

## Condensed Consolidated Statement of Financial Position

As at 31 October 2018

(The figures have not been audited)

	As at 31-Oct-18 RM'000	(Restated) As at 31-Jul-18 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	54,170	55,404
Investment in an associate	437	437
	<u>54,607</u>	<u>55,841</u>
<b>Current assets</b>		
Inventories	52,031	52,269
Trade and other receivables	41,566	37,507
Derivative financial assets	186	242
Short term funds	33,726	25,968
Cash and bank balances	6,891	5,686
	<u>134,400</u>	<u>121,672</u>
<b>Total assets</b>	<u>189,007</u>	<u>177,513</u>
<b>Equity and Liabilities</b>		
Share capital	60,159	60,000
Employee share options reserve	1,601	-
Retained earnings	66,772	64,352
<b>Total equity</b>	<u>128,532</u>	<u>124,352</u>
<b>Liabilities</b>		
<b>Non-current liability</b>		
Deferred tax liabilities	4,777	4,957
	<u>4,777</u>	<u>4,957</u>
<b>Current liabilities</b>		
Trade and other payables	19,130	12,727
Borrowings	35,023	34,571
Derivative financial liabilities	145	212
Current tax liabilities	1,400	694
	<u>55,698</u>	<u>48,204</u>
<b>Total liabilities</b>	60,475	53,161
<b>Total equity and liabilities</b>	<u>189,007</u>	<u>177,513</u>
	<b>RM</b>	<b>RM</b>
Net assets per ordinary share	<u>1.07</u>	<u>1.04</u>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2018.

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For The Period Ended 31 October 2018**  
(The figures have not been audited)

	Current quarter ended		Cumulative period ended	
	31-Oct-18 RM'000	31-Oct-17 RM'000	31-Oct-18 RM'000	31-Oct-17 RM'000
Revenue	124,458	120,088	124,458	120,088
Operating expenses	(119,101)	(116,404)	(119,101)	(116,404)
Other (expenses)/income, net	(1,298)	627	(1,298)	627
Profit from operations	4,059	4,311	4,059	4,311
Share of loss in an associate, net of tax	-	-	-	-
Profit before interest and tax	4,059	4,311	4,059	4,311
Finance costs	(331)	(192)	(331)	(192)
Profit before tax	3,728	4,119	3,728	4,119
Tax expenses	(1,308)	(1,103)	(1,308)	(1,103)
Profit for the financial period	2,420	3,016	2,420	3,016
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	2,420	3,016	2,420	3,016
Profit attributable to:				
- Owners of the parent	2,420	3,016	2,420	3,016
Total comprehensive income attributable to:				
- Owners of the parent	2,420	3,016	2,420	3,016
Earnings per ordinary share attributable to equity holders of the parent (sen)				
- Basic earnings per ordinary share	2.01	2.51	2.01	2.51
- Diluted earnings per ordinary share	1.99	2.51	1.99	2.51

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2018.

**Condensed Consolidated Statement of Changes in Equity**  
**For The Period Ended 31 October 2018**  
(The figures have not been audited)

	Share capital RM'000	Employee share option reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 August 2017	60,000	-	54,345	114,345
Total comprehensive income for the financial period	-	-	3,016	3,016
Balance as at 31 October 2017	<u>60,000</u>	<u>-</u>	<u>57,361</u>	<u>117,361</u>
Balance as at 1 August 2018				
- As previously stated	60,000	-	64,387	124,387
- Adjustments arising from adoption of MFRS 9	-	-	(35)	(35)
- Restated	<u>60,000</u>	<u>-</u>	<u>64,352</u>	<u>124,352</u>
Total comprehensive income for the financial period	-	-	2,420	2,420
<b>Transactions with owners:</b>				
Share options under ESOS granted and accepted	-	1,637	-	1,637
Ordinary shares issued pursuant to the exercised of ESOS	159	(36)	-	123
	159	1,601	-	1,760
Balance as at 31 October 2018	<u>60,159</u>	<u>1,601</u>	<u>66,772</u>	<u>128,532</u>

These condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 July 2018.

**Condensed Consolidated Statement of Cash Flow**  
**For The Period Ended 31 October 2018**  
(The figures have not been audited)

	<b>Period ended 31-Oct-18 RM'000</b>	<b>Period ended 31-Oct-17 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,728	4,119
Adjustments for:		
Interest income	(215)	(92)
Interest expenses	331	192
Depreciation of property, plant and equipment	1,299	1,269
Impairment losses on trade receivables	6	-
Share-based compensation pursuant to ESOS granted and accepted	1,637	-
Unrealised loss/(gain) on foreign exchange	576	(233)
Fair value (gain)/loss on derivative instruments	(11)	131
Operating profit before changes in working capital	<u>7,351</u>	<u>5,386</u>
Changes in working capital		
Inventories	238	14,201
Trade and other receivables	(3,818)	(9,483)
Trade and other payables	6,328	2,456
Cash generated from operations	<u>10,099</u>	<u>12,560</u>
Tax paid	(781)	(1,094)
Net cash generated from operating activities	<u>9,318</u>	<u>11,466</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	215	92
Purchase of property, plant and equipment	(65)	(4,576)
Net cash generated from/(used in) investing activities	<u>150</u>	<u>(4,484)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in bank borrowings	(297)	1,057
Proceeds from ordinary shares issued pursuant to ESOS exercised	123	-
Interest paid	(331)	(192)
Net cash (used in)/generated from financing activities	<u>(505)</u>	<u>865</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	8,963	7,847
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<u>31,654</u>	<u>7,751</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>40,617</u>	<u>15,598</u>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS:</b>		
Short term funds	33,726	6,880
Cash and bank balances	6,891	8,718
	<u>40,617</u>	<u>15,598</u>

These condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 July 2018.

**Notes to the Financial Statements**  
**For The Period Ended 31 October 2018**

**A Explanatory Notes**

**A1 Basis of preparation**

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRSs") 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities")'s Listing Requirements.

The condensed financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 July 2018. The explanatory notes to these 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 July 2018.

**A2 Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2018 except for the adoption of the following new/revised MFRSs, Amendments to MFRSs and Issues Committee Interpretations (IC Interpretations):

**a) Adoption of MFRSs and Amendments to MFRSs**

	<b>Effective for periods beginning on or after</b>
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 Jan 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 Jan 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i>	1 Jan 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 Jan 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 Jan 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 Jan 2018
Clarification to MFRS 15	1 Jan 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 Jan 2018

Adoption of the above standard does not have any significant effect on the financial performance and position of the Group, except as discussed below:

MFRS 9 : Financial Instruments

MFRS 9 replaces the guidance in MFRS 139: Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting.

	<b>As at 1 August 2018</b>		
	<b>As previously stated RM'000</b>	<b>Adoption of MFRS 9 RM'000</b>	<b>As restated RM'000</b>
<b><u>Condensed Consolidated Statement of Financial Position</u></b>			
<b>Current assets</b>			
Trade and other receivables	37,553	(46)	37,507
<b>Equity and Liabilities</b>			
Retained earnings	64,387	(35)	64,352
<b>Non-current liability</b>			
Deferred tax liabilities	4,968	(11)	4,957

Notes to the Financial Statements  
For The Period Ended 31 October 2018

A Explanatory Notes

---

A2 Significant Accounting Policies (Cont'd)

b) MFRSs and Amendments to MFRSs issued but not yet effective

	Effective for periods beginning on or after
MFRS 16 <i>Leases</i>	1 Jan 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 Jan 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 Jan 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 Jan 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 Jan 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 Jan 2019
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 Jan 2020
MFRS 17 <i>Insurance Contracts</i>	1 Jan 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

A3 Qualification of financial statements

There was no qualification in the audited financial statements for the financial year ended 31 July 2018.

A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter and financial period to-date.

A6 Change in estimates

There were no changes in estimates of amounts reported in prior financial periods that have a material effect in the current quarter and financial period to-date.

**Notes to the Financial Statements**  
**For The Period Ended 31 October 2018**

**A Explanatory Notes**

**A7 Debt and equity securities**

**a) For the current quarter**

During the financial period to date, the Company had issued additional 189,000 new ordinary shares at RM0.65 per share pursuant to the exercise of ESOS. The movement of shares by the Company during the current financial period to-date were as follows:

<b>Date of allotment</b>	<b>Description</b>	<b>No of shares</b>	<b>Average price RM / share</b>	<b>Total consideration RM</b>
19-Oct-18	Share issued pursuant to ESOS	189,000	0.650	122,850
		189,000		122,850

**b) Subsequent to the financial period ended 31 October 2018**

Subsequent to the financial period ended 31 October 2018 and up to the date of this report, the Company had issued additional 827,000 new ordinary shares at RM0.65 per share pursuant to the exercise of ESOS by the eligible Director and employees who have been granted the options as follows:

<b>Date of allotment</b>	<b>Description</b>	<b>No of shares</b>	<b>Average price RM / share</b>	<b>Total consideration RM</b>
7-Nov-18	Share issued pursuant to ESOS	40,000	0.650	26,000
9-Nov-18	Share issued pursuant to ESOS	100,000	0.650	65,000
22-Nov-18	Share issued pursuant to ESOS	177,000	0.650	115,050
30-Nov-18	Share issued pursuant to ESOS	300,000	0.650	195,000
4-Dec-18	Share issued pursuant to ESOS	210,000	0.650	136,500
		827,000		537,550

As the date of this report, the unexercised options pursuant to A-Rank Employees' Share Option Scheme ("ESOS") granted and accepted to eligible Directors and employees are 7,601,000 options.

Other than as disclosed above, there were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial period to-date and subsequent to the end of the current financial period ended and up to the date of this report.

**A8 Dividend paid**

No dividend has been paid by the Company during the current quarter.

**A9 Segmental information**

The Group is principally engaged in investment holding and manufacturing and marketing of aluminium billets.

The Group has arrived at two reportable segments that are organised and managed separately according to geographical areas, which require different business and marketing strategies. The reportable segments are Malaysia and South East Asia other than Malaysia. Other operating segments comprise countries in Africa, Europe and South Asia.

Notes to the Financial Statements  
For The Period Ended 31 October 2018

## A Explanatory Notes

## A9 Segmental information (Cont'd)

	Malaysia RM'000	South East Asia other than Malaysia RM'000	Others RM'000	Total RM'000
Revenue from external customers	75,481	28,473	20,504	124,458
Profit from operations				4,059
Finance costs				(331)
Share of loss in an associate, net of tax				-
Profit before tax				3,728
Tax expenses				(1,308)
Profit after tax				2,420
<b>Assets</b>				
Segment assets	180,432	6,256	1,696	188,384
Investment in an associate	437	-	-	437
	180,869	6,256	1,696	188,821
Unallocated assets:				
- Derivative financial assets				186
				189,007
<b>Liabilities</b>				
Segment liabilities	19,130	-	-	19,130
Unallocated liabilities:				
- Borrowings				35,023
- Current tax liabilities				1,400
- Deferred tax liabilities				4,777
- Derivative financial liabilities				145
				60,475

## A10 Contingent liabilities

At the end of the current quarter, there are no material contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of the Group except for the following:

	As at 31-Oct-18 RM'000	As at 31-Jul-18 RM'000
Corporate guarantees given to financial institutions for banking facilities utilised by a subsidiary #	35,023	34,571

# The Company provided corporate guarantee for banking facilities granted to a subsidiary with limits of RM88.0 million and USD5.0 million (31 July 2018: RM88.0 million and USD5.0 million).



**Notes to the Financial Statements**  
**For The Period Ended 31 October 2018**

**A Explanatory Notes**

**A11 Material events subsequent to the end of the current quarter**

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statements for the financial period to-date except for the corporate proposal as disclosed in the Note B7.

**A12 Commitments**

**(a) Capital commitments**

At the end of the current quarter, capital commitments of the Group are as follows:

	<b>As at 31-Oct-18 RM'000</b>	<b>As at 31-Jul-18 RM'000</b>
Capital expenditures in respect of purchase of property, plant and equipment:		
- Approved and contracted for	509	509
- Approved but not contracted for	2,788	2,853
	<u>3,297</u>	<u>3,362</u>

**(b) Operating lease commitments**

The Group had entered into non-cancellable lease agreements for machinery and staff hostel, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rate. The Group has aggregate future minimum lease commitments as at the end of each reporting period as follows:

	<b>As at 31-Oct-18 RM'000</b>	<b>As at 31-Jul-18 RM'000</b>
Not later than one (1) year	298	294
Later than one (1) year and not later than five (5) years	1,022	1,091
	<u>1,320</u>	<u>1,385</u>

**A13 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial period to-date.

**A14 Related party transactions**

During the current quarter under review and cumulative period, the material business transactions entered by the Group with related parties in which a Director has substantial financial interests were as follows:

	<b>Current quarter ended</b>		<b>Cumulative period ended</b>	
	<b>31-Oct-18</b>	<b>31-Oct-17</b>	<b>31-Oct-18</b>	<b>31-Oct-17</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Formosa Shyen Horng Metal Sdn Bhd</u>				
- Sales to LB Aluminium Berhad	25,534	23,278	25,534	23,278
- Sales to LB Aluminium (Sarawak) Sdn Bhd	4,483	3,118	4,483	3,118
	<u>4,483</u>	<u>3,118</u>	<u>4,483</u>	<u>3,118</u>

The related parties transactions described above were carried out in the normal course of business and have been established under negotiated and mutually agreed terms.

Notes to the Financial Statements  
For The Period Ended 31 October 2018

**B Additional information required by the Bursa Securities' Listing Requirements**

**B1 Review of performance**

	Current quarter ended				Cumulative period ended			
	31-Oct-18 RM'000	31-Oct-17 RM'000	Changes RM'000	%	31-Oct-18 RM'000	31-Oct-17 RM'000	Changes RM'000	%
Revenue	124,458	120,088	4,370	3.6	124,458	120,088	4,370	3.6
Profit from operations	4,059	4,311	(252)	(5.8)	4,059	4,311	(252)	(5.8)
Profit before interest and tax	4,059	4,311	(252)	(5.8)	4,059	4,311	(252)	(5.8)
Profit before tax	3,728	4,119	(391)	(9.5)	3,728	4,119	(391)	(9.5)
Profit after tax	2,420	3,016	(596)	(19.8)	2,420	3,016	(596)	(19.8)
Profit attributable to owners of the parent	2,420	3,016	(596)	(19.8)	2,420	3,016	(596)	(19.8)

The Group's revenue increased by 3.6% to RM124.5 million for the quarter under review compared to RM120.1 million for the corresponding quarter last year. The improvement in revenue was due mainly to increase business volume mitigated by the lower average selling prices as a result of the drop in raw material costs.

However, the Group reported a decrease in profit before tax for the current quarter compared to the corresponding quarter last year due mainly to the one-off expense of RM1.6 million relating to share-based compensation pursuant to ESOS granted and accepted was provided during the current quarter under review.

The Group reported a significant decrease in profit after tax of 19.8% for the quarter under review as compared to the corresponding quarter last year due mainly to the effect of certain expenses non-deductible for tax purposes.

**Notes to the Financial Statements**  
**For The Period Ended 31 October 2018**

**B Additional information required by the Bursa Securities' Listing Requirements**

**B2 Variance of results against preceding quarter**

	Current Quarter ended 31-Oct-18 RM'000	Preceding Quarter ended 31-Jul-18 RM'000	Changes	
			RM'000	%
Revenue	124,458	120,563	3,895	3.2
Profit from operations	4,059	4,839	(780)	(16.1)
Profit before interest and tax	4,059	4,834	(775)	(16.0)
Profit before tax	3,728	4,528	(800)	(17.7)
Profit after tax	2,420	4,390	(1,970)	(44.9)
Profit attributable to owners of the parent	2,420	4,390	(1,970)	(44.9)

The Group's revenue increased by 3.2% for the quarter under review compared to RM120.6 million registered for the preceding quarter. The improvement in revenue was due mainly to increase business volume mitigated by lower average selling prices as a result of the drop in raw material costs.

The Group registered a decrease in profit before tax of 17.7% for the current quarter under review compared to RM4.5 million achieved for the preceding quarter due mainly to the one-off expense of RM1.6 million relating to share-based compensation pursuant to ESOS granted and accepted was provided during the current quarter.

The Group achieved a significant decrease of 44.9% in profit after tax to RM2.4 million for the current quarter compared to that of the preceding quarter due mainly to the effect of certain expenses non-deductible for tax purposes.

**B3 Prospects**

The global growth momentum is projected to moderate in the fourth quarter of the year amidst intensifying trade tensions and tightening financial conditions. Growth in the Asian region is expected to moderate further, of significance, growth in China is expected to be slower. Going into 2019, growth prospects for the Malaysian economy are expected to remain driven by private sector activity. Exports are likely to moderate but would be supported by demand from major trade partners and the gradual recovery in commodities exports. Going forward, the global economy is expected to expand at a sustained pace in 2019.

The Malaysian economy recorded a sustained growth of 4.4% in the third quarter of 2018 (2Q 2018: 4.5%), supported by expansion in domestic demand amid a decline in net exports growth. The downside risks to growth remained given the continued uncertainty in the external environment and the on-going reforms in the domestic economy. The volatility of both aluminium prices and currencies continue to add uncertainties to our decision-making process particularly on pricing whilst the overall increase in costs of doing business in Malaysia will have adverse impacts on the Group's margins. The Group will remain vigilant and be well prepared for the volatilities and challenges ahead. As usual, we will continuously focus on improving cost efficiencies and recovery to mitigate any adverse impacts on our business.

Barring unforeseen circumstances, the Board is optimistic that the Group will remain profitable for the forthcoming quarter.

**B4 Variance of actual and profit estimate**

Not applicable as no profit forecast was published.

**Notes to the Financial Statements**  
**For The Period Ended 31 October 2018**

**B Additional information required by the Bursa Securities' Listing Requirements**

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

	Current quarter ended		Cumulative period ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM'000	RM'000	RM'000	RM'000
Profit before tax for the financial period is arrived at after (crediting)/charging:				
Interest income	(215)	(92)	(215)	(92)
Interest expenses	331	192	331	192
Depreciation of property, plant and equipment	1,299	1,269	1,299	1,269
Share-based compensation pursuant to ESOS granted and accepted	1,637	-	1,637	-
Impairment losses on trade receivables	6	-	6	-
(Gain)/Loss on foreign exchange				
- realised	(702)	(295)	(702)	(295)
- unrealised	576	(233)	576	(233)
Fair value (gain)/loss on derivative instruments	(11)	131	(11)	131

**B6 Tax expenses**

	Current quarter ended		Cumulative period ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
	RM'000	RM'000	RM'000	RM'000
Current income tax	1,488	901	1,488	901
Deferred tax	(180)	202	(180)	202
	<u>1,308</u>	<u>1,103</u>	<u>1,308</u>	<u>1,103</u>

**B7 Status of corporate proposals**

Saved for the proposals below, the Group did not have any other corporate proposal to report during the financial period and up to the date of this report.

(a) Proposed Bonus Issue

On 26 September 2018, AmlInvestment Bank Berhad had, on behalf of the Company, announced that the Company proposed to undertake a bonus shares of up to 51,452,800 new ordinary shares in the Company ("Bonus Shares") on the basis of two (2) Bonus Shares for every five (5) existing ordinary shares in A-Rank Berhad on an entitlement date to be determined later ("Proposed Bonus Issue").

AmlInvestment Bank Berhad had, on behalf of the Board, announced that Bursa Malaysia Securities Berhad, vide its letter dated 19 October 2018, approved the listing and quotation of up to 51,452,800 new ordinary shares to be issued pursuant to the Proposed Bonus Issue.

The Proposed Bonus Issue was approved by the shareholders at the Annual General Meeting held on 12 December 2018 and is now pending the issue and allocation of the Bonus Shares and the listing thereof.

(b) Proposed Diversification

On 26 September 2018, the Board of Directors of A-Rank Berhad had announced that the Company and its subsidiaries are proposing to diversify its principal activities to include property development ("Proposed Diversification").

The Proposed Diversification was approved by the shareholders at the Annual General Meeting held on 12 December 2018.

Notes to the Financial Statements  
For The Period Ended 31 October 2018

**B Additional information required by the Bursa Securities' Listing Requirements**

**B8 Changes in material litigation**

The Group does not have any material litigation as at the date of this announcement.

**B9 Borrowings**

	31-Oct-18		31-Jul-18	
	Foreign currency USD'000	Amount equivalent RM'000	Foreign currency USD'000	Amount equivalent RM'000
<b><u>Short term borrowings</u></b>				
Unsecured:				
- Foreign currency loans	8,367	35,023	8,500	34,571

**B10 Dividend**

The Board of Directors has not proposed any dividend for this quarter ended 31 October 2018. At the Annual General Meeting held on 12 December 2018, the shareholders of the Company have approved the payment of a first and final single tier dividend of 3.25 sen per ordinary share, amounting to RM3.9 million in respect of the financial year ended 31 July 2018 which will be payable on 27 December 2018.

**B11 Earnings per ordinary share**

**(a) Basic**

Basic earnings per ordinary share for the current quarter under review and cumulative period are computed as follows:

	Current quarter ended		Cumulative period ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
Profit attributable to equity holders of the parent (RM'000)	2,420	3,016	2,420	3,016
Weighted average number of ordinary shares in issue ('000)	120,148	120,000	120,148	120,000
Basic earnings per ordinary share (sen)	2.01	2.51	2.01	2.51

**Notes to the Financial Statements**  
**For The Period Ended 31 October 2018**

**B Additional information required by the Bursa Securities' Listing Requirements**

**B11 Earnings per ordinary share (Cont'd)**

**(b) Diluted**

Diluted earnings per ordinary share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current quarter ended		Cumulative period ended	
	31-Oct-18	31-Oct-17	31-Oct-18	31-Oct-17
Profit attributable to equity holders of the parent (RM'000)	2,420	3,016	2,420	3,016
Weighted average number of ordinary shares in issue ('000)	120,148	120,000	120,148	120,000
Effects of dilution from share options granted to Directors and employees ('000)	1,250	-	1,250	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share ('000)	121,398	120,000	121,398	120,000
Diluted earnings per ordinary share (sen)	1.99	2.51	1.99	2.51

The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial period. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between average share price for the financial period and exercise price.

By Order of the Board

Yap Sit Lee  
 Company Secretary

12 December 2018