

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For The Third Quarter Ended 30 September 2019

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2019 RM' 000	30.9.2018 RM'000	30.9.2019 RM' 000	30.9.2018 RM' 000
Revenue	69,781	71,966	215,624	262,472
Cost of sales	(64,111)	(67,073)	(197,900)	(234,434)
Gross profit	5,670	4,893	17,724	28,038
Other income	2,805	2,534	8,330	8,007
Administrative expenses	(3,097)	(3,069)	(9,264)	(9,412)
Other operating expenses	(1,588)	(1,410)	(4,752)	(4,334)
Operating profit	3,790	2,948	12,038	22,299
Finance costs	(1,861)	(1,796)	(5,292)	(5,195)
Profit/(Loss) before tax	1,929	1,152	6,746	17,104
Income tax expense	(44)	(162)	(2,256)	(4,411)
Profit/(Loss) after tax	1,885	990	4,490	12,693
Other comprehensive income				
Exchange difference on translation of foreign operations	(110)	5	(143)	(307)
Total comprehensive income for the period	1,775	995	4,347	12,386
Profit/(Loss) attributable to:				
Owners of the parent	1,366	1,845	2,455	7,254
Non-controlling interests	519	(855)	2,035	5,439
	1,885	990	4,490	12,693
Total comprehensive income attributable to:				
Owners of the parent	1,298	1,845	2,365	7,065
Non-controlling interests	477	(850)	1,982	5,321
	1,775	995	4,347	12,386
Weighted average number of shares in issue	196,544	196,544	196,544	196,544
Earnings per share in sen				
- Basic	0.70	0.94	1.25	3.69

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

MHC Plantations Bhd (4060-V)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
as at 30 September 2019

	As at 30.9.2019 (Unaudited) RM'000	As at 31.12.2018 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	399,325	397,058
Investment properties	49,908	49,250
Land use rights	1,889	1,910
Deferred tax assets	3,552	3,032
Investment in securities	388	388
Trade and other receivables	137,529	140,836
Goodwill on consolidation	43,867	43,867
	<u>636,458</u>	<u>636,341</u>
Current assets		
Inventories	26,513	30,691
Biological assets	1,386	1,386
Trade and other receivables	25,400	24,989
Tax recoverable	3,209	3,391
Short term investments	14,643	14,421
Fixed deposits with licensed banks	4,995	9,193
Cash and bank balances	19,508	14,199
	<u>95,654</u>	<u>98,270</u>
TOTAL ASSETS	<u>732,112</u>	<u>734,611</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	196,544	196,544
Reserves	50,780	51,503
	<u>247,324</u>	<u>248,047</u>
Non-controlling interests	265,398	266,956
Total equity	<u>512,722</u>	<u>515,003</u>

**Condensed Consolidated Statement of Financial Position
as at 30 September 2019 (Contd.)**

	As at 30.9.2019 (Unaudited) RM'000	As at 31.12.2018 (Audited) RM'000
EQUITY AND LIABILITIES (CONTD.)		
Non-current liabilities		
Lease rental payable	267	267
Hire purchase payables	2,121	2,535
Borrowings	60,788	61,513
Deferred tax liabilities	48,958	49,169
	<u>112,134</u>	<u>113,484</u>
Current liabilities		
Payables	24,453	29,446
Hire purchase payables	925	1,000
Borrowings	80,413	75,629
Taxation	1,465	49
	<u>107,256</u>	<u>106,124</u>
Total liabilities	<u>219,390</u>	<u>219,608</u>
TOTAL EQUITY AND LIABILITIES	<u>732,112</u>	<u>734,611</u>
Net Tangible Asset Per Share (RM)	<u>1.04</u>	<u>1.04</u>
Net Asset Per Share (RM)	<u>1.26</u>	<u>1.26</u>

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statements of Changes in Equity (Unaudited)
For The Third Quarter Ended 30 September 2019

	I-----Equity attributable to owners of the Company-----I									Non-controlling Interests	Total Equity
	Non-distributable						Distributable				
	Share Capital RM' 000	Capital Reserve RM' 000	Other Reserve RM' 000	Revaluation Reserve RM' 000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital Reserve RM' 000	Retained Profits RM' 000	Total RM' 000		
Opening balance at 1 Jan 2018	196,544	5,737	(29,451)	789	173	45	8	73,359	247,204	267,724	514,928
Total comprehensive income for the period	-	-	-	-	-	(190)	-	7,254	7,064	5,321	12,385
Dividends	-	-	-	-	-	-	-	(3,931)	(3,931)	-	(3,931)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(4,603)	(4,603)
Closing balance at 30 September 2018	<u>196,544</u>	<u>5,737</u>	<u>(29,451)</u>	<u>789</u>	<u>173</u>	<u>(145)</u>	<u>8</u>	<u>76,682</u>	<u>250,337</u>	<u>268,442</u>	<u>518,779</u>
Opening balance at 1 Jan 2019	196,544	5,737	(32,100)	789	45	(289)	8	77,313	248,047	266,956	515,003
Total comprehensive income for the period	-	-	-	-	-	(89)	-	2,455	2,366	1,982	4,348
Dividends	-	-	-	-	-	-	-	(2,948)	(2,948)	-	(2,948)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(3,452)	(3,452)
Effect of subsidiary's treasury share transaction	-	-	(141)	-	-	-	-	-	(141)	(88)	(229)
Closing balance at 30 September 2019	<u>196,544</u>	<u>5,737</u>	<u>(32,241)</u>	<u>789</u>	<u>45</u>	<u>(378)</u>	<u>8</u>	<u>76,820</u>	<u>247,324</u>	<u>265,398</u>	<u>512,722</u>

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The Third Quarter Ended 30 September 2019

	9 months ended	
	30.9.2019	30.9.2018
	(Unaudited)	(Unaudited)
	RM' 000	RM' 000
Operating activities		
Profit before taxation	6,746	17,104
Adjustments for:		
Depreciation and amortisation	14,443	15,351
Interest expense	5,292	5,195
(Gain)/Loss on disposal of property, plant and equipment	(2)	199
(Gain)/Loss on fair value of biological assets	-	289
Property, plant and equipment written off	52	101
Provision for doubtful debts no longer required	(115)	-
Unrealised loss/(gain) on foreign exchange	(36)	-
Interest income	(6,028)	(6,173)
Dividend income	(1)	-
Total adjustments	13,605	14,963
Operating cash flows before changes in working capital	20,351	32,067
Changes in working capital:		
Inventories	4,178	409
Receivables	9,354	11,990
Payables	(5,817)	(7,966)
Total changes in working capital	7,715	4,433
Cash generated from operations	28,066	36,500
Interest received	549	626
Interest paid	(5,292)	(5,195)
Tax paid	(1,410)	(6,533)
Net cash flows from/(used in) operating activities	21,912	25,398
Investing activities		
Dividend received	1	-
Proceeds from disposal of property, plant and equipment	5	152
Purchase of property, plant and equipment	(16,410)	(13,356)
Net redemption/(investment in) of short term investments	(222)	3,013
Additions to investment in investment properties	(658)	-
Net cash flows (used in)/from investing activities	(17,284)	(10,191)
Financing activities		
Drawdown of revolving credit	5,500	2,500
Drawdown of term loan	16,400	10,779
Repayment of revolving credit	(1,000)	(6,250)
Repayment of term loan	(16,842)	(17,334)
Repayment of hire purchase obligations	(821)	(564)
Dividends paid to shareholders	(2,948)	(3,931)
Dividends paid to non-controlling shareholders	(3,452)	(4,603)
Purchase of treasury shares in a subsidiary company	(229)	-
Net cash flows from/(used in) financing activities	(3,392)	(19,402)
Net increase/(decrease) in cash and cash equivalents	1,237	(4,195)
Effect on exchange rate changes on cash and cash equivalents	(124)	(314)
Cash and cash equivalents as at 1 January	20,166	24,568
Cash and cash equivalents as at 30 September	21,279	20,059
Cash and cash equivalents :		
Fixed deposits with licensed banks	4,995	9,243
Cash and bank balances	19,508	13,757
	24,503	23,000
Less : Fixed deposits pledged	(3,224)	(2,941)
	21,279	20,059

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial period ended 30 September 2019 have been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018.

The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. Changes in accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2018, except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

Effective for financial periods beginning on or after 1 January 2019:

- MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)
- MFRS 16 Leases
- MFRS 128: Long term Interest in Associates and Joint Ventures (Amendments to MFRS 128)
- Annual Improvement to MFRS Standards 2015-2017 cycle
- MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)

The adoption of the above new/revised MFRSs and Amendments do not have any significant financial impact on the Group.

2. Changes in accounting policies (Contd.)

At the date of authorisation of these interim financial statements, the following MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

MFRS, IC Interpretation and Amendments to IC Interpretations	Effective for annual periods beginning on or after
Amendments to MFRS 3 Definition of a Business	1 Jan 2020
Amendments to MFRS 101 Definition of Material	1 Jan 2020
Amendments to MFRS 108 Definition of Material	1 Jan 2020
MFRS 17: Insurance Contracts	1 Jan 2021
Amendments to FRS 10 and FRS 128 Sale and Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

3. Auditors' report

The auditor's report on the preceding annual financial statements was not qualified.

4. Seasonal and cyclical factors

The business of the Group is cyclical in nature and the third quarter is normally the peak production season.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2019.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Equity and debt securities

There were no issuance, cancellation, resale, repurchase and repayment of equity or debt securities during the financial period ended 30 September 2019.

8. Dividend paid

A final single-tier dividend of 1.50 sen per share in respect of the financial year ended 31 December 2018 on 196,543,970 ordinary shares, amounting to a dividend payable of RM2,948,160 was paid on 13 June 2019.

No interim dividend has been paid during the current quarter ended 30 September 2019.

9. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant - Power Generation and sales of biomass by-products

Information about reportable segments

	Results for 3 months ended 30 September							
	Plantation		Oil Mill		Power Plant		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	5,762	2,721	59,126	66,673	4,450	2,217	69,338	71,611
Inter-segment revenue	8,628	12,240	-	-	-	-	8,628	12,240
Segment profit/(loss)	(694)	87	3,468	2,942	245	(936)	3,019	2,093

Segment profit is reconciled to consolidated profit before tax as follows:	3 months ended 30.9.2019 (Unaudited)	3 months ended 30.9.2018 (Unaudited)
	RM'000	RM'000
Segment profit	3,019	2,093
Other non-reportable segments	57	(22)
Amortisation of group land cost	(631)	(666)
Elimination of inter-segment profits	(19)	(64)
Unallocated corporate (expenses)/income	(497)	(189)
Consolidated profit/(loss) before tax	<u>1,929</u>	<u>1,152</u>

9. Segment information (Contd.)

	Results for 9 months ended 30 September								
	Plantation		Oil Mill		Power Plant		Total		
	2019	2018	2019	2018	2019	2018	2019	2018	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
External revenue	10,604	12,312	183,797	231,460	19,552	17,364	213,953	261,136	
Inter-segment revenue	31,456	39,561	-	-	-	-	31,456	39,561	
Segment profit/(loss)	(748)	9,935	8,135	8,347	2,454	2,011	9,841	20,293	

	9 months ended 30.9.2019 (Unaudited) RM'000	9 months ended 30.9.2018 (Unaudited) RM'000
Segment profit is reconciled to consolidated profit before tax as follows:		
Segment profit	9,841	20,293
Other non-reportable segments	246	(147)
Amortisation of group land cost	(1,892)	(1,892)
Elimination of inter-segment profits	(142)	(119)
Unallocated corporate (expenses)/income	(1,307)	(1,031)
Consolidated profit/(loss) before tax	<u>6,746</u>	<u>17,104</u>

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period except for the wholly owned subsidiary companies, namely Bisikan Gemilang Sdn Bhd (BGSB) and Citarasa Lestari Sdn Bhd, (CLSB), have been struck off from the register and dissolved on 13 February 2019 pursuant to Section 550 of the Companies Act, 2016. As such, BGSB and CLSB have ceased to be the subsidiary company of the Group.

11. Contingent Assets and Liabilities

There were no contingent assets and contingent liabilities at the end of this quarter and as at the date of this report.

12. Capital commitments

	RM'000
Capital expenditure	
Approved and contracted for	3,982
Approved but not contracted for	<u>17,862</u>
	<u>21,844</u>

13. Subsequent event

There were no material subsequent events to the end of the current quarter.

Information required by BMSB Listing Requirements

1. Review of performance

Financial review for current quarter and financial year to date

	Individual Period (3rd Quarter)			Cumulative Period (9 months ended)		
	Current year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year To- date	Preceding Year Corresponding Period	Changes (%)
	30.9.2019	30.9.2018		30.9.2019	30.9.2018	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	RM'000	RM'000		RM'000	RM'000	
Revenue	69,781	71,966	-3%	215,624	262,472	-18%
Operating profit	3,790	2,948	29%	12,038	22,299	-46%
Profit before tax	1,929	1,152	67%	6,746	17,104	-61%
Profit after tax	1,885	990	90%	4,490	12,693	-65%
Profit attributable to ordinary equity holders of the Parent	1,366	1,845	-26%	2,455	7,254	-66%
Operational Statistics						
Production:						
FFB (mt)	40,651	35,916	13%	120,349	114,967	5%
CPO (mt)	25,160	25,771	-2%	79,180	81,325	-3%
PK (mt)	6,505	6,883	-5%	20,489	21,564	-5%
Average selling price:						
FFB (RM/mt)	363	388	-6%	350	439	-20%
CPO (RM/mt)	1,997	2,196	-9%	1,965	2,339	-16%
PK (RM/mt)	1,138	1,748	-35%	1,171	1,872	-37%
Quantity sold:						
CPO (mt)	25,851	25,018	3%	81,338	81,555	0%
PK (mt)	6,592	6,714	-2%	20,467	21,724	-6%
Oil Extraction Rate (%)	19.79	19.70	0%	19.59	19.59	0%
Electricity Export(MWh)	16,686	16,186	3%	57,165	54,197	5%

1. Review of performance (Cont'd)

Current Quarter vs. Previous Year Corresponding Quarter

The Group recorded a revenue of RM69.78 million for the current quarter ended 30 September 2019 as compared to a revenue of RM71.97 million in the preceding year quarter ended 30 September 2018. The decrease in revenue was mainly due to decreases in selling prices of CPO and PK by 9% and 35% respectively.

Profit before taxation for the current quarter increased by RM0.78 million from RM1.15 million to RM1.93 million mainly due to: -

- a) Higher contribution from its Teluk Intan Biogas power plant which was successfully commissioned, exporting electricity up to 1MW to Tenaga Nasional Berhad starting on 8 August 2019 at the FiT rate of RM0.4669/kWh;
- b) Higher schedule plant maintenance cost of the Power Plant in the preceding year quarter; and
- c) Higher milling margin

Performance of the respective operating business segments for this quarter under review as compared to the previous corresponding quarter was analysed as follows:

- (i) Plantation – The decrease in Segment profit by RM0.78 million (>100%) from a Segment profit of RM0.09 million to a Segment loss of RM0.69 million was mainly due to a decrease in FFB price by 15% despite an increase in FFB production by 13%.
- (ii) Oil Mill – The increase in Segment profit by RM0.53 million (18%) from RM2.94 million to RM3.47 million was mainly due to a better milling margin.
- (iii) Power Plant – –The increase in Segment profit by RM1.19 million (>100%) from a Segment loss of RM0.94 million to a Segment profit of RM0.25 million was mainly due to a higher schedule plant maintenance cost in the preceding year quarter and higher contribution from its Teluk Intan Biogas power plant which was successfully commissioned, exporting electricity up to 1MW to Tenaga Nasional Berhad starting on 8 August 2019 at the FiT rate of RM0.4669/kWh.

1. Review of performance (Cont'd)

Current Year-to-date vs. Previous Year-to-date

For this financial period under review, the Group recorded a revenue of RM215.62 million and profit before tax of RM6.75 million as compared to a revenue of RM262.47 million and profit before tax of RM17.10 in the preceding year corresponding period. The decreases in revenue and profit before tax were mainly due to decreases in selling prices of CPO, PK and FFB by 16%, 37% and 20% respectively.

Performance of the respective operating business segments for this financial period under review as compared to the previous financial corresponding period was analysed as follows:

- (i) Plantation – The decrease in Segment profit by RM10.68 million (>100%) from a segment profit of RM9.93 million to a Segment loss of RM0.75 million was mainly due to a decrease in FFB price by 20% despite an increase in FFB production by 5%.
- (ii) Oil Mill – The decrease in Segment profit by RM 0.21 million (3%) from RM8.35 million to RM8.14 million was mainly due to a decrease in FFB processed by 3%.
- (iii) Power Plant – The increase in Segment profit by RM0.44 million (22%) from RM2.01 million to RM2.45 million was mainly due to a higher contribution from its Teluk Intan Biogas power plant which was successfully commissioned, exporting electricity up to 1MW to Tenaga Nasional Berhad starting on 8 August 2019 at the FiT rate of RM0.4669/kWh.

2. Financial review for current quarter compared with immediate preceding quarter

		Current quarter 30.9.2019 (Unaudited) RM'000	Immediate Preceding Quarter 30.6.2019 (Unaudited) RM'000	Changes (%)
Revenue		69,781	70,980	-2%
Operating profit		3,790	2,712	40%
Profit before tax		1,929	896	115%
Profit after tax		1,885	(58)	> 100%
Profit attributable to ordinary equity holders of the Parent		1,366	(167)	> 100%
<i>Operational Statistics</i>				
Production:				
FFB	(mt)	40,651	37,720	8%
CPO	(mt)	25,160	24,833	1%
PK	(mt)	6,505	6,299	3%
Average selling price:				
FFB	(RM/mt)	363	331	10%
CPO	(RM/mt)	1,997	1,950	2%
PK	(RM/mt)	1,138	1,073	6%
Quantity sold:				
CPO	(mt)	25,851	26,754	-3%
PK	(mt)	6,592	6,135	7%
Oil Extraction Rate (%)		19.79	19.53	1%
Electricity Export(MWh)		16,686	19,648	-15%

The Group recorded a profit before tax of RM1.93 million in the quarter under review as compared to a profit before tax of RM0.90 million in the immediate preceding quarter. The increase in profit before tax was mainly due to:

- a) Increases in selling price and production of FFB by 10% and 8% respectively; and
- b) Increases in selling price and sales volume of PK by 6% and 7% respectively

3. Commentary on prospects

The Group expects CPO prices to remain volatile in the remainder of 2019 in view of the uncertainty in the global economy and the fluctuation in exchange rates.

The Group remains focused on enhancing its operating efficiency and productivity in order to maintain a low operating cost.

The Group also expects a better contribution from its Sandakan Biogas plant following the completion of the replacement of the 3 Biogas engines in March 2019 with an approved incremental FiT rate of RM0.0699/kWh with effect from 1 October 2019. Besides, the Group has successfully commissioned its Biogas Power Plant in Teluk Intan for the purpose of supplying up to 1MW of electricity to Tenaga Nasional Berhad starting on 8 August 2019 at the FiT rate of RM0.4669/kWh.

4. Profit forecast

Not applicable as there was no profit forecast published.

5. Profit/(Loss) before taxation

This is arrived at after crediting/ (charging):

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on disposal of plant and equipment	-	(199)	2	(199)
Fair value gain/(loss) on biological assets	-	(200)	-	(289)
Interest income	2,153	2,003	6,028	6,173
Interest expense	(1,861)	(1,796)	(5,292)	(5,195)
Depreciation and amortisation	(5,253)	(5,187)	(14,443)	(15,351)
Dividend	-	-	1	1
Property, plant and equipment written off	(21)	(22)	(52)	(101)
Realised gain/(loss) on foreign exchange	-	-	-	-
Provision for doubtful debts no longer required	-	-	115	-
Unrealised (loss)/gain on foreign exchange	41	-	36	-

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

6. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows.

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current tax:				
-Malaysian income tax	384	379	1,256	3,171
-Under/(over) provision of tax	164	(252)	164	(252)
	548	127	1,420	2,919
Deferred tax				
- relating to origination and reversal of temporary differences	(856)	(26)	484	1,421
- under/(over) provision of tax	352	61	352	71
	(504)	35	836	1,492
Total income tax expense	44	162	2,256	4,411

The Group's effective tax rate for the current quarter was lower than the statutory tax rate of 24% principally due to recognition of previously unrecognised deferred tax assets.

The Group's effective tax rate for the cumulative quarter was higher than the statutory tax rate of 24% principally due to certain deferred tax assets was not recognised on business loss for the current period and certain expenses was disallowed for tax purposes.

7. Corporate proposal

There was no corporate proposal for the current quarter under review.

8. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows:

		Current quarter	
		9 months ended	
		30.9.2019	30.9.2018
		(Unaudited)	(Unaudited)
		RM'000	RM'000
Short term borrowings			
Secured:			
Term loans		22,763	22,979
Short term revolving credits		56,550	55,050
Unsecured:			
Short term revolving credits		1,100	1,100
		80,413	79,129
Long term borrowings			
Secured:			
Term loans		60,788	57,671
Total borrowings			
Secured:			
Term loans		83,551	80,650
Short term revolving credits		56,550	55,050
Unsecured:			
Short term revolving credits		1,100	1,100
		141,201	136,800

9. Trade and Other Receivables

		As at	
		30.9.2019	31.12.2018
		(Unaudited)	(Audited)
		RM'000	RM'000
Current			
Trade receivables:			
- Non-related parties		12,319	8,977
-Amount due from customer on service concession		8,175	9,783
		20,494	18,760
Less: Allowance for doubtful debts		(333)	(486)
		20,161	18,274
Other receivables, net		5,239	6,715
		25,400	24,989
Non-current			
Trade receivables:			
-Amount due from customer on service concession		137,529	140,836

9. Trade and Other Receivables (Cont'd)

The credit period of trade receivables is generally for a period of one month.

The ageing analysis of trade receivables is as follows:

	As at	
	30.9.2019	31.12.2018
	(Unaudited)	(Audited)
	RM'000	RM'000
Neither past due nor impaired	156,476	158,975
1 - 30 days past due not impaired	588	51
31 - 60 days past due not impaired	121	37
61 - 90 days past due not impaired	121	44
More than 90 days past due not impaired	384	3
	1,214	135
Impaired	333	486
	158,023	159,596

10. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2019.

11. Changes in material litigation

Yuh @ Abdul Salleh Bin Pompulu (“AYU”) Vs Suwaya Bte Buang (“SUWAYA”), Suara Baru Sdn Bhd (“SBSB”) and Cepatwawasan Group Berhad (“CGB”)

The Company’s subsidiary, CGB and its wholly owned subsidiary, SBSB have been served with a Writ of Summons issued in the High Court in Sabah and Sarawak at Sandakan vide Suit No. SDK-22NCvC-12/6-2016 (HC) on 14.06.2016. SBSB is the sub-lessee of 33 lots of land (“the land”) totalling approximately 337.949 acres situated in Sungai Sekong in the District of Sandakan, Sabah. The lands had been leased from SUWAYA to SBSB for a term of 99 years. The lease commenced in the year 1997 and expires in the year 2096. The lands had been transferred to SUWAYA by their previous 33 owners, including AYU. AYU, on his behalf and the other 32 previous owners, allege that the transfer of the land to SUWAYA was through forged documents and therefore the said transfer is null and void. AYU further alleges that as the transfer to SUWAYA is null and void, therefore the sublease by the 1st SUWAYA to SBSB is likewise null and void. AYU therefore seeks an order of the High Court to set aside the said transfer to the SUWAYA and also the sub-lease to SBSB.

11. Changes in material litigation (Cont'd)

SBSB and CGB had filed their Defence (“Defence”) in the High Court in Sabah and Sarawak at Sandakan on 11 July 2016 and followed by an application in the High Court in Sabah and Sarawak at Sandakan on 26th August 2016 to strike out the Suit on the ground that the Suit is frivolous or vexatious or is otherwise an abuse of the process of the Court.

The striking out application came up for hearing on 26th September 2016 where the Court directed the parties to file their respective written submissions and the Court will give its decision on the said application on 24th November 2016. On 1 December 2016, the application to strike out was dismissed by the High Court in Sabah and Sarawak at Sandakan (“Sandakan High Court”) with costs, on the ground that it was not a proper case to be disposed of by way of affidavit evidence and the Suit is fixed for trial on 17 April 2017 to 21 April 2017 before the Sandakan High Court.

On 28 December 2016, SB filed an appeal to the Court of Appeal against the decision of the High Court. The said appeal was heard and dismissed by the Court of Appeal with no order as to costs on 17th November 2017.

SB and the Company have on 12 December 2017 filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal. The application for leave to appeal to the Federal Court was heard and allowed by the Federal Court on 13th April 2018.

The appeal to Federal Court was heard on 24 June 2019 and dismissed by Federal Courts with costs of RM10,000 awarded to AYU. Following the decision by Federal Court, the High Court at Sandakan, Sabah has fixed the trial date on 29 October 2019.

The Board of Directors of the Company is of the view that the Suit will have no immediate material financial and operational impact on the Company and Group as the Company expects that pursuant to the facts of the case, the documents presently available and the advice of its solicitors, the Company has a good defence against the Plaintiff’s claim.

12. Dividend payable

No interim ordinary dividend has been declared for the current quarter ended 30 September 2019 (30 September 2018: Nil).

13. Earnings per share

a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 196,543,970 (2018 – 196,543,970) in issue during the financial period.

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to the owners of the Company	1,366	1,845	2,455	7,254
Weighted average number of ordinary shares in issue	196,544	196,544	196,544	196,544
Basic earnings per share (sen)	0.70	0.94	1.25	3.69

b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 24 October 2019.