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

	NOTE	INDIVIDUAL QUARTER 3 MONTHS ENDED CURRENT YEAR 31/12/2019 UNAUDITED RM'000	PRECEEDING YEAR 31/12/2018 UNAUDITED RM'000	CUMMULATIVE QUARTER 12 MONTHS ENDED CURRENT YEAR 31/12/2019 UNAUDITED RM'000	PRECEEDING YEAR 31/12/2018 AUDITED RM'000
Continuing Operations					
Revenue	9, 14 & 15	36,165	31,660	182,475	180,931
Cost of Sales		(33,879)	(31,624)	(170,773)	(172,711)
Gross Profit		2,286	36	11,702	8,220
Other income	23	1,876	1,722	25,258	20,414
Administrative expenses		(9,087)	(17,970)	(32,018)	(60,330)
Selling & marketing expenses		-	(6)	-	-
	9	(4,925)	(16,218)	4,942	(31,696)
Finance costs		(1,440)	(986)	(4,136)	(4,396)
Interest income		197	317	611	957
Profit/(loss) before tax	9	(6,168)	(16,887)	1,417	(35,135)
Income tax expense	19	3,894	2,609	(2,234)	(4,581)
Loss for the period		(2,274)	(14,278)	(817)	(39,716)
Other comprehensive income, net of tax:					
		0	0	0	0
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income for the period		(2,274)	(14,278)	(817)	(39,716)
Loss attributable to:					
Owners of the parent	14 & 15	(2,471)	(13,963)	(900)	(39,178)
Non-Controlling Interest		197	(315)	83	(538)
		(2,274)	(14,278)	(817)	(39,716)
Total comprehensive income attributable to:					
Owners of the parent		(2,471)	(13,963)	(900)	(39,178)
Non-Controlling Interest		197	(315)	83	(538)
		(2,274)	(14,278)	(817)	(39,716)
Loss per ordinary share attributable to owners of the parent:					
Basic (sen)	27	(1.16)	(6.53)	(0.42)	(34.68)
Fully diluted (sen)	27	(0.98)	(5.54)	(0.36)	(28.62)

(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 DECEMBER 2019

	Note	As at 31 December 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		7,672	16,041
Land use rights		21	21
Right-of-use assets		2,711	-
Goodwill		3,353	2,264
Land held for development property		12,967	1,038
Total non-current assets		26,724	19,364
Current assets			
Property development costs		70,154	16,473
Inventories		10,750	14,419
Contract assets		2,370	1,500
Trade receivables	22	46,490	35,123
Other receivables		7,887	24,799
Tax recoverable		493	1,712
Held-to-maturity investments		27,575	25,301
Cash and bank balances		5,034	9,785
Total current assets		170,753	129,112
TOTAL ASSETS		197,477	148,476
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		149,840	149,840
Warrants reserve		3,619	3,619
Accumulated losses		(57,805)	(56,905)
Equity attributable to owners of the parent		95,654	96,554
Non-controlling interest		219	958
Total equity		95,873	97,512
Non-current liabilities			
Bank borrowings	21	26,679	9,165
Lease liability		2,349	-
Deferred tax liabilities		3,284	653
		32,312	9,818
Current liabilities			
Bank borrowings	21	47,764	21,908
Trade payables		12,181	8,942
Other payables		5,635	8,292
Lease liability		402	-
Due to directors		828	-
Tax payable		2,482	2,004
		69,292	41,146
Total Liabilities		101,604	50,964
TOTAL EQUITY AND LIABILITIES		197,477	148,476
Net assets per share attributable to owners of the parent		0.4474	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 DECEMBER 2019

		Attributable to owners of the parent						
			Non-Distributable					
	Note	**Capital RM'000**	**Warrants Reserve RM'000**	**Other Reserves RM'000**	**Accumulated Losses RM'000**	**Total RM'000**	**Non-Controlling Interest RM'000**	**Total Equity RM'000**
At 1 January 2018, as previously stated		123,220	3,706	-	(17,525)	109,401	1,496	110,897
Effects of adopting MFRS 9		-	-	-	(3,908)	(3,908)	-	(3,908)
At 1 January 2018, as previously stated		123,220	3,706	-	(21,433)	105,493	1,496	106,989
Total comprehensive income for the financial year		-	-	-	(39,178)	(39,178)	(538)	(39,716)
Transactions with owners:								
Rights issue expenses		(303)	-	-	-	(303)	-	(303)
Rights issue		30,542	-	-	-	30,542	-	30,542
Issuance of warrants C		(3,619)	3,619	-	-	-	-	-
Expiry of Warrants B		-	(3,706)	-	3,706	-	-	-
At 31 December 2018		149,840	3,619	-	(56,905)	96,554	958	97,512
At 1 January 2019		149,840	3,619		(56,905)	96,554	958	97,512
Non-controlling interests in acquisition of new subsidiaries		-	-		-	-	250	250
Non-controlling interests in disposal of subsidiaries		-	-		-	-	(1,072)	(1,072)
Total comprehensive income for the financial period		-	-		(900)	(900)	83	(817)
At 31 December 2019		149,840	3,619		(57,805)	95,654	219	95,873

(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 DECEMBER 2019

	Note	Current Year To-Date (Unaudited) 31 December 2019 RM'000	Preceding Year To-Date Audited 31 December 2018 RM'000
Net profit/(loss) before tax	9	1,417	(35,135)
Adjustments for non-cash flow:			
Depreciation and amortisation		1,235	1,742
Non-cash items		(20,176)	11,469
Interest expense		4,136	4,396
Interest income		(611)	(957)
Operating loss before changes in working capital		(13,999)	(18,485)
Changes to working capital			
Net decrease in current assets		1,308	95,888
Net decrease in current liabilities		(13,224)	(26,092)
Net cash (used in)/generated from operating activities		(25,915)	51,311
Interest paid		(4,136)	(4,396)
Tax paid		(1,270)	(10,584)
Net cash flows (used in)/generated from operating activities		(31,321)	36,331
Investing activities			
Purchase of property, plant and equipment		(2,254)	(4,149)
Proceeds from sale of property, plant and equipment		28,725	31,698
Land and development expenditure		(9,260)	-
Right-of-use assets		(2,711)	-
Decrease in held to maturity investments		(4,145)	(6,988)
Interest received		611	957
Net cash outflow from acquisition of new subsidiaries		(11,022)	-
Cash effects from sale of subsidiary companies		(57)	-
Net cash flows (used in)/generated from investing activities		(113)	21,518
Financing activities			
Net proceeds on drawdown/(repayments) of bank borrowings		18,339	(67,914)
Repayment to ultimate holding company		-	(7,900)
Non-controlling interests in acquisition of new subsidiaries		250	-
Proceeds from rights issue		-	30,542
Expenses in relation to corporate proposals		-	(303)
Net cash flows generated from/(used in) financing activities		18,589	(45,575)
Net changes in cash and cash equivalents		(12,845)	12,274
Effects of exchange rate changes		-	-
Cash and cash equivalents at beginning of the period		4,941	(7,332)
Cash and cash equivalents at the end of the period		(7.904)	4,942
Cash and cash equivalents comprise:			
Cash and bank balances		5,034	9,785
Overdraft	21	(12,938)	(4,843)
Cash and cash equivalents at the end of the year		(7,904)	4,942
Included in the cash flows from operating activities are:			
Cash receipts from customers		169,728	216,180
Cash payments to suppliers, contractors and employees		172,014	186,140

(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)

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 December 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 December 2019.

9. Segmental information

The Group is organized into three main business segments:

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

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

(iii) Healthcare – This consists of setting up and running of hospitals and clinics.

Business segment

Segment information for the nine months ended 31 December 2019 was as follows:

	Poultry	Property development	Healthcare	Eliminations	Group
	RM'000	RM'000	RM'000		RM'000
2019					
Revenue	289,667	29,108	47	(136,347)	182,475
Results					
Segment results	13,533	(3,613)	(1,756)	(551)	7,613
Unallocated expense					(2,671)
Profit from operations					4,942
Finance income					611
Finance costs					(4,136)
Profit before tax					1,417

Segment information for the six months ended 31 December 2018 was as follows:

	Poultry RM'000	Property development RM'000	Healthcare RM'000	Eliminations	Group RM'000
2018					
Revenue	347,021	25,544	-	(191,634)	180,931
Results					
Segment results	(28,066)	1,529	(427)	(1,262)	(28,226)
Unallocated expense					(3,470)
Loss from operations					(31,696)
Finance income					957
Finance costs					(4,396)
Loss before tax					(35,135)

Unallocated expenses refer to the expenses of holding company and inactive subsidiaries within the Group.

10. Subsequent Events

As at the date of this report, there were no material events subsequent to the current quarter ended 31 December 2019, except as follows:

On 14 February 2020, Sime Darby Property (City of Elmina) Sdn. Bhd. (formerly known as Sime Darby Elmina Development Sdn. Bhd.) "SDP Elmina") had accepted an offer from Sinmah Amegajaya Healthcare Sdn. Bhd. (a 70%-owned indirect subsidiary of the Company) ("Sinmah Amegajaya") to purchase a piece of land measuring approximately 5 acres which have been subdivided from a piece of land held under H.S.(D) 287140, PT 5032S7, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor ("Land") for a purchase price of RM32,670,000 ("Purchase Price") ("the Offer"), made through Sinmah Amegajaya's letter of offer dated 20 November 2019, and subject to a sale and purchase agreement ("SPA") to be executed by both parties within 3 months from the date of fulfilment of all conditions precedent.

Sinmah Amegajaya intends to build a university hospital and a hospital related building on the Land. Hence, the condition precedent is that Sinmah Amegajaya shall obtain confirmation from Kementrian Kesihatan Malaysia on the zoning of the Land for hospital purpose wiyhin 6 months after the acceptance date of Offer or such other extension date as agreed by SDP Elmina "Conditional Period') prior to the execution of the SPA.

Sinmah Amegajaya has paid RM326,700.00 being 1% of the Purchase Price ("**Earnest Deposit**") on 17 February, 2020. The Earnest Deposit shall be forfeited if Sinmah Amegajaya fails to execute the SPA in accordance with the terms of the Offer. The Earnest Deposit shall be fully refundable in the event of non-execution of the SPA due to the non-fulfilment of the conditions precedent set out above.

The above was duly announced to Bursa Malaysia Securities Berhad on 17 February 2020.

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 21 October 2019, SAH Medical Center (Batu Kawan) Sdn. Bhd. ("SMCBKSB"), a wholly-owned subsidiary of Sinmah Amegajaya Healthcare Sdn Bhd ("SAHSB"), which in turn is a wholly-owned subsidiary of the Company had increased its paid-up share capital from RM100 to RM1,000 through the issuance of 900 ordinary shares at an issue price of RM1.00 per share. SAHSB took up 600 shares for an aggregate subscription price of RM600 while Oasis Glory Sdn Bhd ("OGSB") took up 300 shares for an aggregate subscription price of RM300 ("the Subscriptions").

OGSB was incorporated in Malaysia as a private limited company on 14 October, 2011. The principal activity of OGSB is investment holding. The issued share capital of OGSB is RM2.00 comprising of 2 ordinary shares.

The Directors and Shareholders of OGSB are Mr. Chuah Chew Hai and Ms. Chuah Peak San and each of them hold one ordinary share each in OGSB. Both of them are non-related parties to SCB group of companies.

With the cooperation between SAHSB and OGSB, it will increase the operational efficiently of the Company's healthcare business as the shareholders and the directors of OGSB have access and are familiar with land locations in Penang. As such, OGSB would be able to contribute in terms of suitable locations in Penang for the purpose of setting up hospitals and clinics.

Upon completion of the Subscriptions, SAHSB's investment in SMCBKSB decreases from 100% to 70%.

On 11 November 2019, SAHSB had incorporated a wholly-owned subsidiary company known as Medigo Laboratories & Diagnostics Sdn Bhd ("MDLDSB") under the Companies Act, 2016 with an issued share capital of RM2.00 comprising 2 ordinary shares.

The intended principal activities are provision of medical laboratories and diagnostics services and healthcare management related activities. Upon incorporation, MLDSB shall become a wholly-owned subsidiary of SAHSB.

12. Status of Utilisation of Proceeds

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 Up to 31 Dec 2019 RM'000	Remarks
Land cost and development expenditure for property development and construction business	29,412	29,280	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, RM29.28 million have been utilised on existing property development and construction activities.
Expenses in relation to the corporate exercise	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 RM50,000 will be used for land and development expenditure for property development and construction business in accordance with the Provisions of the Circular.
	30,542	30,360	

13. Contingent Liabilities

The Company provides corporate guarantee to financial institutions for all unsecured credit facilities granted to subsidiaries amounting to RM65.32 million as at 31 December 2019.

14. Capital Commitments

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

14. Review of Current Quarter Events and Performance

The Group's performance for the current year's fourth quarter ended 31 December 2019 compared to the preceding year's fourth quarter ended 31 December 2018 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 Months)		Changes (Amount/%)	Cumulative Period (12 Months)		Changes (Amount/%)
	Current Year 31/12/2019 RM'000	Preceding Year 31/12/2018 RM'000		Current Year 31/12/2019 RM'000	Preceding Year 31/12/2018 RM'000	
Revenue	36,165	31,660	4,505, 14%	182,475	180,931	1,544, 1%
Profit/(loss) before interest and tax	(4,925)	(16,218)	11,293, 70%	4,942	(31,696)	36,638, >100%
Profit/(loss) before tax	(6,168)	(16,887)	10,719, 63%	1,417	(35,135)	36,552, >100%
Loss after tax	(2,274)	(14,278)	12,004, 84%	(817)	(39,716)	38,899, 98%
Loss attributable to Ordinary Equity Holders of the Parent	(2,471)	(13,963)	11,492, 82%	(900)	(39,178)	38,278, 100%

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

Description	3 months ended 31-Dec-19 RM'000	3 months ended 31-Dec-18 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- Food	31,046	27,248	3,798	14%
- Property development	5,072	4,412	660	15
- Healthcare	47	-	47	>100
	36,165	31,660		

For the current quarter ended 31 December 2019, the food division recorded a higher revenue of RM31.05 million as compared with RM27.25 million in the corresponding quarter ended 31 December 2018, an increase of 14%. The increase was mainly due to increase in sales volume of live broilers during the quarter ended 31 December 2019 as compared to the corresponding quarter ended 31 December 2018.

The property development division posted a higher revenue of RM5.07 million in the current quarter ended 31 December 2019 as compared to the revenue of RM4.41 million in the corresponding quarter ended 31 December 2018, an increase of 15%. This was due to higher number of units sold during the current quarter ended 31 December 2019 as compared to the corresponding quarter ended 31 December 2018.

The healthcare division has just commenced operations of a clinic during the quarter ended 31 December 2019. Its revenue is at its initial stages.

The Group posted a loss attributable to owners of the parent of RM2.47 million during the current quarter ended 31 December 2019 as compared to a loss attributable to owners of the parent of RM13.96 million in the corresponding quarter ended 31 December 2018. The lower loss during the current quarter ended 31 December 2019 was mainly due increase in sales volume of live broilers and units of properties sold during the quarter ended 31 December 2019 as compared with the corresponding quarter ended 31 December 2018.

Table 3: Revenue by Segment (Current Period and Corresponding Period)

Description	12 months ended 31-Dec-19 RM'000	12 months ended 31-Dec-18 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- Food	165,612	164,181	1,431	0.87
- Property development	16,816	16,750	66	0.39
- Healthcare	47	-	47	>100
	182,475	180,931		

For the twelve months period ended 31 December 2019, the food division recorded a slightly higher revenue of RM165.61 million as compared with RM164.18 million in the corresponding period ended 31 December 2018, an increase of 0.87%. The increase was mainly due to increase in sales volume of live broilers during the twelve months ended 31 December 2019 as compared to the corresponding period ended 31 December 2018.

The property development division posted a slightly higher revenue of 16.82 million in the twelve months period ended 31 December 2019 as compared to the revenue of RM16.75 million in the corresponding period ended 31 December 2018, an increase of 0.39%. This was mainly due to a higher number of units sold in the twelve months ended 31 December 2019 as compared to the corresponding period ended 31 December 2018.

The healthcare division has just commenced operations of a clinic during the quarter ended 31 December 2019. Its revenue is at its initial stages.

The Group posted a loss attributable to owners of the parent of RM0.90 million during the twelve months period ended 31 December 2019 as compared to a loss attributable to owners of the parent of RM39.18 million in the corresponding period ended 31 December 2018. This was mainly due to increase in average selling price of live broilers, increase in units of properties sold and impairment of trade receivables of RM24.61 million during the corresponding period ended 31 December 2018.

15. Comparison to Preceding Quarter's Results

The Group's performance for the current quarter ended 31 December 2019 compared to the previous quarter ended 30 September 2019 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 December 2019 RM'000	3 months ended 30 September 2019 RM'000	Changes (RM'000/%)
Revenue	36,165	69,679	(33,514), (48%)
Profit/(loss) before interest and tax	(4,925)	15,986	(20,911), (>100%)
Profit/(loss) before tax	(6,168)	15,037	(21,205), (>100%)
Profit/(loss) after tax	(2,274)	8,915	(11,189), (>100%)
Profit attributable to Ordinary Equity Holders of the Parent	(2,471)	8,885	(11,356), (>100%)

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

Description	3 months ended 31-Dec-19 RM'000	3 months ended 30-Sep-19 RM'000	Increase/(Decrease) RM'000	%
Revenue				
- Food	31,046	68,369	(37,323)	(55)
- Property development	5,072	1,310	3,762	>100
- Healthcare	47	-	47	>100
	36,165	69,679		

For the current quarter ended 31 December 2019, the food division posted a lower revenue of RM31.05 million compared to the turnover of RM68.37 million recorded in the previous quarter ended 30 September 2019, a decrease of 55%. The decrease was mainly due to decrease in sales volume and average selling price of live broilers during the current quarter ended 31 December2019.

The property development division posted a higher revenue of RM5.07 million in the current quarter ended 31 December 2019 as compared to the revenue of RM1.31 million in the preceding quarter ended 30 September 2019, an increase of more than 100%. This was due to higher number of units sold in the current quarter ended 31 December 2019 as compared to previous quarter ended 30 September 2019.

The healthcare division has just commenced operations of a clinic during the quarter ended 31 December 2019. Its revenue is at its initial stages.

The Group posted a loss attributable to owners of the parent of RM2.47 million during the current quarter ended 31 December 2019 as opposed to a profit attributable to owners of the parent of RM8.89 million during the preceding quarter ended 30 September 2019. The loss during the current quarter ended 31 December 2019 was mainly due a pre-tax gain on disposal of feed-mill assets of RM17.87 million during the previous quarter ended 30 September 2019.

16. Prospects

The average selling price of live broilers is expected to be lower than the average selling price during the quarter under review. The mitigating factor for the Group is that we trade in live broilers more than we do contract farming. Hence, the adverse effects of a drop in selling price of live broilers is limited to the quantity of broilers farmed through our contract farming activities. The impact of low selling prices of live broilers is expected to be softened by increase in units of properties to be sold in the coming quarter ending 31 March 2020.

For the healthcare division, the Group's clinic in Seri Kembangan showed a steady increase in monthly revenue since commencement of operations in October 2019. In addition, the Group has completed renovating 2 shophouses located in Sri Andalas, Klang to operate as a clinic and expected to run by end of the coming quarter ending 31 March 2020. Besides this, the Group is in the midst of obtaining approval for 1 additional clinic located in Taman Galena, Seremban and also preparing a new clinic submission which is located in Krubong, Melaka.

The Group via its subsidiary, Sterling Healthcare Sdn Bhd, is also planning to open a diagnostic center in Klang to provide CT Scan, ultra-sound and X-ray services. The diagnostic center is pending approval from the relevant authorities. The Group hopes to commence operations by the second quarter of the financial year ending 31 December 2020.

Based on the above, the Group expects a very challenging 1st quarter of the financial year ending 31 December 2020.

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

	Current Year Quarter ended 31 Dec 2019 RM'000	Preceding Year Quarter ended 31 Dec 2018 RM'000	Current Year to-date 31 Dec 2019 RM'000	Preceding Year to-date 31 Dec 2018 RM'000
Depreciation and amortization	409	344	1,302	1,745
Foreign exchange loss/(gain)	4	85	(5)	56
(Gain) / loss on disposal of properties, plant and equipment	(32)	7	(18,817)	(16,097)
Gain on disposal of subsidiary companies	(4)	-	(2,476)	-
Gain on disposal of associated companies	-	-	-	-
Impairment loss of investment in associated companies	-	-	-	-
Impairment loss/(reversal of impairment) on trade receivables	(2,651)	8,268	(651)	24,606

Impairment of goodwill	-	-	-	-
Provision for write-off of receivables	-	-	-	-
Provision for write-off of inventories	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-
Interest income	(197)	(317)	(611)	(957)
Interest expense	1,440	986	4,136	4,396

19. Taxation

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

	Quarter ended 31 Dec 2019 RM '000	Year to-date 31 Dec 2019 RM '000	Quarter ended 31 Dec 2018 RM '000	Year to-date 31 Dec 2018 RM '000
Current tax – income tax	**3,000**	**(2,659)**	**3,700**	**(2,922)**
Current tax – real property gains tax	**45**	**(455)**	**109**	**(2,435)**
Deferred tax	**849**	**880**	**(1,200)**	**776**
Total tax income/(expense)	**3,894**	**(2,234)**	**(2,609)**	**(4,581)**

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) SAH Medical Center Sdn Bhd ("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 shareholders of the Company approved the Group's diversification into healthcare business during the extraordinary general meeting held on 28 March 2019.

On 31 July 2019, SMCSB had signed Supplemental SPA 1 and Supplemental SPA 2 in connection with the purchase of the above properties. The Group is now raising the necessary funding to complete the purchase transactions which are expected to be completed within four (4) months from the date of the Supplemental agreements.

However, on 17 February 2020 the Group announced that SMCSB had issued a notice of termination ("Notice") to the Vendor to formally terminate the SPAs. The reason for the termination as indicated in the Notice is the breach by the Vendor of certain terms in the SPAs whereby the market values of the Properties have been devalued as a result of the removal of various fittings, furnishings and/or furniture in and on the Properties.

Pursuant to the Notice, SMCSB is seeking for a refund of deposits and first payments totalling RM2,740,000 as well as liquidated damages of RM2,700,000,from the Vendor, in accordance with the terms of the SPAs.

At the same time, SMCSB is considering all its options including negotiations to re-acquire the Properties at a purchase consideration to be determined, and will make the necessary announcements in the future.

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	12,938	-	12,938
Bankers acceptance	27,967	-	27,967
Revolving credit	-	-	-
Hire purchase creditors	346	795	1,141
Term loans	6,513	25,884	32,397
	47,764	26,679	74,443

22. Trade Receivables

		Financial Period Ended 31 Dec 2019 RM'000	Financial Year Ended 31 Dec 2018 RM'000
Trade receivables			
Third parties		144,228	133,466
Impairment losses	- brought forward	(98,343)	(73,794)
	- impaired during the period/year	605	(24,606)
	- reversed during the period/year	-	278
	- effects of adopting MFRS 9	-	(3,908)
	- written off during the period/year	-	3,687
		(97,738)	(98,343)
		46,490	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

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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 Sep 2019 RM'000	Financial Year Ended 31 Dec 2018 RM'000
Neither past due nor impaired	27,625	20,093
Past due not impaired:		
Up to 60 days past due	6,778	2,796
More than 60 days	12,087	12,234
	18,865	15,030
	46,490	35,123
Impaired	97,738	98,343
	144,228	133,466

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

As at 31 December 2019, trade receivables of approximately RM18,865,000 (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 RM96,952,000 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 2019 RM'000	Preceding Year Quarter Ended 31 Dec 2018 RM'000	Current Year Cumulative Period Ended 31 Dec 2019 RM'000	Preceding Year Cumulative Period Ended 31 Dec 2018 RM'000
Other income comprises the following:				
Rental income		6	24	113
Sales of used packaging materials, scrap & others	-	511	155	917
Sales of corn	-	-	-	1,324
Miscellaneous other income	310	1,178	1,975	2,818
Bad debts recovered	22	27	36	102
Gain on disposal of property, plant and equipment	32	-	18,817	16,097
Gain on disposal of subsidiaries	4	-	2,476	-
Gain on consolidation of subsidiaries	-	-	263	-
Gain on foreign exchange (unrealised)	-	-	4	-
Reversal of ECL provision	1,508	-	1,508	-
	1,876	1,722	25,258	21,371

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 28 February 2020.

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 December 2019 (31 December 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 Dec 2019 RM'000	Preceding Year Quarter Ended 31 Dec 2018 RM'000	Current Year To-Date 31 Dec 2019 RM'000	Preceding Year To-Date 31 Dec 2018 RM'000
Loss attributable to owners of the parent (RM'000)	(2,471)	(13,963)	(900)	(39,178)
Weighted average number of shares ('000)	213,791	213,791	213,791	112,962
Basic loss per share (sen)	(1.16)	(6.53)	(0.42)	(34.68)
Fully diluted weighted average number of shares	251,968	251,968	251,968	136,867
Fully diluted earnings/(loss) per share (sen)	(0.98)	(5.54)	(0.36)	(28.62)

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 2020.