

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

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

|   | INDIVIDUAL QUARTER                                  |   | CUMULATIVE QUARTER                                  |   |
|---|---|---|---|---|
|   | CURRENT<br>YEAR<br>QUARTER<br>30/09/2018<br>RM '000 | PRECEDING<br>YEAR<br>QUARTER<br>30/09/2017<br>RM '000 | CURRENT<br>YEAR<br>TO DATE<br>30/09/2018<br>RM '000 | PRECEDING<br>YEAR<br>TO DATE<br>30/09/2017<br>RM '000 |
| Revenue                                       | 96,598  | 93,396  | 268,308   | 266,156   |
| Operating expenses                            | (94,834)  | (90,974)  | (268,008)   | (263,395)   |
| Other operating income                        | 1,347   | 865   | 3,717   | 5,441   |
| Finance costs                                 | (498)   | (152)   | (1,128)   | (294)   |
| Share of (loss)/profit of associates          | (20)  | 100   | 262   | (74)  |
| Profit before tax (Note 18)                   | 2,593   | 3,235   | 3,151   | 7,834   |
| Tax expense                                   | (933)   | (638)   | (2,086)   | (4,755)   |
| Profit for the period                         | 1,660   | 2,597   | 1,065   | 3,079   |
| Profit/(Loss) for the period attributable to: |   |   |   |   |
| Owners of the Company                         | 1,661   | 2,596   | 1,069   | 3,083   |
| Non-controlling interests                     | (1)   | 1   | (4)   | (4)   |
|   | 1,660   | 2,597   | 1,065   | 3,079   |
| Earnings per share (sen):                     |   |   |   |   |
| (a) Basic                                     | 0.61  | 0.98  | 0.39  | 1.17  |
| (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 SEPTEMBER 2018

|  | INDIVIDUAL QUARTER                                  |   | CUMULATIVE QUARTER                                  |   |
|--|---|---|---|---|
|  | CURRENT<br>YEAR<br>QUARTER<br>30/09/2018<br>RM '000 | PRECEDING<br>YEAR<br>QUARTER<br>30/09/2017<br>RM '000 | CURRENT<br>YEAR<br>TO DATE<br>30/09/2018<br>RM '000 | PRECEDING<br>YEAR<br>TO DATE<br>30/09/2017<br>RM '000 |
| Profit for the period  | 1,660   | 2,597   | 1,065   | 3,079   |
| Other comprehensive income:                                    |   |   |   |   |
| Items that may be reclassified subsequently to profit or loss: |   |   |   |   |
| (Loss)/Gain on other investments                               | -   | (117)   | -   | 220   |
| Currency translation differences for foreign operations        | (1,924)   | 393   | (4,287)   | (2,545)   |
| Reclassification adjustments on:                               |   |   |   |   |
| - Derecognition of other investments                           | -   | -   | -   | (170)   |
| - Impairment of other investments                              |   | 9   |   | 9   |
| Other comprehensive income for the period                      | (1,924)   | 285   | (4,287)   | (2,486)   |
| Total comprehensive income for the period                      | (264)   | 2,882   | (3,222)   | 593   |
| Total comprehensive income for the period attributable to:     |   |   |   |   |
| Owners of the Company  | (263)   | 2,881   | (3,218)   | 597   |
| Non-controlling interests                                      | (1)   | 1   | (4)   | (4)   |
|  | (264)   | 2,882   | (3,222)   | 593   |

(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 SEPTEMBER 2018**

|  | AS AT<br>30/09/2018<br>RM '000 | AS AT<br>31/12/2017<br>RM '000 |
|--|--------------------------------|--------------------------------|
| <b>Non-Current Assets</b>  |                                |                                |
| Property, Plant and Equipment  | 149,768                        | 156,057                        |
| Investment Properties  | 35,445                         | 16,458                         |
| Investments in Associates  | 17,776                         | 17,358                         |
| Other Investments  | 1                              | 641                            |
| Inventories  | 169,834                        | 166,594                        |
| Deferred Tax Assets  | 2                              | 55                             |
|  | <u>372,826</u>                 | <u>357,163</u>                 |
| <b>Current Assets</b>  |                                |                                |
| Inventories  | 115,616                        | 127,117                        |
| Biological Assets  | 419                            | 434                            |
| Contract Assets  | 14,007                         | 12,665                         |
| Trade and Other Receivables  | 82,045                         | 80,130                         |
| Prepayments  | 3,413                          | 1,683                          |
| Current Tax Assets   | 3,164                          | 2,214                          |
| Cash and Cash Equivalents  | 105,234                        | 96,220                         |
|  | <u>323,898</u>                 | <u>320,463</u>                 |
| <b>Current Liabilities</b>   |                                |                                |
| Contract Liabilities   | 8,459                          | 1,378                          |
| Financial Liabilities at Fair Value Through Profit or Loss                 | 1                              | -                              |
| Trade and Other Payables   | 90,293                         | 99,347                         |
| Loans and Borrowings   | 17,398                         | 25,328                         |
| Current Tax Liabilities  | 1,837                          | 3,811                          |
|  | <u>117,988</u>                 | <u>129,864</u>                 |
| <b>Net Current Assets</b>  | <b>205,910</b>                 | <b>190,599</b>                 |
| <b>Non-Current Liabilities</b>   |                                |                                |
| Loans and Borrowings   | 54,772                         | 19,913                         |
| Deferred Tax Liabilities   | 11,609                         | 12,157                         |
|  | <u>66,381</u>                  | <u>32,070</u>                  |
| <b>Net Assets</b>  | <b><u>512,355</u></b>          | <b><u>515,692</u></b>          |
| <b>Equity</b>  |                                |                                |
| Share Capital  | 277,992                        | 277,992                        |
| Treasury Shares  | (4,546)                        | (4,546)                        |
| Reserves   | 238,911                        | 242,244                        |
|  | <u>512,357</u>                 | <u>515,690</u>                 |
| <b>Equity Attributable to Owners of the Company</b>                        | <b>512,357</b>                 | <b>515,690</b>                 |
| Non-controlling Interests  | (2)                            | 2                              |
| <b>Total Equity</b>  | <b><u>512,355</u></b>          | <b><u>515,692</u></b>          |
| <b>Net Assets per Share Attributable to<br/>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 SEPTEMBER 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 | -                     | -                       | -                     | -                       | -                           | -                          | (4,287)                              | -                        | (4,287)  | -                                 | (4,287)              |
| Other comprehensive income for the period               | -                     | -                       | -                     | -                       | -                           | -                          | (4,287)                              | -                        | (4,287)  | -                                 | (4,287)              |
| Profit/(Loss) for the period                            | -                     | -                       | -                     | -                       | -                           | -                          | -                                    | 1,069                    | 1,069  | (4)                               | 1,065                |
| Total comprehensive income for the period               | -                     | -                       | -                     | -                       | -                           | -                          | (4,287)                              | 1,069                    | (3,218)  | (4)                               | (3,222)              |
| Transfer to capital reserve **                          | -                     | -                       | -                     | 458                     | -                           | -                          | -                                    | (458)                    | -  | -                                 | -                    |
| At 30/09/2018   | 277,992               | (4,546)                 | -                     | 13,265                  | -                           | -                          | 33,650                               | 191,996                  | 512,357  | (2)                               | 512,355              |
| 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                               | -                     | -                       | -                     | -                       | -                           | 220                        | -                                    | -                        | 220  | -                                 | 220                  |
| Currency translation differences for foreign operations | -                     | -                       | -                     | -                       | -                           | -                          | (2,545)                              | -                        | (2,545)  | -                                 | (2,545)              |
| Reclassification adjustments on:                        |                       |                         |                       |                         |                             |                            |                                      |                          |  |                                   |                      |
| - Derecognition of other investments                    | -                     | -                       | -                     | -                       | -                           | (170)                      | -                                    | -                        | (170)  | -                                 | (170)                |
| - Impairment of other investments                       | -                     | -                       | -                     | -                       | -                           | 9                          | -                                    | -                        | 9  | -                                 | 9                    |
| Other comprehensive income for the period               | -                     | -                       | -                     | -                       | -                           | 59                         | (2,545)                              | -                        | (2,486)  | -                                 | (2,486)              |
| Profit/(Loss) for the period                            | -                     | -                       | -                     | -                       | -                           | -                          | -                                    | 3,083                    | 3,083  | (4)                               | 3,079                |
| Total comprehensive income for the period               | -                     | -                       | -                     | -                       | -                           | 59                         | (2,545)                              | 3,083                    | 597  | (4)                               | 593                  |
| Transfer to capital reserve **                          | -                     | -                       | -                     | 187                     | -                           | -                          | -                                    | (187)                    | -  | -                                 | -                    |
| At 30/09/2017   | 277,992               | (18,089)                | -                     | 12,928                  | -                           | -                          | 40,933                               | 212,061                  | 525,825  | 3                                 | 525,828              |

\* Retained profits as at 30 September 2018 and 30 September 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 SEPTEMBER 2018**

|   | CURRENT<br>YEAR<br>TO DATE<br>30/09/2018<br>RM '000 | PRECEDING<br>YEAR<br>TO DATE<br>30/09/2017<br>RM '000 |
|---|---|---|
| Cash flows from operating activities  |   |   |
| Profit before tax   | 3,151   | 7,834   |
| Adjustments for:  |   |   |
| Depreciation  | 11,328  | 10,935  |
| Dividend income   | -   | (9)   |
| Gain on derecognition of other investments                                    | -   | (170)   |
| Gain on disposal of investment property                                       | -   | (60)  |
| (Gain)/Loss on disposal of property, plant and equipment                      | (24)  | 73  |
| (Gain)/Loss on fair value adjustment of contingent consideration              | (46)  | 334   |
| Impairment loss on other investments  | -   | 9   |
| Impairment loss on receivables  | 215   | -   |
| Interest expense  | 1,128   | 294   |
| Interest income   | (1,828)   | (2,180)   |
| Inventories written down  | 235   | 223   |
| Loss on fair value adjustment of other investments                            | 233   | -   |
| Loss/(Gain) on fair value changes in biological assets                        | 15  | (99)  |
| Reversal of impairment loss on receivables                                    | -   | (98)  |
| Reversal of inventories written down  | (234)   | (125)   |
| Share of (profit)/loss of associates  | (262)   | 74  |
| Unrealised loss on financial instruments at fair value through profit or loss | 1   | -   |
| Unrealised (gain)/loss on foreign exchange                                    | (1,398)   | 1,791   |
| Operating profit before working capital changes                               | 12,514  | 18,826  |
| Changes in:   |   |   |
| Contract assets   | (1,348)   | 537   |
| Inventories   | 8,850   | (28,170)  |
| Receivables and prepayments   | (2,574)   | (5,998)   |
| Contract liabilities  | 7,081   | (1,048)   |
| Payables  | (10,043)  | (6,070)   |
| Cash generated from/(absorbed by) operations                                  | 14,480  | (21,923)  |
| Tax paid  | (5,285)   | (5,390)   |
| Tax refunded  | 40  | 144   |
|   | (5,245)   | (5,246)   |
| Net cash from/(used in) operating activities                                  | 9,235   | (27,169)  |
| Cash flows from investing activities  |   |   |
| Acquisition of associate  | -   | (3,000)   |
| Dividends received  | -   | 9   |
| Additions of investment property  | (18,616)  | (9,364)   |
| Interest received   | 1,828   | 2,180   |
| Proceeds from disposal of other investments                                   | 407   | 3,313   |
| Proceeds from disposal of property, plant and equipment                       | 69  | 151   |
| Proceeds from disposal of investment property                                 | -   | 460   |
| Purchase of property, plant and equipment                                     | (6,849)   | (7,941)   |
| Net cash used in investing activities   | (23,161)  | (14,192)  |
| Cash flows from financing activities  |   |   |
| Changes in term deposits pledged as security                                  | (37)  | 5   |
| Drawdown of term loans  | 34,859  | 14,288  |
| Increase in short-term loans and borrowings (net)                             | (342)   | 17,342  |
| Interest paid   | (2,112)   | (294)   |
| Repayment of hire purchase obligations  | (182)   | (112)   |
| Repayment of term loans   | (6,845)   | (263)   |
| Net cash from financing activities  | 25,341  | 30,966  |
| Currency translation differences  | (1,877)   | (1,982)   |
| Net increase/(decrease) in cash and cash equivalents                          | 9,538   | (12,377)  |
| Cash and cash equivalents brought forward                                     | 92,788  | 107,685   |
| Cash and cash equivalents carried forward                                     | 102,326   | 95,308  |
| Note:   |   |   |
| Cash and cash equivalents   | 105,234   | 99,039  |
| Bank overdraft  | -   | (781)   |
| Term deposits pledged as security   | (2,908)   | (2,950)   |
|   | 102,326   | 95,308  |

(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 SEPTEMBER 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<br>RM'000 | Effects of<br>transition<br>RM'000 | MFRS<br>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 SEPTEMBER 2018**

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

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

|  | FRS<br>RM'000 | Effects of<br>transition<br>RM'000 | MFRS<br>RM'000 |
|--|---------------|------------------------------------|----------------|
| <u>For the quarter ended 30 September 2017</u>       |               |                                    |                |
| Other operating income                               | 680           | 185                                | 865            |
| Administrative expenses                              | 5,656         | 8                                  | 5,664          |
| Tax expense  | 594           | 44                                 | 638            |
| Profit for the period                                | 2,464         | 133                                | 2,597          |
| Total comprehensive income                           | 2,749         | 133                                | 2,882          |
| <u>For the period ended 30 September 2017</u>        |               |                                    |                |
| Other operating income                               | 5,342         | 99                                 | 5,441          |
| Administrative expenses                              | 17,296        | 24                                 | 17,320         |
| Tax expense  | 4,664         | 91                                 | 4,755          |
| Profit for the period                                | 3,095         | (16)                               | 3,079          |
| Total comprehensive income                           | 609           | (16)                               | 593            |
| <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 September 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 September 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 September 2018.

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

**7. Dividend Paid**

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

**8. Segmental Reporting**

| Analysis by activity          | Electronic   | Property                           |   |                                       | Utility   | Unallocated<br>Non-Operating<br>Segments<br>RM '000 | Group<br>RM '000 |
|-------------------------------|--|------------------------------------|---|---------------------------------------|---|---|------------------|
|                               | Manufacture<br>of Printed<br>Circuit Boards<br>RM '000 | Property<br>Development<br>RM '000 | Sale of<br>Building<br>Materials<br>RM '000 | Cultivation of<br>Oil Palm<br>RM '000 | Water and<br>Wastewater<br>Treatment<br>RM '000 |   |                  |
| Revenue                       |  |                                    |   |                                       |   |   |                  |
| Total revenue                 | 213,719  | 24,748                             | 6,079                                       | 846                                   | 22,994  | 4,127   | 272,513          |
| Intersegment revenue          | -  | (83)                               | (6)   | -                                     | (180)   | (3,936)   | (4,205)          |
| External revenue              | 213,719  | 24,665                             | 6,073                                       | 846                                   | 22,814  | 191   | 268,308          |
| Results                       |  |                                    |   |                                       |   |   |                  |
| Segment results               | 5,262  | 1,928                              | 44  | 84                                    | (1,810)   | (3,319)   | 2,189            |
| Interest income               | 1,460  | 106                                | 5   | -                                     | 33  | 224   | 1,828            |
| Interest expense              | (766)  | (163)                              | -   | -                                     | -   | (199)   | (1,128)          |
| Share of profit of associates | -  | -                                  | -   | -                                     | -   | 262   | 262              |
| Profit/(Loss) before tax      | 5,956  | 1,871                              | 49  | 84                                    | (1,777)   | (3,032)   | 3,151            |
| Tax expense                   | (1,494)  | (584)                              | -   | (8)                                   | -   | -   | (2,086)          |
| Profit/(Loss) for the period  | 4,462  | 1,287                              | 49  | 76                                    | (1,777)   | (3,032)   | 1,065            |
| Assets                        |  |                                    |   |                                       |   |   |                  |
| Segment assets                | 315,524  | 267,691                            | 5,069                                       | 23,082                                | 20,486  | 43,930  | 675,782          |
| Associates                    | -  | -                                  | -   | -                                     | -   | 17,776  | 17,776           |
| Income tax assets             | 418  | 2,202                              | 18  | 98                                    | 426   | 4   | 3,166            |
| Total assets                  | 315,942  | 269,893                            | 5,087                                       | 23,180                                | 20,912  | 61,710  | 696,724          |
| Liabilities                   |  |                                    |   |                                       |   |   |                  |
| Segment liabilities           | 48,762   | 17,164                             | 1,501                                       | 91                                    | 12,763  | 18,472  | 98,753           |
| Loans and borrowings          | 31,375   | 17,781                             | -   | -                                     | -   | 23,014  | 72,170           |
| Income tax liabilities        | 12,079   | 98                                 | 8   | 194                                   | -   | 1,067   | 13,446           |
| Total liabilities             | 92,216   | 35,043                             | 1,509                                       | 285                                   | 12,763  | 42,553  | 184,369          |
|                               |  |                                    |   |                                       |   |   |                  |



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

**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 other than:

On 10 October 2018, GUH International (HK) Pte. Ltd., a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary in Yancheng, Jiangsu, China known as GUH Electronic (Yancheng) Co., Ltd. ("GUH Yancheng"). The certificate of incorporation of GUH Yancheng has been obtained from the relevant authority on 16 October 2018.

The registered capital of GUH Yancheng is approximately USD10 million and there is no issued and paid up share capital at the date of incorporation. Its intended principal activities are design, research and development, manufacture and sale of printed circuit boards and provision of related services.

Further to the announcement made on 16 October 2018, the Board of Directors wishes to announce that the incorporation of GUH Yancheng is part of GUH Group's business plan to further expand its investment in the manufacturing and sale of printed circuit boards.

The total investment amount of the above project will be USD22 million (about RMB150 million). The amount of USD10 million among the total investment will be the registered capital of GUH Yancheng. The registered capital shall be paid by installments within three (3) years. The detailed timeframe is as follows:-

(a) The first installment, 50% of the registered capital, shall be contributed to GUH Yangcheng within 30 days after GUH Yancheng is duly and legally incorporated.

(b) The second installment, 25% of the registered capital, shall be contributed to GUH Yancheng by the end of the second year after GUH Yancheng is duly and legally incorporated.

(c) The third installment, 25% of the registered capital, shall be contributed to GUH Yancheng by the end of the third year after GUH Yancheng is duly and legally incorporated.

Upon the full investment fund being contributed, GUH Yancheng is expected to start its full operation in 2020. Subsequent to the completion of investment plan, GUH Group will be ready to implement its expansion program in its new plant in Jiangsu Province to reap the potential huge domestic market in China and continue to deliver high quality products at a competitive price despite the keen market competition.

The incorporation of GUH Yancheng and investment would not have any material effect on the share capital, substantial shareholders' shareholdings, net assets, gearing and earnings of the Company for the financial year ending 31 December 2018.

None of the Directors or substantial shareholders of the Company or persons connected to them has any interest, direct or indirect in the above transactions.

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

There were no changes in the composition of the Group during the period ended 30 September 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 September 2018 are as follows:

|  | 30/09/2018 |
|--|------------|
|  | RM '000    |
| Purchase of goods from other related parties (a)/(b)                         | 6,436      |
| Purchase of property, plant and equipment from other related parties (a)/(b) | 69         |
| Receiving of services from other related party (b)                           | 735        |
| Renting of premises from other related party (a)                             | 99         |
| Sale of goods to other related party (a)                                     | 1,336      |

(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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

13. Review of the Performance

| Operating Segment                       | Current Year Quarter<br>30/09/2018<br>RM '000 | Preceding Year Quarter<br>30/09/2017<br>RM '000 | Changes<br>RM '000 | Current Year To Date<br>30/09/2018<br>RM '000 | Preceding Year To Date<br>30/09/2017<br>RM '000 | Changes<br>RM '000 |
|---|---|---|--------------------|---|---|--------------------|
| <b>Revenue</b>                          |   |   |                    |   |   |                    |
| <b>Electronic</b>                       |   |   |                    |   |   |                    |
| - Manufacture of printed circuit boards | 75,754  | 77,460  | (1,706)            | 213,719                                       | 215,742   | (2,023)            |
| <b>Property</b>                         |   |   |                    |   |   |                    |
| - Property development                  | 13,663  | 6,606   | 7,057              | 24,665  | 13,461  | 11,204             |
| - Sale of building materials            | 2,017   | 1,802   | 215                | 6,073   | 5,716   | 357                |
| - Cultivation of oil palm               | 228   | 390   | (162)              | 846   | 1,245   | (399)              |
| <b>Utility</b>                          |   |   |                    |   |   |                    |
| - Water and wastewater treatment        | 4,879   | 6,959   | (2,080)            | 22,814  | 29,534  | (6,720)            |
| Unallocated non-operating segments      | 57  | 179   | (122)              | 191   | 458   | (267)              |
| <b>Total</b>                            | <b>96,598</b>                                 | <b>93,396</b>                                   | <b>3,202</b>       | <b>268,308</b>                                | <b>266,156</b>                                  | <b>2,152</b>       |
| <b>Profit/(Loss) before tax</b>         |   |   |                    |   |   |                    |
| <b>Electronic</b>                       |   |   |                    |   |   |                    |
| - Manufacture of printed circuit boards | 2,705   | 4,071   | (1,366)            | 5,956   | 10,558  | (4,602)            |
| <b>Property</b>                         |   |   |                    |   |   |                    |
| - Property development                  | 2,198   | 525   | 1,673              | 1,871   | 634   | 1,237              |
| - Sale of building materials            | 28  | 33  | (5)                | 49  | 65  | (16)               |
| - Cultivation of oil palm               | 150   | 326   | (176)              | 84  | 633   | (549)              |
| <b>Utility</b>                          |   |   |                    |   |   |                    |
| - Water and wastewater treatment        | (1,404)                                       | (1,197)   | (207)              | (1,777)                                       | (1,921)   | 144                |
| Unallocated non-operating segments      | (1,084)                                       | (523)   | (561)              | (3,032)                                       | (2,135)   | (897)              |
| <b>Total</b>                            | <b>2,593</b>                                  | <b>3,235</b>                                    | <b>(642)</b>       | <b>3,151</b>                                  | <b>7,834</b>                                    | <b>(4,683)</b>     |

a) Current Year Quarter vs Preceding Year Quarter

The Group's profit before tax of RM 2.6 million for the current year quarter ended 30 September 2018 was lower compared to RM 3.2 million for the preceding year quarter due to lower contribution from Electronic Division coupled with negative contribution from Utility Division and non-operating segments which were partly offset by improved contribution from Property Division.

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

i) Manufacture of printed circuit boards

Profit before tax decreased to RM 2.7 million from RM 4.1 million mainly due to lower contribution from Malaysia operation on unfavourable foreign exchange and higher production costs.

ii) Property development

Profit before tax increased to RM 2.2 million from RM 0.5 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.

iv) Cultivation of oil palm

Profit before tax reduced to RM 0.2 million from RM 0.3 million mainly due to lower FFB output and CPO prices.

v) Water and wastewater treatment

Loss before tax increased to RM 1.4 million from RM 1.2 million mainly due to slower construction progress for water projects and liquidated ascertained damages.

vi) Unallocated non-operating segments

Loss before tax increased to RM 1.1 million from RM 0.5 million mainly due to unfavourable foreign exchange coupled with negative contribution from associates.

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

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

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

For the period ended 30 September 2018, the Group recorded a lower profit before tax of RM 3.2 million compared to RM 7.8 million for the preceding year to date mainly due to lower contribution from Electronic Division.

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

**i) Manufacture of printed circuit boards**

Profit before tax reduced to RM 6.0 million from RM 10.6 million mainly due to weak performance of Malaysia operation which was hit by unfavourable foreign exchange and higher production costs.

**ii) Property development**

Profit before tax increased to RM 1.9 million from RM 0.6 million following the hike in residential property units sold.

**iii) Sale of building materials**

Profit before tax reduced to RM 0.05 million from RM 0.07 million mainly due to lower purchase incentive and higher administrative expenses.

**iv) Cultivation of oil palm**

Profit before tax reduced to RM 0.08 million from RM 0.6 million mainly attributed to the drop in FFB output, CPO prices and gain on fair value changes in biological assets.

**v) Water and wastewater treatment**

Loss before tax reduced to RM 1.8 million from RM 1.9 million mainly due to lower costs incurred for water projects.

**vi) Unallocated non-operating segments**

Loss before tax increased to RM 3.0 million from RM 2.1 million mainly due to unfavourable foreign exchange and loss on fair value adjustment of other investments.

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

|                   | Current<br>Year<br>Quarter<br>30/09/2018<br>RM'000 | Immediate<br>Preceding<br>Quarter<br>30/06/2018<br>RM'000 | Changes<br>RM'000 |
|-------------------|--|---|-------------------|
| Revenue           | 96,598   | 88,013  | 8,585             |
| Profit Before Tax | 2,593  | 2,027   | 566               |

As compared to the immediate preceding quarter, the Group's profit before tax increased to RM 2.6 million from RM 2.0 million mainly due to improved contribution from Property Division partly offset by lower contribution from Utility Division.

**15. Prospects for 2018**

Electronic Division anticipates a slow down in demand for PCBs in the last quarter of 2018.

Property Division foresees weaker property sales in the last quarter of 2018.

Utility Division expects positive earnings on higher construction progress of water projects in the last quarter of 2018.

Overall, the Group expects a challenging operating environment in the last quarter of 2018.

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

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

17. **Revenue**

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

| Current Year Quarter 30/09/2018         |  |                                 |                                       |                                    |   |                            |                  |
|---|--|---------------------------------|---------------------------------------|------------------------------------|---|----------------------------|------------------|
| Segment                                 | Electronic                                       | Property                        |                                       |                                    | Utility                                   | Others                     | Group<br>RM '000 |
| Major products / Service lines          | Manufacture of Printed Circuit Boards<br>RM '000 | Property Development<br>RM '000 | Sale of Building Materials<br>RM '000 | Cultivation of Oil Palm<br>RM '000 | Water and Wastewater Treatment<br>RM '000 | Interest Income<br>RM '000 |                  |
| <u>Timing of revenue recognition</u>    |  |                                 |                                       |                                    |   |                            |                  |
| Services transferred over time          | -  | 13,241                          | -                                     | -                                  | 4,879                                     | -                          | 18,120           |
| Products transferred at a point in time | 75,754   | 422                             | 2,017                                 | 228                                | -   | -                          | 78,421           |
| Income not within the scope of MFRS 15  | -  | -                               | -                                     | -                                  | -   | 57                         | 57               |
|   | 75,754   | 13,663                          | 2,017                                 | 228                                | 4,879                                     | 57                         | 96,598           |

| Current Year To Date 30/09/2018         |  |                                 |                                       |                                    |   |                            |                  |
|---|--|---------------------------------|---------------------------------------|------------------------------------|---|----------------------------|------------------|
| Segment                                 | Electronic                                       | Property                        |                                       |                                    | Utility                                   | Others                     | Group<br>RM '000 |
| Major products / Service lines          | Manufacture of Printed Circuit Boards<br>RM '000 | Property Development<br>RM '000 | Sale of Building Materials<br>RM '000 | Cultivation of Oil Palm<br>RM '000 | Water and Wastewater Treatment<br>RM '000 | Interest Income<br>RM '000 |                  |
| <u>Timing of revenue recognition</u>    |  |                                 |                                       |                                    |   |                            |                  |
| Services transferred over time          | -  | 20,891                          | -                                     | -                                  | 22,814                                    | -                          | 43,705           |
| Products transferred at a point in time | 213,719  | 3,774                           | 6,073                                 | 846                                | -   | -                          | 224,412          |
| Income not within the scope of MFRS 15  | -  | -                               | -                                     | -                                  | -   | 191                        | 191              |
|   | 213,719  | 24,665                          | 6,073                                 | 846                                | 22,814                                    | 191                        | 268,308          |

18. **Profit Before Tax**

|  | Current Year<br>Quarter<br>30/09/2018<br>RM'000 | Current Year<br>To Date<br>30/09/2018<br>RM'000 |
|--|---|---|
| Profit before tax is arrived at after charging:                      |   |   |
| - Interest expense   | 498   | 1,128   |
| - Depreciation   | 3,735   | 11,328  |
| - Impairment loss on receivables                                     | 261   | 215   |
| - Inventories written down   | 59  | 235   |
| - Inventories written off  | -   | -   |
| - Loss on disposal of property, plant and equipment                  | -   | -   |
| - Property, plant and equipment written off                          | -   | -   |
| - Loss on foreign exchange - realised                                | 166   | 453   |
| - Loss on foreign exchange - unrealised                              | -   | -   |
| - Loss on financial instruments at fair value through profit or loss | 1   | 1   |
| - Loss on fair value adjustment of contingent consideration          | -   | -   |
| - Loss on fair value adjustment of other investments                 | -   | 233   |
| - Loss on fair value changes in biological assets                    | -   | 15  |
| - Exceptional items  | -   | -   |
| and crediting:   |   |   |
| - Interest income  | 670   | 1,828   |
| - Dividend income  | -   | -   |
| - Gain on disposal of property, plant and equipment                  | 47  | 24  |
| - Gain on disposal of investment property                            | -   | -   |
| - Gain on foreign exchange - realised                                | -   | -   |
| - Gain on foreign exchange - unrealised                              | 607   | 1,398   |
| - Gain on fair value adjustment of contingent consideration          | 56  | 46  |
| - Gain on fair value adjustment of other investments                 | -   | -   |
| - Gain on fair value changes in biological assets                    | 135   | -   |
| - Reversal of impairment loss on receivables                         | -   | -   |
| - Reversal of inventories written down                               | 71  | 234   |
| - Gain on derivatives  | -   | -   |

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

**19. Taxation**

Taxation comprises:

|                         | Current<br>Year<br>Quarter<br>30/09/2018<br>RM '000 | Current<br>Year<br>To Date<br>30/09/2018<br>RM '000 |
|-------------------------|---|---|
| Income tax              | (982)   | (2,295)   |
| Deferred tax            | 49  | 321   |
| Real property gains tax | -   | (112)   |
|                         | <u>(933)</u>  | <u>(2,086)</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 September 2018    |                           |                            |                           |                            |                           |
|---------------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
|                                 | Long Term                  |                           | Short Term                 |                           | Total Borrowings           |                           |
|                                 | USD Denomination<br>RM'000 | RM Denomination<br>RM'000 | USD Denomination<br>RM'000 | RM Denomination<br>RM'000 | USD Denomination<br>RM'000 | RM Denomination<br>RM'000 |
| <b>Secured</b>                  |                            |                           |                            |                           |                            |                           |
| Term Loans                      | -                          | 38,528                    | -                          | 1,595                     | -                          | 40,123                    |
| Hire Purchase Payables          | -                          | 609                       | -                          | 63                        | -                          | 672                       |
|                                 | -                          | 39,137                    | -                          | 1,658                     | -                          | 40,795                    |
| <b>Unsecured</b>                |                            |                           |                            |                           |                            |                           |
| Term Loans                      | -                          | 15,635                    | -                          | 1,250                     | -                          | 16,885                    |
| Revolving Credit                | -                          | -                         | -                          | 10,000                    | -                          | 10,000                    |
| Foreign Currency Trust Receipts |                            |                           |                            |                           |                            |                           |
| - USD488,023 @ 4.039            | -                          | -                         | 1,972                      | -                         | 1,972                      | -                         |
| - USD411,420 @ 4.067            | -                          | -                         | 1,673                      | -                         | 1,673                      | -                         |
| Onshore Foreign Currency Loans  |                            |                           |                            |                           |                            |                           |
| - USD207,845 @ 4.067            | -                          | -                         | 845                        | -                         | 845                        | -                         |
|                                 | -                          | 15,635                    | 4,490                      | 11,250                    | 4,490                      | 26,885                    |
| <b>Total</b>                    | -                          | <b>54,772</b>             | <b>4,490</b>               | <b>12,908</b>             | <b>4,490</b>               | <b>67,680</b>             |

|                                 | As at 30 September 2017    |                           |                            |                           |                            |                           |
|---------------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
|                                 | Long Term                  |                           | Short Term                 |                           | Total Borrowings           |                           |
|                                 | USD Denomination<br>RM'000 | RM Denomination<br>RM'000 | USD Denomination<br>RM'000 | RM Denomination<br>RM'000 | USD Denomination<br>RM'000 | RM Denomination<br>RM'000 |
| <b>Secured</b>                  |                            |                           |                            |                           |                            |                           |
| Bank Overdraft                  | -                          | -                         | -                          | 781                       | -                          | 781                       |
| Term Loans                      | -                          | 28,993                    | -                          | 789                       | -                          | 29,782                    |
| Hire Purchase Payables          | -                          | 781                       | -                          | 125                       | -                          | 906                       |
|                                 | -                          | 29,774                    | -                          | 1,695                     | -                          | 31,469                    |
| <b>Unsecured</b>                |                            |                           |                            |                           |                            |                           |
| Revolving Credit                | -                          | -                         | -                          | 10,000                    | -                          | 10,000                    |
| Bankers Acceptance              | -                          | -                         | -                          | 1,130                     | -                          | 1,130                     |
| Foreign Currency Trust Receipts |                            |                           |                            |                           |                            |                           |
| - USD240,212 @ 4.2720           | -                          | -                         | 1,026                      | -                         | 1,026                      | -                         |
| - USD612,077 @ 4.2805           | -                          | -                         | 2,620                      | -                         | 2,620                      | -                         |
| Onshore Foreign Currency Loans  |                            |                           |                            |                           |                            |                           |
| - USD600,645 @ 4.2720           | -                          | -                         | 2,566                      | -                         | 2,566                      | -                         |
|                                 | -                          | -                         | 6,212                      | 11,130                    | 6,212                      | 11,130                    |
| <b>Total</b>                    | -                          | <b>29,774</b>             | <b>6,212</b>               | <b>12,825</b>             | <b>6,212</b>               | <b>42,599</b>             |

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

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

|                                 | As at 30 September 2018                                |                      |                   | As at 30 September 2017                                |                      |                   |
|---------------------------------|--|----------------------|-------------------|--|----------------------|-------------------|
|                                 | Effective Interest Rate As at 30 September 2018 % p.a. | Floating Rate RM'000 | Fixed Rate RM'000 | Effective Interest Rate As at 30 September 2017 % p.a. | Floating Rate RM'000 | Fixed Rate RM'000 |
| Term Loans                      | 4.86% ~ 6.06%  | 57,008               | -                 | 4.63% ~ 5.88%  | 29,782               | -                 |
| Revolving Credit                | 4.61%  | -                    | 10,000            | 4.38%  | -                    | 10,000            |
| Foreign Currency Trust Receipts | 3.16% ~ 3.33%  | -                    | 3,645             | 2.28% ~ 2.29%  | -                    | 3,646             |
| Onshore Foreign Currency Loans  | 3.90%  | -                    | 845               | 2.69% ~ 2.77%  | -                    | 2,566             |
| Hire Purchase Payables          | 4.66% ~ 4.83%  | -                    | 672               | 4.66% ~ 4.83%  | -                    | 906               |
| Bankers Acceptance              | -  | -                    | -                 | 4.87%  | -                    | 1,130             |
| Bank Overdraft                  | -  | -                    | -                 | 5.25%  | -                    | 781               |
| <b>Total</b>                    |  | <b>57,008</b>        | <b>15,162</b>     |  | <b>29,782</b>        | <b>19,029</b>     |
| <b>%</b>                        |  | <b>78.99%</b>        | <b>21.01%</b>     |  | <b>61.01%</b>        | <b>38.99%</b>     |

Compared to the period ended 30 September 2017, the Group's borrowings increased to RM 72.2 million from RM 48.8 million mainly due to the drawdown of term loans to finance property development projects and purchase of machineries.

**22. Financial Instruments**

**a) Derivatives**

The Group has entered into forward exchange contracts to hedge its foreign currency payables and borrowings from exposure to the fluctuations in foreign exchange rates.

The details of forward exchange contracts as at 30 September 2018 are as follows:

| Forward Exchange Contract       | Contract Value (RM'000) | Fair Value (RM'000) |
|---------------------------------|-------------------------|---------------------|
| US Dollar<br>- Less than 1 year | 5,396                   | (1)                 |

The Group is not exposed to any significant credit, market and liquidity risks in respect of the above forward exchange contracts. In addition, there were no changes to the Group's financial risk management objective, its related policies and processes in the current year quarter and period ended 30 September 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 September 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.

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

**22. Financial Instruments (cont'd)**

**c) Fair Value (cont'd)**

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

**i) Other investments**

|  | 30/09/2018<br>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) Derivatives**

The fair values of forward exchange contracts are measured using present value technique by discounting the difference between contractual forward prices and observable current market forward prices using risk-free interest rate (i.e. Level 2).

**iii) 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 September 2018.

**23. Material Litigation**

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

**24. Proposed Dividend**

On 27 November 2018, the Board of Directors proposed a distribution of one (1) treasury share for every eighty (80) existing ordinary shares held ("Share Dividend"). The book closure date for the Share Dividend is 18 December 2018. The treasury shares to be distributed pursuant to the Share Dividend will be credited into the Depositor's securities accounts on 16 January 2019.

**25. Earnings Per Share**

|  | Current<br>Year<br>Quarter<br>30/09/2018 | Current<br>Year<br>To Date<br>30/09/2018 |
|--|--|--|
| Profit attributable to owners of the Company (RM '000)                   | 1,661                                    | 1,069                                    |
| 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)               | <u>274,362</u>                           | <u>274,362</u>                           |
| Basic earnings per share (sen)   | <u>0.61</u>                              | <u>0.39</u>                              |

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

**26. Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 27 November 2018.