

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 MARCH 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2019 RM '000	PRECEDING YEAR QUARTER 31/03/2018 RM '000	CURRENT YEAR TO DATE 31/03/2019 RM '000	PRECEDING YEAR TO DATE 31/03/2018 RM '000
Revenue	80,974	83,625	80,974	83,625
Interest income	564	558	564	558
Impairment (losses)/gains on financial assets	(62)	19	(62)	19
Operating expenses	(79,345)	(85,696)	(79,345)	(85,696)
Other income	189	183	189	183
Finance costs	(876)	(276)	(876)	(276)
Share of associates' (loss)/profit	(104)	118	(104)	118
Profit/(Loss) before tax (Note 18)	1,340	(1,469)	1,340	(1,469)
Tax (expense)/income	(944)	8	(944)	8
Profit/(Loss) for the period	396	(1,461)	396	(1,461)
Profit/(Loss) for the period attributable to:				
Owners of the Company	400	(1,460)	400	(1,460)
Non-controlling interests	(4)	(1)	(4)	(1)
	396	(1,461)	396	(1,461)
Earnings/(Loss) per share (sen):				
(a) Basic	0.14	(0.53)	0.14	(0.53)
(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 2018)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2019 RM '000	PRECEDING YEAR QUARTER 31/03/2018 RM '000	CURRENT YEAR TO DATE 31/03/2019 RM '000	PRECEDING YEAR TO DATE 31/03/2018 RM '000
Profit/(Loss) for the period	396	(1,461)	396	(1,461)
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences for foreign operations	2,010	(1,263)	2,010	(1,263)
Other comprehensive income for the period	2,010	(1,263)	2,010	(1,263)
Total comprehensive income for the period	2,406	(2,724)	2,406	(2,724)
Total comprehensive income for the period attributable to:				
Owners of the Company	2,410	(2,723)	2,410	(2,723)
Non-controlling interests	(4)	(1)	(4)	(1)
	2,406	(2,724)	2,406	(2,724)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	AS AT 31/03/2019 RM '000	AS AT 31/12/2018 RM '000
Non-Current Assets		
Property, Plant and Equipment	122,076	123,859
Investment Properties	35,930	36,091
Goodwill	-	-
Right-of-use Assets	29,077	28,467
Investments in Associates	17,269	17,463
Other Investments	1	1
Inventories	167,638	167,332
Deferred Tax Assets	417	1,069
	<u>372,408</u>	<u>374,282</u>
Current Assets		
Biological Assets	90	346
Inventories	127,425	124,246
Contract Costs	3	60
Contract Assets	2,834	8,130
Receivables	78,234	71,228
Prepayments	2,409	2,188
Current Tax Assets	2,814	2,711
Cash and Cash Equivalents	95,192	106,514
	<u>309,001</u>	<u>315,423</u>
Current Liabilities		
Contract Liabilities	5,669	8,353
Payables	88,043	94,232
Loans and Borrowings	19,899	22,291
Lease Liabilities	346	217
Derivatives	-	37
Provision for Onerous Contract	40	144
Current Tax Liabilities	1,853	1,943
	<u>115,850</u>	<u>127,217</u>
Net Current Assets	193,151	188,206
Non-Current Liabilities		
Loans and Borrowings	44,342	43,925
Lease Liabilities	914	384
Deferred Tax Liabilities	12,186	12,468
	<u>57,442</u>	<u>56,777</u>
Net Assets	508,117	505,711
Equity		
Share Capital	277,992	277,992
Treasury Shares	(148)	(4,546)
Reserves	230,280	232,268
	<u>508,124</u>	<u>505,714</u>
Equity Attributable to Owners of the Company	508,124	505,714
Non-controlling Interests	(7)	(3)
	<u>508,117</u>	<u>505,711</u>
Total Equity	508,117	505,711
Net Assets per Share Attributable to Owners of the Company (RM)	1.83	1.84

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2019**

	← 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	Capital reserve RM '000	Fair value reserve RM '000	Currency translation reserve RM '000	Retained profits RM '000			
At 01/01/2019	277,992	(4,546)	13,737	-	33,912	184,619	505,714	(3)	505,711
Currency translation differences for foreign operations (representing total other comprehensive income for the period)	-	-	-	-	2,010	-	2,010	-	2,010
Profit for the period	-	-	-	-	-	400	400	(4)	396
Comprehensive income for the period	-	-	-	-	2,010	400	2,410	(4)	2,406
Distribution of treasury shares as share dividends (representing total transaction with owners)	-	4,398	-	-	-	(4,398)	-	-	-
Transfer to capital reserve **	-	-	64	-	-	(64)	-	-	-
At 31/03/2019	277,992	(148)	13,801	-	35,922	180,557	508,124	(7)	508,117
At 01/01/2018	277,992	(4,546)	12,807	1	37,937	188,229	512,420	2	512,422
- Brought forward from preceding year	-	-	-	(1)	-	1	-	-	-
Effects of adopting MFRS 9	-	-	-	-	-	-	-	-	-
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 period)	-	-	-	-	(1,263)	-	(1,263)	-	(1,263)
Loss for the period	-	-	-	-	-	(1,460)	(1,460)	(1)	(1,461)
Comprehensive income for the period	-	-	-	-	(1,263)	(1,460)	(2,723)	(1)	(2,724)
Transfer to capital reserve **	-	-	66	-	-	(66)	-	-	-
At 31/03/2018	277,992	(4,546)	12,873	-	36,674	186,704	509,697	1	509,698

* Retained profits as at 31 March 2019 and 31 March 2018 amounting to RM148,000 and 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 2018)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2019**

	CURRENT YEAR TO DATE 31/03/2019 RM '000	CURRENT YEAR TO DATE 31/03/2018 RM '000
Cash flows from operating activities		
Profit/(Loss) before tax	1,340	(1,469)
Adjustments for:		
Amortisation of right-of-use assets	378	332
Depreciation	3,747	3,448
Fair value losses on financial instruments	5	202
Fair value changes in biological assets	256	143
Impairment losses/(gains) on financial assets	62	(19)
Interest expense	876	276
Interest income	(564)	(558)
Inventories written down	48	83
(Gain)/Loss on disposal of property, plant and equipment	(60)	2
Reversal of inventories written down	(64)	(40)
Share of associates' loss/(profit)	104	(118)
Unrealised loss on foreign exchange	1,268	421
Operating profit before working capital changes	7,396	2,703
Changes in:		
Contract costs	57	-
Contract assets	5,296	8,893
Inventories	(3,469)	1,835
Receivables	(7,195)	(3,366)
Prepayments	(221)	70
Contract liabilities	(2,684)	1,526
Derivatives	(37)	-
Payables	(6,108)	(3,290)
Provision	(104)	-
Cash (absorbed by)/generated from operations	(7,069)	8,371
Tax paid	(933)	(1,684)
Tax refunded	146	40
	(787)	(1,644)
Net cash (used in)/from operating activities	(7,856)	6,727
Cash flows from investing activities		
Additions of investment properties	(62)	(7,217)
Payment of right-of-use assets	(33)	-
Interest received	564	558
Proceeds from disposal of other investments	-	407
Proceeds from disposal of property, plant and equipment	64	1
Purchase of property, plant and equipment	(1,391)	(2,917)
Net cash used in investing activities	(858)	(9,168)
Cash flows from financing activities		
Changes in term deposits pledged as security	634	(2,563)
Drawdown of term loans	417	12,458
Increase/(Decrease) in short-term loans and borrowings (net)	426	(1,243)
Interest paid	(866)	(666)
Payment of lease liabilities	(107)	(67)
Repayment of term loans	(2,828)	(789)
Net cash (used in)/from financing activities	(2,324)	7,130
Currency translation differences	350	(1,236)
Net (decrease)/increase in cash and cash equivalents	(10,688)	3,453
Cash and cash equivalents brought forward	102,930	92,788
Cash and cash equivalents carried forward	92,242	96,241
Note:		
Cash and cash equivalents	95,192	102,192
Bank overdraft	-	(517)
Term deposits pledged as security	(2,950)	(5,434)
	92,242	96,241

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2019**

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 2018.

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 2018 except for the adoption of the following MFRS:

	<u>Effective for annual periods beginning on or after</u>
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Previously Held Interest in a Joint Operation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 112 <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Borrowing Costs Eligible for Capitalisation</i> (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019

The adoption of the above MFRS did not have any significant impacts on the financial statements of the Group except as follows:-

MFRS 16 Leases

MFRS 16, which replaces MFRS 117 *Leases* and other related interpretations, eliminates the distinction between finance and operating leases for lessees. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The Group has adopted MFRS 16 *Leases* from 1 January 2019 with any cumulative effect of initial application recognised at that date without restating the comparative information presented under MFRS 117 *Leases*.

	As previously reported RM'000	Reclassification to MFRS16 category RM'000	MFRS16 RM'000
<u>Consolidated Statement of Financial Position (Extract)</u>			
<u>As at 31 December 2018</u>			
Property, Plant and Equipment	152,326	(28,467)	123,859
Right-of-use Assets	-	28,467	28,467
Lease Liabilities (Current Liabilities)	-	217	217
Lease Liabilities (Non-Current Liabilities)	-	384	384
Loans and Borrowings (Current Liabilities)	22,508	(217)	22,291
Loans and Borrowings (Non-Current Liabilities)	44,309	(384)	43,925
	As previously stated RM'000	MFRS16 adjustments RM'000	As restated RM'000
<u>As at 1 January 2019</u>			
Right-of-use Assets	28,467	377	28,844
Lease Liabilities (Current Liabilities)	217	144	361
Lease Liabilities (Non-Current Liabilities)	384	233	617

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 31 March 2019.

5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current year quarter and period ended 31 March 2019.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2019**

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 31 March 2019.

7. Dividend Paid

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 distributed pursuant to the Share Dividend were credited into the Depositor's securities accounts on 16 January 2019.

8. Segmental Reporting

Analysis by activity	Electronic	Properties			Utilities	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	69,334	5,179	1,561	299	4,202	1,928	82,503
Intersegment revenue	-	(28)	(11)	-	(1)	(1,489)	(1,529)
External revenue	69,334	5,151	1,550	299	4,201	439	80,974
Results							
Segment results	2,221	533	(19)	(398)	74	(655)	1,756
Interest income	493	31	3	-	6	31	564
Interest expense	(318)	(218)	-	-	-	(340)	(876)
Share of associates' loss	-	-	-	-	-	(104)	(104)
Profit/(Loss) before tax	2,396	346	(16)	(398)	80	(1,068)	1,340
Tax (expense)/income	(259)	(652)	(1)	61	-	(93)	(944)
Profit/(Loss) for the financial year	2,137	(306)	(17)	(337)	80	(1,161)	396
Assets							
Segment assets	313,511	262,454	4,228	22,745	16,631	41,340	660,909
Associates	-	-	-	-	-	17,269	17,269
Income tax assets	196	2,649	6	68	311	1	3,231
Total assets	313,707	265,103	4,234	22,813	16,942	58,610	681,409
Liabilities							
Segment liabilities	46,707	15,453	1,459	46	12,326	17,761	93,752
Loans and borrowings	24,880	14,731	-	-	-	24,630	64,241
Lease liabilities	108	647	-	-	-	505	1,260
Income tax liabilities	12,091	117	8	107	-	1,716	14,039
Total liabilities	83,786	30,948	1,467	153	12,326	44,612	173,292

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2019**

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 period ended 31 March 2019.

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 31 March 2019 are as follows:

	31/03/2019 RM '000
Purchase of goods from other related party (a)	2,684
Purchase of property, plant and equipment from other related parties (a)(b)	116
Receiving of services from other related party (b)	228
Rental charged by other related party (a)	29
Rental charged to other related party (a)	43
Rental charged to associate	396
Sale of goods to other related party (a)	555
	555

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

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

13. Review of the Performance

Operating Segment	Current Year Quarter 31/03/2019 RM '000	Preceding Year Quarter 31/03/2018 RM '000	Changes RM '000	Current Year To Date 31/03/2019 RM '000	Preceding Year To Date 31/03/2018 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	69,334	65,534	3,800	69,334	65,534	3,800
Properties						
- Property development	5,151	3,998	1,153	5,151	3,998	1,153
- Sale of building materials	1,550	2,306	(756)	1,550	2,306	(756)
- Cultivation of oil palm	299	412	(113)	299	412	(113)
Utilities						
- Water and wastewater treatment	4,201	11,375	(7,174)	4,201	11,375	(7,174)
Unallocated non-operating segments	439	-	439	439	-	439
Total	80,974	83,625	(2,651)	80,974	83,625	(2,651)
Profit/(Loss) before tax						
Electronic						
- Manufacture of printed circuit boards	2,396	(172)	2,568	2,396	(172)	2,568
Properties						
- Property development	346	(696)	1,042	346	(696)	1,042
- Sale of building materials	(16)	41	(57)	(16)	41	(57)
- Cultivation of oil palm	(398)	16	(414)	(398)	16	(414)
Utilities						
- Water and wastewater treatment	80	40	40	80	40	40
Unallocated non-operating segments	(1,068)	(698)	(370)	(1,068)	(698)	(370)
Total	1,340	(1,469)	2,809	1,340	(1,469)	2,809

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2019**

13. Review of the Performance (cont'd)

The Group recorded a profit before tax of RM 1.3 million for the current year quarter ended 31 March 2019 compared to a loss before tax of RM 1.5 million for the preceding year quarter mainly due to improved contribution from Electronic and Properties Divisions.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 March 2019 compared to the preceding year quarter is as follows:

i) **Manufacture of printed circuit boards**

The profit before tax of RM 2.4 million was in contrast to a loss before tax of RM 0.2 million mainly due to higher contribution from Malaysia operation on favourable sales mix and foreign exchange.

ii) **Property development**

The profit before tax of RM 0.3 million was in contrast to a loss before tax of RM 0.7 million mainly helped by higher percentage of completion for residential properties.

iii) **Sale of building materials**

The loss before tax of RM 0.02 million was in contrast to a profit before tax of RM 0.04 million mainly due to lower revenue and purchase incentive.

iv) **Cultivation of oil palm**

The loss before tax of RM 0.4 million was in contrast to a profit before tax of RM 0.02 million mainly due to lower FFB output and CPO prices, higher rental expense and unfavourable fair value changes in biological assets.

v) **Water and wastewater treatment**

Profit before tax increased to RM 0.08 million from RM 0.04 million mainly due to lower liquidated ascertained damages and administrative expenses.

vi) **Unallocated non-operating segments**

Loss before tax increased to RM 1.1 million from RM 0.7 million mainly due to negative contribution from associates and higher interest expense.

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

	Current Year Quarter 31/03/2019	Immediate Preceding Quarter 31/12/2018	Changes
	RM'000	RM'000	RM'000
Revenue	80,974	81,007	(33)
Profit/(Loss) Before Tax	1,340	(2,354)	3,694

As compared to the immediate preceding quarter, the Group recorded a profit before tax of RM 1.3 million in contrast to a loss before tax of RM 2.4 million for the immediate preceding quarter mainly due to improved contribution from Properties Division on higher residential property units sold and percentage of completion.

15. Prospects for 2019

Electronic Division anticipates the positive growth momentum in demand for PCBs to sustain in 2019.

Properties Division foresees property sales to remain weak in view of tough property market conditions in 2019.

Utilities Division expects intense competition on open market tendering to take a toll on its bottom line in 2019.

Overall, the Group foresees a challenging operating environment for the remainder of 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 QUARTER ENDED 31 MARCH 2019**

17. Revenue

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

Current Year To Date 31/03/2019							
Segment	Electronic	Properties			Utilities	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	-	2,061	-	-	4,201	-	6,262
Products transferred at a point in time	69,334	3,090	1,550	299	-	-	74,273
Income not within the scope of MFRS 15	-	-	-	-	-	439	439
	69,334	5,151	1,550	299	4,201	439	80,974

18. Profit/(Loss) Before Tax

	Current Year Quarter 31/03/2019 RM'000	Current Year To Date 31/03/2019 RM'000
Profit before tax is arrived at after charging:		
- Interest expense	876	876
- Depreciation	3,747	3,747
- Amortisation of right-of-use assets	378	378
- Impairment losses on financial assets	62	62
- Inventories written down	48	48
- Inventories written off	-	-
- Loss on disposal of property, plant and equipment	-	-
- Property, plant and equipment written off	-	-
- Loss on foreign exchange - realised	-	-
- Loss on foreign exchange - unrealised	1,268	1,268
- Fair value losses on financial instruments	40	40
- Fair value changes in biological assets	256	256
- Exceptional items	-	-
and crediting:		
- Interest income	564	564
- Dividend income	-	-
- Gain on disposal of property, plant and equipment	60	60
- Gain on foreign exchange - realised	29	29
- Gain on foreign exchange - unrealised	-	-
- Fair value gains on financial instruments	-	-
- Fair value changes in biological assets	-	-
- Impairment gains on financial assets	-	-
- Reversal of inventories written down	64	64

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2019**

19. Taxation

Taxation comprises:

	Current Year Quarter 31/03/2019 RM '000	Current Year To Date 31/03/2019 RM '000
Income tax	(613)	(613)
Deferred tax	(331)	(331)
	<u>(944)</u>	<u>(944)</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 March 2019					
	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	-	34,239	-	5,122	-	39,361
	-	34,239	-	5,122	-	39,361
Unsecured						
Term Loans	-	10,103	-	4,351	-	14,454
Revolving Credit	-	-	-	10,000	-	10,000
Foreign Currency Trust Receipt - USD104,604 @ 4.071	-	-	426	-	426	-
	-	10,103	426	14,351	426	24,454
Total	-	44,342	426	19,473	426	63,815

	As at 31 March 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						
Bank Overdraft	-	-	-	517	-	517
Term Loans	-	28,012	-	7,651	-	35,663
	-	28,012	-	8,168	-	36,180
Unsecured						
Term Loan	-	3,750	-	1,250	-	5,000
Revolving Credits	-	-	-	10,000	-	10,000
Foreign Currency Trust Receipts						
- USD453,462 @ 3.900	-	-	1,768	-	1,768	-
- USD252,291 @ 3.923	-	-	990	-	990	-
Onshore Foreign Currency Loan - USD40,500 @ 3.923	-	-	159	-	159	-
Invoice Financing Loan - USD165,965 @ 4.050	-	-	672	-	672	-
	-	3,750	3,589	11,250	3,589	15,000
Total	-	31,762	3,589	19,418	3,589	51,180

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2019**

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

	As at 31 March 2019			As at 31 March 2018		
	Effective Interest Rate As at 31 March 2019 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 31 March 2018 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
Term Loans	4.86% ~ 6.16%	53,815	-	4.86% ~ 6.11%	40,663	-
Revolving Credit	4.61%	-	10,000	4.61%	-	10,000
Bank Overdraft	-	-	-	5.25%	517	-
Foreign Currency Trust Receipts	3.50%	-	426	2.69% ~ 2.85%	-	2,758
Onshore Foreign Currency Loans	-	-	-	3.54%	-	159
Invoice Financing Loan	-	-	-	2.76%	-	672
Total		53,815	10,426		41,180	13,589
%		83.77%	16.23%		75.19%	24.81%

Compared to the period ended 31 March 2018, the Group's borrowings increased to RM 64.2 million from RM 54.8 million mainly due to the drawdown of term loans to finance property development projects and purchase of machineries.

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

22. Financial Instruments

a) Derivatives

There were no outstanding derivatives as at 31 March 2019.

b) Losses arising from Fair Value Changes of Financial Liabilities

The losses arising from fair value changes of financial liabilities were RM 0.035 million for the current year quarter and period ended 31 March 2019 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 QUARTER ENDED 31 MARCH 2019**

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

	31/03/2019 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 quoted by the financial institution, which normally measured the fair values 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 31 March 2019.

23. Material Litigation

There was no material litigation against the Group as at 31 March 2019.

24. Proposed Dividend

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

25. Earnings Per Share

	Current Year Quarter 31/03/2019	Current Year To Date 31/03/2019
Profit attributable to owners of the Company (RM '000)	<u>400</u>	<u>400</u>
Number of ordinary shares in issue at the beginning of the period ('000)	274,362	274,362
Effect of shares dividend ('000)	3,427	3,427
Weighted average number of ordinary shares in issue ('000)	<u>277,789</u>	<u>277,789</u>
Basic earnings per share (sen)	<u>0.14</u>	<u>0.14</u>

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and period ended 31 March 2019.

26. Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report on 23 May 2019.