



# LION FOREST INDUSTRIES BERHAD

Registration No. 198201002310 (82056-X)

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(Incorporated in Malaysia)

## **Interim Financial Report for the First Quarter Ended 30 September 2019**

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Interim financial report for the first quarter ended 30 September 2019

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

|  | Note | 3 MONTHS ENDED      |                     |              | YEAR-TO-DATE ENDED  |                     |              |
|--|------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
|  |      | 30.9.2019<br>RM'000 | 30.9.2018<br>RM'000 | Changes<br>% | 30.9.2019<br>RM'000 | 30.9.2018<br>RM'000 | Changes<br>% |
| Revenue  |      | 137,111             | 104,128             | 32           | 137,111             | 104,128             | 32           |
| Operating expenses   |      | (137,361)           | (102,421)           |              | (137,361)           | (102,421)           |              |
| Other operating income   |      | 3,553               | 3,241               |              | 3,553               | 3,241               |              |
| Profit from operations   |      | 3,303               | 4,948               | -33          | 3,303               | 4,948               | -33          |
| Finance costs  |      | (15)                | (8)                 |              | (15)                | (8)                 |              |
| Share in results of associated companies                         |      | (220)               | (840)               |              | (220)               | (840)               |              |
| Profit before tax  | 23   | 3,068               | 4,100               | -25          | 3,068               | 4,100               | -25          |
| Income tax expense   | 16   | (968)               | (1,330)             |              | (968)               | (1,330)             |              |
| Profit for the period  |      | <u>2,100</u>        | <u>2,770</u>        | -24          | <u>2,100</u>        | <u>2,770</u>        | -24          |
| Profit attributable to owners of the Company                     |      | <u>2,100</u>        | <u>2,770</u>        |              | <u>2,100</u>        | <u>2,770</u>        |              |
| Earnings per share attributable to owners of the Company (sen) : | 21   |                     |                     |              |                     |                     |              |
| - Basic  |      | <u>0.92</u>         | <u>1.22</u>         |              | <u>0.92</u>         | <u>1.22</u>         |              |
| - Diluted  |      | <u>0.92</u>         | <u>1.22</u>         |              | <u>0.92</u>         | <u>1.22</u>         |              |

*(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)*

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(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | 3 MONTHS ENDED      |                     | YEAR-TO-DATE ENDED  |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 30.9.2019<br>RM'000 | 30.9.2018<br>RM'000 | 30.9.2019<br>RM'000 | 30.9.2018<br>RM'000 |
| Profit for the period  | 2,100               | 2,770               | 2,100               | 2,770               |
| <u>Other comprehensive (loss)/income</u>                                     |                     |                     |                     |                     |
| <u>Item that will not be reclassified subsequently<br/>to profit or loss</u> |                     |                     |                     |                     |
| Net loss on other investments:   |                     |                     |                     |                     |
| - Fair value changes   | (2,520)             | (10,640)            | (2,520)             | (10,640)            |
| <u>Item that may be reclassified subsequently<br/>to profit or loss</u>      |                     |                     |                     |                     |
| Foreign currency translation differences<br>arising from foreign operations  | (485)               | 3,546               | (485)               | 3,546               |
| Other comprehensive loss for the period                                      | (3,005)             | (7,094)             | (3,005)             | (7,094)             |
| Total comprehensive loss for the period                                      | (905)               | (4,324)             | (905)               | (4,324)             |
| Total comprehensive loss attributable to<br>owners of the Company            | (905)               | (4,324)             | (905)               | (4,324)             |

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)*

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Interim financial report for the first quarter ended 30 September 2019

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | <u>Note</u> | AS AT<br>30.9.2019<br>RM'000 | AS AT<br>30.6.2019<br>RM'000 |
|---|-------------|------------------------------|------------------------------|
| <b>ASSETS</b>   |             |                              |                              |
| <b>Non-Current Assets</b>                                       |             |                              |                              |
| Property, plant and equipment                                   |             | 17,325                       | 17,653                       |
| Investment properties   |             | 108,399                      | 107,193                      |
| Right-of-use assets   |             | 179                          | -                            |
| Investment in associated companies                              |             | 39,183                       | 40,590                       |
| Other investments   |             | 13,771                       | 16,291                       |
| Amount owing by other related company                           |             | 106,022                      | 104,383                      |
| Deferred tax assets   |             | 7,536                        | 7,536                        |
| Total Non-Current Assets  |             | 292,415                      | 293,646                      |
| <b>Current Assets</b>   |             |                              |                              |
| Inventories   |             | 16,490                       | 17,281                       |
| Trade receivables   |             | 150,041                      | 135,208                      |
| Other receivables and prepayments                               |             | 26,268                       | 19,897                       |
| Amount owing by immediate holding company                       |             | 84,089                       | 86,661                       |
| Amount owing by other related companies                         |             | 1,414                        | 1,228                        |
| Tax recoverable   |             | 4,107                        | 3,789                        |
| Investment in money market funds                                |             | 17,072                       | 16,926                       |
| Fixed deposits, cash and bank balances                          |             | 62,333                       | 79,063                       |
| Total Current Assets  |             | 361,814                      | 360,053                      |
| <b>Total Assets</b>   |             | <b>654,229</b>               | <b>653,699</b>               |
| <b>EQUITY AND LIABILITIES</b>                                   |             |                              |                              |
| <b>Capital and Reserves</b>                                     |             |                              |                              |
| Share capital   |             | 920,902                      | 920,902                      |
| Reserves  |             | (370,078)                    | (369,173)                    |
| Equity attributable to owners of the Company                    |             | 550,824                      | 551,729                      |
| <b>Non-Current and Deferred Liabilities</b>                     |             |                              |                              |
| Hire-purchase payables  | 18          | 10                           | 16                           |
| Lease liabilities   |             | 55                           | -                            |
| Deferred tax liabilities  |             | 531                          | 531                          |
| Total Non-Current and Deferred Liabilities                      |             | 596                          | 547                          |
| <b>Current Liabilities</b>                                      |             |                              |                              |
| Trade payables  |             | 25,809                       | 26,465                       |
| Other payables and accrued expenses                             |             | 51,536                       | 51,353                       |
| Contract liabilities  |             | 20,016                       | 18,370                       |
| Provisions  |             | 3,473                        | 3,473                        |
| Amount owing to other related companies                         |             | 693                          | 693                          |
| Hire-purchase payables  | 18          | 26                           | 26                           |
| Bank borrowings   | 18          | 955                          | 818                          |
| Lease liabilities   |             | 125                          | -                            |
| Tax liabilities   |             | 176                          | 225                          |
| Total Current Liabilities                                       |             | 102,809                      | 101,423                      |
| <b>Total Liabilities</b>  |             | <b>103,405</b>               | <b>101,970</b>               |
| <b>Total Equity and Liabilities</b>                             |             | <b>654,229</b>               | <b>653,699</b>               |
| Net assets per share attributable to owners of the Company (RM) |             | 2.42                         | 2.42                         |

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)*

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(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | ← Non-distributable reserves → |                           |                          |                              | Total equity<br>RM'000 |
|--|--------------------------------|---------------------------|--------------------------|------------------------------|------------------------|
|  | Share capital<br>RM'000        | Treasury shares<br>RM'000 | Other reserves<br>RM'000 | Accumulated losses<br>RM'000 |                        |
| <b><u>30 September 2019</u></b>                  |                                |                           |                          |                              |                        |
| At 1 July 2019                                   | 920,902                        | (2,277)                   | 29,875                   | (396,771)                    | 551,729                |
| Total comprehensive (loss)/income for the period | -                              | -                         | (3,005)                  | 2,100                        | (905)                  |
| At 30 September 2019                             | <u>920,902</u>                 | <u>(2,277)</u>            | <u>26,870</u>            | <u>(394,671)</u>             | <u>550,824</u>         |
| <b><u>30 September 2018</u></b>                  |                                |                           |                          |                              |                        |
| At 1 July 2018                                   | 920,902                        | (2,277)                   | 43,868                   | (414,677)                    | 547,816                |
| Total comprehensive (loss)/income for the period | -                              | -                         | (7,094)                  | 2,770                        | (4,324)                |
| At 30 September 2018                             | <u>920,902</u>                 | <u>(2,277)</u>            | <u>36,774</u>            | <u>(411,907)</u>             | <u>543,492</u>         |

*(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)*

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|   | YEAR-TO-DATE ENDED |           |
|---|--------------------|-----------|
|   | 30.9.2019          | 30.9.2018 |
|   | RM'000             | RM'000    |
| <u>OPERATING ACTIVITIES</u>                                 |                    |           |
| Profit before tax   | 3,068              | 4,100     |
| Adjustments for:  |                    |           |
| Non-cash items  | 2,012              | 2,262     |
| Non-operating items   | (2,352)            | (2,169)   |
| Operating profit before changes in working capital          | 2,728              | 4,193     |
| Changes in working capital:                                 |                    |           |
| Net changes in current assets                               | (19,200)           | (16,855)  |
| Net changes in current liabilities                          | 1,253              | 11,286    |
| Others  | (1,156)            | (1,507)   |
|   | (16,375)           | (2,883)   |
| <u>INVESTING ACTIVITIES</u>                                 |                    |           |
| Purchase of property, plant and equipment                   | (341)              | (366)     |
| Proceeds from disposal of property, plant and equipment     | 117                | 25        |
| Increase in amount owing by other related companies         | (1,639)            | (1,525)   |
| Increase in investment in money market funds                | (146)              | -         |
| Interest received   | 2,188              | 2,126     |
| Others  | (1)                | (5)       |
|   | 178                | 255       |
| <u>FINANCING ACTIVITIES</u>                                 |                    |           |
| Increase in bank borrowings                                 | 137                | 436       |
| Decrease in amount owing to other related companies         | -                  | (114)     |
| Increase in cash at banks held under fixed deposits pledged | (28)               | (36)      |
| Others  | (62)               | (15)      |
|   | 47                 | 271       |
| Net changes in cash and cash equivalents                    | (16,150)           | (2,357)   |
| Effect of exchange differences                              | (608)              | (594)     |
| Cash and cash equivalents at beginning of the period        | 78,131             | 108,194   |
| Cash and cash equivalents at end of the period              | 61,373             | 105,243   |

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements)*

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## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Accounting policies and methods of computation

The condensed consolidated financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019. These explanatory notes 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 30 June 2019.

The significant accounting policies adopted in the condensed consolidated financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2019 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations effective for the financial period beginning 1 July 2019:

|  |   |
|--|---|
| MFRS 16  | Leases  |
| Amendments to MFRS 9                           | Prepayment Features with Negative Compensation                        |
| Amendments to MFRS 128                         | Long-term Interests in Associates and Joint Ventures                  |
| IC Interpretation 23                           | Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts |
| Amendments to MFRS 140                         | Transfers of Investment Property                                      |
| IC Interpretation 23                           | Uncertainty over Income Tax Treatments                                |
| Annual Improvements to MFRSs 2015 - 2017 Cycle |   |

The adoption of the abovementioned MFRSs, Amendments to MFRSs and IC Interpretations does not have material impact on the financial position and/or financial performance of the Group in the period of initial application except as further discussed below.

MFRS 16, supersedes MFRS 117 Leases and the related interpretations, introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset as a low value.

MFRS 16 determines whether a contract contains a lease on the basis the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has applied MFRS 16 on 1 July 2019 using the modified retrospective method, under which the comparative information was not restated. There was no contract that met the definitions of MFRS 117 and rental expenses were recognised previously.

The Group, in applying MFRS16 as a lessee:

- recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the lease payments payable over the lease term;
- recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

The adoption of MFRS 16 has no significant effect on the financial position and/or financial performance of the Group.

**2. Comments about seasonal or cyclical factors**

The Group's performance is not affected by any material seasonal or cyclical factors.

**3. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

**4. Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter and financial year-to-date results.

**5. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 30 September 2019, the number of treasury shares held were 3,745,000 shares.

**6. Dividend paid**

There were no dividends paid during the current quarter and financial year-to-date.



**7. Segmental information**

The Group's segmental report for the financial year-to-date was as follows :

|   | <b>Building<br/>materials<br/>and steel<br/>products</b> | <b>Lubricants,<br/>petroleum<br/>and<br/>automotive<br/>products</b> | <b>Others</b> | <b>Eliminations</b> | <b>Total</b>   |
|---|--|--|---------------|---------------------|----------------|
|   | RM'000   | RM'000   | RM'000        | RM'000              | RM'000         |
| <b>Revenue</b>                              |  |  |               |                     |                |
| External customers                          | 114,735  | 22,106   | 270           | -                   | 137,111        |
| Inter-segment sales                         | -  | -  | -             | -                   | -              |
| Total revenue                               | <u>114,735</u>   | <u>22,106</u>  | <u>270</u>    | <u>-</u>            | <u>137,111</u> |
| <b>Results</b>                              |  |  |               |                     |                |
| Segment results                             | 1,003  | 2,034  | 266           | -                   | 3,303          |
| Finance costs                               | (3)  | (10)   | (2)           | -                   | (15)           |
| Share in results of<br>associated companies | -  | -  | (220)         | -                   | (220)          |
| Profit before tax                           |  |  |               |                     | 3,068          |
| Income tax expense                          |  |  |               |                     | (968)          |
| Profit for the period                       |  |  |               |                     | <u>2,100</u>   |
| <b>Assets</b>                               |  |  |               |                     |                |
| Segment assets                              | 249,116  | 85,611   | 160,612       | -                   | 495,339        |
| Investment in associated<br>companies       | -  | -  | 39,183        | -                   | 39,183         |
| Unallocated corporate assets                |  |  |               |                     | 119,707        |
|   |  |  |               |                     | <u>654,229</u> |

**8. Subsequent events**

There were no material events subsequent to the end of the current quarter.

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

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

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

There were no changes in contingent liabilities or contingent assets since 30 June 2019.

11. **Performance review**

|   | <u>Note</u> | <b>3 MONTHS ENDED</b> |                  |                | <b>YEAR-TO-DATE ENDED</b> |                  |                |
|---|-------------|-----------------------|------------------|----------------|---------------------------|------------------|----------------|
|   |             | <b>30.9.2019</b>      | <b>30.9.2018</b> | <b>Changes</b> | <b>30.9.2019</b>          | <b>30.9.2018</b> | <b>Changes</b> |
|   |             | RM'000                | RM'000           | %              | RM'000                    | RM'000           | %              |
| <b>Revenue</b>                                |             |                       |                  |                |                           |                  |                |
| Building materials and steel products         |             | 114,735               | 73,704           | 56             | 114,735                   | 73,704           | 56             |
| Lubricants, petroleum and automotive products |             | 22,106                | 30,112           | -27            | 22,106                    | 30,112           | -27            |
| Others  |             | 270                   | 312              | -13            | 270                       | 312              | -13            |
|   |             | <u>137,111</u>        | <u>104,128</u>   | 32             | <u>137,111</u>            | <u>104,128</u>   | 32             |
| <b>Segment results</b>                        |             |                       |                  |                |                           |                  |                |
| Building materials and steel products         |             | 1,003                 | 76               | >100           | 1,003                     | 76               | >100           |
| Lubricants, petroleum and automotive products |             | 2,034                 | 4,667            | -56            | 2,034                     | 4,667            | -56            |
| Others  |             | 266                   | 205              | 30             | 266                       | 205              | 30             |
| Profit from operations                        |             | <u>3,303</u>          | <u>4,948</u>     | -33            | <u>3,303</u>              | <u>4,948</u>     | -33            |
| Finance costs                                 |             | (15)                  | (8)              |                | (15)                      | (8)              |                |
| Share in results of associated companies      |             | (220)                 | (840)            |                | (220)                     | (840)            |                |
| Profit before tax                             | 23          | <u>3,068</u>          | <u>4,100</u>     | -25            | <u>3,068</u>              | <u>4,100</u>     | -25            |
| Income tax expense                            | 16          | (968)                 | (1,330)          |                | (968)                     | (1,330)          |                |
| Profit for the period                         |             | <u>2,100</u>          | <u>2,770</u>     | -24            | <u>2,100</u>              | <u>2,770</u>     | -24            |

For the first quarter of financial year 2020, the Group recorded a 32% higher revenue of RM137.1 million as compared with RM104.1 million recorded in the preceding year corresponding period largely due to the higher sales of building materials. The Group's profit from operations was however lower at RM3.3 million.

After accounting for a share of loss in associated companies of RM0.2 million, the Group registered a profit before tax of RM3.1 million for the financial year under review. The Group's net assets per share as at 30 September 2019 stood at RM2.42 and cash and cash equivalents decreased by 21% to RM61.4 million from the end of the last financial year.

**Building Materials and Steel Products**

The revenue of the Division improved by 56% to RM114.7 million as compared to a year ago, mainly due to higher sales of steel products. The Division accordingly posted a higher profit of RM1.0 million as compared with RM0.08 million recorded a year ago.

**Lubricants, Petroleum and Automotive Products**

The revenue of the Division decreased by 27% to RM22.1 million compared with RM30.1 million recorded in the same period a year ago, mainly due to lower sales of lubricants caused by cautious consumer spending. Profit for the quarter under review was therefore lower at RM2.0 million compared with RM4.7 million recorded in the same period a year ago.

**Others**

Results of Others Division were mainly derived from the provision of training services, distribution and retailing of consumer products, and investment holding. These activities collectively contributed a slightly lower revenue of RM0.3 million.

12. **Material changes in the results for the current quarter compared with the immediate preceding quarter**

|                        | <b>Current<br/>Year<br/>Quarter</b> | <b>Immediate<br/>Preceding<br/>Quarter</b> | <b>Changes</b> |
|------------------------|-------------------------------------|--|----------------|
|                        | <b>30.9.2019</b>                    | <b>30.6.2019</b>                           |                |
|                        | RM'000                              | RM'000                                     | %              |
| Revenue                | 137,111                             | 123,909                                    | 11             |
| Profit from operations | 3,303                               | 5,939                                      | -44            |
| Profit before tax      | 3,068                               | 5,255                                      | -42            |

For the quarter under review, the Group registered a revenue of RM137.1 million, representing a growth of 11% from RM123.9 million recorded in last quarter mainly driven by higher sale of building materials and lubricants.

Profit from operations was however lower at RM3.3 million compared with RM5.9 million recorded in the last quarter which had included a write back of impairment losses for receivables of RM2.1 million.

After accounting for a share in loss of associated companies of RM0.2 million, the Group recorded a lower profit before tax of RM3.1 million for the quarter under review compared with RM5.3 million in the last quarter.

13. a) **Prospects**

The businesses are anticipated to face increasing challenges in the next quarter due to the heightening global economic and geopolitical uncertainties.

Despite the challenges, our lubricants, petroleum and automotive products businesses are expected to continue to contribute positively to the Group's results in the next quarter with their strategies such as widening its business network and identifying key potential segments, amongst others.

On the other hand, our building materials business which is closely linked to the construction and property development sectors is foreseen to continue to face intense competition. Nonetheless, the Division will continue to focus on improving its operating performance, expanding its market coverage and promoting its own line of finishing products.

b) **Forecast or target previously announced**

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

14. **Statement of the Board of Directors' opinion on achievement of forecast or target**

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

15. **Profit forecast or profit guarantee**

No profit forecast or profit guarantee was published.

**16. Income tax expense**

|                                | <b>3 MONTHS ENDED</b> |                  | <b>YEAR-TO-DATE ENDED</b> |                  |
|--------------------------------|-----------------------|------------------|---------------------------|------------------|
|                                | <b>30.9.2019</b>      | <b>30.9.2018</b> | <b>30.9.2019</b>          | <b>30.9.2018</b> |
|                                | RM'000                | RM'000           | RM'000                    | RM'000           |
| Estimated tax payable          |                       |                  |                           |                  |
| - Current provision            | (968)                 | (1,346)          | (968)                     | (1,346)          |
| - Overprovision in prior years | -                     | 16               | -                         | 16               |
|                                | <u>(968)</u>          | <u>(1,330)</u>   | <u>(968)</u>              | <u>(1,330)</u>   |

After excluding the results of associated companies, the effective tax rate of the Group for the current quarter and year-to-date were higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purposes.

**17. Corporate proposals**Status of corporate proposals

There were no corporate proposals for the current quarter and financial year-to-date.

**18. Borrowings**

The Group's borrowings as at end of the reporting period were as follows :

|                        | <b>AS AT</b>     | <b>AS AT</b>     |
|------------------------|------------------|------------------|
|                        | <b>30.9.2019</b> | <b>30.9.2018</b> |
|                        | RM'000           | RM'000           |
| <b>Non-current</b>     |                  |                  |
| <u>Secured</u>         |                  |                  |
| Hire-purchase payables | 10               | 51               |
| <b>Current</b>         |                  |                  |
| <u>Secured</u>         |                  |                  |
| Hire-purchase payables | 26               | 40               |
| <u>Unsecured</u>       |                  |                  |
| Bankers acceptances    | 955              | 745              |
|                        | <u>991</u>       | <u>836</u>       |

All the Group's borrowings are denominated in Ringgit Malaysia.

**19. Changes in material litigation**

There was no material litigation since 30 June 2019.

**20. Dividend proposed**

The Board of Directors does not recommend any dividend for the current quarter and financial year-to-date.

**21. Earnings per share ("EPS")****Basic**

Basic EPS is calculated by dividing the Group's profit attributable to owners of the Company for the period by the weighted average number of ordinary shares of the Company in issue during the financial period as follows:

|   | <b>3 MONTHS ENDED</b> |                  | <b>YEAR-TO-DATE ENDED</b> |                  |
|---|-----------------------|------------------|---------------------------|------------------|
|   | <b>30.9.2019</b>      | <b>30.9.2018</b> | <b>30.9.2019</b>          | <b>30.9.2018</b> |
| Profit attributable to owners of the Company (RM'000) | <u>2,100</u>          | <u>2,770</u>     | <u>2,100</u>              | <u>2,770</u>     |
| Weighted average number of shares in issue ('000)     | <u>227,827</u>        | <u>227,827</u>   | <u>227,827</u>            | <u>227,827</u>   |
| Basic EPS (sen)                                       | <u>0.92</u>           | <u>1.22</u>      | <u>0.92</u>               | <u>1.22</u>      |

The basic EPS and the diluted EPS are equal as the Company has no dilutive potential ordinary shares as of the end of the reporting period.

**22. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2019 was not qualified.

**23. Profit before tax**

Profit before tax is arrived at after crediting/(charging) the following:

|   | <b>3 MONTHS ENDED</b> |                  | <b>YEAR-TO-DATE ENDED</b> |                  |
|---|-----------------------|------------------|---------------------------|------------------|
|   | <b>30.9.2019</b>      | <b>30.9.2018</b> | <b>30.9.2019</b>          | <b>30.9.2018</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>    | <b>RM'000</b>             | <b>RM'000</b>    |
| a) Interest income  | 2,367                 | 2,178            | 2,367                     | 2,178            |
| b) Other income including investment income                                     | 1,186                 | 1,063            | 1,186                     | 1,063            |
| c) Interest expense   | (15)                  | (8)              | (15)                      | (8)              |
| d) Depreciation and amortisation  | (696)                 | (693)            | (696)                     | (693)            |
| e) Provision for and write off of receivables                                   | (1,175)               | (782)            | (1,175)                   | (782)            |
| f) Provision for and write off of inventories                                   | -                     | -                | -                         | -                |
| g) Gain or (loss) on disposal of - quoted or unquoted investments or properties | -                     | -                | -                         | -                |
| h) Impairment of assets   | -                     | -                | -                         | -                |
| i) Foreign exchange gain or (loss)  | 79                    | 55               | 79                        | 55               |
| j) Gain or (loss) on derivatives  | -                     | -                | -                         | -                |