

**V.S. Industry Berhad**  
(Company No. 88160-P)  
(Incorporated in Malaysia)

**Interim Financial Report**  
**30 April 2019**

# V.S. Industry Berhad

(Company No. 88160-P)  
(Incorporated in Malaysia)

## Condensed consolidated statement of financial position As at 30 April 2019 – unaudited

	30.04.2019 RM'000	31.07.2018 RM'000 (RESTATED)
<b>Assets</b>		
Property, plant and equipment	927,631	873,170
Prepaid lease payments	78,213	77,575
Investment properties	4,900	4,900
Investment in associates	73,300	68,800
Other investments	55,232	148,304
Prepayments	4,834	10,923
Deferred tax assets	3,049	3,066
<b>Total non-current assets</b>	<b>1,147,159</b>	<b>1,186,738</b>
Inventories	348,774	394,103
Contract assets	118,331	162,994
Trade and other receivables	924,542	939,641
Tax recoverable	1,396	1,396
Cash and cash equivalents	404,863	415,636
	1,797,906	1,913,770
Assets classified as held for sale	-	18,860
<b>Total current assets</b>	<b>1,797,906</b>	<b>1,932,630</b>
<b>Total assets</b>	<b>2,945,065</b>	<b>3,119,368</b>
<b>Equity</b>		
Share capital	742,310	603,303
Reserves	794,872	831,499
<b>Equity attributable to owners of the Company</b>	<b>1,537,182</b>	<b>1,434,802</b>
<b>Non-controlling interests</b>	<b>210,783</b>	<b>223,115</b>
<b>Total equity</b>	<b>1,747,965</b>	<b>1,657,917</b>
<b>Liabilities</b>		
Loans and borrowings	67,584	93,758
Deferred tax liabilities	75,638	72,277
<b>Total non-current liabilities</b>	<b>143,222</b>	<b>166,035</b>
Trade and other payables	572,349	729,783
Contract liabilities	138	274
Due to Directors	4,322	4,322
Loans and borrowings	462,690	551,690
Taxation	14,379	9,347
<b>Total current liabilities</b>	<b>1,053,878</b>	<b>1,295,416</b>
<b>Total liabilities</b>	<b>1,197,100</b>	<b>1,461,451</b>
<b>Total equity and liabilities</b>	<b>2,945,065</b>	<b>3,119,368</b>
<b>Net assets per share</b>	<b>0.85</b>	<b>0.85</b>

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## Condensed consolidated statement of comprehensive income for the period ended 30 April 2019 - unaudited

	Individual 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2019 RM'000	2018 RM'000 (RESTATED)	2019 RM'000	2018 RM'000 (RESTATED)
<b>Revenue</b>	889,710	881,597	2,947,974	3,073,790
Cost of sales	(814,354)	(806,685)	(2,655,182)	(2,760,088)
<b>Gross profit</b>	75,356	74,912	292,792	313,702
Operating expenses	(43,498)	(53,476)	(153,549)	(179,958)
Net other income/(expenses)	8,974	13,910	4,882	29,905
<b>Results from operating activities</b>	40,832	35,346	144,125	163,649
Finance costs	(6,245)	(6,567)	(21,565)	(22,490)
Interest income	2,150	1,802	5,904	4,347
Share of profit/(loss) of associates, net of tax	1,500	(791)	4,500	342
<b>Profit before tax</b>	38,237	29,790	132,964	145,848
Tax expense	(12,205)	(6,950)	(42,756)	(36,189)
<b>Profit for the period</b>	26,032	22,840	90,208	109,659
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	9,118	10,836	23,123	(53,223)
Fair value through other comprehensive income	(28,590)	--	(99,765)	--
<b>Total comprehensive income for the period</b>	6,560	33,676	13,566	56,436
<b>Profit attributable to:</b>				
Owners of the Company	31,378	21,920	109,131	109,032
Non-controlling interests	(5,346)	920	(18,923)	627
<b>Profit for the period</b>	26,032	22,840	90,208	109,659

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## Condensed consolidated statement of comprehensive income for the period ended 30 April 2019 – unaudited (Cont'd)

	Individual 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2019 RM'000	2018 RM'000 (RESTATED)	2019 RM'000	2018 RM'000 (RESTATED)
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	10,562	31,556	25,898	61,555
Non-controlling interests	<u>(4,002)</u>	<u>2,120</u>	<u>(12,332)</u>	<u>(5,119)</u>
<b>Total comprehensive income for the period</b>	<u>6,560</u>	<u>33,676</u>	<u>13,566</u>	<u>56,436</u>
<b>Basic earnings per ordinary share (sen)</b>	<u>1.74</u>	<u>1.32</u>	<u>6.16</u>	<u>6.78</u>
<b>Diluted earnings per ordinary share (sen)</b>	<u>1.72</u>	<u>1.23</u>	<u>6.06</u>	<u>6.27</u>

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## Condensed consolidated statement of changes in equity for the period ended 30 April 2019 - unaudited

	Share capital RM'000	Non- distributable Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<b>At 1 August 2018</b>	603,303	214,251	605,630	1,423,184	220,919	1,644,103
Effect of adopting MFRS 15	--	--	11,618	11,618	2,196	13,814
Effect of adopting MFRS 9	--	(11,665)	11,665	--	--	--
<b>At 1 August 2018 (As restated)</b>	603,303	202,586	628,913	1,434,802	223,115	1,657,917
Foreign currency translation differences for foreign operations	--	16,532	--	16,532	6,591	23,123
Fair value through other comprehensive income	--	(99,765)	--	(99,765)	--	(99,765)
Profit for the period	--	--	109,131	109,131	(18,923)	90,208
Total comprehensive income for the period	--	(83,233)	109,131	25,898	(12,332)	13,566
Share buyback	--	(3,187)	--	(3,187)	--	(3,187)
Equity settled share-based transactions	19,939	(6,170)	4,178	17,947	--	17,947
Conversion of warrants	119,068	--	--	119,068	--	119,068
Dividends to shareholders	--	--	(57,346)	(57,346)	--	(57,346)
Disposal of a subsidiary	--	(4,710)	4,710	--	--	--
Total transactions with owners of the Group	139,007	(14,067)	(48,458)	76,482	--	76,482
Realisation of revaluation reserve	--	(1,707)	1,707	--	--	--
Transferred from retained earnings	--	675	(675)	--	--	--
<b>At 30 April 2019</b>	742,310	104,254	690,618	1,537,182	210,783	1,747,965
	Share capital RM'000	Non- distributable Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<b>At 1 August 2017</b>	369,109	183,898	504,539	1,057,546	220,410	1,277,956
Effect of adopting MFRS 15	-	-	12,482	12,482	3,236	15,718
<b>At 1 August 2017 (As restated)</b>	369,109	183,898	517,021	1,070,028	223,646	1,293,674
Foreign currency translation differences for foreign operations	--	(47,477)	--	(47,477)	(5,746)	(53,223)
Profit for the period	--	--	109,032	109,032	627	109,659
Total comprehensive income for the period	--	(47,477)	109,032	61,555	(5,119)	56,436
Equity settled share-based transactions	16,857	599	14	17,470	823	18,293
Conversion of warrants	182,763	--	--	182,763	--	182,763
Dividends to shareholders	--	--	(64,953)	(64,953)	--	(64,953)
Increase in share capital in subsidiaries	--	--	(3,727)	(3,727)	26,693	22,966
Total transactions with owners of the Group	199,620	599	(68,666)	131,553	27,516	159,069
Realisation of revaluation reserve	--	(1,582)	1,582	--	--	--
Transferred from retained earnings	--	676	(676)	--	--	--
Effect of change in functional currency of a subsidiary	--	333	11,733	12,066	--	12,066
Disposal of a subsidiary	--	(13,002)	931	(12,071)	(7,265)	(19,336)
<b>At 30 April 2018</b>	568,729	123,445	570,957	1,263,131	238,778	1,501,909

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## Condensed consolidated statement of cash flows for the period ended 30 April 2019 - unaudited

	9 months ended 30 April	
	2019 RM'000	2018 RM'000 (RESTATED)
<b>Cash flows from operating activities</b>		
Profit before tax	132,964	145,848
Adjustments for:		
Depreciation and amortisation	70,120	60,174
Other non-cash items	6,024	5,661
Non-operating items	10,034	16,075
<b>Operating profit before changes in working capital</b>	<u>219,142</u>	<u>227,758</u>
Changes in working capital:		
Change in inventories	43,894	(24,373)
Change in contract assets	44,663	4,465
Change in trade and other receivables	15,099	(10,976)
Change in trade and other payables	(186,195)	(28,935)
Change in contract liabilities	(136)	(88)
Interest received	5,904	4,321
Tax paid	(34,346)	(37,774)
<b>Net cash (used in)/from operating activities</b>	<u>108,025</u>	<u>134,398</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(101,981)	(178,690)
Proceeds from disposal of property, plant and equipment	6,844	3,384
Net proceeds on disposal of a subsidiary	16,286	39,841
Change in pledged deposits	(12,353)	2,355
Prepayments	6,089	(3,253)
Other investments	(6,693)	(20,596)
<b>Net cash (used in)/from investing activities</b>	<u>(91,808)</u>	<u>(156,959)</u>
<b>Cash flows from financing activities</b>		
Bank borrowings	(135,944)	(15,650)
Dividend paid to owners of the Company	(57,346)	(64,953)
Proceeds from issuance of shares	135,457	199,620
Funds from non-controlling interests	-	22,966
Repurchase of treasury shares	(3,187)	-
<b>Net cash (used in)/from financing activities</b>	<u>(61,020)</u>	<u>141,983</u>
Exchange differences on translation of the financial statements of foreign operations	<u>16,532</u>	<u>(47,477)</u>
<b>Net change in cash and cash equivalents</b>	<u>(28,271)</u>	<u>71,945</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>362,849</u>	<u>285,654</u>
Foreign exchange differences on opening balances	4,813	(6,613)
<b>Cash and cash equivalents at end of period</b>	<u>339,391</u>	<u>350,986</u>
<b>Cash and cash equivalent comprise:</b>		
Cash and bank balances	331,623	322,817
Deposit with licensed banks	19,992	28,917
Bank overdrafts	(12,224)	(748)
	<u>339,391</u>	<u>350,986</u>

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## Notes to the condensed consolidated interim financial statements

V.S. Industry Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group as at and for the nine months period ended 30 April 2019 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates.

The consolidated financial statements of the Group as at and for the year ended 31 July 2018 are available upon request from the Company's registered office at:

### **Registered office**

Suite 9D, Level 9

Menara Ansar

65, Jalan Trus

80000 Johor Bahru

Johor

Malaysia

These condensed consolidated interim financial statements were approved by the Board of Directors on 25 June 2019.

## **1. Basis of preparation**

### **(a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. 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 July 2018.

## **2. Significant accounting policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 July 2018, except for changes arising from the adoption of the followings:-

### **(i) MFRS 15, *Revenue from Contracts with Customers***

The Group has adopted MFRS 15 in the current financial period. Under MFRS 15, the Group recognizes revenue from contracts with customers when a performance obligation is satisfied, which is when control of the goods underlying the particular performance obligation is transferred to the customer.

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## 2. Significant accounting policies (Cont'd)

### (i) MFRS 15, *Revenue from Contracts with Customers* (Cont'd)

The Group has assessed the estimated impact that the application of MFRS 15 will have on its consolidated financial statements. Comparatives for the financial statements have been reclassified and restated to conform to the current year's presentation under MFRS 15.

### (ii) MFRS 9, *Financial Instruments*

The Group has adopted MFRS 9 in the current financial period. MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

The other investments classified as available-for-sale financial assets are now reclassified to fair value through other comprehensive income – Equity instrument. Consequently, the impairment made in prior years are reclassified from retained earnings to fair value reserve.

## 3. Seasonal or cyclical factors

The Group's operations are not significantly affected by any seasonal or cyclical factors.

## 4. Unusual items affecting the assets, liabilities, equity, net income or cash flows

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

## 5. Material changes in estimates

There are no material changes in estimates for the current quarter and financial year-to-date.

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## 6. Issuances, cancellations, repurchases, resale and repayments of debts and equity securities

There are no issuance, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial year-to-date other than the following:-

- (a) issuance of 119.20 million ordinary shares pursuant to the exercise of share options under the Company's Employees Share Option Scheme and conversion of Warrants; and
- (b) the Company repurchased its own shares from the open market totalling 4.5138 million units at an average price of RM0.71 per share. The total consideration paid for the repurchase including transaction costs was RM3.19 million. The shares repurchased are being held as treasury shares.

## 7. Dividends paid

Since the end of the previous financial year, the Company paid:-

- (a) a fourth interim dividend of 0.6 sen per ordinary share totalling RM10,405,869 in respect of the financial year ending 31 July 2018 on 31 October 2018; and
- (b) a final dividend of 0.6 sen per ordinary share totalling RM10,825,992 in respect of the financial year ended 31 July 2018 on 31 January 2019;
- (c) a first interim dividend of 1.0 sen per ordinary share totalling RM18,054,594 in respect of the financial year ending 31 July 2019 on 12 March 2019; and
- (d) a second interim dividend of 1.0 sen per ordinary share totalling RM18,059,224 in respect of the financial year ending 31 July 2019 on 30 April 2019.

## 8. Segment information

- (a) Information about reportable segments

	<b>9 months ended 30 April 2019</b>			
	<b>Malaysia</b>	<b>Indonesia</b>	<b>China</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	2,452,532	180,642	310,470	2,943,644
Inter-segment revenue	-	-	2,575	2,575
Segment profit/(loss) before tax	164,155	(611)	(33,592)	129,952

  

	<b>9 months ended 30 April 2018 (Restated)</b>			
	<b>Malaysia</b>	<b>Indonesia</b>	<b>China</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	2,286,466	241,952	543,254	3,071,672
Inter-segment revenue	48	--	--	48
Segment profit/(loss) before tax	137,065	4,231	5,103	146,399

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## 8. Segment information (Cont'd)

(b) Reconciliation of reportable segment profit or loss

	9 months ended 30 April	
	2019 RM'000	2018 RM'000
Total profit for reportable segments	129,952	146,399
Other non-reportable segments	(1,488)	(893)
Share of profit of associate not included in reportable segments	4,500	342
Consolidated profit before tax	<u>132,964</u>	<u>145,848</u>

## 9. Material events subsequent to period end

There are no material events subsequent to the end of the period reported that have not been reflected in this quarterly report.

## 10. Changes in composition of the Group

There are no major changes in the composition of the Group for the current quarter and financial year-to-date.

## 11. Contingent liabilities and contingent assets

The Group does not have any contingent liabilities and contingent assets as at 30 April 2019.

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## 12. Related party transactions

Significant related party transactions of the Group are as follows: -

	9 months ended 30 April	
	2019 RM'000	2018 RM'000
<b>Subsidiaries in which certain Directors have financial interest</b>		
- Purchases	2,455	-
- Purchases of plant and equipment	5,369	-
- Sales	-	48
	<u>          </u>	<u>          </u>
<b>A company which is wholly owned by close family member of certain Directors</b>		
- Purchases	4,966	3,246
	<u>          </u>	<u>          </u>
<b>A company in which spouse of a Director has financial interest</b>		
- Purchases	4,718	6,739
	<u>          </u>	<u>          </u>
<b>Associates</b>		
- Sales	-	2,492
	<u>          </u>	<u>          </u>
<b>A company which is controlled by close family member of a Director</b>		
- Sub-contracting fee payable	2,189	3,203
	<u>          </u>	<u>          </u>
<b>A company which is controlled by a Director</b>		
- Operating lease charges and management fee payable	3,211	3,827
	<u>          </u>	<u>          </u>
<b>A company which is controlled by close family member of a key management personnel</b>		
- Repair and maintenance services payable	400	548
	<u>          </u>	<u>          </u>
<b>Remuneration paid to staff who are close family member of certain Directors</b>	1,056	2,485
	<u>          </u>	<u>          </u>

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

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## Additional Information on Interim Financial Report required on the Bursa Malaysia Listing Requirements

### 13. Review of performance

For the current quarter under review, the Group recorded a revenue of RM889.7 million, a marginal increase of RM8.1 million as compared to the previous corresponding quarter. Profit before tax increased 28.4% or RM8.4 million to RM38.2 million over the same period.

For the nine months period ended 30 April 2019, the Group recorded a revenue of RM2,948.0 million, a decrease of RM125.8 million as compared to the corresponding period of the preceding year of RM3,073.8 million. Profit before tax stood at RM133.0 million, dropped by 8.8% or RM12.9 million over the same period.

The improved earnings for the current quarter was mainly attributable to commendable performance from operations in Malaysia which partially offset the negative contributions from the operations in China. On cumulative quarters basis, the overseas operations, particularly China, had incurred losses that further affected the Group earnings. In addition, the overall performance was also influenced by the followings:-

	Individual Quarter 30 April		Cumulative Quarter 30 April	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net foreign exchange gain/(loss)	9,226	11,682	7,085	22,103
Share of profit/(loss) of associates	1,500	(791)	4,500	342

The comparison of the results of the segment are tabulated below:-

	Individual Quarter 30 April		Cumulative Quarter 30 April	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000 (Restated)
<b>Revenue</b>				
Malaysia	743,436	695,242	2,452,532	2,286,466
Indonesia	50,658	54,433	180,642	241,952
China	93,087	131,918	310,470	543,254
<b>Profit/(loss) before tax</b>				
Malaysia	46,480	29,258	164,155	137,065
Indonesia	344	(1,173)	(611)	4,231
China	(9,538)	2,014	(33,592)	5,103

#### Malaysia segment

For the current quarter and cumulative quarters, Malaysia segment recorded 6.9% and 7.3% increase in revenue respectively due to higher sales orders from key customers. Meanwhile, profit before tax was up 58.9% and 19.8% respectively over the same period.

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## 13. Review of performance (Cont'd)

### Malaysia segment (Cont'd)

The higher-than-proportionate increase in profitability was attributable to increase in productivity with production lines running at more optimal level, as well as absence of set-up costs associated with commissioning of new lines that incurred during the same quarter and cumulative quarters a year ago.

### Indonesia segment

Indonesia segment recorded profit before tax for the quarter under review despite lower revenue mainly due to a change in the product mix.

Despite recording profit for the quarter under review, Indonesia segment was loss-making for the cumulative quarters as the profit in the current quarter was insufficient to set off the loss incurred in prior quarter.

### China segment

China segment recorded a lower revenue for the current quarter and cumulative quarters as a result of lower sales orders completed. Operations in China were loss-making for the current quarter and cumulative quarters in the absence of large sales orders which resulted in lack of economies of scale as the facilities remained under-utilized.

## 14. Variation of results against preceding quarter

	<b>Current Quarter</b> <b>30 April 2019</b> <b>RM'000</b>	<b>Preceding Quarter</b> <b>31 January 2019</b> <b>RM'000</b>
Revenue	889,710	982,647
Profit before tax	38,237	49,409
Profit attributable to owners of the Company	31,378	37,943

For the current quarter under review, the Group recorded a lower profit before tax of RM38.2 million as compared to RM49.4 million in the preceding quarter mainly attributable to lower sales orders from key customers.

## 15. Current year prospects

Amidst the challenging operating environment, the Group performance thus far has been satisfactory. In Malaysia, the business development taskforce continues to engage with prospective customers to negotiate terms while pursuing various sales leads arising from trade diversion activities. As mentioned previously, the Group stands to benefit from the US-China trade war as many MNC brand owners are relocating their manufacturing base from China to Southeast Asia, with Malaysia being one of the choice locations. It is opportune that the Group has ready production facility to take up these new businesses.

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## 15. Current year prospects (Cont'd)

The Group's operations in China remains difficult. Performance has been and continues to be impinged by rising cost and competition with export sales to the US affected by the trade war while local customers in China are holding back orders due to economic uncertainties. The issue of under-utilization of capacity is expected to prevail. As counter-measures, management continues to be streamlining operations to improve its positioning and operational flexibility.

The Board opines that the financial performance of the Group in the current financial year to be satisfactory. Despite the short-term challenges, the Board remains positive on the long-term prospects of the Group, underpinned by solid fundamentals, robust relationships with existing customers, strong execution skills, recent addition of new key customer and potential future contract win.

## 16. Profit forecast

Not applicable.

## 17. Tax expense

	Individual 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Tax expense				
Current period	12,073	5,276	47,115	30,883
Deferred tax expense				
Current period	132	1,674	(4,359)	5,306
	<u>12,205</u>	<u>6,950</u>	<u>42,756</u>	<u>36,189</u>

The effective tax rate of the Group for the financial year-to-date was higher than the statutory tax rate mainly due to losses of certain subsidiaries cannot be offset against taxable profits made by other subsidiaries and certain non-deductible expenses for tax purposes.

## 18. Status of uncompleted corporate proposals

There are no outstanding uncompleted corporate proposals as at the date of this quarterly report.

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## 19. Borrowing and debt securities

	<b>30.04.2019</b>	<b>31.07.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
<b><i>Secured</i></b>		
Term loans	3,804	7,792
Finance lease liabilities	15,500	15,324
<b><i>Unsecured</i></b>		
Term loans	48,280	70,642
	<u>67,584</u>	<u>93,758</u>
<b>Current</b>		
<b><i>Secured</i></b>		
Term loan	10,062	24,728
Trust receipts	101,460	108,787
Finance lease liabilities	12,690	8,163
Bank overdraft	12,224	11,892
<b><i>Unsecured</i></b>		
Term loans	31,065	38,104
Bankers' acceptance	131,648	131,923
Trust receipts	138,858	180,226
Short term loan	24,683	32,867
Revolving credit	-	15,000
	<u>462,690</u>	<u>551,690</u>
	<u>530,274</u>	<u>645,448</u>

Borrowings denominated in US Dollar amounted to RM207.0 million (31.7.2018 : RM293.2 million).

## 20. Changes in material litigation

There are no material litigation which would materially and adversely affect the financial position of the Group as at the date of this quarterly report.

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## 21. Profit for the period

	3 months ended		9 months ended	
	30 April		30 April	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period is arrived at after charging/(crediting)</b>				
Depreciation and amortisation	23,626	19,538	70,120	60,174
Net foreign exchange (gain)/loss	(9,226)	(11,682)	(7,085)	(22,103)
Loss on disposal of property, plant and equipment	134	(79)	352	480

## 22. Dividends

- (a) A third interim dividend of 0.8 sen per ordinary share amounting to approximately RM14.5 million was declared on 25 June 2019 for the financial year ending 31 July 2019 and will be paid on 31 July 2019 to shareholders whose names appear on the Company's Record of Depositors on 16 July 2019.
- (b) The total dividend per share for the current financial year is 2.8 sen (previous year corresponding period: 3.5 sen).

## 23. Earnings per share

### (a) *Basic earnings per share*

The calculation of basic earnings per share for the current quarter and financial year-to-date are based on net profit attributable to owners of the Company of RM31.4 million and RM109.1 million respectively and the weighted average number of ordinary shares of 1,805.682 million and 1,773.014 million respectively.

### (b) *Diluted earnings per share*

The calculation of diluted earnings per share for the current quarter and financial year-to-date are based on net profit attributable to owners of the Company of RM31.4 million and RM109.1 million respectively and the weighted average number of ordinary shares, adjusted for the dilutive effects of potential ordinary shares of 1,827.925 million and 1,800.250 million respectively.

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## 24. Comparatives

	As previously stated RM'000	Effects of MFRS 15 RM'000	Effects of MFRS 9 RM'000	As restated RM'000
<b>As at 31 July 2017</b>				
<i>Statement of financial position</i>				
Retained earnings	504,539	12,482	-	517,021
Non-controlling interest	220,410	3,236	-	223,646
<b>As at 31 July 2018</b>				
<i>Statement of financial position</i>				
Inventories	539,873	(145,770)	-	394,103
Contract assets	-	162,994	-	162,994
Contract liabilities	-	274	-	274
Deferred tax liabilities	69,141	3,136	-	72,277
Retained earnings	605,630	11,618	11,665	628,913
Fair value reserve	85,752	-	(11,665)	74,087
Non-controlling interest	220,919	2,196	-	223,115
<b>As at 30 April 2018</b>				
<i>Statement of financial position</i>				
Inventories	485,146	(118,076)	-	367,070
Contract assets	-	131,634	-	131,634
Contract liabilities	-	150	-	150
Deferred tax liabilities	72,004	2,484	-	74,488
Retained earnings	561,768	9,189	-	570,957
Non-controlling interest	237,043	1,735	-	238,778
<i>Income statement</i>				
Revenue	3,078,255	(4,465)	-	3,073,790
Cost of sales	(2,759,082)	(1,006)	-	(2,760,088)
Non-controlling interest	2,128	(1,501)	-	627
Profit attributable to owners of the Company	112,325	(3,293)	-	109,032
Basic earnings per ordinary share (sen)	6.99	(0.21)	-	6.78
Diluted earnings per ordinary share (sen)	6.46	(0.19)	-	6.27