

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		30.09.19 RM'000	30.09.18 RM'000	30.09.19 RM'000	30.09.18 RM'000
Revenue	17	30,542	39,089	61,016	82,788
Operating expenses		(29,433)	(38,559)	(59,168)	(80,034)
Other income		81	315	375	622
Operating income		<u>1,190</u>	<u>845</u>	<u>2,223</u>	<u>3,376</u>
Finance costs		(432)	(276)	(743)	(554)
Profit before taxation	18	<u>758</u>	<u>569</u>	<u>1,480</u>	<u>2,822</u>
Taxation	19	(89)	(50)	(387)	(522)
Profit for the period		<u>669</u>	<u>519</u>	<u>1,093</u>	<u>2,300</u>
Other comprehensive income					
Foreign currency translation differences on foreign operations		-	-	-	(1)
Realisation of revaluation surplus upon depreciation		48	35	96	71
Transfer from realisation of revaluation surplus to retained profits		(48)	(35)	(96)	(71)
Total comprehensive income for the period		<u>669</u>	<u>519</u>	<u>1,093</u>	<u>2,299</u>
Attributable to :					
Owners of the Parent		669	530	1,098	2,321
Non-controlling interests		-	(11)	(5)	(21)
Profit for the period		<u>669</u>	<u>519</u>	<u>1,093</u>	<u>2,300</u>
Attributable to :					
Owners of the Parent		669	530	1,098	2,320
Non-controlling interests		-	(11)	(5)	(21)
Total comprehensive income for the period		<u>669</u>	<u>519</u>	<u>1,093</u>	<u>2,299</u>
Earnings per share attributable to owners of the parent					
- Basic (sen)	24	<u>0.23</u>	<u>0.18</u>	<u>0.37</u>	<u>0.78</u>
- Diluted (sen)	24	<u>0.22</u>	<u>0.17</u>	<u>0.34</u>	<u>0.69</u>

Notes:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CHIN HIN GROUP PROPERTY BERHAD ("CHGP")
Company No. 553434-U

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019
(The figures have not been audited)

		As At 30.09.19 RM'000	(Audited) As At 31.03.19 RM'000
	Note		
ASSETS			
Non-current assets			
Land held for development		884	884
Property, plant and equipment		44,712	45,142
Investment properties		28,800	28,800
Deferred tax assets		2,688	2,688
		<u>77,084</u>	<u>77,514</u>
Current assets			
Inventories		60,288	60,659
Trade receivables		55,299	71,672
Other receivables, deposits and prepayments		11,815	12,291
Tax recoverable		12	23
Fixed deposit with licensed bank		-	110
Cash and bank balances	21	11,113	10,505
		<u>138,527</u>	<u>155,260</u>
TOTAL ASSETS		<u>215,611</u>	<u>232,774</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital		62,449	62,449
Treasury shares		(255)	(255)
Foreign currency translation reserve		176	176
Revaluation reserve		15,905	16,001
Capital reserve		(441)	(28)
Warrant reserve		7,740	7,740
Retained profits		31,023	29,829
		<u>116,597</u>	<u>115,912</u>
Non-controlling interest		267	385
Total equity		<u>116,864</u>	<u>116,297</u>
Non-current liabilities			
Contract liabilities		58	56
Bank borrowings	23	859	975
Deferred tax liabilities		3,901	3,900
		<u>4,818</u>	<u>4,931</u>
Current liabilities			
Contract liabilities		286	283
Trade payables		40,398	64,092
Other payables		21,366	14,801
Bank borrowings	23	30,175	30,515
Tax Payable		1,704	1,855
		<u>93,929</u>	<u>111,546</u>
Total liabilities		<u>98,747</u>	<u>116,477</u>
TOTAL EQUITY AND LIABILITIES		<u>215,611</u>	<u>232,774</u>
Net assets per share attributable to owners of the Parent (RM)		0.39	0.39

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CHIN HIN GROUP PROPERTY BERHAD ("CHGP")

Company No. 553434-U

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	Attributable to Owners of the Parent						Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable						
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000				
(Audited)										
<u>12 months period ended 31 March 2019</u>										
At 1 April 2018, as previously reported	62,449	-	7,740	177	(28)	13,180	30,012	113,530	408	113,938
Effect of adopting MFRS 9	-	-	-	-	-	-	(3,735)	(3,735)	-	(3,735)
At 1 April 2018, as restated	62,449	-	7,740	177	(28)	13,180	26,277	109,795	408	110,203
Profit for the financial year	-	-	-	-	-	-	3,410	3,410	(23)	3,387
Other comprehensive income for the financial year	-	-	-	(1)	-	2,963	-	2,962	-	2,962
Total comprehensive income for the financial year	-	-	-	(1)	-	2,963	3,410	6,372	(23)	6,349
Realisation of revaluation surplus	-	-	-	-	-	(142)	142	-	-	-
Transactions with owners:										
Shares repurchased	-	(255)	-	-	-	-	-	(255)	-	(255)
At 31 March 2019	62,449	(255)	7,740	176	(28)	16,001	29,829	115,912	385	116,297

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CHIN HIN GROUP PROPERTY BERHAD ("CHGP")

Company No. 553434-U

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019**

(The figures have not been audited)

	-----Attributable to Owners of the Parent-----						Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	-----Non-Distributable-----			Distributable						
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000				
<u>6 months period ended 30 September 2019</u>										
At 1 April 2019	62,449	(255)	7,740	176	(28)	16,001	29,829	115,912	385	116,297
Profit for the period	-	-	-	-	-	-	1,098	1,098	(5)	1,093
Realisation of revaluation surplus	-	-	-	-	-	(96)	96	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-	(96)	1,194	1,098	(5)	1,093
Transactions with owners:										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(113)	(113)
Premium paid on acquisition of non-controlling interests	-	-	-	-	(413)	-	-	(413)	-	(413)
Total transactions with owners	-	-	-	-	(413)	-	-	(413)	(113)	(526)
At 30 September 2019	62,449	(255)	7,740	176	(441)	15,905	31,023	116,597	267	116,864

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

	Cumulative Quarter	(Audited)
	30.09.19	Year to date
	RM'000	31.03.19
		RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,480	6,401
Adjustments for :		
Bad debts written off	-	9
Depreciation of property, plant and equipment	849	2,169
Gain on disposal of property, plant and equipment	(67)	(158)
Impairment loss on trade receivables	79	499
Interest expense	743	1,127
Interest income	(34)	(78)
Property, plant and equipment written off	-	4
Reversal of impairment loss on trade receivables	-	(155)
Unrealised loss on foreign exchange	280	268
Operating profit before changes in working capital	<u>3,330</u>	<u>10,086</u>
Changes in working capital		
Changes in contract liabilities	5	339
Changes in inventories	371	(8,884)
Changes in receivables	16,834	(31,559)
Changes in payables	(17,476)	27,461
Cash generated from/(used in) operations	<u>3,064</u>	<u>(2,557)</u>
Interest received	34	78
Interest paid	(743)	(1,127)
Tax refund	17	102
Tax paid	(543)	(2,164)
Net cash flows from/(used in) operating activities	<u><u>1,829</u></u>	<u><u>(5,668)</u></u>
Cash Flows From Investing Activities		
Fully acquired of non-controlling interests	(526)	-
Purchase of property, plant and equipment	(451)	(85)
Proceeds from disposals of property, plant and equipment	98	162
Net cash flows (used in)/from investing activities	<u><u>(879)</u></u>	<u><u>77</u></u>
Cash Flows From Financing Activities		
Decrease/(Increase) in fixed deposits pledged	110	(3)
Repayment of finance lease payables	(145)	(471)
Net changes in banker's acceptances	(299)	8,272
Repayment of term loans	(11)	(23)
Purchase of treasury shares	-	(255)
Net cash flows (used in)/from financing activities	<u><u>(345)</u></u>	<u><u>7,520</u></u>
Net increase in cash and cash equivalents	605	1,929
Effects of changes in exchange rates	3	3
Cash and cash equivalents at beginning of the period/year	10,505	8,573
Cash and cash equivalents at end of the period/year	<u><u>11,113</u></u>	<u><u>10,505</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019
(The figures have not been audited)

	Cumulative Quarter	(Audited)
	30.09.19	Year to date
	RM'000	31.03.19
		RM'000
Cash and cash equivalents at end of the financial period/year comprises:		
Fixed deposit with licensed bank	-	110
Cash and bank balances	<u>11,113</u>	<u>10,505</u>
	11,113	10,615
Less: Fixed deposit pledged with licensed bank	<u>-</u>	<u>(110)</u>
	<u><u>11,113</u></u>	<u><u>10,505</u></u>

Notes :

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2019

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) No. 134 : Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to this interim financial report.

2. Changes in Accounting Policies

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the year financial ended 31 March 2019, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2019:-

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysian Accounting Standards Board as they have yet to be effective for the Group:-

MFRSs and IC Interpretations (Including The Consequential Amendments)		Effective dates for financial periods beginning on or after
MFRS 3	Definition of a Business (Amendments to MFRS 3)	1 January 2020
MFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
MFRS 17	Insurance Contracts	1 January 2021
MFRS 101	Definition of Material (Amendments to MFRS 101)	1 January 2020
MFRS 108	Definition of Material (Amendments to MFRS 108)	1 January 2020
MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The adoption of these new MFRSs, amendments and IC Interpretations did not have any material impact on the interim financial report of the Group, except for the followings:-

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes noncancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard. MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

3. Audit Report

The auditors' report on the financial statements for the year ended 31 March 2019 was not subject to any qualification.

4. Seasonality or Cyclicity

The Group's performance was not significantly affected by any seasonal or cyclical factors during the current financial quarter under review.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2019

5. Unusual Items

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

6. Material Changes in Estimates

There were no material changes in the estimates used in reporting the current financial quarters under review as compared to the audited financial statements of the Group for the financial year ended 31 March 2019.

7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter under review.

The shares repurchased are held as treasury shares in accordance with Section 127 (6) of the Companies Act 2016.

During the financial quarter and period to date, none of the treasury shares were distributed as share dividend to the shareholders.

As at 30 September 2019, the number of treasury shares held was 700,000 ordinary shares.

8. Dividend

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

9. Valuation of Property, Plant and Equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

10. Valuation of Investment Properties

The Group has not carried out any valuation on its investment properties in the current financial quarter under review.

11. Changes in the Composition of the Group

(i) Additional Acquisition

BKG Development Sdn. Bhd. (Company No. 1070270-M) ("BKG"), a wholly-owned subsidiary of the Company had on 10 December 2018 entered into a Share Sale Agreement ("SSA") with Dato' Cheah Suan Lee and Mr. Goh Chin Aun (hereinafter collectively referred to as "the Vendors") for the proposed acquisition of the remaining 50% equity interest in BKHS Capital Sdn. Bhd. (Company No. 966615-K) (BKHS) from the Vendors for a total cash consideration of Ringgit Malaysia Five Hundred Twenty Five Thousand Eight Hundred Seventy and Cents Twenty Six (RM525,870.26) only ("Purchase Consideration for the Sale Shares"), upon the terms and conditions as stipulated in the SSA ("Proposed Acquisition").

Upon the completion of the Proposed Acquisition, BKHS shall become a wholly-owned subsidiary of BKG, which in turn a wholly-owned subsidiary of the Company.

The Proposed Acquisition was completed on 3 May 2019.

(ii) Subsidiary Voluntary Strike Off

On 14 November 2019, the Company announced the voluntary striking off of BK Sepadu Sdn Bhd, a 62.5% owned subsidiary of Boon Koon Vehicles Industries Sdn Bhd, which in turn a subsidiary of the Company, from the Register of the Companies Commission of Malaysia pursuant to Section 439(1)(b) of the Companies Act 2016.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2019

12. Contingencies

Corporate guarantee extended by the Company to banks and financial institutions for credit facilities granted to subsidiaries as at the date of this interim financial report were as follows :-

	As At 30.09.19 RM'000	As At 31.03.19 RM'000
- Limit of guarantee	<u>103,923</u>	<u>90,121</u>
- Amount utilised	<u>30,727</u>	<u>30,955</u>

13. Capital Commitments

There were no outstanding capital commitments as at the date of this interim financial report.

14. Profit Forecast Variance

Not applicable.

15. Corporate Proposals

There were no corporate proposals that were announced but yet to be completed as at the date of this interim report, except for the followings:-

A) Multiple Proposals

The Company had on 24 May 2019 announced that the Company proposed to undertake the followings:-

(i) Proposed Subscription of Redeemable Preference Shares

The proposed subscription of 35,000,000 new redeemable preference shares ("RPS") of RM 1.00 each in Stellar 8 Sdn Bhd ("Stellar 8") (formerly known as Midas Prosperity Sdn Bhd) via a conditional subscription agreement between Stellar 8 and BKG Development Sdn Bhd ("BKG"), a wholly-owned subsidiary of CHGP.

The Subscription Agreement was completed and RPS subscribed on 1 November 2019.

(ii) Proposed Joint Development

The proposed joint development via a conditional joint venture agreement between Stellar 8 and BKG for the implementation and completion of a mixed and integrated residential and commercial development project known as 8th & Stellar ("Development Project").

(iii) Proposed Special Issue of Shares

The proposed special issue of shares of up to 84,885,000 new ordinary shares in CHGP to independent third party investor(s) to be identified at an issue price to be determined at a later date ("Proposed Special Issue").

Bursa Securities had on 18 July 2019 approved the extension of time of up to 31 July 2019, to issue the circular and independent advice letter in relation to the Proposals.

The shareholders had on 28 August 2019 approved all the above Multiple Proposals.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2019

16. Related Party Transactions

There were no related party transactions during the current financial quarter under review, except for the followings:-

	Individual Quarter		Cumulative Quarter	
	30.09.19	30.09.18	30.09.19	30.09.18
	RM'000	RM'000	RM'000	RM'000
Rental expense paid to other related party*	(39)	(26)	(56)	(37)
Rental income received from other related party*	6	5	11	9
Sales to other related party*	4,745	2,661	10,863	17,310
Purchases from other related party*	(2,728)	(2,323)	(4,208)	(14,664)
Road tax and insurance paid to other related party*	(2)	(2)	(72)	(29)
Purchases from a company connected to directors of the Company	-	(136)	(159)	(338)
Rental expense paid to a person connected to a director of the Compa	(4)	(4)	(8)	(8)

* Being corporations in which certain directors of the Company have financial interest.

17. Detailed Analysis of Performance

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

The Group comprises of the following main business segments :

- | | | |
|-----|--------------------------------------|--|
| (a) | Commercial vehicles and bodyworks | Manufacturing and trading of rebuilt and new commercial vehicles, bodyworks and their related services |
| (b) | Property development | Property development activities |
| (c) | Rental and fleet management services | Rental of commercial vehicles and forklift, provision of fleet management and other related services |
| (d) | Other Segment | Investment holding and the provision of management services |

	Individual Quarter			Cumulative Quarter		
	30.09.19	30.06.19	30.09.18	30.09.19	30.09.18	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue						
(a)	Commercial vehicles and bodyworks	24,757	23,208	35,412	47,965	63,463
(b)	Property development	4,745	6,118	2,661	10,863	17,190
(c)	Rental and fleet management services	1,036	1,145	1,013	2,181	2,121
(d)	Other Segment	176	176	176	352	358
		30,714	30,647	39,262	61,361	83,132
	Less : Elimination	(172)	(173)	(173)	(345)	(344)
	Total	30,542	30,474	39,089	61,016	82,788

Profit before taxation

(a)	Commercial vehicles and bodyworks	1,022	272	909	1,294	1,816
(b)	Property development	126	556	(26)	682	1,919
(c)	Rental and fleet management services	163	109	(1)	272	(281)
(d)	Other Segment	(553)	(215)	(313)	(768)	(632)
		758	722	569	1,480	2,822
	Less : Elimination	-	-	-	-	-
		758	722	569	1,480	2,822
	Share of results of associates	-	-	-	-	-
	Total	758	722	569	1,480	2,822

Notes to the Interim Financial Statements for the second quarter ended 30 September 2019

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM24.76 million, a decrease of RM10.65 million compared to RM35.41 million in the previous year's corresponding quarter. The lower revenue was mainly due to lower demand for rebuilt commercial vehicles in the current quarter. Profit before taxation in the current quarter was RM1.02 million, an increase of RM0.11 million compared to profit before taxation of RM0.91 million in the previous year's corresponding quarter. The higher profit before taxation was mainly due to gain from the conversion of foreign currency and lower administrative expenses incurred in the current quarter.

(b) For property development segment, revenue for the current quarter was RM4.74 million, an increase of RM2.08 million compared to RM2.66 million in the previous year's corresponding quarter. The revenue was recognised from the development project jointly developed with Platinum Eminent Sdn Bhd. The stage of completion of the project was 37.15% as at 30 September 2019 (as at 30 September 2018: 19.24%). Profit before taxation was RM0.13 million, an increase of RM0.15 million compared to loss before taxation of RM0.02 million in the previous year's corresponding quarter. The higher profit before taxation was mainly attributable to higher revenue being recognised which was partly offset by the higher administrative expenses incurred in the current quarter.

(c) For rental and fleet management services segment, revenue for the current quarter was RM1.04 million, an increase of RM0.03 million compared to RM1.01 million in the previous year's corresponding quarter. The higher revenue was mainly due to sales of forklifts in the current quarter. Profit before taxation in the current quarter was increased by RM0.16 million compared to the previous year's corresponding quarter. The higher profit before taxation was attributable to higher sales of forklifts in the current quarter.

(d) Other Segment's revenue for the current quarter was RM0.18 million was consistent with the previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.55 million, an increase of RM0.24 million compared to loss before taxation of RM0.31 million in the previous year's corresponding quarter. The higher loss before taxation was mainly attributable to higher administrative expenses incurred in the current quarter.

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM24.76 million, an increase of RM1.55 million compared to RM23.21 million in the preceding quarter. Higher revenue was recorded due to higher demand for rebuilt commercial vehicles in the current quarter. Profit before taxation in the current quarter was RM1.02 million, an increase of RM0.75 million compared to profit before taxation of RM0.27 million in the preceding quarter. The higher profit before taxation in the current quarter was mainly attributable to higher profit margin, gain from the conversion of foreign currency and lower administrative expenses incurred in the current quarter.

(b) For property development segment, revenue for the current quarter was RM4.74 million, a decrease of RM1.38 million compared to RM6.12 million in the preceding quarter. The revenue was recognised from the development project jointly developed with Platinum Eminent Sdn Bhd. The stage of completion of the project was 37.15% as at 30 September 2019 (as at 30 June 2019: 34.60%). Profit before taxation in the current quarter was RM0.13 million, a decrease of RM0.43 million compared to profit before taxation of RM0.56 million in the preceding quarter. The lower profit before taxation was attributable to lower revenue being recognised and higher administrative expenses incurred in the current quarter.

(c) For rental and fleet management services segment, revenue for the current quarter was RM1.04 million, a decrease of RM0.11 million compared to RM1.15 million in the preceding quarter. Profit before taxation in the current quarter was RM0.16 million, an increase of RM0.05 million as compared to profit before taxation of RM0.11 million in the preceding quarter. The higher profit before taxation was mainly attributable to higher gross profit margin and lower administrative expenses incurred in the current quarter.

(d) Other Segment's revenue for the current quarter of RM0.18 million was consistent with preceding quarter. Loss before taxation in the current quarter was RM0.55 million, an increase of RM0.34 million compared loss before taxation of RM0.21 million in the preceding quarter. The higher loss before taxation was mainly due to higher administrative expenses incurred in the current quarter.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2019

18. Profit before taxation

This was arrived at :

	Individual Quarter		Cumulative Quarter	
	30.09.19 RM'000	30.09.18 RM'000	30.09.19 RM'000	30.09.18 RM'000
After charging :				
Depreciation	418	571	849	1,176
Impairment loss on trade receivables	-	-	79	-
Interest expenses	432	276	743	554
Property, plant and equipment written off	-	-	-	4
Rental of hostel	8	12	16	23
Rental of premises	87	53	152	95
Rental of vehicles	15	25	31	44
Unrealised (gain)/loss on foreign exchange	(63)	189	280	331
And crediting :				
Interest income	12	15	34	39
Gain on disposal of property, plant and equipment	26	65	67	73
Realised gain on foreign exchange	41	198	271	446
Rental income	6	35	11	65
Reversal of impairment loss on receivables	-	-	-	8

19. Taxation

	Individual Quarter		Cumulative Quarter	
	30.09.19 RM'000	30.09.18 RM'000	30.09.19 RM'000	30.09.18 RM'000
Malaysian taxation based on profit for the period:				
-Current tax	(89)	(50)	(386)	(521)
-Deferred tax	-	-	(1)	(1)
(Under)/Over provision in prior years:				
-Current tax	-	-	-	-
-Deferred tax	-	-	-	-
	<u>(89)</u>	<u>(50)</u>	<u>(387)</u>	<u>(522)</u>

The effective tax rate for the financial period ended 30 September 2019 is lower than the statutory tax rate due to the available unutilised tax losses and unabsorbed capital allowances.

20. Commentary of Prospects

(i) Commercial vehicles and bodyworks

Though the market for rebuilt commercial vehicles remains challenging and in view of successful achievement in central region, the Group has planned to set up sales office in southern region.

(ii) Property development

With the country's mega infrastructure projects gaining momentum, the Group hoped to garner some contracts from the main contractors to gain a stronger foothold in projects development , construction and engineering.

The joint developments project of "8th & Stellar", couple with its current mixed residential and commercial development in Bandar Petaling Jaya Selatan, should augurs well for the current year's prospect, with the recent government budget on the encouragement for foreigners to own residential property in Malaysia.

The Group is always on the lookout for new joint ventures and viable land for commercial and mixed development.

Barring unforeseen circumstances, the Board is optimistic of the current year performance.

21. Cash and Bank Balances

	As At	As At
	30.09.19 RM'000	31.03.19 RM'000
Cash and bank balances	10,573	2,890
Short-term funds with licensed financial institutions	540	7,615
	<u>11,113</u>	<u>10,505</u>

Notes to the Interim Financial Statements for the second quarter ended 30 September 2019

22. Material Litigation

There were no material litigation during the current financial quarter under review.

23. Group Borrowings and Debt Securities

Group borrowings as at 30 September 2019 were as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Banker's acceptances	29,910	-	29,910
Finance lease payables	239	-	239
Term loans	26	-	26
Sub-total	<u>30,175</u>	<u>-</u>	<u>30,175</u>
<u>Non-current liabilities</u>			
Finance lease payables	68	-	68
Term loans	791	-	791
Sub-total	<u>859</u>	<u>-</u>	<u>859</u>
Total	<u>31,034</u>	<u>-</u>	<u>31,034</u>

24. Basis of Calculation of Basic and Diluted Earnings Per Share Attributable to Owners of the Parent

Basic Earnings Per Share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.19	30.09.18	30.09.19	30.09.18
Profit for the period attributable to the owners of the Parent (RM'000)	<u>669</u>	<u>530</u>	<u>1,098</u>	<u>2,321</u>
Weighted average number of ordinary shares in issue ('000 units)	297,111	297,111	297,111	297,111
Effect of treasury shares held ('000 units)	<u>(700)</u>	<u>-</u>	<u>(700)</u>	<u>-</u>
	<u>296,411</u>	<u>297,111</u>	<u>296,411</u>	<u>297,111</u>
Basic Earnings Per Share (sen)	<u>0.23</u>	<u>0.18</u>	<u>0.37</u>	<u>0.78</u>

Diluted Earnings Per Share

The diluted earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of warrants as follows:

Profit for the period attributable to the owners of the Parent (RM'000)	<u>669</u>	<u>530</u>	<u>1,098</u>	<u>2,321</u>
Weighted average number of ordinary shares in issue ('000 units)	296,411	297,111	296,411	297,111
Adjustment for dilutive effect of warrants ('000 units)	11,188	17,982	23,559	37,687
Weighted average number of shares assumed to be in issue ('000 units)	<u>307,599</u>	<u>315,093</u>	<u>319,970</u>	<u>334,798</u>
Diluted Earnings Per Share (sen)	<u>0.22</u>	<u>0.17</u>	<u>0.34</u>	<u>0.69</u>

Date : 25 November 2019