

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2018 RM '000	PRECEDING YEAR QUARTER 31/12/2017 RM '000	CURRENT YEAR TO DATE 31/12/2018 RM '000	PRECEDING YEAR TO DATE 31/12/2017 RM '000
Revenue	81,007	87,160	349,124	352,868
Interest income	565	606	2,393	2,786
Impairment gains/(losses) on financial assets	139	(720)	(76)	(631)
Operating expenses	(81,260)	(94,896)	(349,053)	(358,183)
Other income	(522)	381	1,558	3,893
Finance costs	(1,970)	(367)	(3,098)	(661)
Share of associates' loss	(313)	(57)	(51)	(131)
	<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/Profit before tax (Note 18)	(2,354)	(7,893)	797	(59)
Tax expense	(1,397)	(2,518)	(3,483)	(7,273)
	<hr/>	<hr/>	<hr/>	<hr/>
Loss for the period/financial year	(3,751)	(10,411)	(2,686)	(7,332)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Loss for the period/financial year attributable to:				
Owners of the Company	(3,750)	(10,410)	(2,681)	(7,327)
Non-controlling interests	(1)	(1)	(5)	(5)
	<hr/>	<hr/>	<hr/>	<hr/>
	(3,751)	(10,411)	(2,686)	(7,332)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Loss per share (sen):				
(a) Basic	(1.37)	(3.79)	(0.98)	(2.67)
(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 YEAR ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2018 RM '000	PRECEDING YEAR QUARTER 31/12/2017 RM '000	CURRENT YEAR TO DATE 31/12/2018 RM '000	PRECEDING YEAR TO DATE 31/12/2017 RM '000
Loss for the period/financial year	(3,751)	(10,411)	(2,686)	(7,332)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Loss on other investments	-	(674)	-	(454)
Currency translation differences for foreign operations	262	(2,996)	(4,025)	(5,541)
Reclassification adjustments on:				
- Derecognition of other investments	-	-	-	(170)
- Impairment of other investments	-	675	-	684
Total other comprehensive income for the period/financial year	262	(2,995)	(4,025)	(5,481)
Comprehensive income for the period/financial year	(3,489)	(13,406)	(6,711)	(12,813)
Comprehensive income for the period/financial year attributable to:				
Owners of the Company	(3,488)	(13,405)	(6,706)	(12,808)
Non-controlling interests	(1)	(1)	(5)	(5)
	(3,489)	(13,406)	(6,711)	(12,813)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	AS AT 31/12/2018 RM '000	AS AT 31/12/2017 RM '000
Non-Current Assets		
Property, Plant and Equipment	152,326	156,057
Investment Properties	36,091	16,459
Goodwill	-	-
Investments in Associates	17,463	17,358
Other Investments	1	641
Inventories	167,332	166,594
Deferred Tax Assets	1,069	55
	<hr/>	<hr/>
	374,282	357,164
Current Assets		
Biological Assets	346	397
Inventories	124,246	127,117
Contract Costs	60	-
Contract Assets	8,130	12,420
Receivables	71,228	80,130
Prepayments	2,188	1,683
Current Tax Assets	2,711	2,214
Cash and Cash Equivalents	106,514	96,220
	<hr/>	<hr/>
	315,423	320,181
Current Liabilities		
Contract Liabilities	8,353	3,371
Payables	94,232	99,347
Loans and Borrowings	22,508	25,328
Derivatives	37	-
Provision for Onerous Contract	144	1,004
Current Tax Liabilities	1,943	3,811
	<hr/>	<hr/>
	127,217	132,861
Net Current Assets	188,206	187,320
Non-Current Liabilities		
Loans and Borrowings	44,309	19,913
Deferred Tax Liabilities	12,468	12,149
	<hr/>	<hr/>
	56,777	32,062
Net Assets	<hr/> <hr/>	<hr/> <hr/>
	505,711	512,422
Equity		
Share Capital	277,992	277,992
Treasury Shares	(4,546)	(4,546)
Reserves	232,268	238,974
	<hr/>	<hr/>
Equity Attributable to Owners of the Company	505,714	512,420
Non-controlling Interests	(3)	2
	<hr/>	<hr/>
Total Equity	505,711	512,422
Net Assets per Share Attributable to Owners of the Company (RM)	<hr/> <hr/>	<hr/> <hr/>
	1.84	1.87

(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 YEAR ENDED 31 DECEMBER 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	Fair value reserve RM '000	Currency translation reserve RM '000	Retained profits RM '000			
Balance as at 01/01/2018										
- Brought forward from preceding year	277,992	(4,546)	-	12,807	1	37,937	188,229	512,420	2	512,422
Effects of adopting MFRS 9	-	-	-	-	(1)	-	1	-	-	-
Adjusted	277,992	(4,546)	-	12,807	-	37,937	188,230	512,420	2	512,422
Currency translation differences for foreign operations (representing total other comprehensive income) for the financial year	-	-	-	-	-	(4,025)	-	(4,025)	-	(4,025)
Loss for the financial year	-	-	-	-	-	-	(2,681)	(2,681)	(5)	(2,686)
Comprehensive income for the financial year	-	-	-	-	-	(4,025)	(2,681)	(6,706)	(5)	(6,711)
Transfer to capital reserve **	-	-	-	930	-	-	(930)	-	-	-
At 31/12/2018	277,992	(4,546)	-	13,737	-	33,912	184,619	505,714	(3)	505,711
At 01/01/2017	277,905	(18,089)	87	12,741	(59)	43,478	209,165	525,228	7	525,235
Transfer of share premium	87	-	(87)	-	-	-	-	-	-	-
Loss on other investments	-	-	-	-	(454)	-	-	(454)	-	(454)
Currency translation differences for foreign operations	-	-	-	-	-	(5,541)	-	(5,541)	-	(5,541)
Reclassification adjustments on:										
- Derecognition of other investments	-	-	-	-	(170)	-	-	(170)	-	(170)
- Impairment of other investments	-	-	-	-	684	-	-	684	-	684
Total other comprehensive income for the financial year	-	-	-	-	60	(5,541)	-	(5,481)	-	(5,481)
Loss for the financial year	-	-	-	-	-	-	(7,327)	(7,327)	(5)	(7,332)
Comprehensive income for the financial year	-	-	-	-	60	(5,541)	(7,327)	(12,808)	(5)	(12,813)
Distribution of treasury shares as share dividends (representing total transaction with owners)	-	13,543	-	-	-	-	(13,543)	-	-	-
Transfer to capital reserve **	-	-	-	66	-	-	(66)	-	-	-
At 31/12/2017	277,992	(4,546)	-	12,807	1	37,937	188,229	512,420	2	512,422

* Retained profits as at 31 December 2018 and 31 December 2017 amounting to RM4,546,000 respectively, 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 YEAR ENDED 31 DECEMBER 2018**

	CURRENT YEAR TO DATE 31/12/2018 RM '000	PRECEDING YEAR TO DATE 31/12/2017 RM '000
Cash flows from operating activities		
Profit/(Loss) before tax	797	(59)
Adjustments for:		
Depreciation	15,570	13,967
Dividend income	-	(9)
Fair value changes in biological assets	51	172
Fair value loss on contingent consideration	16	391
Fair value losses on financial instruments	233	-
Gain on derecognition of other investments	-	(170)
Gain on disposal of investment property	-	(60)
(Gain)/Loss on disposal of property, plant and equipment	(24)	72
Impairment loss on goodwill	-	3,348
Impairment losses on financial assets	76	631
Interest expense	3,098	661
Interest income	(2,393)	(2,786)
Inventories written down	273	264
Property, plant and equipment written off	9	-
Reversal of inventories written down	(309)	(184)
Share of associates' loss	51	131
Unrealised fair value losses on financial instruments	37	-
Unrealised loss on foreign exchange	304	1,473
Waiver of debt	-	(34)
	<hr/>	<hr/>
Operating profit before working capital changes	17,789	17,808
Changes in:		
Inventories	2,169	(20,469)
Contract costs	(60)	-
Contract assets	4,290	2,348
Receivables	9,242	(6,097)
Prepayments	(505)	120
Contract liabilities	4,982	(1,470)
Payables	(5,525)	2,953
Provision	(860)	1,004
Cash generated from/(absorbed by) operations	<hr/> 31,522	<hr/> (3,803)
Tax paid	(6,402)	(6,161)
Tax refunded	39	721
	<hr/> (6,363)	<hr/> (5,440)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	25,159	(9,243)
Cash flows from investing activities		
Additions of investment properties	(19,927)	(11,412)
Contingent consideration paid	-	(3,000)
Dividends received	-	9
Interest received	2,393	2,786
Proceeds from disposal of investment property	-	460
Proceeds from disposal of other investments	407	3,313
Proceeds from disposal of property, plant and equipment	69	204
Purchase of property, plant and equipment	(13,181)	(20,593)
Net cash used in investing activities	(30,239)	(28,233)
Cash flows from financing activities		
Changes in term deposits pledged as security	(713)	84
(Decrease)/Increase in short-term loans and borrowings (net)	(4,832)	14,832
Drawdown of term loans	36,874	14,288
Interest paid	(3,242)	(1,671)
Repayment of hire purchase obligations	(253)	(164)
Repayment of term loans	(9,671)	(1,052)
Net cash from financing activities	18,163	26,317
Currency translation differences	(2,941)	(3,738)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	10,142	(14,897)
Cash and cash equivalents brought forward	92,788	107,685
	<hr/>	<hr/>
Cash and cash equivalents carried forward	102,930	92,788
	<hr/>	<hr/>
Note:		
Cash and cash equivalents	106,514	96,220
Bank overdraft	-	(561)
Term deposits pledged as security	(3,584)	(2,871)
	<hr/>	<hr/>
	102,930	92,788
	<hr/>	<hr/>

(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 YEAR ENDED 31 DECEMBER 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
Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i> (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 15 <i>Clarifications to MFRS 15 Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures</i> (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)	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)	-
Biological Assets	-	569	569
Inventories (Current Assets)	48,869	61,501	110,370
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	(2,255)	16,459
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)	-
Biological Assets	-	397	397
Inventories (Current Assets)	66,951	60,166	127,117
Contract Assets	-	12,420	12,420
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	-	3,371	3,371
Amounts Due to Customers for Contract Work	1,378	(1,378)	-
Provision for Onerous Contract	-	1,004	1,004
Deferred Tax Liabilities	12,099	50	12,149
Retained Profits	154,450	33,779	188,229
Revaluation Surplus	38,929	(38,929)	-
Total Equity	517,572	(5,150)	512,422

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 31 December 2017</u>			
Revenue	89,904	(2,744)	87,160
Cost of sales	82,476	1,004	83,480
Interest income	-	606	606
Other income	3,089	(2,708)	381
Administrative expenses	6,337	(372)	5,965
Impairment losses on financial assets	-	720	720
Other expenses	4,444	(454)	3,990
Tax expense	2,695	(177)	2,518
Loss for the period	4,844	5,567	10,411
Total comprehensive income	7,839	5,567	13,406
<u>For the financial year ended 31 December 2017</u>			
Revenue	356,060	(3,192)	352,868
Cost of sales	321,198	1,004	322,202
Interest income	-	2,786	2,786
Other income	8,431	(4,538)	3,893
Administrative expenses	23,633	(348)	23,285
Impairment losses on financial assets	-	631	631
Other expenses	7,572	(562)	7,010
Tax expense	7,359	(86)	7,273
Loss for the financial year	1,749	5,583	7,332
Total comprehensive income	7,230	5,583	12,813

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 year ended 31 December 2018.

5. **Changes in Estimates**

There were no changes in the estimates that have a material effect in the current year quarter and year ended 31 December 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 year ended 31 December 2018.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. **Dividend Paid**

No dividend was paid during the current year quarter and year ended 31 December 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	284,030	26,757	7,627	1,253	29,222	19,251	368,140
Intersegment revenue	-	(110)	(8)	-	(181)	(18,717)	(19,016)
External revenue	284,030	26,647	7,619	1,253	29,041	534	349,124
Results							
Segment results	7,621	594	70	214	(2,215)	(4,731)	1,553
Interest income	1,917	134	6	-	58	278	2,393
Interest expense	(1,168)	(1,177)	-	-	-	(753)	(3,098)
Share of associates' loss	-	-	-	-	-	(51)	(51)
Profit/(Loss) before tax	8,370	(449)	76	214	(2,157)	(5,257)	797
Tax expense	(2,249)	(529)	(1)	(36)	-	(668)	(3,483)
Profit/(Loss) for the financial year	6,121	(978)	75	178	(2,157)	(5,925)	(2,686)
Assets							
Segment assets	312,600	266,539	3,942	23,138	18,783	43,460	668,462
Associates	-	-	-	-	-	17,463	17,463
Income tax assets	414	2,871	15	54	426	-	3,780
Total assets	313,014	269,410	3,957	23,192	19,209	60,923	689,705
Liabilities							
Segment liabilities	49,097	19,208	1,157	85	14,677	18,542	102,766
Loans and borrowings	25,694	16,173	-	-	-	24,950	66,817
Income tax liabilities	12,459	116	8	168	-	1,660	14,411
Total liabilities	87,250	35,497	1,165	253	14,677	45,152	183,994

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the year ended 31 December 2018 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 instalment, 50% of the registered capital, shall be contributed to GUH Yancheng within 30 days after GUH Yancheng is duly and legally incorporated.
- (b) The second instalment, 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 instalment, 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 ended 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.

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 year ended 31 December 2018 are as follows:

	31/12/2018
	RM '000
Purchase of goods from other related parties (a)/(b)	9,891
Purchase of property, plant and equipment from other related parties (a)/(b)	69
Receiving of services from other related party (b)	976
Renting of premises from other related party (a)	127
Renting of land to other related party (a)	5
Sale of goods to other related party (a)	1,858
	<hr/>

(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 YEAR ENDED 31 DECEMBER 2018**

13. Review of the Performance

Operating Segment	Current Year Quarter 31/12/2018 RM '000	Preceding Year Quarter 31/12/2017 RM '000	Changes RM '000	Current Year To Date 31/12/2018 RM '000	Preceding Year To Date 31/12/2017 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	70,311	69,613	698	284,030	285,355	(1,325)
Property						
- Property development	1,982	5,806	(3,824)	26,647	19,268	7,379
- Sale of building materials	1,546	1,948	(402)	7,619	7,664	(45)
- Cultivation of oil palm	407	637	(230)	1,253	1,882	(629)
Utility						
- Water and wastewater treatment	6,227	9,156	(2,929)	29,041	38,690	(9,649)
Unallocated non-operating segments	534	-	534	534	9	525
Total	81,007	87,160	(6,153)	349,124	352,868	(3,744)
Profit/(Loss) before tax						
Electronic						
- Manufacture of printed circuit boards	2,417	1,411	1,006	8,370	11,969	(3,599)
Property						
- Property development	(2,320)	346	(2,666)	(449)	980	(1,429)
- Sale of building materials	27	13	14	76	78	(2)
- Cultivation of oil palm	130	88	42	214	721	(507)
Utility						
- Water and wastewater treatment	(380)	(7,807)	7,427	(2,157)	(9,728)	7,571
Unallocated non-operating segments	(2,228)	(1,944)	(284)	(5,257)	(4,079)	(1,178)
Total	(2,354)	(7,893)	5,539	797	(59)	856

a) Current Year Quarter vs Preceding Year Quarter

The Group's loss before tax of RM 2.4 million for the current year quarter ended 31 December 2018 was lower compared to RM 7.9 million for the preceding year quarter mainly due to improved contribution from Utility and Electronic Divisions which were partly offset by negative contribution from Property Division.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 December 2018 compared to the preceding year quarter is as follows:

i) Manufacture of printed circuit boards

Profit before tax increased to RM 2.4 million from RM 1.4 million mainly due to higher contribution from Malaysia operation on favourable sales mix and foreign exchange.

ii) Property development

The loss before tax of RM 2.3 million was in contrast to a profit before tax of RM 0.3 million in line with lower residential property units sold.

iii) Sale of building materials

Profit before tax increased to RM 0.03 million from RM 0.01 million mainly due to favourable sales mix and lower administrative expenses.

iv) Cultivation of oil palm

Profit before tax increased to RM 0.13 million from RM 0.09 million mainly due to favourable fair value changes in biological assets.

v) Water and wastewater treatment

Excluding the impairment loss on goodwill of RM 3.3 million in the preceding year quarter, loss before tax reduced to RM0.4 million from RM 4.5 million mainly due to lower liquidated ascertained damages and actual costs incurred for water projects coupled with reversal of provision for onerous contract.

vi) Unallocated non-operating segments

Loss before tax increased to RM 2.2 million from RM 1.9 million mainly due to negative contribution from associates.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Review of the Performance (cont'd)

b) Current Year To Date vs Preceding Year To Date

For the year ended 31 December 2018, the Group recorded a profit before tax of RM 0.8 million in contrast to a loss before tax of RM 0.06 million for the preceding year mainly due to lower loss suffered by Utility Division which was partly offset by negative contribution from Property Division and lower contribution from Electronic Division.

Detailed analysis of the performance of the Group's operating segments for the year ended 31 December 2018 compared to the preceding year is as follows:

i) Manufacture of printed circuit boards

Profit before tax reduced to RM 8.4 million from RM 12.0 million mainly due to the drop in contribution from Malaysia operation on unfavourable foreign exchange and higher production costs.

ii) Property development

The loss before tax of RM 0.4 million was in contrast to a profit before tax of RM 1.0 million mainly due to liquidated ascertained damages claim of RM 2.0 million in the preceding year.

iii) Sale of building materials

Profit before tax was almost the same at RM 0.07 million.

iv) Cultivation of oil palm

Profit before tax reduced to RM 0.2 million from RM 0.7 million mainly due to lower FFB output and CPO prices.

v) Water and wastewater treatment

Excluding the impairment loss on goodwill of RM 3.3 million in the preceding year, loss before tax reduced to RM 2.2 million from RM 6.4 million mainly due to lower liquidated ascertained damages and actual costs incurred for water projects coupled with reversal of provision for onerous contract.

vi) Unallocated non-operating segments

Loss before tax increased to RM 5.3 million from RM 4.1 million mainly due to unfavourable foreign exchange and fair value losses on financial instruments.

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

	Current Year Quarter 31/12/2018 RM'000	Immediate Preceding Quarter 30/09/2018 RM'000	Changes RM'000
Revenue	81,007	96,541	(15,534)
(Loss)/Profit Before Tax	(2,354)	2,593	(4,947)

As compared to the immediate preceding quarter, the Group recorded a loss before tax of RM 2.4 million in contrast to a profit before tax of RM 2.6 million for the immediate preceding quarter mainly due to lower contribution from Property Division on lower residential property units sold.

15. Prospects for 2019

Electronic Division anticipates a positive growth in demand for PCBs in 2019.

Property Division foresees property sales to remain slow in tandem with the tough property market conditions in 2019.

Utility Division expects a tough operating environment in 2019 due to stiff competition on open market tendering.

Overall, the Group foresees a challenging year for 2019.

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 YEAR ENDED 31 DECEMBER 2018**

17. Revenue

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

Current Year Quarter 31/12/2018							
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	Rental Income RM '000	
<u>Timing of revenue recognition</u>							
Services transferred over time	-	1,614	-	-	6,227	-	7,841
Products transferred at a point in time	70,311	368	1,546	407	-	-	72,632
Income not within the scope of MFRS 15	-	-	-	-	-	534	534
	70,311	1,982	1,546	407	6,227	534	81,007

Current Year To Date 31/12/2018							
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	Rental Income RM '000	
<u>Timing of revenue recognition</u>							
Services transferred over time	-	22,505	-	-	29,041	-	51,546
Products transferred at a point in time	284,030	4,142	7,619	1,253	-	-	297,044
Income not within the scope of MFRS 15	-	-	-	-	-	534	534
	284,030	26,647	7,619	1,253	29,041	534	349,124

18. (Loss)/Profit Before Tax

	Current Year Quarter 31/12/2018 RM'000	Current Year To Date 31/12/2018 RM'000
(Loss)/Profit before tax is arrived at after charging:		
- Interest expense	1,970	3,098
- Depreciation	4,242	15,570
- Impairment losses on financial assets	-	76
- Inventories written down	38	273
- Inventories written off	-	-
- Loss on disposal of property, plant and equipment	-	-
- Property, plant and equipment written off	9	9
- Loss on foreign exchange - realised	-	-
- Loss on foreign exchange - unrealised	1,702	304
- Fair value loss on contingent consideration	62	16
- Fair value losses on financial instruments	9	243
- Fair value changes in biological assets	36	51
- Exceptional items	-	-
and crediting:		
- Interest income	565	2,393
- Dividend income	-	-
- Gain on disposal of property, plant and equipment	-	24
- Gain on foreign exchange - realised	1,257	804
- Gain on foreign exchange - unrealised	-	-
- Fair value gain on contingent consideration	-	-
- Fair value gains on financial instruments	-	-
- Fair value changes in biological assets	-	-
- Impairment gains on financial assets	139	-
- Reversal of inventories written down	75	309

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. Taxation

Taxation comprises:

	Current Year Quarter 31/12/2018 RM '000	Current Year To Date 31/12/2018 RM '000
Income tax	1,875	(4,170)
Deferred tax	(237)	558
Real property gains tax	(241)	129
	<u>1,397</u>	<u>(3,483)</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 31 December 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
Secured						
Term Loans	-	33,822	-	12,291	-	46,113
Hire Purchase Payables	-	384	-	217	-	601
	-	34,206	-	12,508	-	46,714
Unsecured						
Term Loan	-	10,103	-	-	-	10,103
Revolving Credit	-	-	-	10,000	-	10,000
	-	10,103	-	10,000	-	20,103
Total	-	44,309	-	22,508	-	66,817

	As at 31 December 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
Secured						
Bank Overdraft	-	-	-	561	-	561
Term Loans	-	15,554	-	8,440	-	23,994
Hire Purchase Payables	-	609	-	245	-	854
	-	16,163	-	9,246	-	25,409
Unsecured						
Term Loan	-	3,750	-	1,250	-	5,000
Revolving Credit	-	-	-	10,000	-	10,000
Foreign Currency Trust Receipts						
- USD71,520 @ 4.232	-	-	303	-	303	-
- USD404,656 @ 4.089	-	-	1,654	-	1,654	-
Onshore Foreign Currency Loans						
- USD218,400 @ 4.232	-	-	924	-	924	-
- USD396,333 @ 4.089	-	-	1,621	-	1,621	-
Invoice Financing Loan						
- USD78,000 @ 4.232	-	-	330	-	330	-
	-	3,750	4,832	11,250	4,832	15,000
Total	-	19,913	4,832	20,496	4,832	40,409

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	As at 31 December 2018			As at 31 December 2017		
	Effective Interest Rate As at 31 December 2018 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 31 December 2017 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
Term Loans	4.86% ~ 6.16%	56,216	-	4.63% ~ 5.88%	28,994	-
Revolving Credit	4.61%	-	10,000	4.38%	-	10,000
Bank Overdraft	-	-	-	5.25%	-	561
Foreign Currency Trust Receipts	-	-	-	2.43% ~ 2.51%	-	1,957
Onshore Foreign Currency Loans	-	-	-	2.85% ~ 3.08%	-	2,545
Invoice Financing Loan	-	-	-	2.42%	-	330
Hire Purchase Payables	4.66% ~ 4.83%	-	601	4.66% ~ 4.83%	-	854
Total		56,216	10,601		28,994	16,247
%		84.13%	15.87%		64.09%	35.91%

Compared to the year ended 31 December 2017, the Group's borrowings increased to RM 66.8 million from RM 45.2 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 31 December 2018 are as follows:

Forward Exchange Contract	Contract Value (RM'000)	Fair Value (RM'000)
US Dollar - Less than 1 year	2,521	(37)

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 year ended 31 December 2018.

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

The losses arising from fair value changes of financial liabilities were RM 0.009 million and RM 0.011 million for the current year quarter and year ended 31 December 2018 respectively.

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 YEAR ENDED 31 DECEMBER 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

	31/12/2018 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) 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 year ended 31 December 2018.

23. Material Litigation

There was no material litigation against the Group as at 31 December 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 was 18 December 2018. The treasury shares to be distributed pursuant to the Share Dividend were credited into the Depositor's securities accounts on 16 January 2019.

25. Loss Per Share

	Current Year Quarter 31/12/2018	Current Year To Date 31/12/2018
Loss attributable to owners of the Company (RM '000)	(3,750)	(2,681)
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 loss per share (sen)	<u>(1.37)</u>	<u>(0.98)</u>

Diluted loss per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and year ended 31 December 2018.

26. Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report on 28 February 2019.