

# **XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia)

Company No: 1032102-P

## **INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2019**

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**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Company No: 1032102-P

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March 2019**

(The figures have not been audited)

	Notes	Fourth Quarter Ended		Cumulative Quarter Ended	
		31.3.2019 RM'000 Unaudited	31.3.2018 RM'000 Unaudited	31.3.2019 RM'000 Unaudited	31.3.2018 RM'000 Unaudited
REVENUE		29,187	27,787	114,729	109,068
COST OF SALES		(19,573)	(18,275)	(76,743)	(71,656)
GROSS PROFIT		9,614	9,512	37,986	37,412
OTHER OPERATING INCOME		184	1,337	397	1,675
SELLING AND DISTRIBUTION EXPENSES		9,798	10,849	38,383	39,087
		(209)	(474)	(1,116)	(1,182)
ADMINISTRATIVE EXPENSES		(13,230)	(9,768)	(33,410)	(24,385)
FINANCE COSTS		(1,097)	(892)	(4,310)	(3,600)
(LOSS)/ PROFIT BEFORE TAXATION	<b>B5</b>	(4,738)	(285)	(453)	9,920
TAXATION	<b>B6</b>	2,252	1,167	1,842	106
(LOSS)/ PROFIT AFTER TAXATION		(2,486)	882	1,389	10,026
OTHER COMPREHENSIVE INCOME, NET OF TAX		(10)	-	(18)	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(2,496)	882	1,371	10,026
(LOSS)/ PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
- Owners of the Company		(2,460)	1,117	1,660	10,382
- Non-controlling interests		(26)	(235)	(271)	(356)
		(2,486)	882	1,389	10,026
TOTAL COMPREHENSIVE (LOSS)/PROFIT ATTRIBUTABLE TO:-					
- Owners of the Company		(2,470)	1,117	1,642	10,382
- Non-controlling interests		(26)	(235)	(271)	(356)
		(2,496)	882	1,371	10,026
(Loss)/earnings per share (sen) attributable to Owners of the Company:-					
- Basic	<b>B11</b>	(1.14)	0.52	0.77	4.81

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to these interim financial statements.

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Company No: 1032102-P

**Unaudited Condensed Consolidated Statement of Financial Position as at 31 March 2019**

	Notes	As at 31.3.2019 RM'000 Unaudited	As at 31.03.2018 RM'000 Audited
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		213,713	197,006
Goodwill		345	497
Deferred tax asset		16	16
Development costs		-	198
		<u>214,074</u>	<u>197,717</u>
<b>CURRENT ASSETS</b>			
Inventories		2,755	3,341
Trade receivables		24,623	28,327
Other receivables, deposits and prepayments		7,256	7,404
Current tax assets		5,621	3,953
Fixed deposits with licensed banks		26	24
Cash and bank balances		1,685	6,749
		<u>41,967</u>	<u>49,798</u>
<b>TOTAL ASSETS</b>		<u>256,041</u>	<u>247,515</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		108,000	108,000
Reserves		39,002	37,360
<b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<u>147,002</u>	<u>145,360</u>
<b>NON-CONTROLLING INTERESTS</b>		1,238	160
<b>TOTAL EQUITY</b>		<u>148,240</u>	<u>145,520</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	<b>B8</b>	58,555	63,691
Deferred tax liabilities		4,722	6,661
		<u>63,277</u>	<u>70,352</u>
<b>CURRENT LIABILITIES</b>			
Trade payables		6,131	8,748
Other payables and accruals		14,955	6,028
Short term borrowings	<b>B8</b>	18,746	15,079
Bank overdraft		4,500	1,728
Current tax liabilities		192	60
		<u>44,524</u>	<u>31,643</u>
<b>TOTAL LIABILITIES</b>		<u>107,801</u>	<u>101,995</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>256,041</u>	<u>247,515</u>
Net assets per share attributable to ordinary equity holders of the parent (RM) <sup>(1)</sup>		<u>0.68</u>	<u>0.67</u>

*The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to these interim financial statements.*

(1) - Based on the issued share capital of 215,999,998 ordinary shares.

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Company No: 1032102-P

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Year Ended 31 March 2019**

	←-----Attributable to owners of the Company----->						Non-controlling Interests RM'000	Total Equity RM'000
	←----- Non-Distributable ----->			----- Distributable -----				
	Share Capital RM'000	Merger Deficit RM'000	Revaluation Reserve RM'000	Foreign exchange translation reserve RM'000	Retained Profits RM'000	Total RM'000		
As at 1 April 2018	108,000	(68,979)	16,188	1	90,150	145,360	160	145,520
Total comprehensive income for the period	-	-	-	-	1,660	1,660	(271)	1,389
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	(19)	-	(19)	-	(19)
Dividend paid	-	-	-	-	-	-	(105)	(105)
Issue paid up capital	-	-	-	-	-	-	1,455	1,455
As at 31 March 2019	108,000	(68,979)	16,188	(18)	91,810	147,001	1,239	148,240

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Company No: 1032102-P

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Year Ended 31 March 2019**

	←-----Attributable to owners of the Company----->						Non-controlling Interests RM'000	Total Equity RM'000
	←----- Non-Distributable ----->			----- Distributable ----->				
	Share Capital RM'000	Merger Deficit RM'000	Revaluation Reserve RM'000	Foreign exchange translation reserve RM'000	Retained Profits RM'000	Total RM'000		
As at 1 April 2017	108,000	(68,979)	17,359	(1)	80,368	136,747	516	137,263
Total comprehensive income for the period	-	-	-	-	10,382	10,382	(356)	10,026
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	2	-	2	-	2
Reverse revaluation reserve	-	-	(1,171)	-	1,560	389	-	389
Dividend paid	-	-	-	-	(2,160)	(2,160)	-	(2,160)
As at 31 March 2018	108,000	(68,979)	16,188	1	90,150	145,360	161	145,520

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to these interim financial statements.

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Company No: 1032102-P

**Unaudited Condensed Consolidated Statement of Cash Flows for the Year Ended 31 March 2019**

	<b>31.3.2019</b>	<b>31.3.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(453)	9,920
Adjustments for:-		
Depreciation of property, plant and equipment	9,920	8,210
Property, plant and equipment written off	-	468
Loss/(gain) on disposal of property, plant and equipment	2	(724)
Interest expense	3,998	3,438
Interest income	(11)	(21)
Impairment losses on goodwill	987	-
Impairment losses on property, plant and equipment	1,467	-
Provision /(reversal) of impairment losses on trade receivables	2,587	(550)
Operating profit before working capital changes	18,497	20,741
Decrease/(increase) in inventories	585	(1,512)
Increase in trade and other receivables	1,263	(4,654)
Decrease in trade and other payables	6,930	1,201
<b>CASH FROM OPERATIONS</b>	<b>27,275</b>	<b>15,776</b>
Income tax paid	(1,667)	(2,300)
Income tax refund	34	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>25,642</b>	<b>13,476</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	10	21
Purchase of property, plant and equipment	(28,051)	(8,607)
Proceeds from disposal of property, plant and equipment	153	4,222
Purchase of short-term investment	-	1,617
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(27,888)</b>	<b>(2,747)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(3,998)	(3,438)
Net repayment of bankers' acceptance	(69)	1,802
Advances from directors	-	500
Drawdown of term loan	8,607	-
Drawdown of hire purchase	159	-
Dividend paid	(105)	(2,160)
Repayment of hire purchase payables	(253)	(211)
Repayment of term loans	(9,912)	(8,719)
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(5,571)</b>	<b>(12,226)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,817)</b>	<b>(1,497)</b>
<b>EFFECT OF FOREIGN EXCHANGE TRANSLATION</b>	<b>(19)</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>5,021</b>	<b>6,518</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>(2,815)</b>	<b>5,021</b>

**XIN HWA HOLDINGS BERHAD**

(Incorporated in Malaysia) Company No: 1032102-P

**Unaudited Condensed Consolidated Statement of Cash Flows for the Year Ended 31 March 2019**

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	<b>31.3.2019</b> <b>RM'000</b> <b>Unaudited</b>	<b>31.3.2018</b> <b>RM'000</b> <b>Unaudited</b>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISE:-		
- Deposit with financial institutions	26	24
- Cash and bank balances	1,685	6,749
- Bank overdraft	<u>(4,500)</u>	<u>(1,728)</u>
	(2,789)	5,060
Less: Fixed deposits pledged with licensed banks	<u>(26)</u>	<u>(24)</u>
	<u><u>(2,815)</u></u>	<u><u>5,021</u></u>

*The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to these interim financial statements.*

**Interim Financial Report for the Year Ended 31 March 2019**

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

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**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to the audited financial statements.

The accounting policies and methods of computations adopted in these interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2018.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those adopted as disclosed in the financial statements for the year ended 31 March 2018 except for the adoption of the following:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long Term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

**A3. Auditors' Report on Preceding Annual Financial Statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2018.

**A4. Seasonal or Cyclical Factors**

The financial performance of the Group is not significantly affected by any seasonal or cyclical factors.



**Interim Financial Report for the Year Ended 31 March 2019**

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

**A5. Item of Unusual Nature**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow because of their nature, size or incidence for the financial quarter under review.

**A6. Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

**A7. Changes in Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

**A8. Dividend Paid**

There was no dividend paid during the current quarter under review.

**A9. Segmental Information**

The Group has three reportable segments as shown below, which are the Group's strategic business units in two principal geographical areas. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

**Business activities**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
<u>Revenue</u>				
Land transport operations	26,090	25,905	103,905	100,148
Warehousing and distribution operations	2,967	1,779	10,646	8,411
Other services	130	178	178	509
Total	<u>29,187</u>	<u>27,787</u>	<u>114,729</u>	<u>109,068</u>
<u>(Loss)/ Profit before tax</u>				
Land transport operations	(3,438)	(248)	(248)	7,68
Warehousing and distribution operations	(1,380)	(43)	(283)	2,204
Other services	80	6	78	48
Total **	<u>(4,738)</u>	<u>(285)</u>	<u>(453)</u>	<u>9,920</u>

\*\* The decrease of profit before tax primarily due to:

- Impairment of goodwill of investment on Yiwugou e-commerce Sdn Bhd amounting to RM0.50 million
- Impairment of goodwill of investment on Xin Hwa Nusantara Energy Sdn Bhd amounting to RM0.49 million
- Impairment of property, plant equipment amounting to RM1.47 million
- Impairment of trade receivable amounting to RM2.59 million

**Interim Financial Report for the Year Ended 31 March 2019**

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

**A9. Segmental Information (Cont’d)**

**Geographical area**

	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM’000	RM’000	RM’000	RM’000
<u>Revenue</u>				
Malaysia	24,760	25,796	101,538	101,250
Singapore	3,786	1,991	12,550	7,718
Indonesia	641	-	641	-
Total	<u>29,187</u>	<u>27,787</u>	<u>114,729</u>	<u>109,068</u>

**A10. Capital Commitments**

Capital commitments for property, plant and equipment not provided for as at 31 March 2019 are as follows:-

	RM’000
Approved and contracted for:	
- Property, plant and equipment	58,992

**A11. Material Events Subsequent To the End of Interim Period**

There were no material events that have occurred subsequent to the end of the current financial quarter from 1 April 2019 to the date of this report.

**A12. Changes in Composition of the Group**

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

**Interim Financial Report for the Year Ended 31 March 2019**

**Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

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**A13. Contingent Liabilities or Contingent Assets**

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement: -

	<b>RM'000</b>
Unsecured:	
Corporate guarantee given to licensed bank for credit facilities granted to subsidiary	71,666

**Interim Financial Report for the Year Ended 31 March 2019**

**Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities**

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**B1. Review of Performance of the Group**

For the 3-month period ended 31 March 2019, the Group recorded a revenue of approximately RM29.18 million and loss before tax (“LBT”) of approximately RM4.74 million. The revenue was mainly derived from land transport operations which accounted for approximately 89.39% of the Group’s total revenue and the LBT of RM3.44 million. The Group’s revenue from land transport operations comprises cargo transportation services and container haulage services.

For the 3-month period ended 31 March 2019, cargo transportation services accounted for approximately 57.94% of the Group’s total revenue and the LBT of RM2.13 million whilst container haulage services accounted for approximately 27.18% of the Group’s total revenue and the LBT of RM1.31 million.

Warehousing and distribution operations accounted for approximately 10.16% of the Group’s total revenue and the LBT of RM1.38 million for the 3-month period ended 31 March 2019. The period of warehousing varies between customers and the warehousing rental rate is charged based on a weekly or monthly basis. For the financial quarter under review, rental rate of the warehousing services has remained relatively constant.

Revenue derived from other services which comprise freight forwarding, customs brokerage, e-commerce services as well as manufacturing and fabrication of trailers accounted for approximately 0.45% of the Group’s total revenue and contributing marginally PBT of RM0.08 million for the 3-month period ended 31 March 2019.

Overall, the slight increase in revenue for the 3-month period ended 31 March 2019 as compared to the previous year corresponding period was mainly due to new contracts awarded for cargo transportation services during the current financial quarter. In addition, the Group also managed to secure new customers for warehousing segment which has further contributed to the increase in revenue.

However, a loss after taxation of RM2.48 million was incurred in the 3-month period ended 31 March 2019 as compared to previous year corresponding period to approximately profit after taxation of RM0.88 million. The decrease of RM3.30 million is primarily due to:

- a) Impairment of goodwill of investment on Yiwugou e-commerce Sdn Bhd amounting to RM0.50 million
- b) Impairment of goodwill of investment on Xin Hwa Nusantara Energy Sdn Bhd amounting to RM0.49 million
- c) Impairment of property, plant equipment amounting to RM1.47 million
- d) Impairment of trade receivable amounting to RM2.59 million

**Interim Financial Report for the Year Ended 31 March 2019**

**Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities**

**B2. Variation of Quarterly Results Compared to the Results of the Preceding Quarter**

	3 Months Ended		Deviation	
	31.12.2018	31.3.2019	Amount	
	RM'000 (Restated)	RM'000	RM'000	%
<b>Revenue</b>	29,430**	29,187	(243)	(0.83)
<b>Profit/(Loss) After Tax</b>	944	(2,486)	(3,430)	(363.35)

The Group's revenue decreased by 0.83% from approximately RM29.43 million recorded in the immediate preceding financial quarter to approximately RM29.19 million in the current financial quarter. The decrease in revenue as compared to preceding quarter was mainly due to seasonal festival in the current financial quarter. The loss after tax in this quarter as compared to the profit after tax in preceding quarter was mainly due to the impairment on goodwill, development costs, property, plant and equipment and provision the trade receivables approximately RM5.05 million in the 3-month period ended 31 March 2019.

**Comparative Figures**

The following figures have been reclassified to conform with the presentation of the current financial quarter:-

	<b>As Previously Reported 31.12.2018 RM'000 Unaudited</b>	<b>As at Restated 31.12.2018 RM'000 Unaudited</b>
Variation of Quarterly Results Compared To the Results of the Preceding Quarter		
Revenue	33,017	29,430

**Interim Financial Report for the Year Ended 31 March 2019**

**Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities**

**B3. Prospects of the Group**

The Group has in place a business expansion plan moving forward, focused on the following:

- Expansion of the Group’s fleet of vehicles;
- Enhance the warehousing facilities of the Group;
- Setting-up a new external haulage division in Penang; and
- Setting-up the “Integrated Logistic Solution Hub” in Pasir Gudang, Johor Bahru.

Barring any unforeseen circumstances, the Board is optimistic about the Group’s performance but cautious of the uncertain global economic conditions for the financial year ending 31 March 2020.

**B4. Profit Forecast and Profit Estimate**

The Group did not issue any profit forecast or profit estimate previously in any public document.

**B5. (Loss)/ Profit before taxation**

	<b>Individual</b>		<b>Cumulative</b>	
	<b>Quarter Ended</b>		<b>Quarter Ended</b>	
	<b>31.3.2019</b>	<b>31.3.2018</b>	<b>31.3.2019</b>	<b>31.3.2018</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Depreciation of property, plant and equipment	2,547	2,229	9,920	8,210
(Gain)/loss on foreign exchange	(3)	31	(22)	16
Property, plant and equipment written off	-	468	-	468
Provision/ (reversal) of impairment loss on trade receivables	2,677	1,054	2,587	(550)
Impairment losses on goodwill	987	-	987	-
Impairment losses on property, plant and equipment	1,467	-	1,467	-
Interest expense	1,043	839	3,998	3,438
Interest income	(2)	12	(11)	(21)
Loss/ (gain) on disposal of property, plant and equipment	-	-	2	(724)

Save for the above, the other items as required under Paragraph 16, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

**Interim Financial Report for the Year Ended 31 March 2019**

**Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities**

**B6. Income Tax Expense**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
<b><u>Income Tax</u></b>				
Current tax expense	(263)	(282)	97	479
Deferred tax	(1,989)	(885)	(1,939)	(585)
	<u>(2,252)</u>	<u>(1,167)</u>	<u>(1,842)</u>	<u>(106)</u>

The effective tax rate for the current financial quarter and financial year-to-date is lower than the statutory tax rate of 24% as the Company has been granted investment tax allowance of 60% in respect of qualifying capital expenditure incurred for the period of 5 years from 19 January 2018 until 18 January 2023.

The current tax asset for the financial quarter under review was mainly due to the reversal of overprovision of tax for 1<sup>st</sup> quarter of financial year 2018.

**B7. Status of Corporate Proposals**

As at 26 September 2018, Proposed private placement of up to 21,599,999 new ordinary shares representing up to 10% of the total number of issued shares at an issue price to be determined and announced later

During the current financial quarter under review that Bursa Securities had, vide its letter dated 21 March 2019, approved the application for an extension of time until 1 October 2019 to complete the implementation of the proposed private placement.

**B8. Group Borrowings**

The Group's borrowings as at 31 March 2019 are as follows:

	As at 31.3.2019 RM'000 Unaudited	As at 31.03.2018 RM'000 Audited
<u>Long term borrowings</u>		
<i>Secured:</i>		
Term loans	58,133	63,167
Hire purchase	422	524
	<u>58,555</u>	<u>63,691</u>
<u>Short term borrowings</u>		
<i>Secured:</i>		
Term loans	14,074	10,344
Hire purchase	224	218
Banker acceptance	4,448	4,517
	<u>18,746</u>	<u>15,079</u>
Total borrowings	<u>77,301</u>	<u>78,770</u>

**Interim Financial Report for the Year Ended 31 March 2019**

**Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities**

**B9. Material Litigation**

The Group does not have any material litigation and the Directors are not aware of any proceedings pending or threatened against the Group as at the date of issuance of this interim financial report.

**B10. Dividends**

No dividend was declared or paid for the financial quarter under review.

**B11. Earnings Per Share**

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year to date are computed as follows:-

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
(Loss)/ profit for the period attributable to owners of the Company	(2,460)	1,117	1,660	10,382
Weighted average number of ordinary shares in issue ('000)	216,000	216,000	216,000	216,000
Basic (loss)/earnings per share (sen)	(1.14)	0.52	0.77	4.81

(b) Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter and financial year-to-date.