



NPC RESOURCES BERHAD (Company No: 502313-P)
INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2017 RM'000	Current Year- To-Date Ended 30/09/2018 RM'000	Preceding Year Corresponding Period Ended 30/09/2017 RM'000
Revenue	50,080	56,977	161,987	177,677
Operating expenses	(65,047)	(56,293)	(193,643)	(179,595)
Other operating income	2,692	4,550	4,078	51,860
(Loss)/profit from operations	(12,275)	5,234	(27,578)	49,942
Finance costs	(4,606)	(3,866)	(13,119)	(10,934)
(Loss)/profit before tax – (Note 19)	(16,881)	1,368	(40,697)	39,008
Income tax expense – (Note 20)	(619)	(2,784)	(2,564)	(6,635)
Loss/ (profit) for the period	(17,500)	(1,416)	(43,261)	32,373
Other comprehensive income/(loss), net of tax:				
Items that will not be reclassified subsequently to profit or loss				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operation	(3,526)	(8,933)	(19,743)	(20,500)
Total comprehensive (loss)/ income for the period	(21,026)	(10,349)	(63,004)	11,873
Income/(loss) for the period attributable to:				
Equity holders of the parent	(12,779)	(360)	(30,753)	33,515
Non-controlling interests	(4,721)	(1,056)	(12,508)	(1,142)
	(17,500)	(1,416)	(43,261)	32,373
Total comprehensive (loss)/ income for the period attributable to:				
Equity holders of the parent	(16,822)	(9,580)	(52,440)	12,627
Non-controlling interests	(4,204)	(769)	(10,564)	(754)
	(21,026)	(10,349)	(63,004)	11,873
(Loss)/earnings per share attributable to equity holders of the parent:-				
(a) Basic, for (loss)/profit for the period (sen) - (Note 26)	(10.93)	(0.31)	(26.31)	28.60
(b) Diluted, for profit for the period (sen) - (Note 26)	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at current year ended 30/09/2018 RM'000	31/12/2017 RM'000 (Reported under MFRS)	01/01/2017 RM'000 (Reported under MFRS)
Non-current assets			
Property, plant and equipment	775,229	801,096	559,628
Investment property	1,047	1,057	1,097
Land use rights	60,152	63,119	30,492
Other investment	-	-	1,759
Other receivables	58,992	65,306	151,991
Deferred tax assets	2,440	1,502	382
Goodwill on consolidation	34,815	34,942	4,932
	932,675	967,022	750,281
Current assets			
Inventories	21,830	22,445	16,366
Biological assets	4,642	4,555	4,445
Trade and other receivables	27,520	34,128	24,686
Tax refundable	642	1,034	1,318
Cash and bank balances	13,629	15,885	14,723
Assets of disposal group classified as held for sale	-	-	26,524
	68,263	78,047	88,062
Current liabilities			
Trade and other payables	71,919	59,983	44,144
Borrowings – (Note 22)	289,718	273,127	164,703
Provision for taxation	646	1,992	1,634
Liabilities directly associated with disposal group classified as held for sale	-	-	24,418
	362,283	335,102	234,899
Net current liabilities	(294,020)	(257,055)	(146,837)
	638,655	709,967	603,444
Share capital	120,000	120,000	120,000
Treasury shares	(7,485)	(7,453)	(3,678)
Retained earnings	218,991	250,913	187,308
Foreign currency translation reserve	(28,997)	(7,310)	28,186
Equity attributable to equity holders of the parent	302,509	356,150	331,816
Non-controlling interests	17,328	27,892	1,744
Total equity	319,837	384,042	333,560
Non-current liabilities			
Borrowings – (Note 22)	145,266	144,361	182,974
Other payables	112,688	119,831	68,132
Employee benefits	2,460	2,918	723
Deferred tax liabilities	58,404	58,815	18,055
	318,818	325,925	269,884
	638,655	709,967	603,444
Net assets per share attributable to equity holders of the parent (RM) – (Note 27)	2.58	3.04	2.80

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

	Current Year- To-Date Ended 30/09/2018 RM'000	Preceding Year Corresponding Period Ended 30/09/2017 RM'000
(Loss)/profit before tax	(40,697)	39,008
Adjustments for:-		
Amortisation of land use rights	1,121	884
Depreciation of property, plant and equipment	26,866	20,300
Depreciation of investment property	10	30
Finance costs	13,119	10,934
Gain on disposal of a subsidiary	-	(23,464)
Interest income	(2,333)	(6,400)
Loss on disposal of property, plant and equipment	-	18
Net gain on disposals of property, plant and equipment	(39)	(11,187)
Net unrealised foreign exchange loss/(gain)	21,867	(5,252)
Property, plant and equipment written off	72	391
Operating cash flows before changes in working capital	19,986	25,262
Changes in working capital		
Net change in inventories	(212)	(2,594)
Net change in biological assets	(95)	(887)
Net change in receivables	7,941	40,332
Net change in payables	3,660	41,756
Interest received	2,333	6,400
Net taxes paid	(4,900)	(4,997)
Finance costs paid	(13,093)	(11,038)
Net cash flows generated from operating activities	15,620	94,234
Investing Activities		
Additional placement of fixed deposits	(827)	-
Payment for land use right	(5,082)	(86)
Purchase of property, plant and equipment	(25,417)	(26,072)
Net cash outflow on acquisition of a subsidiary	-	(88,943)
Net proceed from disposal of a subsidiary	-	24,320
Net proceeds from disposal of property, plant and equipment	353	13,393
Net cash flows used in investing activities	(30,973)	(77,388)
Financing Activities		
Dividends paid to shareholders	(1,169)	(1,169)
Purchase of treasury share	(32)	(3,775)
Repayment of borrowings	(61,264)	(59,677)
Proceeds from drawdown of bank borrowings	71,344	46,725
Drawdown/ (payment) of hire purchase liabilities	282	(906)
Net cash flows generated/(used in) from financing activities	9,161	(18,802)

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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (CONTD.)

	Current Year-To-Date Ended 30/09/2018 RM'000	Preceding Year Corresponding Period Ended 30/09/2017 RM'000
Net change in cash and cash equivalents	(6,192)	(1,956)
Effect of exchange rate changes on cash and cash equivalents	662	(1,103)
Cash and cash equivalents at beginning of financial period	9,721	10,143
Cash and cash equivalents at end of financial period (Note A)	<u>4,191</u>	<u>7,084</u>

Note:

A : Cash and cash equivalents at the end of the financial period comprise the following:

Fixed deposits with licensed bank	3,664	3,336
Cash and bank balances	9,965	10,273
Bank overdraft	<u>(5,774)</u>	<u>(4,203)</u>
	7,855	9,406
Short term fixed deposits with licensed banks with maturity more than 3 months	<u>(3,664)</u>	<u>(2,322)</u>
	<u>4,191</u>	<u>7,084</u>

The condensed consolidated statement of cashflow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent						Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000	Non-controlling Interests RM'000	
Preceding year corresponding period ended 30 September 2017							
Balance as at 1 January 2017	120,000	(3,678)	226,873	28,292	371,487	1,904	373,391
Effects on adoption of MFRS	-	-	(39,565)	(106)	(39,671)	(160)	(39,831)
Balance as at 1 January 2017 as reported under MFRS	120,000	(3,678)	187,308	28,186	331,816	1,744	333,560
Total comprehensive income/(loss) for the period	-	-	33,515	(20,888)	12,627	(754)	11,873
Transactions with owners							
Acquisition of a subsidiary	-	-	-	-	-	37,026	37,026
Dividends	-	-	(1,169)	-	(1,169)	-	(1,169)
Purchase of treasury share	-	(3,775)	-	-	(3,775)	-	(3,775)
Balance as at 30 September 2017	120,000	(7,453)	219,654	7,298	339,499	38,016	377,515

	Attributable to equity holders of the parent						Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Earnings RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000	Non-controlling Interests RM'000	
Current year to date ended 30 September 2018							
Balance as at 1 January 2018	120,000	(7,453)	301,551	(7,498)	406,600	28,248	434,848
Effects on adoption of MFRS			(50,638)	188	(50,450)	(356)	(50,806)
Balance as at 1 January 2018 as reported under MFRS	120,000	(7,453)	250,913	(7,310)	356,150	27,892	384,042
Total comprehensive loss for the period	-	-	(30,753)	(21,687)	(52,440)	(10,564)	(63,004)
Transactions with owners							
Dividends	-	-	(1,169)	-	(1,169)	-	(1,169)
Purchase of treasury share	-	(32)	-	-	(32)	-	(32)
Balance as at 30 September 2018	120,000	(7,485)	218,991	(28,997)	302,509	17,328	319,837

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

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1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with the requirements of *MFRS 134: Interim Financial Reporting* and *paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)*.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. The explanatory notes attached to the unaudited interim financial statements 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 since the financial year ended 31 December 2017.

2. Significant Accounting Policies

The financial statements of the Group for the financial period ended 30 June 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework. The date of transition to the MFRS Framework was on 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impacts on transition from FRS in Malaysia to MFRS are disclosed as follows:

(a) Bearer plants

The amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). As the Group is currently measuring the bearer biological assets at cost less amortisation, the change in accounting policies is limited to reclassification of the bearer assets from biological assets to property, plant and equipment and thus, the change will not impact comprehensive income or equity.

(b) Biological assets

Prior to the adoption of the Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, biological assets which form part of the bearer plants were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair value less costs to sell of the biological assets was recognised in profit or loss.

(c) Business combinations

As part of its transition to MFRS, the Group elected to apply the optional exemption not to restate those business combinations that occurred before the date of transition, 1 January 2017.

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2. Significant Accounting Policies (Cont.d)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

Condensed Consolidated Statement of Financial Position

	As at 31 December 2017			As at 1 January 2017		
	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000
Non-current assets						
Property, plant and equipment	258,285	551,534	809,819	264,161	303,532	567,693
Biological assets	611,888	(611,888)	-	352,716	(352,716)	-
Current assets						
Biological assets	-	4,555	4,555	-	4,445	4,445
Equity						
Retained earnings	301,551	(44,008)	257,543	226,873	(33,435)	193,438
Foreign currency translation reserve	(7,498)	(4,689)	(12,187)	28,292	(637)	27,655
Non-controlling interests	28,248	4,689	32,937	1,904	637	2,541
Non-current liabilities						
Deferred tax liabilities	72,531	(11,623)	60,908	31,028	(11,038)	19,990

Condensed Consolidated Statement of Comprehensive Income

	Preceding year quarter 30/9/17			Preceding year-to-date 30/9/17		
	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effects on adoption of MFRS RM'000	Reported under MFRS RM'000
Operating expenses	(53,119)	(3,174)	(56,293)	(172,099)	(7,496)	(179,595)
Profit before tax	4,542	(3,174)	1,368	46,504	(7,496)	39,008
Income tax expenses	(2,898)	114	(2,784)	(7,050)	415	(6,635)
Profit for the period	1,644	(3,060)	(1,416)	39,454	(7,081)	32,373
Income/(loss) for the period attributable to:						
Equity holders of the parent	2,670	(3,030)	(360)	40,415	(6,900)	33,515
Non-controlling interests	(1,026)	(30)	(1,056)	(961)	(181)	(1,142)
	1,644	(3,060)	(1,416)	39,454	(7,081)	32,373

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2. Significant Accounting Policies (Cont.d)

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:

	Effective for annual periods beginning on or after
MFRS 16 Leases	1 January 2019
MFRS 128: Long term Interest in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
MFRS 17: Insurance Contracts	1 January 2021
Amendments to FRS 10 and FRS 128 Sale and Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

3. Qualified auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

4. Seasonality or cyclicity of operations

The Group's operations are mainly affected by seasonal and cyclical factors such as the seasonal pattern in the production of fresh fruit bunches (FFB) and the seasonal weather conditions in Sabah. Consistent with the industry FFB production trend in Sabah, the first half of the year is usually the low FFB production period whereas, the second half of the year is expected to be the high FFB production period.

5. Unusual items

There were no items affecting assets, liabilities, equity, net income, or cash flows for the current period that are unusual because of their nature, size, or incidence.

6. Changes in estimates

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

7. Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date other than the Company had repurchased 16,900 of its issued ordinary shares from the open market at an average price of RM1.96. The total consideration paid for purchases including transaction costs was RM33,339. The repurchase transactions were financed by internally generated funds. The repurchased share are being held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act 2016. None of the treasury shares has been resold or distributed as share dividends during the financial period ended 30 September 2018.

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8. Dividends paid

A final single-tier dividend in respect of the financial year ended 31 December 2017 of 1 sen per share on 116,874,800 ordinary shares (excluding 3,125,200 treasury shares), amounting to a dividend payable of RM1,168,748 was approved by the shareholders at the Annual General Meeting held on 28 May 2018 was paid on 21 August 2018.

9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For three months ended 30 September 2018					
Segment Revenue					
External revenue	47,492	2,588	-	-	50,080
Inter-segment revenue	-	7	-	(7)	-
Total	47,492	2,595	-	(7)	50,080
Segment Results					
Unallocated corporate expense	(388)	828	(8)	-	432
Loss from operation					(12,707)
Finance costs					(4,606)
Loss before tax					(16,881)
Income tax expense					(619)
Loss for the period					(17,500)
For nine months ended 30 September 2018					
Segment Revenue					
External revenue	155,229	6,758	-	-	161,987
Inter-segment revenue	-	14	-	(14)	-
Total	155,229	6,758	-	(14)	161,987
Segment Results					
Unallocated corporate expense	(2,040)	1,546	(17)	-	(511)
Loss from operation					(27,578)
Finance costs					(13,119)
Loss before tax					(40,697)
Income tax expense					(2,564)
Loss for the period					(43,261)
For three months ended 30 September 2017					
Segment Revenue					
External revenue	54,541	2,436	-	-	56,977
Inter-segment revenue	-	1	-	(1)	-
Total	54,541	2,437	-	(1)	56,977
Segment Results					
Unallocated corporate income	4,165	563	(16)	-	4,712
Profit from operation					5,234
Finance costs					(3,866)
Profit before tax					1,368
Income tax expense					(2,784)
Loss for the period					(1,416)

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9. Segmental reporting

	Plantation and milling RM'000	Hotel RM'000	Fishery RM'000	Elimination RM'000	Total RM'000
For nine months ended 30 September 2017					
Segment Revenue					
External revenue	171,338	6,339	-	-	177,677
Inter-segment revenue	-	8	-	(8)	-
Total	171,338	6,347	-	(8)	177,677
Segment Results					
Unallocated corporate income	20,821	959	(41)	-	21,739
Profit from operation					28,203
Finance costs					(10,934)
Profit before tax					39,008
Income tax expense					(6,635)
Profit for the period					32,373

10. Valuations of property, plant and equipment

There are no valuations of property, plant and equipment for the current financial year-to-date.

11. Material subsequent events not reflected in the financial statements

There were no material subsequent events as at the date of this report.

12. Changes in the composition of the Group

There was no change in the composition of the Group for the current quarter and financial year-to-date.

13. Contingent liabilities or contingent assets

The Company provided corporate guarantees amounting to RM218,621,350 to certain financial institutions to secure banking facilities granted by them to its subsidiaries. As at 30 September 2018, the total amount owing to these financial institutions amounted to RM189,622,833.

There are no other contingent liabilities or contingent assets to be disclosed during the current quarter under review.

14. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial report as at 30 September 2018 is as follows:

	RM'000
Approved and contracted	2,433
Approved but not contracted for	9,093
	11,526

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15. Review of performance

The Group recorded a loss before tax of RM16.881 million for the current quarter and RM40.697 million for the current year-to-date on the back of turnover of RM50.080 million for the current quarter and RM161.987 million for the current year-to-date respectively. These represent

- (a) an increase of 335% in loss before tax and a decrease of 12% in revenue as compared to the profit before tax and revenue in the preceding year corresponding quarter ended 30 September 2017 respectively;
- (b) an increase of 155% in loss before tax and a decrease 9% in revenue as compared to the profit before tax and revenue in the preceding year corresponding period ended 30 September 2017 respectively.

The increase in loss before tax for the current quarter and financial year-to-date as compared to preceding corresponding quarter and period was mainly due to net unrealised foreign exchange loss in USD against MYR/IDR of RM10.933 million and RM21.867 million respectively and progressive recognition of newly-matured plantation operating costs from the Group's plantation operations in Indonesia.

The decrease in revenue for the current quarter and financial year-to-date as compared to preceding year corresponding quarter and period was mainly due to lower realised CPO and PK prices from the plantation segment.

The detailed analysis of the respective operating segments of the Group with reference to the segmental information as disclosed in note 9 are discussed below:-

Plantation segment

The external revenue of the plantation segment decreased by 13% for the current quarter and 9% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The decrease was mainly due to lower realised CPO and PK prices.

The plantation segment registered a decrease in segment profit of 109% for the current quarter and 110% for the current financial year-to-date as compared to previous year corresponding quarter and period respectively. The decrease mainly due to lower realised CPO & PK prices.

Hotel segment

The external revenue of the hotel segment increased by 6% for current quarter and 7% compared to previous year corresponding quarter and period respectively. Moreover, the hotel segment registered an increase in segment profit of 47% and 61% for the current quarter compared to previous year corresponding quarter and period respectively. The improvement was mainly due to higher room rates in the current quarter and period.

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16. Variance of the results against the immediate preceding quarter

The Group recorded a loss before tax of RM16.881 million for the current quarter, which represents a decrease of 21% over the loss before tax of RM21.480 million for the immediate preceding quarter ended 30 June 2018. Management attributes the decrease in loss before tax mainly due to unrealised foreign exchange loss in USD against MYR/IDR of RM10.933 million.

17. Prospects

Plantation segment

Given the recent decline of CPO and PK prices, the Group's plantation segment is expected to register a weaker result for the current financial year. There is yet to be any significant revenue and profit contribution from the Group's plantation operation in Indonesia for the current financial year as majority of the plantation areas are in the early maturity stage with insignificant FFB yield.

Hotel segment

The prospect of the hotel segment is expected to continue improving in the current financial year as Sabah has become one of the most popular travel destinations for Chinese tourists visiting Sabah in the coming years.

18. Profit forecast

Not applicable.

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19. Loss/(profit) for the period

Profit for the period is arrived at after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2017 RM'000	Current Year- To-Date Ended 30/09/2018 RM'000	Preceding Year Corresponding Period Ended 30/09/2017 RM'000
Amortisation of land use rights	367	642	1,121	884
Depreciation of property, plant and equipment	8,923	7,406	26,866	20,300
Depreciation of investment property	3	17	10	30
Gain on disposal of a subsidiary	-	-	-	(23,464)
Interest income	(2,180)	(1,755)	(2,333)	(6,400)
Other income	(714)	(689)	(1,694)	(5,557)
Net loss/(gain) on disposal of property, plant and equipment	14	5	(39)	(11,187)
Net unrealised foreign exchange loss/(gain)	10,933	(2,111)	21,867	(5,252)
Property, plant and equipment written off	1	389	73	391

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

20. Income tax expense

Income tax expense comprises :-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2017 RM'000	Current Year- To-Date Ended 30/09/2018 RM'000	Preceding Year Corresponding Period Ended 30/09/2017 RM'000
Tax expense for the period:				
- Malaysian Income Tax	964	1,912	3,572	5,411
- Malaysian RPGT	-	-	-	1,598
- relating to origination and reversal of temporary differences	(660)	(354)	(1,649)	(1,560)
	304	1,558	1,923	5,449
Under provided in prior years:				
- Malaysian Income Tax	35	1,230	374	1,230
- Deferred taxation	280	(4)	267	(44)
	619	2,784	2,564	6,635

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21. Status of corporate proposals

There were no corporate proposals which were announced but not completed as at 27 November 2018.

22. Group's borrowings and debt securities

Particulars of the Group's borrowings as at 30 September 2018 are as follows :-

	Secured RM'000
Short term borrowings	
Revolving credits	260,179
Bankers' acceptance	8,303
Bank overdraft	5,774
Term loans	14,899
	<hr/>
	289,155
Hire purchase and lease payables	563
	<hr/>
Sub-total	289,718
	Secured RM'000
Long term borrowings	
Term loans	144,406
Hire purchase and lease payables	860
	<hr/>
Sub-total	145,266
	<hr/>
Total Borrowings	434,984

All borrowings are denominated in Ringgit Malaysia, except for the following borrowing:

	Foreign Currencies USD'000	RM Equivalent RM'000
USD – Revolving credit @ 4.1365	47,900	198,138

There are no debt securities issued as at 30 September 2018.

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23. Financial Instruments

(a) Derivatives

As at 30 September 2018, there were no outstanding derivatives (including financial instruments designated as hedging derivatives).

(b) Gains or Losses Arising From Fair Value Changes of Financial Liabilities

As the Group did not have any financial liabilities measured at fair value through profit or loss, there were no gains or losses arising from fair value changes of financial liabilities for the current quarter and financial year-to-date.

24. Changes in material litigation

There was no pending material litigation as at 21 November 2018, being a date not earlier than 7 days from the date of the quarterly report.

25. Proposed dividend

No dividend was proposed for the current period.

26. (Loss)/earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing the net (loss)/profit for the period by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/09/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2017 RM'000	Current Year- To-Date Ended 30/09/2018 RM'000	Preceding Year Corresponding Period Ended 30/09/2017 RM'000
(a) (Loss)/profit attributable to equity holders of the parent	(12,779)	(360)	(30,753)	33,515
(b) Weighted average number of shares	116,874	116,891	116,877	117,188
(c) Basic (loss)/ earnings per share (sen)	(10.93)	(0.31)	(26.31)	28.60

(b) Diluted

The Group has no potential ordinary shares in issue as at end of current quarter and therefore, diluted earnings per share has not been presented.

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27. Net assets per share attributable to equity holders of the parent

The net assets per share attributable to equity holders of the parent is calculated by dividing the total equity attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period excluding treasury shares as at end of current quarter.

28. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 November 2018.

By Order of the Board
Dorothy Luk Wei Kam
Company Secretary
Kota Kinabalu, Sabah
27 November 2018