

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4FY2018
YEAR ENDED 31 JANUARY 2018

Sapura Resources Berhad

Unaudited Financial Results Q4 FY2018

Year Ended 31 January 2018



SAPURA RESOURCES BERHAD
(Company No.: 3136-D)

Interim Financial Statements for 4th Quarter Ended 31 January 2018

The Board of Directors hereby announce the
Unaudited financial results of the Group for the 4th Quarter Ended 31 January 2018

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SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4FY2018
YEAR ENDED 31 JANUARY 2018

Sapura Resources Berhad (Company No.: 3136-D)
Unaudited Condensed Consolidated Statements of Comprehensive Income
for the year ended 31 January 2018

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
		Unaudited 31.1.2018	Unaudited 31.1.2017	Unaudited 31.1.2018	Audited 31.1.2017
		RM'000	RM'000	RM'000	RM'000
Revenue		12,601	15,379	50,160	50,896
Operating expenses		(23,161)	(20,403)	(70,259)	(66,618)
Other income	3	24,033	2,247	29,894	121,545
Operating profit/(loss)		13,473	(2,777)	9,795	105,823
Finance costs		(3)	(94)	(34)	(6,083)
Profit/(Loss) before tax before share of result		13,470	(2,871)	9,761	99,740
Share of result of associate		390	1,706	3,594	4,905
Share of result of joint venture		(241)	(207)	(447)	(274)
Profit/(Loss) before tax		13,619	(1,372)	12,908	104,371
Taxation	17	1,827	(1,004)	1,094	(4,034)
Total comprehensive income/(loss) for the period/year		15,446	(2,376)	14,002	100,337
Profit/(Loss), represent total comprehensive (loss)/income for the period/year attributable to:					
Owners of the parent		15,446	(2,376)	14,002	100,337
Minority interests		-	-	-	-
		15,446	(2,376)	14,002	100,337
Earnings per share attributable to Owners of the parent:					
Basic, profit/(loss) for the period/year	25	11.06	(1.70)	10.03	71.87
		11.06	(1.70)	10.03	71.87

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS FY2018
YEAR ENDED 31 JANUARY 2018

Sapura Resources Berhad (Company No.: 3136-D)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 January 2018

	Note	Unaudited 31.1.2018 RM'000	Audited 31.1.2017 RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		45,229	39,608
Investment properties		117,900	121,061
Investments in associates		13,939	10,344
Investments in joint ventures		139,931	135,378
		<u>316,999</u>	<u>306,391</u>
CURRENT ASSETS			
Inventories		18	21
Trade and other receivables		9,827	9,785
Prepayments		350	1,230
Other current financial assets	18	122	280
Tax recoverable		1,657	94
Short term investment		160,348	171,691
Cash and bank balances		4,022	14,425
		<u>176,344</u>	<u>197,526</u>
TOTAL ASSETS		<u>493,343</u>	<u>503,917</u>
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Parent			
Share capital		139,600	139,600
Other reserves		2,581	2,581
Retained profits		320,725	306,723
Total Equity		<u>462,906</u>	<u>448,904</u>
Non-current liabilities			
Deferred tax liabilities		4,148	6,414
Loans and borrowings	21	181	208
		<u>4,329</u>	<u>6,622</u>
Current Liabilities			
Trade and other payables		22,962	23,070
Provisions		3,000	25,000
Loans and borrowings	21	146	321
		<u>26,108</u>	<u>48,391</u>
Total liabilities		<u>30,437</u>	<u>55,013</u>
TOTAL EQUITY AND LIABILITIES		<u>493,343</u>	<u>503,917</u>
NET ASSETS PER SHARE (RM)		<u>3.32</u>	<u>3.22</u>

These unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS FY2018
YEAR ENDED 31 JANUARY 2018

Sapura Resources Berhad (Company No.: 3136-D)
Unaudited Condensed Consolidated Statement of Changes in Equity
for the year ended 31 January 2018

	<-----Attributable to owners of the parent----->				
	<- Non- distributable -> <----- Distributable ----->				
	Share Capital	Capital Reserve	General Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.2.2017	139,600	1,481	1,100	306,723	448,904
Profit for the period, being total comprehensive income for the year	-	-	-	14,002	14,002
At 31.1.2018	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>320,725</u>	<u>462,906</u>
At 1.2.2016	139,600	1,481	1,100	226,628	368,809
Profit for the period, being total comprehensive income for the year	-	-	-	100,337	100,337
Dividend on ordinary shares	-	-	-	(20,242)	(20,242)
At 31.1.2017	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>306,723</u>	<u>448,904</u>

These unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS FY2018
YEAR ENDED 31 JANUARY 2018

Sapura Resources Berhad (Company No.: 3136-D)
Unaudited Condensed Consolidated Statement of Cash Flows
for the year ended 31 January 2018

	Unaudited For the year ended 31.1.2018 RM'000	Audited For the year ended 31.1.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,908	104,371
Adjustment for:		
Non-cash items	(13,452)	(107,868)
Operating loss before working capital changes	(544)	(3,497)
Net change in current assets	365	8,020
Net change in current liabilities	(108)	2,010
Tax paid	(2,735)	(3,923)
Net cash (used in)/generated from operating activities	<u>(3,022)</u>	<u>2,610</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional Investment in a joint venture	(5,000)	(1,300)
Purchase of property, plant and equipment	(19,525)	(2,773)
Proceeds from/(Net subscription in) redemption of short term investment	11,343	(139,365)
Profits distribution received from short term investment	6,015	2,426
Profits distribution received from money market instruments	22	1,136
Dividend received	-	68,560
Acquisition of a subsidiary	-	(15)
Proceeds from disposal of associates	-	246,988
Proceeds from disposal of property, plant and equipment	-	183
Interest received	-	359
Net cash (used in)/generated from investing activities	<u>(7,145)</u>	<u>176,199</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(34)	(6,083)
Net repayment of obligation under finance lease	(202)	(606)
Net repayment of short term borrowings	-	(15,900)
Net repayment of other long term borrowings	-	(127,147)
Dividend paid	-	(20,242)
Net cash used in financing activities	<u>(236)</u>	<u>(169,978)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(10,403)	8,831
NET DECREASE IN RESTRICTED CASH	-	2,687
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,425	2,907
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>4,022</u>	<u>14,425</u>

These unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017.

EXPLANATORY NOTES

1 BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Chapter 9.22, part K of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2017, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2017.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 5: Statement of Cash Flows (Disclosure Initiative)	1 January 2017
Amendments to MFRS 12 : Disclosure of Interests in Other Entities	1 January 2017
Amendments to MFRS 112 : Income Taxes : Recognition of Deferred Tax Assets for Unrecognised Losses	1 January 2017

The adoption of the above Amendments to MFRS and IC Interpretation did not have any significant financial impact to the Group.

Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting 1 January 2018 Standards	1 January 2018
Amendments to MFRS 2 : Classification and Measurement of Share-based Payment Transaction	1 January 2018
Amendments to MFRS 4 : Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 128 : Investment in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 140 : Investment Property: Transfers of Investment Property	1 January 2018

EXPLANATORY NOTES (CONT'D.)

2 CHANGES IN ACCOUNTING POLICIES (CONT'D)

Standards and interpretations issued but not yet effective (cont'd)

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 9 : Financial Instruments	1 January 2018
MFRS 15 : Revenue from Contracts with Customers	1 January 2018
MFRS 16 : Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impacts to the financial statements of the Group except as mentioned below:

i. MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

ii. MFRS 9 *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

iii. MFRS 16 *Leases*

MFRS 16 replaces existing lease guidance in MFRS 117 Leases, IC Interpretation 4 Determining Whether an Arrangement Contains a Lease, IC Interpretation 115 Operating Leases - Incentives, and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16.

EXPLANATORY NOTES

3 OTHER INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31.1.2018	31.1.2017	31.1.2018	31.1.2017
	RM'000	RM'000	RM'000	RM'000
Profits distribution from short term investment	1,498	218	6,015	2,426
Profits distribution from money market instruments	-	1,136	22	1,136
Reversal of provision for indemnity	22,000	-	22,000	-
Interest received	-	359	-	359
Gain on disposal of associates	-	-	-	115,611
Miscellaneous income	535	534	1,857	2,013
	<u>24,033</u>	<u>2,247</u>	<u>29,894</u>	<u>121,545</u>

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2017 was not qualified.

5 SEASONAL OR CYCLICAL FACTORS

The Group's performance is not significantly affected by any seasonal or cyclical fluctuations.

6 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

7 CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in estimates of the amounts reported in the previous financial period that have a material effect on the results of the current reporting period.

8 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities.

9 SEGMENTAL REPORTING

Analysis of the Group's revenue and results by segments are as follows:

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31.1.2018	31.1.2017	31.1.2018	31.1.2017
	RM'000	RM'000	RM'000	RM'000
Revenue				
Investment holding	811	538	3,406	72,216
Property Investments	6,107	6,454	24,812	24,854
Aviation	6,516	8,625	25,430	26,319
Eliminations	(833)	(238)	(3,488)	(72,493)
	<u>12,601</u>	<u>15,379</u>	<u>50,160</u>	<u>50,896</u>

EXPLANATORY NOTES (CONT'D.)

9 SEGMENTAL REPORTING (CONT'D)

Analysis of the Group's revenue and results by segments are as follows (cont'd):

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31.1.2018	31.1.2017	31.1.2018	31.1.2017
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax:				
Investment holding	14,565	(66,918)	8,261	152,302
Property Investments	2,259	3,385	11,212	11,842
Aviation	(10,649)	(2,325)	(17,684)	(9,638)
Eliminations	7,295	62,987	7,972	(54,766)
	<u>13,470</u>	<u>(2,871)</u>	<u>9,761</u>	<u>99,740</u>
Share of results of associates	390	1,706	3,594	4,905
Share of results of Joint ventures	(241)	(207)	(447)	(274)
Profit/(Loss) before tax				
result of associates from non-current assets held for sale	<u>13,619</u>	<u>(1,372)</u>	<u>12,908</u>	<u>104,371</u>

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to end of the reporting period.

11 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group since the last annual reporting date except for the followings:

- i) On 20 June 2017, the Company announced that Sapura Aero Sdn. Bhd. ("SASB"), a wholly-owned subsidiary of the Company had entered into a Joint Venture and Shareholders Agreement with Destini Aviation Sdn. Bhd. ("DASB") and Urban Fleet Sdn. Bhd. ("UFSB"), the proposed joint venture company, to effectively collaborate by drawing upon skills, expertise, experience and capabilities of each other for all **parties'** mutual benefits and profits in the undertaking of the business of sale of rotary wing and fixed wing aircraft, supply and provision of maintenance, repair and overhaul services in relation to aircraft and helicopters and the provision of programs such as wet leasing and dry leasing of aircraft.
- ii) On 22 November 2017, the Company announced that the wholly-owned subsidiary of the Company, Sapura Aero Sdn. Bhd. had on 21 November 2017 incorporated a new wholly-owned subsidiary in Singapore, namely Sapura Aviation Singapore Pte. Ltd. ("**SASPL**") with the registration number of 201733489K.

SASPL is a private limited company with a share capital of SGD2.00 only comprising of 2 ordinary shares fully paid in the capital of SASPL.

The intended principal activity of SASPL is to be involved in Aviation business which includes but not limited to fixed base operations, ground handling, aircraft management, hangarage, maintenance repair and overhaul.

EXPLANATORY NOTES (CONT'D.)

11 CHANGES IN COMPOSITION OF THE GROUP (CONT'D)

There were no changes in the composition of the Group since the last annual reporting date except for the followings: (cont'd)

- ii) The incorporation of SASPL is funded by internal fund and SASPL is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial **shareholders'** shareholding of SRB for the financial year ending 31 January 2018.

None of the Directors or substantial shareholders of SRB or persons connected to them has any interest, direct or indirect, in the incorporation of SASPL.

12 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities of the Group since the last annual reporting date.

13 CAPITAL COMMITMENTS

	As at 31.1.2018 RM'000	As at 31.1.2017 RM'000
Approved and contracted for:		
Property, plant and equipment	6,042	401
Approved but not contracted for:		
Property, plant and equipment	9,741	13,729
Investment in joint venture	93,984	89,284
	<u>109,767</u>	<u>103,414</u>

14 REVIEW OF PERFORMANCE

(a) Three (3) months results - Q4FY2018 vs Q4FY2017

The Group revenue for the three (3) months period under review decreased to RM12.6 million from RM15.4 million (a decrease of RM2.8 million or 18%) mainly due to lower revenue registered in Aviation segment.

Profit attributable to Owners of the parent for the three (3) months increased to RM15.4 million from a loss of RM2.4 million mainly due to one-off reversal of provision for indemnity of RM22.0 million. The decrease, however, was partially offset by impairment on property, plant and equipment of RM7.5 million in Aviation segment in the current quarter.

(b) Twelve (12) months results - FY2018 vs FY2017

The Group revenue for the period under review decreased to RM50.2 million from RM50.9 million (a decrease of RM0.7 million or 1%) mainly due to lower revenue registered in Aviation segment.

Profit attributable to Owners of the parent for the period decreased to RM14.2 million from a profit of RM100.3 million mainly due to one-off gain on disposal of associates subsequent to the disposal of 49% interest in the Education Group in prior year. The decrease, however, was partially offset by the one-off reversal of provision for indemnity of RM22.0 million and lower finance costs.

EXPLANATORY NOTES (CONT'D.)

15 MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO PRECEDING QUARTER

	Current Quarter 31.1.2018	Immediate Preceding Quarter 31.10.2017
Revenue	12,601	12,937
Operating profit/(loss)	13,473	(794)
Profit before tax	13,619	279
Profit, represent total comprehensive income for the period attributable to the owners of the parent	15,446	412

The Group recorded a profit attributable to owners of the parent of RM15.4 million in the current quarter, as compared to a profit of RM0.4 million in the immediate preceding quarter mainly due to one-off reversal of provision for indemnity of RM22.0 mil, partially offset with impairment on property, plant and equipment of RM7.5 million in Aviation segment in the current quarter

16 PROSPECTS

The Company's prospects are driven by two core businesses ie; property and aviation. Although the property market is softening, the Company takes a long term view on its property investments. Our aviation revenue continues to grow as we expand our hangarage business and related aviation services. The Board expects that these businesses will generate value moving forward.

17 TAXATION

	12 months ended 31.1.2018 RM'000	12 months ended 31.1.2017 RM'000
Malaysian taxation	1,094	(4,034)

18 OTHER CURRENT FINANCIAL ASSETS

	As at 31.1.2018 RM'000	As at 31.1.2017 RM'000
Held for trading investments:		
Quoted equity shares	122	280
Total financial assets at fair value through profit or loss	122	280

EXPLANATORY NOTES (CONT'D.)

19 CORPORATE PROPOSALS

The corporate proposals announced are as follows:

- (i) On 20 June 2017, the Company announced that Sapura Aero Sdn. Bhd. ("SASB"), a wholly-owned subsidiary of the Company had entered into a Joint Venture and Shareholders Agreement with Destini Aviation Sdn. Bhd. ("DASB") and Urban Fleet Sdn. Bhd. ("UFSB"), the proposed joint venture company, to effectively collaborate by drawing upon skills, expertise, experience and capabilities of each other for all **parties'** mutual benefits and profits in the undertaking of the business of sale of rotary wing and fixed wing aircraft, supply and provision of maintenance, repair and overhaul services in relation to aircraft and helicopters and the provision of programs such as wet leasing and dry leasing of aircraft.

On 27 July 2017, the Company announced the following developments to the Conditions Precedent of the Agreement:-

- a) Pursuant to Clause 3.4 of the Agreement, SASB and DASB hereby waive the Condition Precedent under Clause 3.2 (d) of the Agreement, being the requirement for SASB and DASB to have agreed on a means of valuation, for any injection, transfer and/or contribution of existing operations by either SASB or DASB, into UFSB, via an executed Letter of Waiver dated 25 July 2017; and
- b) SASB and DASB hereby agree that in relation to Clause 3.2 (e) of the Agreement, no required approval need to be obtained and that suitable candidates for the **UFSB's** management team, including but not limited to the Chief Executive Officer, the Accountable Managers and the Chief Financial Officer shall be treated as a normal condition of the Agreement, via an executed Letter of Treatment of Clause 3.2(e) of the Agreement as a Normal Condition, dated 25 July 2017.

Subsequent to the above, all other Conditions Precedent of the Agreement have been duly fulfilled on 27 July 2017.

20 STATUS OF THE UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

As at 31 January 2018, the status of the utilisation from the disposal of associates which was completed on 24 August 2016, amounting to RM315 million is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation from the date of Receipts of Proceeds
i) Existing projects and future expansions	119,746	(4,500)	115,246	Within 48 months
ii) General working capital requirements	30,000	(5,000)	25,000	Within 48 months
iii) Repayments of borrowings	144,600	(144,600)	-	-
iv) Proposed special dividends	16,054	(16,054)	-	-
v) Estimated expenses	4,600	(4,600)	-	-
	<u>315,000</u>	<u>(174,754)</u>	<u>140,246</u>	

EXPLANATORY NOTES (CONT'D.)

21 LOAN AND BORROWINGS

(a) Details of Group's borrowings are as follows:

	As at 31.1.2018 RM'000
Current:	
Secured:	
Obligations under finance leases	146
	<u>146</u>
Non-current:	
Secured:	
Obligations under finance leases	181
	<u>181</u>
Total borrowings	<u>327</u>

(b) Currency denominations

All the loan and borrowings are denominated in Ringgit Malaysia.

22 PROVISIONS

	As at 31.1.2018 RM'000	As at 31.1.2017 RM'000
Provision for indemnity		
At the beginning of year	25,000	-
Current year provision	-	25,000
Reversal in current year	(22,000)	-
At the end of year	<u>3,000</u>	<u>25,000</u>

In the disposal of associates which was completed on 24 August 2016, SRB indemnified APIIT Sdn. Bhd. ("APIIT") and ILMU Education Group Sdn. Bhd. ("ILMU") against any claims in connection with any failure to comply with specific applicable laws in Sri Lanka prior to the disposal of the associates, provided that any indemnity claim is made by APIIT and/or ILMU within the agreed period.

On 20 November 2017, the applicable law in Sri Lanka relating to the indemnity was amended resulting in RM22.0 million reversal of the provision.

23 MATERIAL LITIGATION

The Company and its subsidiaries have no outstanding material litigation as at date of this announcement.

24 DIVIDEND

The Board of Directors did not recommend any dividend for the quarter under review.

EXPLANATORY NOTES (CONT'D.)

25 EARNINGS PER SHARE

The earnings per share has been calculated based on the profit attributable to Owners of the Parent divided by the number of ordinary shares in issue during the period of RM139,600,000.

26 ADDITIONAL INFORMATION

The following items are included in the statement of comprehensive income:

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31.1.2018	31.1.2017	31.1.2018	31.1.2017
	RM'000	RM'000	RM'000	RM'000
Interest expense	3	94	34	6,083
Impairment on trade receivables	476	544	476	544
Impairment on property, plant and equipment	7,495	-	7,495	-
Depreciation and amortisation	2,830	2,503	9,570	8,992
Net fair value loss/(gain) on held for trading investment	-	(16)	158	20
	<u>137</u>	<u>(16)</u>	<u>158</u>	<u>20</u>

27 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	As at 31.1.2018	As at 31.1.2017
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	235,698	243,748
- Unrealised	5,038	5,687
	<u>240,736</u>	<u>249,435</u>
Total share of retained profits from associated companies:		
- Realised	7,701	(1,656)
- Unrealised	(5,763)	-
	<u>1,938</u>	<u>(1,656)</u>
Total share of retained profits from joint ventures companies:		
- Realised	(816)	(369)
- Unrealised	14,292	14,292
	<u>13,476</u>	<u>13,923</u>
Consolidation adjustments	<u>64,575</u>	<u>45,021</u>
Retained profits as per financial statements	<u>320,725</u>	<u>306,723</u>

EXPLANATORY NOTES (CONT'D.)

28 APPROVAL OF INTERIM FINANCIAL STATEMENT

The interim financial statements have been approved by the Board of Directors.

Chua Siew Chuan (MAICSA 077689)
Company Secretary