

# **CYMAO HOLDINGS BERHAD**

(Company No. 445931 - U)  
(Incorporated in Malaysia)

## **INTERIM FINANCIAL STATEMENTS**

**FOR THE FIRST  
QUARTER ENDED**

**31ST MARCH 2019**

**CONDENSED CONSOLIDATED INCOME STATEMENT  
 FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED**

	Individual Period (1st Quarter)		Changes Amount	Changes (%)	Cumulative Period (Unaudited)		Changes Amount	Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter			Current Year To- date	Preceding Year Corresponding Period		
	31.03.2019 RM'000	31.03.2018 RM'000			31.03.2019 RM'000	31.03.2018 RM'000		
Revenue	10,385	22,666	(12,281)	(54.18)	10,385	22,666	(12,281)	(54.18)
Cost of sales	(12,048)	(22,196)	10,148	(45.72)	(12,048)	(22,196)	10,148	(45.72)
<b>Gross profit</b>	(1,663)	470	(2,133)	(453.83)	(1,663)	470	(2,133)	(453.83)
Other income	331	452	(121)	(26.77)	331	452	(121)	(26.77)
Other operating expenses	(71)	(196)	125	(63.78)	(71)	(196)	125	(63.78)
Administrative expenses	(1,463)	(1,720)	257	(14.94)	(1,463)	(1,720)	257	(14.94)
Selling and marketing expenses	(479)	(1,286)	807	(62.75)	(479)	(1,286)	807	(62.75)
Interest income	6	10	(4)	(40.00)	6	10	(4)	(40.00)
Finance costs	(95)	(41)	(54)	131.71	(95)	(41)	(54)	131.71
<b>(Loss) before tax</b>	(3,434)	(2,311)	(1,123)	48.59	(3,434)	(2,311)	(1,123)	48.59
Income tax expenses	-	-	-	-	-	-	-	-
<b>(Loss) net of tax</b>	(3,434)	(2,311)	(1,123)	48.59	(3,434)	(2,311)	(1,123)	48.59

**Total comprehensive profit/(loss) attributable to:**

Owners of the Company	(3,434)	(2,311)	(1,123)	48.59	(3,434)	(2,311)	(1,123)	48.59
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**(Loss) attributable to:**

Owners of the Company	(3,434)	(2,311)	(1,123)	48.59	(3,434)	(2,311)	(1,123)	48.59
Non-controlling interest	-	-	-	-	-	-	-	-
<b>(Loss) for the period</b>	(3,434)	(2,311)	(1,123)	48.59	(3,434)	(2,311)	(1,123)	48.59

**Total comprehensive (loss) attributable to:**

Owners of the Company	(3,434)	(2,311)	(1,123)	48.59	(3,434)	(2,311)	(1,123)	48.59
Non-controlling interest	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) for the period</b>	(3,434)	(2,311)	(1,123)	48.59	(3,434)	(2,311)	(1,123)	48.59

**Basic (Loss) per ordinary share (sen):**

(Loss) from continuing operations	(4.58)	(3.15)	(1.43)	45.29	(4.58)	(3.15)	(1.43)	45.29
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The above Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**CYMAO HOLDINGS BERHAD**

(Company No. 445931-U)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - UNAUDITED**

	Current Quarter 31.03.2019	Immediate Preceding Quarter 31.12.2018	Changes Amount	Changes (%)
Revenue	10,385	17,574	(7,189)	-40.91%
Operating (Loss)/Profit	(1,663)	1,026	(2,689)	-262.09%
Loss Before Interest and Tax	(3,440)	(1,450)	(1,990)	137.24%
Loss Before Tax	(3,434)	(1,445)	(1,989)	137.65%
Loss After Tax	(3,434)	(1,339)	(2,095)	156.46%
Loss Attributable to Ordinary Equity Holders of the Parent	(4.58)	(1.82)	(3)	151.65%

**CYMAO HOLDINGS BERHAD**

(Company No. 445931-U)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019 - UNAUDITED**

	<b>As at 31.03.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	29,589	30,351
Land use right	783	786
<b>Total non-current assets</b>	<u>30,372</u>	<u>31,137</u>
Inventories	33,717	29,478
Trade receivables	7,746	9,281
Other receivables	3,981	6,130
Tax refundable	904	969
Fixed deposit with licensed bank	652	2,147
Cash and bank balances	824	1,159
	<u>47,824</u>	<u>49,164</u>
Assets clasiffed as held for sale	2,761	2,761
<b>Total assets</b>	<u>80,957</u>	<u>83,062</u>
<b>Equity</b>		
Share capital	92,374	92,374
Treasury shares	(694)	(694)
Accumulated losses	(36,848)	(33,414)
<b>Total equity</b>	<u>54,832</u>	<u>58,266</u>
<b>LIABILITIES</b>		
Borrowings - Long term	1,968	1,918
Deferred tax liabilities	1,524	1,524
<b>Total non-current liabilities</b>	<u>3,492</u>	<u>3,442</u>
Borrowings - Short term	8,444	9,528
Trade payables	8,384	7,771
Other payables	5,805	4,055
Tax payables	-	-
<b>Total current liabilities</b>	<u>22,633</u>	<u>21,354</u>
<b>Total liabilities</b>	<u>26,125</u>	<u>24,796</u>
<b>Total equity and liabilities</b>	<u>80,957</u>	<u>83,062</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>0.59</u>	<u>0.63</u>

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**CYMAO HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED**

	Attributable to Equity Holders of the Company			
	Non-Distributable	Distributable		
	Share Capital RM'000	Treasury Shares RM'000	Accumulated Losses RM'000	Total Equity RM'000
<b>At 1 January 2018</b>	92,374	(694)	(29,127)	62,553
Total comprehensive loss for the 12-month period	-	-	(4,287)	(4,287)
<b>At 31 December 2018</b>	<u>92,374</u>	<u>(694)</u>	<u>(33,414)</u>	<u>58,266</u>
<b>At 1 January 2019</b>	92,374	(694)	(33,414)	58,266
Total comprehensive loss for the 3-month period	-	-	(3,434)	(3,434)
<b>At 31 March 2019</b>	<u>92,374</u>	<u>(694)</u>	<u>(36,848)</u>	<u>54,832</u>

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and accompanying explanatory notes attached to these interim financial statements.

**CYMAO HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED**

	<b>3 months ended</b>	
	<b>31.03.2019 (Unaudited) RM'000</b>	<b>31.12.2018 (Audited) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(3,434)	(4,392)
Adjustments for:		
Depreciation of property, plant and equipment	769	3,618
Amortisation of land use right	4	53
Gain on disposal of property, plant and equipment	-	(20)
Allowance for slow moving inventories	-	112
Bad debts written off	-	395
Impairment on financial assets	-	(136)
Interest income	(6)	(30)
Finance costs	95	424
Liabilities no longer in existence written off	-	(9)
Loss on disposal of investment	-	10
Property plant & equipment written off	-	85
Unrealised gain on foreign exchange	-	11
Operating profit/(loss) before working capital changes	<u>(2,572)</u>	<u>121</u>
Increase in inventories	(4,240)	(7,931)
(Decrease)/Increase in receivables	3,087	(235)
Increase in payables	<u>3,216</u>	<u>4,773</u>
Net cash (used in)/generated from operations	(509)	(3,272)
Interest paid	(95)	(424)
Net tax paid	<u>65</u>	<u>(186)</u>
Net cash (used in)/generated from operating activities	<u>(539)</u>	<u>(3,882)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(7)	(1,305)
Proceeds from disposal of plant and equipment	-	20
Proceeds from disposal of investment on joint venture	-	29
Interest received	<u>6</u>	<u>30</u>
Net cash used in investing activities	<u>(1)</u>	<u>(1,226)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bankers' acceptance drawn down	5,752	23,472
Short Term Loan	(50)	(144)
Repayment of term loan	(44)	(146)
Repayment of bankers' acceptance	<u>(7,138)</u>	<u>(21,236)</u>
Net cash generated from/(used in) financing activities	<u>(1,480)</u>	<u>1,946</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,020)</b>	<b>(3,162)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>2,296</b>	<b>5,458</b>
<b>Cash and cash equivalents at end of financial period</b>	<b><u>276</u></b>	<b><u>2,296</u></b>

**CYMAO HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED**

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

	<b>As at 31.03.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
Cash in hand and at bank	1,476	3,306
Bank overdraft	(1,200)	(1,010)
Fixed deposit with a licensed bank	652	2,147
Cash and bank balances	<u>928</u>	<u>4,443</u>
Less: Deposit with a licensed bank pledged for bank guarantees	<u>(652)</u>	<u>(2,147)</u>
	<u><u>276</u></u>	<u><u>2,296</u></u>

The above Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and accompanying explanatory notes attached to these interim financial statements.

## **CYMAO HOLDINGS BERHAD**

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### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED**

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#### **1 Corporate Information**

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at MPT 4604, 3rd Floor, Lot 15 - 16, Block B, Bandaran Baru, Jalan Baru, 91000 Tawau, Sabah. The principal place of business of the Company is located at 8.7 KM, Jalan Batu Sapi, 90000 Sandakan, Sabah.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are manufacturing and sale of veneer, plywood, decorative plywood, blockboard and sale and extraction of log timbers. There have been no significant changes in the nature of these principal activities during the financial year.

#### **2 Basis of Preparation**

These condensed consolidated interim financial statements (Condensed Report) for the period ended 31 December 2018, have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 134 "*Interim Financial Reporting*" and paragraph 9.22 of the Main Market Listing Requirement 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 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 an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

#### **3 Significant 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 2017, except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

MFRS 15: Revenue from Contracts with Customers

MFRS 9: Financial Instruments



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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED**

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**3 Significant Accounting Policies**

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

MFRS 16 : Leases

IC interpretation 23 uncertainty over income tax treatments

Amendments to MFRS 112 (Annual improvement to MFRS standard 2015 - 2017 cycle)

Effective for financial periods beginning on or after 1 January 2020:

Destination of material (Amendments to MFRS 101)

Destination of material (Amendments to MFRS 108)

The adoption of the above revised MFRSs, and Amendment do not have any significant financial impact on the Group.

**4 Auditors' Report**

The auditors' report on the financial statements of the Group for the year ended 31 December 2018 was not qualified.

**5 Seasonality of operations**

The Group's business operation and performance are to a certain extent affected by weather conditions especially on the supply of logs.

**6 Unusual Items due to their Nature, Size or Incident**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter under review.

**7 Changes in Estimates**

There was no estimation of amount used in the preceding reporting having a material effect in the current reporting quarter.

**8 Dividend Paid**

There was no dividend paid by the Group during the current quarter.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED**

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**9 Carrying Amount of Revalued Assets**

There were no brought forward valuations of property, plant and equipment from the year ended 31 March 2019 and there were no valuations of property, plant and equipment carried out during the current financial year-to-date.

**10 Debt and Equity Securities**

There were no issuances, cancellations, resale and repayments of debt and equity securities during the quarter under review.

**11 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the reporting quarter.

**12 Segmental Information**

No segmental information has been presented as the Group activities are predominantly in Malaysia.

**13 Capital Commitments**

There were no capital commitments for the quarter ended 31 March 2019.

**14 Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last statement of financial position as at 31 December 2018 and up to the date of this report.

**15 Subsequent Events**

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

**16 Trade Receivables**

The trade receivable turnover is 38 days which is within the industry average. Export sales are through Letter of Credit. The Group has not experienced any debt issues with the customers as the customers are long established and reliable.

There are no write down of debts during the quarter.

## CYMAO HOLDINGS BERHAD

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### EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED

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#### 17 Performance Review

##### Turnover

The quarter registered a turnover of RM10.385 million a decrease in turnover of RM12.281 million as compared to preceding year corresponding period of RM22.666 million last year. The decrease in turnover is mainly due to sluggish demand on international export market and local domestic demand and a drop in pricing. The average sales volume of 1,434 m3 per month this quarter is 66.83% less than 4,323 m3 average sale volume for 2018 same quarter. Production volume for plywood and veneer decreased by 3,232 m3 from 8,725 to 5,493 m3, a decrease of 37% for this quarter as compared to the preceding year corresponding quarter.

##### (Loss) before Tax

The Group registered a loss of RM3.434 million as compared to a loss before tax of RM2.311 million in the preceding year corresponding quarter. The losses is mainly due to lower production and a slow market on international export market and drop in pricing.

The results of the operations-Profit/(Loss):

	31.03.2019	31.03.2018
	RM'000	RM'000
Sandakan	(1,238)	(1,584)
Klang	(566)	(179)
Jengka	(1,587)	(525)
Other companies	(43)	(23)
Group (loss)	<u>(3,434)</u>	<u>(2,311)</u>

As explained, the decrease in loss in Sandakan is due to lower operating cost and higher export sales. The loss before tax in Klang has increased compared to last corresponding quarter due to competitive pricing and lower sales. Jengka still incurred a loss due to machinery repairs and upgrade and manpower training, higher logs prices and under capacity. The Jengka operation was stopped in February 2019.

##### Comparison with immediate preceding quarter's result:

As a result of significant decrease in export sales prices and overall volume, revenue has decreased by RM7.189 million or 69.22% as compared to the immediate preceding quarter. This quarter showed a loss before tax of RM3.434 million as compared to the immediate preceding quarter of RM1.339 million loss before tax due to drop of selling price for export market and lower sales as stated above.

**CYMAO HOLDINGS BERHAD**

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 - UNAUDITED****17 Performance Review****Comparison with immediate preceding quarter's result:**

The changes in sales volumes can be analyzed as follows:

	31.03.2019	31.03.2018	Net change
Sandakan mills : Export (m3)	1,506	4,466	(2,960)
: Local (m3)	751	2,517	(1,766)
	<u>2,257</u>	<u>6,983</u>	<u>(4,726)</u>
Poly-Ply at Klang : Export (m3)	209	424	(215)
: Local (m3)	289	2,723	(2,434)
	<u>498</u>	<u>3,147</u>	<u>(2,649)</u>
Poly-Ply at Jengka : Export (m3)	123	327	(204)
: Local (m3)	1,423	216	1,207
: Local (m3) to Sandakan	-	2,295	(2,295)
	<u>1,546</u>	<u>2,838</u>	<u>(1,292)</u>

Sandakan recorded a reduction of 4,726 m3 sales and Klang recorded a reduction of 2,649 m3 sales for this quarter as compared to the immediate preceding quarter. Couple with a decrease in sales, the gross margin also deteriorated resulting in these operations making losses.

**Group's Prospect:**

The logs supply has improved in the last quarter in Sandakan and the export prices have stabilised thus resulting in sandakan making a reduced loss. The international export market has stabilised in the last nine months with the improve pricing even the sale was slow in the first quarter. Local market sale is still slow in the first quarter. The Group is focusing more on export sales to capture the better margin.

Starting from last quarter, even Jengka has started producing plywood to try to capture a better margin but the operation of Jengka still incurred a loss as there are ongoing repairs of machinery, poor quality manpower and higher logs prices. As Jengka continued to make losses, the operation was being stopped in February.

Klang operation has slowed down due to a slow demand for value-added plywood products. The challenge is for the Klang operation management to fix the situation and put more efforts to capture more customers and to manage the cost to bring the Klang operation to a better profitability.

Cymao Plywood Sdn Bhd after taking over the stock from Jengka will trade plywood in Klang focusing on West Malaysia local market.

Overall, the prospect for the Group is positive as export plywood prices have improved and the concerted efforts to reduce operating cost. Logs supply in Sandakan is more stable and prices also stabilising which is positive for the Group.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - (UNAUDITED)****18 Bank Borrowing**

The total banking facilities of the Group remained at RM14 million comprising of trade facilities of RM10 million, overdraft of RM2 million and loan of RM2 million.

The average interest rate charged by the banks were 4.50% - 7.50%

**Borrowings (Secured)**

As at 1st quarter ended 2019						
	Long Term		Short Term		Total Borrowings	
	Foreign denomination ^	RM denomination	Foreign denomination ^	RM denomination	Foreign denomination ^	RM denomination
<b>Secured</b>						
Banker Acceptance	-	-	-	7,058	-	7,244
Term Loan	-	1,598	-	-	-	1,598
Hire Purchase	-	-	-	370	-	370
Bank Overdraft	-	-	-	1,200	-	1,200
<b>Unsecured</b>						
Banker Acceptance	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Bank Overdraft	-	-	-	-	-	-
As at 1st quarter ended 2018						
	Long Term		Short Term		Total Borrowings	
	Foreign denomination ^	RM denomination	Foreign denomination ^	RM denomination	Foreign denomination ^	RM denomination
<b>Secured</b>						
Banker Acceptance	-	-	-	3,147	-	3,147
Term Loan	-	1,744	-	-	-	1,744
Hire Purchase	-	-	-	306	-	306
Bank Overdraft	-	-	-	-	-	-
<b>Unsecured</b>						
Banker Acceptance	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Bank Overdraft	-	-	-	-	-	-

All the borrowings are denominated in Ringgit Malaysia.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - (UNAUDITED)****19 Impairment**

The valuation for the fixed assets of the Group amounted to RM76.322 million as at 31 December 2016 and the net book value is RM30.372 million as at 31 March 2019. Therefore, there is no impairment provision required for this quarter.

**20 Commentary on Prospects**

The Group is consciously endeavouring to strengthen its competitive advantage in term of quality, recovery rate and operational efficiency to improve the margin of its products. In addition, the Group has managed to secure its timber rights extraction, with the ban of logs export in Sabah, logs supply situation has improved. With the higher export price the Sandakan operation is turning around to generate profit for the Group.

**Marketing strategy**

The Group will continue to focus on USD export market to take advantage of the strong Dollar and the higher price. With the improved quality raw material sourcing, it is expected this strategy will accrue more benefit to the Group.

**Business opportunity**

The Group will continue to explore positive business opportunities to enhance the core performance of the Group. In the short to medium term, the Group will focus on consolidating the three operations of the Group-Sandakan, Klang and Jengka. Sandakan is profitable in this quarter, Jengka operation is being stopped and Klang has to focus on more sales.

**21 Profit Forecast/Profit Guarantee**

Not applicable as the Group has not provided any profit forecast or profit guarantee for the quarter ended 31 December 2018.

**22 Additional disclosure -(Loss) before tax**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
(Loss) before tax is arrived at after				
Amortisation and depreciation	773	934	773	934
Gain on disposal of plant and equipment	-	-	-	-
Interest expense	95	41	95	41
Interest income	6	10	6	10

There were no impairment loss on receivables, gain or loss on disposal of quoted or unquoted investment and other exceptional items for the current quarter under review and financial year-to-date.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - (UNAUDITED)**

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**23 Income Tax expense**

	<b>Current quarter 3 months ended 31.03.2019 (Unaudited) RM' 000</b>	<b>Year To-date 3 months ended 31.03.2018 (Unaudited) RM' 000</b>
Income tax:		
Current Taxation	-	-
Deferred Tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**24 Status of Corporate Proposals**

As at the date of this report, there were no corporate proposals announced and not completed, being the latest practical date that shall not be earlier than 7 days from the date of this quarterly report.

**25 Changes in Material Litigation**

As at the date of this report, the Group has not engaged in any material litigation.

**26 Dividend Payable**

No dividend has been recommended for the quarter under review.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019 - (UNAUDITED)**

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**27 (Loss) per share**

Basic (loss) per share is calculated by dividing the (loss) attributable to the ordinary equity holders of the owner by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<b>Current quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
(Loss) attributable to ordinary equity holders of the parent (RM' 000)	<u>(3,434)</u>	<u>(2,311)</u>	<u>(3,434)</u>	<u>(2,311)</u>
Weighted average number of shares in issue (' 000)	<u>75,000</u>	<u>73,335</u>	<u>75,000</u>	<u>73,335</u>
Basic (loss) per share (Sen)	<u>(4.58)</u>	<u>(3.15)</u>	<u>(4.58)</u>	<u>(3.15)</u>
Diluted (loss) per share (Sen)	<u>(4.58)</u>	<u>(3.15)</u>	<u>(4.58)</u>	<u>(3.15)</u>