

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2018
The figures have not been audited

The Directors are pleased to announce the following:

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Individual quarter ended		Cumulative quarter ended	
		30/9/18 RM'000	30/9/17 RM'000	30/9/18 RM'000	30/9/17 RM'000
Revenue	9	58,555	36,938	113,351	88,080
Cost of sales		<u>(53,087)</u>	<u>(34,979)</u>	<u>(106,543)</u>	<u>(83,056)</u>
Gross profit		5,468	1,959	6,808	5,024
Other items of income					
Other income		390	5,698	5,953	6,952
Other items of expense					
Selling and marketing expenses		(2,511)	(1,226)	(4,553)	(2,550)
Administrative and other expenses		(3,728)	(4,835)	(11,339)	(9,747)
Finance costs		(1,659)	(1,759)	(3,343)	(3,123)
Share of results of associates		<u>(29)</u>	<u>(797)</u>	<u>(21)</u>	<u>(1,341)</u>
Loss before tax		(2,069)	(960)	(6,495)	(4,785)
Income tax benefit/(expense)	19	<u>66</u>	<u>-</u>	<u>67</u>	<u>(36)</u>
Loss for the period		<u>(2,003)</u>	<u>(960)</u>	<u>(6,428)</u>	<u>(4,821)</u>
Other comprehensive income/(loss) for the period					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		845	(1,483)	2,482	(3,542)
Total comprehensive loss for the period, net of tax		<u>(1,158)</u>	<u>(2,443)</u>	<u>(3,946)</u>	<u>(8,363)</u>
Loss attributable to:					
Owners of the parent		(1,977)	(805)	(6,211)	(4,674)
Non-controlling interest		<u>(26)</u>	<u>(155)</u>	<u>(217)</u>	<u>(147)</u>
		<u>(2,003)</u>	<u>(960)</u>	<u>(6,428)</u>	<u>(4,821)</u>
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(1,301)	(1,812)	(4,248)	(7,126)
Non-controlling interest		<u>143</u>	<u>(631)</u>	<u>302</u>	<u>(1,237)</u>
		<u>(1,158)</u>	<u>(2,443)</u>	<u>(3,946)</u>	<u>(8,363)</u>
Loss per share attributable to owners of the parent (sen)					
Basic	25	<u>(0.86)</u>	<u>(0.35)</u>	<u>(2.69)</u>	<u>(2.02)</u>

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2018.

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2018
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30/9/2018 RM'000	As at 31/3/2018 RM'000 Audited
ASSETS			
Non-current assets			
Property, plant and equipment	10	115,380	116,608
Investments in associates		538	559
Other investments		161	161
Trade receivables		23,185	20,028
Deferred tax assets		6,252	7,008
		145,516	144,364
Current assets			
Inventories		23,931	23,845
Other investments		52	53
Trade and other receivables		193,485	197,882
Current tax assets		6,539	6,038
Cash and bank balances		12,358	22,534
		236,365	250,352
Total Assets		381,881	394,716
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		227,093	227,384
Provisions		2,050	2,551
Borrowings	22	55,672	52,516
Current tax liabilities		0	476
		284,815	282,927
Net current liabilities		(48,450)	(32,575)

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2018
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTD.)

	Note	As at 30/9/2018 RM'000	As at 31/3/2018 RM'000 Audited
Non- current liabilities			
Trade payables		4,599	6,065
Provisions		7,283	6,944
Borrowings	22	422	281
Deferred tax liabilities		2,493	3,395
		14,797	16,685
Total Liabilities		299,612	299,612
Net Assets		82,269	95,104
Equity attributable to owners of the parent			
Share capital		339,771	339,771
Treasury shares		(1,905)	(1,905)
Reserves		78,636	76,673
Accumulated losses	2	(349,398)	(334,298)
		67,104	80,241
Non-controlling interests		15,165	14,863
Total equity		82,269	95,104
Total equity and liabilities		381,881	394,716
Net Assets Per Share Attributable to Ordinary Holders of the Parent (RM)		0.36	0.41

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2018.

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2018

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						Total	Non-controlling Interests	Total Equity
	Share Capital	Revaluation Reserve	Exchange Translation Reserve	Other Reserves	Treasury Shares	Accumulated Losses			
2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2018	339,771	47,190	228	29,255	(1,905)	(334,298)	80,241	14,863	95,104
Effects of adopting MFRS 9 and MFRS 15 (Note 2)	-	-	-	-	-	(8,889)	(8,889)	-	(8,889)
As 1 April 2018	339,771	47,190	228	29,255	(1,905)	(343,187)	71,352	14,863	86,215
Total comprehensive income/(loss)									
Net loss for the period	-	-	-	-	-	(6,211)	(6,211)	(217)	(6,428)
Other comprehensive profit	-	-	1,963	-	-	-	1,963	519	2,482
Total comprehensive income/(loss) for the period	-	-	1,963	-	-	(6,211)	(4,248)	302	(3,946)
At 30 September 2018	339,771	47,190	2,191	29,255	(1,905)	(349,398)	67,104	15,165	82,269

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2018

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)

	Attributable to owners of the parent							Non-controlling Interests	Total Equity	
	Non-Distributable				Distributable					
	Share Capital	Capital Redemption Reserve	Exchange Revaluation Reserve	Exchange Translation Reserve	Other Reserves	Treasury Shares	Accumulated Losses	Total		
2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2017	339,771	90	47,190	9,260	29,165	(1,905)	(341,459)	82,112	18,180	100,292
Total comprehensive loss										
Net loss for the period	-	-	-	-	-	-	(4,674)	(4,674)	(147)	(4,821)
Other comprehensive loss	-	-	-	(2,452)	-	-	-	(2,452)	(1,090)	(3,542)
Total comprehensive loss for the period	-	-	-	(2,452)	-	-	(4,674)	(7,126)	(1,237)	(8,363)
At 30 September 2017	339,771	90	47,190	6,808	29,165	(1,905)	(346,133)	74,986	16,943	91,929

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2018.

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2018
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	6 months to 30/9/2018 RM'000	6 months to 30/9/2017 RM'000
Operating activities		
Loss before tax	(6,495)	(4,785)
<u>Adjustments for:</u>		
Interest income	(23)	(23)
Bad debts written off	8,702	-
Net impairment on financial assets	(7,786)	(353)
Net changes in provisions	(501)	-
Reversal of overprovision on payables	(4,395)	(4,891)
Depreciation of property, plant and equipment	2,280	2,267
Gain on disposal of property, plant and equipment	(114)	(129)
Property, plant and equipment written off	39	-
Interest expense	3,343	3,123
Net changes in liabilities for retirement benefit obligations	336	494
Unrealised foreign exchange loss/(gain), net	1,206	(482)
Share of results of associates	21	1,341
Total adjustments	<u>3,108</u>	<u>1,347</u>
Operating cash flows before changes in working capital	(3,387)	(3,438)
Changes in working capital		
Net change in current assets	(9,726)	38,207
Net change in current liabilities	4,989	(31,493)
Total changes in working capital	<u>(4,737)</u>	<u>6,714</u>
Cash flows (used in)/generated from operations	(8,124)	3,276
Retirement benefit paid	-	(1,611)
Net tax paid	(909)	(3,878)
Net cash flows used in operating activities	(9,033)	(2,213)
Investing activities		
Interest received	23	23
Purchase of property, plant and equipment	(1,091)	(2,119)
Placement of deposits pledged to licensed banks	(23)	(1,023)
Proceeds from disposal of property, plant and equipment	114	143
Net cash flows used in investing activities	(977)	(2,976)

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)
(Incorporated in Malaysia)

Quarterly report on consolidated results for the quarter ended 30 September 2018
The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTD.)

	6 months to 30/9/2018 RM'000	6 months to 30/9/2017 RM'000
Financing activities		
Interest paid	(3,343)	(3,123)
Net proceeds/(repayments) from borrowings	3,341	(10,959)
Net cash used in financing activities	(2)	(14,082)
Net decrease in cash and cash equivalents	(10,012)	(19,271)
Effects of exchange rate changes on cash and cash	53	(130)
Cash and cash equivalent at beginning of period	12,504	21,384
Cash and cash equivalent at end of financial period	2,545	1,983

Cash and cash equivalent at the end of the financial period comprised the following:

	6 months to 30/9/2018 RM'000	6 months to 30/9/2017 RM'000
Cash and bank balances	9,645	7,555
Deposits placed with licensed banks	2,713	2,662
Total cash and bank balances	12,358	10,217
Bank overdrafts	(7,296)	(5,572)
Deposits pledged to licensed banks	(2,515)	(2,660)
Deposit with a licensed bank with maturity of over 3 months	(2)	(2)
Cash and cash equivalents at end of financial period	2,545	1,983

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 March 2018.

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirement. These condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and requirements of the Companies Act 2016, where applicable.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2018. The explanatory notes are attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2018.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2018, except for the adoption of the following standards, amendments and annual improvements to MFRSs with a date of initial application on 1 April 2018:

Description	
Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standard 2014-2016 Cycle)</i>
Amendments to MFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to MFRS 4	<i>Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>
Amendments to MFRS 128	<i>Investments in Associates and Joint Ventures Standards (Annual Improvements to MFRS Standard 2014-2016 Cycle)</i>
Amendments to MFRS 140	<i>Investment Property – Transfer of Investment Property</i>
Clarifications to MFRS 15	<i>Revenue from Contracts with Customers</i>
IC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>
MFRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>
MFRS 15	<i>Revenue from Contracts with Customers</i>

The adoption of the above, did not have any significant effects on the interim report upon their initial application, other than as disclosed below:

(i) **MFRS 15, Revenue from Contracts with Customers**

MFRS 15 is effective for annual periods beginning on or after 1 January 2018. MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

(i) **MFRS 15 - Revenue from Contracts with Customers (contd.)**

In adopting MFRS 15, the Group has adopted the standard using the cumulative effect retrospective approach with practical expediency for contracts that are completed. This means that contracts that are still on-going as at 1 April 2018 will be accounted for as if they had been recognised in accordance with MFRS15 at the commencement of the contract. The cumulative impact arising from the adoption will be recognised in retained earnings as at 1 April 2018 and comparatives will not be restated.

(ii) **MFRS 9 – Financial Instruments**

MFRS 9 introduces the expected credit losses (“ECL”) model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future credit losses whilst the incurred loss impairment model only requires recognition of credit losses incurred as at reporting date.

The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should also take into account the time value of money.

As a result, the total ECL allowances computed under MFRS 9 is higher than the total allowance for impairment under MFRS 139 as a more forward-looking approach is adopted.

In summary, the impact of adopting both MFRS 15 and MFRS 9 (“MFRSs”) to opening balances are as follows:

Reconciliation statement of financial position at 1 April 2018			
	Pre-MFRSs	Effects of transition to MFRSs	As reported under MFRSs
	RM'000	RM'000	RM'000
Trade and other receivables	217,910	(8,758)	209,152
Trade and other payables	233,449	(131)	233,318
Accumulated losses	(334,298)	8,889	(343,187)

3. Qualification of Financial Statement

The auditors’ report on the financial statements for the financial year ended 31 March 2018 was not qualified.

4. Seasonal or Cyclical Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial quarter ended 30 September 2018.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

6. Changes In Estimates

There were no changes in estimates that have material effect on the amounts reported for the current quarter ended 30 September 2018.

7. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

(a) **Treasury Shares**

During the financial quarter, the Company did not repurchase any of its issued ordinary shares from the open market.

8. Dividend Paid

There was no dividend paid or declared for the current financial quarter.

MTD ACPI ENGINEERING BERHAD (Company No: 258836-V)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

9. Segmental Reporting

By Activities

Cumulative Quarter
30 September 2018

	Construction	Manufacturing	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
Revenue from external customers	79,811	33,540	-	-	113,351
Inter-segment revenue	-	5	4,112	(4,117)	-
Total revenue	79,811	33,545	4,112	(4,117)	113,351
Segment results	4,317	(23,929)	(1,729)	12,257	(9,084)
Other income	6,021	1,738	154	(1,960)	5,953
Finance costs	(1,272)	(110)	(3,519)	1,558	(3,343)
Share of results of associates	(21)	-	-	-	(21)
Income tax benefit	1	66	-	-	67
Loss for the financial period					(6,428)
Segment assets	294,614	170,277	131,770	(227,570)	369,091
Segment liabilities	215,910	273,103	180,647	(372,541)	297,119

Cumulative Quarter
30 September 2017

	Construction	Manufacturing	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue					
Revenue from external customers	40,687	47,393	-	-	88,080
Inter-segment revenue	-	47	3,361	(3,408)	-
Total revenue	40,687	47,440	3,361	(3,408)	88,080
Segment results	(2,337)	(1,677)	(3,487)	228	(7,273)
Other income	5,715	2,265	719	(1,747)	6,952
Finance costs	(1,157)	(39)	(2,731)	804	(3,123)
Share of results of associates	(1,341)	-	-	-	(1,341)
Income tax expense	-	(36)	-	-	(36)
Loss for the financial period					(4,821)
Segment assets	281,314	199,611	128,177	(252,993)	356,109
Segment liabilities	212,855	267,199	164,607	(371,082)	273,579

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the annual financial statements for the financial period ended 30 September 2018.

11. Material Subsequent Events

There were no material subsequent events since the end of the current quarter under review until a date not earlier than 7 days from the date of issuance of this quarterly report.

12. Changes in the Composition of the Group

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

13. Changes in Contingent Liabilities and Contingent Assets

There were no significant changes in both contingent liabilities and contingent assets since the financial year ended 31 March 2018.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

14. Review of Performance of the Group

CURRENT QUARTER vs. CORRESPONDING QUARTER

	Individual quarter ended		Variance		Cumulative quarter ended		Variance	
	30/9/2018	30/9/2017	RM'000	%	30/9/2018	30/9/2017	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Segmental Turnover								
Construction	43,418	13,713	29,705	>100	79,811	40,687	39,124	96
Manufacturing	15,142	23,242	(8,100)	(35)	33,545	47,440	(13,895)	(29)
Others	2,133	1,761	372	21	4,112	3,361	751	22
	<u>60,693</u>	<u>38,716</u>			<u>117,468</u>	<u>91,488</u>		
Inter-segment	(2,138)	(1,778)	(360)	(20)	(4,117)	(3,408)	(709)	(21)
	<u>58,555</u>	<u>36,938</u>	21,617	59	<u>113,351</u>	<u>88,080</u>	25,271	29

	Individual quarter ended		Variance		Cumulative quarter ended		Variance	
	30/9/2018	30/9/2017	RM'000	%	30/9/2018	30/9/2017	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Pre-tax (loss)/profit								
Construction	4,693	3,313	1,380	-42	9,066	2,221	6,845	>100
Manufacturing	(4,133)	19	(4,152)	>(100)	(22,301)	549	(22,850)	>(100)
Others	(2,593)	(3,496)	903	26	(5,094)	(5,499)	405	7
	<u>(2,033)</u>	<u>(164)</u>			<u>(18,329)</u>	<u>(2,729)</u>		
Elimination/Adjustments	(7)	1	(8)	>(100)	11,855	(715)	12,570	>100
	<u>(2,040)</u>	<u>(163)</u>			<u>(6,474)</u>	<u>(3,444)</u>		
Share of results of associates	(29)	(797)	768	>100	(21)	(1,341)	1,320	>100
	<u>(2,069)</u>	<u>(960)</u>	(1,109)	>(100)	<u>(6,495)</u>	<u>(4,785)</u>	(1,710)	(36)
Loss after tax	(2,003)	(960)	(1,043)	>(100)	(6,428)	(4,821)	(1,607)	(33)
Loss Attributable to owners of the parent	(1,977)	(805)	(1,172)	>(100)	(6,211)	(4,674)	(1,537)	(33)

For the current quarter under review, the Group recorded revenue of RM58.6 million and pre-tax loss of RM2.1 million, as compared to revenue of RM36.9 million and pre-tax loss of RM1.0 million respectively in the corresponding quarter.

The higher revenue in the current quarter compared to the corresponding quarter was mainly due to higher billings from Construction division while the higher pre-tax loss in current quarter was attributed to Manufacturing division due to lower revenue recorded, increase in material costs and other operating expenses.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

15. Variation of Results Against Preceding Quarter

CURRENT QUARTER vs. IMMEDIATE PRECEDING QUARTER

	Individual quarter ended		Variance	
	30/9/2018	30/6/2018	RM'000	%
	RM'000	RM'000		
Segmental Turnover				
Construction	43,418	36,393	7,025	19
Manufacturing	15,142	18,403	(3,261)	(18)
Others	2,133	1,979	154	8
	<u>60,693</u>	<u>56,775</u>		
Inter-segment	(2,138)	(1,979)		
	<u>58,555</u>	<u>54,796</u>	3,759	7

	Individual quarter ended		Variance	
	30/9/2018	30/6/2018	RM'000	%
	RM'000	RM'000		
Pre-tax (loss)/profit				
Construction	4,693	4,373	320	7
Manufacturing	(4,133)	(18,168)	14,035	77
Others	(2,593)	(2,501)	(92)	(4)
	<u>(2,033)</u>	<u>(16,296)</u>		
Elimination	(7)	11,862		
	<u>(2,040)</u>	<u>(4,434)</u>		
Share of results of associates	(29)	8	(37)	>(100)
	<u>(2,069)</u>	<u>(4,426)</u>	2,357	53
Loss after tax	(2,003)	(4,425)	2,422	55
Loss Attributable to owners of the parent	(1,977)	(4,234)	2,257	53

The Group recorded revenue of RM58.6 million and pre-tax loss of RM2.1 million for the second quarter ended 30 September 2018, compared to revenue of RM54.8 million and pre-tax loss of RM4.4 million respectively in the preceding quarter.

The higher revenue recorded in the current quarter under review was due to higher progress billings in Construction division. The lower pre-tax loss recorded in current quarter compared to preceding quarter was mainly attributed to Manufacturing division. Included in the pre-tax loss recorded in the preceding quarter were adjustments on MFRS 9 and MFRS 15.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

16. Prospects for the remaining period to the end of Financial Year

The Group expects the operating environment to continue to be very challenging. The Management will continue to relentlessly seek to replenish its order book, leveraging on its vast experience, competitiveness and track record in the construction industry segment. The Management will also continue to focus on increasing efficiency, cost optimisation and deployment of resources. Despite the challenging conditions, the Board remains cautiously optimistic about an improved performance in the second half of the financial year.

17. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee, are not applicable.

18. Loss Before Tax

The following items have been included in arriving at loss before tax:

	Individual quarter ended		Cumulative quarter ended	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(14)	(10)	(23)	(23)
Other income	(71)	(5,067)	(4,759)	(5,282)
Interest expense	1,659	1,759	3,343	3,123
Depreciation of property, plant and equipment	1,141	1,110	2,280	2,267
Impairment loss on trade and other receivables	77	221	1,964	294
Bad debts written off	8,702	-	8,702	-
Bad debts written back	(193)	(131)	(1,048)	(647)
Provision of slow moving stocks	-	-	-	-
Inventories written off	-	-	-	-
(Gain)/Loss on disposal of quoted investment	-	-	-	-
(Gain)/Loss on disposal of unquoted investment	-	-	-	-
Gain on disposal of property, plant and equipment	(82)	(123)	(114)	(129)
Net impairment of assets	-	-	-	-
Net loss/(gain) on foreign exchange	355	(24)	1,210	(482)

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

19. Income Tax Benefit/(Expense)

	Individual quarter ended		Cumulative quarter ended	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Current period's provision	66	-	67	(36)

20. Unquoted Investment and Properties

There were no sales of unquoted investments or properties during the current financial quarter.

21. Status of Corporate Proposals Announced

There was no corporate proposal announced but not completed during the current financial quarter.

22. Borrowings and Debts Securities

The breakdown of the borrowings is set out below:-

	As at	As at
	30/9/2018	30/9/2017
	RM'000	RM'000
Short term borrowings		
<u>Secured</u>		
- Bank Overdraft	3,886	2,407
- Hire purchase creditors	76	20
- Revolving credits	46,800	34,000
<u>Unsecured</u>		
- Bank Overdraft	3,410	3,165
- Revolving credits	1,500	1,500
	<u>55,672</u>	<u>41,092</u>
Long term borrowings		
<u>Secured</u>		
- Hire purchase creditors	422	55
	<u>56,094</u>	<u>41,147</u>

23. Material Litigations

There were no significant changes in material litigation since the last annual statement of financial position as at 31 March 2018.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTD.)

24. Dividend Payable

No interim dividend has been proposed for the current quarter under review.

25. Loss per Share

a) Basic

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

	Individual quarter ended		Cumulative quarter ended	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Loss net of tax attributable to owners of the parent	(1,977)	(805)	(6,211)	(4,674)
	<u>(1,977)</u>	<u>(805)</u>	<u>(6,211)</u>	<u>(4,674)</u>
	Individual quarter ended		Cumulative quarter ended	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	230,996	230,996	230,996	230,996
	<u>230,996</u>	<u>230,996</u>	<u>230,996</u>	<u>230,996</u>
	Individual quarter ended		Cumulative quarter ended	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
Basic loss per share (sen)	(0.86)	(0.35)	(2.69)	(2.02)
	<u>(0.86)</u>	<u>(0.35)</u>	<u>(2.69)</u>	<u>(2.02)</u>

By Order Of The Board

Batu Caves, Selangor
29 November 2018

CHAN BEE KUAN (MAICSA 7003851)
CHEONG WEI LING (MAICSA 7009208)
Company Secretaries