

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

	NOTE	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMMULATIVE QUARTER 9 MONTHS ENDED	
		CURRENT YEAR 30/9/2018 UNAUDITED RM'000	PRECEEDING YEAR 30/9/2017 UNAUDITED RM'000	CURRENT YEAR 30/9/2018 UNAUDITED RM'000	PRECEEDING YEAR 30/9/2017 UNAUDITED RM'000
<b>Continuing Operations</b>					
Revenue	9, 14 & 15	40,049	71,915	150,351	227,908
Cost of Sales		(38,349)	(66,568)	(139,851)	(205,657)
<b>Gross Profit</b>		<u>1,700</u>	<u>5,347</u>	<u>10,500</u>	<u>22,251</u>
Other income	23	826	312	7,712	1,375
Administrative expenses		(15,085)	(7,217)	(33,417)	(24,297)
Selling & marketing expenses		(381)	(1,560)	(787)	(4,705)
	9	<u>(12,940)</u>	<u>(3,118)</u>	<u>(15,992)</u>	<u>(5,376)</u>
Finance costs		(575)	(2,813)	(3,410)	(9,195)
Interest income		357	290	524	1,036
<b>Loss before tax</b>	9	<u>(13,158)</u>	<u>(5,641)</u>	<u>(18,878)</u>	<u>(13,535)</u>
Income tax expense	19	(1,489)	(106)	(5,997)	(3,092)
<b>Loss for the period</b>		<u>(14,647)</u>	<u>(5,747)</u>	<u>(24,875)</u>	<u>(16,627)</u>
<b>Other comprehensive income/(loss), net of tax:</b>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other comprehensive income/(loss), net of tax</b>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive loss for the period</b>		<u>(14,647)</u>	<u>(5,747)</u>	<u>(24,875)</u>	<u>(16,627)</u>
<b>Loss attributable to:</b>					
Owners of the parent	14 & 15	(14,526)	(5,702)	(24,663)	(16,635)
Non-Controlling Interest		(121)	(45)	(212)	8
		<u>(14,647)</u>	<u>(5,747)</u>	<u>(24,875)</u>	<u>(16,627)</u>
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent		(14,526)	(5,702)	(24,663)	(16,635)
Non-Controlling Interest		(121)	(45)	(212)	8
		<u>(14,647)</u>	<u>(5,747)</u>	<u>(24,875)</u>	<u>(16,627)</u>
<b>Loss per ordinary share attributable to owners of the parent:</b>					
Basic (sen)	27	<u>(12.72)</u>	<u>(9.33)</u>	<u>(31.23)</u>	<u>(27.23)</u>
Fully diluted (sen)	27	<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 SEPTEMBER 2018**

	Note	As at 30 September 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		13,152	11,038
Land use rights		21	22
Goodwill		2,264	2,264
Deferred tax assets		2,246	2,246
<b>Total non-current assets</b>		<u>17,683</u>	<u>15,570</u>
<b>Current assets</b>			
Property development costs		18,996	18,361
Inventories		11,379	12,867
Trade receivables	22	52,602	94,600
Other receivables		22,412	93,241
Tax recoverable		1,189	1,506
Held-to-maturity investments		39,876	18,313
Cash and bank balances		7,636	3,815
		<u>154,090</u>	<u>242,703</u>
Assets held for sale		-	17,345
<b>Total current assets</b>		<u>154,090</u>	<u>260,048</u>
<b>TOTAL ASSETS</b>		<u>171,773</u>	<u>275,618</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		153,459	123,220
Warrants reserve		4,161	3,706
Other reserve		(4,161)	-
Accumulated losses		(38,482)	(17,525)
<b>Equity attributable to owners of the parent</b>		<u>114,977</u>	<u>109,401</u>
<b>Non-controlling interest</b>		<u>1,285</u>	<u>1,496</u>
<b>Total equity</b>		<u>116,262</u>	<u>110,897</u>
<b>Non-current liabilities</b>			
Bank borrowings	21	8,590	16,324
Deferred tax liabilities		377	2,123
		<u>8,967</u>	<u>18,447</u>
<b>Current liabilities</b>			
Bank borrowings	21	17,092	88,009
Progress billings		455	969
Trade payables		10,407	19,876
Other payables		6,311	20,943
Amount due to ultimate holding company		12	7,900
Tax payable		12,267	8,577
		<u>46,544</u>	<u>146,274</u>
<b>Total Liabilities</b>		<u>55,511</u>	<u>164,721</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>171,773</u>	<u>275,618</u>
Net assets per share attributable to owners of the parent		0.5378	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 SEPTEMBER 2018**

**Attributable to Owners of the Parent  
Non distributable**

	Note	Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Other Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>At 1 January 2017</b>		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)	-	-	-	-	-	-
Utilisation of share premium account to defray expenses in relation to corporate proposals during the period	(a)	(273)	-	-	-	-	(273)	-	(273)
Total comprehensive income / (loss) for the period		-	-	-	-	(16,635)	(16,635)	8	(16,627)
Non-controlling interests contribution in new subsidiaries		-	-	-	-	-	-	60	60
<b>At 30 September 2017</b>		<u>123,220</u>	<u>-</u>	<u>3,706</u>	<u>-</u>	<u>(49,188)</u>	<u>77,738</u>	<u>,1,311</u>	<u>79,049</u>
<b>At 1 January 2018</b>		123,220	-	3,706	-	(17,525)	109,401	1,496	110,897
Utilisation of share premium account to defray expenses in relation to corporate proposals during the period	(b)	(303)	-	-	-	-	(303)	-	(303)
Rights issue	(c)	30,542	-	4,161	(4,161)	-	30,542	-	30,542
Warrant B reserve taken to retained earnings upon expiry of the warrant		-	-	(3,706)	-	3,706	-	-	-
Total comprehensive income / (loss) for the period		-	-	-	-	(24,663)	(24,663)	(212)	(24,875)
Non-controlling interests contribution in new subsidiaries		-	-	-	-	-	-	1	1
<b>At 30 September 2018</b>		<u>153,459</u>	<u>-</u>	<u>4,161</u>	<u>(4,161)</u>	<u>(38,482)</u>	<u>114,977</u>	<u>1,285</u>	<u>116,262</u>

**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. During the period ended 30 September 2017, RM272,500 of the share premium account was utilised to defray corporate proposal expenses.

**Note (b)**

During the period ended 30 September 2018, RM303,000 of the share premium account was utilised to defray corporate proposal expenses.

**Note (c)**

During the period ended 30 September 2018, the Company completed its corporate proposal of 152,708,157 rights shares issued at RM0.20 each with a free warrant attached to every four rights shares issued.

(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 SEPTEMBER 2018**

	Note	Cumulative Current Year To-Date (Unaudited) 30 September 2018 RM'000	Cumulative Preceding Year To-Date (Unaudited) 30 September 2017 RM'000
<b>Net loss before tax</b>	9	(18,878)	(13,535)
Adjustments for non-cash flow:			
Depreciation and amortisation		1,150	3,540
Non-cash items		14,882	8,158
Interest expense		3,410	9,195
Interest income		(524)	(1,036)
<b>Operating profit/(loss) before changes in working capital</b>		40	6,322
<b>Changes to working capital</b>			
Net decrease in current assets		72,254	33,721
Net (decrease)/increase in current liabilities		(24,578)	9,731
<b>Net cash generated from operating activities</b>		47,716	49,774
Interest received		524	1,036
Interest paid		(3,410)	(9,195)
Tax paid		(4,059)	(1,386)
<b>Net cash flows generated from operating activities</b>		40,771	40,229
<b>Investing activities</b>			
Purchase of property, plant and equipment		(1,823)	(7,582)
Proceeds from sale of property, plant and equipment		21,170	1,009
<b>Net cash flows from investing activities</b>		22,037	(6,573)
<b>Financing activities</b>			
Net repayments on bank borrowings		(72,453)	(30,103)
Non-controlling interests contribution in new subsidiaries		1	60
Proceeds from rights share issue		30,542	-
Expenses in relation to corporate proposals		(303)	-
Repayment to ultimate holding company		(7,888)	-
<b>Net cash flows used in financing activities</b>		(50,101)	(30,043)
Net changes in cash and cash equivalents		10,017	3,613
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		2,686	(10,183)
Cash and cash equivalents comprise:			
Cash and bank balances		7,636	3,011
Overdraft	21	(4,950)	(13,194)
Cash and cash equivalents at the end of the period		2,686	(10,183)
Included in the cash flows from operating activities are:			
Cash receipts from customers		172,201	252,875
Cash payments to suppliers, contractors and employees		(179,120)	(228,693)

(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)

**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 September 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, except as follows:

During the quarter ended 30 September 2018, the Company had completed its right issue exercise comprising 152,708,157 rights shares of the Company at an issue price of RM0.20 per share with 38,177,039 free warrants on the basis of one (1) warrant for every four (4) rights shares issued. The rights shares and warrants were granted listing on the main board of Bursa Malaysia Securities Berhad on 12 September 2018.

The total cash raised by the rights issue of the Company amounted to RM30,541,631.40. The status of utilisation of proceeds is as follows:

	<b>Planned Utilisation Per Circular RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Remarks</b>
Land cost and development expenditure for property development and construction business	29,412	-	This is to be utilised within 24 months from the date of listing of the Rights Shares, i.e. 12 September 2018. To-date the proceeds have yet to be utilised and RM29.30 million was placed into fixed deposits with licensed banks until utilisation commences. The last date for utilisation of proceeds is 11 September 2020.
Expenses in relation to the corporate exercises	1,130	1,080	This is to be utilised within 2 weeks from the date of listing of the Rights Shares, i.e. 12 September 2018. The last date for utilisation of proceeds is 26 September 2018. Proceeds allocated for this purpose has been fully utilised by 26 September 2018. The under utilisation of approximately RM50,000 will be used for land cost and development expenditure for property development and construction business, in accordance with the provisions of the Circular.
	<u>30,542</u>	<u>1,080</u>	

#### 8. Dividends paid

No dividend has been declared for the current quarter ended 30 September 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 nine months ended 30 September 2018 was as follows:

	<u>Poultry</u>	<u>Property</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	development RM'000	RM'000	RM'000
<b><u>2018</u></b>				
<b>Revenue</b>	300,661	18,403	(168,713)	150,351
<b>Results</b>				
Segment results	(15,964)	397	-	(15,567)
Unallocated expense				(425)
Loss from operations				(15,992)
Finance income				524
Finance costs				(3,410)
Loss before tax				(18,878)

Segment information for the nine months ended 30 September 2017 was as follows:

	<u>Poultry</u>	<u>Property</u>	<u>Eliminations</u>	<u>Group</u>
	RM'000	development RM'000	RM'000	RM'000
<b><u>2017</u></b>				
<b>Revenue</b>	589,098	16,521	(377,711)	227,908
<b>Results</b>				
Segment results	(4,514)	(218)	-	(4,732)
Unallocated costs				(644)
Loss from operations				(5,376)
Finance income				1,036
Finance costs				(9,195)
Loss before tax				(13,535)

Unallocated costs represent common costs and expenses incurred in the 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 September 2018, except as follows:

On 2 November 2018, Sinmah Amegajaya Healthcare Sdn Bhd (“SAHSB”), a 70% owned subsidiary of Sinmah Development Sdn Bhd, which in turn is a wholly-owned subsidiary of the company, had incorporated a wholly-owned new subsidiary known as Sterling Healthcare Sdn. Bhd. (“SHSB”) under the Companies Act 2016. The paid-up share capital of SHSB is RM2.00 comprising 20 shares of RM0.10 each.

An announcement was made to Bursa Malaysia Securities Berhad on 2 November 2018.

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

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

#### **12. Contingent Liabilities**

The Company provides corporate guarantee to financial institutions for all unsecured credit facilities granted to subsidiaries amounting to RM24.71 million as at 30 September 2018.

#### **13. Capital Commitments**

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

RM'000

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

48,760



#### 14. Review of Current Quarter Events and Performance

The Group’s performance for the current year’s third quarter ended 30 September 2018 compared to the preceding year’s third quarter ended 30 September 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 (3 <sup>rd</sup> Quarter)		Changes (Amount/%)	Cumulative Period (9 Months)		Changes (Amount/%)
	Current Year 30/9/2018 RM’000	Preceding Year 30/9/2017 RM’000		Current Year 30/6/2018 RM’000	Preceding Year 30/6/2017 RM’000	
Revenue	40,049	71,915	(31,866), (44%)	150,351	227,908	(77,557), (34%)
Loss before interest and tax	(12,940)	(3,118)	(9,822),(>100%)	(15,992)	(5,376)	(10,616),(>100%)
Loss before tax	(13,158)	(5,641)	(7,517),(>100%)	(18,878)	(13,535)	(5,343), (39%)
Loss after tax	(14,647)	(5,747)	(10,720),(>100%)	(24,875)	(16,627)	(8,248), (50%)
Loss attributable to Ordinary Equity Holders of the Parent	(14,526)	(5,702)	(8,824),(>100%)	(24,663)	(16,635)	(8,028), (48%)

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

Description	3 months ended 30-Sep-18	3 months ended 30-Sep-17	Increase/(Decrease)	
	RM’000	RM’000	RM’000	%
<b>Revenue</b>				
- Poultry	30,910	68,135	(37,225)	(55)
- Property development	9,139	3,780	5,359	>100
	40,049	71,915		

For the current quarter ended 30 September 2018, the poultry segment recorded a lower revenue of RM30.91 million as compared with RM68.14 million in the corresponding quarter ended 30 September 2017, a decrease of 55%. The decrease was mainly due to decrease in sales volume of live broilers during the current quarter ended 30 September 2018 as compared to the corresponding quarter ended 30 September 2017. This was mainly due to the disposal of broiler farms in 2017.

The property development segment posted a higher revenue of RM9.14 million in the current quarter ended 30 September 2018 as compared to the revenue of RM3.78 million in the corresponding quarter ended 30 September 2017, an increase of more than 100%. This was due to higher recognition of revenue on the percentage of completion basis in the current quarter ended 30 September 2018 as compared to corresponding quarter ended 30 September 2017.

As revenue decreased, the Group posted a higher loss attributable to owners of the parent of RM14.53 million during the current quarter ended 30 September 2018 as compared to a loss attributable to owners of the parent of RM5.70 million in the corresponding quarter ended 30 September 2017. The higher loss during the current quarter ended 30 September 2018, was mainly due to an impairment loss on trade receivables of RM11.57 million.

However, this was partially offset by an improvement in the performance of the Group’s property development activity during the quarter ended 30 September 2018.

**Table 3: Revenue by Segment (Current 9 Months and Corresponding 9 Months)**

Description	9 months ended 30-Sep-18 RM'000	9 months ended 30-Sep-17 RM'000	Increase/(Decrease)	
			RM'000	%
<b>Revenue</b>				
- Poultry	136,933	219,118	(82,185)	(38)
- Property development	13,418	8,790	4,628	53
	150,351	227,908		

For the nine months period ended 30 September 2018, the poultry segment recorded a lower revenue of RM136.93 million as compared with RM219.12 million in the corresponding period ended 30 September 2017, a decrease of 38%. The decrease was mainly due to decrease in sales volume of live broilers during the nine months period ended 30 September 2018 as compared to the corresponding period ended 30 September 2017. This was mainly due to the disposal of broiler farms in 2017.

The property development segment posted a higher revenue of RM13.42 million in the nine month period ended 30 September 2018 as compared to the revenue of RM8.79 million in the corresponding period ended 30 September 2017, an increase of 53%. This was due to higher recognition of revenue on the percentage of completion basis in the nine months period ended 30 September 2018 as compared to corresponding period ended 30 September 2017.

As revenue decreased, the Group posted a higher loss attributable to owners of the parent of RM24.66 million during the nine months period ended 30 September 2018 as compared to a loss attributable to owners of the parent of RM16.64 million in the corresponding period ended 30 September 2017. The higher loss during the nine months period ended 30 September 2018, were mainly due to decrease in sales volume of live broilers and a higher impairment loss on trade receivables of RM20.15 million during the nine months period ended 30 September 2018 as compared to RM8.58million during the corresponding period ended 30 September 2017.

However, this was partially offset by an improvement in the performance of the Group's property development activity during the nine months period ended 30 September 2018.

#### 15. Comparison to Preceding Quarter's Results

The Group's performance for the current quarter ended 30 September 2018 compared to the previous quarter ended 30 June 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 September 2018 RM'000	3 months ended 30 June 2018 RM'000	Changes (Amount/%)
Revenue	40,049	41,018	(969), (2%)
Profit/(Loss) before interest and tax	(12,940)	267	(13,207), (>100%)
Loss before tax	(13,158)	(678)	(12,480), (>100%)
Loss after tax	(14,647)	(5,005)	(9,642), (>100%)
Loss attributable to Ordinary Equity Holders of the Parent	(14,526)	(4,941)	(9,585), (>100%)

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

Description	3 months ended	3 months ended	Increase/(Decrease)	
	30-Sep-18	31-Jun-18	RM'000	%
<b>Revenue</b>				
- Poultry	30,910	39,490	(8,580)	(22)
- Property development	9,139	1,528	7,610	>100
	40,049	41,018		

For the current quarter ended 30 September 2018, the poultry segment posted a lower revenue of RM30.91 million compared to the turnover of RM39.49 million recorded in the previous quarter ended 30 June 2018, a decrease of 22%. The decrease was mainly due to decrease in sales volume of live broilers during the current quarter ended 30 September 2018.

The property development segment posted a higher revenue of RM9.14 million in the current quarter ended 30 September 2018 as compared to the revenue of RM1.53 million in the preceding quarter ended 30 June 2018, an increase of more than 100%. This was due to higher recognition of revenue on the percentage of completion basis in the current quarter ended 30 September 2018 as compared to previous quarter ended 30 June 2018.

As revenue decreased, the Group posted a higher loss attributable to owners of the parent of RM14.53 million compared to a loss attributable to owners of the parent of RM4.94 million during the preceding quarter ended 30 June 2018. The higher loss during the current quarter ended 30 September 2018, were mainly due to an impairment loss on trade receivables of RM11.57 million.

However, this was partially offset by an improvement in the performance of the Group's property development activity during the quarter ended 30 September 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. However, the average selling price of live broilers is expected to be below the average selling price during the quarter under review. The Group expects a better performance from the property development division during the final quarter ending 31 December 2018. Nevertheless,, the Group is expecting a challenging final 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**

	<b>CurrentYear</b>	<b>Preceding Year</b>	<b>Current</b>	<b>Preceding</b>
	<b>Quarter ended</b>	<b>Quarter ended</b>	<b>Year to-date</b>	<b>Year to-date</b>
	<b>30 Sep 2018</b>	<b>30 Sep 2017</b>	<b>30 Sep 2018</b>	<b>30 Sep 2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortization	366	1,176	1,150	3,540
Foreign exchange loss / (gain)	(38)	(22)	(29)	16
(Gain) / loss on disposal of properties, plant and equipment	110	-	(5,267)	(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	11,565	3,115	20,149	8,615
Impairment of goodwill	-	-	-	-
Provision for write-off of receivables	-	-	-	-
Provision for write-off of inventories	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
Interest income	(357)	(290)	(524)	(1,036)
Interest expense	575	2,813	3,410	9,195

**19. Taxation**

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

	<b>Quarter ended</b>	<b>Year to-date</b>	<b>Quarter ended</b>	<b>Year to-date</b>
	<b>30 Sep 2018</b>	<b>30 Sep 2018</b>	<b>30 Sep 2017</b>	<b>30 Sep 2017</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Current tax – income tax	(1,476)	(5,199)	(90)	(3,131)
Current tax – real property gains tax	-	(2,544)	-	-
Deferred tax	(13)	1,746	(16)	39
Total tax expense	<u>(1,489)</u>	<u>(5,997)</u>	<u>(106)</u>	<u>(3,092)</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 Proposed Rights Issue and Proposed Exemption have been completed.

## 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	4,950	-	4,950
Bankers acceptance	8,894	-	8,894
Revolving credit	-	-	-
Hire purchase creditors	411	560	971
Term loans	2,837	8,030	10,867
	<u>17,092</u>	<u>8,590</u>	<u>25,682</u>

## 22. Trade Receivables

	Financial Period Ended 30 Sep 2018 RM'000	Immediate Preceding Financial Year Ended 31 Dec 2017 RM'000
Trade receivables		
Third parties	146,545	168,394
Impairment losses		
- brought forward	(73,794)	(49,089)
- impaired during the period/year	(20,149)	(24,705)
- reversed during the period/year	-	-
- written off during the period/year	-	-
	<u>(93,943)</u>	<u>(73,794)</u>
	<u>52,602</u>	<u>94,600</u>

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:

Immediate

	Financial Period Ended 30 Jun 2018 RM'000	Preceding Financial Year Ended 31 Dec 2017 RM'000
Neither past due nor impaired	15,382	38,515
Past due not impaired:		
Up to 60 days past due	13,338	31,538
More than 60 days	23,882	24,547
	37,220	56,085
Impaired	52,602	94,600
	93,943	73,794
	146,545	168,394

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

As at 30 September 2018, trade receivables of approximately RM37,220,000 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 RM93,493,000 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 Sep 2018 RM'000	Preceding Year Quarter Ended 30 Sep 2017 RM'000	Current Year Cumulative Period Ended 30 Sep 2018 RM'000	Preceding Year Cumulative Period Ended 30 Sep 2017 RM'000
Other income comprises the following:				
Rental income	12	155	107	412
Sales of used packaging materials, scrap & others	81	80	407	122
Sales of corn	465	-	1,324	134
Miscellaneous other income	254	77	503	250
Bad debts recovered	14	-	75	-
Gain on disposal of property, plant and equipment	-	-	5,267	457
Gain on foreign exchange (realised)	-	-	29	-
	826	312	7,712	1,375

### 24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 28 November 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. The above matters were fixed for case management before the Special Commissioners of Income Tax ("SCIT") in Johor Bahru on 1 November 2018. The counsel for the Company's subsidiary companies requested for a date to file statement of agreed facts and statement of issues to be tried. The SCIT had directed the parties to attend case management on 22 February 2019 in Putrajaya and to file the statement of agreed facts and issues to be tried.

**26. Dividend**

No interim dividend has been declared for the quarter ended 30 September 2018 (30 September 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 Sep 2018 RM'000	Preceding Year Quarter Ended 30 Sep 2017 RM'000	Current Year To-Date 30 Sep 2018 RM'000	Preceding Year To-Date 30 Jun 2017 RM'000
Loss attributable to owners of the parent (RM'000)	(14,526)	(5,702)	(24,663)	(16,635)
Weighted average number of shares ('000)	114,199	61,083	78,983	61,083
Basic loss per share (sen)	(12.72)	(9.33)	(31.23)	(27.23)

**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 28 November 2018.