



**KIM TECK CHEONG CONSOLIDATED BERHAD**  
(Company No: 1113927-H)

**INTERIM FINANCIAL REPORT FOR THE  
FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2018**

<b>Contents</b>	<b>Pages</b>
Unaudited Condensed Consolidated Statement of Comprehensive Income	1
Unaudited Condensed Consolidated Statement of Financial Position	2
Unaudited Condensed Consolidated Statement of Changes in Equity	3
Unaudited Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Consolidated Financial Statements	7

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

Unaudited Condensed Consolidated Statement of Comprehensive Income<sup>(1)</sup>

	Note	Individual Quarter 3 months period ended		Cumulative Quarter 12 months period ended	
		30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
Revenue		136,391	116,760	459,221	428,565
Cost of sales		(117,460)	(102,048)	(405,206)	(375,871)
<b>Gross profit</b>		<b>18,931</b>	<b>14,712</b>	<b>54,015</b>	<b>52,694</b>
Other income		748	2,095	7,946	3,912
Administrative expenses		(2,975)	(4,757)	(15,526)	(15,644)
Selling and distribution expenses		(7,668)	(7,797)	(31,276)	(27,991)
Other operating expenses		(1,544)	(1,331)	(12,567)	(2,752)
<b>Operating (loss)/ profit</b>	<b>B13</b>	<b>7,492</b>	<b>2,922</b>	<b>2,592</b>	<b>10,220</b>
Finance costs		(2,097)	(2,119)	(7,886)	(7,231)
<b>(Loss)/ Profit before tax</b>		<b>5,395</b>	<b>803</b>	<b>(5,294)</b>	<b>2,989</b>
Income tax credit/ (expense)		(1,007)	(1,366)	(1,498)	(1,404)
<b>Net (loss)/ profit for the period</b>		<b>4,388</b>	<b>(563)</b>	<b>(6,792)</b>	<b>1,584</b>
<b>Other comprehensive income, net of tax</b>					
Exchange difference on transaction of foreign operation		(372)	(76)	(365)	(81)
<b>Total comprehensive income for the year</b>		<b>4,016</b>	<b>(639)</b>	<b>(7,157)</b>	<b>1,503</b>
<b>(Loss)/ Income attributable to:</b>					
Owners of the Company		3,261	(785)	(7,981)	1,034
Non-controlling interests		755	146	1,189	469
		<b>4,016</b>	<b>(639)</b>	<b>(6,792)</b>	<b>1,503</b>
<b>Earnings per share attributable to Owners of the Company</b>					
- Basic (sen)	B11	0.71	(0.15)	(1.56)	0.22
- Diluted (sen)	B11	0.54	(0.12)	(1.49)	0.17

Note:

(1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of Kim Teck Cheong Consolidated Berhad ("KTC Consolidated" or the "Company") and its subsidiaries ("KTC Group" or the "Group") for the financial year ended ("FYE") 30 June 2017 and the accompanying explanatory notes as attached to this interim financial report.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

Unaudited Condensed Consolidated Statement of Financial Position<sup>(1)</sup>

	As at 30 June 2018 RM'000 (Unaudited)	As at 30 June 2017 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	73,668	73,186
Goodwill on consolidation	5,981	5,981
Other intangible asset	79	158
Deferred tax assets	-	127
	<u>79,728</u>	<u>79,452</u>
<b>Current Assets</b>		
Inventories	103,121	79,645
Trade and other receivables	129,069	114,885
Tax assets	1,628	2,785
Deposits, cash and bank balances	6,792	2,777
<b>Total Current Assets</b>	<u>240,610</u>	<u>200,092</u>
<b>Total Assets</b>	<u>320,338</u>	<u>279,544</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	99,361	99,361
Share premium <sup>(2)</sup>	-	-
Revaluation reserve	9,190	9,312
Reorganisation deficit	(47,963)	(47,963)
Exchange reserve	(300)	(82)
Retained earnings	22,884	30,195
	<u>83,172</u>	<u>90,823</u>
Non-controlling interests	4,328	3,139
<b>Total Equity</b>	<u>87,500</u>	<u>93,962</u>
<b>Non-current Liabilities</b>		
Loans and borrowings	20,419	19,545
Deferred tax liabilities	5,623	6,361
<b>Total Non-current Liabilities</b>	<u>26,042</u>	<u>25,906</u>
<b>Current Liabilities</b>		
Trade payables and other payables	34,862	25,627
Loans and borrowings	171,110	133,590
Current tax liabilities	824	458
<b>Total Current Liabilities</b>	<u>206,796</u>	<u>159,676</u>
<b>Total Liabilities</b>	<u>232,838</u>	<u>185,582</u>
<b>Total Equity and Liabilities</b>	<u>320,338</u>	<u>279,544</u>
Number of ordinary shares ('000)	510,277	510,277
Net assets attributable to ordinary shareholders of the Company, per ordinary share (RM)	0.17	0.18

## Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2017 and the accompanying explanatory notes as attached to this interim financial report.
- (2) Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM24,330,815 for the purposes set out in Section 618(3) of the CA 2016.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

Unaudited Condensed Consolidated Statement of Changes in Equity<sup>(1)</sup>

	<----- Attributable to Equity Owners of the Company ----->								
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reorganisation Deficit RM'000	Exchange Reserve RM'000	Retained Earnings RM'000	Sub- total RM'000	Non- controlling interests RM'000	Total Equity RM'000
<b>Current period-to-date ended 30 June 2018</b>									
As previously reported at 1 July 2017	99,361	-	9,312	(47,963)	(82)	30,195	90,823	3,139	93,962
Provisional adjustment						696	696		696
Restated balance as at 1 July 2017	99,361	-	9,312	(47,963)	(82)	30,891	91,519	3,139	94,658
Exchange difference on transaction of foreign operation	-	-	-	-	(218)		(218)	(146)	(364)
(Loss)/Profit for the financial year	-	-	-	-	-	(8,128)	(8,128)	1,336	(6,792)
Realisation of revaluation reserve	-	-	(122)	-	-	122	-	-	-
<b>Balance as at 30 June 2018</b>	<b>99,361</b>	<b>-</b>	<b>9,190</b>	<b>(47,963)</b>	<b>(300)</b>	<b>22,884</b>	<b>83,172</b>	<b>4,328</b>	<b>87,500</b>
<b>Corresponding period-to-date ended 30 June 2017</b>									
<b>As at 1 July 2016</b>	75,030	24,331	9,496	(47,963)	-	28,896	89,790	866	90,656
Exchange difference on transaction of foreign operation	-	-	-	-	(82)	-	(82)	-	(82)
Profit for the period	-	-	-	-	-	1,115	1,115	469	1,584
Realisation of revaluation reserve	-	-	(184)	-	-	184	-	-	-
<b>Transaction with owners</b>									
Adjustment for effect of CA 2016 <sup>(2)</sup>	24,331	(24,331)	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	1,804	1,804
<b>Balance as at 30 June 2017</b>	<b>99,361</b>	<b>-</b>	<b>9,312</b>	<b>(47,963)</b>	<b>(82)</b>	<b>30,195</b>	<b>90,823</b>	<b>3,139</b>	<b>93,962</b>

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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**Unaudited Condensed Consolidated Statement of Changes in Equity<sup>(1)</sup> (Cont'd)**

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2017 and the accompanying explanatory notes as attached to this interim financial report.
- (2) Pursuant to Section 618(2) of the CA 2016, any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM24,330,815 for the purposes set out in Section 618(3) of the CA 2016.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

Unaudited Condensed Consolidated Statement of Cash Flows<sup>(1)</sup>

	Current Period Ended 30 June 2018 RM'000	Corresponding Period Ended 30 June 2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(5,294)	2,989
Adjustments for:		
Depreciation of property, plant and equipment	3,046	3,542
Amortisation of intangible asset	79	79
Bad debts written off	-	2
Interest income	(817)	(228)
Interest expenses	7,953	7,231
Gain on disposal of property, plant and equipment	(110)	(8)
Gain on bargain purchase arising from the acquisition of subsidiaries	-	(2,173)
Inventories written off	2,648	2,347
Impairment loss on:		
- trade receivables	-	385
- other receivables	-	22
Property, plant and equipment written off	-	*
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>7,505</b>	<b>14,188</b>
<b>Changes in working capital:</b>		
Inventories	(23,436)	(16,847)
Receivables	(17,626)	(14,525)
Payables	9,194	(12,542)
Cash from/(used in) operating activities	(31,868)	(29,726)
Interests received	817	228
Interests paid	(3,187)	(1,143)
Tax paid	1,547	(2,812)
<b>NET OPERATING CASH FLOWS</b>	<b>(32,691)</b>	<b>(33,453)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,544)	(5,264)
Proceeds from the disposal of property, plant and equipment	157	8
Acquisition of subsidiary companies, net of cash acquired	-	(4,483)
<b>NET INVESTING CASH FLOWS</b>	<b>(3,387)</b>	<b>(9,739)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interests paid	(4,766)	(6,088)
Drawdown of term loans	554	526
Repayment of term loans	(257)	-
Drawdown of bankers' acceptance	350,831	398,664
Repayments of bankers' acceptance	(314,010)	(394,118)
Repayments of finance lease liabilities	(425)	(700)
Drawdown of revolving credit	-	8,000
Drawdown of trust receipts	1,904	2,185
Repayments of trust receipts	(3,508)	-
Advances from directors	-	22
<b>NET FINANCING CASH FLOWS</b>	<b>30,323</b>	<b>8,491</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,750</b>	<b>(34,701)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>(23,885)</b>	<b>10,898</b>
Effects of foreign exchange rate changes	(365)	(82)

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

	Current Period Ended 30 June 2018 RM'000	Corresponding Period Ended 30 June 2017 RM'000
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>(22,500)</b>	<b>(23,885)</b>

Unaudited Condensed Consolidated Statement of Cash Flows<sup>(1)</sup> (Cont'd)

	Current Period Ended 30 June 2018 RM'000	Corresponding Period Ended 30 June 2017 RM'000
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	7,621	2,777
Less: Bank overdrafts	(30,121)	(26,662)
	<b>(22,500)</b>	<b>(23,885)</b>

## Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2017 and the accompanying explanatory notes as attached to this interim financial report.

\* RM206.00

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

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**A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 30 June 2018**

**A1 Basis of Preparation**

The interim financial report of the Group are unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standards (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”), rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim financial statement should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2017.

**A2 Significant Accounting Policies**

The significant accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the FYE 30 June 2017 and the accompanying explanatory notes as attached to this interim financial report.

**A3 Auditors’ Report**

There was no qualification on the audited financial statements of the Company and its subsidiaries for the FYE 30 June 2017.

**A4 Seasonal or Cyclical Factors**

The Group does not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial quarter and current year-to-date under review.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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

**A6 Material Changes in Estimates**

There were no changes in estimates that had a material effect in the current financial quarter and current year-to-date under review.

**A7 Debts and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter and current year-to-date under review.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

**A8 Dividend Paid**

No dividend was paid during the current financial quarter and current year-to-date under review.

**A9 Segmental Information****(a) Revenue by Business Activities**

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
Distribution of third party brands of consumer-packaged goods	134,496	114,023	451,528	416,209
Distribution of own brands of consumer-packaged goods	463	1,517	2,266	6,328
Manufacturing of bakery products	1,432	1,220	5,431	6,028
<b>Total</b>	<b>136,391</b>	<b>116,760</b>	<b>459,221</b>	<b>428,565</b>

**(b) Revenue by Geographical Market**

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
<b>East Malaysia</b>				
Sabah	60,293	80,317	278,319	305,635
Sarawak	53,250	27,021	117,349	99,391
Labuan	2,391	4,398	9,510	16,857
<b>Brunei</b>	<b>20,457</b>	<b>5,024</b>	<b>54,043</b>	<b>6,682</b>
<b>Total</b>	<b>136,391</b>	<b>116,760</b>	<b>459,221</b>	<b>428,565</b>

**A10 Material Events Subsequent to the end of the Current Financial Quarter**

There are no other material events subsequent to the end of the current financial quarter and up to the date of this report.

**A11 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial quarter and current year-to-date under review.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018****A12 Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at the end of the current financial quarter and up to the date of this report.

**A13 Capital Commitments**

Saved as disclosed below, there were no other material capital commitments as at the end of the current financial quarter:

	<b>As at 30 June 2018 RM'000</b>
Approved and/or contracted for:	
- Construction of new warehousing facility in Kota Kinabalu, Sabah	1,293
<b>Total</b>	<b>1,293</b>

**A14 Significant Related Party Transactions**

There were no significant related party transactions during the current financial quarter and current year-to-date under review.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

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### **B Additional Information Required by Appendix 9B of the Listing Requirements**

#### **B1 Review of Performance**

##### **Comparison with preceding year's corresponding quarter**

The Group's revenue for the current quarter ended 30 June 2018 ("Q4 2018") increased by RM19.63 million or 16.81% to RM136.39 million, from RM116.76 million for the preceding year's corresponding quarter ended 30 June 2017 ("Q4 2017"). The increase was mainly due to the following:

- (i) increase in revenue contribution from our operations in Sarawak from RM27.02 million (Q4 2017) to RM53.25 million (Q4 2018) due to the new distributorships for i.e. Heineken Marketing Malaysia Sdn Bhd, L'Oreal Malaysia Sdn Bhd, Power Root Marketing Sdn Bhd and Oriental Food Marketing (M) Sdn Bhd
- (ii) increase in revenue contribution from our operations in Brunei from RM5.02 million (Q4 2017) to RM20.46 million (Q4 2018) due to the distributorship for i.e. Nestle Products Sdn Bhd for Nestle grocery products.

Nevertheless, our business operations in Sabah and Labuan have recorded a decline in revenue of approximately RM20.02 million and RM2.01 million, respectively which was mainly because of the termination of contracts with certain agencies by KTC Consolidated due to low margin products and slow movement of goods.

Overall, the Group recorded an increase in total revenue despite the moderation resulted from the reduction of revenue in Sabah and Labuan compared to the corresponding quarter in the preceding year.

The Group recorded a profit before tax of RM5.40 million for Q4 2018 from a profit before tax of RM0.80 million for Q4 2017. This increase was mainly due to the increase in revenue from Sarawak and Brunei and better control in administrative and selling and distribution expenses as the Group has maximized the efficiencies some of its operating costs.

#### **B2 Comparative with Immediate Preceding Quarter's Results**

The Group's revenue experienced a reasonable level of revenue growth. There has been positive demand for its consumer-packaged goods. The Group's revenue for Q4 2018 increased by RM14.33 million or 11.74%, from RM122.07 million to RM136.39 million, as compared to the immediate preceding quarter ended 31 March 2018 (Q3 2018). The increase in revenue was mainly due to increase in revenue contribution from its operations in Sarawak from RM44.19 million (Q3 2018) to RM53.25 million (Q4 2018), operations in Sabah from RM55.67 million (Q3 2018) to RM60.29 million (Q4 2018) and operations in Brunei from RM 20.26 million (Q3 2018) to RM20.46 million (Q4 2018).

The Group's profit before tax in Q4 2018 is RM 5.40 million compared to a loss in Q3 2018 RM9.65 million. The profit is due to increase in revenue and streamline of operating costs. The loss before tax in previous quarter was mainly due one off write off of claims and inventories.

#### **B3 Prospects**

In view of the increase in the Group's revenue for the current quarter contributed from the following distribution contracts which were secured during the Q3 2018, we believe that the

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

distribution contracts will keep up the momentum and are expected to continue to contribute positively to our Group's revenue moving forward:

- (i) Nestle Products Sdn Bhd for Nestle grocery products to cater for the modern trade channel in Brunei;
- (ii) Heineken Marketing Malaysia Sdn Bhd for Kuching, Sibul and Sri Aman in Sarawak;
- (iii) L'Oreal Malaysia Sdn Bhd for L'Oreal consumer products under the brands of "L'Oreal Paris", "Maybelline" and "Garnier" for Sabah, Labuan and Sarawak;
- (iv) Oriental Food Industries Sdn Bhd for Sabah and Sarawak;
- (v) Sincere Match & Tobacco Factory Sdn Bhd for Sabah, Sarawak and Brunei;
- (vi) Power Root Marketing Sdn Bhd for Kuching, Sibul, Miri and Bintulu; and
- (vii) Oriental Food Marketing (M) Sdn Bhd for Kuching, Sibul, Miri and Bintulu.

With the removal of Goods Services Tax, stabilisation of petrol prices and Sales Service tax due to be announced in September, we believe that this will have a positive impact on the purchasing power of the consumers on consumer-packaged goods and this is expected to contribute positively to the financial performance of our Group. The Group has streamlined some of its operating costs and these savings that be reinvested back to the Company.

The Board of Directors of KTC Consolidated ("**Board of Directors**") is of the view that the Group's overall performance for the next quarter will be satisfactory with the current momentum of revenue and better control of cost efficiencies.

**B4 Variance of Actual Profit from Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**B5 Taxation**

	<b>Current Quarter 30 June 2018 RM'000</b>	<b>Cumulative Quarter 30 June 2018 RM'000</b>
Current tax assets/(liabilities)	(1,007)	(1,498)
Deferred taxation	-	-
	<u>(1,007)</u>	<u>(1,498)</u>
Effective tax rate	18.67%	40.70%

The Group's effective tax rate is higher than the statutory tax rate of 24% mainly due to expenses incurred which were deductible for tax purpose and under provision in prior year.

Income tax is calculated at the Malaysian statutory rate 24% of the estimated assessable profit for the fiscal year.

**B6 (a) Status of Corporate Proposals**

There is no corporate proposal announced but not completed as at the date of this report.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**
**(b) Utilisation of proceeds from the IPO**

The status of utilisation of the gross proceeds from the IPO amounting to RM21.30 million are as follows:

Purposes		Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Initial timeframe for utilisation (from the listing date)
(i)	Acquisition of warehousing facilities including land and building, in Sibul, Miri and Kuching	9,000	3,000	6,000	Within 36 months*
(ii)	Construction of new warehousing facility in Kota Kinabalu, Sabah	2,000	2,000	-	Within 18 months
(iii)	Purchase of equipment for the following:				
	(a) new warehousing facility in Kota Kinabalu, Sabah	1,000	1,000	-	Within 18 months
	(b) three (3) production lines for bakery products in Sabah	1,000	1,000	-	Within 12 months
	(c) a production line for bakery products in Sarawak	1,000	-	1,000	Within 36 months**
(iv)	Working capital	4,700	4,700	-	Within 12 months
(v)	Estimated listing expenses	2,600	2,600	-	Upon Listing
<b>Total gross proceeds</b>		<b>21,300</b>	<b>14,300</b>	<b>7,000</b>	

## Notes:

\* As per the announcement dated 24 November 2017, the timeframe for utilisation has been extended for an additional 12 months from its initial utilisation timeframe of within 24 months from the listing date as per the Prospectus of the Company dated 28 October 2015.

\*\* As per the announcements dated 25 November 2016 and 24 November 2017, the timeframe for utilisation has been extended for an additional 24 months from its initial utilisation timeframe of within 12 months from the listing date as per the Prospectus of the Company dated 28 October 2015.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 October 2015.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018****B7 Group's Borrowings and Debt Securities**

The Group's borrowings as at 30 June 2018 are as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Unsecured</u>			
Bankers' acceptances	120,258	-	120,258
Trust receipts	-	-	-
Bank overdrafts	30,121	-	30,121
Revolving credit	18,000	-	18,000
	168,379	-	168,379
<u>Secured</u>			
Term loans	888	17,376	18,264
Finance lease liabilities	1,843	3,043	4,886
	2,731	20,419	23,150
<b>Total</b>	<b>171,110</b>	<b>20,419</b>	<b>191,529</b>

All the Group's borrowings are denominated in Ringgit Malaysia.

**B8 Derivative Financial Instruments**

There is no derivative financial instrument as at the date of this report.

**B9 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 of Directors is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

**B10 Fair value changes of financial liabilities**

The Group does not remeasure its financial liabilities at fair value after the initial recognition.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

**B11 Earnings Per Share (“EPS”)**

The basic and diluted EPS for the current quarter and financial year-to-date are computed as follows:

	Current Quarter ended		Year-to-date ended	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
Profit/ (Loss) attributable to ordinary equity owners of the Company	3,261	(785)	(7,981)	1,034
Weighted average number of ordinary shares for basic earnings per share	510,277	510,277	510,277	510,277
Effect of dilution from: - redeemable convertible preference shares	160,012	160,012	160,012	160,012
	<u>670,289</u>	<u>670,289</u>	<u>670,289</u>	<u>670,289</u>
Basic EPS (sen)	0.71	(0.15)	(1.56)	0.22
Diluted EPS <sup>(2)</sup> (sen)	0.54	(0.12)	(1.49)	0.17

Note:

- (1) The diluted EPS is computed based on the loss attributable to the owners of the Company divided by the number of ordinary shares in issue and assume the full conversion of the redeemable convertible preference shares into 160,012,387 ordinary shares in the Company.

**B12 Dividends**

No dividends have been declared or proposed for the current financial quarter under review.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

B13 Notes to the Condensed Consolidated Statement of Comprehensive Income<sup>(1)</sup>

	Current Quarter ended		Year-to-date	
	30 June 2018 RM'000	30 June 2017 RM'000	30 June 2018 RM'000	30 June 2017 RM'000
Loss/ Profit before tax is arrived at after charging:-				
Depreciation of property, plant and Equipment	790	968	3,046	3,542
Amortisation of intangible asset	29	19	79	79
Inventories written off	853	670	2,648	2,347
Bad debts written off	-	-	-	2
Allowance for impairment loss on trade receivables	-	409	-	384
Allowance for impairment loss on inventories	-	253	-	-
Finance costs	2,097	2,119	7,953	7,231
Rental expenses	-	598	-	2,027
After crediting: -				
Interest income	(327)	(64)	(817)	(228)
Profit on disposal of property, plant and equipment	-	-	-	-
Profit on bargain purchase arising from acquisition of subsidiaries	-	(1,367)	-	(2,173)

Note:

- (1) Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.