

**SMIS Corporation Berhad**

Company No. 491857 – V  
(Incorporated in Malaysia)

Interim Financial Report  
30 September 2017

**Interim Report**  
**SMIS Corporation Berhad**  
(Company No. 491857-V)  
(Incorporated in Malaysia)  
**and its subsidiaries**

**Condensed Consolidated Statement of Financial Position as at 30 September 2017**  
**(unaudited)**

	Note	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		62,005	50,954
Investment properties		394	411
Deferred tax assets		696	680
<b>Total non-current assets</b>		<u>63,095</u>	<u>52,045</u>
<b>Current Assets</b>			
Inventories		19,791	19,133
Trade and other receivables		31,638	33,756
Tax recoverable		5,360	4,962
Short term investment		3,617	4,344
Cash and bank balances		9,869	14,540
<b>Total current assets</b>		<u>70,275</u>	<u>76,735</u>
<b>TOTAL ASSETS</b>		<u><b>133,370</b></u>	<u><b>128,780</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital*		49,691	44,800
Reserves		21,929	29,683
Less: 2,636,100 treasury shares, at cost		(1,192)	(1,188)
Total equity attributable to the shareholders of the Company		<u>70,428</u>	<u>73,295</u>
Non-controlling interest		9,743	10,608
<b>Total equity</b>		<u>80,171</u>	<u>83,903</u>
<b>Non-current liabilities</b>			
Loan and borrowings	B8	10,703	12,123
Deferred tax liabilities		96	198
<b>Total non-current liabilities</b>		<u>10,799</u>	<u>12,321</u>
<b>Current liabilities</b>			
Trade and other payables		27,393	26,333
Amount owing to related company		-	614
Loan and borrowings	B8	15,006	5,589
Tax payable		1	20
<b>Total current liabilities</b>		<u>42,400</u>	<u>32,556</u>
<b>Total liabilities</b>		<u>53,199</u>	<u>44,877</u>
<b>Total equity and liabilities</b>		<u><b>133,370</b></u>	<u><b>128,780</b></u>
Net assets per share (RM)		1.42	1.64

\* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM 4,891,000 for the purposes set out in Section 618(3) of the CA 2016. The Board of Directors will make a decision thereon by 31 January 2019.

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Report**  
**SMIS Corporation Berhad**  
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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 9 months period ended 30 September 2017 (unaudited)**

	Note	3 months period ended 30 September		9 months period ended 30 September	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<b>Revenue</b>		33,363	34,649	100,833	102,300
Cost of sale		(30,262)	(29,339)	(90,375)	(86,392)
<b>Gross profit</b>		<u>3,101</u>	<u>5,310</u>	<u>10,458</u>	<u>15,908</u>
Operating expenses		(4,658)	(5,148)	(14,516)	(16,244)
Other operating income		87	220	564	325
<b>Operating (loss)/profit</b>		<u>(1,470)</u>	<u>382</u>	<u>(3,494)</u>	<u>(11)</u>
Finance costs		(201)	(236)	(636)	(511)
Interest income		32	34	108	125
(Loss)/profit before taxation		<u>(1,639)</u>	<u>180</u>	<u>(4,022)</u>	<u>(397)</u>
Tax ( expense) / income	<b>B5</b>	(129)	(24)	140	(298)
(Loss)/profit after taxation		<u><u>(1,768)</u></u>	<u><u>156</u></u>	<u><u>(3,882)</u></u>	<u><u>(695)</u></u>
<b>Other comprehensive income/(expense), net of tax</b>					
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		19	81	154	(121)
<b>Other comprehensive (expense)/income for the period, net of tax</b>		<u>19</u>	<u>81</u>	<u>154</u>	<u>(121)</u>
<b>Total comprehensive (expense)/income for the period</b>		<u><u>(1,749)</u></u>	<u><u>237</u></u>	<u><u>(3,728)</u></u>	<u><u>(816)</u></u>
<b>(Loss)/profit attributable to:</b>					
Owners of the Company		(1,275)	73	(2,995)	(1,027)
Non-controlling interests		(493)	83	(887)	332
<b>(Loss)/profit for the period</b>		<u><u>(1,768)</u></u>	<u><u>156</u></u>	<u><u>(3,882)</u></u>	<u><u>(695)</u></u>
<b>Total comprehensive (expense)/income attributable to:</b>					
Owners of the Company		(1,259)	128	(2,863)	(1,136)
Non-controlling interests		(490)	109	(865)	320
<b>Total comprehensive (expense)/income for the period</b>		<u><u>(1,749)</u></u>	<u><u>237</u></u>	<u><u>(3,728)</u></u>	<u><u>(816)</u></u>
Basic earnings per ordinary share (sen)	<b>B12</b>	(3.02)	0.17	(7.10)	(2.43)
Diluted earnings per ordinary share (sen)		N/A	N/A	N/A	N/A

**Notes:-**

N/A = Not applicable

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Changes in Equity for the 9 months period ended 30 September 2017**  
**(unaudited)**

	← Attributable to the owners of the Company →							Total equity RM'000
	← Non-distributable →			Distributable				
	Share capital RM'000	Treasury share RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	
<b>At 1 January 2017</b>	44,800	(1,188)	4,891	325	24,467	73,295	10,608	83,903
<b>Adjustment for effects of Companies Act 2016 (Note a)</b>	4,891	-	(4,891)	-	-	-	-	-
Foreign exchange translation reserve	-	-	-	132	-	132	22	154
Total comprehensive (expense)/income for the financial period	-	-	-	132	-	132	22	154
Loss net of tax for the period	-	-	-	-	(2,995)	(2,995)	(887)	(3,882)
<b>Total comprehensive (expense)/income for the financial period</b>	-	-	-	132	(2,995)	(2,863)	(865)	(3,728)
Contributions by and distribution to owners of the Company								
- Purchase of own shares	-	(4)	-	-	-	(4)	-	(4)
Total transaction with owners of the Company	-	(4)	-	-	-	(4)	-	(4)
<b>At 30 September 2017</b>	<b>49,691</b>	<b>(1,192)</b>	<b>-</b>	<b>457</b>	<b>21,472</b>	<b>70,428</b>	<b>9,743</b>	<b>80,171</b>
<b>At 1 January 2016</b>	44,800	(1,182)	4,891	352	28,659	77,520	7,962	85,482
Remeasurement of their financial liability	-	-	-	-	23	23	-	23
Foreign currency translation reserve	-	-	-	(27)	-	(27)	(9)	(36)
Total other comprehensive (expense)/income for the financial year	-	-	-	27	23	(4)	(9)	(13)
Loss net of tax for the year	-	-	-	-	(3,160)	(3,160)	180	(2,980)
<b>Total other comprehensive (expense)/income for the financial year</b>	-	-	-	(27)	(3,137)	(3,164)	171	(2,993)
Contributions by and distribution to owners of the Company								
- Purchase of own shares	-	(6)	-	-	-	(6)	-	(6)
- Subscription of additional shares in a subsidiary	-	-	-	-	-	-	2,475	2,475
- Dividends to owners of the Company	-	-	-	-	(1,055)	(1,055)	-	(1,055)
Total transaction with owners of the Company	-	(6)	-	-	(1,055)	(1,061)	2,475	1,414
<b>At 31 December 2016</b>	<b>44,800</b>	<b>(1,188)</b>	<b>4,891</b>	<b>325</b>	<b>24,467</b>	<b>73,295</b>	<b>10,608</b>	<b>83,903</b>

Note a : Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM 4,891,000 for the purposes set out in Section 618(3) of the CA 2016. The Board of Directors will make a decision thereon by 31 January 2019.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Cash Flows for the 9 months period ended 30 September 2017**  
**(unaudited)**

	<b>9 months period ended 30 September 2017 RM'000</b>	<b>9 months period ended 30 September 2016 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(4,022)	(397)
<b>Adjustment for non-cash items:-</b>		
Amortisation of deferred assets	11	-
Amortisation of prepaid lease payments	27	15
Depreciation of investment properties	17	17
Depreciation of property, plant and equipment	5,344	4,392
Gain on disposal of property, plant and equipment	(56)	(53)
Property, plant and equipment written off	32	-
Reversal of inventories written down	(67)	-
Unrealised currency exchange loss	197	413
Interest income	(108)	(125)
Interest expense	637	435
<b>Operating profit before working capital changes</b>	<b>2,012</b>	<b>4,697</b>
<b>Changes in working capital:-</b>		
Inventories	(592)	(756)
Trade and other receivables	1,821	(569)
Trade and other payables	38	(4,278)
<b>Cash generated from/(used in) operations</b>	<b>3,279</b>	<b>(906)</b>
Tax refund	296	57
Tax paid	(676)	(2,499)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,899</b>	<b>(3,348)</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(i) (16,151)	(12,843)
Interest received	108	125
Proceeds from disposal of property, plant and equipment	114	53
<b>Net cash used in investing activities</b>	<b>(15,929)</b>	<b>(12,665)</b>
<b>Cash Flows From Financing Activities</b>		
Purchase of treasury share	(4)	(3)
Proceed from issuance of shares to MI	-	2,475
Drawdown of borrowings	15,439	8,028
Repayment of borrowings	(5,294)	(348)
Interest paid	(637)	(435)
Dividend paid	-	(1,055)
<b>Net cash generated from financing activities</b>	<b>9,504</b>	<b>8,662</b>
<b>Exchange rate fluctuation reserve</b>	<b>276</b>	<b>(114)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,250)</b>	<b>(7,465)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>16,265</b>	<b>23,809</b>
<b>Cash and cash equivalents at 30 September</b>	<b>@ 13,015</b>	<b>16,344</b>
@ Cash and cash equivalents comprise the following balance sheet amounts:-		
Short term investments	3,617	6,807
Deposits placed with licensed banks	53	1,204
Cash and bank balances	9,816	11,273
Bank overdrafts	(471)	(2,940)
	<b>13,015</b>	<b>16,344</b>

(i) For the 9 months period ended 30 September 2017, the Group acquired property, plant and equipment amounting to RM 16,561,473 of which RM 860,742 was accrued for. There was payment for assets capitalised in year ended 31 December 2016 amounting to RM 450,183

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**A Notes to Interim Financial Report on Consolidated Results for the Period Ended 30 September 2017**

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**A1 Basis of preparation**

This interim financial report is based on the unaudited financial statements for the quarter ended 30 September 2017 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

These are the Group's interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The adoption of the MFRSs and Amendments do not have any material impact on the financial statements of the Group.

**A2 Changes in Accounting Policies**

The significant policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016.

**A3 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2016 was not subject to any qualifications.

**A4 Seasonal or cyclical factors**

The Malaysian Automotive Association ("MAA"), reported that passenger vehicles recorded 126,051 new registrations for the quarter ended 30 September 2017, which represents an 0.38% decrease as compared to 126,532 units for the corresponding period in the previous year.

**A5 Unusual nature and amount of items affecting assets, liabilities, equity, net income and cash flows**

There were no unusual nature and amount of items, which affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review.

**A6 Material changes in estimates of amounts reported in prior periods in current financial year or prior financial years which have material effect in the current interim period**

There were no material changes in estimates during the quarter under review.

**A7 Dividend**

There were no dividends paid during the quarter under review.

**A8 Debts and equity securities**

During the quarter under review, the Company did not purchase any ordinary shares from the open market.

Aside from the above, there were no new debts and equity securities issued during the quarter.

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**A Notes to Interim Financial Report on Consolidated Results for the Period Ended 30 September 2017**

**A9 Segmental reporting**

Segmental analysis of the results and assets employed for the 9 months period ended 30 September 2017:

Business Segments	Automotive Parts RM'000	Machinery Parts RM'000	Plastic RM'000	Others RM'000	Consolidated RM'000
Revenue from external customers	85,150	8,010	7,673	-	100,833
Segment results	(4,136)	625	455	(438)	(3,494)
Interest income					108
Financing costs					(636)
Loss before taxation					(4,022)
Tax income					140
Loss after taxation					(3,882)
Translation reserve					154
Total comprehensive expense for the period					(3,728)
Segment assets	87,997	16,434	14,718	14,221	133,370
Total assets					133,370
Segment liabilities	31,537	1,063	9,481	11,118	53,199
Total liabilities					53,199
Capital expenditure	3,037	162	4	13,358	16,561
Depreciation and amortisation	4,774	259	366	-	5,399
Other than depreciation and amortisation	(7)	(47)	32	-	(22)

No segmental reporting has been prepared for geographical segments as the Group's activities are predominantly carried out in Malaysia.

**A10 Statement on the effect on interim results concerning valuation of property, plant and equipment brought forward without amendment from the previous annual financial statements.**

There were no valuations of property, plant and equipment performed or brought forward from the previous financial year.

**A11 Material events**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 September 2017 to the date of this announcement.

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

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

**A13 Contingent assets and contingent liabilities**

There were no contingent assets and contingent liabilities for the current quarter.

**A14 Capital commitments**

The capital commitments of the Group for the quarter under review are as follows:

	As at 30.09.2017 RM'000	As at 30.09.2016 RM'000
Plant and equipment Contracted but not provided in the financial statements	525	1,094

**B Additional Information Required by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements**

**B1 Review of performance**

	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter			Current Year Quarter	Preceding Year Corresponding Quarter		
	30.09.2017 RM'000	30.09.2016 RM'000	RM'000	%	30.09.2017 RM'000	30.09.2016 RM'000	RM'000	%
Revenue	33,363	34,649	(1,286)	(3.7)	100,833	102,300	(1,467)	(1.4)
Gross profit	3,101	5,310	(2,209)	(41.6)	10,458	15,908	(5,450)	(34.3)
(Loss)/profit before interest and tax	(1,470)	382	(1,852)	(484.8)	(3,494)	(11)	(3,483)	31,663.6
(Loss)/profit before tax	(1,639)	180	(1,819)	(1,010.6)	(4,022)	(397)	(3,625)	913.1
(Loss)/profit after tax	(1,768)	156	(1,924)	(1,233.3)	(3,882)	(695)	(3,187)	458.6
(Loss)/profit attributable to the owners of the parent	(1,275)	73	(1,348)	(1,846.6)	(2,995)	(1,027)	(1,968)	191.6

The Group reported revenue of MYR33.4m and loss before tax of MYR1.7m for the current quarter compared to revenue of MYR34.6m and profit before tax ("PBT") of MYR0.2m respectively achieved in the previous corresponding quarter.

The review of the Group's performance, analysed by its key operating segments were as follows:-

**Automotive parts**

Automotive Carpet product generally saw a reduction in volume and thus, revenue. Revenue for the Malaysian operation dropped by MYR3.7m and PBT was a loss of MYR0.6m against a profit of MYR0.6m in the preceeding corresponding quarter. The said reduction in revenue was mainly related to Subaru, Mitsubishi and Proton. Higher material cost also caused erosion of margins. The operations in Indonesia reported an increase in revenue of MYR0.6m with the commencement of supply to Wuling Motors. Loss for the period widened to MYR0.9m from MYR0.5m as the factory incurred cost related to trials and testing during pre mass production.

(note : 30 Jul'16 USD 1: MYR 3.96 vs 30 Jul'17 USD 1: MYR 4.25, 30 Sep'16 USD 1: MYR 4.05 vs 30 Sep'17 USD 1: MYR 4.22)

**Machinery parts**

Revenue grew by MYR0.4m to MYR2.8m for Q3'17 in the current financial year compared to the previous year's corresponding quarter of MYR2.4m. The segment recorded a profit of MYR0.2m against a breakeven position in Q3 '16.

**Plastic**

Turnover improved by MYR1.6m to MYR3.8m and PBT was MYR0.6m from a loss of MYR0.2m.

**B2 Variation of results against preceding quarter**

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.09.2017 RM'000	30.06.2017 RM'000	RM'000	%
Revenue	33,363	31,060	2,303	7.4
Gross profit	3,101	3,083	18	0.6
Loss before interest and tax	(1,470)	(1,292)	(178)	13.8
Loss before tax	(1,639)	(1,465)	(174)	11.9
Loss after tax	(1,768)	(1,221)	(547)	44.8
Loss attributable to the owners of the parent	(1,275)	(958)	(317)	33.1

The Group's revenue for the reporting period recorded a 7.41% increase in comparison to the immediate preceding quarter.

**Automotive parts**

Revenue for the Carpet products grew by MYR0.9m (Indonesia contributing MYR0.6m and Malaysia MYR0.3m). Losses for the period increased by MYR0.7m to MYR1.5m due to product mix with lower margins and pre production trials and testing cost. Results from braking products for the reporting period is similar to the previous quarter with turnover of MYR9.1m and losses of MYR1.0m.



**B Additional Information Required by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements**

**B2 Variation of results against preceding quarter (cont'd)**

**Machinery parts**

Machinery parts record an increase in turnover of MYR0.1m to MYR2.8m returning a PBT of MYR0.2m against MYR0.7m in the preceding quarter. As previously reported, there was a write back of over provision of MYR0.7m in Q2 '17.

**Plastic**

Revenue improved by MYR1.4m in the reporting quarter to MYR3.8m from a low Q2 '17 as most customers in Indonesia stopped production during the Hari Raya holidays. PBT for Q3 '17 was MYR0.6m against MYR0.1m for Q2 '17.

**B3 Prospects for 2017**

**Automotive parts**

MAA industry forecast for 2017 is as follows:

Market segment	2017	2016	Variance	
	Forecast	Actual	Units	%
Passenger vehicles	522,000	514,545	7,455	1.4
Commercial vehicles	68,000	65,579	2,421	3.7
Total vehicles	590,000	580,124	9,876	1.7

In view of the above, the Automotive Parts segment is expected to remain flat in terms of volume and challenging in terms of performance as material cost remains adversely affected by the weak Malaysian Ringgit.

**Machinery parts**

Market environment is expected to recover but remains challenging in view of competition from overseas.

**Plastic**

Demand seems to have recovered slightly possibly due to Q3'17 production for year end sales. Historically, the last quarter will see weakness especially in the consumer electronics.

**B4 Profit estimate, forecast, projection or internal targets and profit guarantee**

The Group did not announce or provide any profit estimate, forecast, projection, internal targets for the financial period ended 30 September 2017.

**B5 Taxation**

	3 months period ended		Financial period ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Income tax (expenses)/income				
- Current year	(188)	42	38	(670)
- Prior year	-	(78)	-	(78)
Deferred tax				
- Origination and reversal of temporary differences	59	12	102	450
	<u>(129)</u>	<u>(24)</u>	<u>140</u>	<u>(298)</u>

**B6 Status of corporate proposals announced**

On 28 April 2017, PT Grand Ventures Hartamas ("PT GVH"), an indirect wholly-owned subsidiary of the Company had entered into a Land Purchase and Sale Agreement (the "Agreement") with PT Kawasan Industri Terpadu Indonesia China having its business address at Jl. Kawasan Industri Terpadu Indonesia China Kavling 35, Desa Nagasari, Kecamatan Serang Baru, Kabupaten Bekasi, Indonesia ("PT KITIC") for the purchase of a parcel of land in Kawasan Industri Terpadu Indonesia China Lot 70, which is located in Kawasan Industri Terpadu Indonesia China, Kota Deltamas, Cikarang Pusat, Bekasi 17530, West Java, Indonesia (the "Land") measuring approximately 16,186 square meters at a total purchase consideration of IDR36,499,430,000 only (equivalent to approximately RM11,935,313) (IDR = Indonesia Rupiah) (the "Purchase Consideration"), inclusive of a value added tax of 10% (the "Proposed Acquisition"), subject to the terms and conditions as stipulated in the Agreement.

Other than the above, there are no corporate proposals announced or outstanding for the current quarter ended 30 September 2017.

**B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements**

**B7 Notes to the Statement of Comprehensive Income**

Loss for the period is arrived at after (charging) / crediting :

	3 months period ended		Financial period ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Interest income	32	34	108	125
Other income including investment income	102	136	345	325
Interest expenses	(201)	(222)	(636)	(435)
Depreciation and amortisation	(1,938)	(1,581)	(5,399)	(4,409)
Development cost	(179)	(109)	(570)	(475)
Net foreign exchange loss	(388)	(115)	(527)	(864)

Other than the above, there was no gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives and exceptional items included in the results for the current quarter ended 30 September 2017.

**B8 Group’s borrowings and debt securities**

	As at 30 September 2017		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
<b>Secured:-</b>			
Bankers' acceptance	-	1,638	1,638
Bank overdraft	-	471	471
Revolving credit	-	11,033	11,033
Term loans	10,703	1,864	12,567
	<u>10,703</u>	<u>15,006</u>	<u>25,709</u>

	As at 30 September 2016		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
<b>Secured:-</b>			
Bankers' acceptance	-	1,026	1,026
Bank overdraft	-	2,940	2,940
Revolving credit	-	-	-
Term loans	8,725	1,400	10,125
	<u>8,725</u>	<u>5,366</u>	<u>14,091</u>

All the above borrowings are denominated in Ringgit Malaysia and the Group does not have any foreign denominated borrowings or any unsecured borrowings. The banker acceptance and bank overdraft of the Group bears interest rates of 3.39% and 8.31% per annum respectively whilst both revolving credit and term loans bears interest rate of 5.39% per annum.

**B9 Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

**B10 Dividend**

The Board of Directors does not recommend any dividend for the current period ended 30 September 2017.

**B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements**

**B11 Retained Earnings**

	As at 30.09.2017 RM'000	As at 30.09.2016 RM'000
Total retained earnings of the Company and subsidiaries		
- Realised profit	43,958	53,086
- Unrealised loss	(1,295)	617
	<u>42,663</u>	<u>53,703</u>
Less : Consolidated Adjustments	(21,191)	(27,126)
Total retained earnings	<u><u>21,472</u></u>	<u><u>26,577</u></u>

**B12 Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the quarter and for the cumulative quarter is based on the following:

	For the quarter ended 30.09.2017 RM'000	For the cumulative 9 months ended 30.09.2017 RM'000
Loss for the period	(1,768)	(3,882)
Loss attributable to minority interest	(493)	(887)
	<u>(1,275)</u>	<u>(2,995)</u>
Loss for the period attributable to Shareholders of the Company		
Weighted average number of ordinary shares	<u>42,166</u>	<u>42,166</u>
Basic earnings per share (sen)	<u>(3.02)</u>	<u>(7.10)</u>