

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2018**

	NOTE	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMMULATIVE QUARTER 6 MONTHS ENDED	
		CURRENT YEAR 30/6/2018 UNAUDITED RM'000	PRECEDING YEAR 30//6/2017 UNAUDITED RM'000	CURRENT YEAR 30/6/2018 UNAUDITED RM'000	PRECEDING YEAR 30//6/2017 UNAUDITED RM'000
Continuing Operations					
Revenue	9, 14 & 15	41,018	74,196	110,302	155,993
Cost of Sales		(39,061)	(67,178)	(101,503)	(141,090)
Gross Profit		<u>1,957</u>	<u>7,018</u>	<u>8,799</u>	<u>14,903</u>
Other income	23	6,124	2,500	6,887	5,080
Administrative expenses		(7,663)	(10,705)	(18,332)	(19,097)
Selling & marketing expenses		(106)	(1,565)	(406)	(3,145)
	9	<u>312</u>	<u>(2,752)</u>	<u>(3,052)</u>	<u>(2,259)</u>
Finance costs		(1,000)	(3,064)	(2,835)	(6,381)
Interest income		55	84	167	746
Loss before tax	9	<u>(633)</u>	<u>(5,732)</u>	<u>(5,720)</u>	<u>(7,894)</u>
Income tax expense	20	(4,372)	(2,835)	(4,507)	(2,986)
Loss for the period		<u>(5,005)</u>	<u>(8,567)</u>	<u>(10,227)</u>	<u>(10,880)</u>
Other comprehensive income/(loss), net of tax:					
Exchange differences arising on translation of foreign operation		0	0	0	0
Other comprehensive income/(loss), net of tax		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive loss for the period		<u>(5,005)</u>	<u>(8,567)</u>	<u>(10,227)</u>	<u>(10,880)</u>
Loss attributable to:					
Owners of the parent	14 & 15	(4,941)	(8,601)	(10,136)	(10,933)
Non-Controlling Interest		(64)	34	(91)	53
		<u>(5,005)</u>	<u>(8,567)</u>	<u>(10,227)</u>	<u>(10,880)</u>
Total comprehensive loss attributable to:					
Owners of the parent		(4,941)	(8,601)	(10,136)	(10,933)
Non-Controlling Interest		(64)	34	(91)	53
		<u>(5,005)</u>	<u>(8,567)</u>	<u>(10,227)</u>	<u>(10,880)</u>
Loss per ordinary share attributable to owners of the parent:					
Basic (sen)	26	<u>(8.09)</u>	<u>(14.08)</u>	<u>(16.59)</u>	<u>(17.90)</u>
Fully diluted (sen)	26	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Statements of Comprehensive Income 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)

SINMAH CAPITAL BERHAD (Company No: 301653 - V)

Incorporated in Malaysia

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 JUNE 2018**

	Note	As at 30 June 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		13,326	11,038
Land use rights		22	22
Goodwill		2,264	2,264
Deferred tax assets		2,246	2,246
Total non-current assets		<u>17,858</u>	<u>15,570</u>
Current assets			
Property development costs		19,852	18,361
Inventories		10,666	12,867
Trade receivables		69,665	94,600
Other receivables		23,687	93,241
Tax recoverable		635	1,506
Held-to-maturity investments		17,781	18,313
Cash and bank balances		6,332	3,815
		<u>148,618</u>	<u>242,703</u>
Assets held for sale		-	17,345
Total current assets		<u>148,618</u>	<u>260,048</u>
TOTAL ASSETS		<u>166,476</u>	<u>275,618</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		123,220	123,220
Other reserves		3,706	3,706
Accumulated losses		(27,661)	(17,525)
Equity attributable to owners of the parent		99,265	109,401
Non-controlling interest		1,405	1,496
Total equity		<u>100,670</u>	<u>110,897</u>
Non-current liabilities			
Bank borrowings	22	9,110	16,324
Deferred tax liabilities		363	2,123
		<u>9,473</u>	<u>18,447</u>
Current liabilities			
Bank borrowings	22	23,129	88,009
Progress billings		2,255	969
Trade payables		11,443	19,876
Other payables		7,607	20,943
Amount due to ultimate holding company		1,239	7,900
Tax payable		10,660	8,577
		<u>56,333</u>	<u>146,274</u>
Total Liabilities		<u>65,806</u>	<u>164,721</u>
TOTAL EQUITY AND LIABILITIES		<u>166,476</u>	<u>275,618</u>
Net assets per share attributable to owners of the parent		1.6251	1.7910

(The Condensed Consolidated Statements 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)

SINMAH CAPITAL BERHAD (Company No: 301653 - V)*Incorporated in Malaysia***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2018**

	Note	Attributable to Owners of the Parent Non distributable				Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
		Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Accumulated Losses RM'000			
At 1 January 2017		61,083	62,410	3,706	(32,553)	94,646	1,243	95,889
Adjustments for effects of Companies Act 2016	(a)	62,410	(62,410)	-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	-	(2,333)	(2,333)	20	(2,313)
At 30 June 2017		123,493	-	3,706	(34,886)	92,313	1,263	93,576
At 1 January 2018		123,220	-	3,706	(17,525)	109,401	1,496	110,897
Total comprehensive loss for the period		-	-	-	(10,136)	(10,136)	(91)	(10,227)
At 30 June 2018		123,220	-	3,706	(27,661)	99,265	1,405	100,670

Note (a)

With the Companies Act 2016 ("CA 2016") that has taken effect on 31 January 2017, the credit standing in the share premium account of RM62,410,000 has been transferred to the share capital account. Pursuant to sub-section 618(3) and 618(4) of the CA 2016, the Group may exercise its right to use the credit amounts being transferred from share premium account within twenty four (24) months after commencement of the CA 2016. The Board of Directors will make a decision thereon by 31 January 2019.

(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)

SINMAH CAPITAL BERHAD (Company No: 301653 - V)

Incorporated in Malaysia

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2018**

	Note	Cumulative Current Year To-Date (Unaudited) 30 June 2018 RM'000	Cumulative Preceding Year To-Date (Audited) 30 June 2017 RM'000
Net loss before tax	9	(5,720)	(7,894)
Adjustments for non-cash flow:			
Depreciation and amortisation		784	2,364
Non-cash items		3,356	5,043
Interest expense		2,835	6,381
Interest income		(167)	(746)
Operating profit before changes in working capital		1,088	5,148
Changes to working capital			
Net decrease in current assets		87,986	16,445
Net (decrease)/increase in current liabilities		(20,447)	17,418
Net cash generated from operating activities		68,627	39,011
Interest received		167	746
Interest paid		(2,835)	(6,381)
Tax paid		(4,189)	(279)
Net cash flows generated from operating activities		61,770	33,097
Investing activities			
Purchase of property, plant and equipment		(2,460)	(440)
Proceeds from sale of property, plant and equipment		21,961	1,009
Net cash flows from investing activities		19,501	569
Financing activities			
Net repayments on bank borrowings		(63,979)	(27,895)
Repayment to ultimate holding company		(6,661)	-
Net cash flows used in financing activities		(70,640)	(27,895)
Net changes in cash and cash equivalents		10,631	5,771
Effects of exchange rate changes		-	-
Cash and cash equivalents at beginning of the period		(7,331)	(13,796)
Cash and cash equivalents at the end of the period		3,300	(8,025)
Cash and cash equivalents comprise:			
Cash and bank balances		6,332	3,925
Overdraft	22	(3,032)	(11,950)
Cash and cash equivalents at the end of the period		3,300	(8,025)
Included in the cash flows from operating activities are:			
Cash receipts from customers		126,653	165,509
Cash payments to suppliers, contractors and employees		(134,099)	(139,721)

(The Condensed Consolidated Statements of Cash Flow Statement 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)

SINMAH CAPITAL BERHAD (301653-V)
(Incorporated in Malaysia)

A) Notes in accordance to requirements under Financial Reporting Standards (“FRS”) No. 134 - Interim Financial Reporting

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. 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 year ended 31 December 2017.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2017.

On 1 January 2018, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

Description	Effective for annual periods beginning on or after
MFRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and measurement of Share-based Payment Transactions	1 January 2018
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 140: Transfers of Investment Property	1 January 2018
Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	1 January 2018
Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

The adoption of the above amendments and Annual Improvements to Standards did not have any material impact on the Group and the Company’s financial statements upon their initial application.

The following MFRSs, Amendments to FRSs and IC Interpretations were issued by the MASB but are not yet effective to the Group:

Description	Effective for annual periods beginning on or after
MFRS 16: Leases	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
FRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019
Amendments to MFRS 10 and FMRS 128: Sale or Contribution of Assets between an Investor and its Associates and Joint Venture	Deferred until further notice

The initial application of the abovementioned standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group upon first adoption.

3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 31 December 2017 were reported without any qualification.

4. Comments about Seasonal or Cyclical factors

The Company operations are not affected by any seasonal or cyclical factors.

5. 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 financial period ended 30 June 2018.

6. Changes in Estimates

There were no changes in estimates that had any material effect to the financial statements in the quarter under review.

7. Debt and equity securities

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

8. Dividends paid

No dividend has been declared for the current quarter ended 30 June 2018.

9. Segmental information

The Group is organized into two main business segments:

(i) Poultry – This consists of manufacturing and wholesale of animal feeds, contract farming, and trading of feeds, day-old chicks, medications and vaccines.

(ii) Property development – This consists of development and construction of residential and commercial properties.

Business segment

Segment information for the six months ended 30 June 2018 was as follows:

	<u>Poultry</u>	<u>Property development</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000
<u>2018</u>				
Revenue	248,124	7,226	(145,048)	110,302
Results				
Segment results	(1,780)	(940)	-	(2,720)
Unallocated costs				(332)
Loss from operations				(3,052)
Finance income				167
Finance costs				(2,835)
Loss before tax				(5,720)

Segment information for the six months ended 30 June 2017 was as follows:

	<u>Poultry</u>	<u>Property</u> <u>development</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000
<u>2017</u>				
Revenue	393,985	9,437	(247,429)	155,993
Results				
Segment results			-	
Unallocated costs	(1,427)	(587)		(2,014)
Loss from operations				(2,259)
Finance income				746
Finance costs				(6,381)
Loss before tax				(7,894)

Unallocated costs represent common costs and expenses incurred in holding company and dormant subsidiary companies.

10. Subsequent Events

As at the date of this report, there were no material events subsequent to the current quarter ended 30 June 2018, except for the expiry of Warrants 2013/2018 on 13 July 2018.

11. Changes to the composition of the Group

On 6 April, 2018, the 70% owned subsidiary of the Company, Sinmah Amegajaya Healthcare Sdn. Bhd. ("SAHSB") had incorporated a new subsidiary known as SAH Medical Center Sdn. Bhd. ("SMCSB") under the Companies Act, 2016.

The intended principal activities are hospital development, management and construction and healthcare investment.

SMCSB was incorporated with an issued share capital of RM1,000.00 comprising 1,000 ordinary shares. 100% of the issued share capital of SMCSB is owned by SAHSB. Upon incorporation, SMCSB shall become a wholly-owned subsidiary of SAHSB.

The above incorporation does not have any effect on the issued share capital of the Company and has no material effect on the earnings and net assets of the Company and its subsidiaries for the financial year ending 31 December 2018.

None of the directors and/or substantial shareholders of the Company, or persons connected to such director and/or substantial shareholder has any interest, direct or indirect, in the said incorporation.

An announcement was duly made to Bursa Malaysia Securities Berhad on 9 April, 2018.

12. Contingent Liabilities

The Company provides corporate guarantee to financial institutions for all unsecured credit facilities granted to subsidiaries amounting to RM31.42 million as at 30 June 2018.

13. Capital Commitments

Material capital commitments not provided for in the interim financial statements as at 30 June 2018 amounted to:

Approved and contracted for:

Purchase consideration for the land measuring 77.94 acres held as part of PN 58407, Lot 31915 (formerly known as PN 43209, Lot 6934), Mukim Bukit Katil, District of Melaka Tengah

RM'000

48,760

14. Review of Current Quarter Events and Performance

The Group’s performance for the current year’s second quarter ended 30 June 2018 compared to the preceding year’s second quarter ended 30 June 2017 is shown in Table 1, Table 2 and Table 3.

Table 1: Financial review for current quarter and financial year to date

	Individual Period (2 nd Quarter)		Changes (Amount/%)	Cumulative Period (6 Months)		Changes (Amount/%)
	Current Year 30/6/2018 RM’000	Preceding Year 30/6/2017 RM’000		Current Year 30/6/2018 RM’000	Preceding Year 30/6/2017 RM’000	
Revenue	41,018	74,196	(33,178), (45%)	110,302	155,993	(45,691), (29%)
Profit/(loss) before interest and tax	312	(2,752)	3,064, >100%	(3,052)	(2,259)	(793), (35%)
Loss before tax	(633)	(5,732)	5,099, 89%	(5,720)	(7,894)	2,174, 28%
Loss after tax	(5,005)	(8,567)	3,562, 42%	(10,227)	(10,880)	653, 6%
Loss attributable to Ordinary Equity Holders of the Parent	(4,941)	(8,601)	3,660, 43%	(10,136)	(10,933)	797, 7%

Table 2: Revenue by Segment (Current Quarter and Corresponding Quarter)

Description	3 months ended	3 months ended	Increase/(Decrease)	
	30-Jun-18	30-Jun-17	RM’000	%
	RM’000	RM’000		
Revenue				
- Poultry	39,490	71,817	(32,327)	(45)
- Property development	1,528	2,379	(851)	(36)
	41,018	74,196		

For the current quarter ended 30 June 2018, the poultry segment recorded a lower revenue of RM39.49 million as compared with RM71.82 million in the corresponding quarter ended 30 June 2017, a decrease of 45%. The decrease was mainly due to decrease in sales volume of live broilers during the current quarter ended 30 June 2018 as compared to the corresponding quarter ended 30 June 2017.

The property development segment posted a lower revenue of RM1.53 million in the current quarter ended 30 June 2018 as compared to the revenue of RM2.38 million in the corresponding quarter ended 30 June 2017, a decrease of 36%. This was due to lower recognition of revenue on the percentage of completion basis in the current quarter ended 30 June 2018 as compared to corresponding quarter ended 30 June 2017.

Although revenue decreased, the Group posted a lower loss attributable to owners of the parent of RM4.94 million during the current quarter ended 30 June 2018 as compared to a loss attributable to owners of the parent of RM8.60 million in the corresponding quarter ended 31 June 2017. The lower loss during the current quarter ended 30 June 2018, were mainly due to pre-tax profit from disposal of broiler and breeder farm land and assets of RM5.13 million during the quarter ended 30 June 2018.

However, this was partially offset by a decrease in sales volume of live broilers and an increase in average production cost of live broilers resulting from increase in average purchase price of imported raw feed stuffs during current quarter ended 30 June 2018 as compared to the corresponding quarter ended 30 June 2017.

Table 3: Revenue by Segment (Current 6 Months and Corresponding 6 Months)

Description	6 months ended	6 months ended	Increase/(Decrease)	
	30-Jun-18	30-Jun-17	RM'000	%
	RM'000	RM'000		
Revenue				
- Poultry	106,023	150,982	(44,959)	(30)
- Property development	4,279	5,011	(732)	(15)
	110,302	155,993		

For the six months period ended 30 June 2018, the poultry segment recorded a lower revenue of RM106.02 million as compared with RM150.98 million in the corresponding period ended 30 June 2017, a decrease of 30%. The decrease was mainly due to decrease in sales volume of live broilers during the six months period ended 30 June 2018 as compared to the corresponding period ended 30 June 2017.

The property development segment posted a lower revenue of RM4.28 million in the six month period ended 30 June 2018 as compared to the revenue of RM5.01 million in the corresponding period ended 30 June 2017, a decrease of 15%. This was due to lower recognition of revenue on the percentage of completion basis in the six months period ended 30 June 2018 as compared to corresponding period ended 30 June 2017.

Although revenue decreased, the Group posted a lower loss attributable to owners of the parent of RM10.14 million during the six months period ended 30 June 2018 as compared to a loss attributable to owners of the parent of RM10.93 million in the corresponding period ended 31 June 2017. The lower loss during the six months period ended 30 June 2018, were mainly due to pre-tax profit from disposal of broiler and breeder farm land and assets of RM5.13 million during the six months period ended 30 June 2018 as compared to the corresponding period ended 30 June 2017.

However, this was partially offset by a decrease in sales volume of live broilers and an increase in average production cost of live broilers resulting from increase in average purchase price of imported raw feed stuffs during six months period ended 30 June 2018 as compared to the corresponding period ended 30 June 2017.

15. Comparison to Preceding Quarter's Results

The Group's performance for the current quarter ended 31 June 2018 compared to the previous quarter ended 31 March 2018 is as shown in Table 4 and Table 5 below:

Table 4: Financial review for current quarter compared with immediate preceding quarter

	3 months ended 30 June 3018 RM'000	3 months ended 31 March 3018 RM'000	Changes (Amount/%)
Revenue	41,018	69,284	(28,266), (41%)
Loss before interest and tax	312	(3,306)	3,618, >100%
Loss before tax	(633)	(5,087)	4,454, 88%
Loss after tax	(5,005)	(5,222)	217, 4%
Loss attributable to Ordinary Equity Holders of the Parent	(4,941)	(5,195)	254, 5%

Table 5: Revenue by Segment (Current Quarter Compared With Immediate Preceding Quarter)

Description	3 months ended	3 months ended	Increase/(Decrease)	
	30-Jun-18	31-Mar-18	RM'000	%
	RM'000			
Revenue				
- Poultry	39,490	66,533	(27,043)	(41)
- Property development	1,528	2,751	(1,223)	(44)
	41,018	69,284		

For the current quarter ended 30 June 2018, the poultry segment posted a lower revenue of RM39.49 million compared to the turnover of RM66.53 million recorded in the previous quarter ended 31 March 2018, a decrease of 41%. The decrease was mainly due to decrease in sales volume of live broilers during the current quarter ended 30 June 2018.

The property development segment posted a lower revenue of RM1.53 million in the current quarter ended 30 June 2018 as compared to the revenue of RM2.75 million in the preceding quarter ended 31 March 2018, a decrease of 44%. This was due to lower recognition of revenue on the percentage of completion basis in the current quarter ended 30 June 2018 as compared to previous quarter ended 31 March 2018.

Although revenue decreased significantly, the Group posted a lower loss attributable to owners of the parent of RM4.94 million compared to a loss attributable to owners of the parent of RM5.20 million during the preceding quarter ended 31 March 2018. This was mainly due to was a pre-tax profit on disposal of broiler and breeder farm land and assets of RM5.13 million during the current quarter ended 30 June 2018.

16. Prospects

As at the date of this report, the average purchase costs of imported raw materials remain stable and approximate the average prices during the quarter under review. The average selling price of live broilers is also expected to approximate the average selling price during the quarter under review. As such, the Group is expecting a challenging third quarter of the financial year ending 31 December 2018.

17. Profit Forecast or Profit Guarantee

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

18. Profit/(Loss) before tax

	CurrentYear	Preceding Year	Current	Preceding
	Quarter ended	Quarter ended	Year to-date	Year to-date
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortization	531	1,162	784	2,364
Foreign exchange loss / (gain)	(6)	(6)	38	38
(Gain) / loss on disposal of properties, plant and equipment	(5,160)	(35)	(5,229)	(457)
Loss on disposal of subsidiary companies	-	-	-	-
Gain on disposal of associated companies	-	-	-	-
Impairment loss of investment in associated companies	-	-	-	-
Impairment loss on trade receivables	3,196	3,000	8,584	5,500
Impairment of goodwill	-	-	-	-
Provision for write-off of receivables	-	-	-	-
Provision for write-off of inventories	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
Interest income	(55)	(84)	(167)	(746)
Interest expense	1,000	3,064	2,835	6,381

19. Taxation

The income tax (expense)/income to the Group for the current quarter under review is as follows:

	Quarter ended	Year to-date	Quarter ended	Year to-date
	30 Jun 2018	30 Jun 2018	30 Jun 2017	30 Jun 2017
	RM '000	RM '000	RM '000	RM '000
Current tax – income tax	(3,617)	(3,723)	(2,841)	(3,041)
Current tax – real property gains tax	(2,544)	(2,544)	-	-
Deferred tax	<u>1,789</u>	<u>1,760</u>	<u>6</u>	<u>55</u>
Total tax expense	<u>(4,372)</u>	<u>(4,507)</u>	<u>(2,835)</u>	<u>(2,986)</u>

The tax charge is in respect of profits of certain subsidiaries which do not enjoy group loss relief and other tax incentives.

20. Corporate Proposals

There were no corporate proposals in the current quarter under review, except for the following:

Multiple Proposals

Following on from announcements made to BMSB on 8 July 2017, 20 July 2017, 27 July 2017, 15 September 2017 and 7 September 2017, BMSB had approved the following multiple proposals:

1. Proposed Joint Venture;
2. Proposed Diversification;
3. Proposed Rights Issue;
4. Proposed Exemption; and
5. Proposed SIS

At the date of this report, the proposals have been approved by the Company's shareholders at an Extraordinary General Meeting held on 2 May 2018 and Bursa had also approved an extension of time till 30 September 2018 to complete the proposals. The Circular on Rights Issue was circulated to its shareholders on 8 August 2018 and the acceptance and payment for the subscription of the Rights Issue was closed on 24 August 2018.

21. Group Borrowings

Group borrowings and debt securities as at the end of the reporting period:

(a) The borrowings of the Group are secured by way of fixed and floating charges over certain assets and negative pledges over assets of the Group, corporate guarantees from the Company's certain existing operating subsidiaries and undertaking by the holding company to fully repay the facilities should the Company be unable to meet its obligations.

(b) Group borrowings as at the end of the reporting period are as follows:-

	Short Term RM'000	Long term RM'000	Total RM'000
Bank overdraft	3,032	-	3,032
Bankers acceptance	16,832	-	16,832
Revolving credit	-	-	-
Hire purchase creditors	377	445	822
Term loans	2,888	8,665	11,553
	23,129	9,110	32,239

22. Trade Receivables

	Financial Period Ended 30 Jun 2018 RM'000	Immediate Preceding Financial Year Ended 31 Dec 2017 RM'000
Trade receivables		
Third parties	148,862	168,394
Impairment losses		
- brought forward	(73,794)	(49,089)
- impaired during the period/year	(5,403)	(24,705)
- reversed during the period/year	-	-
- written off during the period/year	-	-
	(79,197)	(73,794)
	69,665	94,600

The Group's normal credit term for trade receivables ranges from 30 to 120 days. They are recognised at their original invoice amounts which represents their fair values upon initial recognition. There are no trade receivables due from related parties.

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or groups of receivables.

Ageing analysis of trade receivables is as follows:

	Financial Period Ended 30 Jun 2018 RM'000	Immediate Preceding Financial Year Ended 31 Dec 2017 RM'000
Neither past due nor impaired	28,675	38,515
Past due not impaired:		
Up to 60 days past due	21,256	31,538
More than 60 days	19,734	24,547
	40,990	56,085
	69,665	94,600
Impaired	79,197	73,794
	148,862	168,394

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2018, trade receivables of approximately RM40,990,000 RM (31 December 2017: RM56,085,000) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to approximately RM79,197,000 relates to customers that are in financial difficulties, have defaulted on payments and / or have disputed on billings. These balances are expected to be recovered through the Group's debt recovery process.

Commentaries on the recoverability of trade receivables which exceeded the average credit term granted

All trade receivables which exceeded the average credit terms are closely monitored by the Group's credit control team. Delinquent cases are handed over promptly to external lawyers for further recovery action.

23. Other Income

	Current Year Quarter Ended 30 June 2018 RM'000	Preceding Year Quarter Ended 30 June 2017 RM'000	Current Year Cumulative Period Ended 30 June 2018 RM'000	Preceding Year Cumulative Period Ended 30 June 2017 RM'000
Other income comprises the following:				
Rental income	48	234	95	257
Sales of used packaging materials, scrap & others	323	39	327	42
Sales of corn	404	134	858	134
Reimbursement of expenses	-	2,038	-	4,018
Miscellaneous other income	146	28	250	172
Bad debts recovered	10	-	61	-
Gain on disposal of property, plant and equipment	5,160	27	5,229	457
Gain on foreign exchange (realised)	33	-	67	-
	<hr/>	<hr/>	<hr/>	<hr/>
	6,124	2,500	6,887	5,080

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 29 August 2018.

25. Material Litigations

There was no material litigation for the current quarter under review, except for the Group's appeal against the additional tax liability and penalty on two (2) of the Company's subsidiary companies which has now been forwarded by the Inland Revenue Department to the Special Commissioners of Income Tax for registration for trial. Up to the date of this report, the Group has not received any further correspondence from the Special Commissioner of Income Tax.

26. Dividend

No interim dividend has been declared for the quarter ended 30 June 2018 (30 June 2017: Nil).

27. Earnings Per Share

Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the current quarter and current year-to-date respectively as follows:

	Current Year Quarter Ended 30 Jun 2018 RM'000	Preceding Year Quarter Ended 30 Jun 2017 RM'000	Current Year To-Date 30 Jun 2018 RM'000	Preceding Year To-Date 30 Jun 2017 RM'000
Loss attributable to owners of the parent (RM'000)	(4,941)	(8,601)	(10,136)	(10,933)
Weighted average number of shares ('000)	61,083	61,083	61,083	61,083
Basic loss per share (sen)	(8.09)	(14.08)	(16.59)	(17.90)

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2018.