

# GUH HOLDINGS BERHAD (Company No. 4104-W)

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2018 RM '000	PRECEDING YEAR QUARTER 30/06/2017 RM '000	CURRENT YEAR TO DATE 30/06/2018 RM '000	PRECEDING YEAR TO DATE 30/06/2017 RM '000
Revenue	88,013	90,612	171,710	172,760
Operating expenses	(87,477)	(90,412)	(173,174)	(172,507)
Other operating income	1,681	1,961	2,370	4,662
Finance costs	(354)	(98)	(630)	(142)
Share of profit/(loss) of associates	164	(173)	282	(174)
Profit before tax (Note 18)	2,027	1,890	558	4,599
Tax expense	(1,161)	(3,626)	(1,153)	(4,117)
Profit/(Loss) for the period	866	(1,736)	(595)	482
Profit/(Loss) for the period attributable to:				
Owners of the Company	868	(1,733)	(592)	487
Non-controlling interests	(2)	(3)	(3)	(5)
	866	(1,736)	(595)	482
Earnings/(Loss) per share (sen):				
(a) Basic	0.32	(0.66)	(0.22)	0.18
(b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)

# GUH HOLDINGS BERHAD (Company No. 4104-W)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2018

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30/06/2018 RM '000	PRECEDING YEAR QUARTER 30/06/2017 RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30/06/2018 RM '000	PRECEDING YEAR TO DATE 30/06/2017 RM '000
Profit/(Loss) for the period	866	(1,736)	(595)	482
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
(Loss)/Gain on other investments	-	(207)	-	337
Currency translation differences for foreign operations	(1,100)	(1,945)	(2,363)	(2,938)
Reclassification adjustment on: - Derecognition of other investments	-	-	-	(170)
Other comprehensive income for the period	(1,100)	(2,152)	(2,363)	(2,771)
Total comprehensive income for the period	(234)	(3,888)	(2,958)	(2,289)
Total comprehensive income for the period attributable to:				
Owners of the Company	(232)	(3,885)	(2,955)	(2,284)
Non-controlling interests	(2)	(3)	(3)	(5)
	(234)	(3,888)	(2,958)	(2,289)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)

**GUH HOLDINGS BERHAD** (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	AS AT 30/06/2018 RM '000	AS AT 31/12/2017 RM '000
<b>Non-Current Assets</b>		
Property, Plant and Equipment	151,964	156,057
Investment Properties	33,653	16,458
Investments in Associates	17,621	17,358
Other Investments	1	641
Inventories	168,965	166,594
Deferred Tax Assets	-	55
	<u>372,204</u>	<u>357,163</u>
<b>Current Assets</b>		
Inventories	124,791	127,117
Biological Assets	284	434
Contract Assets	4,983	12,665
Trade and Other Receivables	75,961	80,130
Prepayments	1,492	1,683
Current Tax Assets	3,533	2,214
Cash and Cash Equivalents	105,248	96,220
	<u>316,292</u>	<u>320,463</u>
<b>Current Liabilities</b>		
Contract Liabilities	5,127	1,378
Trade and Other Payables	93,356	99,347
Loans and Borrowings	24,271	25,328
Current Tax Liabilities	2,232	3,811
	<u>124,986</u>	<u>129,864</u>
<b>Net Current Assets</b>	<b>191,306</b>	<b>190,599</b>
<b>Non-Current Liabilities</b>		
Loans and Borrowings	39,184	19,913
Deferred Tax Liabilities	11,707	12,157
	<u>50,891</u>	<u>32,070</u>
<b>Net Assets</b>	<b><u>512,619</u></b>	<b><u>515,692</u></b>
<b>Equity</b>		
Share Capital	277,992	277,992
Treasury Shares	(4,546)	(4,546)
Reserves	239,174	242,244
<b>Equity Attributable to Owners of the Company</b>	<b>512,620</b>	<b>515,690</b>
Non-controlling Interests	(1)	2
<b>Total Equity</b>	<b><u>512,619</u></b>	<b><u>515,692</u></b>
<b>Net Assets per Share Attributable to Owners of the Company (RM)</b>	<b><u>1.87</u></b>	<b><u>1.88</u></b>

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2018

	← Non-Distributable →						Distributable *		Equity attributable to owners of the Company RM '000	Non-controlling interests RM '000	Total equity RM '000
	Share capital RM '000	Treasury shares RM '000	Share premium RM '000	Capital reserve RM '000	Revaluation surplus RM '000	Fair value reserve RM '000	Currency translation reserve RM '000	Retained profits RM '000			
At 31/12/2017	277,992	(4,546)	-	12,807	-	1	37,937	191,499	515,690	2	515,692
Effects of adopting MFRS 9	-	-	-	-	-	(1)	-	(114)	(115)	-	(115)
At 01/01/2018	277,992	(4,546)	-	12,807	-	-	37,937	191,385	515,575	2	515,577
Currency translation differences for foreign operations	-	-	-	-	-	-	(2,363)	-	(2,363)	-	(2,363)
Other comprehensive income for the period	-	-	-	-	-	-	(2,363)	-	(2,363)	-	(2,363)
Loss for the period	-	-	-	-	-	-	-	(592)	(592)	(3)	(595)
Total comprehensive income for the period	-	-	-	-	-	-	(2,363)	(592)	(2,955)	(3)	(2,958)
Transfer to capital reserve **	-	-	-	324	-	-	-	(324)	-	-	-
At 30/06/2018	277,992	(4,546)	-	13,131	-	-	35,574	190,469	512,620	(1)	512,619
At 01/01/2017	277,905	(18,089)	87	12,741	-	(59)	43,478	209,165	525,228	7	525,235
Transfer from share premium upon abolition of par value	87	-	(87)	-	-	-	-	-	-	-	-
Gain on other investments	-	-	-	-	-	337	-	-	337	-	337
Currency translation differences for foreign operations	-	-	-	-	-	-	(2,938)	-	(2,938)	-	(2,938)
Reclassification adjustment on derecognition of other investments	-	-	-	-	-	(170)	-	-	(170)	-	(170)
Other comprehensive income for the period	-	-	-	-	-	167	(2,938)	-	(2,771)	-	(2,771)
Profit/(Loss) for the period	-	-	-	-	-	-	-	487	487	(5)	482
Total comprehensive income for the period	-	-	-	-	-	167	(2,938)	487	(2,284)	(5)	(2,289)
Transfer to capital reserve **	-	-	-	75	-	-	-	(75)	-	-	-
At 30/06/2017	277,992	(18,089)	-	12,816	-	108	40,540	209,577	522,944	2	522,946

\* Retained profits as at 30 June 2018 and 30 June 2017 amounting to RM4,546,000 and RM18,089,000, being the cost of treasury shares, were considered as non-distributable.

\*\* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2018**

	CURRENT YEAR TO DATE 30/06/2018 RM '000	PRECEDING YEAR TO DATE 30/06/2017 RM '000
Cash flows from operating activities		
Profit before tax	558	4,599
Adjustments for:		
Depreciation	7,593	7,254
Dividend income	-	(9)
Gain on derecognition of other investments	-	(170)
Gain on disposal of investment property	-	(60)
Loss on fair value adjustment of contingent consideration	10	264
Interest expense	630	142
Interest income	(1,158)	(1,480)
Inventories written down	176	85
Loss on disposal of property, plant and equipment	23	31
Loss on fair value adjustment of other investments	233	-
Loss on fair value changes in biological assets	150	86
Reversal of impairment loss on receivables	(46)	(98)
Reversal of inventories written down	(163)	(50)
Share of (profit)/loss of associates	(282)	174
Unrealised (gain)/loss on foreign exchange	(791)	1,427
Operating profit before working capital changes	6,933	12,195
Changes in:		
Contract assets	7,682	925
Inventories	519	(20,609)
Receivables and prepayments	5,637	(2,975)
Contract liabilities	3,749	(1,971)
Payables	(6,867)	(533)
Cash generated from/(absorbed by) operations	17,653	(12,968)
Tax paid	(4,264)	(4,797)
Tax refunded	40	143
	(4,224)	(4,654)
Net cash from/(used in) operating activities	13,429	(17,622)
Cash flows from investing activities		
Acquisition of associate	-	(3,000)
Dividends received	-	9
Additions of investment property	(17,109)	(8,851)
Interest received	1,158	1,480
Proceeds from disposal of other investments	407	3,313
Proceeds from disposal of property, plant and equipment	3	16
Proceeds from disposal of investment property	-	460
Purchase of property, plant and equipment	(4,513)	(2,758)
Net cash used in investing activities	(20,054)	(9,331)
Cash flows from financing activities		
Changes in term deposits pledged as security	(2,517)	1,090
Drawdown of term loans	19,271	4,000
Increase in short-term loans and borrowings (net)	3,210	12,159
Interest paid	(1,309)	(142)
Repayment of hire purchase obligations	(129)	(53)
Repayment of term loans	(3,577)	-
Net cash from financing activities	14,949	17,054
Currency translation differences	(1,252)	(2,053)
Net increase/(decrease) in cash and cash equivalents	7,072	(11,952)
Cash and cash equivalents brought forward	92,788	107,685
Cash and cash equivalents carried forward	99,860	95,733
Note:		
Cash and cash equivalents	105,248	97,598
Term deposits pledged as security	(5,388)	(1,865)
	99,860	95,733

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2018**

**1. Basis of Preparation**

The interim financial report has been prepared in accordance with requirements of MFRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017.

The Group adopted the Malaysian Financial Reporting Standards ("MFRS") on 1 January 2018 with a transition date of 1 January 2017. This is the Group's first MFRS compliant interim financial report for the year ending 31 December 2018, and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the year ended 31 December 2017 except for the adoption of the following MFRS:

	<u>Effective for annual periods beginning on or after</u>
MFRS 9 <i>Financial Instruments</i> (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 1 ( <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i> )	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

The adoption of the above MFRS did not have any significant impacts on the financial statements of the Group and the effects of transition from Financial Reporting Standards ("FRS") to MFRS on the reported financial position and financial performance of the Group are as follows:-.

	FRS RM'000	Effects of transition RM'000	MFRS RM'000
<u>Consolidated Statement of Financial Position (Extract)</u>			
<u>As at 1 January 2017</u>			
Investment Properties	9,432	-	9,432
Land Held for Property Development (Non-Current Assets)	153,942	(153,942)	-
Inventories (Non-Current Assets)	-	153,942	153,942
Property Development Costs	61,501	(61,501)	-
Inventories (Current Assets)	48,869	61,501	110,370
Biological Assets	-	569	569
Contract Assets	-	14,768	14,768
Accrued Billings	6,103	(6,103)	-
Amounts Due from Customers for Contract Work	1,843	(1,843)	-
Trade and Other Receivables	83,097	(6,822)	76,275
Contract Liabilities	-	4,841	4,841
Amounts Due to Customers for Contract Work	4,841	(4,841)	-
Deferred Tax Liabilities	13,746	136	13,882
Retained Profits	169,803	39,362	209,165
Revaluation Surplus	38,929	(38,929)	-
Total Equity	524,802	433	525,235
<u>As at 31 December 2017</u>			
Investment Properties	18,714	(2,256)	16,458
Land Held for Property Development (Non-Current Assets)	166,594	(166,594)	-
Inventories (Non-Current Assets)	-	166,594	166,594
Property Development Costs	60,166	(60,166)	-
Inventories (Current Assets)	66,951	60,166	127,117
Biological Assets	-	434	434
Contract Assets	-	12,665	12,665
Accrued Billings	7,761	(7,761)	-
Amounts Due from Customers for Contract Work	481	(481)	-
Trade and Other Receivables	84,553	(4,423)	80,130
Contract Liabilities	-	1,378	1,378
Amounts Due to Customers for Contract Work	1,378	(1,378)	-
Deferred Tax Liabilities	12,099	58	12,157
Retained Profits	154,450	37,049	191,499
Revaluation Surplus	38,929	(38,929)	-
Total Equity	517,572	(1,880)	515,692

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2018**

**1. Basis of Preparation (cont'd)**

Consolidated Statement of Profit or Loss and Statement of Comprehensive Income (Extract)

	FRS RM'000	Effects of transition RM'000	MFRS RM'000
<u>For the quarter ended 30 June 2017</u>			
Administrative expenses	6,596	8	6,604
Other operating expenses	655	(80)	575
Tax expense	3,608	18	3,626
Loss for the period	1,790	(54)	1,736
Total comprehensive income	3,942	(54)	3,888
<u>For the period ended 30 June 2017</u>			
Administrative expenses	11,640	16	11,656
Other operating expenses	2,348	86	2,434
Tax expense	4,070	47	4,117
Profit for the period	631	(149)	482
Total comprehensive income	2,140	149	2,289
<u>For the financial year ended 31 December 2017</u>			
Other operating income	8,431	(2,223)	6,208
Administrative expenses	23,633	33	23,666
Other operating expenses	7,572	135	7,707
Tax expense	7,359	(78)	7,281
Loss for the financial year	1,749	2,313	4,062
Total comprehensive income	7,230	2,313	9,543

**2. Audit Report**

The preceding annual financial statements of the Group were reported on without any qualification.

**3. Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

**4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and period ended 30 June 2018.

**5. Changes in Estimates**

There were no changes in the estimates that have a material effect in the current year quarter and period ended 30 June 2018.

**6. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current year quarter and period ended 30 June 2018.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2018**

**7. Dividend Paid**

No dividend was paid during the current year quarter and period ended 30 June 2018.

**8. Segmental Reporting**

Analysis by activity	Electronic	Property			Utility	Unallocated Non-Operating Segments RM '000	Group RM '000
	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000		
Revenue							
Total revenue	137,965	11,057	4,061	618	18,116	2,758	174,575
Intersegment revenue	-	(55)	(5)	-	(181)	(2,624)	(2,865)
External revenue	137,965	11,002	4,056	618	17,935	134	171,710
Results							
Segment results	2,743	(290)	17	(66)	(389)	(2,267)	(252)
Interest income	927	74	4	-	16	137	1,158
Interest expense	(419)	(111)	-	-	-	(100)	(630)
Share of profit of associates	-	-	-	-	-	282	282
Profit/(Loss) before tax	3,251	(327)	21	(66)	(373)	(1,948)	558
Tax (expense)/income	(985)	(181)	(1)	15	-	(1)	(1,153)
Profit/(Loss) for the period	2,266	(508)	20	(51)	(373)	(1,949)	(595)
Assets							
Segment assets	309,901	267,756	4,962	22,925	18,862	42,936	667,342
Associates	-	-	-	-	-	17,621	17,621
Income tax assets	458	2,605	13	28	426	3	3,533
Total assets	310,359	270,361	4,975	22,953	19,288	60,560	688,496
Liabilities							
Segment liabilities	50,624	16,431	1,420	54	9,862	20,092	98,483
Loans and borrowings	23,042	21,065	-	-	-	19,348	63,455
Income tax liabilities	12,615	103	8	161	-	1,052	13,939
Total liabilities	86,281	37,599	1,428	215	9,862	40,492	175,877

**9. Subsequent Material Events**

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2018**

**10. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the period ended 30 June 2018.

**11. Contingent Liabilities or Contingent Assets**

The Group has no contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date.

**12. Significant Related Party Transactions**

Significant transactions with related parties during the period ended 30 June 2018 are as follows:

	30/06/2018 RM '000
Purchase of goods from other related parties (a)/(b)	4,664
Purchase of property, plant and equipment from other related parties (a)/(b)	44
Receiving of services from other related party (b)	441
Renting of premises from other related party (a)	70
Sale of goods to other related party (a)	833

(a) Being companies in which certain directors have substantial financial interests

(b) Being company in which close family member of certain director has substantial financial interests

**13. Review of the Performance**

Operating Segment	Current Year Quarter 30/06/2018 RM '000	Preceding Year Quarter 30/06/2017 RM '000	Changes RM '000	Current Year To Date 30/06/2018 RM '000	Preceding Year To Date 30/06/2017 RM '000	Changes RM '000
<b>Revenue</b>						
<b>Electronic</b>						
- Manufacture of printed circuit boards	72,431	75,420	(2,989)	137,965	138,282	(317)
<b>Property</b>						
- Property development	7,004	2,063	4,941	11,002	6,855	4,147
- Sale of building materials	1,750	1,880	(130)	4,056	3,914	142
- Cultivation of oil palm	206	297	(91)	618	855	(237)
<b>Utility</b>						
- Water and wastewater treatment	6,560	10,719	(4,159)	17,935	22,575	(4,640)
Unallocated non-operating segments	62	233	(171)	134	279	(145)
<b>Total</b>	88,013	90,612	(2,599)	171,710	172,760	(1,050)
<b>Profit/(Loss) before tax</b>						
<b>Electronic</b>						
- Manufacture of printed circuit boards	3,421	4,242	(821)	3,251	6,487	(3,236)
<b>Property</b>						
- Property development	369	(945)	1,314	(327)	109	(436)
- Sale of building materials	(20)	2	(22)	21	32	(11)
- Cultivation of oil palm	(82)	150	(232)	(66)	307	(373)
<b>Utility</b>						
- Water and wastewater treatment	(413)	(742)	329	(373)	(724)	351
Unallocated non-operating segments	(1,248)	(817)	(431)	(1,948)	(1,612)	(336)
<b>Total</b>	2,027	1,890	137	558	4,599	(4,041)

**a) Current Year Quarter vs Preceding Year Quarter**

The Group recorded a slightly higher profit before tax of RM 2.0 million for the current year quarter ended 30 June 2018 compared to RM 1.9 million for the preceding year quarter mainly due to improved contribution from Property Division partly offset by lower contribution from Electronic Division.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 30 June 2018 compared to the preceding year quarter is as follows:

**i) Manufacture of printed circuit boards**

Profit before tax decreased to RM 3.4 million from RM 4.2 million mainly due to lower contribution from Malaysia operation on weaker USD and higher production costs.

**ii) Property development**

The profit before tax of RM 0.4 million was in contrast to a loss before tax of RM 0.9 million recorded previously mainly due to higher residential property units sold.

**iii) Sale of building materials**

The loss before tax of RM 0.02 million was mainly due to lower purchase incentive.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2018**

**13. Review of the Performance (cont'd)**

iv) Cultivation of oil palm

The loss before tax of RM 0.1 million was in contrast to a profit before tax of RM 0.2 million recorded previously mainly due to lower FFB output and CPO prices.

v) Water and wastewater treatment

Loss before tax decreased to RM 0.4 million from RM 0.7 million mainly helped by better project cost management.

vi) Unallocated non-operating segments

Loss before tax increased to RM 1.2 million from RM 0.8 million mainly due to unfavourable foreign exchange of RM0.5 million.

**b) Current Year To Date vs Preceding Year To Date**

For the period ended 30 June 2018, the Group recorded a lower profit before tax of RM 0.6 million compared to RM 4.6 million for the preceding year to date mainly due to lower contribution from Electronic and Property Divisions.

Detailed analysis of the performance of the Group's operating segments for the period ended 30 June 2018 compared to the preceding year to date is as follows:

i) Manufacture of printed circuit boards

Profit before tax reduced to RM 3.3 million from RM 6.5 million mainly due to the drop in contribution from Malaysia operation on weaker USD and higher production costs.

ii) Property development

Excluding the liquidated ascertained damages claim of RM 1.0 million in preceding year to date, loss before tax reduced to RM 0.3 million from RM 0.9 million in line with higher residential property units sold.

iii) Sale of building materials

Profit before tax reduced to RM 0.02 million from RM 0.03 million mainly due to lower purchase incentive and higher administrative expenses.

iv) Cultivation of oil palm

The loss before tax of RM 0.07 million was in contrast to a profit before tax of RM 0.31 million recorded previously mainly attributed to lower FFB output and CPO prices coupled with higher loss on fair value changes in biological assets of RM 0.06 million.

v) Water and wastewater treatment

Loss before tax reduced to RM 0.4 million from RM 0.7 million mainly due to better project cost management.

vi) Unallocated non-operating segments

Loss before tax increased to RM 1.9 million from RM 1.6 million mainly due to higher loss on fair value adjustment of other investments of RM 0.4 million.

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

	Current Year Quarter 30/06/2018 RM'000	Immediate Preceding Quarter 31/03/2018 RM'000	Changes RM'000
Revenue	88,013	83,697	4,316
Profit/(Loss) Before Tax	2,027	(1,469)	3,496

As compared to the immediate preceding quarter, the Group recorded a profit before tax of RM 2.0 million which was in contrast to a loss before tax of RM 1.5 million recorded previously mainly due to improved contribution from Electronic Division on higher revenue.

**15. Prospects for 2018**

Electronic Division expects better performance on higher demand for PCBs in the second half of 2018.

Property Division foresees property sales to pick up gradually with dynamic sales team and new property launches in the second half of 2018.

Utility Division expects better results on active tendering of new water projects and stringent cost control in the second half of 2018.

Overall, the Group expects a slight improvement in performance for the second half of 2018.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2018**

**16. Variance from Profit Forecast and Profit Guarantee**

The Group has not provided any profit forecast or profit guarantee in a public document.

**17. Revenue**

The revenue is disaggregated by major products or service lines as follows:

Current Year Quarter 30/06/2018							
Segment	Electronic	Property			Utility	Others	Group RM '000
Major products / Service lines	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Interest Income RM '000	
<u>Timing of revenue recognition</u>							
Services transferred over time	-	7,004	-	-	6,560	-	13,564
Products transferred at a point in time	72,431	-	1,750	206	-	-	74,387
Income not within the scope of MFRS 15	-	-	-	-	-	62	62
	72,431	7,004	1,750	206	6,560	62	88,013

Current Year To Date 30/06/2018							
Segment	Electronic	Property			Utility	Others	Group RM '000
Major products / Service lines	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Interest Income RM '000	
<u>Timing of revenue recognition</u>							
Services transferred over time	-	11,002	-	-	17,935	-	28,937
Products transferred at a point in time	137,965	-	4,056	618	-	-	142,639
Income not within the scope of MFRS 15	-	-	-	-	-	134	134
	137,965	11,002	4,056	618	17,935	134	171,710

**18. Profit Before Tax**

	Current Year Quarter 30/06/2018 RM'000	Current Year To Date 30/06/2018 RM'000
Profit before tax is arrived at after charging:		
- Interest expense	354	630
- Depreciation	3,813	7,593
- Impairment loss on receivables	-	-
- Inventories written down	93	176
- Inventories written off	-	-
- Loss on disposal of property, plant and equipment	21	23
- Property, plant and equipment written off	-	-
- Loss on foreign exchange - realised	169	287
- Loss on foreign exchange - unrealised	-	-
- Loss on financial instruments at fair value through profit or loss	-	-
- Loss on fair value adjustment of contingent consideration	41	10
- Loss on fair value adjustment of other investments	-	233
- Loss on fair value changes in biological assets	7	150
- Exceptional items	-	-
and crediting:		
- Interest income	600	1,158
- Dividend income	-	-
- Gain on disposal of property, plant and equipment	-	-
- Gain on disposal of investment property	-	-
- Gain on foreign exchange - realised	-	-
- Gain on foreign exchange - unrealised	1,212	791
- Gain on fair value adjustment of contingent consideration	-	-
- Gain on fair value adjustment of other investments	-	-
- Reversal of impairment loss on receivables	27	46
- Reversal of inventories written down	123	163
- Gain on derivatives	-	-

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FOR THE QUARTER ENDED 30 JUNE 2018**

**19. Taxation**

Taxation comprises:

	Current Year Quarter 30/06/2018 RM '000	Current Year To Date 30/06/2018 RM '000
Income tax	(1,008)	(1,313)
Deferred tax	(41)	272
Real property gains tax	(112)	(112)
	<u>(1,161)</u>	<u>(1,153)</u>

The Group's effective tax rates differ from the statutory tax rate mainly because:

- (i) certain income and expenses which are not taxable and allowable;
- (ii) utilisation of unabsorbed reinvestment allowances by certain subsidiary; and
- (iii) differential tax rates for certain subsidiaries.

**20. Status of Corporate Proposals**

There were no corporate proposals as at the date of this announcement.

**21. Group Borrowings and Debt Securities**

The details of the Group borrowings and debt securities are as follows:

	As at 30 June 2018					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
<b>Secured</b>						
Term Loans	-	34,825	-	4,863	-	39,688
Hire Purchase Payables	-	609	-	116	-	725
	-	35,434	-	4,979	-	40,413
<b>Unsecured</b>						
Term Loan	-	3,750	-	1,250	-	5,000
Revolving Credits	-	-	-	10,000	-	10,000
Foreign Currency Trust Receipts						
- USD283,755 @ 3.922	-	-	1,113	-	1,113	-
- USD385,642 @ 3.980	-	-	1,535	-	1,535	-
Onshore Foreign Currency Loans						
- USD1,119,095 @ 3.922	-	-	4,389	-	4,389	-
- USD252,595 @ 3.980	-	-	1,005	-	1,005	-
	-	3,750	8,042	11,250	8,042	15,000
<b>Total</b>	-	39,184	8,042	16,229	8,042	55,413

	As at 30 June 2017					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
<b>Secured</b>						
Term Loans	-	18,705	-	1,052	-	19,757
Hire Purchase Payables	-	781	-	184	-	965
	-	19,486	-	1,236	-	20,722
<b>Unsecured</b>						
Revolving Credit	-	-	-	7,000	-	7,000
Bankers Acceptance	-	-	-	440	-	440
Foreign Currency Trust Receipts						
- USD363,750 @ 4.3415	-	-	1,579	-	1,579	-
- USD733,344 @ 4.2820	-	-	3,140	-	3,140	-
	-	-	4,719	7,440	4,719	7,440
<b>Total</b>	-	19,486	4,719	8,676	4,719	28,162

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**21. Group Borrowings and Debt Securities (cont'd)**

	As at 30 June 2018			As at 30 June 2017		
	Effective Interest Rate As at 30 June 2018 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 30 June 2017 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
Term Loans	4.86% ~ 6.11%	44,688	-	5.06% ~ 5.88%	19,757	-
Revolving Credit	4.61%	-	10,000	4.38%	-	7,000
Foreign Currency Trust Receipts	3.10% ~ 3.17%	-	2,648	2.10% ~ 2.26%	-	4,719
Onshore Foreign Currency Loans	3.53% ~ 3.60%	-	5,394	-	-	-
Hire Purchase Payables	4.66% ~ 4.83%	-	725	4.66% ~ 4.83%	-	965
Bankers Acceptance	-	-	-	5.09% ~ 5.47%	-	440
<b>Total</b>		<b>44,688</b>	<b>18,767</b>		<b>19,757</b>	<b>13,124</b>
<b>%</b>		<b>70.42%</b>	<b>29.58%</b>		<b>60.09%</b>	<b>39.91%</b>

Compared to the period ended 30 June 2017, the Group's borrowings increased to RM 63.5 million from RM 32.9 million mainly due to the drawdown of term loans to finance property development projects and purchase of machineries while additional onshore foreign currency loans and revolving credit were obtained for working capital purposes.

The short term foreign currency trust receipts and onshore foreign currency loans which are denominated in foreign currency are not hedged as the Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

**22. Financial Instruments**

**a) Derivatives**

There were no outstanding derivatives as at 30 June 2018.

**b) Gains/(Losses) arising from Fair Value Changes of Financial Liabilities**

There were no gains/(losses) arising from fair value changes of financial liabilities for the current year quarter and period ended 30 June 2018.

**c) Fair Value**

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

- i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- iii) Level 3 - unobservable inputs for the asset or liability.

The fair value measurement of financial instruments at the end of the reporting period are as follows:

**i) Other investments**

	30/06/2018 RM '000
Shares quoted in Malaysia - at fair value	1
Unquoted shares - at cost less impairment losses	-
	<u>1</u>

\* Less than RM1,000

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of unquoted investments cannot be reliably measured due to the lack of quoted prices in active markets for identical instruments. In addition, the variability in the range of reasonable fair value measurements is expected to be significant and the probabilities of the various estimates within the range cannot be reasonably assessed.

**ii) Other financial assets and financial liabilities**

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

There were no transfers between Level 1 and Level 2 during the period ended 30 June 2018.

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23. **Material Litigation**

There was no material litigation against the Group as at 30 June 2018.

24. **Proposed Dividend**

No dividend has been proposed or declared for the current year quarter ended 30 June 2018.

25. **Earnings/(Loss) Per Share**

	Current Year Quarter 30/06/2018	Current Year To Date 30/06/2018
Profit/(Loss) attributable to owners of the Company (RM '000)	868	(592)
Number of ordinary shares in issue at the beginning of the period ('000)	274,362	274,362
Effect of shares purchased ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	274,362	274,362
Basic earnings/(loss) per share (sen)	0.32	(0.22)

Diluted earnings/(loss) per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and period ended 30 June 2018.

26. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 20 August 2018.