher loss incurred was mainly due to higher operating expenses incurred.

2. COMMENTARY ON PROSPECTS

The Group expects the property market to remain sluggish amid challenging economic and financial conditions for 2019. The prevailing issues concerning purchasers' affordability and also prudent financing criteria still constitute critical influencing factors apart from overhang residential situation.

Nevertheless, the Group continues to prudently manage the ongoing projects in Klang Valley which generate significant revenue and contribution towards the financial performance for financial year ending 31 March 2019 and beyond.

3. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the financial year under review.

4. TAXATION

	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000	Current Year To Date 31.12.2018 RM'000	Preceding Year To Date 31.12.2017 RM'000
Current period taxation	551	1,922	1,368	2,759
Deferred taxation	(86)	(17)	(92)	(95)
	465	1,905	1,276	2,664

The effective tax rate is not reflective of the statutory tax rate principally due to the restriction in the group relief available in respect of losses incurred by certain subsidiary companies and expenses which were not deductible for tax purposes.

5. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this report.

6. BORROWINGS AND DEBT SECURITIES

	As at 31.12.2018		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Bank borrowings			
- Ringgit Malaysia	111,925	49,118	161,043
- Singapore Dollar (1 : 3.0346)	17,217	4,956	22,173
Hire-purchase creditors	396	194	590
Bank overdrafts	-	12,766	12,766
	129,538	67,034	196,572

	As at 31.12.2017		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Redeemable preference shares	961	-	961
Bank borrowings	115,826	96,751	212,577
Hire-purchase creditors	596	179	775
Bank overdrafts	-	16,421	16,421
	117,383	113,351	230,734

All borrowings were denominated in Ringgit Malaysia and Singapore Dollar and were fully secured.

7. CHANGES IN MATERIAL LITIGATION

The Company and its subsidiary companies are not engaged, either as plaintiff or defendant, in any litigation which has a material effect since the date of the last annual statement of financial position to the date of this report. The Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceeding which might materially and/or adversely affect the position or business of the Group.

8. DIVIDEND

No dividend has been proposed or declared for the current quarter.

9. EARNINGS PER SHARE

a) Basic

The basic earnings per share is calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares in issue during the financial period.

	Current Year Quarter 31.12.2018	Preceding Year Corresponding Quarter 31.12.2017	Current Year To Date 31.12.2018	Preceding Year To Date 31.12.2017
Loss attributable to equity holders of the Company (RM'000)	(19,793)	(13,100)	(37,583)	(26,082)
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	(4.35)	(2.88)	(8.27)	(5.74)

b) Diluted

ESOS granted and warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.

10. PROFIT/(LOSS) BEFORE TAX

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

	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 RM'000	Current Year To Date 31.12.2018 RM'000	Preceding Year To Date 31.12.2017 RM'000
After Charging:				
Interest expenses	849	4,947	3,558	11,879
Depreciation and amortisation	316	308	943	1,553
Property, plant and equipment written off	2,888	-	2,892	33
Inventory written off	46	-	46	-
Bad debts written off	12,235	-	12,235	-
Loss on disposal of property, plant and equipment	-	-	-	3
Loss on disposal of an associated company	-	-	-	35,332
Realised foreign exchange loss	315	-	778	-
After Crediting:				
Interest income	657	1,744	2,174	3,425
Gain on disposal of property, plant and equipment	-	-	3	-
Gain on disposal of subsidiary companies	-	-	-	2,278

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Allowance for doubtful debts no longer required	142	1,684	142	1,684
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There were no gain or loss on disposal of quoted investment, gain or loss on derivatives and exceptional items for the current quarter under review.

11. AUTHORISATION FOR ISSUE

These interim financial statements have been authorised by the Board of Directors for issuance in accordance with a resolution of the Directors duly passed at the Board of Directors' Meeting held on 28 February 2019.

By Order of the Board
Chin Pei Fung (MAICSA 7029712)
Company Secretary
Selangor Darul Ehsan
28 February 2019