

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2018**

	NOTE	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMMULATIVE QUARTER 12 MONTHS ENDED	
		CURRENT YEAR 31/12/2018 UNAUDITED RM'000	PRECEEDING YEAR 31//12/2017 UNAUDITED RM'000	CURRENT YEAR 31/12/2018 UNAUDITED RM'000	PRECEEDING YEAR 31//12/2017 AUDITED RM'000
Continuing Operations					
Revenue	9, 14 & 15	31,660	71,623	182,012	299,532
Cost of Sales		(31,624)	(64,825)	(171,476)	(274,332)
Gross Profit		<u>36</u>	<u>6,798</u>	<u>10,536</u>	<u>25,200</u>
Other income	23	1,722	52,587	9,434	55,885
Administrative expenses		(17,970)	(20,064)	(51,388)	(45,674)
Selling & marketing expenses		(6)	(1,541)	(793)	(2)
	9	<u>(16,218)</u>	<u>37,780</u>	<u>(32,211)</u>	<u>35,409</u>
Finance costs		(986)	(2,107)	(4,396)	(11,463)
Interest income		317	498	841	1,534
Profit/(loss) before tax	9	<u>(16,887)</u>	<u>36,171</u>	<u>(35,766)</u>	<u>25,480</u>
Income tax expense	19	2,609	(3,926)	(3,387)	(10,259)
Profit/(loss) for the period		<u>(14,278)</u>	<u>32,245</u>	<u>(39,153)</u>	<u>15,221</u>
Other comprehensive income/(loss), net of tax:		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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>(14,278)</u>	<u>32,245</u>	<u>(39,153)</u>	<u>15,221</u>
Profit/(loss) attributable to:					
Owners of the parent	14 & 15	(13,963)	32,267	(38,626)	15,028
Non-Controlling Interest		(315)	(22)	(527)	193
		<u>(14,278)</u>	<u>32,245</u>	<u>(39,153)</u>	<u>15,221</u>
Total comprehensive loss attributable to:					
Owners of the parent		(13,963)	32,267	(38,626)	15,028
Non-Controlling Interest		(315)	(22)	(527)	193
		<u>(14,278)</u>	<u>32,245</u>	<u>(39,153)</u>	<u>15,221</u>
Loss per ordinary share attributable to owners of the parent:					
Basic (sen)	27	<u>(6.53)</u>	<u>52.82</u>	<u>(34.19)</u>	<u>24.60</u>
Fully diluted (sen)	27	<u>N/A</u>	<u>52.82</u>	<u>N/A</u>	<u>24.60</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 31 DECEMBER 2018**

	Note	As at 31 December 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		16,102	11,038
Land use rights		21	22
Goodwill		2,264	2,264
Deferred tax assets		1,380	2,246
Total non-current assets		<u>19,767</u>	<u>15,570</u>
Current assets			
Property development costs		16,823	18,361
Inventories		18,795	12,867
Contract assets		3,429	-
Trade receivables	22	38,506	94,600
Other receivables		19,587	93,241
Tax recoverable		1,027	1,506
Held-to-maturity investments		25,759	18,313
Cash and bank balances		9,239	3,815
		<u>133,165</u>	<u>242,703</u>
Assets held for sale		-	17,345
Total current assets		<u>133,165</u>	<u>260,048</u>
TOTAL ASSETS		<u>152,932</u>	<u>275,618</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		153,459	123,220
Warrants reserve		4,161	3,706
Other reserve		(4,161)	-
Accumulated losses		(52,445)	(17,525)
Equity attributable to owners of the parent		<u>101,014</u>	<u>109,401</u>
Non-controlling interest		<u>969</u>	<u>1,496</u>
Total equity		<u>101,983</u>	<u>110,897</u>
Non-current liabilities			
Bank borrowings	21	8,338	16,324
Deferred tax liabilities		711	2,123
		<u>9,049</u>	<u>18,447</u>
Current liabilities			
Bank borrowings	21	22,735	88,009
Progress billings		-	969
Trade payables		11,611	19,876
Other payables		4,030	20,943
Amount due to ultimate holding company		12	7,900
Tax payable		3,512	8,577
		<u>41,900</u>	<u>146,274</u>
Total Liabilities		<u>50,949</u>	<u>164,721</u>
TOTAL EQUITY AND LIABILITIES		<u>152,932</u>	<u>275,618</u>
Net assets per share attributable to owners of the parent		0.4725	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 31 DECEMBER 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
At 1 January 2017		61,083	62,410	3,706	-	(32,553)	94,646	1,243	95,889
Total comprehensive income for the financial year		-	-	-	-	15,028	15,028	193	15,221
Non-controlling interests in acquisition of new subsidiaries		-	-	-	-	-	-	60	60
Transaction with owners:									
Private placement expenses	(a)	-	(273)	-	-	-	(273)	-	(273)
Transition to no par value regime on 31 January 2017		62,137	(62,137)	-	-	-	-	-	-
At 31 December 2017		123,220	-	3,706	-	(17,525)	109,401	1,496	110,897
At 1 January 2018		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		-	-	-	-	(38,626)	(38,626)	(527)	(39,153)
At 30 September 2018		153,459	-	4,161	(4,161)	(52,445)	101,014	969	101,983

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 year ended 31 December 2018, RM303,000 of the share premium account was utilised to defray corporate proposal expenses.

Note (c)

During the year ended 31 December 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 31 DECEMBER 2018**

	Note	Current Year To-Date (Unaudited) 31 December 2018 RM'000	Preceding Year To-Date (Audited) 31 December 2017 RM'000
Net profit/(loss) before tax	9	(35,766)	25,480
Adjustments for non-cash flow:			
Depreciation and amortisation		1,494	1,594
Non-cash items		30,604	(29,025)
Interest expense		4,396	11,463
Interest income		(841)	(1,534)
Operating profit/(loss) before changes in working capital		<u>(113)</u>	<u>7,978</u>
Changes to working capital			
Net decrease in current assets		86,513	27,268
Net decrease in current liabilities		<u>(26,108)</u>	<u>(16,597)</u>
Net cash generated from operating activities		<u>60,292</u>	<u>18,649</u>
Interest received		841	1,534
Interest paid		(4,396)	(11,463)
Tax paid		(9,005)	(5,242)
Net cash flows generated from operating activities		<u>47,732</u>	<u>3,478</u>
Investing activities			
Purchase of property, plant and equipment		(5,116)	(791)
Addition in non-current assets held for sale		-	(6,300)
Proceeds from sale of property, plant and equipment		21,163	38,271
(Increase)/decrease in held to maturity investments		(7,446)	40,403
Net cash outflow from disposal of subsidiary companies		-	(12)
Net cash flows from investing activities		<u>8,601</u>	<u>71,571</u>
Financing activities			
Net repayments on bank borrowings		(66,957)	(76,272)
(Repayment)/advances from holding company		(7,888)	7,900
Non-controlling interests in acquisition of new subsidiaries		-	60
Proceeds from rights share issue		30,542	-
Expenses in relation to corporate proposals		(303)	-
Utilisation of share premium for share issuance e		-	(273)
Net cash flows used in financing activities		<u>(44,606)</u>	<u>(68,585)</u>
Net changes in cash and cash equivalents		11,727	6,464
Effects of exchange rate changes		-	-
Cash and cash equivalents at beginning of the period		(7,332)	(13,796)
Cash and cash equivalents at the end of the period		<u>4,395</u>	<u>(7,332)</u>
Cash and cash equivalents comprise:			
Cash and bank balances		9,239	3,815
Overdraft	22	(4,844)	(11,147)
Cash and cash equivalents at the end of the year		<u>4,395</u>	<u>(7,332)</u>
Included in the cash flows from operating activities are:			
Cash receipts from customers		209,688	345,034
Cash payments to suppliers, contractors and employees		(215,988)	(310,057)

(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 31 December 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 previous 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.

On 6 December 2018, the joint-venture agreement between Sinmah Development Sdn Bhd ("SDSB"), a wholly-owned subsidiary of the Company, and Encorp Bukit Katil Sdn Bhd ("EBKSB") was mutually terminated upon non-fulfilment of conditions precedent. As provided by the Circular on the Rights Issue, the proceeds can now be used for the Group's existing and future development and construction projects. 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:

	Planned Utilisation Per Circular RM'000	Actual Utilisation RM'000	Remarks
Land cost and development expenditure for property development and construction business	29,412	15,854	This is to be utilised within 24 months from the date of listing of the Rights Shares, i.e. 12 September 2018. The last date for utilisation of proceeds is 11 September 2020. To-date, RM15.85 million have been utilised on existing property development and construction activities.
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>16,934</u>	

8. Dividends paid

No dividend has been declared for the current quarter ended 31 December 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 year ended 31 December 2018 was as follows:

	<u>Poultry</u>	<u>Property</u>	<u>Eliminations</u>	<u>Group</u>
	<u>RM'000</u>	<u>development</u>	<u>RM'000</u>	<u>RM'000</u>
		<u>RM'000</u>		
2018				
Revenue	349,062	26,624	(193,674)	182,012
Results				
Segment results	(32,558)	1,582	-	(30,976)
Unallocated expense				(1,235)
Loss from operations				(32,211)
Finance income				841
Finance costs				(4,396)
Loss before tax				(35,766)

Segment information for the year ended 31 December 2017 was as follows:

	<u>Poultry</u>	<u>Property</u>	<u>Eliminations</u>	<u>Group</u>
	<u>RM'000</u>	<u>development</u>	<u>RM'000</u>	<u>RM'000</u>
		<u>RM'000</u>		
2017 (Audited)				
Revenue	589,098	16,521	(377,711)	227,908
Results				
Segment results	36,192	83	-	36,275
Unallocated costs				(866)
Profit from operations				35,409
Finance income				1,534
Finance costs				(11,463)
Profit before tax				25,480

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 31 December 2018, except as follows:

On 7 January 2019, Sinmah Amegajaya Healthcare Sdn Bhd ("SAHSB"), a 70% owned subsidiary of Sinmah Development Sdn Bhd ("SDSB"), which in turn is a wholly owned subsidiary of the company, had disposed off 50 ordinary shares, representing 5% equity interest in SAH Medical Center Sdn Bhd ("SMCSB"), a wholly owned subsidiary of SAHSB to Shaik Mohammed Haikhal Bin Abdul Rahim for a cash consideration of RM50

An announcement was made to Bursa Malaysia Securities Berhad on 7 January 2019.

The above was completed on 9 January 2019 and an announcement was duly made to Bursa Malaysia Securities Berhad on 9 January 2019.

On 10 January 2019, SAHSB subscribed for an additional 4,749,050 ordinary shares at an issue price of RM1.00 per share in the share capital of SMCSB, thereby increasing SAHSB's investment in SMCSB from RM950.00 to RM4,750,000, hereinafter referred to as 'the Subscription of Shares'. SMCSB will remain a 95% owned subsidiary of SAHSB and Shaik Mohammed Haikhal Bin Abdul Rahim will hold 5% equity interest in SAHSB after the Subscription of Shares.

An announcement was made to Bursa Malaysia Securities Berhad on 10 January 2019.

On 15 January 2019, the Company announced its re-organisation exercise whereby SDSB's 70% equity interest in SAHSB was transferred to the Company for a total cash consideration of RM70,000. The re-organisation is for the purpose of streamlining and realigning the businesses and business units of the Company into more distinct segments.

On 17 January 2019, the Company announced the following proposals:

- (i) Proposed diversification of the business of Sinmah Capital Berhad and its subsidiaries ("Sinmah Group") into healthcare business ("Proposed Diversification");
- (ii) SMCSB had on 17 January 2019 entered into a conditional sale and purchase agreement with The Aston Holiday Sdn Bhd ("Vendor") ("SPA 1") to acquire a piece of freehold land together with a three-star hotel ("Property 1") erected thereon, for a cash consideration of RM23,000,000 ("Purchase Consideration 1") ("Proposed Property 1 Acquisition"); and
- (iii) SMCSB had also on 17 January 2019 entered into a conditional sale and purchase agreement with the Vendor ("SPA 2") to acquire a piece of freehold land together with a 6-storey commercial building ("Property 2") erected thereon, for a cash consideration of RM4,000,000 ("Purchase Consideration 2") ("Proposed Property 2 Acquisition").

The proposals are currently pending approval from authorities and shareholders of the Company.

On 27 February 2019, Sinmah Multifeed Sdn Bhd (a 99.99%-owned subsidiary of the Company had entered into a conditional sale and purchase agreement with Huat Lai Feedmill Sdn Bhd to dispose off two parcels of 99-year leasehold land measuring a total of approximately 4.52 acres (approximately 18,309.90 square meters) together with buildings erected thereon as well as plant and machineries attached to the property for a total cash consideration of RM27.20 million ("Proposed Disposal").

The Proposed Disposal constitutes part of the Company's plans to dispose off poultry-related assets which is deemed to be no longer necessary to the Group's poultry division operations. This follows the completion of the disposal of:

- (a) The Company's subsidiary Farm's Best Food Industries Sdn Bhd which was involved in poultry processing, contract farming, marketing and distribution of poultry products, on 8 November 2016;
- (b) Breeder farm lands and assets in the Company's subsidiaries, namely Sinmah Breeders Sdn Bhd and Sinmah Multifeed Sdn Bhd on 23 May 2018; and
- (c) Broiler farm lands and assets in the Company's subsidiaries, namely Sinmah Livestocks Sdn Bhd, Sinmah Breeders Sdn Bhd, Sinmah Multifeed Sdn Bhd, Bersatu Segar Sdn Bhd and Dee Huat Farming Trading Sdn Bhd on 3 July 2018.

As the highest percentage ratio applicable to the proposed Disposal pursuant to Paragraph 10.02(g) of the main Market Listing Requirements does not exceed 25%, the Proposed Disposal does not require the approval of the Company's shareholders or any other regulatory body.

The Board expects the Proposed Disposal to be completed by the 3rd quarter of 2019.

An announcement was made to Bursa Malaysia Securities Berhad on 27 February 2019.

11. Changes to the composition of the Group

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

12. Contingent Liabilities

The Company provides corporate guarantee to financial institutions for all unsecured credit facilities granted to subsidiaries amounting to RM29.80 million as at 31 December 2018.

13. Capital Commitments

There were no material capital commitments not provided for in the interim financial statements as at 31 December 2018.

14. Review of Current Quarter Events and Performance

The Group's performance for the current year's fourth quarter ended 31 December 2018 compared to the preceding year's fourth quarter ended 31 December 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 (4 th Quarter)		Changes (Amount/%)	Cumulative Period (12 Months)		Changes (Amount/%)
	Current Year 31/12/2018 RM'000	Preceding Year 31/12/2017 RM'000		Current Year 31/12/2018 RM'000	Preceding Year 31/12/2017 RM'000	
Revenue	31,660	71,623	(39,963), (56%)	182,012	299,532	(117,520), (39%)
Profit/(Loss) before interest and tax	(16,218)	37,780	(53,998), (>100%)	(32,211)	35,409	(67,620), (>100%)
Profit/(Loss) before tax	(16,887)	36,171	(53,058), (>100%)	(35,766)	25,480	(61,246), (>100%)
Profit/(Loss) after tax	(14,278)	32,245	(46,523), (>100%)	(39,153)	15,221	(54,374), (>100%)
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent	(13,963)	32,267	(46,230), (>100%)	(38,626)	15,028	(53,654), (>100%)

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

Description	3 months ended 31-Dec-18	3 months ended 31-Dec-17	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- Poultry	27,248	70,833	(43,585)	(61)
- Property development	4,412	790	3,622	>100
	31,660	71,623		

For the current quarter ended 31 December 2018, the poultry segment recorded a lower revenue of RM27.25 million as compared with RM70.83 million in the corresponding quarter ended 31 December 2017, a decrease of 61%. The decrease was mainly due to decrease in sales volume of live broilers resulting from the disposal of poultry assets during the current quarter ended 30 December 2018 as compared to the corresponding quarter ended 31 December 2017.

The property development segment posted a higher revenue of RM4.41 million in the current quarter ended 31 December 2018 as compared to the revenue of RM0.79 million in the corresponding quarter ended 31 December 2017, an increase of more than 100%. This was due to higher recognition of revenue on the percentage of completion basis during the current quarter ended 31 December 2018 as compared to the corresponding quarter ended 31 December 2017. In addition, the Group obtained a construction contract worth RM12.34 million where revenue was recognised in the current quarter ended 31 December 2018.

As revenue decreased, the Group posted a loss attributable to owners of the parent of RM13.96 million during the current quarter ended 31 December 2018 as opposed to a profit attributable to owners of the parent of RM32.27 million in the corresponding quarter ended 31 December 2017. The profit during the corresponding quarter ended 31 December 2017 was mainly due to gain on disposal of breeder and broiler farm assets together with a processing plant of approximately RM51.82 million. The loss during the current quarter ended 31 December 2018, is actually lower than the operational loss of RM19.55 million during the corresponding quarter ended 31 December 2017. The decrease in operational loss was mainly due to lower loss on impairment of trade receivables of RM8.27 million during the current quarter ended 31 December 2018 as compared with RM16.26 million during the corresponding quarter ended 31 December 2017.

Table 3: Revenue by Segment (Current 12 Months and Corresponding 12 Months)

Description	12 months ended	12 months ended	Increase/(Decrease)	
	31-Dec-18	31-Dec-17	RM'000	%
	RM'000	RM'000		
Revenue				
- Poultry	164,181	289,952	(125,771)	(43)
- Property development	17,831	9,580	8,251	86
	182,012	299,532		

For the year ended 31 December 2018, the poultry segment recorded a lower revenue of RM164.18 million as compared with RM289,952 million in the previous year ended 31 December 2017, a decrease of 43%. The decrease was mainly due to decrease in sales volume of live broilers resulting from the disposal of poultry assets during the year ended 31 December 2018 as compared to the previous year ended 31 December 2017.

The property development segment posted a higher revenue of RM17.83 million during the year ended 31 December 2018 as compared to the revenue of RM9.58 million during the previous year ended 31 December 2017, an increase of 86%. This was due to higher recognition of revenue on the percentage of completion basis during the year ended 31 December 2018 as compared to the previous year ended 31 December 2017. In addition, the Group obtained a construction contract worth RM12.34 million where revenue was recognised during the year ended 31 December 2018.

As revenue decreased, the Group posted a loss attributable to owners of the parent of RM38.63 million during the year ended 31 December 2018 as opposed to a profit attributable to owners of the parent of RM15.03 million in the previous year ended 31 December 2017. The loss during the year ended 31 December 2018, were mainly due to decrease in sales volume of live broilers, lower gain on disposal of property, plant and equipment of RM5.26 million and a higher impairment loss on trade receivables of RM28.42 million during the year ended 31 December 2018 as compared to a gain on disposal of property, plant and equipment of RM53.63 million and impairment loss on trade receivables of RM24.71 million during the previous year ended 31 December 2017.

However, this was partially offset by an improvement in the performance of the Group's property development activity during the year ended 31 December 2018.

15. Comparison to Preceding Quarter's Results

The Group's performance for the current quarter ended 31 December 2018 compared to the previous quarter ended 30 September 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	3 months ended	Changes	
	31 December 3018	30 September 3018	(Amount/%)	
	RM'000	RM'000		
Revenue	31,660	40,049	(8,389), (21%)	
Loss before interest and tax	(16,218)	(11,964)	(4,254), (36%)	
Loss before tax	(16,887)	(12,182)	(4,705), (39%)	
Loss after tax	(14,278)	(13,172)	(1,106), (8%)	
Loss attributable to Ordinary Equity Holders of the Parent	(13,963)	(13,051)	(912), (7%)	

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

Description	3 months ended	3 months ended	Increase/(Decrease)	
	31-Dec-18	30-Sep-18	RM'000	%
	RM'000	RM'000		
Revenue				
- Poultry	27,248	30,910	(3,662)	(12)
- Property development	4,412	9,139	(4,747)	(52)
	31,660	40,049		

For the current quarter ended 31 December 2018, the poultry segment posted a lower revenue of RM27.25 million compared to the turnover of RM30.91 million recorded in the previous quarter ended 30 September 2018, a decrease of 12%. The decrease was mainly due to decrease in sales volume of live broilers during the current quarter ended 31 December 2018.

The property development segment posted a lower revenue of RM4.41 million in the current quarter ended 31 December 2018 as compared to the revenue of RM9.14 million in the preceding quarter ended 30 September 2018, an increase of 52%. This was due to lower recognition of revenue on the percentage of completion basis in the current quarter ended 31 December 2018 as compared to previous quarter ended 30 September 2018.

As revenue decreased, the Group posted a higher loss attributable to owners of the parent of RM13.96 million during the current quarter ended 31 December 2018 compared to a loss attributable to owners of the parent of RM13.05 million during the preceding quarter ended 30 September 2018. The higher loss during the current quarter ended 31 December 2018, were mainly due to a lower profit recognised on development and construction activities resulting from a lower revenue recognised during the current quarter ended 31 December 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 lower than the average selling price during the quarter under review. As such, the Group is expecting a challenging first quarter of the next financial year ending 31 December 2019.

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 Quarter ended 31 Dec 2018	Preceding Year Quarter ended 31 Dec 2017	Current Year to-date 31 Dec 2018	Preceding Year to-date 31 Dec 2017
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation and amortization	344	(2,010)	1,494	1,594
Foreign exchange loss / (gain)	85	(12)	56	(98)
(Gain) / loss on disposal of properties, plant and equipment	7	(51,823)	(5,260)	(53,634)
Loss on disposal of subsidiary companies	-	-	-	-
Gain on disposal of associated companies	-	-	-	-
Impairment loss of investment in associated companies	-	-	-	-
Impairment loss on trade receivables	8.27	16,261	28,417	24,705
Impairment of goodwill	-	-	-	-
Provision for write-off of receivables	-	-	-	-
Provision for write-off of inventories	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
Interest income	(317)	(498)	(841)	(1,534)
Interest expense	986	2,107	4,396	11,463

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
	31 Dec 2018	31 Dec 2018	31 Dec 2017	31 Dec 2017
	RM '000	RM '000	RM '000	RM '000
Current tax – income tax	3,700	(1,498)	(4,006)	(10,422)
Current tax – real property gains tax	109	(2,435)	(2,568)	(2,568)
Deferred tax	(1,200)	546	2,648	2,731
Total tax income/(expense)	2,609	(3,387)	(3,926)	(10,259)

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	4,844	-	4,844
Bankers acceptance	14,780	-	14,780
Revolving credit	-	-	-
Hire purchase creditors	348	921	1,269
Term loans	2,763	7,417	10,180
	22,735	8,338	31,073

22. Trade Receivables

		Financial Period Ended 31 Dec 2018 RM'000	Financial Year Ended 31 Dec 2017 RM'000
Trade receivables			
Third parties		140,717	168,394
Impairment losses	- brought forward	(73,794)	(49,089)
	- impaired during the period/year	(28,417)	(24,705)
	- reversed during the period/year	-	-
	- written off during the period/year	-	-
		(102,211)	(73,794)
		<u>38,506</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:

	Financial Period Ended 30 Jun 2018 RM'000	Immediate Preceding Financial Year Ended 31 Dec 2017 RM'000
Neither past due nor impaired	23,227	38,515
Past due not impaired:		
Up to 60 days past due	4,022	31,538
More than 60 days	11,257	24,547
	<u>15,279</u>	<u>56,085</u>
	38,506	94,600
Impaired	102,211	73,794
	<u>140,717</u>	<u>168,394</u>

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

As at 31 December 2018, trade receivables of approximately RM15,279,000 (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 RM102,211,000 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 31 Dec 2018 RM'000	Preceding Year Quarter Ended 31 Dec 2017 RM'000	Current Year Cumulative Period Ended 31 Dec 2018 RM'000	Preceding Year Cumulative Period Ended 31 Dec 2017 RM'000
Other income comprises the following:				
Rental income	6	144	113	556
Sales of used packaging materials, scrap & others	511	424	918	546
Sales of corn	-	-	1,324	703
Miscellaneous other income	1,178	195	1,717	445
Bad debts recovered	27	1	102	1
Gain on disposal of property, plant and equipment	-	51,823	5,260	53,634
Gain on foreign exchange (realised)	-	-	-	-
	1,722	52,587	9,434	55,885

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 28 February 2019.

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.

On 22 February 2019, the parties requested more time to finalise the statement of agreed facts and statement of issues to be tried. The counsel for the Appellant (i.e. the Company's subsidiary companies) requested for hearing dates to be fixed and for the statements to be filed before the hearing. However, the learned Special Commissioner informed the Appellant's counsel that she would like to ensure that all cause papers are filed before a hearing date is fixed. In this regard, the SCIT has directed the following:

- (1) The Appellant to file statements of agreed facts, issues to be tried and index on/by 24 May 2019; and
- (2) Parties to attend case management fixed on 24.5.2019 to update SCIT on whether the cause papers above have been filed.

26. Dividend

No interim dividend has been declared for the quarter ended 31 December 2018 (31 December 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 31 Dec 2018 RM'000	Preceding Year Quarter Ended 31 Dec 2017 RM'000	Current Year To-Date 31 Dec 2018 RM'000	Preceding Year To-Date 31 Dec 2017 RM'000
Loss attributable to owners of the parent (RM'000)	(13,963)	32,267	(38,626)	15,028
Weighted average number of shares ('000)	213,791	61,083	112,962	61,083
Basic loss per share (sen)	(6.53)	52.82	(32.72)	24.60

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 February 2019.