

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 30/06/2019 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30/06/2018 RM'000	UNAUDITED CURRENT YEAR 30/06/2019 RM'000	UNAUDITED PRECEDING YEAR 30/06/2018 RM'000
Revenue	68,575	66,897	240,237	229,496
Cost of sales	(46,869)	(50,578)	(175,859)	(165,482)
Gross profit	21,706	16,319	64,378	64,014
Other income	587	388	1,426	1,500
Distribution expenses	(392)	(411)	(1,492)	(1,075)
Administration expenses	(13,894)	(13,904)	(38,417)	(38,695)
Finance costs	(2,322)	(1,115)	(6,480)	(2,845)
Profit before tax	5,685	1,277	19,415	22,899
Taxation	(1,320)	5,849	(6,787)	7,455
Net profit for the financial period	4,365	7,126	12,628	30,354
Other comprehensive income, net of tax				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income	4,365	7,126	12,628	30,354
Net profit for the financial period attributable to:				
Owners of the Company	4,386	7,121	12,715	30,353
Non-controlling interests	(21)	5	(87)	1
	4,365	7,126	12,628	30,354
Total comprehensive income attributable to:				
Owners of the Company	4,386	7,121	12,715	30,353
Non-controlling interests	(21)	5	(87)	1
	4,365	7,126	12,628	30,354
Earnings per share attributable to owners of the Company:				
Basic (sen)	0.79	1.27	2.28	5.42
Diluted (sen)	0.79	1.27	2.28	5.37

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial report.

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 30/06/2019 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 30/09/2018 RM'000 (Restated)
Non-Current Assets		
Property, plant and equipment	554,430	512,966
Biological assets	3,154	3,711
Property development costs	28,600	28,600
Investment properties	60,865	61,805
Deferred tax assets	60,667	60,667
Fixed deposits with licensed banks	10,162	10,242
Investment in short term funds	7,997	7,990
Goodwill on consolidation	3	3
Total Non-Current Assets	725,878	685,984
Current Assets		
Property development costs	238,319	234,511
Amount due from customers	85,988	21,491
Inventories	1,858	1,881
Trade and other receivables	241,705	281,645
Amount due from holding company	-	455
Tax recoverable	1,086	1,014
Cash and bank balances	13,754	10,884
Total Current Assets	582,710	551,881
Total Assets	1,308,588	1,237,865
Equity and Liabilities		
Share capital	161,777	161,771
Treasury shares	(5,962)	(5,883)
Revaluation reserve	70,538	70,614
Warrant reserve	51,467	51,467
Retained earnings	265,422	252,631
	543,242	530,600
Non-controlling interests	864	951
Total Equity	544,106	531,551
Non-Current Liabilities		
Deferred tax liabilities	2,835	3,236
Borrowings (secured)	298,639	254,663
Total Non-Current Liabilities	301,474	257,899
Current Liabilities		
Trade and other payables	278,975	250,224
Amount due to customers	-	3,984
Tax payable	6,238	2,478
Borrowings (secured)	177,795	191,729
Total Current Liabilities	463,008	448,415
Total Liabilities	764,482	706,314
Total Equity and Liabilities	1,308,588	1,237,865
Net assets per share (RM)	0.97	0.83

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial statements.

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →						Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Distributable Treasury Shares RM'000	Non-distributable Share Premium RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Distributable Retained Earnings RM'000			
Unaudited									
Financial quarter ended 30 June 2019									
As at 1 October 2018	161,771	(5,883)	-	70,614	51,467	257,234	535,203	951	536,154
Effects of adopting MFRS	-	-	-	-	-	(4,603)	(4,603)	-	(4,603)
As at 1 October 2018 (restated)	161,771	(5,883)	-	70,614	51,467	252,631	530,600	951	531,551
Crystallisation of revaluation reserve	-	-	-	(76)	-	76	-	-	-
Net profit for the financial period	-	-	-	-	-	12,715	12,715	(87)	12,628
Total comprehensive income	-	-	-	(76)	-	12,791	12,715	(87)	12,628
Transactions with owners									
Exercise of Warrants-A	7	-	-	-	-	-	7	-	7
Share issue expenses written off against share premium in accordance with Section 618(3) of Companies Act 2016	(1)	-	-	-	-	-	(1)	-	(1)
Own shares bought	-	(79)	-	-	-	-	(79)	-	(79)
Total transactions with owners	6	(79)	-	-	-	-	(73)	-	(73)
As at 30 June 2019	161,777	(5,962)	-	70,538	51,467	265,422	543,242	864	544,106
Unaudited									
Financial quarter ended 30 June 2018									
As at 1 October 2017	152,566	(862)	-	66,175	-	228,589	446,468	953	447,421
Crystallisation of revaluation reserve	-	-	-	(434)	-	434	-	-	-
Net profit for the financial period	-	-	-	-	-	30,353	30,353	1	30,354
Total comprehensive income	-	-	-	(434)	-	30,787	30,353	1	30,354
Transactions with owners									
Exercise of Warrants-A	10,013	-	-	-	-	-	10,013	-	10,013
Share issue expenses written off against share premium in accordance with Section 618(3) of Companies Act 2016	(808)	-	-	-	-	-	(808)	-	(808)
Own shares bought	-	(4,791)	-	-	-	-	(4,791)	-	(4,791)
Issuance of Warrants-B	-	-	-	-	51,467	-	51,467	-	51,467
Total transactions with owners	9,205	(4,791)	-	-	51,467	-	55,881	-	55,881
As at 30 June 2018	161,771	(5,653)	-	65,741	51,467	259,376	532,702	954	533,656

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial statements.

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 30 JUNE 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 30/06/2019 RM'000	UNAUDITED PRECEDING YEAR YEAR 30/06/2018 RM'000
Operating Activities		
Profit before tax	19,415	22,899
Adjustments for :		
Amortisation and depreciation	8,292	8,885
Biological assets written off	339	-
Gain on disposal of investment properties	-	(29)
Reversal of revaluation gain on investment properties	954	-
Interest and commission expenses	6,480	2,845
Interest income	(440)	(730)
Operating profit before changes in working capital	35,040	33,870
Property development costs	7,949	(29,985)
Inventories	23	(718)
Amount due (to)/from customers	(62,596)	(20,912)
Receivables	40,395	(49,136)
Payables	28,751	30,573
Cash generated from operations	49,562	(36,308)
Interest and commission expenses paid	(24,121)	(15,965)
Interest income received	440	730
Tax paid	(3,501)	(7,243)
Net cash used in/(from) operating activities	22,380	(58,786)
Investing Activities		
Net movement in fixed deposits with licensed banks	80	(2,080)
Net movement in short term funds	(7)	(427)
Purchase of biological assets	(214)	(692)
Purchase of property, plant and equipment	(45,777)	(63,080)
Proceeds from disposal of investment properties	-	269
Costs incurred on self-constructed investment properties	(1,954)	(1,209)
Net cash used in investing activities	(47,872)	(67,219)
Financing Activities		
Proceeds from issuance of shares	-	10,013
Share issue expenses	-	(808)
Proceeds from issuance of Warrants-A	7	51,467
Warrants-A issue expenses	(1)	-
Own shares bought	(79)	(4,791)
Repayment of finance lease liabilities	(1,310)	(776)
Repayment of borrowings	(100,713)	(120,645)
Drawdown of borrowings	135,429	150,548
Net cash from financing activities	33,333	85,008
Net increase in cash and cash equivalents	7,841	(40,997)
Cash and cash equivalents at beginning of financial period	(33,208)	18,580
Cash and cash equivalents at end of financial period	(25,367)	(22,417)
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	13,754	20,983
Bank overdrafts	(39,121)	(43,400)
	(25,367)	(22,417)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

A1 Explanation notes pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

The interim financial report is unaudited and is prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2018 and these explanatory notes.

These explanatory notes 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 30 September 2018.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial year ended 30 September 2018 except for the changes in accounting policies and presentation resulting from the adoption of the MFRS Framework by the Group with effect from 1 October 2018.

This is the Group’s first interim financial statements prepared in accordance with MFRSs and MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, retrospective adjustments have been made on the comparative financial information other than those exempted under MFRS 1. The interim financial statements of the Group prior to 1 October 2018 were prepared in accordance with Financial Reporting Standards.

The impacts arising from the adoption of MFRS 15 are set out below:

	As previously reported as at 30.9.2018	Adjustments Effects of adoption of MFRS 15	Restated as at 1 October 2018
	RM'000	RM'000	RM'000
Consolidated Statement of Financial Position			
<u>Current Assets</u>			
Property development costs	219,134	15,377	234,511
Trade and other receivables	303,104	(21,459)	281,645
<u>Equity and Liabilities</u>			
Retained earnings	257,234	(4,603)	252,631
<u>Non-Current Liabilities</u>			
Deferred tax liabilities	4,715	(1,479)	3,236

The Group has not adopted the following MFRSs, Amendments to MFRSs and Interpretation issued by the Malaysian Accounting Standards Board (“MASB”):

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QUARTER ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

MFRS, Amendments to MFRSs and IC Interpretation effective 1 January 2019

MFRS 16	Leases
Amendments to MFRS 9*	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128*	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23*	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015 – 2017 Cycle*	

Amendments to MFRSs and Amendments to References to the Conceptual Framework in MFRSs effective 1 January 2020

Amendments to MFRS 3*	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards (MFRSs 2, 3, 6, 14, 101, 108, 134, 138, 138 and IC Interpretation 12, 19, 20, 2, 132)	

MFRS effective 1 January 2021

MFRS 17*	Insurance Contracts
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Amendments to MFRSs - effective date to be announced by MASB

Amendments to MFRS 10* and 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group's existing operations

The initial application of the above MFRSs, Amendments to MFRSs and Interpretation are not expected to have any significant financial impact to the Group, except for:

MFRS 16 Leases

MFRS 16 replaces MFRS 117 *Leases*. MFRS 16 eliminates the distinction between finance and operating leases for lease. As off-balance sheet leases will longer be allowed except for some limited practical exemptions, all leases will be brought onto the statement of financial position “(SOFP)” by recognising a “right-of-use” asset and a lease liability. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its SOFP are expected to be different compared with the current position.

MFRS 16 also:

- Changes the definition of a lease;
- Sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods;
- Changes the accounting for sale and leaseback arrangements;
- Largely retains MFRS 117's approach to lessor accounting; and
- Introduces new disclosure requirements.

The adoption of MFRS 16 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 16.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 30 JUNE 2019**

NOTES TO THE FINANCIAL STATEMENTS

A2 Auditors' report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 30 September 2018 was not subject to any qualification.

A3 Seasonality or cyclicity of operations

The operations of the property development segment were not subjected to seasonal or cyclical factors. As for the leisure and hospitality segment, its operations normally peak during major festivities, and public and school holiday seasons.

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial year to-date.

A5 Changes in estimates

There were no changes in estimates of amounts reported in a prior financial quarter of the current financial year or a prior financial year, which have a material impact on the current financial year to-date.

A6 Changes in debt and equity securities

During the current financial year to-date, the Company bought 185,000 of its own ordinary shares from the open market at an average price of 42.2 sen per share. The total consideration paid for the purchased shares including transaction costs amounting to RM78,089 was financed by internally generated funds. These purchased shares were dealt with as treasury shares in accordance with Section 127 of the Companies Act 2016.

Other than the above, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial year to-date.

As at 21 August 2019, out of the Company's total 567,277,991 issued ordinary shares, 9,596,900 are held as treasury shares by the Company.

A7 Dividends paid

No dividends were paid by the Company during the current financial year to-date.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

A8 Segmental information

The Group has identified property development, leisure and hospitality and others as operating segments. These segments are monitored and strategic decisions are made on the basis of adjusted segment results.

Segment results for the current financial year to-date were as follows:

	Property Development RM'000	Leisure & Hospitality RM'000	Others RM'000	Elimination/ Adjustments RM'000	Consolidated RM'000
Revenue					
External	207,655	32,582	-	-	240,237
Inter-segment	-	46	-	(46)	-
	207,655	32,628	-	(46)	240,237
Results					
Segment profit	35,631	(8,800)	(1,245)	(131)	25,455
Finance income	422	1	17	-	440
Finance costs	(2,917)	(3,085)	(478)	-	(6,480)
Profit before taxation	33,136	(11,884)	(1,706)	(131)	19,415
Taxation	(6,769)	(18)	-	-	(6,787)
Net profit for the financial period	26,367	(11,902)	(1,706)	(131)	12,628

The Group's business is operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

A9 Material events subsequent to the end of the current financial quarter

There were no material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial statements.

A10 Changes in the composition of the Group

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

A11 Contingent assets and contingent liabilities

There were no material changes to the contingent assets and contingent liabilities of the Group since the end of the prior financial year.

A12 Capital commitments

The Group's capital commitments at the end of the current financial quarter were as follows:

	RM'000
Authorised and contracted for	<u>42,240</u>
Authorised but not contracted for	<u>-</u>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

A13 Related party transactions

- (a) The Group's significant related party transactions during the current financial year to-date were as follows:

	RM'000
<u>Transactions with companies in which certain Directors have interests:</u>	
Rental expenses paid/payable	325
Sales of food and beverages, room sales and provision of transportation services	31
Rental income received/receivable	117
<u>Transactions with holding company</u>	
Rental expenses paid/payable	36
<u>Transactions with persons connected with a Director</u>	
Rental expenses paid/payable	45
Commission paid/payable	<u>92</u>

- (b) During the current financial year to-date:

- (i) the holding company's shares in the Company were pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at the end of the current financial quarter was approximately RM5.4 million. The holding company also provided a corporate guarantee and indemnity to guarantee the payment by the Group of certain sums of up to RM30.0 million due to the land owner for the project concerned.
- (ii) certain Directors jointly and severally guaranteed banking facilities granted to a subsidiary company. The amount of these facilities outstanding as at the end of the current financial quarter was approximately RM1.0 million.

B1 Review of performance

	Individual Period		Changes +/(-) %	Cumulative Period		Changes +/(-) %
	Current Year Quarter	Preceding Year Quarter		Current Year	Preceding Year	
	30.6.2019	30.6.2018		30.6.2019	30.6.2018	
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Property Development	60,759	55,876	+8.7	207,655	194,122	+7.0
Leisure & Hospitality	7,816	11,021	-29.1	32,582	35,374	-7.9
	68,575	66,897	+2.5	240,237	229,496	+4.7
Profit before taxation	5,685	1,277	+345.2	19,415	22,899	-15.2
Net profit from operations	4,365	7,126	-38.7	12,628	30,354	-58.4
Profit attributable to owners of the Company	4,386	7,121	-38.4	12,715	30,353	-58.1

The Group's revenue for current financial quarter ("CFQ") increased by 2.5% to RM68.6 million as compared to RM66.9 million recorded in the preceding year's corresponding financial quarter. This increase in revenue was mainly driven by the Property Development Division's ("PDD") improvement in construction margin and contributions from its projects in Kuantan and Kuching. The Leisure & Hospitality Division ("LHD") revenue decreased by 29.1% to RM7.8 million for CFQ as compared to RM11.0 million recorded in the preceding year's corresponding financial quarter largely attributable to lower contribution from Bukit Gambang Resort City ("BGRC") and Borneo Samariang Water Park ("BSWP") arising from lower occupancy rates and visitors' arrival to their theme park.

Profit before taxation ("PBT") for the CFQ increased by 345.2% to RM5.7 million whilst net profit from operations ("PAT") for CFQ declined by 38.7% to RM4.4 million respectively from the RM1.3 million and RM7.1 million recorded in their preceding year's corresponding financial quarter. The improvement in PBT is due largely to improvements in developer's margins from its construction business. However, PAT's deterioration is due largely to the recognition of the deferred tax asset of RM6.9 million in relation to the unutilised investment tax allowances of BSWP during the preceding year's corresponding financial quarter.

NOTES TO THE FINANCIAL STATEMENTS

For current financial year to-date (“**CFY**”), Group’s revenue was higher by 4.7% to RM240.2 million as compared to RM229.5 million recorded in the preceding year’s corresponding financial year. The higher revenue to-date was due to the stronger growth of 7.0% from its PDD which offset a decline of 7.9% in its LHD.

Despite recording growth in revenue for the CFY, PBT and PAT decreased by 15.2% and 58.4% YoY to RM19.4 million and RM12.6 million respectively. These decreases in PBT is attributable to higher operating expenses incurred during the period whilst the decrease in PAT is mainly due to the recognition of the deferred tax asset of RM14.5 million in relation to the unutilised investment tax allowances of BSWP in the preceding year’s corresponding financial year.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

B2 Comparison with immediate preceding quarter's results

	Current Year Quarter	Immediate Preceding Quarter	Changes +/-)
	30.6.2019	31.3.2019	
	RM'000	RM'000	%
Revenue			
Property Development	60,759	88,663	-31.5
Leisure & Hospitality	7,816	9,806	-20.3
	68,575	98,469	-30.4
Profit before tax	5,685	8,158	-30.3
Net profit for the financial period	4,365	4,209	+3.7
Profit attributable to owners of the Company	4,386	4,229	+3.7

Group's revenue of RM68.6 million for the CFQ was 30.4% lower than that of RM98.5 million achieved in the immediate preceding financial quarter. This decrease was mainly due to Property Development Division's ("PDD") lower billings from its development projects in Kuantan, Kuching and Morib. Leisure Hospitality Division ("LHD") also recorded lower revenue contribution largely due to lower occupancy rates and visitors' arrival in BGRC.

The decline in revenue from both the PDD and LHD has resulted in a lower PBT for CFQ of RM5.7 million from RM8.2 million attained in the immediate preceding financial quarter. However, these declines have resulted in lower tax provisioning which lifted the PAT for CFQ marginally to RM4.4 million from RM4.2 million recorded in the immediate preceding financial quarter.

B3 Commentary on prospects

Despite the current economic challenges, the Group is cautiously optimistic with its future prospect. This is primarily drawn from our product strategy of focussing on affordable housing priced at below RM300,000 at various strategic locations.

In addition, this was further enhanced by the recent announcement by Bank Negara Malaysia ("BNM") on the creation of a RM1.0 billion Fund for Affordable Home effective 1 September 2019. This will definitely mitigate present difficulties of potential home buyers who are unable to obtain financing to realise their ambition of owning their first house [BNM press release : *Enhancements to Bank Negara Malaysia's RM1.0 billion Fund for Affordable Homes (ref no. 08/19/08)*].

With this, it will definitely augur well with our planned launches from our ongoing projects in Kuantan, Kuching and Morib. In addition, the Group also buffered by our total unbilled sales of more than RM370 million as at 30 June 2019.

B4 Profit forecast or profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

B5 Taxation

	Current Year Quarter RM'000	Current Year To- Date RM'000
Current income tax - Malaysian income tax	1,274	6,787
Deferred taxation	46	-
	<u>1,320</u>	<u>6,787</u>
Effective income tax rate	<u>23.2%</u>	<u>35.0%</u>

The Group's effective income tax rate for the current financial year to-date is more than the applicable income rate of 24% due to losses by certain subsidiary companies not available for set-off against taxable profits of other subsidiary companies.

B6 Status of corporate proposals announced

There were no corporate proposals announced but not completed as of 21 August 2019.

B7 Borrowings and debt securities

The Group's borrowings, all of which were secured and denominated in RM as at the end of the CFQ were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Bankers' acceptances	37,073	-	37,073
Bridging loan	12,369	48,582	60,951
Bank overdrafts	39,121	-	39,121
Revolving credit	38,548	12,500	51,048
Finance lease liabilities	1,518	1,513	3,031
Term loans	49,166	236,044	285,210
	<u>177,795</u>	<u>298,639</u>	<u>476,434</u>

B8 Changes in material litigation

The Group has no material litigation as of 21 August 2019.

B9 Dividends

No dividends have been declared or recommended for the current financial year to-date.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS

B10 Earnings per share

(i) Basic earnings per share

The basic earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period concerned.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2019	Preceding Year Quarter 30.6.2018	Current Year 30.6.2019	Preceding Year 30.6.2018
Profit attributable to owners of the Company (RM'000)	4,386	7,121	12,715	30,353
Weighted average number of ordinary shares in issue ('000)	557,681	558,917	557,689	559,684
Basic earnings per share (sen)	0.79	1.27	2.28	5.42

(ii) Diluted earnings per share

The diluted earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding and the assumed conversion of warrants outstanding during and as of the end of the financial period concerned respectively.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2019	Preceding Year Quarter 30.6.2018	Current Year 30.6.2019	Preceding Year 30.6.2018
Profit attributable to owners of the Company (RM'000)	4,386	7,121	12,715	30,353
Weighted average number of ordinary shares in issue ('000)	557,681	562,346	557,689	565,579
Diluted earnings per share (sen)	0.79	1.27	2.28	5.37

The diluted earnings per share for the CFQ is the same as the basic earnings per share as the average market prices of the ordinary shares during the CFQ was lower than the exercise price of the warrants and accordingly, the effect of the assumed conversion of warrants outstanding will be anti-dilutive and the Company has no other dilutive potential ordinary shares in issue as at the end of the CFQ.

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NOTES TO THE FINANCIAL STATEMENTS

B11 Profit before taxation

Profit before taxation for the current financial year to-date was arrived at after taking into account the following income/(expenses) items:

	Current Year Quarter RM'000	Current Year To-Date RM'000
Interest income	172	440
Other income	415	986
Interest and commission expenses	(2,322)	(6,480)
Amortisation and depreciation	(2,575)	(8,292)
Gain on disposal of property, plant and equipment	72	175

The following items which were not disclosed were not applicable:

- (a) Write off of receivables;
- (b) Allowance and write off of inventories;
- (c) Impairment of assets;
- (d) Foreign exchange gain or loss;
- (e) Gain or loss on derivatives; and
- (f) Exceptional items (with details).

By order of the Board

Datuk Tan Leh Kiah
Company Secretary

28 August 2019