

SMIS Corporation Berhad
Company No. 491857 – V
(Incorporated in Malaysia)

Interim Financial Report
30 June 2017

Interim Report
SMIS Corporation Berhad
(Company No. 491857-V)
(Incorporated in Malaysia)
and its subsidiaries

Condensed Consolidated Statement of Financial Position as at 30 June 2017
(unaudited)

	Note	As at 30 June 2017 RM'000	As at 31 December 2016 RM'000
ASSETS			
Non-current Assets			
Property, Plant and Equipment		62,338	50,954
Investment Properties		400	411
Deferred Tax Assets		696	680
Total non-current assets		<u>63,434</u>	<u>52,045</u>
Current Assets			
Inventories		20,016	19,133
Trade and other Receivables		30,446	33,756
Tax recoverable		5,534	4,962
Short term investment		2,522	4,344
Cash and bank balances		9,866	14,540
Total current assets		<u>68,384</u>	<u>76,735</u>
TOTAL ASSETS		<u>131,818</u>	<u>128,780</u>
EQUITY AND LIABILITIES			
Equity			
Share capital*		49,691	44,800
Reserves		23,688	29,683
Less: 2,636,100 treasury shares, at cost		(1,192)	(1,188)
Total equity attributable to the shareholders of the Company		<u>72,187</u>	<u>73,295</u>
Non-controlling interest		10,233	10,608
Total equity		<u>82,420</u>	<u>83,903</u>
Non-current liabilities			
Loan and borrowings	B8	11,075	12,123
Deferred tax liabilities		153	198
Total non-current liabilities		<u>11,228</u>	<u>12,321</u>
Current liabilities			
Trade and other payables		23,437	26,333
Amount owing to related company	B9	-	614
Loan and borrowings	B8	14,732	5,589
Tax payable		1	20
Total current liabilities		<u>38,170</u>	<u>32,556</u>
Total liabilities		<u>49,398</u>	<u>44,877</u>
Total equity and liabilities		<u>131,818</u>	<u>128,780</u>
Net assets per share (RM)		1.45	1.64

* 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 RM 4,891,000 for the purposes set out in Section 618(3) of the CA 2016. The Board of Directors will make a decision thereon by 31 January 2019.

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

Interim Report
SMIS Corporation Berhad
(Company No. 491857-V)
(Incorporated in Malaysia)
and its subsidiaries

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 6 months period ended 30 June 2017 (unaudited)

	Note	3 months period ended 30 June		6 months period ended 30 June	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue		31,060	36,304	67,470	67,651
Cost of sale		(27,977)	(30,446)	(60,113)	(57,053)
Gross profit		3,083	5,858	7,357	10,598
Operating expenses		(4,646)	(5,099)	(9,858)	(11,096)
Other operating income		271	53	477	105
Operating (loss)/profit		(1,292)	812	(2,024)	(393)
Finance costs		(220)	(129)	(435)	(275)
Interest income		47	53	76	91
(Loss)/profit before taxation		(1,465)	736	(2,383)	(577)
Tax income/(expense)	B5	244	(380)	269	(274)
(Loss)/profit after taxation		(1,221)	356	(2,114)	(851)
Other comprehensive income/(expense), net of tax					
Item that will not be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		223	(22)	135	(202)
Other comprehensive (expense)/income for the period, net of tax		223	(22)	135	(202)
Total comprehensive (expense)/income for the period		(998)	334	(1,979)	(1,053)
(Loss)/profit attributable to:					
Owners of the Company		(958)	188	(1,720)	(1,100)
Non-controlling interests		(263)	168	(394)	249
(Loss)/profit for the period		(1,221)	356	(2,114)	(851)
Total comprehensive (expense)/income attributable to:					
Owners of the Company		(749)	170	(1,604)	(1,264)
Non-controlling interests		(249)	164	(375)	211
Total comprehensive (expense)/income for the period		(998)	334	(1,979)	(1,053)
Basic earnings per ordinary share (sen)	B13	(2.27)	0.45	(4.08)	(2.61)
Diluted earnings per ordinary share (sen)		N/A	N/A	N/A	N/A

Notes:-

N/A = Not applicable

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity for the 6 months period ended 30 June 2017
(unaudited)

	← Attributable to the owners of the Company →							Total equity RM'000
	← Non-distributable →			Distributable				
	Share capital RM'000	Treasury share RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	
At 1 January 2017	44,800	(1,188)	4,891	325	24,467	73,295	10,608	83,903
Adjustment for effects of Companies Act 2016 (Note a)	4,891	-	(4,891)	-	-	-	-	-
Foreign exchange translation reserve	-	-	-	616	-	616	19	635
Total comprehensive (expense)/income for the financial period	-	-	-	616	-	616	19	635
Loss net of tax for the period	-	-	-	-	(1,720)	(1,720)	(394)	(2,114)
Total comprehensive (expense)/income for the financial period	-	-	-	616	(1,720)	(1,104)	(375)	(1,479)
Contributions by and distribution to owners of the Company								
- Purchase of own shares	-	(4)	-	-	-	(6)	-	(6)
Total transaction with owners of the Company	-	(4)	-	-	-	(4)	-	(4)
At 30 June 2017	49,691	(1,192)	-	941	22,747	72,187	10,233	82,420
At 1 January 2016	44,800	(1,182)	4,891	352	28,659	77,520	7,962	85,482
Remeasurement of their financial liability	-	-	-	-	23	23	-	23
Foreign currency translation reserve	-	-	-	(27)	-	(27)	(9)	(36)
Total other comprehensive (expense)/income for the financial year	-	-	-	27	23	(4)	(9)	(13)
Loss net of tax for the year	-	-	-	-	(3,160)	(3,160)	180	(2,980)
Total other comprehensive (expense)/income for the financial year	-	-	-	(27)	(3,137)	(3,164)	171	(2,993)
Contributions by and distribution to owners of the Company								
- Purchase of own shares	-	(6)	-	-	-	(6)	-	(6)
- Subscription of additional shares in a subsidiary	-	-	-	-	-	-	2,475	2,475
- Dividends to owners of the Company	-	-	-	-	(1,055)	(1,055)	-	(1,055)
Total transaction with owners of the Company	-	(6)	-	-	(1,055)	(1,061)	2,475	1,414
At 31 December 2016	44,800	(1,188)	4,891	325	24,467	73,295	10,608	83,903

Note a : 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 RM 4,891,000 for the purposes set out in Section 618(3) of the CA 2016. The Board of Directors will make a decision thereon by 31 January 2019.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

Interim Report
SMIS Corporation Berhad
(Company No. 491857-V)
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Condensed Consolidated Statement of Cash Flows for the 6 months period ended 30 June 2017
(unaudited)

	6 months period ended 30 June 2017 RM'000	6 months period ended 30 June 2016 RM'000
Cash Flows From Operating Activities		
Loss before tax	(2,384)	(577)
Adjustment for non-cash items:-		
Amortisation of prepaid lease payments	18	10
Amortisation of investment properties	11	11
Amortisation of deferred assets	8	-
Depreciation of property, plant and equipment	3,424	2,817
Gain on disposal of property, plant and equipment	(54)	(28)
Unrealised currency exchange (gain)/loss	(416)	478
Interest income	(76)	(91)
Interest expense	435	213
Operating profit before working capital changes	966	2,833
Changes in working capital:-		
Inventories	(883)	(442)
Trade and other receivables	3,624	1,214
Trade and other payables	(3,200)	(3,720)
Cash generated from/(used in) operations	507	(115)
Tax refund	272	-
Tax paid	(637)	(1,658)
Net cash generated from/(used in) operating activities	142	(1,773)
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment	(i) (15,183)	(7,703)
Interest received	76	91
Proceeds from disposal of property, plant and equipment	112	28
Net cash used in investing activities	(14,995)	(7,584)
Cash Flows From Financing Activities		
Purchase of treasury share	(4)	(3)
Proceed from issuance of shares to MI	-	2,475
Drawdown of borrowings	11,352	4,520
Repayment of borrowings	(1,406)	(1,055)
Interest paid	(435)	(213)
Net cash generated from financing activities	9,507	5,724
Exchange rate fluctuation reserve	701	(205)
Net decrease in cash and cash equivalents	(4,645)	(3,838)
Cash and cash equivalents at 1 January	16,265	23,809
Cash and cash equivalents at 30 June	@ 11,620	19,971
@ Cash and cash equivalents comprise the following balance sheet amounts:-		
Short term investments	2,522	5,071
Deposits placed with licensed banks	1,278	1,204
Cash and bank balances	8,588	16,509
Bank overdrafts	(768)	(2,813)
	11,620	19,971

(i) For the 6 months period ended 30 June 2017, the Group acquired property, plant and equipment amounting to RM 14,873,519 of which RM 140,990 was accrued for. There was payment for assets capitalised in year ended 31 December 2016 amounting to RM 450,183

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

A Notes to Interim Financial Report on Consolidated Results for the Period Ended 30 June 2017

A1 Basis of preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 30 June 2017 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

These are the Group’s interim financial statements for part of the period covered by the Group’s first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The adoption of the MFRSs and Amendments do not have any material impact on the financial statements of the Group.

A2 Changes in Accounting Policies

The significant policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016.

A3 Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the year ended 31 December 2016 was not subject to any qualifications.

A4 Seasonal or cyclical factors

The Malaysian Automotive Association (“MAA”), reported that passenger vehicles recorded 128,219 new registrations for the quarter ended 30 June 2017, which represents an 0.05% increase as compared to 127,573 units for the corresponding period in the previous year.

A5 Unusual nature and amount of items affecting assets, liabilities, equity, net income and cash flows

There were no unusual nature and amount of items, which affected the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review.

A6 Material changes in estimates of amounts reported in prior periods in current financial year or prior financial years which have material effect in the current interim period

There were no material changes in estimates during the quarter under review.

A7 Dividend

There were no dividends paid during the quarter under review.

A8 Debts and equity securities

During the quarter under review, the Company purchased a total of 5,000 Ordinary Shares from the open market for a total consideration of RM3,397.47. The buy-back transaction was financed by internally generated funds. The shares purchased are held as treasury shares.

Month	No. of shares purchased and retained	Lowest price paid RM	Highest price paid RM	Average price paid RM	Total consideration paid RM
Apr - Jun 2017	5,000	0.67	0.67	0.67	3,397.47

Aside from the above, there were no new debts and equity securities issued during the quarter.

A Notes to Interim Financial Report on Consolidated Results for the Period Ended 30 June 2017

A9 Segmental reporting

Segmental analysis of the results and assets employed for the 6 months period ended 30 June 2017:

Business Segments	Automotive Parts RM'000	Machinery Parts RM'000	Plastic RM'000	Others RM'000	Consolidated RM'000
Revenue from external customers	57,938	5,226	4,306	-	67,470
Segment results	(1,821)	407	(181)	(429)	(2,024)
Interest income					76
Financing costs					(435)
Loss before taxation					(2,383)
Tax income					269
Loss after taxation					(2,114)
Translation reserve					135
Total comprehensive expense for the period					(1,979)
Segment assets	89,760	16,363	12,542	13,153	131,818
Total assets					131,818
Segment liabilities	29,067	1,357	7,855	11,119	49,398
Total liabilities					49,398
Capital expenditure	2,336	162	4	12,371	14,873
Depreciation of investment properties	3	8	-	-	11
Depreciation of plant and equipment	3,026	152	246	-	3,424

No segmental reporting has been prepared for geographical segments as the Group's activities are predominantly carried out in Malaysia.

A10 Statement on the effect on interim results concerning valuation of property, plant and equipment brought forward without amendment from the previous annual financial statements.

There were no valuations of property, plant and equipment performed or brought forward from the previous financial year.

A11 Material events

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 June 2017 to the date of this announcement.

A12 Changes in the composition of the Group

On 17 April 2017, the Company has announced that Hawlford Holdings Pte. Ltd. ("Hawlford"), a wholly-owned subsidiary of the Company was struck-off from the Company Registrar of Singapore. Hence, Hawlford has ceased as a wholly-owned subsidiary of the Company.

On 26 April 2017, Cendana Eksotik Sdn. Bhd. ("Cendana Eksotik") and Machinery & Industrial Supplies Sdn. Bhd. ("Machinery"), both wholly-owned subsidiaries of the Company incorporated a company namely PT. Grand Ventures Hartamas ("PT GVH") in Republic of Indonesia, by subscribing for a total of 10,000 new Ordinary Shares of Rp1,000,000 each (Rp = Indonesian Rupiah) for a total cash consideration of Rp10,000,000,000 (equivalent to approximately RM3,300,000) (the "Purchase Consideration"), details of which are set out below:

- subscription of 9,980 Ordinary Shares of Rp1,000,000 each by Cendana Eksotik, for a total cash consideration of Rp9,980,000,000 (equivalent to approximately RM3,293,400, representing 99.8% of the total number of issued shares of PT GVH; and
- subscription of 20 Ordinary Shares of Rp1,000,000 each by Machinery, for a total cash consideration of Rp20,000,000 (equivalent to approximately RM6,600), representing 0.2% of the total number of issued shares of PT GVH.

A Notes to Interim Financial Report on Consolidated Results for the Period Ended 30 June 2017

A12 Changes in the composition of the Group (cont'd)

On 26 April 2017, SMIS Grand Ventures Sdn. Bhd. (Formerly known as Ubud Leaders Sdn. Bhd.) ("SMIS Grand Ventures") and Machinery, both wholly-owned subsidiaries of the Company incorporated a company namely PT. Sanyco Grand Indonesia ("PT SGI") in Republic of Indonesia, by subscribing for a total of 11,000 new Ordinary Shares of Rp1,000,000 each (Rp = Indonesian Rupiah) for a total cash consideration of Rp11,000,000,000 (equivalent to approximately RM3,630,000) (the "Purchase Consideration"), details of which are set out below:

- subscription of 10,890 Ordinary Shares of Rp1,000,000 each by SMIS Grand Ventures, for a total cash consideration of Rp10,890,000,000 (equivalent to approximately RM3,593,700, representing 99% of the total number of issued shares of PT SGI; and
- subscription of 110 Ordinary Shares of Rp1,000,000 each by Machinery, for a total cash consideration of Rp110,000,000 (equivalent to approximately RM36,300, representing 1% of the total number of issued shares of PT SGI.

Other than the above, There were no changes in the composition of the Group for the current quarter ended 30 June 2017.

A13 Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities for the current quarter.

A14 Capital commitments

The capital commitments of the Group for the quarter under review are as follows:

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
Plant and equipment Contracted but not provided in the financial statements	<u>288</u>	<u>1,521</u>

B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements

B1 Review of performance

	Individual Period		Changes		Cumulative Period		Changes	
	Current Year Quarter 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000			Current Year Quarter 30.06.2017 RM'000	Preceding Year Corresponding Quarter 30.06.2016 RM'000		
			RM'000	%	RM'000	%		
Revenue	31,060	36,304	(5,244)	(14.44)	67,470	67,651	(181)	(0.27)
Gross profit	3,083	5,858	(2,775)	(47.37)	7,357	10,598	(3,241)	(30.58)
(Loss)/profit before interest and tax	(1,292)	812	(2,104)	(259.11)	(2,024)	(393)	(1,631)	415.01
(Loss)/profit before tax	(1,465)	736	(2,201)	(299.05)	(2,383)	(577)	(1,806)	313.00
(Loss)/profit after tax	(1,221)	356	(1,577)	(442.98)	(2,114)	(851)	(1,263)	148.41
(Loss)/profit attributable to the owners of the parent	(958)	188	(1,146)	(609.57)	(1,720)	(1,100)	(620)	56.36

The Group reported revenue of RM31.0 million and loss before tax of RM1.5 million for the current quarter compared to revenue of RM36.3 million and profit before tax of RM0.7 million respectively achieved in the previous corresponding quarter.

The review of the Group's performance, analysed by its key operating segments were as follows:-

Automotive parts

The current year's second quarter shown drop in revenue from both Carpet and Braking products of 12.72% and 4.61% respectively against previous year's corresponding quarter. The braking products saw a sharp decrease in export sales amounting to RM1.0 million. The carpet division recorded a drop of more than RM4.6 million. Lower sales were recorded for Sabaru, Mitsubishi, Honda and Proton. Losses for the reporting quarter against the corresponding quarter of 2016 is mainly due to higher material cost from the weakening of the Malaysian Ringgit.

(note : 30 Jun '16 USD 1: MYR 3.95; 30 Jun '17 USD 1: MYR 4.25)

Machinery parts

Revenue fell 3.75% for the second quarter in the current financial year compare to the previous year's corresponding quarter. The slide in the revenue was due to the decrease in activity levels affected by current market condition and the continued slowdown in palm oil industry.

Plastic

Turnover grew by RM0.4 million (26.15%) as compared to the corresponding period in the previous year as wider product range gains more customer confidence.

B2 Variation of results against preceding quarter

	Current Quarter 30.06.2017 RM'000	Immediate Preceding Quarter 31.03.2017 RM'000	Changes	
			RM'000	%
Revenue	31,060	36,410	(5,350)	(14.69)
Gross profit	3,083	4,274	(1,191)	(27.87)
Loss before interest and tax	(1,292)	(732)	(560)	76.50
Loss before tax	(1,465)	(918)	(547)	59.59
Loss after tax	(1,221)	(893)	(328)	36.73
Loss attributable to the owners of the parent	(958)	(762)	(196)	25.72

The Group's revenue for the reporting period recorded a 14.69% decrease in comparison to the immediate preceding quarter.

Automotive parts

Revenue for the current year's second quarter recorded a decreased for both Carpet and Braking products by 19.49% compared to the preceding quarter. Uncertainty surrounding Proton caused revenue from braking products to drop by RM2.0 million against the preceding period. Another factor for the major declined in revenue from the carpet products of close to RM3.0 million was due to plant shutdown by most customers for Hari Raya.

B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements

B2 Variation of results against preceding quarter (cont’d)

Machinery parts

Profits before tax for the reporting quarter was mainly due to reversal of provisions of RM0.7 million.

Plastic

Revenue was hugely impacted as most customers orders were reduced due to the Hari Raya plant shutdown.

B3 Prospects for 2017

Automotive parts

MAA industry forecast for 2017 is as follows:

Market segment	2017	2016	Variance	
	Forecast	Actual	Units	%
Passenger vehicles	522,000	514,545	7,455	1.4
Commercial vehicles	68,000	65,579	2,421	3.7
Total vehicles	590,000	580,124	9,876	1.7

In view of the above, the Automotive Parts segment is expected to remain flat in terms of volume and challenging in terms of performance as material cost remains adversely affected by the weak Malaysian Ringgit. Volumes are not expected to increase by any significant amounts as there are no new product launch planned for the 3rd and 4th quarter.

Machinery parts

Market environment is expected to remain challenging in view on the current market condition and expected to continue in the near future.

Plastic

Some form of recovery in terms of volumes is expected after a very slow in the current year's second quarter as customers replenish depleted inventories.

B4 Profit estimate, forecast, projection or internal targets and profit guarantee

The Group did not announce or provide any profit estimate, forecast, projection, internal targets for the financial period ended 30 June 2017.

B5 Taxation

	3 months period ended		Financial period ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Income tax (expenses)/income				
- Current period	232	(141)	226	(712)
Deferred tax				
- Origination and reversal of temporary differences	12	(239)	43	438
	<u>244</u>	<u>(380)</u>	<u>269</u>	<u>(274)</u>

B6 Status of corporate proposals announced

On 28 April 2017, PT GVH, an indirect wholly-owned subsidiary of the Company had entered into a Land Purchase and Sale Agreement (the “Agreement”) with PT. Kawasan Industri Terpadu Indonesia China having its business address at J1. Kawasan Industri Terpadu Indonesia China Kavling 35, Desa Nagasari, Kecamatan Serang Baru, Kabupaten Bekasi, Indonesia (“PT KITIC”) for the purchase of a parcel of land in Kawasan Industri Terpadu Indonesia China Lot 70, which is located in Kawasan Industri Terpadu Indonesia China, Kota Deltamas, Cikarang Pusat, Bekasi 17530, West Java, Indonesia (the “Land”) measuring approximately 16,186 square metres at a total purchase consideration of IDR36,499,430,000 only (equivalent to approximately RM11,935,313) (IDR= Indonesian Rupiah) (the “Purchase Consideration”), inclusive of a value added tax of 10% (the “Proposed Acquisition”), subject to the terms and conditions as stipulated in the Agreement.

Other than the above, there are no corporate proposals announced or outstanding for the current quarter ended 30 June 2017.

B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements

B7 Notes to the Statement of Comprehensive Income

Loss for the period is arrived at after (charging) / crediting :

	3 months period ended		Financial period ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Interest income	47	53	76	91
Other income including investment income	150	53	243	105
Interest expenses	(220)	(67)	(435)	(213)
Depreciation and amortization	(1,717)	(1,579)	(3,435)	(2,828)
Development cost	(133)	(185)	(391)	(366)
Net foreign exchange loss	(118)	(57)	(139)	(649)

Other than the above, there was no gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives and exceptional items included in the results for the current quarter ended 30 June 2017.

B8 Group’s borrowings and debt securities

	As at 30 June 2017		
	Long term RM'000	Short term RM'000	Total RM'000
Secured:-			
Bankers' acceptance	-	1,067	1,067
Bank overdraft	-	768	768
Revolving credit	-	11,033	11,033
Term loans	11,075	1,864	12,939
	<u>11,075</u>	<u>14,732</u>	<u>25,807</u>
	As at 30 June 2016		
	Long term RM'000	Short term RM'000	Total RM'000
Secured:-			
Bankers' acceptance	-	1,384	1,384
Bank overdraft	-	2,813	2,813
Revolving credit	-	-	-
Term loans	7,074	146	7,220
	<u>7,074</u>	<u>4,343</u>	<u>11,417</u>

All the above borrowings are denominated in Ringgit Malaysia and the Group does not have any foreign denominated borrowings or any unsecured borrowings. The banker acceptance and bank overdraft of the Group bears interest rates of 3.39% and 8.31% per annum respectively whilst both revolving credit and term loans bears interest rate of 5.39% per annum.

B9 Amount owing to related company

The amount owing to related company is loan from related company bearing a 3% interest per annum and it is repayable within 12 months.

B10 Material litigation

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

B11 Dividend

The Board of Directors does not recommend any dividend for the current period ended 30 June 2017.

B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements

B12 Retained Earnings

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
Total retained earnings of the Company and subsidiaries		
- Realised profit	45,534	53,162
- Unrealised loss	(1,103)	383
	<u>44,431</u>	<u>53,545</u>
Less : Consolidated Adjustments	(21,684)	(27,041)
Total retained earnings	<u><u>22,747</u></u>	<u><u>26,504</u></u>

B13 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the quarter and for the cumulative quarter is based on the following:

	For the quarter ended 30.06.2017 RM'000	For the cumulative 6 months ended 30.06.2017 RM'000
Loss for the period	(1,221)	(2,114)
Loss attributable to minority interest	(263)	(394)
Loss for the period attributable to Shareholders of the Company	<u>(958)</u>	<u>(1,720)</u>
Weighted average number of ordinary shares	<u>42,167</u>	<u>42,167</u>
Basic earnings per share (sen)	<u><u>(2.27)</u></u>	<u><u>(4.08)</u></u>