

**RESINTECH BERHAD ( 341662-X)****CONDENSED CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME****For The Period Ended 31 Dec 2018**

(The figures have not been audited)

|  | Note | INDIVIDUAL QUARTER                                   |  | CUMULATIVE QUARTER  |   |
|--|------|--|--|---|---|
|  |      | Current Year<br>31 Dec 2018<br>RM'000<br>(Unaudited) | Preceding Year<br>Corresponding<br>Quarter<br>31 Dec 2017<br>RM'000<br>(Audited) | Current Year<br>To Date<br>31 Dec 2018<br>RM'000<br>(Unaudited) | Preceding Year<br>Corresponding<br>Period<br>31 Dec 2017<br>RM'000<br>(Audited) |
| Revenue  |      | 23,365   | 17,638   | 66,022  | 54,342  |
| Cost of sales                                      |      | (20,745)   | (14,088)   | (56,030)  | (43,511)  |
| Gross profit                                       |      | 2,620  | 3,550  | 9,992   | 10,831  |
| Other operating income                             |      | 519  | 629  | 890   | 1,566   |
| Selling and distribution expenses                  |      | (441)  | (619)  | (1,832)   | (1,630)   |
| Administrative expenses                            |      | (1,875)  | (1,763)  | (5,899)   | (5,274)   |
| Other operating expenses                           |      | (285)  | (1,135)  | (1,123)   | (2,813)   |
| Finance costs                                      |      | (500)  | (345)  | (1,353)   | (1,066)   |
| <b>Profit before taxation</b>                      |      | 38   | 317  | 675   | 1,614   |
| Income tax credit/(expense)                        | B5   | 183  | 324  | (49)  | (252)   |
| <b>Profit after taxation</b>                       |      | 221  | 641  | 626   | 1,362   |
| <b>Total comprehensive income for the period</b>   |      |  |  |   |   |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b> |      |  |  |   |   |
| Equity holders of the parent                       |      | 222  | 642  | 629   | 1,364   |
| Minority interests                                 |      | (1)  | (1)  | (3)   | (2)   |
|  |      | 221  | 641  | 626   | 1,362   |
| <b>Earnings per share (sen):</b>                   |      |  |  |   |   |
| Basic  | B12  | 0.16   | 0.47   | 0.46  | 0.99  |
| Diluted  | B12  | N/A  | N/A  | N/A   | N/A   |

This is prepared based on consolidated results of the Group for the financial period ended 31 Dec 2018 and is to be read in conjunction with the Notes to the Interim Financial Report and the audited consolidated results of the Group for the financial year ended 31 March 2018.

**RESINTECH BERHAD ( 341662-X)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For The Period Ended****31 Dec 2018**

(The figures have not been audited)

|   | <b>Current year<br/>quarter<br/>31 Dec 2018<br/>RM'000<br/>(Unaudited)</b> | <b>As at<br/>31 Mar 2018<br/>RM'000<br/>(Audited)</b> |
|---|--|---|
| <b>ASSETS</b>   |  |   |
| <b>NON-CURRENT ASSETS</b>                                 |  |   |
| Property, plant and equipment                             | 78,108   | 80,916  |
| Other investment  | 1,923  | 1,799   |
| Investment properties                                     | 30,459   | 28,595  |
|   | <u>110,490</u>   | <u>111,310</u>  |
| <b>NON-CURRENT ASSET HELD FOR SALE</b>                    | 5,600  | 5,600   |
| <b>CURRENT ASSETS</b>                                     |  |   |
| Inventories   | 28,025   | 22,454  |
| Short-term investment                                     | 101  | 101   |
| Trade receivables   | 21,533   | 21,988  |
| Other receivables, deposits and prepayments               | 10,285   | 10,668  |
| Tax refundable  | 1,000  | 189   |
| Fixed deposits with a licensed bank                       | 6,951  | 4,227   |
| Cash and bank balances                                    | 2,585  | 5,865   |
|   | <u>70,480</u>  | <u>65,492</u>   |
| <b>TOTAL ASSETS</b>                                       | <u>186,570</u>   | <u>182,402</u>  |
| <b>EQUITY AND LIABILITIES</b>                             |  |   |
| <b>EQUITY</b>   |  |   |
| Share capital   | 68,602   | 68,602  |
| Revaluation reserves                                      | 28,138   | 28,529  |
| Reserves relating to non-current asset held for sale      | 3,857  | 3,857   |
| Foreign exchange translation reserve                      | (678)  | (924)   |
| Retained profits  | 33,709   | 32,692  |
| <b>TOTAL ATTRIBUTABLE TO<br/>THE OWNER OF THE COMPANY</b> | <u>133,628</u>   | <u>132,756</u>  |
| Non-controlling interests                                 | (24)   | (21)  |
| <b>TOTAL EQUITY</b>                                       | <u>133,604</u>   | <u>132,735</u>  |
| <b>NON-CURRENT LIABILITIES</b>                            |  |   |
| Long-term borrowings                                      | 3,783  | 3,676   |
| Deferred tax liabilities                                  | 13,095   | 13,303  |
|   | <u>16,878</u>  | <u>16,979</u>   |

**RESINTECH BERHAD ( 341662-X)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****For The Period Ended****31 Dec 2018**

(The figures have not been audited)

|  | <b>Current year<br/>quarter<br/>31 Dec 2018<br/>RM'000<br/>(Unaudited)</b> | <b>Current year<br/>quarter<br/>31 Mar 2018<br/>RM'000<br/>(Audited)</b> |
|--|--|--|
| <b>CURRENT LIABILITIES</b>   |  |  |
| Trade payables   | 5,630  | 5,806  |
| Other payables and accruals  | 2,338  | 3,186  |
| Provision for taxation   | 538  | 873  |
| Short-term borrowings  | 20,536   | 18,844   |
| Bank overdrafts  | 6,005  | 2,938  |
|  | <u>35,047</u>  | <u>31,647</u>  |
| <b>LIABILITIES ASSOCIATED WITH<br/>NON-CURRENT ASSET HELD FOR SALE</b> | 1,041  | 1,041  |
| <b>TOTAL LIABILITIES</b>   | <u>52,966</u>  | <u>49,667</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | <u>186,570</u>   | <u>182,402</u>   |
| Net Assets per share based on number of shares in issue (sen)          | <u>97.40</u>   | <u>96.76</u>   |

**Note:**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Notes to the Interim Financial Report and the Group's audited financial statements for the financial year ended 31 March 2018.

Net assets per share is arrived at based on the Group's Net Assets over the number of ordinary shares in issue of 137,204,900 shares.

## RESINTECH BERHAD ( 341662-X)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Period Ended 31 Dec 2018

(The figures have not been audited)

|   | Share<br>Capital<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Non-Current<br>Asset Held<br>For Sale<br>Reserve<br>RM'000 | Exchange<br>Translation<br>Reserve<br>RM'000 | Distributable<br>Retained<br>Profits<br>RM'000 | Sub-total<br>RM'000 | Non -<br>Controlling<br>Interests<br>RM'000 | Total<br>RM'000 |
|---|----------------------------|----------------------------------|--|--|--|---------------------|---|-----------------|
| <b>Financial year ended 31 March 2017</b>                           |                            |                                  |  |  |  |                     |   |                 |
| At 1 April 2017   | 68,600                     | 32,008                           | 3,857  | (975)  | 29,762   | 133,252             | (21)  | 133,231         |
| Profit after taxation for the financial year                        | -                          | -                                | -  | -  | 1,879  | 1,879               | -   | 1,879           |
| <u>Other comprehensive income, net of tax</u>                       |                            |                                  |  |  |  |                     |   |                 |
| Foreign currency translation  | -                          | -                                | -  | 51   | -  | 51                  | -   | 51              |
| Realisation of revaluation surplus                                  | -                          | (760)                            | -  | -  | 760  | -                   | -   | -               |
| Recycle to retained earnings arising from disposal of freehold land | -                          | (291)                            | -  | -  | 291  | -                   | -   | -               |
| Revaluation surplus during the year                                 | -                          | 1,429                            | -  | -  | -  | 1,429               | -   | 1,429           |
| Relating to NCAHFS  | 2                          | (3,857)                          | -  | -  | -  | (3,855)             | -   | (3,855)         |
| At 31 Mar 2018 (audited)  | 68,602                     | 28,529                           | 3,857  | (924)  | 32,692   | 132,756             | (21)  | 132,735         |
| <b>Financial year ended 31 Mar 2018</b>                             |                            |                                  |  |  |  |                     |   |                 |
| At 31 Mar 2018  | 68,602                     | 28,529                           | 3,857  | (924)  | 32,692   | 132,756             | (21)  | 132,735         |
| Profit after taxation for the financial period                      | -                          | -                                | -  | -  | 626  | 626                 | (3)   | 623             |
| <u>Other comprehensive income, net of tax</u>                       |                            |                                  |  |  |  |                     |   |                 |
| Foreign currency translation  | -                          | -                                | -  | 246  | -  | 246                 | -   | 246             |
| Realisation of revaluation surplus                                  | -                          | (391)                            | -  | -  | 391  | -                   | -   | -               |
| Recycle to retained earnings arising from disposal of freehold land | -                          | -                                | -  | -  | -  | -                   | -   | -               |
| Revaluation surplus during the year                                 | -                          | -                                | -  | -  | -  | -                   | -   | -               |
| Dividend  | -                          | -                                | -  | -  | -  | -                   | -   | -               |
| Relating to NCAHFS  | -                          | -                                | -  | -  | -  | -                   | -   | -               |
| At 31 Dec 2018<br>(unaudited)                                       | 68,602                     | 28,138                           | 3,857  | (678)  | 33,709   | 133,628             | (24)  | 133,604         |

This is prepared based on consolidated results of the Group for the financial period ended 31 Dec 2018 and is to be read in conjunction with the Notes to the Interim Financial Report and the audited consolidated results of the Group for the financial year ended 31 March 2018.

**RESINTECH BERHAD ( 341662-X)****CONDENSED CONSOLIDATED CASH FLOW STATEMENT****For The Period Ended 30 Dec 2018**

(The figures have not been audited)

|   | <b>Current<br/>Year<br/>To Date<br/>31 Dec 2018<br/>RM'000<br/>(Unaudited)</b> | <b>Preceding<br/>Year<br/>To Date<br/>31 Dec 2017<br/>RM'000<br/>(Audited)</b> |
|---|--|--|
| <b>CASH FLOWS FOR OPERATING ACTIVITIES</b>                              |  |  |
| Profit before taxation  | 675  | 1,297  |
| Adjustments for:  |  |  |
| Depreciation  | 3,140  | 2,805  |
| Gain on disposal of plant and equipment                                 | (36)   | (38)   |
| Equipment written off   | 1  | -  |
| Impairment loss on trade receivables                                    | 2  | -  |
| Interest income   | (83)   | (46)   |
| Interest expense  | 1,353  | 721  |
| Unrealised (gain)/loss on foreign exchange                              | (230)  | 976  |
| Operating profit before working capital changes                         | <u>4,822</u>   | <u>5,715</u>   |
| Inventories   | (3,653)  | 544  |
| Receivables   | (2,601)  | (5,193)  |
| Payables  | <u>614</u>   | <u>(1,718)</u>   |
| Cash from operations  | (818)  | (652)  |
| Interest paid   | (1,353)  | (721)  |
| Tax paid  | <u>(524)</u>   | <u>(558)</u>   |
| Net cash for operating activities                                       | <u>(2,695)</u>   | <u>(1,931)</u>   |
| <b>CASH FLOWS FOR INVESTING ACTIVITIES</b>                              |  |  |
| Interest received   | 83   | 46   |
| Proceed from disposal of property, plant and equipment                  | 36   | 38   |
| Proceed from disposal of investment property                            | -  | 1,530  |
| Purchase of investment property   | (1,291)  | -  |
| Purchase of property, plant and equipment                               | <u>(9)</u>   | <u>(1,662)</u>   |
| Net cash for investing activities                                       | <u>(1,181)</u>   | <u>(48)</u>  |
| <b>CASH FLOWS FOR FINANCING ACTIVITIES</b>                              |  |  |
| Bill payables   | (915)  | (1,291)  |
| Net decrease in hire purchase obligations                               | (331)  | (325)  |
| Net decrease in term loans  | <u>(379)</u>   | <u>1,511</u>   |
| Net cash for financing activities                                       | <u>(1,625)</u>   | <u>(105)</u>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                        | (5,501)  | (2,084)  |
| Effects of foreign exchange translation                                 | 270  | 925  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING<br/>OF THE FINANCIAL YEAR</b> | 7,054  | 1,604  |
| <b>CASH AND CASH EQUIVALENTS AT END<br/>OF THE FINANCIAL YEAR</b>       | <u><u>1,823</u></u>  | <u><u>445</u></u>  |

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This is prepared based on the consolidated results of the Group for the financial period ended 30 Sep 2018 and is to be read in conjunction with the audited financial results for the financial year ended 31 March 2018.

**PART A: EXPLANATORY NOTES PERSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134”)****A1. Basis of preparation**

The interim financial statements of Resintech Berhad (“RB”) are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 – Interim Financial Reporting issued by the Malaysian Accounting standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statements 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 in this quarterly financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 March 2018 except for the adoption of the followings:-

| <b>FRSs/IC Interpretations</b>  | <b>Effective date</b> |
|---|-----------------------|
| MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)  | 1 January 2018        |
| MFRS 15 Revenue from Contracts with Customers   | 1 January 2018        |
| MFRS 16 Leases  | 1 January 2019        |
| MFRS 17 Insurance Contracts   | 1 January 2021        |
| IC Interpretation 22 Foreign Currency Transactions and Advance Consideration  | 1 January 2018        |
| IC Interpretation 23 Uncertainty Over Income Tax Treatments   | 1 January 2019        |
| Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions                                  | 1 January 2018        |
| Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts                               | 1 January 2018        |
| Amendments to MFRS 9: Prepayment Features with Negative Compensation  | 1 January 2019        |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred              |
| Amendments to MFRS 15: Effective Date of MFRS 15  | 1 January 2018        |
| Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’                                  | 1 January 2018        |
| Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement   | 1 January 2019        |
| Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures  | 1 January 2019        |
| Amendments to MFRS 140 – Transfers of Investment Property   | 1 January 2018        |

| <b>Basis of preparation (continues)</b>   | <b>Effective date</b>         |
|---|-------------------------------|
| <b>FRSs/IC Interpretations</b>  |                               |
| Annual Improvements to MFRS Standards 2014 – 2016 Cycles:                         |                               |
| • Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters |                               |
| • Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value   | 1 January 2018                |
| Annual Improvements to MFRS Standards 2015 – 2017 Cycles                          | 1 January 2019                |
| IC Interpretation 15 Agreements for the Construction of Real Estate               | Withdrawn on 19 November 2011 |
| IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments  | 1 July 2011                   |
| IC Interpretation 20 Stripping Costs in the Production Phase Of a Surface Mine    | 1 January 2013                |
| Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement  | 1 July 2011                   |

**A1. Changes in Accounting Policies**

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

**A2. Qualification of Annual Financial Statements**

There were no audit qualifications on the financial statements of the Company for the financial year ended 31 March 2018.

**A3. Seasonal and cyclical factors**

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

**A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

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

**A5. Material changes in estimates**

There were no material changes in estimates of amounts reported in the current quarter under review.

**A6. Issuances and repayment of debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

## Notes – for the financial period ended 31 Dec 2018

**A8. Dividend Paid**

No dividend was paid during the financial period under review.

**A9. Segment information**Operating Segment

In determining the operating segments of the Group, segment revenue is based on the products and services provided.

The Group's financial information analyzed by operating segment as at 31 Dec 2018 was as follows:

|                       | 9-Mth to Dec 2018                      |                    |                                 |                  | Consolidation<br>adjustment<br>RM'000 | Group<br>RM'000 |
|-----------------------|--|--------------------|---------------------------------|------------------|---------------------------------------|-----------------|
|                       | Manufacturing<br>and trading<br>RM'000 | Services<br>RM'000 | Investment<br>holding<br>RM'000 | Others<br>RM'000 |                                       |                 |
| Revenue               |  |                    |                                 |                  |                                       |                 |
| External              | 66,022                                 | -                  | -                               | -                |                                       | 66,022          |
| Inter-segment         | 39,103                                 | 360                | -                               | -                | (39,463)                              | -               |
|                       | <u>105,125</u>                         | <u>360</u>         | <u>-</u>                        | <u>-</u>         |                                       | <u>66,022</u>   |
| Results               |  |                    |                                 |                  |                                       |                 |
| Segment results       | 5,219                                  | 312                | 32                              | 461              | (3,996)                               | 2,028           |
| Finance costs         | (1,353)                                | -                  | -                               | -                |                                       | (1,353)         |
|                       | <u>3,866</u>                           | <u>312</u>         | <u>32</u>                       | <u>461</u>       |                                       | <u>675</u>      |
| Profit before tax     |  |                    |                                 |                  |                                       | 675             |
| Income tax expense    |  |                    |                                 |                  |                                       | (49)            |
| Profit after taxation |  |                    |                                 |                  |                                       | <u>626</u>      |

|                       | 9-Mth to Dec 2017                      |                    |                                 |                  | Consolidation<br>adjustment<br>RM'000 | Group<br>RM'000 |
|-----------------------|--|--------------------|---------------------------------|------------------|---------------------------------------|-----------------|
|                       | Manufacturing<br>and trading<br>RM'000 | Services<br>RM'000 | Investment<br>holding<br>RM'000 | Others<br>RM'000 |                                       |                 |
| Revenue               |  |                    |                                 |                  |                                       |                 |
| External              | 54,342                                 | -                  | -                               | -                |                                       | 54,342          |
| Inter-segment         | 37,586                                 | 293                | -                               | -                | (37,879)                              | -               |
|                       | <u>91,928</u>                          | <u>293</u>         | <u>-</u>                        | <u>-</u>         |                                       | <u>54,342</u>   |
| Results               |  |                    |                                 |                  |                                       |                 |
| Segment results       | 3,600                                  | 238                | (272)                           | (618)            | (268)                                 | 2,680           |
| Finance costs         | (1,066)                                | -                  | -                               | -                |                                       | (1,066)         |
|                       | <u>2,534</u>                           | <u>238</u>         | <u>(272)</u>                    | <u>(618)</u>     |                                       | <u>1,614</u>    |
| Profit before tax     |  |                    |                                 |                  |                                       | 1,614           |
| Income tax expense    |  |                    |                                 |                  |                                       | (252)           |
| Profit after taxation |  |                    |                                 |                  |                                       | <u>1,362</u>    |

**A10. Valuation of property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There were no revaluation of property, plant and equipment in these financial statements.



## Notes – for the financial period ended 31 Dec 2018

**A11. Material events subsequent to the end of the interim period**

There were no material events subsequent to the current financial quarter ended up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**A12. Changes in the composition of the Group**

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

**A13. Changes in contingent liabilities and contingent assets**

As at the date of this announcement, there were no material contingent liabilities and contingent assets incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

**A14. Capital Commitments**

|  | <b>Individual<br/>Quarter<br/>31 Dec 2018<br/>RM' 000<br/>Group</b> | <b>Current<br/>Year To Date<br/>31 Dec 2018<br/>RM' 000<br/>Company</b> |
|--|---|---|
| Capital expenditure<br>Approved and contracted for | <u>2,950</u>  | <u>N/A</u>  |

**A15. Contingent Liabilities**

|   | <b>Individual<br/>Quarter<br/>31 Dec 2018<br/>RM' 000<br/>Group</b> | <b>Current<br/>Year To Date<br/>31 Dec 2018<br/>RM' 000<br/>Company</b> |
|---|---|---|
| Corporate guarantees given to licensed bank for<br>banking facilities granted to subsidiaries | <u>21,743</u>   | <u>-</u>  |

**A16. Significant Related Party Transactions**

There were no significant related party transactions during the financial period under review.

**A17. Cash and cash equivalents**

|                        | <b>At 31 Dec 2018<br/>RM' 000</b> |
|------------------------|-----------------------------------|
| Cash and bank balances | 2,585                             |
| Fixed deposits         | 6,951                             |
| Bank overdrafts        | (6,005)                           |
|                        | <u>3,531</u>                      |

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS****B1. Review of performance**

The Group achieved revenue of RM66.02 million for the financial period ended 31 Dec 2018 as compared to RM54.34 million recorded for the financial period ended 31 Dec 2017. Revenue increased by 21.49%. The Group recorded a profit before taxation of RM0.68 million and profit after taxation of RM0.63 million as compared to a profit before taxation of RM1.61 million and profit after taxation of RM1.36 million for previous financial period ended 31 Dec. Current year's performance is largely affected by the higher operating cost.

**B2. Variation of results against preceding quarter**

The Group achieved revenue of RM23.37 million for the current quarter under review as compared to RM22.65 million in the previous quarter. Revenue increased by 3.18% during the period under reviewed. The Group recorded profit before taxation of RM0.38 million and profit after taxation of RM0.22 million for current financial period under review as compared to profit before taxation of RM0.39 million and profit after taxation of RM0.21 million for preceding quarter.

**B3. Current year prospects**

The Group will continue to improve the performance of all the segments by improving the demand for its products as well as implementing measures to reduce expenditure. As for the food and beverage segment, the Group will strategize effective plans to turnaround the business so as to improve the overall Group's performance.

Barring any unforeseen circumstances, the Board expects the Group to continue to achieve satisfactory performance.

**B4. Variance of actual and forecast profit**

The disclosure requirements for the explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

**B5. Income tax**

|                     | <b>Individual<br/>Quarter<br/>31 Dec 2018<br/>RM' 000</b> | <b>Individual<br/>Quarter<br/>31 Dec 2017<br/>RM' 000</b> |
|---------------------|---|---|
| Current tax expense | (49)  | (276)   |
| Deferred tax credit | (134)   | (48)  |
|                     | <u>(183)</u>  | <u>(324)</u>  |

Tax expense for the current period ended 31 Dec 2018 is derived based on management's best estimate.

**B6. Notes to Comprehensive Income Statement**

|   | Individual Quarter |             | Cumulative Quarter |             |
|---|--------------------|-------------|--------------------|-------------|
|   | 31 Dec 2018        | 31 Dec 2017 | 31 Dec 2018        | 31 Dec 2017 |
|   | RM'000             | RM'000      | RM'000             | RM'000      |
| Interest income                           | (38)               | (1)         | (83)               | (47)        |
| Interest expense                          | 500                | 345         | 1,353              | 1,066       |
| Depreciation                              | 1,591              | 1,457       | 4,731              | 4,262       |
| Bad debts written off                     | -                  | -           | 29                 | -           |
| Impairment loss of property and equipment | -                  | -           | 1                  | -           |
| Realised loss/(gain) on foreign exchange  | (171)              | (201)       | (91)               | (707)       |

**B7. Status of corporate proposal**

There were no corporate proposals announced for the financial period under review.

**B8. Group borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

|   | Short-Term<br>(Secured)<br>RM'000 | Long-Term<br>(Secured)<br>RM'000 |
|---|-----------------------------------|----------------------------------|
| Bank overdrafts                         | 6,005                             | -                                |
| Hire purchase                           | 935                               | 769                              |
| Trust receipts and bankers' acceptances | 18,730                            | -                                |
| Term loans                              | 871                               | 3,014                            |
| Total                                   | <u>26,541</u>                     | <u>3,783</u>                     |

**B9. Material Litigations**

Save as disclosed below, neither our Group or our subsidiary companies is engaged in any litigation either as plaintiff or defendant pending since the previous financial period which might materially affect the position or business of the Company or any of its subsidiaries:-

- (i) On 4 April 2016, our subsidiary, Resintech Plastics (M) Sdn Bhd (“RPSB”), filed a claim for RM985,407.80 together with interest against Banjaran Mendi Trading owned by Datin Norini Binti Abdul Malek (“First Defendant”) and its guarantors, Dato’ Mustaffa Bin Shariff, for goods sold and delivered. Defendants did not enter appearance and/or defence. Sealed judgement in default was obtained on 31 May 2016. Notice served to guarantors house address. Following Case Management for bankruptcy against First Defendant and Second Defendant in June and July 2017. Bankruptcy Order took place in January 2018.

Defendants files Notice of Application to set aside judgement in default and notice of application for stay of bankruptcy proceeding. We have filed Affidavit in Reply and defendants have served Defendant’s Affidavit in Reply on 23 April 2018. On 4 May 2018, the judge allowed the defendant’s application and case management took place on 23 May 2018. We had had applied for Summary Judgment (Order 14) where further Case Management was fixed on 6 June 2018.

On 6 June 2018, the Court instructed us to file Affidavit in Support and Defendeants to file their Affidavit in Reply by 11 June 2018 and 25 June 2018 respectively and set the matter for further case management on 27 June 2018. Thereafter, the Court on 27 June 2018 fixed 12 July 2018 for us to file our Affidavit in Reply and 27 July 2018 for both parties to file Written Submissions and Bundle of Authorities. The Court on 6 August 2018 granted Summary Judgement (Order 14) and cost of RM3,000.00 in favour of us and against Defendants.

Defendants subsequently appealed to the Shah Alam High Court. On 21 Nov 2018, the Honourable Judge of Shah Alam High Court has struck out the Appellants application to set aside our Summary Judgement with cost of RM2,000.00.

RPSB lawyer is now preparing to proceed with bankruptcy proceeding against Defendants.

**B10. Dividends**

There was no dividend declared during the financial period under review.

## Notes – for the financial period ended 31 Dec 2018

**B11. Basic earnings per share**

The basic earnings per share for the current quarter and cumulative year to date are computed as follow:-

|   | <b>Individual<br/>Current Year<br/>Quarter<br/>31 Dec 2018<br/>RM'000</b> | <b>Year To Date<br/>31 Dec 2018<br/>RM'000</b> |
|---|---|--|
| Profit attributable to holders of the parent for the period             | <u>221</u>  | <u>629</u>                                     |
| Number of ordinary shares in issue                                      | <u>137,205</u>  | <u>137,205</u>                                 |
| Basic earnings per share based on the number of shares in issue (sen)   | <u>0.16</u>   | <u>0.46</u>                                    |
| Diluted earnings per share based on the number of shares in issue (sen) | <u>N/A</u>  | <u>N/A</u>                                     |

The diluted earnings per share is equal to the basic earnings per share as there is an anti-dilutive effect arising from the conversion of warrants.

**B12. Derivative Financial Instruments**

The Group did not entered into any derivative financial instruments which were outstanding during the financial period under reviewed.

**B13. Authorisation for issue**

This quarterly report was authorized for issue by the Board of Directors in accordance with the resolution of the directors duly passed.