



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

**Condensed Consolidated Statements of Comprehensive Income for the second financial quarter ended 30 September 2018**

(The figures have not been audited)

	Notes	3 months ended		Changes	6 months ended		Changes
		30th Sept 2018	30th Sept 2017	amount	30th Sept 2018	30th Sept 2017	amount
		RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	A4	41,264	39,077	0.06	82,982	80,536	0.03
Operating Expenses		(40,841)	(37,676)		(81,960)	(78,440)	
Other operating income	A5	699	443		1,984	726	
<b>Profit before interest and tax</b>	A4	<u>1,122</u>	<u>1,844</u>	-0.39	<u>3,006</u>	<u>2,822</u>	0.07
Finance costs		(158)	(175)		(327)	(359)	
<b>Profit before tax</b>		<u>964</u>	<u>1,669</u>	-0.42	<u>2,679</u>	<u>2,463</u>	0.09
Income tax expense	B5	(160)	(117)		(305)	(284)	
<b>Profit for the year</b>		<u>804</u>	<u>1,552</u>	-0.48	<u>2,374</u>	<u>2,179</u>	0.09
<b>Total comprehensive income for the year</b>		<u>804</u>	<u>1,552</u>		<u>2,374</u>	<u>2,179</u>	
<b>Profit Attributable to:</b>							
Owners of the parent		825	1,552	-0.47	2,395	2,179	0.10
Non - controlling interests		(21)	-		(21)	-	
		<u>804</u>	<u>1,552</u>		<u>2,374</u>	<u>2,179</u>	
<b>Total comprehensive income attributable to:</b>							
Owners of the parent		825	1,552	-0.47	2,395	2,179	0.10
Non - controlling interests		(21)	-		(21)	-	
		<u>804</u>	<u>1,552</u>		<u>2,374</u>	<u>2,179</u>	
Basic - sen		<u>0.39</u>	<u>1.02</u>		<u>1.14</u>	<u>1.43</u>	

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



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**Quarterly report on consolidated results for the second financial quarter ended 30th September 2018**

**Condensed Consolidated Statements of Financial Position as at 30th September 2018**

(The figures have not been audited)

	Notes	As at 30 Sept 2018 RM RM'000	As at 31 March 2018 RM RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment		71,032	73,738
Property Development Cost		13,360	10,740
Investment Properties		83,794	49,220
Goodwill on Consolidation		909	909
Other investments	B6	42,397	42,319
		<u>211,492</u>	<u>176,926</u>
<b>Current assets</b>			
Inventories		18,771	13,728
Trade receivables		21,430	30,186
Other receivables		68,800	36,825
Tax recoverable			
Fixed Deposit with licensed banks		45,559	79,827
Cash and bank balances		18,090	51,112
Non - Current Assets held for sale		1,500	1,500
		<u>174,150</u>	<u>213,178</u>
<b>TOTAL ASSETS</b>		<u>385,642</u>	<u>390,104</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		212,053	208,203
Treasury Shares		-	
Other reserves		3,756	3,757
ICULS- Equity reserve		12,349	12,349
ICPS		94,157	94,157
Warrants reserve		81	81
Retained profits	B12	19,022	23,377
		<u>341,418</u>	<u>341,924</u>
<b>Non-controlling interests</b>		<u>10,502</u>	<u>10,523</u>
<b>Total equity</b>		<u>351,920</u>	<u>352,447</u>
<b>Non-current liabilities</b>			
Borrowings	B9	6,584	6,165
Deferred tax liabilities		4,411	4,411
		<u>10,995</u>	<u>10,576</u>
<b>Current liabilities</b>			
Borrowings	B9	3,123	3,755
Trade payables		9,521	19,792
Other payables		10,083	3,892
Provision for taxation		-	(358)
		<u>22,727</u>	<u>27,081</u>
<b>Total liabilities</b>		<u>33,722</u>	<u>37,657</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>385,642</u>	<u>390,104</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)		1.61	1.64

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



**Quarterly report on consolidated results for the second financial quarter ended 30th September 2018**

**Condensed Consolidated Statements of Cash Flow for the second financial quarter ended 30th September 2018**

(The figures have not been audited)

	6 months ended	
	As at 30 Sept 2018 RM'000	As at 30 Sept 2017 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,680	2,463
Adjustments for:		
Depreciation	2,283	2,201
Increase In Share Capital	250	
Conversion Of ICPS into Ordinary Shares	3,600	
Other Investment	(78)	
Investment Properties	(34,573)	
Property Development Cost	(2,620)	
Provision for doubtful debts	453	-
Dividend Proposed Payable		(3,630)
Reclassification of share premium		9,298
Reclassification of capital redemption reserve		2,258
Other investment		(4,383)
Iculs		(6,526)
Retain Profit Sungguh Gemilang	(700)	
Interest expense	333	359
Operating profit before working capital changes	<u>(28,372)</u>	<u>2,040</u>
(Increase)/ decrease in inventories	(5,043)	(297)
(Increase)/ decrease in receivables	(21,889)	(6,356)
(Decrease)/ increase in payables	(3,857)	(12,169)
Net change in intercompanies		-
Cash generated from/ (used in) operations	<u>(59,161)</u>	<u>(16,782)</u>
Income tax paid	(455)	(105)
Interest paid	(333)	(359)
Net cash from/ (used in) operating activities	<u>(59,949)</u>	<u>(17,246)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(1,078)	(1,178)
Proceeds from disposal of property, plant and equipment		162
Disposal/ (purchase) of equity investments - Treasury shares		2,596
Placement of fixed deposit	78,194	(15,542)
Dividend received	14,000	3,630
Disposal of subsidiary		(10,650)
Net cash from/ (used in) investing activities	<u>91,116</u>	<u>(20,982)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net changes in short term borrowings	1,397	(3,672)
Proceeds from issuance of shares pursuant to conversion of ICULS and ESOS		58,379
Dividend paid - Single Tier	(4,166)	-
Dividend paid - ICPS	(1,883)	
Dividend Paid	(14,000)	
Proceeds/(Repayment) of term loans	(853)	(803)
Proceeds/(Repayment) of hire purchase	1,272	299
	<u>(18,233)</u>	<u>54,203</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>12,934</b>	<b>15,975</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>50,715</b>	<b>7,570</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b><u>63,649</u></b>	<b><u>23,545</u></b>
 <b>Represented by:</b>		
Cash and bank balances	18,090	23,829
Fixed deposits with a licenced bank	45,559	-
Bank overdrafts		(284)
	<u>63,649</u>	<u>23,545</u>

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



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

Condensed Consolidated Statement of Changes in Equity for the second financial quarter ended 30th September 2018

	----- Attributable to Owners of the Parent -----										Total Equity RM'000	
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Non-Distributable Other reserve RM'000	Irredeemable Convertible Unsecured Loan Stocks RM'000	Irredeemable Convertible Preference Shares RM'000	Warrants reserve RM'000	Retained profits RM'000	Total RM'000	Non Controlling Interest RM'000		
6 months ended 30 September 2017												
As at 1 April 2017	93,787	-	(2,596)	365	19,830	81	26,636	138,103	(102)		138,001	
Movements during the period (cumulative)	69,935	-	2,596	(6,526)	-	-	-	66,005	-		66,005	
Net profit for the period	-	-	-	-	-	-	2,179	2,179	-		2,179	
At 30 September 2017	163,722	-	-	365	13,304	81	28,815	206,287	(102)		206,185	
6 months ended 30 September 2018												
As at 1 April 2018	208,203	-	3,757	3,757	12,349	81	23,377	341,924	10,523		352,447	
Movements during the period (cumulative)	3,850	-	-	-	-	-	(6,750)	(2,900)	(21)		(2,921)	
Net profit for the period	-	-	-	-	-	-	2,395	2,395	-		2,395	
At 30 September 2018	212,053	-	-	3,757	12,349	81	19,022	341,419	10,502		351,921	

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



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**EXPLANATORY NOTES: (AS PER MFRS 134)**

**A1 Basis of Preparation**

The condensed consolidated interim financial statements (“Report”) are unaudited and have been prepared in accordance with applicable Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia. This Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The accounting policies and methods used in preparing the quarterly financial statements are consistent and should be read in conjunction with the audited financial statements for the financial year ended 31<sup>st</sup> March 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 year ended 31<sup>st</sup> March 2018.

**A2 Basic of measurement**

The unaudited financial statements of the Group have been prepared on the historical cost basis other than as disclosed.

The explanation and financial impacts on transition to MFRSs are disclosed below:

**(i) Property, plant and equipment - Deemed cost exemption**

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standards IAS 16 (Revised) Property, Plant and Equipment, which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain property, plant and equipment at revalued amounts, but had not adopted a policy of regular revaluation, and continued to carry those assets on the basis of their previous revaluations subject to continuity in its depreciation policy and the requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRSs, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRSs, the Company elected to apply the optional exemption to use the previous revaluation of the said assets, adjusted for depreciation, if any, as deemed cost under MFRSs.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

**(ii) Foreign currency translation differences**

Under FRSs, the Group recognized foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

**A2.1 Standards issued but not yet effective**

The Group and the Company have not applied the following standards that have been issued by Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and for the Company:

**Effective for annual periods beginning on or after 1 January 2017**

Amendments to MFRS 12 Disclosure of Interest in Other Entities (under Annual Improvements to MFRS 2014-2016 Cycle)

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

Amendments to MFRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

**Effective for annual periods beginning on or after 1 January 2018**

*MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)*

*MFRS 15 Revenue from Contracts with Customers*

*Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions*

*Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts*

*Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures*

*Amendments to MFRS 140 Investment Property: Transfer of Investment Property*

*Annual Improvements to MFRS 2014 – 2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)*

*IC Int 22 Foreign Currency Transactions and Advance Consideration*



**EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**

**Effective for annual periods beginning on or after 1 January 2019**

*MFRS 16 Leases*

**Effective date yet to be confirmed**

*Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31<sup>st</sup> March, 2018.

**A3 Declaration of audit qualification**

The audit report of the Company in respect of the annual financial statements for the year ended 31<sup>st</sup> March 2018 was not subject to any audit qualification.

**A4 Segmental reporting**

Segmental analysis for the current financial year to-date

	<b>Revenue (RM)</b>	<b>Profit before interest and tax (RM)</b>
Manufacturing	79,748,655	1,404,903
Trading	1,222,380	51,330
Others	2,011,561	1,551,288
	-----	-----
	82,982,596	3,007,521
	=====	=====

**A5 Other operating income**

	<b>30 Sept 2018</b>	<b>30 Sept 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest Received	6	23
Gain on foreign exchange	73	305
FD interest	804	-
Gain on Investment	323	-
Rental receivable	763	118
Rental income	12	45
Scrap sales	3	13
Gain on sale of Fixed Asset		222
	-----	-----
	1,984	726



**EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**

**A6 Unusual items**

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

**A7 Changes in estimates**

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

**A8 Seasonality or cyclicity of operation**

The business of the Group is generally neither non-cyclical nor seasonal except for decreased activities during the festive season.

**A9 Dividends Paid**

- i) An interim dividend of 2 cent per share amounting RM4,166,363.24 under the single tier system in respect of the financial year ended 31 March 2018 which paid on 25th May 2018.
- ii) An interim dividend of RM0.0016 per Irredeemable Convertible Preference Shares (“ICPS”) amounting RM1,883,138.68 which was paid on 25<sup>th</sup> May 2018.

**A10 Valuation of property, plant and equipment**

Investment properties have been revalued to fair value according to MFRS140 for the financial year ended 31st March 2018.

**A11 Issuances and repayments of debts and equity securities**

As at 30 Sept 2018, out of the total 212,053,371 issued and fully paid ordinary shares 774 shares were held as treasury shares at an average purchase price of RM0.52. The share buyback transactions were financed by internally generated funds.

Save as disclosed above, there were no other issuances, cancellations, resale or repayments of debt and equity securities during the quarter ended 30 Sept 2018.





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**EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**

**A12 Changes in the composition of the Group**

There are no changes in the composition of the Group for the current quarter.

**A13 Material events**

- i) On 07 March 2018, Park Avenue Construction Sdn Bhd, a wholly owned subsidiary of the Company has entered into a Sale and Purchase of Shares Agreement and Supplemental Agreement with Ch'ng Dickeon and Chua Phaik Fang for the acquisition of 250,000 ordinary shares representing 100% of the issued share capital of Sungguh Gemilang Development Sdn Bhd. for a cash consideration of RM1,150,000 and proposed assumption of liabilities of RM10,850,000 making up a total purchase consideration of RM12,000,000.

On 18<sup>th</sup> June 2018 the Company has completed the acquisition in accordance with the term and condition of the sale and purchase of Shares Agreement and Supplemental Agreement both dated 7<sup>th</sup> March 2018.

- ii) On 11<sup>th</sup> July 2018, Atta Properties Sdn Bhd a wholly owned subsidiary of the company has entered into Share Sale Agreement with Chan Kok Leong and Leng Mei Kuan for:
- a) Acquisition of 1,500,000 ordinary shares (“Sale Shares”) representing 100% of the issued share capital of Eminent Potential Sdn. Bhd. for a cash consideration of RM4,000,000.00 and

On 14<sup>th</sup> Sept 2018 the company has completed the acquisition of 100% of shareholding interest in accordance with the term and conditions of the Share Sale Agreement dated 11<sup>th</sup> July 2018

- b) Acquisition of 1,500,000 ordinary shares (“Sale Shares”) representing 100% of the issued share capital of Scanrite Sdn. Bhd. for a cash consideration of RM2,000,000.00.

On 6<sup>th</sup> Sept 2018 the company has completed the acquisition of 100% of shareholding interest in accordance with the term and conditions of the Share Sale Agreement dated 11<sup>th</sup> July 2018 making up a total consideration of RM7,500,000.00.



iii) On 26 Sept 2018, Park Avenue Construction Sdn Bhd (“PAC”), a wholly owned subsidiary of the Company has entered into a Sale and Purchase of Shares Agreement with Tan Sri Dato Dr Khor Eng Chuen JP for the acquisition of 2 ordinary shares representing 100% equity interest of Sparkle Gateway Sdn Bhd (“SGSB”) for a total consideration Of RM15,000,000.00 to be satisfied as follow:

- a) RM2.00 as consideration on acquiring 2 ordinary shares from Tan Sri Dato Dr Khor Eng Chuen JP; and
- b) The remaining sum of RM14,999,998.00 as borrowings or advances from PAC to SGSB (“PAC’s obligation”) for the purpose of repayment of Director’s advances

On 8<sup>th</sup> Nov 2018 the Company has completed the acquisition in accordance with the term and condition of the Share Sales Agreement dated 26<sup>th</sup> Sept 2018.

iv) On 4<sup>th</sup> Sept 2018, ATTA Global Group Berhad (“ATTA”) entered into a Subscription Agreement with Sunrise Manner Sdn Bhd (“SMSB”) and Tang Tiam Hok & Wan Nyuk Ming (“the Existing Ordinary Shareholder”) whereby the company agree to subscribe for ordinary share in SMSB and SMSB agree to allot and issue 2,000,000 ordinary shares (**Subscription of ordinary shares or “Subscription of OS”**) to ATTA for total consideration of RM20,000,000 (“Subscription Price”).

Upon completion of the proposed subscription of OS, SMSB will became a subsidiary of ATTA which ATTA owns 80% of the equity interest of SMSB.

On 10<sup>th</sup> Oct 2018 the Subscription Agreement for ordinary shares between ATTA and Sunrise Manner Sdn Bhd and Tang Tiam Hok and Wan Nyuk Ming has been completed in accordance with term and Conditions of the Share Sale Agreement dated 4<sup>th</sup> Sept 2018

Save as disclosed above, there is no transaction or event of a material or unusual nature occurring between 30 Sept 2018 and the date of this announcement.

#### A14 Material commitments

	Group (RM’000)
<b>Property, plant and equipment</b>	
- Authorized and contracted for	2,000



**B1 Review of the performance of the Company and its principal subsidiaries  
3 months ended**

	<b>30<sup>th</sup> Sept 2018</b>	<b>30<sup>th</sup> Sept 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	41.264	39.077
Profit before tax	964	1.69

The Group generated revenue of approximately RM41.26 million for the 2<sup>nd</sup> quarter ended 30 September 2018 which represented an increase of approximately RM2.188 million or 5.6% as compared to revenue generated for the preceding year correspond quarter of RM39.07million are contributed by Trading division and material processing division.

The Group recorded profit before tax of RM0.964 million for the 2nd quarter ended 30 September 2018 compare to profit of RM1.669 million for the preceding year correspond quarter. The decrease in profit of approximately RM0.705 million or 42.24% are contributed by lower average selling price in metal processing division and provision of doubtful debts of amounting to RM0.453 million provided in current reporting quarter.

**B2 Financial review for current quarter compared with immediate preceding quarter**

	<b>Current Quarter 30th Sept 2018</b>	<b>Immediate Preceding Quarter 30th June 2018</b>	<b>Changes (Amount/ %)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	41.264	41.718	- 1.09 %
Profit Before Interest and Tax	1.22	1.884	-40.45 %
Profit before tax	964	1.715	-43.79 %
Profit after tax	804	1.570	- 48.79 %
Profit Attributable to Ordinary Equity Holders Of the parent holders of the parent	825	1.500	- 45.00 %

The Group's registered revenue of RM41.264 million for the current quarter under review as compared to RM41.718million in the immediate preceding quarter. Turnover reduced by RM0.454 million or 1.09%. The Group made profit before tax of RM0.964 million for current quarter compared to profit before tax of RM1.715 million for the immediate preceding quarter. The decrease in profit of approximately RM0.751 million or 43.79% are contributed by lower average selling price in metal processing division and provision of doubtful debts of amounting to RM0.453 million provided in current reporting quarter (refer other income notes A5 page 8).



**B3 Prospects of the current financial year**

The Board of Directors is of the view that the business environment for the manufacturing and trading of steel products will continue to be challenging due to the volatility in steel prices and increase in competitiveness in the construction and other related industries. However, the Company will continue to strive to maintain the growth and profitability of the earlier quarters to ensure a satisfactory year end closing results.

**B4 Variance of actual profit from forecast profit**

This is not applicable to the Group.

**B5 Taxation**

Taxation comprises:-

	Current Year Quarter 30/09/2018 RM'000	Cumulative Quarters Current Year To Date 30/09/2018 RM'000	Preceding Year Corresponding Period 30/09/2017 RM'000
Current year expense	-	-	-
Provision of Income tax	(160)	(305)	(284)
	(160)	(305)	(284)
Current year Deferred tax provision	-	-	-
	(160)	(305)	(284)



**B6 Other Investments**

	RM 30 <sup>th</sup> Sept 2018	RM 31 March 2018
<b>Non-current</b>		
Available for sale financial assets:		
At fair value:		
- Quoted securities in Malaysia	26,300,994	27,154,534
- Addition		
	<u>26,300,994</u>	<u>27,154,534</u>
Held-to-maturity investments		
At cost:		
- Loan stocks quoted in Malaysia	14,914,403	15,164,304
	<u>41,215,397</u>	<u>42,318,838</u>
Market value of:		
- Quoted securities	21,653,591	27,154,534
- Loan stocks	<u>14,914,403</u>	<u>14,510,835</u>

**B7 Status of corporate proposals**

There are no other corporate proposals at the date of issue of the quarterly report.



**B8 Status of Utilisation of Proceeds**

The Company received proceeds amounting to RM97.794 million from the issuance of 1,222,426,720 Irredeemable Convertible Preference Shares (“ICPS”) at an issue price of RM0.08 per ICPS in December 2017. The proceeds have been utilized in the following manner as at 30<sup>th</sup> September 2018:-

Purpose	Approved utilisation RM'000	Amount utilised RM'000	Balance unutilized RM'000
Purchase of new equipment/machineries	6,550	4,078	2,472
Investment in new business	30,000	28,640	1,360
Upgrading of building	10,000	4,855	5,145
Working capital	50,244	37,930	12,314
Expenses in relation to the Proposal (ICPS)	1,000	763	237
<b>Total :</b>	<b>97,794</b>	<b>76,266</b>	<b>21,528</b>

**B9 Group borrowings and debt securities**

There were no bank borrowings other than as detailed below and debt securities as at the end of the reporting period.

	As at 2nd quarter ended 2019					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
<b>Secured</b>						
Bank Overdrafts	-	-	-	-	-	-
Bankers Acceptance	-	-	-	1,700,000	-	1,700,000
Term Loan	-	3,275,057	-	1,422,648	-	4,697,705
<b>Unsecured</b>						
Term Loan	-	-	-	-	-	-
Hire Purchase	-	3,309,268	-	-	-	3,309,268
<b>TOTAL</b>	<b>-</b>	<b>6,584,325</b>	<b>-</b>	<b>3,122,648</b>	<b>-</b>	<b>9,706,973</b>



**B9 Group borrowings and debt securities – con't**

	As at 2nd quarter ended 2018					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
<b>Secured</b>						
Bank Overdrafts	-	-	-	-	-	-
Bankers Acceptance	-	-	-	1,150,000	-	1,150,000
Term Loan	-	4,827,242	-	1,203,592	-	6,030,834
Revolving Credit	-	-	-	-	-	-
<b>Unsecured</b>						
Term Loan	-	-	-	-	-	-
Hire Purchase	-	3,688,285	-	-	-	3,688,285
<b>TOTAL</b>	-	<b>8,515,527</b>	-	<b>2,353,592</b>	-	<b>10,869,119</b>

**B10 Material litigation**

**Penang Session Court, Summons No.A52NCC-156-07/2014**

On 09 July 2014, the Company together with a subsidiary of the Company, Park Avenue Construction Sdn. Bhd. ("PAC") ("Plaintiff") have filed a civil suit against Machendran a/l Pitchai Chetty ("Defendant") to recover the sum of RM279,696.00 including interest at 5% per annum on the said amount calculated from 17 June 2014 until date of realization and cost for breach of fiduciary duties as a director of the Company and of the subsidiary.

Subsequently the matter has been transferred to Butterworth Sessions' court and thereafter the Defendant has filed his Defense and Counter claim on 29 September 2014. Amongst his counter claim was for the outstanding salary of RM156, 455.65 together with EPF which were due and owe by the Company and PAC. The Company and PAC then filed their Reply and Defense towards Defendant's Counter Claim on 17 October 2014.

In the midst of preparing bundle of documents, Defendant has filed an application to amend his Defense and Counter Claim on 15 January 2015, whereby the Company has no objection against the application.



**B10 Material litigation – con't**

**Penang Session Court, Summons No. A52NCC-156-07/2014**

As the claim and counter claim are above RM250,000.00, the Sessions Court Judge has transferred the matter to Sessions Court 1. Parties have filed in their Bundles of Documents respectively and the Court has fixed 15<sup>th</sup> and 16<sup>th</sup> March 2016 for full trial.

The Company and PAC have called Mr. Ng Chin Nam as the sole witness and whereas Defendant himself together with Mr. Sia Seow Cheng from Messrs. Cheong Wai Meng & Van Buerle came as Defendant's witnesses.

After the full trial, the Court has fixed for parties to file written submission on 27<sup>th</sup> May 2016. Initially the Judge has fixed the matter for decision on 27<sup>th</sup> June 2016. However, the Judge has further adjourned the matter to 22<sup>nd</sup> July 2016 for Decision. Decision was delivered by the Sessions Court Judge, whereby Plaintiff's claim for the sum of RM279,696.00 is allowed with costs and whereas Defendant's counter claim is dismissed with costs.

On 3<sup>rd</sup> August 2016, the Plaintiff's solicitor has received a Notice of Appeal dated 2<sup>nd</sup> August 2016 from Defendant's solicitor, Messrs. Rommel & A. Nagarajan. However, Messrs. Kumar & Co. has taken over from Messrs. Rommel & A. Nagarajan.

Prior to the full hearing of the appeal, Plaintiffs have filed in an application for security for costs against Defendant. Parties have exhausted the Affidavits and parties have orally submitted before the High Court Judge on 20<sup>th</sup> April 2017.

On 29<sup>th</sup> May 2017, Respondents' application security for costs has been granted whereby the Appellant is required to pay RM20,000.00 as security for costs and RM2,000.00 for the costs of the said application, whereby the Appellant has thereafter paid the sum of RM22,000.00 being the security for costs and the costs of the application.

The Court has fixed the matter on 22<sup>nd</sup> September 2017 for parties to file written submission and the hearing will be fixed on 3<sup>rd</sup> October 2017 before the Judge.

On 29<sup>th</sup> November 2017, the High Court Judge has delivered his judgment whereby the Defendant shall pay the judgment sum of RM216,884.15 to Plaintiffs.

Thereafter, Messrs Wong & Loh have filed a Bankruptcy Notice against Defendant for a sum of RM285,191.73 including costs and interest from the Defendant on 23<sup>rd</sup> February 2018.

On 21<sup>st</sup> May 2018, Messrs Wong & Loh have served the Bankruptcy Notice to Messrs Weng On & Associates upon Defendant's instruction. Currently, parties are in the midst of negotiating.

Plaintiff have withdrawn the bankruptcy proceedings against Defendant on 17<sup>th</sup> August 2018 as Defendant has settled the total sum of RM285,191.73 to the plaintiff.

Except the above, there are no material litigations pending as at the date of this announcement.





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**B11 Dividends**

The Board of Directors of the Company has recommended:

- i) an interim dividend of 2 cent per share under the single tier system in respect of the financial year ended 31 March 2018 which paid on 25 May 2018.
- ii) an interim dividend of RM0.0016 per Irredeemable Convertible Preference Shares ("ICPS") which was paid on 25 May 2018.

Save for the above no any other dividends for the period ended 31 March 2018.

**B12 Earnings per Share**

- (i) Basic earnings per ordinary share

The earnings per share is calculated by dividing the net profits attributable to owners of the parent of RM2,395,279 by the number of ordinary shares in issue during the current quarter after treasury shares of 212,053,371.

- (ii) Diluted earnings per ordinary share

The diluted earnings per share is not presented as the assumed conversion of potential ordinary share are anti-dilutive.