

SMIS Corporation Berhad

Company No. 491857 – V
(Incorporated in Malaysia)

Interim Financial Report
31 December 2017

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

Condensed Consolidated Statement of Financial Position as at 31 December 2017
(unaudited)

	Note	As at 31 December 2017 RM'000	As at 31 December 2016 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		44,769	49,333
Land use rights		15,337	1,621
Investment properties		389	411
Deferred tax assets		566	680
Total non-current assets		<u>61,061</u>	<u>52,045</u>
Current Assets			
Inventories		15,066	19,133
Trade and other receivables		35,431	33,756
Tax recoverable		5,112	4,962
Non current assets held for sales		493	-
Short term investment		4,320	4,344
Cash and bank balances		8,256	14,540
Total current assets		<u>68,678</u>	<u>76,735</u>
TOTAL ASSETS		<u>129,739</u>	<u>128,780</u>
EQUITY AND LIABILITIES			
Equity			
Share capital*		49,691	44,800
Reserves		20,516	29,683
Less: 2,637,000 treasury shares, at cost		(1,192)	(1,188)
Total equity attributable to the shareholders of the Company		<u>69,015</u>	<u>73,295</u>
Non-controlling interest		10,340	10,608
Total equity		<u>79,355</u>	<u>83,903</u>
Non-current liabilities			
Loan and borrowings	B8	10,394	12,123
Deferred tax liabilities		191	198
Total non-current liabilities		<u>10,585</u>	<u>12,321</u>
Current liabilities			
Trade and other payables		23,551	26,333
Amount owing to related company		-	614
Loan and borrowings	B8	16,216	5,589
Tax payable		32	20
Total current liabilities		<u>39,799</u>	<u>32,556</u>
Total liabilities		<u>50,384</u>	<u>44,877</u>
Total equity and liabilities		<u>129,739</u>	<u>128,780</u>
Net assets per share (RM)		1.39	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
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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 12 months period ended 31 December 2017 (unaudited)

	Note	3 months period ended 31 December		12 months period ended 31 December	
		2017 RM'000	2016 RM'000 Restated	2017 RM'000	2016 RM'000 Restated
Continuing operations					
Revenue		31,892	35,546	124,964	133,604
Cost of sale		(25,970)	(32,386)	(108,939)	(113,335)
Gross profit		<u>5,922</u>	<u>3,160</u>	<u>16,025</u>	<u>20,269</u>
Operating expenses		(5,922)	(5,429)	(19,439)	(20,580)
Other operating income		557	516	1,058	893
Operating (loss)/profit		<u>557</u>	<u>(1,753)</u>	<u>(2,356)</u>	<u>582</u>
Finance costs		(537)	(142)	(924)	(350)
Interest income		61	78	169	203
(Loss)/profit before taxation		<u>81</u>	<u>(1,817)</u>	<u>(3,111)</u>	<u>435</u>
Tax (expense)/income	B5	(395)	87	(255)	(211)
(Loss)/profit after taxation from continuing operations, net of tax		<u>(314)</u>	<u>(1,730)</u>	<u>(3,366)</u>	<u>224</u>
(Loss)/profit from discontinued operation, net of tax		(974)	(555)	(1,804)	(3,204)
(Loss)/profit for the period		<u>(1,288)</u>	<u>(2,285)</u>	<u>(5,170)</u>	<u>(2,980)</u>
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		472	108	626	(13)
Other comprehensive (expense)/income for the period, net of tax		<u>472</u>	<u>108</u>	<u>626</u>	<u>(13)</u>
Total comprehensive (expense)/income for the period		<u>(816)</u>	<u>(2,177)</u>	<u>(4,544)</u>	<u>(2,993)</u>
(Loss)/profit attributable to:					
Owners of the Company					
- From continuing operations		(879)	(1,581)	(3,021)	12
- From discontinued operation		(957)	(552)	(1,810)	(3,172)
Non-controlling interests		(1,836)	(2,133)	(4,831)	(3,160)
(Loss)/profit for the period		<u>(1,288)</u>	<u>(2,285)</u>	<u>(5,170)</u>	<u>(2,980)</u>
Total comprehensive (expense)/income attributable to:					
Owners of the Company					
- From continuing operations		(456)	(1,476)	(2,466)	8
- From discontinued operation		(957)	(552)	(1,810)	(3,172)
Non-controlling interests		(1,413)	(2,028)	(4,276)	(3,164)
Total comprehensive (expense)/income for the period		<u>(816)</u>	<u>(2,177)</u>	<u>(4,544)</u>	<u>(2,993)</u>
Basic earnings per ordinary share (sen)					
- From continuing operations		(2.08)	(3.75)	(7.20)	0.03
- From discontinued operation		(2.27)	(1.31)	(4.32)	(7.52)
B11		<u>(4.35)</u>	<u>(5.06)</u>	<u>(11.52)</u>	<u>(7.49)</u>
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 12 months period ended 31 December 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	-	-	-	555	-	555	71	626
Total comprehensive (expense)/income for the financial period	-	-	-	555	-	555	71	626
(Loss)/profit from discontinued operation, net of tax	-	-	-	-	(1,810)	(1,810)	6	(1,804)
Loss net of tax for the period from continuing operations	-	-	-	-	(3,021)	(3,021)	(345)	(3,366)
Total comprehensive (expense)/income for the financial period	-	-	-	555	(4,831)	(4,276)	(268)	(4,544)
Contributions by and distribution to owners of the Company								
- Purchase of own shares	-	(4)	-	-	-	(4)	-	(4)
Total transaction with owners of the Company	-	(4)	-	-	-	(4)	-	(4)
At 31 December 2017	49,691	(1,192)	-	880	19,636	69,015	10,340	79,355
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
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Condensed Consolidated Statement of Cash Flows for the 12 months period ended 31 December 2017
(unaudited)

	12 months period ended 31 December 2017 RM'000	12 months period ended 31 December 2016 RM'000
Cash Flows From Operating Activities		
Loss before tax	(4,886)	(2,769)
Adjustment for non-cash items:-		
Non cash item arising from property, plant and equipment	7,453	7,948
Inventory written down	254	142
Reversal of doubtful debts	(94)	-
Impairment of trade receivables	39	159
Impairment of other receivables	-	(35)
Income from short term investment	(59)	(127)
Unrealised currency exchange loss	1,936	(57)
Interest income	(169)	(203)
Interest expense	1,176	683
Operating profit before working capital changes	5,650	5,741
Changes in working capital:-		
Inventories	3,814	(1,235)
Trade and other receivables	(2,912)	(222)
Trade and other payables	(3,759)	2,206
Cash generated from/(used in) operations	2,793	6,490
Interest paid	(168)	(317)
Tax refund	425	293
Tax paid	(727)	(2,851)
Net cash generated from/(used in) operating activities	2,323	3,615
Cash Flows From Investing Activities		
Acquisition of property, plant and equipment (i)	(17,959)	(24,149)
Income from short term investment	59	127
Interest received	169	203
Proceeds from disposal of property, plant and equipment	614	101
Disposal of short term investment	-	3,647
Net cash used in investing activities	(17,117)	(20,071)
Cash Flows From Financing Activities		
Purchase of treasury shares	(5)	(6)
Proceeds from issuance of shares to MI	-	2,475
Net drawdown/(repayment) of Term Loans	10,963	11,536
Net drawdown/(repayment) of other borrowings	-	87
Interest paid	(1,008)	(366)
Dividend paid	-	(1,055)
Net cash generated from financing activities	9,950	12,671
Exchange rate fluctuation reserve	602	(112)
Net decrease in cash and cash equivalents	(4,242)	(3,897)
Cash and cash equivalents at 1 January	16,265	20,162
Cash and cash equivalents at 31 December @	12,023	16,265
@ Cash and cash equivalents comprise the following balance sheet amounts:-		
Short term investments	4,320	4,344
Deposits placed with licensed banks	1,264	1,205
Cash and bank balances	6,992	13,335
Bank overdrafts	(553)	(2,619)
	12,023	16,265

(i) For the 12 months period ended 31 December 2017, the Group acquired property, plant and equipment amounting to RM 17,718,862 of which RM 210,511 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 31 December 2017

A1 Basis of preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 31 December 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.

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 132,897 new registrations for the quarter ended 31 December 2017, which represents an 7.47% decrease as compared to 143,620 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 900 Ordinary Shares from the open market for a total consideration of RM520.56. 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 as treasury shares	Lowest price paid RM	Highest price paid RM	Average price paid RM	Total consideration paid RM
Oct - Dec 2017	900	0.53	0.53	0.53	520.56

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 31 December 2017

A9 Segmental reporting

Segmental analysis of the results and assets employed for the 12 months period ended 31 December 2017:

Business Segments	Automotive Parts RM'000	Machinery Parts RM'000	Plastic RM'000	Others RM'000	Consolidated RM'000
Revenue from external customers	114,222	10,454	-	-	124,676
Segment results	(821)	724	(763)	(1,496)	(2,356)
Interest income					169
Financing costs					(924)
Loss before taxation					(3,111)
Tax expenses					(255)
Loss from continuing operations, net of tax					(3,366)
Loss from discontinued operation, net of tax					(1,804)
Loss after taxation for the period					(5,170)
Translation reserve					626
Total comprehensive expense for the period					(4,544)
Segment assets	88,406	16,308	8,703	15,829	129,246
Non Current assets held for sales			493		493
Total assets					129,739
Segment liabilities	30,123	840	5,310	14,111	50,384
Total liabilities					50,384
Capital expenditure	3,432	162	99	14,025	17,718
Depreciation and amortisation	6,519	350	-	-	6,869
Other than depreciation and amortisation	(7)	(47)			(54)

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

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

Plaspoint Sdn. Bhd. ("PPSB"), a 99.86%-owned subsidiary of Exsilio Pte. Ltd., which in turn is a 96.67%-owned subsidiary of SMIS, had ceased its business operations of manufacturing, reproducing, developing and dealing in all kinds of plastics, resins and their wastes with effect from 21 February 2018 ("the Cessation"). The Cessation will involve closure of the plastic resins manufacturing plant and ceasing all business activities for trading of plastics, resins and their waste and the disposal of all assets of PPSB at a later stage. The Cessation is expected to reduce losses for the Group.

Other than the above, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2017 to the date of this announcement.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

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A Notes to Interim Financial Report on Consolidated Results for the Period Ended 31 December 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 31.12.2017 RM'000	As at 31.12.2016 RM'000
Plant and equipment Contracted but not provided for the financial statements	691	1,094

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	Preceding Year Corresponding Quarter			Current Year Quarter	Preceding Year Corresponding Quarter		
	31.12.2017 RM'000	31.12.2016 RM'000 Restated	RM'000	%	31.12.2017 RM'000	31.12.2016 RM'000 Restated	RM'000	%
Revenue	31,892	35,546	(3,654)	(10.3)	124,964	133,604	(8,640)	(6.5)
Gross profit	5,922	3,160	2,762	87.4	16,025	20,269	(4,244)	(20.9)
(Loss)/profit before interest and tax	557	(1,753)	2,310	(131.8)	(2,356)	582	(2,938)	(504.8)
(Loss)/profit before tax	81	(1,817)	1,898	(104.5)	(3,111)	435	(3,546)	(815.2)
(Loss)/profit after taxation from continuing operations	(314)	(1,730)	1,416	(81.8)	(3,366)	224	(3,590)	(1,602.7)
(Loss)/profit after taxation from discontinued operation	(974)	(555)	(419)	75.5	(1,804)	(3,204)	1,400	(43.7)
(Loss)/profit attributable to the owners of the company	(879)	(1,581)	702	(44.4)	(3,021)	12	(3,033)	(25,275.0)

The Group reported revenue of MYR31.8m and profit before tax of MYR0.08m for the current quarter compared to revenue of MYR35.5m and loss before tax of MYR1.81m 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

Turnover for carpet products dropped by MYR2.68m or -12.24% against same quarter last year. Sales to Subaru dropping MYR1.55m due to discontinuation of Subaru XV and low take up of Forrester. Perodua also saw a dip in sales amounting to MYR1.32m in Q4'17 after the impressive sales launch of Axia and Bezza in 2016. Mitsubishi took a hit with no sales recorded in Q4'17 as compared to MYR0.81m in Q4'16. Losses in Q4'16 was partly due to a full year depreciation charge in that period for the new Sendayan plant amounting to MYR1.39m.

Sales of braking products was MYR0.84m lower against the same quarter last year, resulting in a loss of MYR0.39m. Phase out of previous Myvi in Q3'17 impacted sales to Perodua in Q4'17. Volumes to Proton and TRW Automotive were also lower against the same period in the preceding year.

Machinery parts

Revenue for the current quarter showed a decrease of 11.16% to MYR2.44m from MYR2.75m in the preceding corresponding year's quarter resulting in a loss of MYR15k.

B2 Variation of results against preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	31.12.2017 RM'000	30.09.2017 RM'000	RM'000	%
Revenue	31,892	27,441	4,451	16.2
Gross profit	5,922	3,712	2,210	59.5
Loss before interest and tax	557	(680)	1,237	(181.9)
Loss before tax	81	(782)	863	(110.4)
(Loss)/profit after taxation from continuing operations	(314)	(882)	568	(64.4)
(Loss)/profit after taxation from discontinued operation	(974)	(886)	(88)	9.9
Loss attributable to the owners of the company	(879)	(806)	(73)	9.0

The Group's revenue for the reporting period recorded a 16.2% increase in comparison to the immediate preceding quarter.

Automotive parts

Revenue from the carpet segment in Q4'17 increased by 10.45% or MYR1.82m from the preceding quarter with both Mazda and Toyota registering increased revenue of MYR1.04m and MYR0.52m respectively. Mazda introduced the new version of the CX5 while Toyota saw sales pickup in Q4'17. PBT improved to MYR2.16m from a loss of MYR0.60m as a result of improved sales and stringent cost control measures.

Revenue from the braking products segment improved marginally to MYR9.37m from MYR9.12m. Losses recorded for the period was MYR0.39m down from a loss of MYR1.00m. Cost reduction initiatives helped reduce the losses.

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

Machinery parts segment recorded reduced revenue to MYR2.44m from MYR2.77m. Loss for the period was MYR15k from a profit MYR0.24k due to product mix and increased administrative costs.

B3 Prospects for 2018

Automotive parts

MAA industry forecast for 2018 is as follows:

Market segment	2018	2017	Variance	
	Forecast	Actual	Units	%
Passenger vehicles	526,500	514,679	11,821	2.3
Commercial vehicles	63,500	61,956	1,544	2.5
Total vehicles	590,000	576,635	13,365	2.3

Based on the above, the local automotive parts market is expected to be inline with the industry forecast.

Machinery parts

The is expected to be challenging due to the competition from overseas coupled with rising local operating cost. Management will continue its efforts in diversifying into different sectors and expansion of customer base.

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 31 December 2017.

B5 Taxation

	3 months period ended		Financial period ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Income tax (expenses)/income				
- Current year	(264)	413	(226)	(314)
- Prior year	92	64	92	42
Deferred tax				
- Origination and reversal of temporary differences	(223)	(390)	(121)	61
	<u>(395)</u>	<u>87</u>	<u>(255)</u>	<u>(211)</u>

B6 Status of corporate proposals announced

On 28 April 2017, PT Grand Ventures Hartamas ("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 Jl. 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 meters at a total purchase consideration of IDR36,499,430,000 only (equivalent to approximately RM11,935,313) (IDR = Indonesia 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 31 December 2017.

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Interest income	61	78	169	203
Other income including investment income	595	179	1,015	444
Interest expenses	(491)	(145)	(891)	(273)
Depreciation and amortisation	(1,840)	(3,290)	(6,869)	(7,284)
Development cost	(196)	(76)	(766)	(551)
Net foreign exchange loss	(1,336)	843	(1,718)	(205)

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 31 December 2017.

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

B8 Group’s borrowings and debt securities

	As at 31 December 2017		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:-			
Bankers' acceptance	-	-	-
Bank overdraft	-	553	553
Revolving credit	-	13,888	13,888
Term loans	10,394	1,775	12,169
	<u>10,394</u>	<u>16,216</u>	<u>26,610</u>
	As at 31 December 2016		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:-			
Bankers' acceptance	-	1,460	1,460
Bank overdraft	-	2,619	2,619
Revolving credit	-	-	-
Term loans	12,123	1,510	13,633
	<u>12,123</u>	<u>5,589</u>	<u>17,712</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 Material litigation

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

B10 Dividend

The Board of Directors does not recommend any dividend for the current period ended 31 December 2017.

B11 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	For the
	quarter	cumulative
	ended	ended
	31.12.2017	31.12.2017
	RM'000	RM'000
(Loss)/profit attributable to Owners of the Company :		
From continuing operations	(879)	(3,021)
From discontinued operation	(957)	(1,810)
	<u>(1,836)</u>	<u>(4,831)</u>
Profit/(Loss) attributable to minority interest	548	(339)
Loss for the period	<u>(1,288)</u>	<u>(5,170)</u>
Weighted average number of ordinary shares	<u>42,163</u>	<u>41,934</u>
Basic earnings per share (sen)	<u>(2.08)</u>	<u>(7.20)</u>