



# **TECK GUAN PERDANA BERHAD**

**(COMPANY NO: 307097 - A)**

## **UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 APRIL 2018**

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD (1st quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 30/04/2018 RM'000	Preceding Year Corresponding Quarter 30/04/2017 RM'000 (Restated)	Current Year ToDate 30/04/2018 RM'000	Preceding Year Corresponding Period 30/04/2017 RM'000 (Restated)
Revenue	95,236	122,689	95,236	122,689
Cost of sales	<u>(95,608)</u>	<u>(123,982)</u>	<u>(95,608)</u>	<u>(123,982)</u>
<b>Gross loss</b>	(372)	(1,293)	(372)	(1,293)
Other operating income	93	1,203	93	1,203
Selling and distribution costs	(2,521)	(2,493)	(2,521)	(2,493)
Administrative expenses	<u>(1,197)</u>	<u>(1,225)</u>	<u>(1,197)</u>	<u>(1,225)</u>
<b>Operating loss</b>	(3,997)	(3,808)	(3,997)	(3,808)
Interest income	163	113	163	113
Finance costs	<u>(339)</u>	<u>(517)</u>	<u>(339)</u>	<u>(517)</u>
<b>Loss before tax</b>	(4,173)	(4,212)	(4,173)	(4,212)
Taxation	88	921	88	921
<b>Loss net of tax</b>	<u>(4,085)</u>	<u>(3,291)</u>	<u>(4,085)</u>	<u>(3,291)</u>
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(4,085)</u>	<u>(3,291)</u>	<u>(4,085)</u>	<u>(3,291)</u>

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	INDIVIDUAL PERIOD (1st quarter)		CUMULATIVE PERIOD	
	Current Year Quarter 30/04/2018 RM'000	Preceding Year Corresponding Quarter 30/04/2017 RM'000 (Restated)	Current Year Todate 30/04/2018 RM'000	Preceding Year Corresponding Period 30/04/2017 RM'000 (Restated)
<b>Loss attributable to:</b>				
Equity holders of the Company	<u>(4,085)</u>	<u>(3,291)</u>	<u>(4,085)</u>	<u>(3,291)</u>
<b>Total comprehensive loss attributable to:</b>				
Equity holders of the Company	<u>(4,085)</u>	<u>(3,291)</u>	<u>(4,085)</u>	<u>(3,291)</u>
<b>Loss per share attributable to equity holders:</b>				
Basic, for the period (Sen)	(10.19)	(8.21)	(10.19)	(8.21)
Diluted, for the period (Sen)	na	na	na	na

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

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 30/04/2018	As At Preceding Financial Year End 31/01/2018	As At Beginning of The Preceding Financial Year 01/02/2017
	RM'000	RM'000 (Restated)	RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	91,133	92,639	98,563
Deferred tax assets	5	5	5
	91,138	92,644	98,568
<b>Current Assets</b>			
Inventories	10,620	47,991	54,456
Biological assets	342	457	605
Trade and other receivables	40,691	11,351	11,023
Tax recoverable	1,223	1,223	59
Cash and bank balances	29,101	52,960	24,082
Derivatives	-	156	35
	81,977	114,138	90,260
<b>TOTAL ASSETS</b>	173,115	206,782	188,828
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Loans and borrowings	37,760	68,374	51,903
Trade and other payables	21,664	20,325	14,862
Derivative	75	-	-
Income tax payable	1,162	1,095	1,074
	60,661	89,794	67,839
<b>NET CURRENT ASSETS</b>	21,316	24,344	22,421
<b>Non-Current Liability</b>			
Deferred tax liabilities	15,072	15,521	17,614
	15,072	15,521	17,614
<b>TOTAL LIABILITIES</b>	75,733	105,315	85,453
<b>NET ASSETS</b>	97,382	101,467	103,375
<b>Equity attributable to owners of the Company</b>			
Share capital	40,104	40,104	40,097
Share premium	-	-	7
Retained earnings	57,278	61,363	63,271
<b>Total Equity</b>	97,382	101,467	103,375
<b>TOTAL EQUITY &amp; LIABILITIES</b>	173,115	206,782	188,828
<b>NET ASSETS PER SHARE (SEN)</b>	242.87	253.05	257.81

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

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →				
	← Non-distributable →				
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserves RM'000	Retained Earnings RM'000	Equity, Total RM'000
<b>Opening balance at 1 February 2018</b>	40,104	-	51,381	9,634	101,119
<b>Effect of adoption of MFRS</b>			(51,381)	51,729	348
<b>As restated</b>	40,104	-	-	61,363	101,467
Total comprehensive loss for the period	-	-	-	(4,085)	(4,085)
<b>Closing balance at 30 April 2018</b>	40,104	-	-	57,278	97,382
<b>Opening balance at 1 February 2017</b>	40,097	7	54,522	8,289	102,915
<b>Effect of adoption of MFRS</b>			(54,522)	54,982	460
<b>As restated</b>	40,097	7	-	63,271	103,375
Total comprehensive loss for the period	-	-	-	(3,291)	(3,291)
Transition to non par value regime	7	(7)	-	-	-
<b>Closing balance at 30 April 2017</b>	40,104	-	-	59,980	100,084

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 January 2018 and the accompanying explanatory notes attached to the interim financial statements.

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Current Year To Date 30/04/2018 RM'000</b>	<b>Preceding Year Corresponding Period 30/04/2017 RM'000 (Restated)</b>
<b>Operating activities</b>		
Loss before taxation	(4,173)	(4,212)
<u>Adjustments for:</u>		
Amortisation of biological assets	1,039	1,052
Gain on disposal of property, plant and equipment	-	(3)
Depreciation of property, plant and equipment	471	476
Property, plant and equipment written off	-	1
Net fair value gain on derivatives	232	35
Unrealised loss/(gain) on foreign exchange	(212)	248
Interest income	(163)	(113)
Interest expense	339	517
Total adjustments	<u>1,706</u>	<u>2,213</u>
<b>Operating cash flows before changes in working capital</b>	<b>(2,467)</b>	<b>(1,999)</b>
<u>Changes in working capital:</u>		
Inventories	37,371	40,954
Trade and other receivables	(29,076)	(13,649)
Trade and other payables	1,339	(5,815)
Total changes in working capital	<u>9,634</u>	<u>21,490</u>
Cash flows generated from operations	7,167	19,491
Interest paid	(339)	(517)
Interest received	163	113
Income tax paid	(293)	(964)
<b>Net cash flows generated from operating activities</b>	<u><b>6,698</b></u>	<u><b>18,123</b></u>

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	<b>Current Year To Date 30/04/2018 RM'000</b>	<b>Preceding Year Corresponding Period 30/04/2017 RM'000 (Restated)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4)	(7)
Plantation development expenditure	-	(11)
Proceeds from disposal of property, plant and equipment	-	3
<b>Net cash flows used in investing activities</b>	<u>(4)</u>	<u>(15)</u>
<b>Financing activities</b>		
Repayment of letter of credits	(6,091)	-
Proceeds from bankers' acceptances	30,826	50,810
Repayment of bankers' acceptances	(55,213)	(55,948)
<b>Net cash flows used in financing activities</b>	<u>(30,478)</u>	<u>(5,138)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(23,784)</u>	<u>12,970</u>
Effect of exchange rate changes on cash and cash equivalents	62	(247)
<b>Cash and cash equivalents at beginning of the year</b>	52,646	23,723
<b>Cash and cash equivalents at end of the year</b>	<u>28,924</u>	<u>36,446</u>
	<b>As At 30/04/2018</b>	<b>As At 30/04/2017</b>
*Cash and cash equivalents at end of the year consists of:		
Cash and bank balances	29,101	36,712
Bank overdrafts	(177)	(266)
	<u>28,924</u>	<u>36,446</u>

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

# TECK GUAN PERDANA BERHAD

(Company No. 307097-A)

(Incorporated in Malaysia)

## NOTES TO INTERIM FINANCIAL STATEMENTS

### 1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard MFRS 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 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 January 2018.

### 2. First-time adoption of Malaysian Financial Reporting Standards (MFRS)

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the financial year ending 31 January 2019. MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS1) has been applied.

The explanatory notes attached to these condensed consolidated 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 January 2018.

In preparing its opening MFRS Statement of Financial Position as at 1 February 2017 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position and financial performance is disclosed as below:

- (a) Reconciliation of equity as at 1 February 2017 (date of transition)

#### Group

	As at 01/02/2017 Under FRS RM'000	Note	Adjustments RM'000	As at 01/02/2017 Under MFRS RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment ("PPE")	53,682	(i)	44,881	98,563
Biological assets	44,881	(i)(ii)	(44,881)	-
Deferred tax assets	5			5
	<hr/>			<hr/>
	98,568			98,568
	<hr/>			<hr/>



## 2. First-time adoption of Malaysian Financial Reporting Standards (MFRS) (continued)

(a) Reconciliation of equity as at 1 February 2017 (date of transition) (continued)

### Group (continued)

	As at 01/02/2017 Under FRS RM'000	Note	Adjustments RM'000	As at 01/02/2017 Under MFRS RM'000
<b>Current assets</b>				
Inventories	54,456			54,456
Biological assets	-	(iii)	605	605
Trade and other receivables	11,023			11,023
Tax recoverable	59			59
Cash and bank balances	24,082			24,082
Derivatives	35			35
	89,655			90,260
<b>Total assets</b>	188,223			188,828
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	51,903			51,903
Trade and other payables	14,862			14,862
Income tax payable	1,074			1,074
	67,839			67,839
<b>Net current assets</b>	21,816			22,421
<b>Non-current liabilities</b>				
Deferred tax liabilities	17,469	(iii)	145	17,614
<b>Total liabilities</b>	85,308			85,453
<b>Net assets</b>	102,915			103,375

## 2. First-time adoption of Malaysian Financial Reporting Standards (MFRS) (continued)

(a) Reconciliation of equity as at 1 February 2017 (date of transition) (continued)

### Group (continued)

	As at 01/02/2017 Under FRS RM'000	Note	Adjustments RM'000	As at 01/02/2017 Under MFRS RM'000
<b>Equity attributable to owners of the Company</b>				
Share capital	40,097			40,097
Share premium	7			7
Asset revaluation reserve	54,522	(i)	(54,522)	-
Retained earnings	8,289	(i)(iii)	54,982	63,271
	<hr/>			<hr/>
<b>Total equity</b>	<b>102,915</b>			<b>103,375</b>
	<hr/> <hr/>			<hr/> <hr/>
<b>Total equity and liabilities</b>	<b>188,223</b>			<b>188,828</b>
	<hr/>			<hr/>

(b) Reconciliation of equity as at 31 January 2018

### Group

	As at 31/01/2018 Under FRS RM'000	Note	Adjustments RM'000	As at 31/01/2018 Under MFRS RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment ("PPE")	51,856	(i)	40,783	92,639
Biological assets	40,783	(i)(ii)	(40,783)	-
Deferred tax assets	5			5
	<hr/>			<hr/>
	<b>92,644</b>			<b>92,644</b>
	<hr/> <hr/>			<hr/> <hr/>

## 2. First-time adoption of Malaysian Financial Reporting Standards (MFRS) (continued)

(b) Reconciliation of equity as at 31 January 2018 (continued)

### Group (continued)

	As at 31/01/2018 Under FRS RM'000	Note	Adjustments RM'000	As at 31/01/2018 Under MFRS RM'000
<b>Current assets</b>				
Inventories	47,991			47,991
Biological assets	-	(iii)	457	457
Trade and other receivables	11,351			11,351
Tax recoverable	1,223			1,223
Cash and bank balances	52,960			52,960
Derivatives	156			156
	<hr/> 113,681			<hr/> 114,138
<b>Total assets</b>	<hr/> <hr/> 206,325			<hr/> <hr/> 206,782
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	68,374			68,374
Trade and other payables	20,325			20,325
Income tax payable	1,095			1,095
	<hr/> 89,794			<hr/> 89,794
<b>Net current assets</b>	<hr/> 23,887			<hr/> 24,344
<b>Non-current liabilities</b>				
Deferred tax liabilities	15,411	(iii)	110	15,521
<b>Total liabilities</b>	<hr/> 105,205			<hr/> 105,315
<b>Net assets</b>	<hr/> 101,120			<hr/> 101,467

## 2. First-time adoption of Malaysian Financial Reporting Standards (MFRS) (continued)

### (b) Reconciliation of equity as at 31 January 2018 (continued)

#### Group (continued)

	As at 31/01/2018 Under FRS RM'000	Note	Adjustments RM'000	As at 31/01/2018 Under MFRS RM'000
<b>Equity attributable to owners of the Company</b>				
Share capital	40,104			40,104
Asset revaluation reserve	51,381	(i)	(51,381)	-
Retained earnings	9,635	(i)(iii)	51,728	61,363
<b>Total equity</b>	<u>101,120</u>			<u>101,467</u>
<b>Total equity and liabilities</b>	<u>206,325</u>			<u>206,782</u>

### (c) Reconciliation of total comprehensive income for the period ended 30 April 2017

#### Group

	As at 30/04/2017 Under FRS RM'000	Note	Adjustments RM'000	As at 30/04/2017 Under MFRS RM'000
<b>Revenue</b>	122,689			122,689
Cost of sales	(123,982)			(123,982)
<b>Gross profit</b>	(1,293)			(1,293)
<b>Other item of income</b>				
Other operating income	849	(iii)	467	1,316
<b>Other items of expense</b>				
Administrative expenses	(3,718)			(3,718)
Finance costs	(517)			(517)
<b>Loss before tax</b>	<u>(4,679)</u>			<u>(4,212)</u>
Income tax expense	1,033	(iii)	(112)	921
<b>Loss net of tax</b>	(3,646)			(3,291)
<b>Other comprehensive income</b>	-			-
<b>Total comprehensive loss for the year</b>	<u>(3,646)</u>			<u>(3,291)</u>

## **2. First-time adoption of Malaysian Financial Reporting Standards (MFRS) (continued)**

### **Note**

- (i) As allowed by MFRS 1, First-time adoption of Malaysian Financial Reporting standards Para 30, the Group has elected to use fair value in its opening MFRS statements of financial position as deemed cost for its plantation leasehold land, building and oil palm trees. The related asset revaluation reserve are transferred to retained earnings.
- (ii) Upon adoption of MFRS 141, biological assets/bearer plants are within the scope of MFRS 16: Property, Plant and Equipment and the Group will measure the bearer plants using the cost model. Whereas the unripe fresh fruit bunch (“FFB”) on bearer plant is within the scope of MFRS 141: Agriculture. The unripe FFB will be measured at fair value less cost to sell with the changes in fair value recognised in profit and loss and will be classified as current assets as the unripe FFB will be harvested within a year from the reporting date.
- (iii) The biological assets of the Group comprise fresh fruit bunch (“FFB”) to harvest. The valuation model to be adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB.

## **3. Audit report**

There was no audit qualification in the audit report of the preceding annual financial statements.

## **4. Seasonal and cyclical factors**

The Group's operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

## **5. Unusual items due to their nature, size of incidence**

There were no items affecting the assets, liabilities, net income or cash flows that are unusual because of their nature, size of incidence for the interim period.

## **6. Changes in estimates**

There were no significant changes in the amount of estimates that have had a material effect in the current financial results.

## 7. Debt and equities securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equities securities for the current financial period under review.

## 8. Dividend paid

There was no dividend payment during the current financial period-to-date.

## 9. Segmental reporting

Segment analysis for the period ended 30 April 2018 is set out below:

	Palm Oil Products RM'000	Cocoa Products RM'000	Consolidated RM'000
<b>Revenue</b>	91,511	3,725	95,236
<b>Results</b>			
Segment results	(4,214)	688	(3,526)
Unallocated corporate expenses			(308)
Finance cost			(339)
Loss before tax			<u>(4,173)</u>
<b>Assets</b>			
Segment assets	142,088	30,292	172,380
Unallocated assets			735
			<u>173,115</u>
<b>Liabilities</b>			
Segment liabilities	73,472	1,383	74,855
Unallocated liabilities			879
			<u>75,734</u>
<b>Other information</b>			
Capital expenditure	4	-	4
Depreciation	416	55	471
Amortisation	1,039	-	1,039

## **9. Segmental reporting (continued)**

### **Palm Oil Products**

The palm oil products segment remained the Group's main source of revenue, which contributed 96.09% of the revenue of the Group in the current quarter.

For the quarter under review, revenue for this segment decreased to RM91.51 million from RM119.04 million in the preceding year corresponding quarter. The decrease was mainly attributed to the decrease in selling price.

The operating loss for the current quarter decreased slightly to RM4.21 million from RM4.27 million in the preceding year corresponding quarter. The decrease was primarily attributed to a slight increase in operating margin.

### **Cocoa Products**

Cocoa products' contribution of 3.91% to the revenue of the Group is insignificant.

## **10. Valuations of property, plant and equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the previous financial statements.

## **11. Changes in composition of the Group**

There are no changes in the composition of the Company and the Group for the financial quarter ended 30 April 2018.

## **12. Discontinued operation**

There was no discontinued operation during the quarter ended 30 April 2018.

## **13. Capital commitment**

There were no material capital commitments as at the end of the quarter under review.

## **14. Contingent liabilities**

There were no material contingent liabilities since the last annual balance sheet date.

## 15. Material related party transactions

Significant transactions between the Group and its jointly controlled entities are as follows:

	3 months ended 30 April 2018 RM'000
Sale of crude palm kernel oil	45,557
Purchase of palm kernel	20,332
Sale of fresh fruit bunches	1,928
Purchase of fertilizers, chemicals, etc.	800
Sale of cocoa powder	213
Rental on factory building and infrastructures	609
Sale of chocolate products	388

## 16. Subsequent Events

There were no material events subsequent to the end of the year that have not been reflected in the financial statements for the period.

## 17. Review of Group's Performance

### Financial review for current quarter and financial year to date

	INDIVIDUAL PERIOD (1st quarter)		Changes  %	CUMULATIVE PERIOD		Changes  %
	Current Year	Preceding Year		Current Year	Preceding Year	
	Quarter	Corresponding		ToDate	Corresponding	
	30/04/2018	Quarter		30/04/2018	Period	
	RM'000	30/04/2017	RM'000	RM'000	RM'000	
Revenue	95,236	122,689	-22%	95,236	122,689	-22%
Gross loss	(372)	(1,293)	71%	(372)	(1,293)	71%
Operating loss	(3,997)	(3,808)	-5%	(3,997)	(3,808)	-5%
Loss before tax	(4,173)	(4,212)	1%	(4,173)	(4,212)	1%
Loss net of tax	(4,085)	(3,291)	-24%	(4,085)	(3,291)	-24%
Loss attributable to ordinary equity holders of the Parent	(4,085)	(3,291)	-24%	(4,085)	(3,291)	-24%

For the current quarter under review, revenue for the Group decreased by 22% from RM122.69 million to RM95.24 million as compared with preceding year corresponding quarter. The decrease was mainly attributed to the decrease in selling price. The operating loss deteriorated by 5% as compared with the preceding year corresponding quarter, such increase was primarily attributed to lower other income recognised in current quarter.



## 18. Comment On Material Changes In Profit Before Tax

### Financial review for current quarter compared with immediate preceding quarter

	Current Quarter <b>30/04/2018</b> <b>RM'000</b>	Immediate Preceding Quarter <b>31/01/2018</b> <b>RM'000</b>	Changes  <b>%</b>
Revenue	95,236	76,511	24%
Gross (loss)/profit	(372)	7,081	-105%
Operating (loss)/profit	(3,997)	2,744	-246%
(Loss)/profit before tax	(4,173)	2,303	-281%
(Loss)/profit net of tax	(4,085)	797	-613%
(Loss)/profit attributable to ordinary equity holders of the Parent	(4,085)	797	-613%

The Group registered a loss before tax of RM4.17 million against a profit before tax of RM2.30 million in the immediate preceding quarter. The decrease was primarily attributed to the decrease in operating margin in the current quarter.

## 19. Current Year Prospects

The palm oil market is expected to remain challenging with vulnerability in commodity prices coupled with volatility in exchange rates. However, Management is cautiously optimistic on the long term prospects of the palm-based industry and will continue to mitigate the related business risks in 2018.

## 20. Profit Forecast

The Group did not announce any profit forecast or profit guarantee during the current financial year.

## 21. Profit Before Tax

The following items have been included in arriving at profit before tax:

	Quarter Ended <b>30/04/2018</b> <b>RM'000</b>	Year-to-date <b>30/04/2018</b> <b>RM'000</b>
Interest Income	(163)	(163)
Interest Expenses	339	339
Rental Income	(43)	(43)
Depreciation and amortisation	1,510	1,510
Net foreign exchange gain	(267)	(267)
Rental of premises	30	30
Rental of equipment	30	30
Rental of land and factory	548	548

## 22. Taxation

	<b>Current Quarter 30/04/2018 RM'000</b>	<b>Year-To- Date 30/04/2018 RM'000</b>
Taxation for the current period	360	360
Deferred taxation for the current period	(448)	(448)
	<u>(88)</u>	<u>(88)</u>

## 23. Profit or Loss on Sale of Unquoted Investment and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter and financial year-to-date.

## 24. Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date and there were no investment in quoted shares as at the end of the quarter.

## 25. Corporate Proposals

There are no corporate proposals announced but not completed as at the date of this report.

## 26. Borrowings

The Group borrowings, which are denominated in Ringgit Malaysia, as at the end of the reporting period were as follows:

	As at 30/04/2018 RM'000	As at 30/04/2017 RM'000
<b>Short term borrowings:</b>		
<b>Secured</b>		
Bankers' acceptances	37,582	46,406
	37,582	46,406
<b>Unsecured</b>		
Bank overdrafts	178	266
Total	37,760	46,672

## 27. Derivatives

Type of derivative	Contract/ notional amount as at 30/04/2018 RM'000	Fair value liabilities as at 30/04/2018 RM'000
<b>Non-hedging derivatives</b>		
Forward currency contracts - Less than 1 year	15,943	(81)

The Group uses forward currency contracts to manage some of the transaction exposures. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transactions exposure and fair value changes exposure. Such derivative does not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales denominated in USD for which from commitments existed at reporting date.

## 28. Financial Instruments

There have been no significant changes to the Group's exposure credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

There were no financial instruments with off balance sheet risk as at the date of announcement.

The un-hedged financial assets and liabilities of the Group that are not denominated in their functional currencies as at the current quarter ended are as follows:-

Functional currency of the Group	United States Dollar RM'000
Trade and other receivables	25,743
Trade payables	(4,814)
Cash and bank balances	7,943
Total	28,872

## 29. Material Litigation

There were no pending material litigations at the date of this report.

## 30. Dividends

No dividend has been declared for the financial quarter under review.

### 31. Earnings Per Share

The earnings per share for the current quarter and financial year-to-date are calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue.

	Current Year Quarter 30/04/2018	Preceding Year Corresponding Quarter 30/04/2017	Current Year To Date 30/04/2018	Preceding Year Corresponding Period 30/04/2017
Loss for the period (RM'000)	(4,085)	(3,291)	(4,085)	(3,291)
Weighted average number of ordinary shares in issue ('000)	40,097	40,097	40,097	40,097
Basic loss per share (Sen)	<u>(10.19)</u>	<u>(8.21)</u>	<u>(10.19)</u>	<u>(8.21)</u>

Basic earnings per ordinary share is calculated by dividing the profit for the quarter attributable to ordinary equity holders of the company by the weighted average number of ordinary shares in issue during the quarter.

Diluted earnings per share is not disclosed as the Company does not have any dilutive potential on ordinary shares.

### 32. Authorisation for issue

The unaudited interim financial statements were authorised for issue by the Board of Directors on 27 June 2018.