

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

SUMMARY OF KEY FINANCIAL INFORMATION

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000
Revenue	<u>69,390</u>	<u>32,955</u>	<u>150,029</u>	<u>82,862</u>
Profit before tax	1,281	504	2,631	1,989
Income tax expense	(238)	47	(311)	(80)
Profit after taxation	<u>1,043</u>	<u>551</u>	<u>2,320</u>	<u>1,909</u>
Profit attributable to :				
Owners of the Company	1,014	631	2,331	1,803
Non-controlling interest	29	(80)	(11)	106
Profit after taxation	<u>1,043</u>	<u>551</u>	<u>2,320</u>	<u>1,909</u>
Basic earnings per share (sen)	0.25	0.23	0.61	0.89
Diluted earnings per share (sen)	0.20	N/A	0.48	N/A
Proposed/Declared Dividend per share (sen)	N/A	N/A	N/A	N/A

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000
Revenue	69,390	32,955	150,029	82,862
Operating expenses	(67,898)	(32,361)	(147,373)	(80,861)
Interest income	1	23	20	23
Other operating income	62	(94)	442	20
Depreciation	(272)	(19)	(485)	(55)
Finance cost	(2)	-	(2)	-
Profit before tax	1,281	504	2,631	1,989
Income tax expense	(238)	47	(311)	(80)
Profit after taxation	1,043	551	2,320	1,909
Other comprehensive income, net of tax	106	-	94	-
Total comprehensive income for the period	1,149	551	2,414	1,909
Profit attributable to :				
Owners of the Company	1,014	631	2,331	1,803
Non-controlling interest	29	(80)	(11)	106
Profit after taxation	1,043	551	2,320	1,909
Total comprehensive income attributable to :				
Owners of the Company	1,120	631	2,425	1,803
Non-controlling interest	29	(80)	(11)	106
Total comprehensive income for the period	1,149	551	2,414	1,909
Basic earnings per share (sen)	0.25	0.23	0.61	0.89
Diluted earnings per share (sen)	0.20	N/A	0.48	N/A

Notes :

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(These figures have not been audited)

	Unaudited As At 30 September 2018 RM'000	Audited As At 31 December 2017 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	51,054	6,102
Goodwill on consolidation	26,576	-
Total Non-Current Assets	77,630	6,102
Current Assets		
Inventories	1,851	1,072
Trade receivables	47,477	33,180
Other receivables, deposits & prepaid expenses	15,856	436
Tax recoverable	689	149
Amount owing from associate	5	5
Cash & bank balances	10,921	2,790
Total Current Assets	76,799	37,632
TOTAL ASSETS	154,429	43,734
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	86,005	41,110
Forex reserve	(206)	(300)
Accumulated losses	(2,201)	(4,532)
Equity Attributable to Owners of the Company	83,598	36,278
Non-controlling interests	7,874	379
Total Equity	91,472	36,657
Non-Current Liabilities		
Hire purchase payable	144	-
Deferred tax liabilities	1,516	2
Total Non-Current Liabilities	1,660	2
Current Liabilities		
Trade payables	19,571	6,478
Other payables and accruals	13,054	458
Hire purchase payables	512	-
Bank Borrowing	27,581	-
Tax liabilities	579	139
Total Current Liabilities	61,297	7,075
Total Liabilities	62,957	7,077
TOTAL EQUITY AND LIABILITIES	154,429	43,734
Net asset per share attributable to Owners of the Company (sen)	22.72	9.96

Note :

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	-----> Attributable to Owners of the Company <----->			-----> Non-Distributable <----->						Non-Controlling Interest	Total Equity
	Share Capital	Other Reserve* ²	Subtotal	Share Premium	Warrant Reserve	Forex Reserve	Accumulated Losses	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Period ended 30 September 2018											
At 1 January 2018	41,110	(21,154)	19,956	-	21,154	(300)	(4,532)	36,278	379	36,657	
Profit for the period	-	-	-	-	-	-	2,331	2,331	(11)	2,320	
Translation reserve	-	-	-	-	-	94	-	94	-	94	
Conversion of warrant	65	65	130	-	(65)	-	-	65	-	65	
Private placement	16,880	-	16,880	-	-	-	-	16,880	-	16,880	
New share issue	27,950	-	27,950	-	-	-	-	27,950	-	27,950	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	7,506	7,506	
At 30 September 2018	86,005*¹	(21,089)	64,916	-	21,089	(206)	(2,201)	83,598	7,874	91,472	
Period ended 30 September 2017											
At 1 January 2017	16,395	-	16,395	10,425	-	-	(15,587)	11,233	207	11,440	
Profit for the period	-	-	-	-	-	(22)	1,803	1,781	106	1,887	
Capital reduction	-	-	-	(8,528)	-	-	8,528	-	-	-	
Combination of share premium into share capital	1,897	-	1,897	(1,897)	-	-	-	-	-	-	
Corporate exercise expenses set-off against share premium account	(1,634)	-	(1,634)	-	-	-	-	(1,634)	-	(1,634)	
New share issue	3,200	-	3,200	-	-	-	-	3,200	-	3,200	
Right issue	21,154	-	21,154	-	-	-	-	21,154	-	21,154	
At 30 September 2017	41,012	-	41,012	-	-	(22)	(5,256)	35,734	313	36,047	

Notes :

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

- *¹ The total issued share capital comprises the share capital of RM86.01 million and the amount standing to the credit of our Company's share premium account amounting to RM1.90 million in accordance with Section 618(2) of the Companies Act 2016, of which Corporate Exercise expenses amounting to RM1.54 million has been set-off against the share premium account.
- *² Other reserve represent the discount on issuance of shares and the value of which is represented by the fair value of the warrant. The other reserve, in substance, form part of the issued and paid up share capital and is presented separately for better understanding.

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)

(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(These figures have not been audited)

	Period Ended 30 Sept 2018 RM'000	Period Ended 30 Sept 2017 RM'000
Cash Flows From Operating Activities		
Profit before taxation	2,631	1,989
Adjustments for :		
Depreciation of property, plant and equipment	485	55
Gain on disposal of property, plant and equipment	(8)	-
Property, plant and equipment written off	123	-
Interest income	(20)	(23)
Finance cost	2	-
Unrealised forex loss / (gain)	10	(42)
Operating profit before working capital changes	<u>3,223</u>	<u>1,979</u>
Net change in current assets	(5,822)	(45,986)
Net change in current liabilities	(737)	28,739
Cash used in operations	<u>(3,336)</u>	<u>(15,268)</u>
Tax paid	(333)	(37)
Net cash used in operating activities	<u>(3,669)</u>	<u>(15,305)</u>
Cash Flows From Investing Activities		
Net outflow arising from acquisition of subsidiary	(4,006)	-
Interest income received	20	23
Proceed from disposal of property, plant and equipment	8	-
Purchase of property, plant and equipment	(1,448)	(6,008)
Net cash used in investing activities	<u>(5,426)</u>	<u>(5,985)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares	16,945	24,354
Proceeds from hire purchase payable	291	-
Repayment of hire purchase payable	(10)	-
Advance to associated company	-	(1)
Net cash from financing activities	<u>17,226</u>	<u>24,353</u>
Net increase in cash and cash equivalents :	8,131	3,063
Cash and cash equivalents at beginning of period	2,790	1,159
Cash and equivalents at end of period	<u>10,921</u>	<u>4,222</u>
Cash and cash equivalents at end of period comprise :		
Cash and bank balances	<u>10,921</u>	<u>4,222</u>

Note :

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

STRAITS INTER LOGISTICS BERHAD

(Company No.: 412406-T)
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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1 Basis of preparation

The interim financial report has been prepared in accordance with MFRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2017.

A2 Significant accounting policies

The financial statements of the Group has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act, 2016 in Malaysia.

The financial information presented herein have been prepared in accordance with the accounting policies used in preparing the audited financial statements for the financial year ended 31 December 2017, and for the following standards and interpretation which became effective on 1 January 2018:

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs/IC Interpretation

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 15	Clarifications to MFRS 15: Revenue from Contracts with Customers
Amendments to MFRS 140	Transfer of Investment Property
Annual improvements to MFRSs 2014 – 2016 Cycle	
IC Interpretation 22	Foreign Currency Transactions and Advances Consideration

New MFRS, Amendments/Improvements to MFRSs and New IC Int issued but not yet effective and have not been early adopted

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
IC Interpretation 23	Uncertainty Over Income Tax Treatment
Annual improvements to MFRSs 2015 – 2017 Cycle	

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Share-based payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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Effective date to be announced

Amendments to MFRS 10& and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of the above standards and amendments are not expected to have any material impact on the financial statements of the Group

A3 Auditors report of preceding annual financial statements

The audit report of the preceding annual financial statements was not subject to any qualification.

A4 Seasonality or cyclicity

The Group's interim operations are not affected by the monsoon season and festive period except in the first quarter.

A5 Unusual items

During the current quarter under review, there were no items or events that arose, which will affect assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A6 Material changes in estimates

There were no major changes in the estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have had a material effect on the result in the quarter under review.

A7 Debt and equity securities

There were no major issuances, cancellations, repurchase, resale and repayment of debt and equity securities for the quarter under review.

A8 Dividends

No dividend has been declared or paid during the period under review.

A9 Segment information

BUSINESS SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000
<u>Segment Revenue</u>				
Oil Trading & Bunkering Services	69,390	32,955	150,029	82,862
	<u>69,390</u>	<u>32,955</u>	<u>150,029</u>	<u>82,862</u>
<u>Segment Profit / (Loss) Before Tax</u>				
Investment Holding	(1,290)	(380)	(2,505)	(769)
Oil Trading & Bunkering Services	2,580	884	5,165	2,758
Others	(9)	-	(29)	-
	<u>1,281</u>	<u>504</u>	<u>2,631</u>	<u>1,989</u>

A10 Valuation of property, plant & equipment

There has been no revaluation of property, plant & equipment during the current financial period.

A11 Subsequent material events

There were no other material events subsequent to the end of the quarter under review which is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

Other than the completion of the acquisition of 55.0% equity interest in Tumpuan Megah Development Sdn Bhd, and the incorporation of a wholly-owned subsidiary, Straits Alliance Transport Sdn Bhd on 30 August 2018, there has been no material change in the composition of the Group during the quarter under review.

A13 Contingencies

There were no contingent liabilities or contingent assets arising since 31 December 2017.

A14 Significant related party transactions

There were no significant related party transactions during the quarter under review.

A15 Profit before taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000	Quarter Ended 30 Sept 2018 RM'000	Quarter Ended 30 Sept 2017 RM'000
Profit before tax is arrived at after charging / (crediting) the following items :				
(a) Interest income	(1)	(23)	(20)	(23)
(b) Finance cost	2	-	2	-
(c) Depreciation & amortisation	272	19	485	55
(d) Foreign exchange loss / (gain) - unrealised	(177)	(20)	10	94
- realised	132	117	569	117

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

B ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING

B1 Review of performance

The Group's plan to build a sustainable revenue stream consisting of oil bunkering and trading in oil product continue to bear fruits as it managed to increase its revenue for the third quarter of 2018 by RM36.44 million to RM69.39 million, from RM32.96 million achieved in the third quarter of 2017.

The Group achieved a profit before tax of RM1.28 million in the third quarter of 2018 as compared to RM0.50 million in third quarter of 2017. The 154.0% jump in profit before tax for the third quarter of 2018 as compared to the third quarter of 2017 was attributable to both the revenue and profit margin improvement which increased by 110.6% and 20.7% respectively.

B2 Variation of results against preceding quarter

	Current Quarter	Preceding Quarter	Changes	
	30 Sept 2018 RM'000	30 Jun 2018 RM'000	RM'000	%
Revenue	69,390	44,198	25,192	57.0
Profit before tax	1,281	773	508	65.7
Profit after tax	1,043	741	302	40.8
Profit Attributable to Owners of the Company	1,014	683	331	48.5

Revenue for the third quarter of 2018 increased substantially by RM25.19 million or 57.0% to RM69.39 million, from RM44.20 million achieved in the preceding quarter. The jump in revenue is mainly due to the increase in demand for Marine Gas Oil. The profit before tax for the third quarter of 2018 rose by 65.7% to RM1.28 million as compared to RM0.77 million in the preceding quarter.

B3 Group's Prospects

With the completion of the acquisition of 55.0% equity interest in Tumpuan Megah Development Sdn Bhd. ("Tumpuan Megah") on 28 September 2018, the Group is poised to grow further with the enlarged fleet size of 9 vessels as compared to 2 vessels prior to the acquisition. The total litreage capacity of the enlarged fleet has leaped substantially from 1.00 million litres to 12.00 million litres. In addition, with the wider infrastructure in terms of suppliers and customers coverage, Straits will be able to expand its geographical coverage to capture the growing opportunity in the oil bunkering industry in both the Malaysian and ASIAN region.

The acquisition of Tumpuan Megah comes with an aggregate profit after tax guarantee of RM10.00 million for the financial year ended ("FYE") 31 December 2019 and FYE 31 December 2020.

On 9 November 2018, the Group has entered into a conditional share sale agreement with CBL (Asia) Limited for the acquisition of 1,444,000 ordinary shares in Banle Energy International Limited ("Banle"), representing 38.0% equity interest in Banle for a purchase consideration of RM14,997,840 to be fully satisfied via issuance and allotment of 63,820,595 new Straits Shares at an issue price of RM0.235 per Straits Share.

The proposed acquisition of Banle comes with an aggregate profit after tax guarantee of USD1.65 million for the FYE 31 December 2019 and FYE 31 December 2020.

This corporate exercise is scheduled to be completed by the first quarter of 2019.

B4 Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

B5 Taxation

The low effective tax rate of 11.8% was due to non-taxable income generated by tax-exempt entities and the availability of unutilised tax losses and allowances to set off the entire adjusted income generated by some operating entities.

B6 Unquoted investments and properties

Other than the completion of the acquisition of 55.0% equity interest in Tumpuan Megah Development Sdn Bhd, and the incorporation of a wholly-owned subsidiary, Straits Alliance Transport Sdn Bhd on 30 August 2018, there was no acquisitions or disposals of unquoted investments or properties during the financial quarter under review.

B7 Quoted and marketable securities

The Group does not hold any quoted or marketable securities as at 30 September 2018. There were no purchases or disposals of quoted securities for the current quarter.

B8 Corporate Exercise

- 1) On 15 December 2017, the Group had submitted to Bursa Malaysia Securities Berhad an application for a Private Placement of up to 55,185,638 new ordinary shares of Straits, representing up to 10% of the issued shares of Straits (assuming all outstanding warrants are exercised), to raise funds to finance its working capital as it expands its bunkering and trading of oil business. Bursa Malaysia Securities Berhad had on 19 January 2018 resolved to approve the listing and quotation of these new shares.

28,500,000 and 6,500,000 new Straits Shares which has been respectively issued pursuant to the Private Placement, were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 6 July 2018 and 13 July 2018 respectively.

This Private Placement was completed on 18 July 2018.

- 2) On 28 September 2018, the Group had completed the acquisition of Tumpuan Megah Development Sdn Bhd ("Tumpuan Megah"), representing 55% equity interest in Tumpuan Megah for a purchase consideration of RM35,750,000 which was satisfied via a combination of cash payment of RM7,800,000 and the remaining purchase consideration of RM27,950,000 which has been satisfied via new issuance and allotment of 116,458,333 ordinary shares of Straits at the issue price of RM0.24 per share.
- 3) On 9 November 2018, the Group has entered into a conditional share sale agreement with CBL (Asia) Limited for the acquisition of 1,444,000 ordinary shares in Banle, representing 38.0% equity interest in Banle for a purchase consideration of RM14,997,840 to be fully satisfied via issuance and allotment of 63,820,595 new Straits Shares at an issue price of RM0.235 per Straits Share. This corporate exercise is scheduled to be completed by the first quarter of 2019.

B9 Status of utilisation of proceeds raised from the Rights Issue completed on 16 August 2017

The proceeds from the Rights Issue has been fully utilised by the third quarter of 2018 :-

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe For Utilisation	Deviation RM'000	Deviation %	Explanation
1	Acquisition of Straits 1	2,800	2,800	-	-	-	-
2	Defray estimated expenses in relation to the Corporate Exercise	1,800	1,800	-	-	-	-
3	Working capital						
3.1	Purchase of MGO	15,070	15,070	-	-	-	-
3.2	Oil bunkering activity related expenses	150	150	-	-	-	-
3.3	General operations expenses	288	288	-	-	-	-
3.4	Repair & maintenance cost	1,000	1,000	-	-	-	-
3.5	Rental of office premise	46	46	-	-	-	-
	TOTAL	21,154	21,154		-	-	

Status of utilisation of proceeds raised from the Private Placement completed on 18 July 2018

The proceeds from the Private Placement has been fully utilised in the third quarter of 2018 :-

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe For Utilisation	Deviation RM'000	Deviation %	Explanation
1	Working capital						
1.1	Purchase of MGO	7,992	7,992	-	-	-	-
2	Defray estimated expenses in relation to the Corporate Exercise	58	58	-	-	-	-
	TOTAL	8,050	8,050		-	-	

Status of utilisation of proceeds raised from the Private Placement to Capt Tony Tan (in conjunction with the acquisition of Tumpuan Megah Development Sdn Bhd) completed on 25 September 2018

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe For Utilisation	Deviation RM'000	Deviation %	Explanation
1	Cash consideration for the proposed acquisition of Tumpuan Megah	7,800	7,800	-	-	-	-
2	Defray estimated expenses in relation to the Corporate Exercise	1,030	325	Within 12 months	705	68.4%	Proposed utilisation not completed. Currently within utilisation intended timeframe
	TOTAL	8,830	8,125		705	8.0%	

B10 Group borrowings and debt securities

	30 Sept 2018 RM'000	30 Sept 2017 RM'000
NON-CURRENT		
Secured		
Finance lease liabilities	512	-
	<u>512</u>	<u>-</u>
CURRENT		
Secured		
Finance lease liabilities	144	-
Banker acceptances	27,581	-
	<u>27,725</u>	<u>-</u>
	<u>28,237</u>	<u>-</u>

Finance lease liabilities of the Group bear interest at rates of 2.36% to 2.87% per annum.

The borrowings of the Group bear interest at rates of 8.10% per annum.

B11 Material litigation

As at the date of this report, the Group has no material litigation which will materially and adversely affect the position or business of the Group.

B12 Dividends

The Directors do not recommend the payment of any dividend in respect of the current financial period.

B13 Earnings per share

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30 Sept 2018	Quarter Ended 30 Sept 2017	Quarter Ended 30 Sept 2018	Quarter Ended 30 Sept 2017
Profit for the period (RM'000)	1,014	631	2,331	1,803
Basic Earnings Per Share				
Weighted Average Number of Ordinary Shares in Issue ('000)	406,948	275,928	381,062	202,493
Basic Earnings Per Share (sen)	<u>0.25</u>	<u>0.23</u>	<u>0.61</u>	<u>0.89</u>

Basic earnings per share is calculated by dividing the net profit for the period under review by the weighted average number of shares in issue during the period.

Diluted Earnings Per Share				
Weighted Average Number of Ordinary Shares in Issue ('000)	503,959	317,337	480,923	216,560
Diluted Earnings Per Share (sen)	<u>0.20</u>	<u>N/A</u>	<u>0.48</u>	<u>N/A</u>

Diluted earnings per share is calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period after taking into consideration of all dilutive potential ordinary shares.

By Order of the Board

Dato' Sri Ho Kam Choy
Group Managing Director
Kuala Lumpur
Date : 28 November 2018