

**ENG KAH CORPORATION BERHAD**  
**Company No. 435649-H**

**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2019 - Unaudited**

|   | <b>Unaudited<br/>as at<br/>30.9.2019<br/>RM'000</b> | <b>Audited<br/>as at<br/>31.12.2018<br/>RM'000</b> |
|---|---|--|
| <b>ASSETS</b>                                       |   |  |
| <b>Non-current assets</b>                           |   |  |
| Property, plant and equipment                       | 20,665  | 21,265   |
| Investment in joint ventures                        | 1,087   | 998  |
|   | <u>21,752</u>                                       | <u>22,263</u>                                      |
| <b>Current assets</b>                               |   |  |
| Inventories   | 16,494  | 18,885   |
| Trade receivables                                   | 12,453  | 19,143   |
| Other receivables, deposits and prepayments         | 2,662   | 4,592  |
| Current tax assets                                  | 6,599   | 8,000  |
| Cash and cash equivalents                           | 22,098  | 17,313   |
|   | <u>60,306</u>                                       | <u>67,933</u>                                      |
| <b>TOTAL ASSETS</b>                                 | <u>82,058</u>                                       | <u>90,196</u>                                      |
| <b>EQUITY AND LIABILITIES</b>                       |   |  |
| <b>Equity attributable to owners of the Company</b> |   |  |
| Share capital                                       | 72,430  | 72,430   |
| Other reserves                                      | 1,577   | 1,384  |
| Accumulated losses                                  | (2,691)   | (1,825)  |
| <b>Total equity</b>                                 | <u>71,316</u>                                       | <u>71,989</u>                                      |
| <b>Non-current liabilities</b>                      |   |  |
| Borrowings  | 60  | 133  |
| Deferred tax liabilities                            | 916   | 848  |
|   | <u>976</u>  | <u>981</u>   |
| <b>Current liabilities</b>                          |   |  |
| Trade payables                                      | 5,902   | 10,897   |
| Other payables and accruals                         | 3,756   | 5,907  |
| Borrowings  | 108   | 422  |
|   | <u>9,766</u>  | <u>17,226</u>                                      |
| <b>Total liabilities</b>                            | <u>10,742</u>                                       | <u>18,207</u>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <u>82,058</u>                                       | <u>90,196</u>                                      |
| Net assets per share (RM)                           | 1.01  | 1.02   |

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**ENG KAH CORPORATION BERHAD**  
**Company No. 435649-H**

**Condensed Consolidated Statement of Comprehensive Income**  
**For the 9 months period ended 30 September 2019 - Unaudited**

|   | NOTE       | Individual Quarter<br>3 Months Ended |                     | Cumulative Quarter<br>9 Months Ended |                     |
|---|------------|--------------------------------------|---------------------|--------------------------------------|---------------------|
|   |            | 30.9.2019<br>RM'000                  | 30.9.2018<br>RM'000 | 30.9.2019<br>RM'000                  | 30.9.2018<br>RM'000 |
| Revenue   |            | 11,331                               | 12,964              | 36,625                               | 41,028              |
| Operating expenses  |            | (11,757)                             | (13,880)            | (37,330)                             | (41,069)            |
| Other income  |            | 452                                  | 8,373               | 2,442                                | 8,721               |
| Profit from operations  |            | 26                                   | 7,457               | 1,737                                | 8,680               |
| Finance costs   |            | (3)                                  | (5)                 | (10)                                 | (19)                |
| Share of results of joint ventures  |            | (138)                                | (77)                | (261)                                | (447)               |
| (Loss)/Profit before tax  |            | (115)                                | 7,375               | 1,466                                | 8,214               |
| Tax expense   | <b>B5</b>  | (34)                                 | (856)               | (224)                                | (1,163)             |
| <b>(Loss)/Profit for the financial period</b>   | <b>B6</b>  | (149)                                | 6,519               | 1,242                                | 7,051               |
| <b>Other comprehensive (loss)/income, net of tax</b>  |            |                                      |                     |                                      |                     |
| <b>Item that will be reclassified subsequently</b>  |            |                                      |                     |                                      |                     |
| <b>to profit or loss</b>  |            |                                      |                     |                                      |                     |
| Foreign exchange differences<br>for foreign operations  |            | (151)                                | (151)               | (118)                                | (133)               |
| <b>Total comprehensive (loss)/income for the<br/>financial period attributable to<br/>owners of the Company</b> |            | <b>(300)</b>                         | <b>6,368</b>        | <b>1,124</b>                         | <b>6,918</b>        |
| <b>(Loss)/Earnings per share (EPS) attributable<br/>to</b>  |            |                                      |                     |                                      |                     |
| <b>owners of the Company</b>  |            |                                      |                     |                                      |                     |
| Basic EPS (sen)   | <b>B11</b> | (0.21)                               | 9.21                | 1.76                                 | 9.97                |
| Diluted EPS (sen)   | <b>B11</b> | (0.21)                               | 9.21                | 1.76                                 | 9.97                |

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes attached to these interim financial statements.

**ENG KAH CORPORATION BERHAD**  
**Company No. 435649-H**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 9 months period ended 30 September 2019 - Unaudited**

|  | <b>Share<br/>Capital<br/>RM'000</b> | <b>Other<br/>Reserves<br/>RM'000</b> | <b>Accumulated<br/>Losses<br/>RM'000</b> | <b>Total<br/>Equity<br/>RM'000</b> |
|--|-------------------------------------|--------------------------------------|--|------------------------------------|
| <b>As at 1.1.2019</b>                                  | 72,430                              | 1,384                                | (1,825)                                  | 71,989                             |
| Foreign exchange differences<br>for foreign operations | -                                   | (118)                                | -  | (118)                              |
| Profit for the financial period                        | -                                   | -                                    | 1,242                                    | 1,242                              |
| Total comprehensive income<br>for the financial period | -                                   | (118)                                | 1,242                                    | 1,124                              |
| <b>Transactions with owners:</b>                       |                                     |                                      |  |                                    |
| Share-based payment transactions                       |                                     |                                      |  |                                    |
| - current year   | -                                   | 326                                  | -  | 326                                |
| - lapse due to resignation                             | -                                   | (15)                                 | 15                                       | -                                  |
| Dividend   | -                                   | -                                    | (2,123)                                  | (2,123)                            |
| Total transactions with owners                         | -                                   | 311                                  | (2,108)                                  | (1,797)                            |
|  | -                                   |                                      |  |                                    |
| <b>As at 30.9.2019</b>                                 | <b>72,430</b>                       | <b>1,577</b>                         | <b>(2,691)</b>                           | <b>71,316</b>                      |
| <b>As at 1.1.2018</b>                                  | 72,430                              | 1,179                                | (4,454)                                  | 69,155                             |
| Foreign exchange differences<br>for foreign operations | -                                   | (133)                                | -  | (133)                              |
| Profit for the financial period                        | -                                   | -                                    | 7,051                                    | 7,051                              |
| Total comprehensive income<br>for the financial year   | -                                   | (133)                                | 7,051                                    | 6,918                              |
| <b>Transactions with owners:</b>                       |                                     |                                      |  |                                    |
| Share-based payment transactions:                      |                                     |                                      |  |                                    |
| - current year   | -                                   | 318                                  | -  | 318                                |
| - lapse due to resignation                             | -                                   | (46)                                 | 46                                       | -                                  |
| Dividend   | -                                   | -                                    | (4,245)                                  | (4,245)                            |
| Total transactions with owners                         | -                                   | 272                                  | (4,199)                                  | (3,927)                            |
| <b>As at 30.9.2018</b>                                 | <b>72,430</b>                       | <b>1,318</b>                         | <b>(1,602)</b>                           | <b>72,146</b>                      |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes attached to these interim financial statements.

**ENG KAH CORPORATION BERHAD**

Company No. 435649-H

**Condensed Consolidated Statement of Cash Flows  
For the 9 months period ended 30 September 2019 - Unaudited**

|   | <b>30.9.2019</b> | <b>30.9.2018</b> |
|---|------------------|------------------|
|   | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>Cash flows from operating activities</b>             |                  |                  |
| Profit before tax                                       | 1,466            | 8,214            |
| Adjustments for:  |                  |                  |
| - Depreciation  | 916              | 991              |
| - Equity settled share-based payment transactions       | 326              | 318              |
| - Gain on disposal of property, plant and equipment     | (6)              | (8,012)          |
| - Interest expense                                      | 10               | 19               |
| - Interest income                                       | (362)            | (197)            |
| - Inventories written off                               |                  | 1,374            |
| - Share of results of joint ventures                    | 261              | 447              |
| - Unrealised loss on foreign exchange                   | -                | 2                |
| Operating profit before working capital changes         | 2,611            | 3,156            |
| Decrease/(Increase) in inventories                      | 2,391            | (1,048)          |
| Decrease in receivables                                 | 8,620            | 1,006            |
| Decrease in payables                                    | (7,146)          | (3,309)          |
| Cash generated from/(used in) operations                | 6,476            | (195)            |
| Income tax paid   | (606)            | (1,359)          |
| Income tax refunded                                     | 1,851            | 1                |
| Interest paid   | (10)             | (19)             |
| Net cash from/(used in) operating activities            | 7,711            | (1,572)          |
| <b>Cash flows from investing activities</b>             |                  |                  |
| Dividend received from joint venture                    | -                | 3,564            |
| Interest received                                       | 362              | 197              |
| Proceeds from disposal of property, plant and equipment | 6                | 9,254            |
| Purchase of property, plant and equipment               | (316)            | (361)            |
| Subscription of additional shares in a joint venture    | (350)            | -                |
| Net cash (used in)/from investing activities            | (298)            | 12,654           |
| <b>Cash flows from financing activities</b>             |                  |                  |
| Dividend paid   | (2,123)          | (2,122)          |
| Net change in borrowings                                | (387)            | (562)            |
| Net cash used in financing activities                   | (2,510)          | (2,684)          |
| Net increase in cash and cash equivalents               | 4,903            | 8,398            |
| Effect of changes in exchange rate                      | (118)            | (133)            |
| Cash and cash equivalents at beginning                  | 17,313           | 9,619            |
| Cash and cash equivalents at end                        | 22,098           | 17,884           |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes attached to these interim financial statements.

## Part A - Explanatory Notes Pursuant To MFRS 134

### 1. Basis of Preparation

The condensed consolidated interim financial statements (“Report”) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Report also complies with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”).

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

### 2. Significant Accounting Policies

#### 2.1 Adoption of New and Amendments/Improvements to MFRS

The Group has adopted the following standards with a date of initial application of 1 January 2019:

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

*MFRS 16 Leases*

*Amendments to MFRS 9 Prepayment Features with Negative Compensation*

*Amendments to MFRS 119 Employee Benefits*

*Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interest in Associates and Joint Ventures*

*IC Interpretation 23 Uncertainty over Income Tax Treatments*

*Annual Improvements to MFRS Standards 2015 – 2017 Cycle*

The initial application of the above standards did not have any material impact to the consolidated financial statements of the Group.

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

##### **Effective for annual periods beginning on or after 1 January 2020**

*Amendments to MFRS 3 Business Combinations*

*Amendments to MFRS 101 Presentation of Financial Statements*

*Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors*

*Amendments to References to the Conceptual Framework in MFRS Standards*

##### **Effective for annual periods beginning on or after 1 January 2021**

*MFRS 17 Insurance Contracts*

##### **Effective date yet to be confirmed**

*Amendments to MFRS 10 Consolidated Financial Statements and 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.

### 3. Auditors' Report of Preceding Annual Financial Statements

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

### 4. Seasonality or Cyclical Nature of Operations

Generally, sales of the Group's products are higher in the second half of the financial year due to majority of the festive seasons fall within this period.

### 5. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

### 6. Changes in Accounting Estimates

There were no changes in estimates of amounts reported in the prior financial year that have a material effect in the results for the current financial period under review.

### 7. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period under review.

### 8. Dividends Paid

The following dividends were paid during the current and previous corresponding period:

|   | 30.9.2019        | 30.9.2018        |
|---|------------------|------------------|
| First interim dividend for the financial year | -                | 31 December 2018 |
| Declared and approved on                      | -                | 27 August 2018   |
| Date paid                                     | -                | 31 October 2018  |
| Dividend per share (single-tier)              | -                | 3 sen            |
| Net dividend paid                             | -                | RM2,122,723      |
| Final dividend for the financial year         | 31 December 2018 | 31 December 2017 |
| Declared and approved on                      | 29 May 2019      | 6 June 2018      |
| Date paid                                     | 16 August 2019   | 17 August 2018   |
| Dividend per share (single-tier)              | 3 sen            | 3 sen            |
| Net dividend paid                             | RM2,122,723      | RM2,122,723      |

## 9. Segmental Information

Segmental information is presented in respect of the Group's business segments.

|   | <b>9 months<br/>ended<br/>30.9.2019<br/>(RM'000)</b> | <b>9 months<br/>ended<br/>30.9.2018<br/>(RM'000)</b> |
|---|--|--|
| <b>Segment Revenue</b>                      |  |  |
| Personal care                               | 29,217   | 33,080   |
| Household                                   | 7,761  | 8,547  |
| Investment holding                          | 3,453  | 5,710  |
| Total revenue including inter segment sales | <u>40,431</u>  | <u>47,337</u>  |
| Elimination of inter-segment sales          | <u>(3,806)</u>                                       | <u>(6,309)</u>                                       |
|   | <u>36,625</u>  | <u>41,028</u>  |
| <b>Segment Results</b>                      |  |  |
| Personal care                               | (434)  | 95   |
| Household                                   | (104)  | 47   |
| Investment holding                          | 4,043  | 14,025   |
| Total results                               | <u>3,505</u>   | <u>14,167</u>  |
| Elimination                                 | <u>(2,130)</u>                                       | <u>(5,684)</u>                                       |
| Results excluding inter segment sales       | 1,375  | 8,483  |
| Interest expense                            | (10)   | (19)   |
| Interest income                             | 362  | 197  |
| Share of results of joint ventures          | <u>(261)</u>   | <u>(447)</u>   |
| Profit before tax                           | 1,466  | 8,214  |
| Tax expense                                 | <u>(224)</u>   | <u>(1,163)</u>                                       |
| Profit for the financial period             | <u>1,242</u>   | <u>7,051</u>   |

## 10. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the financial year ended 31 December 2018

## 11. Subsequent Event

There were no material events subsequent to the end of the reporting period which require disclosure.

## 12. Changes in Composition of the Group

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

## 13. Changes in Contingent Liabilities and Contingent Assets

There were no contingent assets or contingent liabilities since the end of the last annual reporting period.

## 14. Capital Commitments

The outstanding capital commitment as at the end of the reporting period is as follows:

|                                  | <b>RM'000</b> |
|----------------------------------|---------------|
| Contracted but not provided for: |               |
| - Property, plant and equipment  | -             |
|                                  | =====         |

**Part B: Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad**

**1. Review of Performance**

|                                 | Individual Quarter<br>3 Months Ended |                                    |                             | Cumulative Quarter<br>9 Months Ended |                                    |                             |
|---------------------------------|--------------------------------------|------------------------------------|-----------------------------|--------------------------------------|------------------------------------|-----------------------------|
|                                 | (Unaudited)<br>30.9.2019<br>RM'000   | (Unaudited)<br>30.9.2018<br>RM'000 | Changes<br>(Amount/<br>%)   | (Unaudited)<br>30.9.2019<br>RM'000   | (Unaudited)<br>30.9.2018<br>RM'000 | Changes<br>(Amount/<br>%)   |
| <b>Revenue</b>                  |                                      |                                    |                             |                                      |                                    |                             |
| - Personal care                 | 8,645                                | 10,404                             | -1,759/<br>-16.91%          | 28,864                               | 32,481                             | -3,617/<br>-11.14%          |
| - Household                     | 2,686                                | 2,560                              | 126/<br>4.92%               | 7,761                                | 8,547                              | -786/<br>-9.20%             |
|                                 | <u>11,331</u>                        | <u>12,964</u>                      | <u>-1,633 /<br/>-12.60%</u> | <u>36,625</u>                        | <u>41,028</u>                      | <u>-4,403/<br/>-10.73%</u>  |
| <b>(Loss)/Profit before tax</b> |                                      |                                    |                             |                                      |                                    |                             |
| - Personal care                 | (288)                                | (632)                              | 344/<br>54.43%              | (434)                                | (351)                              | -83/<br>-19.12%             |
| - Household                     | (57)                                 | 11                                 | -68/<br>-618.18%            | (104)                                | 47                                 | -151/<br>-321.28%           |
| - Investment holding            | 230                                  | 7,996                              | -7,766/<br>-97.12%          | 2,004                                | 8,518                              | -6,514/<br>-76.47%          |
|                                 | <u>(115)</u>                         | <u>7,375</u>                       | <u>-7,490/<br/>-101.56%</u> | <u>1,466</u>                         | <u>8,214</u>                       | <u>-6,748 /<br/>-82.15%</u> |

**Comparison with Corresponding Quarter in Previous Year**

Generally, impact of seasonality on the demand for the Group's products is not that significant. The turnover for the reporting quarter was RM11.33 million as compared to RM12.96 million of the preceding year corresponding quarter. The lower turnover was mainly due to the lesser orders placed during the reporting quarter.

During the quarter under review, the Loss Before Tax ("LBT") margin was approximately -1.01% as compared to Profit Before Tax ("PBT") margin of 56.89% in the previous year corresponding quarter. The LBT margin was mainly due to lower revenue, change in product mix as well as share of loss of joint venture. The higher Profit Before Tax ("PBT") margin in the previous year corresponding quarter was mainly due to the gain of RM8.01 million from the disposal of the Group's vacant land situated in Nilai.

Excluding the gain from the disposal of Nilai vacant land, the Group LBT margin for the previous year corresponding quarter was approximately -4.91%. The main factors for recording a LBT margin were due to lower revenue, change in product mix and inventories written off made by the Group.

During the quarter under review, the demands for personal care and household products were 76.30% and 23.70% respectively as compared to 80.25% and 19.75% respectively of the preceding year corresponding quarter. The change was fairly usual in terms of manufacturing activities of the Group.



## 2. Comparison with Preceding Quarter's Results

|                                 | <b>Current<br/>quarter<br/>30.9.2019<br/>RM'000</b> | <b>Immediate<br/>Preceding<br/>Quarter<br/>30.6.2019<br/>RM'000</b> | <b>Changes<br/>(Amount/%)</b> |
|---------------------------------|---|---|-------------------------------|
| <b>Revenue</b>                  |   |   |                               |
| - Personal care                 | 8,645   | 9,620   | -975/<br>-10.14%              |
| - Household                     | 2,686   | 2,505   | 181/<br>7.23%                 |
|                                 | 11,331  | 12,125  | -794/<br>-6.55%               |
| <b>(Loss)/Profit before tax</b> |   |   |                               |
| - Personal care                 | (288)   | (75)  | -213/<br>-284.00%             |
| - Household                     | (57)  | (29)  | -28/<br>-96.55%               |
| - Investment holding            | 230   | 1,444   | -1214/<br>-84.07%             |
|                                 | (115)   | 1,340   | -1455/<br>-108.58%            |

The turnover for the reporting quarter was RM11.33 million as compared to RM12.13 million of the immediate preceding quarter, a decrease of approximately 6.55%. The decrease in turnover was mainly due to lesser orders placed during the reporting quarter.

The Group recorded a LBT of RM0.115 million for the current quarter as compared to PBT of RM1.34 million of the immediate preceding quarter. The LBT was mainly due to lower revenue, change of product mix as well as share of loss of joint venture. The higher PBT in the immediate preceding quarter was mainly due to the dividend received from a joint venture amounting to RM1.3 million.

During the quarter under review, the LBT margin was approximately -1.01% as compared to PBT margin of 11.05% of the immediate preceding quarter. The LBT was mainly due to lower revenue, change in product mix as well as share of loss of joint venture.

## 3. Commentary on Prospects

Generally, the market conditions of the industry are relatively stable. As the Group manufactures a wide range of products, the change in product mix may impact on profit margin of the Group.

Going forward, the Group will further strengthen its presence in overseas markets, and joint venture business.

The Group's research and development team has also developed a new range of unique and impressive souvenir products that are able to capture the beautiful scenery and memorable moments of customers' choice with 3D printing effect on glass bottle. There are wide variety of souvenir products for customers' selection which include hand wash, perfumery, room freshener, reed diffuser, roll on, lotion and many more. The Group hopes that these new range of unique and impressive products will further enhance the turnover and profitability of the Group in future.

The Group's strategy will continue to focus on Multi-National Corporations ("MNC") to expand and diversify its customer base. It is also part of the Group's marketing strategy to continue in exploring other potential customers.

#### 4. Profit Forecast Variance

There was no profit forecast made in any public documents.

#### 5. Tax Expense

|  | <b>Individual Quarter</b> |                    | <b>Cumulative Quarter</b> |                    |
|--|---------------------------|--------------------|---------------------------|--------------------|
|  | <b>3 Months Ended</b>     |                    | <b>9 Months Ended</b>     |                    |
|  | <b>(Unaudited)</b>        | <b>(Unaudited)</b> | <b>(Unaudited)</b>        | <b>(Unaudited)</b> |
|  | <b>30.9.2019</b>          | <b>30.9.2018</b>   | <b>30.9.2019</b>          | <b>30.9.2018</b>   |
|  | <b>RM'000</b>             | <b>RM'000</b>      | <b>RM'000</b>             | <b>RM'000</b>      |
| Malaysian income tax:<br>Based on results for the<br>financial period/year |                           |                    |                           |                    |
| - Current tax  | (138)                     | (506)              | (156)                     | (712)              |
| - Deferred tax   | 104                       | 50                 | (68)                      | (51)               |
| - Real property gain tax   | -                         | (400)              | -                         | (400)              |
|  | <u>(34)</u>               | <u>(856)</u>       | <u>(224)</u>              | <u>(1,163)</u>     |

The Group's effective tax rate for the current quarter, after excluding share of results of joint ventures and the dividend received from a joint venture was higher than the statutory tax rate of 24% due to certain expenditure which are non-deductible for tax purposes.

#### 6. (Loss)Profit for the Financial Period/Year

|                                    | <b>Current<br/>quarter<br/>(Unaudited)<br/>RM'000</b> | <b>Current<br/>year to date<br/>(Unaudited)<br/>RM'000</b> |
|------------------------------------|---|--|
| Depreciation                       | 302   | 916  |
| Interest income                    | (141)   | (362)  |
| Equity-settled share-based payment | 113   | 326  |
| Gain on foreign exchange           |   |  |
| - Realised                         | 137   | 311  |

Other than the above items, there were no gain or loss on disposal quoted or unquoted investments or properties, provision for receivables, gain or loss on derivatives as well as other exceptional items.

#### 7. Corporate Proposal

There was no corporate proposal announced or not completed as at the date of this Report.

## 8. Borrowings and Debt Securities

The Group's borrowings as at the end of the current year are as follows:

|                                      | <b>(Unaudited)<br/>30.9.2019<br/>Denominated in<br/>RM<br/>RM'000</b> | <b>(Unaudited)<br/>30.9.2018<br/>Denominated in<br/>RM<br/>RM'000</b> |
|--------------------------------------|---|---|
| <b>Secured:</b>                      |   |   |
| <b>Long term</b>                     |   |   |
| Finance lease liabilities            | 60  | 163   |
| <b>Short term</b>                    |   |   |
| Finance lease liabilities            | 108   | 105   |
|                                      | 108   | 105   |
| Total borrowings                     | 168   | 268   |
| <br>Average effective interest rate: |   |   |
| Finance lease liabilities            | 2.39% to 2.70%  | 2.39% to 2.70%  |

## 9. Material Litigations

The Group is not involved in any material litigation as at the date of this report.

## 10. Proposed Dividends

- (a) The Board do not recommend the payment of interim dividend for the reporting quarter.
- (b) The total dividend declared for the current financial year ending 31 December 2019 and financial year ended 31 December 2018 are summarised as follows:

|                            | <b>Financial<br/>year ending<br/>31.12.2019</b> | <b>Financial<br/>year ended<br/>31.12.2018</b> |
|----------------------------|---|--|
| Final single-tier dividend | 3 sen   | 3 sen  |

## 11. (Loss)/Earnings Per Share

### (i) Basic (loss)/earnings per share

The basic (loss)/earnings per share for the current quarter and cumulative period to date are computed as below:

|  | Individual Quarter |                | Cumulative Quarter |                |
|--|--------------------|----------------|--------------------|----------------|
|  | 3 Months Ended     | 3 Months Ended | 9 Months Ended     | 9 Months Ended |
|  | 30.9.2019          | 30.9.2018      | 30.9.2019          | 30.9.2018      |
| (Loss)/Profit after tax<br>Attributable to owners of the Company<br>(RM'000) | (149)              | 6,519          | 1,242              | 7,051          |
| Weighted average number of ordinary<br>shares in issue ('000)                | 70,757             | 70,757         | 70,757             | 70,757         |
| Basic (loss)/earnings per share (sen)  | (0.21)             | 9.21           | 1.76               | 9.97           |

### (ii) Diluted (loss)/earnings per share

The diluted (loss)/earnings per share for the current quarter and cumulative period to date are computed as below:

|  | Individual Quarter |                | Cumulative Quarter |                |
|--|--------------------|----------------|--------------------|----------------|
|  | 3 Months Ended     | 3 Months Ended | 9 Months Ended     | 9 Months Ended |
|  | 30.9.2019          | 30.9.2018      | 30.9.2019          | 30.9.2018      |
| (Loss)/Profit after tax<br>Attributable to owners of the Company<br>(RM'000) | (149)              | 6,519          | 1,242              | 7,051          |
| Weighted average number of ordinary<br>shares in issue ('000)                | 70,757             | 70,757         | 70,757             | 70,757         |
| Effect of share-based payment<br>transaction                                 | _*                 | _*             | _*                 | _*             |
| Weighted average number of ordinary<br>shares in issue -diluted ('000)       | 70,757             | 70,757         | 70,757             | 70,757         |
| Diluted (loss)/earnings per share (sen)                                      | (0.21)             | 9.21           | 1.76               | 9.97           |

\* The effects of the ESOS have not been computed as they are anti-dilutive in nature.