

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4FY2019
YEAR ENDED 31 JANUARY 2019

Sapura Resources Berhad

Unaudited Financial Results Q4 FY2019

Year Ended 31 January 2019



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

Interim Financial Statements for the 4th Quarter Ended 31 January 2019

The Board of Directors hereby announce the
Unaudited financial results of the Group for the Year Ended 31 January 2019

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SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4FY2019
YEAR ENDED 31 JANUARY 2019

Sapura Resources Berhad (Company No.: 3136-D)
Unaudited Condensed Consolidated Statements of Comprehensive Income
for the Year Ended 31 January 2019

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
		Unaudited 31.1.2019 RM'000	Unaudited Restated 31.1.2018 RM'000	Unaudited 31.1.2019 RM'000	Audited Restated 31.1.2018 RM'000
Revenue		13,078	12,949	48,840	51,354
Operating expenses		(16,829)	(22,837)	(60,936)	(69,935)
Other income	3	826	23,431	5,363	28,446
Operating (loss)/income		(2,925)	13,543	(6,733)	9,865
Finance costs		(92)	1	(146)	(30)
(Loss)/Profit before tax before share of result		(3,017)	13,544	(6,879)	9,835
Share of result of an associate		1,814	(219)	2,666	2,985
Share of result of joint ventures		(219)	(241)	(764)	(447)
(Loss)/Profit before tax		(1,422)	13,084	(4,977)	12,373
Taxation	17	(441)	1,814	(1,164)	1,081
(Loss)/Profit after tax, representing total comprehensive (loss)/profit for the year		(1,863)	14,898	(6,141)	13,454
(Loss)/Profit, represent total comprehensive (loss)/profit for the year attributable to:					
Owners of the parent		(1,863)	14,898	(6,141)	13,454
Minority interests		-	-	-	-
		(1,863)	14,898	(6,141)	13,454
Earnings per share attributable to Owners of the parent (sen):					
Basic, (loss)/profit for the year	25	(1.33)	10.67	(4.40)	9.64
		(1.33)	10.67	(4.40)	9.64

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2018.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4FY2019
YEAR ENDED 31 JANUARY 2019

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

Unaudited Condensed Consolidated Statement of Financial Position as at 31 January 2019

	Note	Unaudited 31.1.2019 RM'000	Audited 31.1.2018 RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		54,933	45,229
Investment properties		114,740	117,900
Investments in an associate		15,994	13,329
Investments in joint ventures		141,310	139,931
		<u>326,977</u>	<u>316,389</u>
CURRENT ASSETS			
Inventories		13	18
Trade and other receivables		14,902	9,493
Prepayments		414	350
Other current financial assets	18	115	122
Tax recoverable		2,016	1,769
Short term investment		142,940	160,348
Cash and bank balances		5,233	4,402
		<u>165,633</u>	<u>176,502</u>
TOTAL ASSETS		<u>492,610</u>	<u>492,891</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		314,036	320,177
Total Equity		<u>456,217</u>	<u>462,358</u>
Non-current liabilities			
Deferred tax liabilities		4,288	4,148
Loans and borrowings	21	116	188
		<u>4,404</u>	<u>4,336</u>
Current Liabilities			
Trade and other payables		22,391	22,934
Provisions	22	3,830	3,000
Loans and borrowings	21	5,761	139
Tax liability		7	124
		<u>31,989</u>	<u>26,197</u>
Total liabilities		<u>36,393</u>	<u>30,533</u>
TOTAL EQUITY AND LIABILITIES		<u>492,610</u>	<u>492,891</u>
NET ASSETS PER SHARE (RM)		<u>3.27</u>	<u>3.31</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 2018.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4FY2019
YEAR ENDED 31 JANUARY 2019

Sapura Resources Berhad (Company No.: 3136-D)
Unaudited Condensed Consolidated Statement of Changes in Equity
for the Year Ended 31 January 2019

	<-----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 1.2.2018	139,600	1,481	1,100	320,177	462,358
Total comprehensive loss for the year	-	-	-	(6,141)	(6,141)
At 31.1.2019	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>314,036</u>	<u>456,217</u>
At 1.2.2017	139,600	1,481	1,100	306,723	448,904
Total comprehensive income for the year	-	-	-	13,454	13,454
At 31.1.2018	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>320,177</u>	<u>462,358</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 2018.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4FY2019
YEAR ENDED 31 JANUARY 2019

Sapura Resources Berhad (Company No.: 3136-D)
Unaudited Condensed Consolidated Statement of Cash Flows
for the Year Ended 31 January 2019

	Unaudited For the year ended 31.1.2019 <u>RM'000</u>	Audited For the year ended 31.1.2018 <u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(4,977)	12,373
Adjustment for:		
Non-cash items	3,614	(13,126)
Operating loss before working capital changes	<u>(1,363)</u>	<u>(753)</u>
Net change in current assets	(5,932)	1,079
Net change in current liabilities	287	(583)
Tax paid	<u>(1,388)</u>	<u>(2,736)</u>
Net cash used in operating activities	<u>(8,397)</u>	<u>(2,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in a joint venture	(2,600)	(5,000)
Additional investment in quoted shares	(81)	-
Purchase of property, plant and equipment	(16,148)	(19,329)
Proceeds from redemption of short term investment	17,408	11,343
Profits distribution received from short term investment	4,638	6,016
Profits distribution received from money market instruments	-	22
Dividend received	-	2
Proceeds from liquidation of a joint venture	464	-
Proceeds from disposal of property, plant and equipment	143	148
Net cash generated from/(used in) investing activities	<u>3,824</u>	<u>(6,798)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(146)	(30)
Net repayment of obligation under finance lease	(150)	(202)
Net withdrawal of short term borrowings	5,700	-
Net cash generated from/(used in) financing activities	<u>5,404</u>	<u>(232)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	831	(10,023)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>4,402</u>	<u>14,425</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>5,233</u>	<u>4,402</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 2018.

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 2018, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2018.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Revenue from Contract with Customers	1 January 2018
Amendments to MFRS 2 : Classification and Measurement of Share-based Payment Transaction	1 January 2018
Amendments to MFRS 15: Revenue from Contract with Customers: Clarification to MFRS 15	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018

The adoption of the above Amendments to MFRS and IC Interpretation did not have any significant financial impact to the Group except as mentioned below:

i. MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

EXPLANATORY NOTES (CONT'D.)

2 CHANGES IN ACCOUNTING POLICIES (CONT'D)

i. MFRS 15 *Revenue from Contracts with Customers (cont'd)*

The Group adopts this standard on the required effective date using the full retrospective method. The application of MFRS15 does not have a material effect on the Group's financial statements except on the presentation and disclosure requirements. The presentation and disclosure requirements in MFRS 15 are more detailed than the current standard.

ii. MFRS 9 *Financial Instruments*

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. In FY2018, the Group had performed a detailed impact assessment of all three aspects of MFRS 9. The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group adopts MFRS 9.

There was no material impact on the accounting for the Group's financial assets upon initial application of the new classification requirements.

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>
MFRS 16 : Leases	1 January 2019
Amendments to MFRS 3: Business Combinations (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 11: Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 112: Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 128 : Investments in Associates and Joint Ventures	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Business Combinations (Definition of a business)	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements(Definition of material)	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of material)	1 January 2020

EXPLANATORY NOTES (CONT'D.)

2 CHANGES IN ACCOUNTING POLICIES (CONT'D)

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

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 16 *Leases*

MFRS 16 will replace MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease-Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

The Group are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective.

3 OTHER INCOME

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		12 Months Ended	
	31.1.2019	31.1.2018	31.1.2019	31.1.2018
Profits distribution from short term investment	340	1,499	4,638	6,016
Gain on disposal of investment in a joint venture company	7	-	7	-
Gain on disposal of property, plant and equipment	-	27	139	27
Reversal of provision of indemnity	-	22,000	-	22,000
Miscellaneous income	479	(95)	579	403
	<u>826</u>	<u>23,431</u>	<u>5,363</u>	<u>28,446</u>

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2018 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.

EXPLANATORY NOTES (CONT'D.)

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 INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) Investment holding - equity investment, including group-level corporate services and business development functions.
- (ii) Property investment - rental of investment properties.
- (iii) Aviation - Provision of hangarage services, ground handling, aircraft management, engineering services, charter services and other aviation related services.

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.1.2019 RM'000	31.1.2018 RM'000	31.1.2019 RM'000	31.1.2018 RM'000
Revenue				
Investment holding	562	811	3,187	3,404
Property Investments	6,770	6,468	25,839	26,017
Aviation	6,320	6,505	23,101	25,421
Eliminations	(574)	(835)	(3,287)	(3,488)
	<u>13,078</u>	<u>12,949</u>	<u>48,840</u>	<u>51,354</u>
(Loss)/Profit before tax:				
Investment holding	(5,493)	14,564	(9,751)	9,043
Property Investments	2,530	2,262	10,139	11,213
Aviation	(3,443)	(8,569)	(10,656)	(15,604)
Eliminations	3,389	5,287	3,389	5,183
	<u>(3,017)</u>	<u>13,544</u>	<u>(6,879)</u>	<u>9,835</u>
Share of results of an associate	1,814	(219)	2,666	2,985
Share of results of Joint ventures	(219)	(241)	(764)	(447)
(Loss)/Profit before tax	<u>(1,422)</u>	<u>13,084</u>	<u>(4,977)</u>	<u>12,373</u>

No geographical segment is presented as the Group's activities are carried out in Malaysia.

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

EXPLANATORY NOTES (CONT'D.)

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 19 December 2018, the Company announced that that the Company had on 12 December 2018, incorporated the wholly-owned subsidiary companies, namely, Sapura Technics Sdn. Bhd. ("**STSB**") and **SRB ONE Sdn. Bhd. ("SOSB")**.

STSB is a private limited company incorporated under the Companies Act 2016 ("**CA 2016**") with a share capital of RM1.00 only comprising 1 ordinary share fully paid in the capital of STSB. The intended principal activity of STSB is to carry out the provision of maintenance, repair and overhaul (MRO) services for aircraft and the related services.

SOSB is a private limited company incorporated under the CA 2016 with a share capital of RM1.00 only comprising 1 ordinary share fully paid in the capital of SOSB. The intended principal activity of SOSB is investment holding.

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 31.1.2019 RM'000	As at 31.1.2018 RM'000
Approved and contracted for:		
Property, plant and equipment	7,749	6,042
Approved but not contracted for:		
Property, plant and equipment	11,322	9,741
Investment in a subsidiary	24,300	-
Investment in joint ventures	90,134	93,984
	<u>133,505</u>	<u>109,767</u>

14 REVIEW OF PERFORMANCE

(a) Three (3) months results - Q4FY2019 vs Q4FY2018

The Group revenue for the three (3) months period under review increased to RM13.1 million from RM12.9 million (an increase of RM0.2 million or 2%) mainly due to higher revenue registered in Property segment.

Profit attributable to Owners of the parent for the three (3) months decreased to a loss of RM1.9 million from a profit of RM14.9 million mainly due to one-off reversal of provision for indemnity amounting to RM22.0 million in Q4FY2018; offset with lower operating expenses of RM6.0 million.

EXPLANATORY NOTES (CONT'D.)

14 REVIEW OF PERFORMANCE (CONT'D)

(b) Twelve (12) months results - FY2019 vs FY2018

The Group revenue for the year decreased to RM48.8 million from RM51.4 million (a decrease of RM2.6 million or 5%) mainly due to lower revenue registered in Aviation & Property segments.

Profit attributable to Owners of the parent for the year decreased to a loss of RM6.1 million from a profit of RM13.5 million mainly due to one-off reversal of provision for indemnity amounting to RM22.0 million in Q4FY2018.

15 MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO PRECEDING QUARTER

	Current Quarter 31.1.2019 RM'000	Immediate Preceding Quarter 31.10.2018 RM'000
Revenue	<u>13,078</u>	<u>12,588</u>
Operating loss	<u>(2,925)</u>	<u>(749)</u>
Loss before tax	<u>(1,422)</u>	<u>(525)</u>
Loss, represent total comprehensive loss for the period attributable to the owners of the parent	<u>(1,863)</u>	<u>(750)</u>

The Group recorded a loss attributable to owners of the parent of RM1.9 million in the current quarter, as compared to RM0.8 million in the immediate preceding quarter mainly due to higher operating expenses of RM1.8 million.

16 PROSPECTS

The Company is currently driven by property and aviation businesses. The Company takes a long-term view on its property investment despite the current soft market. For aviation business, we continue our efforts to optimize its operations.

Going forward, the Company continues to look for new business opportunities.

17 TAXATION

	12 months ended 31.1.2019 RM'000	12 months ended 31.1.2018 RM'000
Malaysian taxation	<u>1,164</u>	<u>(1,081)</u>

EXPLANATORY NOTES (CONT'D.)

18 OTHER CURRENT FINANCIAL ASSETS

	As at 31.1.2019 RM'000	As at 31.1.2018 RM'000
Held for trading investments:		
Quoted equity shares	115	122
Total financial assets at fair value through profit or loss	<u>115</u>	<u>122</u>

19 CORPORATE PROPOSALS

The corporate proposals announced are as follows:

- (i) On 29 October 2018, the Company announced that Mercu Sapura Sdn. Bhd. ("MSSB"), a wholly-owned subsidiary of the Company has entered into a Joint Venture and Shareholders Agreement ("**Agreement**") with Dilog Training & Services Sdn Bhd ("**DTSSB**") to regulate their relationship as shareholders of a joint venture company ("**JVCO**") which is to be determined later and 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 provision of maintenance, repair and overhaul services for narrow body commercial aircraft in Senai, Johor, Malaysia.
- (ii) On 4 January 2019, the Company announced that further to the Company's announcement made on 29 October 2018 pertaining to the Joint Venture and Shareholders Agreement ("Agreement") entered into by Mercu Sapura Sdn. Bhd., a wholly-owned subsidiary of the Company and Dilog Training & Services Sdn. Bhd. to form a joint venture to undertake the business of provision of maintenance, repair and overhaul services for commercial aircraft, the Board of Directors of the Company wishes to announce that all the Conditions Precedent set out in the Agreement have been fulfilled accordingly and the Agreement has become unconditional as at 3 January 2019.
- (iii) On 18 March 2019, the Company announced that the joint venture company namely, Sapura Technics Sdn. Bhd. ("**STSB**") has been duly incorporated on 12 December 2018 pursuant to the Joint Venture and Shareholders' Agreement ("Agreement"). STSB has an initial issued share capital of RM1.00 only comprising of one (1) ordinary share which is subscribed by Mercu Sapura Sdn. Bhd. ("MSSB").

Pursuant to Clause 4 of the Agreement, the Parties have on 18 March 2019 subscribed for the following number of ordinary shares at an issue price of RM1.00 each fully paid in STSB by way of cash subscription at the following consideration:-

Party	Number of ordinary shares subscribed in the STSB on 18 March 2019	Consideration (RM)	Total number of Ordinary Shares held in the STSB	Percentage of shareholdings in the STSB
MSSB	9,499,999	9,499,999	9,500,000	95%
DTSSB	500,000	500,000	500,000	5%
Total	9,999,999	9,999,999	10,000,000	100%

With the completion of the share subscription, STSB shall cease to be an indirect wholly-owned subsidiary of the Company and shall become an indirect 95%-owned subsidiary of the Company via MSSB.

EXPLANATORY NOTES (CONT'D.)

20 STATUS OF THE UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

As at 31 January 2019, 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	(7,100)	112,646	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>(177,354)</u>	<u>137,646</u>	

21 LOAN AND BORROWINGS

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

	As at 31.1.2019 RM'000
Current:	
Secured:	
Obligations under finance leases	61
Unsecured:	
Revolving credit	<u>5,700</u>
	5,761
Secured:	
Obligations under finance leases	<u>116</u>
	116
Total borrowings	<u>5,877</u>

(b) Currency denominations

All the loan and borrowings are denominated in Ringgit Malaysia.

EXPLANATORY NOTES (CONT'D.)

22 PROVISIONS

	As at 31.1.2019 RM'000	As at 31.1.2018 RM'000
At the beginning of year	3,000	25,000
Current year provision	830	-
Reversal in current year	-	(22,000)
At the end of year	<u>3,830</u>	<u>3,000</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.

In addition, during the year, the Group has made a provision in relation to a potential claim from customer.

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.

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.

EXPLANATORY NOTES (CONT'D.)

26 ADDITIONAL INFORMATION

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.1.2019	31.1.2018	31.1.2019	31.1.2018
	RM'000	RM'000	RM'000	RM'000
Interest expense	92	(1)	146	30
Impairment loss on trade receivables	394	96	464	96
Impairment loss on property, plant and equipment	-	7,495	-	7,495
Depreciation and amortisation	2,733	2,721	9,600	9,461
Gain on disposal of PPE	-	(27)	(139)	(27)
Gain on liquidation of a joint venture	(100)	-	(7)	-
Net unrealised forex exchange loss	277	196	213	196
Net realised forex exchange (gain)/loss	(245)	125	(265)	125
Net fair value loss on held for trading investment	21	137	89	158

27 COMPARATIVE

Arising from the adoption of MFRS 15, the unaudited condensed financial statements for the previous financial periods have been restated as follows:

	As previously stated as at 31.1.2018 RM'000	Adjustments Effect of adoption of MFRS15 RM'000	As restated as at 31.1.2018 RM'000
<u>Unaudited Condensed Consolidated Statements of Comprehensive Income</u>			
Revenue	50,264	1,090	51,354
Other income	29,536	(1,090)	28,446

28 APPROVAL OF INTERIM FINANCIAL STATEMENT

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

Chua Siew Chuan (MAICSA 0777689)
 Company Secretary