

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018**  
(The figures have not been audited)

	Individual Quarter		Changes Increase/ (decrease) RM'000	Cumulative Quarter		Changes Increase/ (decrease) RM'000
	Unaudited Current Year 30.09.2018 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2017 RM'000		Unaudited Current Year To Date 30.09.2018 RM'000	Unaudited Preceding Year 30.09.2017 RM'000	
Revenue	8,611	9,574	(963)	15,028	17,521	(2,493)
Cost of sales	(7,930)	(8,046)	116	(13,905)	(15,930)	2,025
Gross profit	681	1,528	(847)	1,123	1,591	(468)
Operating expenses	(2,646)	(3,385)	739	(4,615)	(4,450)	(165)
Other operating income	387	256	131	750	537	213
Loss from operations	(1,578)	(1,601)	23	(2,742)	(2,322)	(420)
Finance cost	(148)	(17)	(131)	(173)	(27)	(146)
Loss before tax	(1,726)	(1,618)	(108)	(2,915)	(2,349)	(566)
Taxation	-	-	-	-	-	-
Loss from continued operations	(1,726)	(1,618)	(108)	(2,915)	(2,349)	(566)
Profit from discontinued operations, net of tax	-	-	-	-	-	-
Net loss for the period	(1,726)	(1,618)	(108)	(2,915)	(2,349)	(566)
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive loss for the period	(1,726)	(1,618)	(108)	(2,915)	(2,349)	(566)
Weighted average number of shares ('000s)	587,770	587,770		587,770	587,770	
Loss per share (sen)						
- Basic	(0.29)	(0.28)		(0.50)	(0.40)	
- Diluted #	N/A	N/A		N/A	N/A	

**Note :**

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

# The fully dilutive loss per share of the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price of the warrants is higher than the fair value of the Company's shares.

**DPS RESOURCES BERHAD**  
(Company No. 630878-X)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018**  
(The figures have not been audited)

	Unaudited As at End Of Current Quarter 30.09.2018 RM'000	Audited As at Preceding Financial Year End 31.03.2018 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	85,079	87,356
Prepaid land lease payments	11,457	11,530
	<u>96,536</u>	<u>98,886</u>
<b>Current assets</b>		
Property development expenditure	10,001	7,124
Inventories	5,102	5,371
Trade and other receivables	6,653	10,598
Cash, deposits and bank balances	1,098	2,599
	<u>22,854</u>	<u>25,692</u>
<b>Total Assets</b>	<u>119,390</u>	<u>124,578</u>
<b>EQUITY</b>		
Share capital	58,962	58,962
Revaluation reserve	6,133	6,133
Warrant reserve	8,742	8,742
Discount on share	(8,742)	(8,742)
Retained earnings	42,386	45,301
<b>Total equity</b>	<u>107,481</u>	<u>110,396</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	4,513	4,635
Deferred tax liability	1,479	1,479
	<u>5,992</u>	<u>6,114</u>
<b>Current liabilities</b>		
Borrowings	246	246
Trade and other payables	5,614	7,799
Provision for taxation	57	23
	<u>5,917</u>	<u>8,068</u>
<b>Total Liabilities</b>	<u>11,909</u>	<u>14,182</u>
<b>Total Equity And Liabilities</b>	<u>119,390</u>	<u>124,578</u>
Number of ordinary shares of RM0.10 per share ('000)	587,770	587,770
<b>Net Tangible Assets per share attributable to Owner of the Company (RM)</b>	<u>0.18</u>	<u>0.19</u>

**Note :**

The unaudited Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

Net assets per share is derived based on DPS Resources Berhad consolidated net assets of RM107,481,000 (FYE 31.03.2018: RM110,396,000) over the issued number of ordinary shares of 587,769,580 (FYE 31.03.2017: 587,769,580) of RM0.10 each.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018**  
(The figures have not been audited)

	← Non-Distributable →				Distributable →		Total RM'000
	Share Capital RM'000	Warrant Reserve RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Discount on share RM'000	Retained Earnings RM'000	
<b>Balance as at 1 April 2017</b>	<b>58,962</b>	<b>10,121</b>	-	<b>6,133</b>	<b>(10,121)</b>	<b>50,385</b>	<b>115,480</b>
Transfer pursuant to Section 618(2) of the Companies Act 2016 (Note)	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(5,084)	(5,084)
<b>Balance as at 31 March 2018</b>	<b>58,962</b>	<b>10,121</b>	-	<b>6,133</b>	<b>(10,121)</b>	<b>45,301</b>	<b>110,396</b>
Total comprehensive loss for the year	-	-	-	-	-	(2,915)	(2,915)
<b>Balance as at 30 September 2018</b>	<b>58,962</b>	<b>10,121</b>	-	<b>6,133</b>	<b>(10,121)</b>	<b>42,386</b>	<b>107,481</b>

Note :

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

**DPS RESOURCES BERHAD**  
**(Company No. 630878-X)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018**  
**(The figures have not been audited)**

	Current Year To Date 30.09.2018 RM'000	Cumulative Preceding Year End 30.09.2017 RM'000
<b>Net cash outflow from operating activities</b>	(1,360)	(376)
<b>Net cash outflow from investing activities</b>	(62)	(168)
<b>Net cash (outflow)/inflow from financing activities</b>	(79)	4
<b>Net decrease in cash and cash equivalents</b>	<u>(1,501)</u>	<u>(540)</u>
<b>Cash and bank balances as at 1 April</b>	2,599	1,010
	<u>1,098</u>	<u>470</u>
Effect of exchange translation differences on cash and cash equivalents	-	-
<b>Cash and cash equivalents as at 30 September</b>	<u><u>1,098</u></u>	<u><u>470</u></u>
Cash and bank balances	1,098	470
Bank overdrafts	-	-
<b>Cash and cash equivalents as at 30 September</b>	<u><u>1,098</u></u>	<u><u>470</u></u>

The unaudited Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

## **A1. Changes in accounting policies**

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Financial Reporting Standards ("FRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2018.

The financial statements of the Group and the Company have been prepared with the re-adoption of Financial Reporting Standards ("FRSs") as further explained below and in accordance with the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

### Reversion from Malaysian Financial Reporting Standards ("MFRSs") to FRSs

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the MFRS Framework. The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ('MFRS 141') and IC Interpretation 15 Agreements for Construction of Real Estate ('IC 15'), including its parent, significant investor and venture (herein called 'Transitioning Entities').

On 8 September 2015, the MASB has allowed Transitioning Entities to defer adoption of the new until the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 March 2019. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

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

FRS 15	Revenue from Contracts with Customers
FRS 9	Financial Instruments
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts
Annual Improvements to FRS Standards 2014–2016 Cycle	
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 128	Investments in Associates and Joint Ventures
Amendments to FRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The Directors anticipate that the abovementioned Annual Improvements, Amendments to Standards and Standards will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Annual Improvements, Amendments to Standards and Standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

## **A2. Auditors' Report on Preceding Annual Financial Statements**

The audit report for the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2018 were not subject to any qualification.

## **A3. Comments about Seasonality or Cyclical**

The Group's business operational results were not materially affected by any major seasonal or cyclical factors.

#### A4. Unusual Items Due to Their Nature, Size or Incidence

During the current quarter under review, there were no unusual items or events that affecting the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

#### A5. Material Estimates and Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter and financial period-to-date results under review.

#### A6. Issuance or Repayment of Debt and Equity Securities

There were no issuances, repurchases and repayment of debt securities during the period under the review and up to the date of this report.

#### A7. Dividend Declared

No dividend has been declared or paid by the Company during the current quarter under review.

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.

#### A8. Segmental Information

Segment information is provided based on three (3) major business segments, i.e. investment holding, manufacturing and property development.

Business segments in revenue and results of the Group for the current quarter to date for 30 September 2018 are as follows:

##### 3 months ended 30 September 2018

<b>Business Segments</b>	Investment Holding	Manufacturing	Property Development	Adjustments/ Eliminations	Consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Sales	-	7,474	1,137	-	8,611
Inter-segment	240	-	-	(240)	-
Total Revenue	<u>240</u>	<u>7,474</u>	<u>1,137</u>	<u>(240)</u>	<u>8,611</u>
<b>Results :</b>					
Segment results	(191)	(660)	(727)	-	(1,578)
Finance cost					(148)
Loss before tax					<u>(1,726)</u>
Taxation					-
Net loss for the period					<u>(1,726)</u>

##### 3 months ended 30 September 2017

<b>Business Segments</b>	Investment Holding	Manufacturing	Property Development	Adjustments/ Eliminations	Per consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Sales	-	7,940	1,634	-	9,574
Inter-segment	120	-	-	(120)	-
Total Revenue	<u>120</u>	<u>7,940</u>	<u>1,634</u>	<u>(120)</u>	<u>9,574</u>
<b>Results :</b>					
Segment results	(339)	(1,608)	346	-	(1,601)
Finance cost					(17)
Loss before tax					<u>(1,618)</u>
Taxation					-
Net loss for the period					<u>(1,618)</u>

**A9. Subsequent Events**

There were no other material events during the current quarter of 30 September 2018 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

**A10. Valuations of Property, Plant and Equipment**

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

**A11. Changes in Composition of the Group**

There are no changes in the composition of the Group during the quarter under review.

**A12. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 March 2018.

**A13. Capital Commitments**

There are no capital expenditure commitments contracted and not provided for in the interim financial statements as at 30 September 2018.

## PART B: ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

### B1 Review of Performance for Comparison with Current Quarter to Corresponding Quarter of Last Year

Our Group's revenue was increased/(decreased) as follows:

	Current Year Quarter 30.09.2018 RM'000	Preceding Year Corresponding Quarter after prior period adjustment 30.09.2017 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Manufacturing and trading	7,474	7,940	(466)
Property development	1,137	1,634	(497)
Total	<u>8,611</u>	<u>9,574</u>	<u>(963)</u>

### B2 Review of Performance for Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 30.09.2018 RM'000	Immediate Preceding Quarter 31.06.2018 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Manufacturing and trading	7,474	7,432	42
Property development	1,137	(1,015)	2,152
Total	<u>8,611</u>	<u>6,417</u>	<u>2,194</u>
Cost of Sales	<u>(7,930)</u>	<u>(5,975)</u>	<u>4,346</u>
Gross Profit	<u>681</u>	<u>442</u>	<u>6,540</u>
<u>LOSS BEFORE TAX ("PBT")</u>			
Manufacturing and trading	(788)	(117)	(671)
Property development	(747)	(1,018)	271
Investment holdings	(191)	(54)	(137)
Total	<u>(1,726)</u>	<u>(1,189)</u>	<u>(537)</u>

For the current quarter, the revenue of the Group is RM8.611m (30.06.18 : RM6.417m), the revenue increase by 34.19% as compared to the preceding quarter due to higher volume of sales of trading of furnitures and development sales. The Group registered a loss of RM1.726m (31.06.18 : RM1.189m loss).

### B3 Commentary on Prospects

The Board is of the view that the future prospects of our furniture products are encouraging and the Group will potentially benefit from the outlook of the global furniture industry which is expected to improve our financial performance.

Meanwhile, the Group will also focus on developing affordable housing projects to drive its growth and the Group's profitability. Barring any unforeseen circumstances, our Board is confident that the Group will continue to be resilient and return profitable in the financial year ended 31 March 2019.

### B4 Profit Forecast or Profit Guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.



**B5 Notes to Consolidated Statement of Comprehensive Income**

	Current Year To Date 30.09.2018 RM'000	Cumulative Preceding Year To Date 30.09.2017 RM'000
<b>Loss for the period is arrived at</b>		
<b>after crediting:</b>		
(Gain) on foreign exchange	(133)	(22)
Loss on disposal of property, plant and equipment	-	19
Interest income	(5)	-
	<u>(138)</u>	<u>(3)</u>
<b>and after charging :</b>		
Amortisation and depreciation	2,409	2,437
(Gain)/loss on foreign exchange	(21)	114
	<u>2,388</u>	<u>2,548</u>

**B6 Taxation**

	Current Year Quarter 30.09.2018 RM'000	Preceding Year Quarter 30.09.2017 RM'000
Malaysian income tax	-	-
Deferred tax	-	-
Tax for the financial period	-	-
	<u>-</u>	<u>-</u>

**B7 Status of Corporate Proposals**

There are no corporate proposals announced but not completed as at the reporting date.

**B8 Group Borrowings and Debt Securities**

Total Group borrowings as at 30 June 2018 were as follows :-

	As at 30.09.2018 Total RM'000	As at 31.03.2018 Total RM'000
<b>Short term borrowings</b>		
Term Loans	246	246
	<u>246</u>	<u>246</u>
<b>Long term borrowings</b>		
Term Loans	4,513	4,635
	<u>4,513</u>	<u>4,635</u>
<b>Total borrowings</b>	<u>4,759</u>	<u>4,881</u>

The Group does not have any foreign borrowings as at the date of this report.

## **B9 Material Litigation**

Save for the following, the Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report:-

### **Putrajaya Court of Appeal Civil Appeal No. B-02(NCVC)(W)-1798-10/2014 High Court Court of Shah Alam Civil No. 22NCVC-1488-12/2012-02- MSIG Appellant/Defendant vs SSB Respondent/Plaintiff**

Shantawood Sdn. Bhd. (“SSB”), a wholly-owned subsidiary company of the Company had on 29 December 2012 filed a suit at the High Court in Shah Alam against MSIG Takaful Berhad (“MSIG”) to recover the loss and damages of RM24,219,074 (“Fire Claim”) as a result of MSIG repudiating the claims made by SSB under the fire insurance policies taken up by SSB from MSIG for the Fire Incidents.

MSIG had on 25 February 2013 filed its Statement of Defence disputing the Fire Claim. On 26 September 2014, the Court had allowed SSB's claim and had awarded SSB a sum of RM19,496,399 (“Judgment Sum”) and the cost of RM50,000 together with the interest rate of 5% per annum to be calculated from 14 July 2011 until the full and final settlement of the same (“Judgment”).

MSIG subsequently filed a notice of appeal to the Court of Appeal (“COA”) against the Judgment and made an application for stay of execution of the Judgment with the High Court on 20 October 2014. On 17 November 2014, High Court allowed the stay of execution of the Judgment but ordered the Judgment Sum be deposited into the plaintiff's solicitor account.

On the 22 April 2016, the COA delivered its decision on the appeal filed by MSIG. The COA dismissed the appeal by MSIG on the issues of liability and interest and thereby affirmed the High Court decision on the said issues. However, the COA allowed the appeal by MSIG in part on the issue of quantum; whereby the COA directed that the matter be sent back to the High Court for a reassessment of damages.

#### Leave Application / Appeal Federal Court

SSB appealed against the COA's decision, namely on the issue of quantum. On 17 January 2017, the matter had come up for hearing for leave application and the same was dismissed as the matter had been fixed for assessment before the High Court and the Federal Court had not allowed cost to MSIG. As such, the matter will revert to High Court for assessment of damages payable to SSB.

#### Reassessment of damages at Shah Alam High Court

As at the LPD, the reassessment of damages is still at the case management stage and pending mediation date. In the event the mediation fails, the matter will proceed for assessment of damages. The Company shall provide further updates to our shareholders upon receipt of the hearing date from the Court.

### **Shantawood Sdn Bhd (“SSB”) vs HSBC Amanah Takaful (Malaysia) Berhad (“HSBC”)**

The Board had on 21 July 2017 announced that SSB, its wholly-owned subsidiary had initiated legal proceedings against HSBC on 6 July 2017.

The suit had been filed into court and SSB's. The matter is going through trials in the High Court which are expected to be completed by October 2018.

SSB do not expect any decision until November or December 2018.

## **B10 Proposed Dividend**

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

## B11 Earnings per Share

### a) Basic

Basic earnings per ordinary share is calculated by dividing the net profit for the financial period attributable to owner of the company by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	Quarter
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Loss attributable to ordinary equity holders of the parent (RM'000)	<u>(1,726)</u>	<u>(1,618)</u>	<u>(2,915)</u>	<u>(2,349)</u>
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	<u>587,770</u>	<u>587,770</u>	<u>587,770</u>	<u>587,770</u>
Basic loss per share (sen)	<u>(0.29)</u>	<u>(0.28)</u>	<u>(0.50)</u>	<u>(0.40)</u>

### b) Diluted

The fully diluted earnings per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

## B12 Authority For Issue

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.