SCH GROUP BERHAD (972700-P)

(Incorporated in Malaysia)

Interim Financial Report
For the Fourth (4th) Quarter ended
31 Aug 2018

SCH GROUP BERHAD (972700-P)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 AUGUST 2018

	<-- Individual Quarter -->		<- Cumulative Quarter -->	
	Unaudited 31 Aug 2018 RM'000	**Unaudited 31 Aug 2017 RM'000**	**Unaudited 31 Aug 2018 RM'000**	**Audited 31 Aug 2017 RM'000**
Revenue	6,048	12,374	33,618	44,177
Cost of Sales	(4,085)	(8,892)	(22,024)	(30,588)
Gross Profit	1,963	3,482	11,594	13,589
Other operating income	162	433	2,163	1,002
Administrative expenses	(11,550)	(2,227)	(18,873)	(9,663)
Selling and distribution expenses	(407)	(468)	(1,858)	(1,749)
(Loss)/Profit from operations	(9,832)	1,220	(6,974)	3,179
Finance costs	(139)	(154)	(633)	(445)
(Loss)/Profit before taxation	(9,971)	1,066	(7,607)	2,734
Taxation	(10)	(404)	(721)	(912)
(Loss)/Profit after taxation	(9,981)	662	(8,328)	1,822
Other comprehensive income after tax:				
Exchange translation differences for foreign operations	(183)	(18)	(266)	71
Reversal of merger deficit reserve on subsidiary	(656)	-	(656)	-
Total comprehensive (loss)/ income for the financial year	(10,820)	644	(9,250)	1,893
(LAT)/PAT ATTRIBUTABLE TO:				
- Owners of the company	(9,981)	662	(8,328)	1,822
TOTAL COMPREHENSIVE (LOSS)/ INCOME ATTRIBUTABLE TO:				
- Owners of the company	(10,820)	644	(9,250)	1,893
Weighted average no. of ordinary shares ('000)	468,831	412,235	426,501	412,235
(Loss)/Earnings per share attributable to owners of the company (sen):				
- Basic	(2.13)	0.16	(1.95)	0.44
- Diluted	(1.48)	0.11	(1.32)	0.29

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2017 and the accompanying explanatory notes attached to the interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2018

	Unaudited As at 31 Aug 2018 RM'000	Audited As at 31 Aug 2017 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	63,026	23,927
Goodwill on consolidation	28,925	-
	91,951	23,927
CURRENT ASSETS		
Inventories	32,800	22,232
Trade receivables	31,228	20,475
Other receivables, prepayments and deposits	2,544	3,397
Tax recoverable	2,934	1,925
Fixed deposit with a licensed bank	8,368	9,085
Cash and bank balances	5,992	3,044
	83,866	60,158
Assets classified as held for sale	2,455	377
	86,321	60,535
TOTAL ASSETS	**178,272**	**84,462**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	76,718	52,129
Merger deficit reserve	(23,859)	(24,515)
Foreign currency translation reserves	10	276
Retained earnings	27,599	36,583
	80,468	64,473
Non-controlling interests	3,777	-
TOTAL EQUITY	**84,245**	**64,473**
CURRENT LIABILITIES		
Trade payables	13,137	1,950
Other payables	3,768	1,254
Amount owing to directors	-	19
Hire purchase payables	375	161
Bank borrowings	14,226	12,032
Tax payable	32	37
	31,538	15,453

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2018 (Cont'd)

	Unaudited As at 31 Aug 2018 RM'000	Audited As at 31 Aug 2017 RM'000
NON-CURRENT LIABILITIES		
Hire purchase payables	1,101	317
Bank borrowings	55,296	4,111
Deferred tax liabilities	6,092	108
	62,489	4,536
TOTAL LIABILITIES	94,027	19,989
TOTAL EQUITY AND LIABILITIES	**178,272**	**84,462**
NET ASSET PER SHARE (sen)	**15.17**	**15.64**

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2017 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH (4TH) QUARTER ENDED 31 AUGUST 2018

	←------- *Non-Distributable* -------→				*Distributable*	
Unaudited	**Share Capital RM'000**	**Share Premium RM'000**	**Merger Reserve RM'000**	**Translation Reserve RM'000**	**Retained Earnings RM'000**	**Total Equity RM'000**
Balance as at 1 September 2017	52,129	-	(24,515)	276	36,583	64,473
Loss for the financial year					(8,328)	(8,328)
Reversal of merger deficit reserve on subsidiary			656		(656)	-
Other comprehensive loss for the financial year				(266)		(266)
Total comprehensive income/(loss) for the financial year			656	(266)	(8,984)	(8,594)
Shares issuance expenses	(589)					(589)
Conversion of warrants to shares	28					28
Issuance of ordinary shares	25,150					25,150
Balance as at 31 August 2018	76,718	-	(23,859)	10	27,599	80,468

Audited	**Share Capital RM'000**	**Share Premium RM'000**	**Merger Reserve RM'000**	**Translation Reserve RM'000**	**Retained Earnings RM'000**	**Total Equity RM'000**
Balance as at 1 September 2016	41,223	10,906	(24,515)	205	34,761	62,580
Profit for the financial year					1,822	1,822
Other comprehensive income for the financial year				71		71
Total comprehensive income for the financial year				71	1,822	1,893
Conversion of warrants to shares	*					*
Effect of adoption of Companies Act 2016	10,906	(10,906)	-	-	-	-
Balance as at 31 August 2017	52,129	-	(24,515)	276	36,583	64,473

Note: (*) Amount represent less than RM1,000

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2017 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH (4TH) QUARTER ENDED 31 AUGUST 2018

	Unaudited 12 months ended 31 Aug 2018 RM'000	Audited 12 months ended 31 Aug 2017 RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(7,607)	2,734
Adjustment for:		
Bad debts written off	-	7
Depreciation of property, plant and equipment	1,082	700
Impairment on trade receivables	1,320	31
Interest expenses	633	445
Impairment on slow moving stock	7,283	-
Inventories written down	-	43
Property, plant and equipment written off	39	4
Realised (gain)/loss on foreign exchange	(266)	394
Bad debts recovered	-	(1)
Gain on disposal of property, plant and equipment	(1,099)	(146)
Interest income	(262)	(273)
Reversal of impairment on trade receivables	(56)	(73)
Unrealised loss/(gain) on foreign exchange	131	(144)
Operating profit before working capital changes	1,198	3,721
Changes in working capital:		
Inventories	(997)	4,967
Trade and other receivables	6,266	(9,053)
Trade and other payables	(127)	(216)
Amount due to directors	(19)	-
	5,123	(4,302)
Cash generated from/(used in) operations	6,321	(581)
Interest received	262	273
Interest paid	(633)	(442)
Tax refund	155	436
Tax paid	(1,195)	(1,512)
	(1,411)	(1,245)
Net cash from/(used in) operating activities	4,910	(1,826)
Cash Flows From Investing Activities		
Acquisition of subsidiaries	(64,766)	-
Purchase of property, plant and equipment	(1,670)	(834)
Proceed from disposal of property, plant and equipment	1,786	126
Net cash used in investing activities	(64,650)	(708)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH (4TH) QUARTER ENDED 31 AUGUST 2018 (Con't)

	Unaudited 12 months ended 31 Aug 2018 RM'000	Unaudited 12 months ended 31 Aug 2017 RM'000
Cash Flows From Financing Activities		
Proceeds from issuance of shares	25,178	* (1)
Shares issuance expenses	(589)	-
(Decrease)/Increase in foreign currency trade loans	(1,760)	96
Repayment of hire purchase payables	(307)	(110)
Drawdown of term loan	43,007	2,000
Repayment of term loan	(151)	(48)
Changes on bankers' acceptance & trust receipts	(5,479)	5,618
Increase in fixed deposits pledged	(861)	(76)
Dividend paid	-	(1,443)
Net cash from financing activities	59,038	6,037
Net (decrease)/increase in cash and cash equivalents	(702)	3,503
Effects on foreign exchange	(307)	96
Cash and cash equivalents at beginning of the financial year	9,614	6,015
Cash and cash equivalents at end of the financial year	**8,605**	**9,614**
Cash and cash equivalents at end of the financial year comprises:		
- Fixed deposits placed with licensed banks	8,368	9,085
- Cash and bank balances	5,992	3,044
- Bank overdraft	(2,379)	-
	11,981	12,129
Less: Fixed deposits pledged with a licensed bank	(3,376)	(2,515)
	8,605	**9,614**

Note:
(1) Amount represent less than RM1,000

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2017 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 AUGUST 2018

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the ACE Listing Requirements ("Listing Requirement").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2017 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 August 2017. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysia Accounting Standards Board as they have yet to be effective for the Group.

MFRSs and IC Interpretations (Including The Consequential Amendments)	**Effective dates for financial period beginning on and 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
Amendments to MFRS 1	
- Annual Improvements to MFRSs 2014-2016 Cycle	1 January 2018
Amendments to MFRS 2	
- Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15 – Clarification to MFRS 15	1 January 2018
Amendments to MFRS 128 1	
- Annual Improvements to MFRSs 2014-2016 Cycle	1 January 2018
Amendments to MFRS 140	
- Transfer of Investment Property	1 January 2018
IC Interpretation 22 – Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 – Leases	1 January 2019
Amendments to MFRS 9	
– Prepayments Features with Negative Compensation	1 January 2019
Amendments to MFRS 128 – Long term Interest in Associates and Joint Ventures	1 January 2019
MFRS 17 – Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 – Sale of Contribution of Assets between an Investor and its Associate of Joint Venture	To be announced

A2. Auditors' report of preceding annual audited financial statements

The auditors' report on the preceding year audited financial statements was not subject to any qualification.

A3. Seasonal or cyclical factors

The businesses of the Group were not affected by seasonal or cyclical factors.

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

A5. Material changes in estimates

There were no changes in the estimates of amounts reported in prior financial years that had a material effect on the current financial quarter and financial year-to-date.

A6. Debt and equity securities

For the current financial quarter ended 31 August 2018, changes in equity are as follows:-

	No. of shares issued (units)	RM'000
Issued and paid-up share capital		
As at 1 Jun 2018	412,235,520	52,129
Changes:		
Conversion of warrants to shares at RM0.100 each	276,200	28
Issuance of ordinary shares		
- Private Placement at RM0.185 each	60,000,000	11,100
- Private Placement at RM0.150 each	43,000,000	6,450
- Consideration Shares at RM0.190 each	40,000,000	7,600
Issued and paid-up share capital		
As at 31 Aug 2018	555,511,720	77,307

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A7. Segmental information

The Group's revenue was derived from four (4) main business segments, namely the following: -

	Individual Quarter Ended		Cumulative Quarter Ended	
	31 Aug 2018 RM'000	31 Aug 2017 RM'000	31 Aug 2018 RM'000	31 Aug 2017 RM'000
Quarry industrial products	3,684	5,578	15,537	19,642
Quarry machinery, quarry equipment and reconditioned quarry machinery	155	4,383	9,520	9,088
Spare parts for quarry machinery, quarry equipment and reconditioned quarry machinery	1,320	1,513	5,375	6,241
Manufacturing and distribution of quarry grill	889	900	3,186	3,533
Asphalt mixing plant (batch & drum mix)	-	-	-	5,673
Total	6,048	12,374	33,618	44,177

A8. Dividend Paid

No dividend was paid during the current quarter under review.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

A10. Capital commitments

There were no capital commitments incurred or known to be incurred by the Group as at 31 August 2018.

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter, other than for the following:-

On 8 August 2018, an application for the striking-off of Italiaworld Pte Ltd, a wholly-owned subsidiary of the Group, was approved by Singapore Accounting and Corporate Regulatory Authority.

On 28 August 2018, the Group has completed its acquisition of the entire equity interest in TK Rentals Sdn Bhd (formerly known as TK Tent & Air-Conditioning Rental Sdn Bhd) and 83.33% equity interest in PK Fertilizers (Sarawak) Sdn Bhd for consideration of RM50,000,000 and RM19,054,811 respectively.

A12. Contingent liabilities and contingent assets

Save as disclosed below, the Company does not have any contingent assets or liabilities as at the date of the report.

Contingent liabilities:

	RM'000
Corporate guarantees to various financial institutions for banking facilities granted to subsidiary companies	47,730

A13. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of current quarter and financial year-to-date that have not been reflected in this interim financial report.

A14. Related party transactions

There were no related party transactions with companies in which Directors have interest for the current quarter ended 31 August 2018: -

	Current Quarter ended 31 Aug 2018 RM'000	Cumulative Quarter ended 31 Aug 2018 RM'000
Rental of factory	-	6
Transportation charges paid	-	19
Disposal of motor vehicle	-	40
	-	65

The transactions were carried out in the ordinary course of business and on normal commercial terms.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance for current quarter and financial year to date

	<--Individual quarter-->				<--Cumulative quarter-->			
	Unaudited 31 Aug 2018 RM'000	Unaudited 31 Aug 2017 RM'000	Changes RM'000	Changes (%)	Unaudited 31 Aug 2018 RM'000	Unaudited 31 Aug 2017 RM'000	Changes RM'000	Changes (%)
Revenue	6,048	12,374	(6,326)	-51.12%	33,618	44,177	(10,559)	-23.90%
Operating (loss)/profit	(9,994)	787	(10,781)	-1369.89%	(9,137)	2,177	(11,314)	-519.71%
(Loss)/Profit before interest and taxation	(9,832)	1,220	(11,052)	-905.90%	(6,974)	3,179	(10,153)	-319.38%
(Loss)/Profit before taxation	(9,971)	1,066	(11,037)	-1035.37%	(7,607)	2,734	(10,341)	-378.24%
(Loss)/Profit after taxation	(9,981)	662	(10,643)	-1607.70%	(8,328)	1,822	(10,150)	-557.08%

Q4/2018 compared to Q4/2017

For the current quarter ended 31 August 2018, the Group recorded revenue of RM6.05 million as compared to RM12.37 million in the corresponding quarter ended 31 August 2017, a decrease of RM6.33 million or 51.12%. The lower revenue recorded in the current quarter under review was due to the decrease in demand for quarry industrial products and quarry machinery and equipment.

Total operating expenses for the quarter under review were RM11.96 million as compared to RM2.70 million in the comparable quarter of last year, representing an increase of 343.67% or RM9.26 million. The increase in the Group's administrative, selling and distribution expenses were due to professional fees of RM1.21 million incurred for the corporate exercises undertaken by the Group, impairment on trade receivables of RM1.32 million and impairment of slow moving stock of RM7.28 million. These impairments were made due to the implementation of new policies for the Group.

For the quarter under review, the Group recorded a loss before tax of RM9.97 million as compared to a profit before tax of RM1.07 million in the corresponding quarter ended 31 August 2017 due to a decline in revenue and an increase in operating expenses.

B1. Review of performance for current quarter and financial period to date (cont')

12MTHS/2018 compared to 12MTHS/2017

For the year ended 31 August 2018, the Group's revenue has decreased by 23.90% to RM33.62 million as compared to RM44.18 million in the previous year ended 31 August 2017.

As disclosed in Note A7, all business segments recorded a decrease in revenue except for the supply of quarry machinery, quarry equipment and reconditioned quarry machinery segment with a minimal increase of RM0.43 million. The quarry industrial product segment recorded the highest drop in revenue. Absence of asphalt mixing plant sale has further dragged down the Group's revenue. The lacklustre sales were affected by slowdown in property and construction sector and also cautious spending of quarry operators under current market uncertainties.

The Group recorded a loss before tax of RM7.61 million as compared to a profit before tax of RM2.73 million in the previous year. This was due to professional fees of RM1.21 million incurred for the corporate exercises undertaken, impairment of trade receivables of RM1.32 million and impairment of slow moving stock of RM7.28 million. These impairments were made due to the implementation of new policies for the Group.

B2. Comparison with immediate preceding quarter's results

	<----- Quarter ended ---→			
	Unaudited 31 Aug 2018 RM'000	**Unaudited 31 May 2018 RM'000**	**Changes RM'000**	**Changes (%)**
Revenue	6,048	9,183	(3,135)	-34.14%
Operating (loss)/profit	(9,994)	594	(10,588)	-1,782.49%
(Loss)/profit before interest and taxation	(9,832)	1,171	(11,003)	-939.62%
(Loss)/profit before taxation	(9,971)	997	(10,968)	-1,100.10%
(Loss)/profit after taxation	(9,981)	761	(10,742)	-1,411.56%

The Group's revenue for the current quarter ended 31 August 2018 decreased by RM3.14 million or 34.14% to RM6.05 million as compared to RM9.18 million in the preceding quarter ended 31 May 2018. Lower revenue was recorded due to prudent spending of quarry operators after the current Government's announcement on many cost-cutting and revision of infrastructure projects.

For the quarter under review, the Group registered a loss before tax of RM9.97 million as compared to a profit before tax of RM1.0 million. The loss before tax recorded in the current quarter was mainly due to professional fees incurred for the corporate exercises undertaken, impairment of trade receivables and slow moving stock.

B3. Prospects

The Board remain optimistic with the prospects of SCH Group and sees various opportunities that the Group are able to capitalise to maintain its growth trajectory. To mitigate its dependence on its existing business portfolio and activities, the Group has put in placed plans to diversify its earnings base and enhance its revenue and profitability.

The recent completed acquisition of TK Rentals Sdn Bhd (formerly known as TK Tent & Air-Conditioning Rental Sdn Bhd) and 83.33% equity interest in PK Fertilizers (Sarawak) Sdn Bhd is expected to contribute positively to the overall financial performance and future profitability of the enlarged Group. The positive outlook and prospect of the event equipment supply industry and fertiliser industry will augur well for the Company in expanding its service and product offerings.

Barring any unforeseen circumstances, the Board expects the acquisition and diversification will contribute to the net profits and net assets position of the Group moving forward.

B4. Profit forecast

The Group does not have any profit forecast in the public documents.

B5. Taxation

	Individual Quarter Ended		Cumulative Quarter Ended	
	31 Aug 2018 RM'000	**31 Aug 2017 RM'000**	**31 Aug 2018 RM'000**	**31 Aug 2017 RM'000**
Income tax expense				
- Current financial year	(21)	422	801	1,016
- (Over)/under provision in prior year	-	1	(111)	(85)
	(21)	423	690	931
Deferred tax				
- Current financial year	31	(19)	31	(19)
- (Over) provision in prior year	-	-	-	-
	10	404	721	912

The tax incurred for the financial year ended 31 August 2018 is mainly for tax on profitable subsidiaries.

B6. Status of corporate proposals announced

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report:-

The Company had completed its private placement proposal on 18 July 2018 and 25 July respectively. The Company had successfully placed out 103,000,000 new SCH Group shares which raise cumulative gross proceeds of approximately RM17.55 million as detailed below. The Company has utilised the proceeds in the following manner:-

	Purpose	Amount raised RM'000	Actual utilised RM'000	Balance unutilised RM'000	Timeframe for utilisation
i)	Acquisition of new businesses	14,000	14,000	-	Within 18 months
ii)	Expenses related to Private Placement	350	350	-	Within 1 month
iii)	Working capital requirements	3,200	2,337	863	Within 12 months
		17,550	16,687	863	

B7. Borrowings

The Group's borrowings were as follows: -

	As at 31 Aug 2018 RM'000	As at 31 Aug 2017 RM'000
Secured		
Bank overdraft	2,379	-
Bill payables	1,814	6,780
Hire purchases	1,476	478
Foreign currency loans against import	3,163	5,060
Term loan	62,166	4,303
Total bank borrowings	**70,998**	**16,621**
Short Term		
Bank overdraft	2,379	-
Bill payables	1,814	6,780
Hire purchases	375	161
Foreign currency loans against import	3,163	5,060
Term loan	6,870	192
	14,601	12,193
Long Term		
Hire purchases	1,101	317
Term loan	55,296	4,111
	56,397	4,428

Note: There are no foreign currency denomination borrowings.

B8. Changes in material litigation

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B9. Dividend

No dividend was proposed for the financial quarter.

B10. Earnings per share

a) Basic

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares is as follows:

	Individual Quarter ended		Cumulative Quarter ended	
	31 Aug 2018	**31 Aug 2017**	**31 Aug 2018**	**31 Aug 2017**
(Loss)/Profit attributable to ordinary equity holders of the Group (RM'000)	(9,981)	662	(8,328)	1,822
Weighted average number of ordinary shares in issue ('000)	468,831	412,235	426,501	412,235
(Loss)/Earnings per share (sen)				
- Basic	(2.13)	0.16	(1.95)	0.44

B10. Earnings per share (con't)

b) Diluted

Diluted earnings per share is calculated based on the Group's profit/(loss) attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue and will be issued on conversion of warrant is as follows:

	Individual Quarter ended		Cumulative Quarter ended	
	31 Aug 2018	**31 Aug 2017**	**31 Aug 2018**	**31 Aug 2017**
(Loss)/Profit attributable to ordinary equity holders of the Group (RM'000)	(9,981)	662	(8,328)	1,822
Weighted average number of ordinary shares in issue ('000)	468,831	412,235	426,501	412,235
Adjustment for dilutive effect on conversion of warrants ('000)	206,072	206,116	206,072	206,116
Total	674,903	618,351	632,573	618,351
Diluted (loss)/earnings per share (sen)	(1.48)	0.11	(1.32)	0.29

B11. Retained and unrealised profits/losses

	As at 31 Aug 2018 RM'000	**As at 31 Aug 2017 RM'000**
Total retained earnings of the Group		
- Realised	27,496	36,174
- Unrealised	103	409
Total retained profits as per statement of financial position	27,599	36,583

12. Disclosure on selected expense/income items as required by the Listing Requirements

	Quarter ended 31 Aug 2018 RM'000	Year-to-date ended 31 Aug 2018 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-		
Depreciation of property plant and equipment	285	1,082
Interest expenses	139	633
Interest income	(66)	(262)
Gain on disposal of property, plant and equipment	(1)	(1,099)
(Gain)/Loss on foreign exchange		
- realised	29	(266)
- unrealised	90	131
Reversal of impairment on trade receivables	(11)	(56)
Impairment on trade receivables	1,320	1,320
Impairment of slow moving stock	7,283	7,283

B13. Comparative figures

Comparatives figures, where applicable, have been modified to conform to the current presentation.

BY ORDER OF THE BOARD
23 October 2018