KARAMBUNAI CORP BHD (6461-P)

Condensed Consolidated Statement of Comprehensive Income
For Financial Year Ended 31 March 2019
(The figures have not been audited.)

	Current quarter ended 31/3/2019 RM'000	Preceding year corresponding quarter ended 31/3/2018 RM'000	Current year-to-date ended 31/3/2019 RM'000	Preceding year-to-date ended 31/3/2018 RM'000
Revenue	19,684	21,112	68,843	79,410
Cost of sales	(7,392)	(10,954)	(25,315)	(36,303)
Gross profit	12,292	10,158	43,528	43,107
Other income	10,456	7,023	20,878	19,887
Operating expenses	(11,450)	(10,096)	(52,734)	(31,382)
Profit from operations	11,298	7,085	11,672	31,612
Finance costs	(39)	(5)	(49)	(19)
Profit before taxation	11,259	7,080	11,623	31,593
Taxation	(2,340)	12,776	(2,143)	13,330
Profit after taxation	8,919	19,856	9,480	44,923
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
- Foreign currency translation differences	(894)	2	(1,211)	1
Items that will not be reclassified subsequently to profit or loss				
- Adjustment of deferred tax on asset revaluation reserve	5,691	6,632	5,691	6,632
- Revaluation deficit on land and buildings	(23,713)	(27,635)	(23,713)	(27,635)
- Income tax relating to components of other comprehensive income	-	(560)	-	(560)
	(18,022)	(21,563)	(18,022)	(21,563)
Total other comprehensive income for the year	(18,916)	(21,561)	(19,233)	(21,562)
Total comprehensive income for the year	(9,997)	(1,705)	(9,753)	23,361
Profit after taxation attributable to :-				
Owners of the Company	8,919	19,856	9,480	44,923
Non-controlling interest	-	-	-	-
	8,919	19,856	9,480	44,923
Total comprehensive income attributable to :-				
Owners of the Company	(9,997)	(1,705)	(9,753)	23,361
Non-controlling interest	-	-	-	-
	(9,997)	(1,705)	(9,753)	23,361
Earnings per share (sen)				
Basic	0.15	0.34	0.16	0.78
Diluted	0.15	0.34	0.16	0.78

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Statement of Financial Position
As at 31 March 2019

	(Unaudited) As at 31/3/2019	(Audited) As at 31/3/2018
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	210,300	892,965
Land held for property development	439,753	439,753
Financial asset at fair value through other comprehensive income	60	60
Goodwill on consolidation	14,937	14,937
Right-of-use assets	647,817	-
	1,312,867	1,347,715
Current Assets		
Inventories	3,479	4,344
Trade receivables	1,905	1,574
Other receivables	4,855	4,547
Fixed deposits with licensed banks	6,154	15,498
Cash and bank balances	19,081	22,421
Short term investment funds	7,842	-
	43,316	48,384
TOTAL ASSETS	1,356,183	1,396,099
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	655,618	655,618
Reserves	208,042	217,795
TOTAL EQUITY	863,660	873,413
Non-Current Liabilities		
Finance lease payables	347	113
Lease liabilities	1,994	-
Contract liabilities	1,167	1,193
Amount owing to a shareholder	241,039	242,622
Other payables	-	9,086
Deferred tax liabilities	208,250	211,671
	452,797	464,685
Current Liabilities		
Trade payables	24,882	30,012
Other payables	13,128	20,844
Finance lease payables	182	236
Lease liabilities	424	-
Contract liabilities	28	27
Bank borrowings	-	3,897
Taxation	1,082	2,985
	39,726	58,001
TOTAL LIABILITIES	492,523	522,686
TOTAL EQUITY AND LIABILITIES	1,356,183	1,396,099
NET ASSETS PER SHARE (SEN)	14.95	15.12

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Statement of Changes in Equity
For Financial Year Ended 31 March 2019
(The figures have not been audited.)

	Attributable to owners of the parent							
	Non-distributable							
	Share Capital	Share Premium	Capital Reserves	Warrant Reserves	Asset Revaluation Reserves	Foreign Currency Translation Reserves	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 01/04/2018	655,618	-	269,918	69,529	182,203	(2,851)	(301,004)	873,413
Profit for the year	-	-	-	-	-	-	9,480	9,480
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	(1,211)	-	(1,211)
Adjustment of deferred tax on asset revaluation reserve	-	-	-	-	5,691	-	-	5,691
Revaluation deficit on land and buildings	-	-	-	-	(23,713)	-	-	(23,713)
Total other comprehensive income for the year	-	-	-	-	(18,022)	(1,211)	-	(19,233)
As at 31/3/2019	655,618	-	269,918	69,529	164,181	(4,062)	(291,524)	863,660
As at 01/04/2017	577,659	77,959	269,918	69,529	203,766	(2,852)	(345,927)	850,052
Profit for the year	-	-	-	-	-	-	44,923	44,923
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	1	-	1
Adjustment of deferred tax on asset revaluation reserve	-	-	-	-	6,632	-	-	6,632
Revaluation deficit on land and buildings	-	-	-	-	(27,635)	-	-	(27,635)
Income tax relating to components of other comprehensive income	-	-	-	-	(560)	-	-	(560)
Total other comprehensive income for the year	-	-	-	-	(21,563)	1	-	(21,562)
Transactions with Owners of the Company:								
Effect of adoption of the Companies Act, 2016, representing total transactions with Owners of the Company	77,959	(77,959)	-	-	-	-	-	-
As at 31/3/2018	655,618	-	269,918	69,529	182,203	(2,851)	(301,004)	873,413

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Statement of Cash Flows
For Financial Year Ended 31 March 2019
(The figures have not been audited.)

	Current year-to-date ended 31/3/2019 RM'000	Corresponding year-to-date ended 31/3/2018 RM'000
Profit before tax	11,623	31,593
Adjustment for non-cash items:-		
Depreciation and amortisation	14,189	14,444
Finance costs	49	19
Impairment loss on receivables	71	491
Interest income	(968)	(1,020)
Loss/(gain) on disposal of property, plant and equipment	64	(70)
Net changes in provision for employee benefits	(26)	86
Reversal of impairment loss on receivables	(298)	(454)
Unrealised gain on foreign exchange	(850)	(2,680)
Write-off of:		
- bad debts	118	8
- inventories	10	7
- property, plant and equipment	79	19
Operating profit before working capital changes	24,061	42,443
Changes in working capital :-		
Inventories	855	407
Receivables	(530)	8,912
Payables	(20,827)	(80,333)
Cash generated from/(used in) operations	3,559	(28,571)
Income tax paid	(1,776)	(2,284)
Interest paid	(49)	(19)
Interest received	968	1,020
Net cash generated from/(used in) operating activities	2,702	(29,854)
Investing activities		
(Additions)/withdrawal of pledged fixed deposits	(20)	514
Proceeds from disposal of property, plant and equipment	198	70
Purchase of property, plant & equipment	(467)	(461)
Net cash (used in)/generated from investing activities	(289)	123
Financing activities		
(Repayment to)/Advances from a shareholder	(1,583)	47,641
Payment of bank borrowing	(4,152)	(2,358)
Payment of finance lease liabilities	(262)	(261)
Payment of lease liabilties	(67)	-
Net cash (used in)/generated from financing activities	(6,064)	45,022
Net change in cash and cash equivalents	(3,651)	15,291
Cash and cash equivalents at beginning of the year	33,658	18,366
Foreign currency translation differences	(1,211)	1
Cash and cash equivalents at end of the year	28,796	33,658
Cash and cash equivalents at end of the year consist of:		
Fixed deposits with licensed banks	6,154	15,498
Cash and bank balances	19,081	22,421
Short term investment funds	7,842	-
	33,077	37,919
Less : fixed deposits pledged	(4,281)	(4,261)
	28,796	33,658

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.)

Part A - Notes In Compliance with MFRS 134

A1. Basis of Preparation and Accounting Policies

The quarterly consolidated financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2018. The explanatory notes attached to the quarterly consolidated 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 quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These interim financial statements for the financial year ended 31 March 2019 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), including *MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards*. The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2018, being the transition date, and throughout the period presented. As the requirements under the previous Financial Reporting Standards Framework were equivalent to the MFRS Framework, there is no significant impact of the transition to MFRS on the Group reported financial position, performance and cash flows.

a) Adoption of new and amended standards

The Group and the Company have adopted the following amendments to MFRSs and IC Interpretations ("IC") issued by the Malaysian Accounting Standards Board that are mandatory for annual financial periods beginning on or after 1 January 2018 and 1 January 2019.

Description	**Effective for annual periods beginning on or after**
MFRS 9 *Financial Instruments*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
MFRS 16 *Leases*	1 January 2019
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	1 January 2018
Amendments to MFRS 15 *Clarifications to MFRS 15 Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 140 *Transfers of Investment Property*	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018

A1. Basis of Preparation and Accounting Policies (Cont'd)

a) Adoption of new and amended standards (cont'd)

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group and the Company except as follows:

MFRS 9 *Financial Instruments*

MFRS 9, which replaces MFRS 139 Financial Instruments: Recognition and Measurement, sets out the requirements for recognising and measuring financial instruments. The major changes introduced by MFRS 9 (that are relevant to the Group) relate to the classification and measurement of financial asset. Under MFRS 9:-

- Financial assets are classifies as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis the business model within which they are held and their contractual cash flow characteristics. The adoption of the new guidance did not significantly affect the existing classification and measurement of financial assets of the Group.

- Impairment loss on financial assets is recognised using the new "expected credit loss" model as opposed to "incurred credit loss" model currently used in MFRS 139. Under the new model, expected credit losses are recognised for financial assets using reasonable and supportable historical and forward-looking information even before a loss event occurs. The additional impairment losses using the new impairment model were not material to the Group

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15, which replaces MFRS 111 *Construction Contracts*, MFRS 118 *Revenue* and other related interpretations, establishes a single comprehensive model for revenue recognition. Under MFRS 15, revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. As asset is transferred when (or as) the customer obtains control of that asset. Revenue is recognised either over time or at the point in time depending on the timing of transfer of control. The adoption of the new revenue recognising model did not significantly affect the previous practice of recognising revenue from the sale of goods or rendering of services based on the transfer of risks and rewards which generally coincides with the transfer of control at a point in time.

b) Early adoption of new and amended standard

MFRS 16 *Leases*

The Group has elected to early adopt MFRS 16 *Leases* which will take effect on or after 1 January 2019.

MFRS 16 replaces the guidance in MFRS 117 *Leases*, IC Interpretation 4: *Determination whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases – Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. ROU asset is depreciated throughout the lease period in accordance with the depreciation requirements of MFRS 116 *Property, Plant and Equipment* whereas lease liability is accredited to reflect interest and is reduced to reflect lease payments made.

A1. Basis of Preparation and Accounting Policies (Cont'd)

b) Early adoption of new and amended standard (cont'd)

MFRS 16 *Leases* (cont'd)

Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

As permitted by the transitional provision of MFRS 16, the Group has elected to recognize the cumulative effects of the initial application of the standard at the date of initial application.

The effect arising from the early adoption of MFRS 16 on the financial statements of the Group is disclosed in Note A13.

c) Standards and Amendments in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments, which were in issue but not yet effective and not early adopted by the Group are as listed below.

Description	**Effective for annual periods beginning on or after**
MFRS 17 *Insurance Contracts*	1 January 2021
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The Directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

A2. Audit Report of Previous Financial Statements

The audit report of previous financial statements for the year ended 31 March 2018 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group's leisure and tourism business segment are subject to seasonal fluctuations, generally performs better with higher sales during festive seasons and holidays.

A4. Unusual Items

There were no items affecting assets, liabilities, equities, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and twelve months ended 31 March 2019.

A5. Nature and Amount of Changes in Estimates

There were no material changes in estimates of amounts reported in previous financial years which have a material effect for the current quarter and twelve months ended 31 March 2019.

A6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and twelve months ended 31 March 2019.

A7. Dividend Paid

No dividend has been paid for the current quarter and twelve months ended 31 March 2019.

A8. Segmental Information

	3 months ended			
	31/3/2019 Revenue	31/3/2019 Operating Profit / (Loss)	31/3/2018 Revenue	31/3/2018 Operating Profit / (Loss)
	RM'000	RM'000	RM'000	RM'000
Leisure and tourism	18,604	2,706	20,471	5,945
Property development and construction	1,079	(1,304)	641	700
Management services	1	9,857	-	435
	19,684	11,259	21,112	7,080

	12 months ended			
	31/3/2019 Revenue	31/3/2019 Operating Profit / (Loss)	31/3/2018 Revenue	31/3/2018 Operating Profit / (Loss)
	RM'000	RM'000	RM'000	RM'000
Leisure and tourism	66,854	1,602	77,744	25,633
Property development and construction	1,985	514	1,666	5,110
Management services	4	9,507	-	850
	68,843	11,623	79,410	31,593

A9. Valuation of Property, Plant and Equipment

The Group carried out independent valuation on certain parcels of land held under property, plant and equipment and/or right-of-use assets during the financial year ended 31 March 2019. The net fair value changes arising from the valuation was recognised in the statement of comprehensive income for the financial year ended 31 March 2019.

Save as disclosed above, there were no changes to the valuation of property, plant and equipment brought forward from the last audited financial statements for the financial year ended 31 March 2018.

A10. Material Subsequent Events

There were no material subsequent events occurred between 1 April 2019 and 25 May 2019 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) that have not been reflected in this interim financial report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and twelve months ended 31 March 2019.

A12. Changes in Contingent Liabilities or Contingent Assets

Save as disclosed below, there were no material changes in contingent liabilities or contingent assets of the Group and the Company since the financial year ended 31 March 2018:

	As at 31/3/2019	As at 31/3/2018
	RM'000	RM'000
Contingent liabilities		
Unsecured:		
Corporate guarantee given to licensed banks to secure banking facilities granted to a subsidiary company	-	3,897

A13. Effect on adoption of MFRS 16

The effect on the early adoption of MFRS 16 *Leases* is as follow:

	As at 31 March 2018	**Effects on adoption of MFRS 16**	**As at 1 April 2018**
	RM'000	**RM'000**	**RM'000**
Non-current assets			
Property, plant and equipment	892,965	(673,876)	219,089
Right-of-use assets	-	673,876	673,876

Part B - Notes in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of the Performance of the Company and Its Principal Subsidiaries

3 months ended 31 March 2019

Revenue for the three months ended 31 March 2019 declined 6.8% to RM19.68 million from RM21.11 million a year ago, attributed largely to the drop in the Leisure and Tourism segment revenue, which recorded a drop of 9.1% from RM20.47 million to RM18.60 million on closure of rooms for refurbishment and a softer market which saw a notable decline in tourist arrivals from the Korean market.

Room occupancy has dropped a few percentage points but remained healthy with a marginal increase in the average room rate. Nexus Resort & Spa Karambunai continues with its refurbishment plan and saw a completion of refurbishment of 51 rooms at Level 3 Ocean Wing block during the current quarter under review.

On profitability, the Group recorded a profit before taxation of RM11.26 million for the three months ended 31 March 2019 from RM7.08 million a year earlier, attributed largely to an one-off reversal of liability no longer required amounted to RM9.2 million in the Management Services segment, offset by lower performance in the Leisure and Tourism and Property Development and Construction segments.

Leisure and Tourism segment reported a profit before taxation of RM2.71 million from RM5.95 million a year ago, on lower revenue and a non-recurring expenditure on room refurbishment of RM1.53 million.

Property Development and Construction segment recorded a loss before taxation of RM1.30 million largely on depreciation and amortisation charge and overhead cost. The RM0.70 million profit before taxation recorded a year ago was attributed largely to the reversal of provisions no longer required.

12 months ended 31 March 2019

The Group achieved RM68.84 million revenue for the 12 months ended 31 March 2019 from RM79.41 million a year ago, a drop of RM10.57 million (13.3 %), attributed largely to the drop in the Leisure and Tourism segment revenue.

Revenue from the Leisure & Tourism segment declined RM10.89 million (14.0%) on closure of Nexus Resort & Spa Karambunai rooms for refurbishment and a softer market which saw a decline in the tourist arrivals from the Korean and China markets. Room occupancy has dropped a few percentage points but remained healthy with a steady rise in the average room rate.

Revenue from Property Development and Construction segment was negligible as the Group does not have any on-going development amidst the current soft property market.

On profitability, the Group registered a profit before taxation of RM11.62 million for the 12 months ended 31 March 2019 from RM31.59 million a year ago, a drop of RM19.97 million on lower performance by the Leisure and Tourism, and Property Development and Construction segments, offset by an increase in Management Services segment.

Leisure and Tourism segment reported a profit before taxation of RM1.60 million for the current year from RM25.63 million a year ago, largely on lower revenue and a non-recurring expenditure on room refurbishment of RM13.01 million. Gross profit margin remains consistent year-on-year and the Group expects a better performance once the room refurbishment exercise is completed.

B1. Review of the Performance of the Company and Its Principal Subsidiaries (Cont'd)

Property Development and Construction segment posted a profit before taxation of RM0.51 million for the current year from RM5.11 million a year ago. As the Group does not have any active development, the current year's result was made up mainly of depreciation and amortisation charge and overhead cost, offset by one-off income on granting of wayleave in one of the Group's property development land to authority. The previous year's result was boosted by several reversals of provision no longer required.

Management services segment recorded a profit before taxation of RM9.51 million from RM0.85 million a year earlier, attributed largely to an one-off reversal of liability no longer required amounted to RM9.2 million.

B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	Current quarter ended 31/3/2019 RM'000	Immediate preceding quarter ended 31/12/2018 RM'000	Changes RM'000
Revenue	19,684	15,247	4,437
Cost of sales	(7,392)	(6,349)	(1,043)
Gross profit	12,292	8,898	3,394
Other income	10,456	228	10,228
Operating expenses	(11,450)	(13,436)	1,986
Profit/(loss) from operations	11,298	(4,310)	15,608
Finance costs	(39)	(4)	(35)
Profit/(loss) before tax	11,259	(4,314)	15,573

The revenue for the current quarter increased by 29.1%, on higher revenue recorded by the Leisure and Tourism segment. Nexus Resort & Spa Karambunai recorded an increase of RM3.39 million (27.2%) in revenue on higher room occupancy and average room rate.

The gross profit margin increased from 58.4% to 62.4%, attributed largely to higher revenue in Nexus Resort & Spa Karambunai.

Other income increased by RM10.2 million, due largely to an one-off reversal of liability no longer required amounted to RM9.2 million which was classified as other income.

Operating expenses dropped by 14.8%, mainly on lower room refurbishment expenditure and reversal of provision.

B3. Prospects

The Group strives to maintain its competitive position as the leading tourism player in Sabah, Malaysia, with its world-class resorts known as Nexus Resort & Spa Karambunai. Currently, the Group is refurbishing its resort and hotel in stages. The refurbishment exercise will enable the Group to enhance the quality and appeal of Nexus Resort & Spa Karambunai to a broader range of international leisure travelers and business meetings. The future performance of the Group's leisure and tourism business hinges on its ability to attract more visitors.

B4. Profit Forecast / Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

B5. Taxation

The taxation charges for current quarter and twelve months ended 31 March 2019 are as follows:

	3 months ended		12 months ended	
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	RM'000	RM'000	RM'000	RM'000
Current taxation	(68)	(8)	(125)	(51)
Deferred taxation	(2,270)	12,772	(2,270)	12,772
	(2,338)	12,764	(2,395)	12,721
(Under)/overprovision in prior years	(2)	12	252	609
	(2,340)	12,776	(2,143)	13,330

The effective tax rate of the Group for the current quarter and twelve months ended 31 March 2019 was lower than the statutory tax rate mainly due to the overprovision of taxation in prior years, certain income which is non-taxable and the availability of unutilised losses and unabsorbed capital allowances for set-off against the taxable profits in certain subsidiaries.

B6. Status of Corporate Proposals Announced But Not Completed as at 25 May 2019 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

There were no corporate proposals announced but not completed.

B7. Bank Borrowings

The details of the Group's bank borrowings are set out below:

	As at 31/3/2019	As at 31/3/2018
	RM'000	RM'000
Secured:		
Syndicated Term Loan		
Current	-	3,897

B8. Material Litigation

There were no unresolved material litigations as at 25 May 2019 (being the latest practicable date which is not more than 7 days from the date of this Quarterly Report).

B9. Dividend

No dividend has been proposed or declared for the current quarter and twelve months ended 31 March 2019.

B10. Profit Before Taxation

	3 months ended		12 months ended	
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging / (crediting):-				
Depreciation and amortisation	3,587	3,593	14,189	14,444
Finance costs	39	5	49	19
Gain on foreign exchange				
- realised	(24)	(9)	(89)	(66)
- unrealised	(850)	(935)	(850)	(2,680)
Impairment loss on receivables	71	491	71	491
Interest income	(228)	(262)	(968)	(1,020)
Loss/(gain) on disposal of property, plant and equipment	121	(19)	64	(70)
Net changes in provision for employee benefits	(26)	86	(26)	86
Reversal of impairment loss on receivables	(169)	(445)	(298)	(454)
Write-off of:				
- bad debts	118	-	118	8
- inventories	1	3	10	7
- property, plant and equipment	4	11	79	19

B11. Outstanding Derivatives

There are no outstanding derivatives (including instruments designated as hedging instruments) as at 31 March 2019.

B12. Fair Value Changes of Financial Liabilities

The Group does not have any material financial liabilities measured at fair value through profit or loss as at 31 March 2019.

B13. Earnings per Share

	3 months ended		12 months ended	
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
<u>Basic earnings per share</u>				
Profit after taxation attributable to owners of parent (RM'000)	8,919	19,856	9,480	44,923
Weighted average number of ordinary shares in issue	5,776,587,696	5,776,587,696	5,776,587,696	5,776,587,696
Basic earnings per share (sen)	0.15	0.34	0.16	0.78

<u>Diluted earnings per share</u>

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential on ordinary shares.

By order of the Board

Yew Nyuk Kwei (MACS 01247)
Company Secretary

Kota Kinabalu
31 May 2019