

**RAPID SYNERGY BERHAD** (Company No. 325935-U)  
(Incorporated in Malaysia)

The Board of directors is pleased to submit its quarterly report on the consolidated results of the Group for the fourth quarter ended 31 December 2018.  
The figures have not been audited.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Individual Period				Cumulative Period			
	Current Year Quarter 31/12/2018 RM'000	Preceding Year Corresponding Quarter 31/12/2017 RM'000 (Restated)	Changes in Amount RM'000	Changes in %	Current Year-to- date 31/12/2018 RM'000	Preceding Year Corresponding Period 31/12/2017 RM'000 (Restated)	Changes in Amount RM'000	Changes in %
<b>Continuing Operations</b>								
Revenue	8,023	9,847	(1,824)	(19)	30,365	32,658	(2,293)	(7)
Cost of sales	(3,570)	(2,901)	(669)	23	(7,954)	(9,887)	1,933	(20)
<b>Gross profit</b>	<b>4,453</b>	<b>6,946</b>	<b>(2,493)</b>	<b>(36)</b>	<b>22,411</b>	<b>22,771</b>	<b>(360)</b>	<b>(2)</b>
Interest income	53	36	17	47	54	74	(20)	(27)
Gain from disposal of investment properties	-	-	-	-	478	4,507	(4,029)	(89)
Other income	495	438	57	13	570	516	54	10
Administrative and Distribution expenses	(711)	(1,843)	1,132	(61)	(4,543)	(7,013)	2,470	(35)
Depreciation of investment properties and PPE	(1,114)	(1,083)	(31)	3	(4,364)	(4,335)	(29)	1
Other expenses	(68)	(500)	432	(86)	(1,684)	(2,189)	505	(23)
Finance costs	(2,767)	(2,382)	(385)	16	(10,797)	(9,642)	(1,155)	12
			-					
<b>Profit before taxation</b>	<b>341</b>	<b>1,612</b>	<b>(1,271)</b>	<b>(79)</b>	<b>2,125</b>	<b>4,689</b>	<b>(2,564)</b>	<b>(55)</b>
Income tax expense	(275)	(75)	(200)	267	(1,564)	(1,151)	(413)	36
<b>Profit for the period</b>	<b>66</b>	<b>1,537</b>	<b>(1,471)</b>	<b>(96)</b>	<b>561</b>	<b>3,538</b>	<b>(2,977)</b>	<b>(84)</b>

**Earning/(Loss) per share attributable to shareholders of the parent:**

Basic and diluted earnings/(loss) per ordinary share (sen)	0.06	1.43	0.52	3.29
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(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements).

**RAPID SYNERGY BERHAD** (Company No. 325935-U)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**  
**Condensed Consolidated Statement of Financial Position**

	Unaudited As At 31/12/2018 RM'000	Audited As At 31/12/2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	2,745	3,139
Investment properties	269,909	262,597
Prepaid lease payments	2,263	2,336
Other investments	9,501	10,881
Deferred tax assets	254	268
	<u>284,672</u>	<u>279,221</u>
<b>Current Assets</b>		
Inventories	351	-
Contract assets	1,518	1,228
Receivables, deposits and prepayment	9,610	7,724
Current tax assets	720	226
Assets classified as held for sale	539	-
Cash & bank balances	5,681	6,373
	<u>18,419</u>	<u>15,551</u>
<b>TOTAL ASSETS</b>	<u><b>303,091</b></u>	<u><b>294,772</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	107,491	107,491
Reserves	33,812	34,631
<b>Total equity</b>	<u>141,303</u>	<u>142,122</u>
<b>Non-current liabilities</b>		
Loan and borrowings	121,360	117,677
Deferred income	961	1,016
Deferred tax liabilities	302	315
	<u>122,623</u>	<u>119,008</u>
<b>Current liabilities</b>		
Loan and borrowings	28,708	23,373
Payables and accruals	10,351	10,163
Provision for taxation	51	51
Deferred income	55	55
	<u>39,165</u>	<u>33,642</u>
<b>Total liabilities</b>	<u>161,788</u>	<u>152,650</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>303,091</b></u>	<u><b>294,772</b></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.31</b>	<b>1.32</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements).

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**  
**Condensed Consolidated Statement of Cash Flows**

	12 months period ended 31 Dec	
	2018 RM'000	2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	2,125	4,689
Adjustment for:-		
Depreciation and amortisation	4,364	4,335
Dividend received	(441)	(440)
Interest income	(54)	(74)
Interest expense	10,797	9,642
Unrealised loss on foreign exchange	-	138
Impairment loss on:		
- trade receivables, net	-	117
- other investments	-	28
Gain from disposal of Investment properties	(478)	(4,507)
Operating profit before working capital changes	16,313	13,928
Decrease/(Increase) in:		
Inventories	(351)	896
Contract assets	(290)	(1,228)
Receivables	(1,886)	(2,705)
Increase/(Decrease) in:		
Deferred income	(55)	(55)
Payables	188	(4,194)
Cash generated from operating activities	13,919	6,642
Tax paid	(2,057)	(1,250)
Net cash generated from operating activities	11,862	5,392
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	54	74
Dividend received	441	440
Acquisition of:		
- property, plant and equipment	(47)	(260)
- investment properties	(12,323)	(23,164)
Proceeds from disposal of investment properties	1,100	6,888
Net cash used in investing activities	(10,775)	(16,022)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of finance lease liability	(263)	(290)
Interest paid	(10,797)	(9,642)
Redemption of term loan	(3,860)	(13,951)
Drawdown of term loan	21,006	37,740
Repayment of term loan	(12,745)	(12,504)
Proceeds from conversion of warrants to shares	-	19,439
Withdrawal/(Placement) of pledged deposit	(692)	(10)
Net cash (used in)/generated from financing activities	(7,351)	20,782
Net (decrease)/increase in cash and cash equivalents	(6,264)	10,152
Cash and cash equivalents at 1 January	(5,278)	(15,430)
Cash and cash equivalents at 31 December	(11,542)	(5,278)
Net Cash Generated From/(Used In) Operating Activities	11,862	5,392
Net Cash (Used In)/Generated From Investing Activities	(10,775)	(16,022)
Net Cash (Used In)/Generated From Financing Activities	(7,351)	20,782
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(6,264)	10,152
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	(5,278)	(15,430)
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	(11,542)	(5,278)
<b>Cash and Cash Equivalents at 31 December consist of:-</b>		
Cash and bank balances	3,919	4,664
Deposits with licensed banks	1,762	1,709
Bank overdrafts	(15,461)	(10,581)
Less: Deposit pledged to the financial institutions	(1,762)	(1,070)
	(11,542)	(5,278)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements).

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**  
**Condensed Consolidated Statement of Changes in Equity**

	<----- Attributable to shareholders of the parent ----->				Total RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	
<b>At 1 January 2017</b>	87,457	595	1,468	27,171	116,691
Other comprehensive income					
- Fair value of available-for-sale financial assets			2,454		2,454
Profit for the period	-	-	-	3,538	3,538
<b>Total comprehensive income for the period</b>	-	-	2,454	3,538	5,992
Shares Issued pursuant to exercise of warrant at RM1.00 per share	19,439	-	-	-	19,439
Transfer in accordance with Section 618 (2) of the Companies Act 2016	595	(595)			-
<b>At 31 December 2017</b>	107,491	-	3,922	30,709	142,122
<b>At 1 January 2018</b>	107,491	-	3,922	30,709	142,122
Other comprehensive income					
- Fair value of available-for-sale financial assets	-	-	(1,380)	-	(1,380)
Profit for the period	-	-	-	561	561
<b>Total comprehensive income for the period</b>	-	-	(1,380)	561	(819)
<b>At 31 December 2018</b>	107,491	-	2,542	31,270	141,303

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements).

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER IN RESPECT OF FINANCIAL YEAR ENDING 31 DECEMBER 2018 – UNAUDITED**

### **Part A: Selected explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting**

#### **A1 Basis of preparation**

These condensed consolidated interim financial reports, for the period ended 31 December 2018, have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited annual financial statement of the Group for the financial year ended 31 December 2017. The explanatory notes attached to the 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 year ended 31 December 2017.

#### **A2 Significant Accounting Policies**

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2017, except for the adoption of the following MFRS/Amendments/Interpretations effective 1 January 2018:

- MFRS 9 Financial Instruments (2014)
- MFRS 15 Revenue from Contracts with Customers
- Amendments to MFRS 15 Clarifications to MFRS 15
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2018. The adoption of these new and revised MFRSs and IC interpretations have not resulted in any material impact on the financial statements of the Group.

In the adoption of MFRS15, the practical expedients as permitted by the standard have been adopted, the Group does not restate contracts that:

- Begin and end within the same annual reporting period; or
- Are completed contracts at the beginning of the earliest period presented

The following table summarise the impacts arising from the adoption of MFRS15 on the Group’s quarter and financial year ended 31 December 2017 financial statements:

	Cumulative Period		
	Preceding Year Corresponding Period 31/12/2017  As previously reported RM'000	MFRS 15 Adjustments  RM'000	Preceding Year Corresponding Period 31/12/2017  As restated RM'000
Condensed consolidated statement of financial position			
Contract assets	-	1,228	1,228
Inventories	631	(631)	-
Consolidated statement of profit or loss			
Revenue	31,430	1,228	32,658
Cost of sales	9,256	631	9,887

	Individual Period		
	Preceding Year Corresponding Quarter 31/12/2017  As previously reported RM'000	MFRS 15 Adjustments  RM'000	Preceding Year Corresponding Quarter 31/12/2017  As restated RM'000
Condensed consolidated statement of profit or loss			
Revenue	8,619	1,228	9,847
Cost of sales	2,270	631	2,901

The following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective and have not applied by the Group :

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019**

- MFRS 16                              Leases
- IC Interpretations 23              Uncertainty over Income Tax Treatments
- Amendments to MFRS 3           Business Combinations

- Amendments to MFRS 9 Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 11 Joint Arrangements
- Amendments to MFRS 112 Income Taxes
- Amendments to MFRS 123 Borrowing Costs
- Amendments to MFRS 128 Investment in Associates and Joint Ventures – Long Term Interests in Associates and Joint Ventures

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021**

- MFRS 17 Insurance Contracts

**MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

- Amendments to MFRS 10 Consolidated Financial Statements
- MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution by Assets between an Investor and its Associate or Joint Venture

**A3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2017 was not qualified.

**A4 Seasonal or cyclical factors**

The Group's operations were not affected by any significant seasonal or cyclical factors in the current quarter.

**A5 Unusual items Due to Their Nature, Size or Incidence**

Other than disclosed in the financial statements, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current fourth quarter ended 31 December 2018 in respect of financial year ending 31 December 2018 ("Q4 FY18").

**A6 Change in Estimates**

There were no significant changes in estimates of amounts reported in prior financial year which have a material effect in Q4 FY18.

#### A7 Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year-to-date.

#### A8 Dividend

There was no dividend payment made for the current quarter under review.

#### A9 Segmental Reporting

Segmental reporting by quarter and cumulative year-to-date basis is as tabulated.

3 Months ended Q4 FY18	Manufacturing RM'000		Investment Holding RM'000		Consolidated RM'000	
	2018	2017	2018	2017	2018	2017
<b>Revenue</b>	4,102	5,116	3,921	4,731	8,023	9,847
<b>Results</b>						
Segment results	830	1,361	2,278	2,633	3,108	3,994
Interest Expenses	(162)	(141)	(2,605)	(2,241)	(2,767)	(2,382)
Total					341	1,612

12 Months ended Q4 FY18	Manufacturing RM'000		Investment Holding RM'000		Consolidated RM'000	
	2018	2017	2018	2017	2018	2017
<b>Revenue</b>	12,459	15,888	17,906	16,770	30,365	32,658
<b>Results</b>						
Segment results	2,832	3,122	10,090	11,209	12,922	14,331
Interest Expenses	(697)	(546)	(10,100)	(9,096)	(10,797)	(9,642)
Total					2,125	4,689



**A10 Valuations of property, plant and equipment**

The valuations of property, plant and equipment have been brought forward without amendments from the audited financial statements for the financial year ended 31 December 2017.

**A11 Material events subsequent to balance sheet date**

There were no material events subsequent to the end of the period under review to 15 February 2019 except for the following:

On 7 December 2018, Rapid Synergy Berhad had entered into Sale and Purchase Agreement with Triple-H Auto Parts Sdn. Bhd. to acquire investment property known as PT10412 Geran 112267 Lot 15368 Mukim Lumut, Taman Samudera, 32040 Seri Manjung (Caltex Petrol Station) amounting to RM6 million. The acquisition is expected to be completed in the first quarter of 2019.

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

There were no changes in the composition of the Group subsequent to the end of the period under review to 15 February 2019.

**A13 Changes in contingent liabilities or contingent assets as at 31 December 2018**

The contingent liabilities / assets as at 31 December 2018 is as tabulated:

Unsecured:	RM '000
Corporate guarantee issued to banks for credit facilities granted to subsidiary companies	109,815

**A14 Property, plant and equipment**

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

**A15 Capital commitments**

The capital commitments for the current quarter ended 31 December 2018 was as follows:

	Current Quarter RM'000	Year To Date RM'000
Acquisition of Investment Properties	2,599	2,599

**Part B: Additional information required under Part A of Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1 Group's Financial Performance Review and Segmental Analysis**

(a) Overall review of Group's financial performance by quarter

Segment	<----- 3 months ended 31 December----->			
	Current year quarter 4Q FY18 RM'000	Preceding year corresponding quarter 4Q FY17 RM'000	Changes in amount RM'000	Changes in %
<b>Manufacturing</b>				
Revenue	4,102	5,116	(1,014)	(20)
Profit Before Interest and Tax	830	1,361	(531)	(39)
Profit Before Tax	668	1,220	(552)	(45)
Profit After Tax	515	1,113	(598)	(54)
<b>Investment holding</b>				
Revenue	3,921	4,731	(810)	(17)
Profit Before Interest and Tax	2,278	2,633	(355)	(13)
(Loss)/Profit Before Tax	(327)	392	(719)	(183)
(Loss)/Profit After Tax	(449)	424	(873)	(206)
<b>Total</b>				
Revenue	8,023	9,847	(1,824)	(19)
Profit Before Interest and Tax	3,108	3,994	(886)	(22)
Profit Before Tax	341	1,612	(1,271)	(79)
Profit After Tax	66	1,537	(1,471)	(96)

(b) Overall review of Group's financial performance on a cumulative quarter basis

Segment	<----- 12 months ended 31 December----->			
	Current year quarter 4Q FY18 RM'000	Preceding year corresponding quarter 4Q FY17 RM'000	Changes in amount RM'000	Changes in %
<b>Manufacturing</b>				
Revenue	12,459	15,888	(3,429)	(22)
Profit Before Interest and Tax	2,832	3,123	(291)	(9)
Profit Before Tax	2,135	2,577	(442)	(17)
Profit After Tax	1,401	1,977	(576)	(29)
<b>Investment holding</b>				
Revenue	17,906	16,770	1,136	7
Profit Before Interest and Tax	10,090	11,208	(1,118)	(10)
Profit Before Tax	(10)	2,112	(2,122)	(100)
(Loss)/Profit After Tax	(840)	1,561	(2,401)	(154)
<b>Total</b>				
Revenue	30,365	32,658	(2,293)	(7)
Profit Before Interest and Tax	12,922	14,331	(1,409)	(10)
Profit Before Tax	2,125	4,689	(2,564)	(55)
Profit After Tax	561	3,538	(2,977)	(84)

(i) Statement of Profit or Loss and Other Comprehensive Income

The Group recorded revenue of RM8.02 million for Q4 FY18, a decrease of RM1.83 million from RM9.85 million reported in the preceding year corresponding quarter. For the current quarter profit before tax ("PBT") has decreased by 79% to RM0.34 million compared to RM1.61 million over the same comparative quarter. The lower revenue and PBT reported in the current quarter compared with preceding year corresponding quarter was contributed by decreased in revenue from both divisions.

For the twelve months ended 31 December 2018, the Group recorded revenue of RM30.37 million and PBT of RM2.12 million against revenue of RM32.66 million and PBT of RM4.69 million for Q4 FY17. The lower revenue recorded during the current year ended 31 December 2018 was mainly due to lower orders received by the manufacturing division. The higher PBT achieved during the preceding corresponding period ended Q4 FY17 was mainly due to gain from disposal of properties.

(ii) **Statement of Financial Position**

Total borrowings of the Group increased to RM150.07 million as at 4Q FY18 against RM141.05 million as at FY17 mainly due to additional drawdown of term loans.

(iii) **Statement of Cash Flows**

The net cash generated from operations of the Group was RM11.86 million for the twelve months ended 31 December 2018 versus RM5.39 million in the preceding year corresponding period ended Q4 FY17.

The net cash used in investing activities was RM10.78 million for the twelve months period ended 31 December 2018 against RM16.02 million in the preceding year corresponding period ended Q4 FY17.

Net cash used in financing activities was RM7.35 million against net cash generated of RM20.78 million in the preceding year corresponding period ended Q4 FY17. The higher net cash generated in the preceding year corresponding period was mainly contributed by proceeds from conversion of warrants to ordinary shares. On overall, cash and cash equivalents decreased by RM6.26 million.

(c) **Segmental Analysis**

**Current quarter compared with previous year corresponding quarter**

The manufacturing division recorded a revenue and PBT of RM4.10 million and RM0.67 million compared with RM5.12 million and RM1.22 million respectively in the 4Q FY17. The revenue and PBT of the manufacturing division has decreased due to lower orders received from existing customers.

The investment holding division recorded a revenue of RM3.92 million for the current quarter, a decrease of RM0.81 million from RM4.73 million in the preceding year corresponding quarter. The investment holding division recorded loss before tax ("LBT") of RM0.33 million, a decrease of RM0.72 million from PBT of RM0.39 million recorded in 4Q FY17. The decrease in revenue and LBT in the investment property division for the current quarter was mainly due to reduce in the occupancy rates.

**B2 Financial review for current quarter compared with immediate preceding quarter**

The Group posted revenue of RM8.02 million during the current financial quarter, an increase of RM0.92 million from RM7.10 million recorded in the immediate preceding quarter. The Group PBT decreased to RM0.34 million as compared to RM0.60 million reported in the immediate preceding quarter. The contributory factors to the above performance are explained in the respective business segments as follows:

	Current Quarter ended 31.12.2018 RM'000	Immediate Preceding Quarter ended 30.09.2018 RM'000	Changes in amount RM'000	Changes in %
<b>Manufacturing</b>				
Revenue	4,102	2,575	1,527	59
Profit before Interest and Tax	830	592	238	40
Profit before Tax	668	411	257	63
Profit after Tax	515	101	414	410
<b>Investment holding</b>				
Revenue	3,921	4,523	(602)	(13)
Profit before Interest and Tax	2,278	2,697	(419)	(16)
(Loss)/Profit before Tax	(327)	191	(518)	(271)
Loss after Tax	(449)	(66)	(383)	(580)
<b>Total</b>				
Revenue	8,023	7,098	925	13
Profit before Interest and Tax	3,108	3,289	(181)	(6)
Profit before Tax	341	602	(261)	(43)
Profit after Tax	66	35	31	89

- (a) The manufacturing division recorded revenue of RM4.10 million and PBT of RM0.67 million in the current quarter compared to RM2.58 million and RM0.41 million respectively in the immediate preceding quarter. The higher revenue and PBT recorded in the current quarter was mainly due to increase in purchase orders received from customers.

- (b) During the current quarter, the investment holding division reported revenue of RM3.92 million and LBT of RM0.33 million as compared to RM4.52 million and PBT of RM0.19 million respectively in the immediate preceding quarter. The lower revenue and LBT recorded in the current quarter was mainly due to reduce in occupancy rates.

### B3 Prospects for FY2019

The manufacturing division's performance is still very much dependent on the demand from the semi-conductor industry. The investment holding division which derived its revenue through rental income from investment properties would be a challenge due to softer demand for rental property market and competition from coming on-stream of new similar properties in the vicinity of the Group's investment properties.

### B4 Profit forecast

This was not applicable as no profit forecast was published.

### B5 Profit/(Loss) before taxation

Profit/(Loss) before taxation is arrived at after crediting/ (charging) the following income/ (expenses):

	←-----3 months ended-----→		←-----12 months ended-----→	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
(a) Gain on disposal of investment properties	-	-	478	4,507
(b) Interest expense	(2,767)	(2,382)	(10,797)	(9,642)
(c) Interest income	53	36	54	74
(d) Allowance for write (down)/back of inventories	519	(75)	444	(300)
(e) Gain/(loss) on foreign exchange				
– realised	(5)	(54)	(32)	(5)
– unrealised	5	(31)	(4)	14

	←-----3 months ended-----→		←-----12 months ended-----→	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
(f) Depreciation and amortisation	(1,114)	(1,083)	(4,364)	(4,335)
(g) Impairment of other Investment	-	(28)	-	(28)

**B6 Tax expense**

	←-----3 months ended-----→		←-----12 months ended-----→	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Income tax expense				
-Current	208	712	1,540	1,624
-Prior year	-	(352)	37	(202)
Deferred tax expense				
-Current	67	(44)	(13)	(30)
-Prior year	-	(241)	-	(241)
	275	75	1,564	1,151

The effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain expenses which are not tax deductible.

**B7 Gain/(losses) on sale of unquoted investments and/or properties**

There was no profit/losses on sale of unquoted investment and/or properties in the current quarter ended 31 December 2018 except for the gain of RM0.49 million from the disposal of one unit of condominium.

**B8 Marketable securities**

There were no purchase or disposal of quoted securities during the current quarter ended 31 December 2018.

**B9 Status of corporate proposals**

There were no corporate proposals during the current quarter ended 31 December 2018.

**B10 Borrowing and debts securities**

All borrowings of the Group are denominated in Ringgit Malaysia.

	12 months ended 31.12.2018 (RM'000)		
	Long Term	Short Term	Total Borrowings
Bank Overdraft	-	15,461	15,461
Bank Loan	121,360	13,132	134,492
Finance Lease Liability	-	115	115
<b>Total</b>	<b>121,360</b>	<b>28,708</b>	<b>150,068</b>
	12 months ended 31.12.2017 (RM'000)		
	Long Term	Short Term	Total Borrowings
Bank Overdraft	-	10,581	10,581
Bank Loan	117,591	12,500	130,091
Finance Lease Liability	86	292	378
<b>Total</b>	<b>117,677</b>	<b>23,373</b>	<b>141,050</b>

**B11 Off balance sheet financial instruments**

The Group does not have any financial instruments with off-balance sheet risk as at 15 February 2019.

**B12 Changes in material litigation**

There was no material litigation during the current quarter and period ended 31 December 2018.

**B13 Dividends**

No dividend has been recommended for the quarter under review.



**B14 Basis of calculation of earnings per share**

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

	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Net profit for the period attributable to owners of the Company (RM'000)	66	1,537	561	3,538
Weighted average number of ordinary shares in issue	107,491,228	107,491,228	107,491,228	107,491,228
Basic earnings per share (sen)	0.06	1.43	0.52	3.29

**B15 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board  
LEE CHIEW HIANG  
Executive Director