

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**  
(The figures have not been audited)

	Individual Quarter		Changes Increase/ (decrease) RM'000	Cumulative Quarter		Changes Increase/ (decrease) RM'000
	Unaudited Current Year 31.12.2018 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2017 RM'000		Unaudited Current Year To Date 31.12.2018 RM'000	Unaudited Preceding Year 31.12.2017 RM'000	
Revenue	5,856	9,459	(3,603)	20,884	26,980	(6,096)
Cost of sales	(5,162)	(8,311)	3,149	(19,067)	(24,241)	5,174
Gross profit	694	1,148	(454)	1,817	2,739	(922)
Operating expenses	(2,409)	(2,343)	(66)	(7,023)	(6,793)	(230)
Other operating income	743	461	282	1,493	997	496
Loss from operations	(972)	(734)	(238)	(3,713)	(3,057)	(656)
Finance cost	(79)	(19)	(60)	(252)	(46)	(206)
Loss before tax	(1,051)	(753)	(298)	(3,965)	(3,103)	(862)
Taxation	(32)	-	(32)	(32)	-	(32)
Loss from continued operations	(1,083)	(753)	(330)	(3,997)	(3,103)	(894)
Profit from discontinued operations, net of tax	-	-	-	-	-	-
Net loss for the period	(1,083)	(753)	(330)	(3,997)	(3,103)	(894)
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive loss for the period	(1,083)	(753)	(330)	(3,997)	(3,103)	(894)
Weighted average number of shares ('000s)	587,770	587,770		587,770	587,770	
Loss per share (sen)						
- Basic	(0.18)	(0.13)		(0.68)	(0.53)	
- Diluted <sup>#</sup>	N/A	N/A		N/A	N/A	

**Note :**

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

# 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 31 DECEMBER 2018**  
(The figures have not been audited)

	Unaudited As at End Of Current Quarter 31.12.2018 RM'000	Audited As at Preceding Financial Year End 31.03.2018 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	84,065	87,356
Prepaid land lease payments	11,420	11,530
	95,485	98,886
<b>Current assets</b>		
Property development expenditure	11,996	7,124
Inventories	5,062	5,371
Trade and other receivables	9,494	10,598
Cash and bank balances	2,730	2,599
	29,282	25,692
<b>Total Assets</b>	124,767	124,578
<b>EQUITY</b>		
Share capital	58,962	58,962
Revaluation reserve	6,133	6,133
Warrant reserve	10,121	10,121
Discount on share	(10,121)	(10,121)
Retained earnings	43,284	45,301
<b>Total equity</b>	108,379	110,396
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	9,606	4,635
Deferred tax liability	1,479	1,479
	11,085	6,114
<b>Current liabilities</b>		
Trade and other payables	4,201	7,799
Borrowings	1,045	246
Provision for taxation	57	23
	5,303	8,068
<b>Total Liabilities</b>	16,388	14,182
<b>Total Equity And Liabilities</b>	124,767	124,578
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>	<b>0.18</b>	<b>0.19</b>

**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 RM106,399,000 (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 THIRD QUARTER ENDED 31 DECEMBER 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>50,384</b>	<b>115,479</b>
Transfer pursuant to Section 618(2) of the Companies Act 2016	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(3,103)	(3,103)
<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>47,281</b>	<b>112,376</b>
Total comprehensive loss for the year	-	-	-	-	-	(3,997)	(3,997)
<b>Balance as at 31 December 2018</b>	<b>58,962</b>	<b>10,121</b>	-	<b>6,133</b>	<b>(10,121)</b>	<b>43,284</b>	<b>108,379</b>

Note :

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**  
**(The figures have not been audited)**

	Current Year To Date 31.12.2018 RM'000	Cumulative Preceding Year End 31.12.2017 RM'000
<b>Net cash (outflow) from operating activities</b>	(4,695)	(5,176)
<b>Net cash inflow from investing activities</b>	8	3,269
<b>Net cash inflow from financing activities</b>	4,814	4,822
<b>Net increase in cash and cash equivalents</b>	<u>127</u>	<u>2,915</u>
<b>Cash and bank balances as at 1 April</b>	2,603	1,010
	<u>2,730</u>	<u>3,925</u>
Effect of exchange translation differences on cash and cash equivalents	-	-
<b>Cash and cash equivalents as at 31 December</b>	<u><u>2,730</u></u>	<u><u>3,925</u></u>
<b><u>Reconciliation :</u></b>		
Cash and bank balances	2,730	3,925
Bank overdrafts	-	-
<b>Cash and cash equivalents as at 31 December</b>	<u><u>2,730</u></u>	<u><u>3,925</u></u>

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

## **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 2018.

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 Cyclicity**

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 31 December 2018 are as follows:

##### 3 months ended 31 December 2018

<b>Business Segments</b>	Investment Holding	Furniture	Property Development	Adjustments/ Eliminations	Consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Sales	-	4,698	1,158	-	5,856
Inter-segment	360	-	-	(360)	-
Total Revenue	<u>360</u>	<u>4,698</u>	<u>1,158</u>	<u>(360)</u>	<u>5,856</u>
<b>Results :</b>					
Segment results	(242)	(699)	(31)	-	(972)
Finance cost					<u>(79)</u>
Loss before tax					(1,051)
Taxation					<u>(32)</u>
Net loss for the period					<u>(1,083)</u>

##### 3 months ended 31 December 2017

<b>Business Segments</b>	Investment Holding	Furniture	Property Development	Adjustments/ Eliminations	Consolidated Financial Statements
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External Sales	-	6,885	2,574	-	9,459
Inter-segment	180	-	-	(180)	-
Total Revenue	<u>180</u>	<u>6,885</u>	<u>2,574</u>	<u>(180)</u>	<u>9,459</u>
<b>Results :</b>					
Segment results	(452)	(827)	545	-	(734)
Finance cost					<u>(19)</u>
Profit before tax					(753)
Taxation					-
Net profit for the period					<u>(753)</u>

**A9. Subsequent Events**

There were no other material events during the current quarter of 31 December 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 31 December 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 as follows:

	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter after prior period adjustment 31.12.2017 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Furniture	4,698	6,885	(2,187)
Property development	1,158	2,574	(1,416)
Investment holdings	-	-	-
Total	<u>5,856</u>	<u>9,459</u>	<u>(3,603)</u>

Revenue for the current quarter is RM3,603 thousand lower compared to preceding year corresponding quarter mainly due to overall market weakening and increase in cost. As for development, we have obtained the approved building plan and we are in the stage of launching and preparation and calling for quotation and tender of the projects. We expect to have higher sales in next two quarters.

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

	Current Year Quarter 31.12.2018 RM'000	Immediate Preceding Quarter 30.09.2018 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Furniture	4,698	7,474	(2,776)
Property development	1,158	1,137	21
Total	<u>5,856</u>	<u>8,611</u>	<u>(2,755)</u>
Cost of Sales	<u>(5,162)</u>	<u>(7,930)</u>	<u>2,768</u>
Gross Profit	<u>694</u>	<u>681</u>	<u>13</u>
<u>LOSS BEFORE TAX ("PBT")</u>			
Furniture	(765)	(788)	23
Property development	(44)	(747)	703
Investment holdings	(242)	(191)	(51)
Total	<u>(1,051)</u>	<u>(1,726)</u>	<u>675</u>

For the current quarter, the revenue of the Group is RM5,856m (30.9.18 : RM8.611m), the revenue decrease by 32% as compared to the preceding quarter due to decrease in volume of sales of furniture. The Group registered a loss of RM1.051m (30.9.18 : RM1.726m 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 remain 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 31.12.2018 RM'000	Cumulative Preceding Year To Date 31.12.2017 RM'000
<b>Loss for the period is arrived at</b>		
<b>after crediting:</b>		
Gain on foreign exchange	(229)	(36)
Gain on disposal of property, plant and equipment	(29)	(180)
Interest income	(17)	(8)
Rental income	(909)	(705)
	<u>(909)</u>	<u>(705)</u>
<b>and after charging :</b>		
Auditors' remuneration	91	31
Amortisation and depreciation	3,613	3,647
Loss on foreign exchange	69	200
	<u>69</u>	<u>200</u>

**B6 Taxation**

	Current Year Quarter 31.12.2018 RM'000	Preceding Year Corresponding Quarter 31.12.2017 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 31 December 2018 were as follows :-

	As at 31.12.2018 Total RM'000	As at 31.03.2018 Total RM'000
<b>Short term borrowings</b>		
Term Loans- secured	<u>1,045</u>	<u>246</u>
	-	-
<b>Long term borrowings</b>		
Term Loans- secured	<u>9,606</u>	<u>4,635</u>
<b>Total borrowings</b>	<u>10,651</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:-

### **Shantawood Sdn. Bhd. v Hong Leong MSIG (High Court of Malaya At Shah Alam Civil No. 22NCVC-1488-12/2012)**

The Board refer to the announcements made on 29 September 2014, 29 October 2014, 25 June 2015, 26 October 2015, 5 November 2015, 30 November 2015, 22 January 2016, 30 March 2016, 11 May 2016, 26 July 2016, 14 September 2016, 30 November 2016, 2 February 2017, 27 February 2017, 30 May 2017 and 21 July 2017 in relation to the Material Litigation ("Announcement"). Unless otherwise defined, the definitions set out in the Announcement shall apply herein.

The Board of Directors of DPS wishes to announce the following update to the Material Litigation.

### **Reassessment of Damages at Shah Alam High Court**

The hearing for the reassessment of damages will commence on March 2019 onwards and we shall update Bursa the development of the case in due course.

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

The Board refer to the announcement made on 21st July 2017 and 26th February 2018 in relation to the Material Litigation ("Announcement").

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. The matter is going through trials in the High Court in the month of March and April 2019. We shall update Bursa the development of the case in due course.

## 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	Corresponding	To Date	Corresponding
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Loss attributable to ordinary equity holders of the parent (RM'000)	<u>(1,083)</u>	<u>(753)</u>	<u>(3,997)</u>	<u>(3,103)</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>(0.18)</u>	<u>(0.13)</u>	<u>(0.68)</u>	<u>(0.53)</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.