

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

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2019

|  | INDIVIDUAL QUARTER                                  |   | CUMULATIVE QUARTER                                  |   |
|--|---|---|---|---|
|  | CURRENT<br>YEAR<br>QUARTER<br>30/09/2019<br>RM '000 | PRECEDING<br>YEAR<br>QUARTER<br>30/09/2018<br>RM '000 | CURRENT<br>YEAR<br>TO DATE<br>30/09/2019<br>RM '000 | PRECEDING<br>YEAR<br>TO DATE<br>30/09/2018<br>RM '000 |
| Revenue                                | 86,014  | 96,541  | 254,164   | 268,117   |
| Interest income                        | 434   | 670   | 1,515   | 1,828   |
| Impairment losses on financial assets  | (10)  | (261)   | (69)  | (215)   |
| Operating expenses                     | (84,020)  | (94,619)  | (246,827)   | (267,793)   |
| Other income                           | 2,169   | 780   | 3,031   | 2,080   |
| Finance costs                          | (817)   | (498)   | (2,557)   | (1,128)   |
| Share of associates' (loss)/profit     | (187)   | (20)  | (731)   | 262   |
| <b>Profit before tax (Note 18)</b>     | <b>3,583</b>  | <b>2,593</b>  | <b>8,526</b>  | <b>3,151</b>  |
| Tax expense                            | (1,129)   | (933)   | (1,876)   | (2,086)   |
| <b>Profit for the period</b>           | <b>2,454</b>  | <b>1,660</b>  | <b>6,650</b>  | <b>1,065</b>  |
| Profit for the period attributable to: |   |   |   |   |
| Owners of the Company                  | 2,456   | 1,661   | 6,657   | 1,069   |
| Non-controlling interests              | (2)   | (1)   | (7)   | (4)   |
|  | <b>2,454</b>  | <b>1,660</b>  | <b>6,650</b>  | <b>1,065</b>  |
| Earnings per share (sen):              |   |   |   |   |
| (a) Basic                              | 0.88  | 0.60  | 2.40  | 0.38  |
| (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 30 SEPTEMBER 2019

|   | INDIVIDUAL QUARTER<br>CURRENT<br>YEAR<br>QUARTER<br>30/09/2019<br>RM '000 | PRECEDING<br>YEAR<br>QUARTER<br>30/09/2018<br>RM '000 | CUMULATIVE QUARTER<br>CURRENT<br>YEAR<br>TO DATE<br>30/09/2019<br>RM '000 | PRECEDING<br>YEAR<br>TO DATE<br>30/09/2018<br>RM '000 |
|---|---|---|---|---|
| Profit for the period   | 2,454   | 1,660   | 6,650   | 1,065   |
| Other comprehensive income:                                   |   |   |   |   |
| Item that may be reclassified subsequently to profit or loss: |   |   |   |   |
| Currency translation differences for foreign operations       | (4,097)   | (1,924)   | (4,091)   | (4,287)   |
| Other comprehensive income for the period                     | (4,097)   | (1,924)   | (4,091)   | (4,287)   |
| Total comprehensive income for the period                     | (1,643)   | (264)   | 2,559   | (3,222)   |
| Total comprehensive income for the period attributable to:    |   |   |   |   |
| Owners of the Company   | (1,641)   | (263)   | 2,566   | (3,218)   |
| Non-controlling interests                                     | (2)   | (1)   | (7)   | (4)   |
|   | (1,643)   | (264)   | 2,559   | (3,222)   |

(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 30 SEPTEMBER 2019**

|  | AS AT<br>30/09/2019<br>RM '000 | AS AT<br>31/12/2018<br>RM '000 |
|--|--------------------------------|--------------------------------|
| <b>Non-Current Assets</b>  |                                |                                |
| Property, Plant and Equipment  | 119,869                        | 123,859                        |
| Investment Properties  | 35,554                         | 36,091                         |
| Goodwill   | -                              | -                              |
| Right-of-use Assets  | 27,692                         | 28,467                         |
| Investments in Associates  | 16,827                         | 17,463                         |
| Other Investments  | 1                              | 1                              |
| Inventories  | 171,097                        | 167,332                        |
| Deferred Tax Assets  | 577                            | 1,069                          |
|  |                                | <u>374,282</u>                 |
| <b>Current Assets</b>  |                                |                                |
| Biological Assets  | 94                             | 346                            |
| Inventories  | 119,452                        | 124,246                        |
| Contract Costs   | 92                             | 60                             |
| Contract Assets  | 6,829                          | 8,130                          |
| Receivables  | 72,244                         | 71,228                         |
| Prepayments  | 3,387                          | 2,188                          |
| Current Tax Assets   | 1,695                          | 2,711                          |
| Cash and Cash Equivalents  | 100,084                        | 106,514                        |
|  | <u>303,877</u>                 | <u>315,423</u>                 |
| <b>Current Liabilities</b>   |                                |                                |
| Contract Liabilities   | 3,813                          | 8,353                          |
| Payables   | 86,290                         | 94,232                         |
| Loans and Borrowings   | 14,514                         | 22,291                         |
| Lease Liabilities  | 115                            | 217                            |
| Derivatives  | -                              | 37                             |
| Provision for Onerous Contract   | 35                             | 144                            |
| Current Tax Liabilities  | 2,361                          | 1,943                          |
|  | <u>107,128</u>                 | <u>127,217</u>                 |
| <b>Net Current Assets</b>  | <b>196,749</b>                 | <b>188,206</b>                 |
| <b>Non-Current Liabilities</b>   |                                |                                |
| Loans and Borrowings   | 47,342                         | 43,925                         |
| Lease Liabilities  | 914                            | 384                            |
| Deferred Tax Liabilities   | 11,840                         | 12,468                         |
|  | <u>60,096</u>                  | <u>56,777</u>                  |
| <b>Net Assets</b>  | <b>508,270</b>                 | <b>505,711</b>                 |
| <b>Equity</b>  |                                |                                |
| Share Capital  | 277,992                        | 277,992                        |
| Treasury Shares  | (148)                          | (4,546)                        |
| Reserves   | 230,436                        | 232,268                        |
| <b>Equity Attributable to Owners of the Company</b>                        | <b>508,280</b>                 | <b>505,714</b>                 |
| Non-controlling Interests  | (10)                           | (3)                            |
| <b>Total Equity</b>  | <b>508,270</b>                 | <b>505,711</b>                 |
| <b>Net Assets per Share Attributable to<br/>Owners of the Company (RM)</b> | <b>1.83</b>                    | <b>1.84</b>                    |

**(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 30 SEPTEMBER 2019

|   | ← Non-Distributable →    |                            |                            |                               | Distributable                           |                             | Equity attributable to owners of the Company<br>RM '000 | Non-controlling interests<br>RM '000 | Total equity<br>RM '000 |
|---|--------------------------|----------------------------|----------------------------|-------------------------------|---|-----------------------------|---|--------------------------------------|-------------------------|
|   | Share capital<br>RM '000 | Treasury shares<br>RM '000 | Capital reserve<br>RM '000 | Fair value reserve<br>RM '000 | Currency translation reserve<br>RM '000 | Retained profits<br>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<br>(representing other comprehensive income for the period) | -                        | -                          | -                          | -                             | (4,091)                                 | -                           | (4,091)   | -                                    | (4,091)                 |
| Profit/(Loss) for the period  | -                        | -                          | -                          | -                             | -                                       | 6,657                       | 6,657   | (7)                                  | 6,650                   |
| Comprehensive income for the period   | -                        | -                          | -                          | -                             | (4,091)                                 | 6,657                       | 2,566   | (7)                                  | 2,559                   |
| Distribution of treasury shares as share dividends<br>(representing total transaction with owners)                  | -                        | 4,398                      | -                          | -                             | -                                       | (4,398)                     | -   | -                                    | -                       |
| Transfer to capital reserve *   | -                        | -                          | 257                        | -                             | -                                       | (257)                       | -   | -                                    | -                       |
| At 30/09/2019   | 277,992                  | (148)                      | 13,994                     | -                             | 29,821                                  | 186,621                     | 508,280   | (10)                                 | 508,270                 |
| 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<br>Adjusted  | 277,992                  | (4,546)                    | 12,807                     | -                             | 37,937                                  | 188,230                     | 512,420   | 2                                    | 512,422                 |
| Currency translation differences for foreign operations<br>(representing other comprehensive income for the period) | -                        | -                          | -                          | -                             | (4,287)                                 | -                           | (4,287)   | -                                    | (4,287)                 |
| Profit/(Loss) for the period  | -                        | -                          | -                          | -                             | -                                       | 1,069                       | 1,069   | (4)                                  | 1,065                   |
| 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                                  | 188,841                     | 509,202   | (2)                                  | 509,200                 |

\* 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 30 SEPTEMBER 2019**

|  | CURRENT<br>YEAR<br>TO DATE<br>30/09/2019<br>RM '000 | CURRENT<br>YEAR<br>TO DATE<br>30/09/2018<br>RM '000 |
|--|---|---|
| Cash flows from operating activities                         |   |   |
| Profit before tax  | 8,526   | 3,151   |
| Adjustments for:   |   |   |
| Amortisation of right-of-use assets                          | 1,165   | 991   |
| Depreciation   | 11,241  | 10,337  |
| Fair value losses on financial instruments                   | 5   | 188   |
| Fair value changes in biological assets                      | 252   | 15  |
| Impairment losses on financial assets                        | 69  | 215   |
| Interest expense   | 2,557   | 1,128   |
| Interest income  | (1,515)   | (1,828)   |
| Inventories written down                                     | 320   | 235   |
| Gain on disposal of property, plant and equipment            | (72)  | (24)  |
| Property, plant and equipment written off                    | 6   | -   |
| Reversal of inventories written down                         | (397)   | (234)   |
| Share of associates' loss/(profit)                           | 731   | (262)   |
| Unrealised gain on foreign exchange                          | (1,965)   | (1,398)   |
| Operating profit before working capital changes              | 20,923  | 12,514  |
| Changes in:  |   |   |
| Contract costs   | (32)  | -   |
| Contract assets  | 1,301   | (1,348)   |
| Inventories  | 1,106   | 8,850   |
| Receivables  | (68)  | (844)   |
| Prepayments  | (1,195)   | (1,730)   |
| Contract liabilities   | (4,540)   | 7,081   |
| Derivatives  | (37)  | -   |
| Payables   | (8,405)   | (10,043)  |
| Provision  | (109)   | -   |
| Cash generated from operations                               | 8,944   | 14,480  |
| Tax paid   | (2,466)   | (5,285)   |
| Tax refunded   | 1,938   | 40  |
|  | (528)   | (5,245)   |
| Net cash from operating activities                           | 8,416   | 9,235   |
| Cash flows from investing activities                         |   |   |
| Additions of investment properties                           | (131)   | (18,616)  |
| Payment of right-of-use assets                               | (33)  | -   |
| Interest received  | 1,515   | 1,828   |
| Proceeds from disposal of other investments                  | -   | 407   |
| Proceeds from disposal of property, plant and equipment      | 84  | 69  |
| Purchase of property, plant and equipment                    | (7,317)   | (6,849)   |
| Net cash used in investing activities                        | (5,882)   | (23,161)  |
| Cash flows from financing activities                         |   |   |
| Changes in term deposits pledged as security                 | 725   | (37)  |
| Drawdown of term loans                                       | 3,417   | 34,859  |
| Increase/(Decrease) in short-term loans and borrowings (net) | 722   | (342)   |
| Interest paid  | (2,530)   | (2,112)   |
| Payment of lease liabilities                                 | (338)   | (182)   |
| Repayment of term loans                                      | (8,525)   | (6,845)   |
| Net cash (used in)/from financing activities                 | (6,529)   | 25,341  |
| Currency translation differences                             | (1,710)   | (1,877)   |
| Net (decrease)/increase in cash and cash equivalents         | (5,705)   | 9,538   |
| Cash and cash equivalents brought forward                    | 102,930   | 92,788  |
| Cash and cash equivalents carried forward                    | 97,225  | 102,326   |
| Note:  |   |   |
| Cash and cash equivalents                                    | 100,084   | 105,234   |
| Term deposits pledged as security                            | (2,859)   | (2,908)   |
|  | 97,225  | 102,326   |

**(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 30 SEPTEMBER 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<br>reported<br>RM'000 | Reclassification to<br>MFRS16<br>category<br>RM'000 | MFRS16<br>RM'000      |
|--|-------------------------------------|---|-----------------------|
| <b><u>Consolidated Statement of Financial Position (Extract)</u></b> |                                     |   |                       |
| <b><u>As at 31 December 2018</u></b>                                 |                                     |   |                       |
| 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<br>stated<br>RM'000   | MFRS16<br>adjustments<br>RM'000                     | As restated<br>RM'000 |
| <b><u>As at 1 January 2019</u></b>                                   |                                     |   |                       |
| 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 30 September 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 30 September 2019.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 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 30 September 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 |  |               |
| <b>Revenue</b>               |   |                              |                                    |                                 |  |  |               |
| Total revenue                | 221,166                                       | 15,733                       | 4,309                              | 701                             | 13,178                                 | 5,786                                      | 260,873       |
| Intersegment revenue         | -   | (83)                         | (16)                               | -                               | (2,143)                                | (4,467)                                    | (6,709)       |
| External revenue             | 221,166                                       | 15,650                       | 4,293                              | 701                             | 11,035                                 | 1,319                                      | 254,164       |
| <b>Results</b>               |   |                              |                                    |                                 |  |  |               |
| Segment results              | 12,374  | 1,542                        | (67)                               | (836)                           | (158)                                  | (2,556)                                    | 10,299        |
| Interest income              | 1,306   | 124                          | 9                                  | -                               | 6                                      | 70   | 1,515         |
| Interest expense             | (929)   | (585)                        | -                                  | -                               | (37)                                   | (1,006)                                    | (2,557)       |
| Share of associates' loss    | -   | -                            | -                                  | -                               | -                                      | (731)                                      | (731)         |
| Profit/(Loss) before tax     | 12,751  | 1,081                        | (58)                               | (836)                           | (189)                                  | (4,223)                                    | 8,526         |
| Tax (expense)/income         | (1,500)                                       | (493)                        | (2)                                | 60                              | -                                      | 59   | (1,876)       |
| Profit/(Loss) for the period | 11,251  | 588                          | (60)                               | (776)                           | (189)                                  | (4,164)                                    | 6,650         |
| <b>Assets</b>                |   |                              |                                    |                                 |  |  |               |
| Segment assets               | 310,992                                       | 262,785                      | 3,707                              | 22,305                          | 16,868                                 | 39,738                                     | 656,395       |
| Associates                   | -   | -                            | -                                  | -                               | -                                      | 16,827                                     | 16,827        |
| Income tax assets            | 1   | 2,102                        | 8                                  | 92                              | 69                                     | -  | 2,272         |
| Total assets                 | 310,993                                       | 264,887                      | 3,715                              | 22,397                          | 16,937                                 | 56,565                                     | 675,494       |
| <b>Liabilities</b>           |   |                              |                                    |                                 |  |  |               |
| Segment liabilities          | 43,065  | 15,512                       | 914                                | 67                              | 11,303                                 | 19,277                                     | 90,138        |
| Loans and borrowings         | 24,306  | 11,555                       | -                                  | -                               | 1,387                                  | 24,608                                     | 61,856        |
| Lease liabilities            | 87  | 515                          | -                                  | -                               | -                                      | 427  | 1,029         |
| Income tax liabilities       | 12,340  | 116                          | 8                                  | 108                             | -                                      | 1,629                                      | 14,201        |
| Total liabilities            | 79,798  | 27,698                       | 922                                | 175                             | 12,690                                 | 45,941                                     | 167,224       |

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 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 30 September 2019.

**11. Contingent Liabilities or Contingent Assets**

The Group has no other contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date except for material litigation as disclosed in Note 23.

**12. Significant Related Party Transactions**

Significant transactions with related parties during the period ended 30 September 2019 are as follows:

|   | 30/09/2019<br>RM '000 |
|---|-----------------------|
| Purchase of goods from other related party (a)                              | 8,490                 |
| Purchase of property, plant and equipment from other related parties (a)(b) | 198                   |
| Receiving of services from other related party (b)                          | 740                   |
| Rental charged by other related party (a)                                   | 86                    |
| Rental charged to other related party (a)                                   | 129                   |
| Rental charged to associate   | 1,190                 |
| Sale of goods to other related party (a)                                    | <u>2,389</u>          |

(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<br>30/09/2019 | Preceding Year Quarter<br>30/09/2018 | Changes         | Current Year To Date<br>30/09/2019 | Preceding Year To Date<br>30/09/2018 | Changes         |
|---|------------------------------------|--------------------------------------|-----------------|------------------------------------|--------------------------------------|-----------------|
|   | RM '000                            | RM '000                              | RM '000         | RM '000                            | RM '000                              | RM '000         |
| <b>Revenue</b>                          |                                    |                                      |                 |                                    |                                      |                 |
| <b>Electronic</b>                       |                                    |                                      |                 |                                    |                                      |                 |
| - Manufacture of printed circuit boards | 74,369                             | 75,754                               | (1,385)         | 221,166                            | 213,719                              | 7,447           |
| <b>Properties</b>                       |                                    |                                      |                 |                                    |                                      |                 |
| - Property development                  | 7,435                              | 13,663                               | (6,228)         | 15,650                             | 24,665                               | (9,015)         |
| - Sale of building materials            | 1,370                              | 2,017                                | (647)           | 4,293                              | 6,073                                | (1,780)         |
| - Cultivation of oil palm               | 165                                | 228                                  | (63)            | 701                                | 846                                  | (145)           |
| <b>Utilities</b>                        |                                    |                                      |                 |                                    |                                      |                 |
| - Water and wastewater treatment        | 2,235                              | 4,879                                | (2,644)         | 11,035                             | 22,814                               | (11,779)        |
| Unallocated non-operating segments      | 440                                | -                                    | 440             | 1,319                              | -                                    | 1,319           |
| <b>Total</b>                            | <b>86,014</b>                      | <b>96,541</b>                        | <b>(10,527)</b> | <b>254,164</b>                     | <b>268,117</b>                       | <b>(13,953)</b> |
| <b>Profit/(Loss) before tax</b>         |                                    |                                      |                 |                                    |                                      |                 |
| <b>Electronic</b>                       |                                    |                                      |                 |                                    |                                      |                 |
| - Manufacture of printed circuit boards | 5,459                              | 2,705                                | 2,754           | 12,751                             | 5,953                                | 6,798           |
| <b>Properties</b>                       |                                    |                                      |                 |                                    |                                      |                 |
| - Property development                  | 1,012                              | 2,198                                | (1,186)         | 1,081                              | 1,871                                | (790)           |
| - Sale of building materials            | (15)                               | 28                                   | (43)            | (58)                               | 49                                   | (107)           |
| - Cultivation of oil palm               | (233)                              | 150                                  | (383)           | (836)                              | 84                                   | (920)           |
| <b>Utilities</b>                        |                                    |                                      |                 |                                    |                                      |                 |
| - Water and wastewater treatment        | (1,234)                            | (1,404)                              | 170             | (189)                              | (1,777)                              | 1,588           |
| Unallocated non-operating segments      | (1,406)                            | (1,084)                              | (322)           | (4,223)                            | (3,029)                              | (1,194)         |
| <b>Total</b>                            | <b>3,583</b>                       | <b>2,593</b>                         | <b>990</b>      | <b>8,526</b>                       | <b>3,151</b>                         | <b>5,375</b>    |



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

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

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

The Group's profit before tax of RM 3.6 million for the current year quarter ended 30 September 2019 was higher compared to RM 2.6 million for the preceding year quarter mainly due to improved contribution from Electronic Division which was partly offset by the drop in contribution from Properties Division.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 30 September 2019 compared to the preceding year quarter is as follows:

**i) Manufacture of printed circuit boards**

Profit before tax increased to RM 5.5 million from RM 2.7 million mainly due to higher contribution from Malaysia operation on favourable sales mix and foreign exchange.

**ii) Property development**

Profit before tax decreased to RM 1.0 million from RM 2.2 million in line with lower residential property units sold.

**iii) Sale of building materials**

The loss before tax of RM 0.02 million was in contrast to a profit before tax of RM 0.03 million mainly due to slowdown in property market.

**iv) Cultivation of oil palm**

The loss before tax of RM 0.2 million was in contrast to a profit before tax of RM 0.2 million mainly due to lower CPO prices, higher rental expense and unfavourable fair value changes in biological assets.

**v) Water and wastewater treatment**

Loss before tax decreased to RM 1.2 million from RM 1.4 million mainly due to reversal of provision for liquidated ascertained damages on water projects.

**vi) Unallocated non-operating segments**

Loss before tax increased to RM 1.4 million from RM 1.1 million mainly due to higher interest expense and negative contribution from associates.

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

For the period ended 30 September 2019, the Group recorded a higher profit before tax of RM 8.5 million compared to RM 3.2 million for the preceding year to date mainly due to higher contribution from Electronic Division which was partly offset by lacklustre performance from Properties Division.

Detailed analysis of the performance of the Group's operating segments for the period ended 30 September 2019 compared to the preceding year to date is as follows:

**i) Manufacture of printed circuit boards**

Profit before tax increased to RM 12.8 million from RM 6.0 million mainly due to higher contribution from Malaysia operation on increase in revenue, favourable sales mix and foreign exchange.

**ii) Property development**

Profit before tax decreased to RM 1.1 million from RM 1.9 million in line with lower residential property units sold and higher interest expenses.

**iii) Sale of building materials**

The loss before tax of RM 0.06 million was in contrast to a profit before tax of RM 0.05 million mainly due to unfavourable sales mix.

**iv) Cultivation of oil palm**

The loss before tax of RM 0.84 million was in contrast to a profit before tax of RM 0.08 million mainly due to lower CPO prices, higher rental expense and unfavourable fair value changes in biological assets.

**v) Water and wastewater treatment**

Loss before tax decreased to RM 0.2 million from RM 1.8 million mainly due to reversal of provision for liquidated ascertained damages on water projects.

**vi) Unallocated non-operating segments**

Loss before tax increased to RM 4.2 million from RM 3.0 million mainly due to negative contribution from associates.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

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

|                   | Current Year Quarter<br>30/09/2019 | Immediate Preceding Quarter<br>30/06/2019 | Changes |
|-------------------|------------------------------------|---|---------|
|                   | RM'000                             | RM'000                                    | RM'000  |
| Revenue           | 86,014                             | 87,176                                    | (1,162) |
| Profit Before Tax | 3,583                              | 3,603                                     | (20)    |

As compared to the immediate preceding quarter, the Group's profit before tax was almost the same at RM 3.6 million despite the 1.3% drop in revenue to RM 86.0 million mainly due to improved contribution from Properties and Electronic Divisions coupled with lower share of associates' loss.

**15. Prospects for 2019**

Electronic Division anticipates a slow down in demand for PCBs in the last quarter of 2019.

Properties Division foresees better property sales in the last quarter of 2019.

Utilities Division expects market environment to remain tough on intense competition in the last quarter of 2019.

Overall, the Group foresees a challenging operating environment in the last quarter 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.

**17. Revenue**

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

| Current Year Quarter 30/09/2019        |  |                                 |                                       |                                    |   |                          |                  |
|--|--|---------------------------------|---------------------------------------|------------------------------------|---|--------------------------|------------------|
| Segment                                | Electronic                                       | Properties                      |                                       |                                    | Utilities                                 | 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 | Rental Income<br>RM '000 |                  |
| <u>Timing of revenue recognition</u>   |  |                                 |                                       |                                    |   |                          |                  |
| Over time                              | -  | 3,442                           | -                                     | -                                  | 2,235                                     | -                        | 5,677            |
| At a point in time                     | 74,369   | 3,993                           | 1,370                                 | 165                                | -   | -                        | 79,897           |
| Income not within the scope of MFRS 15 | -  | -                               | -                                     | -                                  | -   | 440                      | 440              |
|  | 74,369   | 7,435                           | 1,370                                 | 165                                | 2,235                                     | 440                      | 86,014           |

| Current Year To Date 30/09/2019        |  |                                 |                                       |                                    |   |                          |                  |
|--|--|---------------------------------|---------------------------------------|------------------------------------|---|--------------------------|------------------|
| Segment                                | Electronic                                       | Properties                      |                                       |                                    | Utilities                                 | 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 | Rental Income<br>RM '000 |                  |
| <u>Timing of revenue recognition</u>   |  |                                 |                                       |                                    |   |                          |                  |
| Over time                              | -  | 6,729                           | -                                     | -                                  | 11,035                                    | -                        | 17,764           |
| At a point in time                     | 221,166  | 8,921                           | 4,293                                 | 701                                | -   | -                        | 235,081          |
| Income not within the scope of MFRS 15 | -  | -                               | -                                     | -                                  | -   | 1,319                    | 1,319            |
|  | 221,166  | 15,650                          | 4,293                                 | 701                                | 11,035                                    | 1,319                    | 254,164          |

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**18. Profit Before Tax**

|   | Current<br>Year<br>Quarter<br>30/09/2019<br>RM'000 | Current<br>Year<br>To Date<br>30/09/2019<br>RM'000 |
|---|--|--|
| Profit before tax is arrived at after charging:     |  |  |
| - Interest expense                                  | 817  | 2,557  |
| - Depreciation                                      | 3,735  | 11,241   |
| - Amortisation of right-of-use assets               | 392  | 1,165  |
| - Impairment losses on financial assets             | 10   | 69   |
| - Inventories written down                          | 45   | 320  |
| - Inventories written off                           | -  | -  |
| - Loss on disposal of property, plant and equipment | -  | -  |
| - Property, plant and equipment written off         | 5  | 6  |
| - Loss on foreign exchange - realised               | -  | -  |
| - Loss on foreign exchange - unrealised             | -  | -  |
| - Fair value losses on financial instruments        | -  | 40   |
| - Fair value changes in biological assets           | -  | 252  |
| - Exceptional items                                 | -  | -  |
| and crediting:                                      |  |  |
| - Interest income                                   | 434  | 1,515  |
| - Dividend income                                   | -  | -  |
| - Impairment gains on financial assets              | -  | -  |
| - Gain on disposal of property, plant and equipment | 11   | 72   |
| - Gain on foreign exchange - realised               | 127  | 89   |
| - Gain on foreign exchange - unrealised             | 1,938  | 1,965  |
| - Fair value gains on financial instruments         | -  | -  |
| - Fair value changes in biological assets           | 11   | -  |
| - Reversal of inventories written down              | 265  | 397  |

**19. Taxation**

Taxation comprises:

|              | Current<br>Year<br>Quarter<br>30/09/2019<br>RM '000 | Current<br>Year<br>To Date<br>30/09/2019<br>RM '000 |
|--------------|---|---|
| Income tax   | (789)   | (1,924)   |
| Deferred tax | (340)   | 48  |
|              | <u>(1,129)</u>                                      | <u>(1,876)</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 reinvestment allowances and unabsorbed business losses by certain subsidiaries; 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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**21. Group Borrowings and Debt Securities**

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

|  | As at 30 September 2019    |                           |                            |                           |                            |                           |
|--|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
|  | 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   | -                          | 34,239                    | -                          | 1,924                     | -                          | 36,163                    |
|  | -                          | 34,239                    | -                          | 1,924                     | -                          | 36,163                    |
| <b>Unsecured</b>   |                            |                           |                            |                           |                            |                           |
| Term Loans   | -                          | 13,103                    | -                          | 1,868                     | -                          | 14,971                    |
| Revolving Credit   | -                          | -                         | -                          | 7,000                     | -                          | 7,000                     |
| Foreign Currency Trust Receipts<br>- USD564,997 @ 4.1325 | -                          | -                         | 2,335                      | -                         | 2,335                      | -                         |
| Bankers Acceptance                                       | -                          | -                         | -                          | 1,387                     | -                          | 1,387                     |
|  | -                          | 13,103                    | 2,335                      | 10,255                    | 2,335                      | 23,358                    |
| <b>Total</b>   | -                          | 47,342                    | 2,335                      | 12,179                    | 2,335                      | 59,521                    |

|   | 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                    |
|   | -                          | 38,528                    | -                          | 1,595                     | -                          | 40,123                    |
| <b>Unsecured</b>  |                            |                           |                            |                           |                            |                           |
| Term Loans  | -                          | 15,635                    | -                          | 1,250                     | -                          | 16,885                    |
| Revolving Credit  | -                          | -                         | -                          | 10,000                    | -                          | 10,000                    |
| Foreign Currency Trust Receipts<br>- USD488,023 @ 4.039 | -                          | -                         | 1,972                      | -                         | 1,972                      | -                         |
| - USD411,420 @ 4.067                                    | -                          | -                         | 1,673                      | -                         | 1,673                      | -                         |
| Onshore Foreign Currency Loans<br>- USD207,845 @ 4.067  | -                          | -                         | 845                        | -                         | 845                        | -                         |
|   | -                          | 15,635                    | 4,490                      | 11,250                    | 4,490                      | 26,885                    |
| <b>Total</b>  | -                          | 54,163                    | 4,490                      | 12,845                    | 4,490                      | 67,008                    |

|                                 | As at 30 September 2019   |                         |                      | As at 30 September 2018   |                         |                      |
|---------------------------------|---|-------------------------|----------------------|---|-------------------------|----------------------|
|                                 | Effective Interest Rate<br>As at<br>30 September 2019<br>% p.a. | Floating Rate<br>RM'000 | Fixed Rate<br>RM'000 | Effective Interest Rate<br>As at<br>30 September 2018<br>% p.a. | Floating Rate<br>RM'000 | Fixed Rate<br>RM'000 |
|                                 | Term Loans  | 4.86% ~ 5.82%           | 51,134               | -   | 4.86% ~ 6.06%           | 57,008               |
| Revolving Credit                | 4.36%   | -                       | 7,000                | 4.61%   | -                       | 10,000               |
| Bankers Acceptance              | 5.43% ~ 5.50%   | -                       | 1,387                | -   | -                       | -                    |
| Foreign Currency Trust Receipts | 3.10% ~ 3.11%   | -                       | 2,335                | 3.16% ~ 3.33%   | -                       | 3,645                |
| Onshore Foreign Currency Loans  | -   | -                       | -                    | 3.90%   | -                       | 845                  |
| <b>Total</b>                    |   | 51,134                  | 10,722               |   | 57,008                  | 14,490               |
| <b>%</b>                        |   | 82.67%                  | 17.33%               |   | 79.73%                  | 20.27%               |

Compared to the period ended 30 September 2018, the Group's borrowings decreased to RM 61.9 million from RM 71.5 million mainly due to repayment of term loans, revolving credit, foreign currency trust receipts and onshore foreign currency loans.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2019**

**22. Financial Instruments**

a) Derivatives

There were no outstanding derivatives as at 30 September 2019.

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 ended 30 September 2019 and the losses arising from fair value changes of financial liabilities was RM 0.005 million for the period ended 30 September 2019.

c) Fair Value

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

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

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

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

i) Other investments

|  | 30/09/2019<br>RM '000 |
|--|-----------------------|
| Shares quoted in Malaysia - at fair value        | 1                     |
| Unquoted shares - at cost less impairment losses | - *                   |
|  | 1                     |

\* Less than RM1,000

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

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

ii) Other financial assets and financial liabilities

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

There were no transfers between Level 1 and Level 2 during the period ended 30 September 2019.

**23. Material Litigation**

There was no material litigation against the Group as at 30 September 2019 other than the following:

Teknoserv Engineering Sdn. Bhd. ("TESB"), a wholly-owned subsidiary of the Company, has received a notice of adjudication from Nine Hundred Builders Sdn. Bhd. ("NHB") under the Construction Industry Payment & Adjudication Act 2012 ("CIPA Act") in relation to the project known as "The Proposed Extension of Phase 2 Sawah Raja Water Treatment Plant and Other Related Works (10MGD), Negeri Sembilan, Pakej 1 – Cadangan Membina dan Menyiapkan Loji Rawatan Air Sawah Raja Fasa 2, Sub-contract for Civil and Structural Works and External Works".

NHB's contention is that TESB has under-valued, under-certified and/or wrongly certified the value of certain work, and is claiming from TESB a sum of RM1,613,575.12, interest on the adjudicated amount, costs, and further and other reliefs that the adjudicator may deem fit.

TESB intends to dispute the claim and has referred the matter to external counsel.

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24. **Proposed Dividend**

No dividend has been proposed or declared for the current year quarter ended 30 September 2019.

25. **Earnings Per Share**

|  | Current<br>Year<br>Quarter<br>30/09/2019 | Current<br>Year<br>To Date<br>30/09/2019 |
|--|--|--|
| Profit attributable to owners of the Company (RM '000)                   | 2,456                                    | 6,657                                    |
| Number of ordinary shares in issue at the beginning of the period ('000) | 277,789                                  | 274,362                                  |
| Effect of share dividend ('000)  | -  | 3,427                                    |
| Weighted average number of ordinary shares in issue ('000)               | 277,789                                  | 277,789                                  |
| Basic earnings per share (sen)   | 0.88                                     | 2.40                                     |

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 2019.

26. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 27 November 2019.