SINMAH CAPITAL BERHAD (Company No: 301653 - V)
Incorporated in Malaysia
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2019

		INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMMULATIVE QUARTER 3 MONTHS ENDED	
	NOTE	CURRENT YEAR 31/3/2019 UNAUDITED RM'000	PRECEEDING YEAR 31//3/2018 UNAUDITED RM'000	CURRENT YEAR 31/3/2019 UNAUDITED RM'000	PRECEEDING YEAR 31//3/2018 UNAUDITED RM'000
Continuing Operations					
Revenue	9, 14 & 15	39,976	69,284	39,976	69,284
Cost of Sales		(35,894)	(62,442)	(35,894)	(62,442)
Gross Profit		4,082	6,842	4,082	6,842
Other income	23	293	763	293	763
Administrative expenses		(7,929)	(10,671)	(7,929)	(10,671)
Selling & marketing expenses		-	(300)	-	(300)
	9	(3,554)	(3,366)	(3,554)	(3,366)
Finance costs		(611)	(1,834)	(611)	(1,834)
Interest income		145	113	145	113
Loss before tax	9	(4,020)	(5,087)	(4,020)	(5,087)
Income tax expense	19	13	(135)	13	(135)
Profit/(loss) for the period		(4,007)	(5,222)	(4,007)	(5,222)
Other comprehensive income/(loss), net of tax:					
		0	0	0	0
Other comprehensive income/(loss), net of tax		0	0	0	0
Total comprehensive loss for the period		(4,007)	(5,222)	(4,007)	(5,222)
Loss attributable to:					
Owners of the parent	14 & 15	(3,947)	(5,195)	(3,947)	(5,195)
Non-Controlling Interest		(60)	(27)	(60)	(27)
		(4,007)	(5,222)	(4,007)	(5,222)
Total comprehensive income attributable to:					
Owners of the parent		(3,947)	(5,195	(3,947)	(5,195)
Non-Controlling Interest		(60)	(27)	(60)	(27)
		(4,007)	(5,222)	(4,007)	(5,222)
Loss per ordinary share attributable to owners of the parent:					
Basic (sen)	27	(1.85)	(8.50)	(1.85)	(8.50)
Fully diluted (sen)	27	(1.57)	(8.50)	(1.57)	(8.50)

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 MARCH 2019

	Note	As at 31 March 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		15,776	16,041
Land use rights		21	21
Goodwill		2,264	2,264
Land held for development property		1,358	1,038
Total non-current assets		19,419	19,364
Current assets			
Property development costs		17,214	16,473
Inventories		12,176	14,419
Contract assets		2,755	1,500
Trade receivables	22	37,281	35,123
Other receivables		31,628	24,799
Tax recoverable		2,066	1,712
Held-to-maturity investments		13,034	25,301
Cash and bank balances		12,841	9,785
		128,995	129,112
Assets held for sale		-	-
Total current assets		128,995	129,112
TOTAL ASSETS		148,414	148,476
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		149,840	149,840
Warrants reserve		3,619	3,619
Accumulated losses		(60,852)	(56,905)
Equity attributable to owners of the parent		92,607	96,554
Non-controlling interest		1,147	958
Total equity		93,754	97,512
Non-current liabilities			
Bank borrowings	21	11,336	9,165
Deferred tax liabilities		640	653
		11,976	9,818
Current liabilities			
Bank borrowings	21	21,925	21,908
Trade payables		11,537	8,942
Other payables		8,112	8,292
Tax payable		1,110	2,004
		42,684	41,146
Total Liabilities		54,660	50,964
TOTAL EQUITY AND LIABILITIES		148,414	148,476
Net assets per share attributable to owners of the parent		0.4332	0.4516

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 MARCH 2019

		Attributable to owners of the parent					
			Non-Distributable				
	Note	Capital RM'000	Warrants Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
At 1 January 2018		123,220	3,706	(17,525)	109,401	1,496	110,897
Total comprehensive income for the financial period		-	-	(5,195)	(5,195)	(27)	(5,222)
At 31 March 2018		123,220	3,706	(22,720)	104,206	1,469	105,675
At 1 January 2019		149,840	3,619	(56,905)	96,554	958	97,512
Non-controlling interests in acquisition of new subsidiaries		-	-	-	-	249	249
Total comprehensive income for the financial period		-	-	(3,947)	(3,947)	(60)	(4,007)
At 31 March 2019		149,840	3,619	(60,852)	92,607	1,147	93,754

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 MARCH 2019

	Note	Current Year To-Date (Unaudited) 31 March 2019 RM'000	Preceding Year To-Date (Unaudited) 31 March 2018 RM'000
Net loss before tax	9	(4,020)	(5,087)
Adjustments for non-cash flow:			
Depreciation and amortisation		285	253
Non-cash items		(2)	5,318
Interest expense		611	1,834
Interest income		(145)	(113)
Operating (loss)/profit before changes in working capital		(3,271)	2,205
Changes to working capital			
Net (increase)/decrease in current assets		(8,738)	12,735
Net increase/(decrease) in current liabilities		2,412	(2,363)
Net cash (used in)/generated from operating activities		(9,597)	12,577
Interest received		145	113
Interest paid		(611)	(1,834)
Tax paid		(1,248)	(629)
Net cash flows (used in)/generated from operating activities		(11,311)	10,227
Investing activities			
Purchase of property, plant and equipment		(20)	(668)
Proceeds from sale of property, plant and equipment		3	70
Land and development expenditure		(320)	-
Decrease in held to maturity investments		12,267	-
Net cash flows generated from/(used in) investing activities		11,930	(598)
Financing activities			
Net repayments on bank borrowings		(303)	(8,669)
Repayment to ultimate holding company		-	(1,569)
Non-controlling interests in acquisition of new subsidiaries		249	-
Net cash flows used in financing activities		(54)	(10,238)
Net changes in cash and cash equivalents		565	(609)
Effects of exchange rate changes		-	-
Cash and cash equivalents at beginning of the period		4,941	(7,331)
Cash and cash equivalents at the end of the period		5,506	(7,940)
Cash and cash equivalents comprise:			
Cash and bank balances		12,841	2,617
Overdraft	22	(7,335)	(10,557)
Cash and cash equivalents at the end of the year		5,506	(7,940)
Included in the cash flows from operating activities are:			
Cash receipts from customers		37,819	79,976
Cash payments to suppliers, contractors and employees		42,913	72,379

(The Condensed Consolidated Statements of Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2018. 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 2018.

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 2018.

On 1 January 2019, the Group adopted the following FRSs, Amendmends to FRSs and IC Interpretations:-

Deascription	Effective for annual periods beginning on or after
MFRS 16: Leases	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January2019
FRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014	1 January2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January2019
Amendments to FRS 128: Long-term Interests in Associates and Joint Ventures	1 January2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January2019

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
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS3: Definition of a Business	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
MFRS 17: Insurance Contracts	1 January 2021
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 Group and the Company intend to adopt the above MFRSs when they become effective.

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 and the Company except as mentioned below:

<u>MFRS 16: Leases</u>

MFRS 16, which upon effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 31 December 2018 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 March 2019.

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 31 March 2019.

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 period ended 31 March 2019 was as follows:

	Poultry	Property development	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000
2019				
Revenue	54,801	7,561	(22,386)	39,976
Results				
Segment results	(2,133)	(690)	-	(2,823)
Unallocated expense				(731)
Loss from operations				(3,554)
Finance income				145
Finance costs				(611)
Loss before tax				(4,020)

Segment information for the period ended 31 March 2018 was as follows:

	Poultry	Property development	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000
2018				
Revenue	161,530	5,850	(98,096)	69,284
Results				
Segment results	(3,267)	(34)	-	(3,301)
Unallocated costs				(65)
Loss from operations				(3,366)
Finance income				113
Finance costs				(1,834)
Loss before tax				(5,087)

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 March 2019, except as follows:

On 4 April, 2019, the Company had incorporated a wholly owned subsidiary known as Sah Medical Sdn. Bhd. ("SMSB") under the Companies Act, 2016 with an issued share capital of RM100.00 comprising 100 ordinary shares.

The intended principal activities of SMSB are hospital development, management and construction and to carry on all healthcare related activities.

On 15 April, 2019, Sah Medical Sdn. Bhd. ("SMSB"), the wholly-owned subsidiary of SCB had incorporated a new subsidiary known as Sah Medical Center (Melawati) Sdn. Bhd. ("SMCMSB") under the Companies Act, 2016. The intended principal activities are hospital development, management and construction and to carry on all healthcare related activities.

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

On 9 May 2019, the Company announced the re-organisation exercise involving the transfer of 1,000 ordinary shares in the equity of SAH Medical Center (Segamat) Sdn. Bhd. ("SMC Segamat") from SAH Medical Center Sdn. Bhd. ("SMCSB"), the 95%-owned subsidiary of Sinmah Amegajaya Healthcare Sdn. Bhd. ("SAHSB"), the 70%-owned subsidiary of SCB to SAH Medical Sdn. Bhd. ("SMSB") for a total cash consideration of RM1,000.00. The re-organisation is for the purpose of streamlining and realigning the businesses and business units of Sinmah Capital Berhad group ("the Group") into more distinct business segments.

Currently, equity interest in SMC Segamat are wholly held by SMCSB. Hence, after the reorgnisation, SMC Segamat will be a wholly-owned subsidiary of SMSB. (hereinafter referred to as "the Reorganisation"). SMSB is currently a wholly-owned subsidiary of SCB.. SMC Segamat is currently a wholly-owned subsidiary of SMCSB.

On on 21 May, 2019, the 70% owned subsidiary of the Company, Sinmah Amegajaya Healthcare Sdn. Bhd. ("SAHSB") had incorporated a new subsidiary known as SAH Medical Center (Batu Kawan) Sdn. Bhd. ("SMC Batu Kawan") under the Companies Act, 2016. The intended principal activities are hospital development, management and construction and to carry on all healthcare related activities.

SMC Batu Kawan was incorporated with an issued share capital of RM100.00 comprising 100 ordinary shares. 100% of the issued share capital of SMC Batu Kawan is owned by SAHSB. Upon incorporation, SMC Batu Kawan shall become a wholly-owned subsidiary of SAHSB.

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 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 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 Sharess". 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 12 March, 2019, Sah Medical Center Sdn. Bhd. ("SMCSB"), the 95% owned subsidiary of Sinmah Amegajaya Healthcare Sdn. Bhd. ("SAHSB"), the 70% owned subsidiary of the Company had incorporated a new subsidiary known as Sah Medical Center (Segamat) Sdn. Bhd. ("SMCSSB") under the Companies Act, 2016. The intended principal activities are hospital development, management and construction and to carry on all healthcare related activities.

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

12. Contingent Liabilities

The Company provides corporate guarantee to financial institutions for all unsecured credit facilities granted to subsidiaries amounting to RM32.04 million as at 31 March 2019.

13. Capital Commitments

There were no material capital commitments not provided for in the interim financial statements as at 31 March 2019.

B) Notes in accordance to requirements under Chapter 9, Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements

14. Review of Current Quarter Events and Performance

The Group's performance for the current year's first quarter ended 31 March 2019 compared to the preceding year's first quarter ended 31 March 2018 is shown in Table 1 and Table 2.

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

	Individual Period (1st Quarter)		Changes (Amount/%)	Cumulative Period (3 Months)		Changes (Amount/%)
	Current Year 31/3/2019 RM'000	Preceding Year 31/3/2018 RM'000		Current Year 31/3/2019 RM'000	Preceding Year 31/3/2018 RM'000	
Revenue	39,976	69,284	(29,308), (42%)	39,976	69,284	(29,308), (42%)
Loss before interest and tax	(3,554)	(3,366)	(188), (6%)	(3,554)	(3,366)	(188), 6%)
Loss before tax	(4,020)	(5,087)	1,060, 21%	(4,020)	(5,087)	1,060, 21%
Loss after tax	(4,007)	(5,222)	1,215, 23%	(4,007)	(5,222)	1,215, 23%
Loss attributable to Ordinary Equity Holders of the Parent	(3,947)	(5,195)	1,248, 24%	(3,947)	(5,195)	1,248, 24%

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

Description	3 months ended 31-Mar-19 RM'000	3 months ended 31-Mar-18 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- Poultry	33,893	66,533	(32,640)	(49)
- Property development	6,083	2,751	3,332	>100
	39,976	69,284		

For the current quarter ended 31 March 2019, the poultry segment recorded a lower revenue of RM33.89 million as compared with RM66.53 million in the corresponding quarter ended 31 March 2018, a decrease of 49%. The decrease was mainly due to decrease in sales volume of live broilers resulting from a lower capacity of broiler production during the quarter ended 31 March 2019 as compared to the corresponding quarter ended 31 March2018 which resulted from disposal of broiler farm lands and assets during the last financial year ended 31 December 2018.

The property development segment posted a higher revenue of RM6.08 million in the current quarter ended 31 March 2019 as compared to the revenue of RM2.75 million in the corresponding quarter ended 31 March 2018, 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 March 2019 as compared to the corresponding quarter ended 31 March 2018. In addition, the Group obtained a construction contract worth RM12.34 million where revenue was recognised since the second quarter of the financial year ended 31 December 2018.

Although total revenue decreased, the Group posted a lower loss attributable to owners of the parent of RM3.95 million during the current quarter ended 31 March 2019 as compared to a loss attributable to owners of the parent of RM5.20 million in the corresponding quarter ended 31 March 2018. The lower loss during the current quarter ended 31 March 2019 was mainly due to increase in average selling price of live broilers during the current quarter ended 31 March 2019.

15. Comparison to Preceding Quarter's Results

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

Table 4: Financial review for current quarter compared with the immediately preceding quarter

	3 months ended 31 March 2019 RM'000	3 months ended 31 December 2018 RM'000	Changes (Amount/%)
Revenue	39,976	31,660	8,316, 26%
Loss before interest and tax	(3,554)	(16,218)	12,664, 78%
Loss before tax	(4,020)	(16,887)	12,867, 76%
Loss after tax	(4,007)	(14,278)	10,271, 71%
Loss attributable to Ordinary Equity Holders of the Parent	(3,947)	(13,963)	10,016, 72%

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

Description	3 months ended 31-Mar-19 RM'000	3 months ended 31-Dec-18 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- Poultry	33,893	27,248	6,645	24
- Property development	6,083	4,412	1,671	38
	39,976	31,660		

For the current quarter ended 31 March 2019, the poultry segment posted a higher revenue of RM33.89 million compared to the turnover of RM27.25 million recorded in the previous quarter ended 31 December 2018, an increase of 24%. The increase was mainly due to increase in average selling price of live broilers during the current quarter ended 31 March 2019.

The property development segment posted a higher revenue of RM6.08 million in the current quarter ended 31 March 2019 as compared to the revenue of RM4.41 million in the preceding quarter ended 31 December 2018, an increase of 38%. This was due to higher recognition of revenue on the percentage of completion basis in the current quarter ended 31 March 2019 as compared to previous quarter ended 31 December 2018.

As revenue increased, the Group posted a lower loss attributable to owners of the parent of RM3.95 million during the current quarter ended 31 March 2019 compared to a loss attributable to owners of the parent of RM13.96 million during the preceding quarter ended 31 December 2018. The lower loss during the current quarter ended 31 March 2019, were mainly due to increase in average selling price of live broilers and a higher profit recognised on development and construction during the current quarter ended 31 March 2019.

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.

In the meantime, for the property division the Group expects to complete the acquisition of Budi Saja Sdn Bhd and Meadow Assets Sdn Bhd by June 2019. With the anticipated completion of acquisition of the 2 new wholly-owned subsidiaries, the Group hopes to see some positive contribution from the third quarter onwards especially from Budi Saja Sdn Bhd on its development of the Bukit Gambir project in Muar.

As such, the Group is expecting a challenging second quarter of the 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 Mar 2019 RM'000	Preceding Year Quarter ended 31 Mar 2018 RM'000	Current Year to-date 31 Mar 2019 RM'000	Preceding Year to-date 31 Mar 2018 RM'000
Depreciation and amortization	285	253	285	253
Foreign exchange loss / (gain)	(4)	34	(4)	34
(Gain) / loss on disposal of properties, plant and equipment	2	(69)	2	(69)
Loss on disposal of subsidiary companies	-	-	-	-
Gain on disposal of associated companies	-	-	-	-
Impairment loss of investment in associated companies	-	-	-	-
Impairment loss on trade receivables	-	5,394	-	5,394

Impairment of goodwill	-	-	-	-
Provision for write-off of receivables	-	-	-	-
Provision for write-off of inventories	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
Interest income	(145)	(113)	(145)	(113)
Interest expense	611	1,834	611	1,834

19. Taxation

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

	Quarter ended 31 Mar 2019 RM '000	Year to-date 31 Mar 2019 RM '000	Quarter ended 31 Mat 2018 RM '000	Year to-date 31 Mar 2018 RM '000
Current tax	-	-	(106)	(106)
Deferred tax	13	13	(29)	(29)
Total tax income/(expense)	13	13	(135)	(135)

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:

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 above acquisitions are currently pending approval from relevant authorities.

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.

On 28 March 2019, at the extraordinary meeting ("EGM") of the Company the shareholders of the Company approved the acquisitions of Budi Saja Sdn Bhd and Meadow Assets Sdn Bhd and the acquisitions are expected to be completed by June 2019. During the EGM, the shareholders also approved the proposed diversification into healthcare business.

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	7,336	-	7,336
Bankers acceptance	11,551	-	11,551
Revolving credit	-	-	-
Hire purchase creditors	406	812	1,218
Term loans	2,632	10,524	13,156
	21,925	11,336	33,261

22. Trade Receivables

		Financial Period Ended 31 Mar 2019 RM'000	Financial Year Ended 31 Dec 2018 RM'000
Trade receivables			
Third parties		135,624	133,466
Impairment losses	- brought forward	(98,343)	(73,794)
	- impaired during the period/year	-	(24,606)
	- reversed during the period/year	-	278
	- effects of adopting MFRS 9	-	(3,908)
	- written off during the period/year	-	3,687
		(98,343)	(98,343)
		37,281	35,123

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 31 Mar 2019 RM'000	Financial Year Ended 31 Dec 2018 RM'000
Neither past due nor impaired	21,580	20,093
Past due not impaired:		
Up to 60 days past due	8,558	2,796
More than 60 days	7,143	12,234
	15,701	15,030
	37,281	35,123
Impaired	98,343	98,343
	135,624	133,466

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

As at 31 March 2019, trade receivables of approximately RM15,701,000 (31 December 2018: RM15,030,000) 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 RM98,343,000 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 Mar 2019 RM'000	Preceding Year Quarter Ended 31 Mar 2018 RM'000	Current Year Cumulative Period Ended 31 Mar 2019 RM'000	Preceding Year Cumulative Period Ended 31 Mar 2018 RM'000
Other income comprises the following:				
Rental income	8	47	8	47
Sales of used packaging materials, scrap & others	5	4	5	4
Sales of corn	-	454	-	454
Miscellaneous other income	259	104	259	104
Bad debts recovered	14	51	14	51
Gain on disposal of property, plant and equipment	3	69	3	69
Gain on foreign exchange (realised)	4	34	4	34
	293	763	293	763

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 30 May 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 Appelant'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.

On 24 May 2019, the SCIT set the dates for trial to be held on 27 and 28 April 2021.

26. Dividend

No interim dividend has been declared for the quarter ended 31 March 2019 (31 March 2018: 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 Mar 2019 RM'000	Preceding Year Quarter Ended 31 Mar 2018 RM'000	Current Year To-Date 31 Mar 2019 RM'000	Preceding Year To-Date 31 Mar 2018 RM'000
Loss attributable to owners of the parent (RM'000)	(3,947)	(5,195)	(3,947)	(5,195)
Weighted average number of shares ('000)	213,791	61,083	213,791	61,083
Basic loss per share (sen)	(1.85)	(8.50)	(1.85)	(8.50)

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 30 May 2019.