

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Condensed consolidated statement of comprehensive income**  
**For the Nine-months period ended 30 September 2019**

	Current quarter		Cumulative quarter	
	3 months ended 30.09.2019 (Unaudited) RM'000	3 months ended 30.09.2018 (Unaudited) RM'000	9 months ended 30.09.2019 (Unaudited) RM'000	9 months ended 30.09.2018 (Unaudited) RM'000
Revenue	44,135	44,448	149,203	182,478
Cost of sales	(42,438)	(43,640)	(137,564)	(162,794)
<b>Gross profit</b>	<b>1,697</b>	<b>808</b>	<b>11,639</b>	<b>19,684</b>
Other operating income	229	24	984	266
Administrative expenses	(2,028)	(1,829)	(6,141)	(6,100)
Other operating expenses	(1,239)	(1,057)	(3,734)	(3,373)
<b>Operating (loss)/ profit</b>	<b>(1,341)</b>	<b>(2,054)</b>	<b>2,748</b>	<b>10,477</b>
Finance income	2,148	1,997	6,009	6,157
Finance costs	(1,426)	(1,338)	(4,050)	(3,825)
<b>Net finance income</b>	<b>722</b>	<b>659</b>	<b>1,959</b>	<b>2,332</b>
<b>(Loss)/Profit before tax</b>	<b>(619)</b>	<b>(1,395)</b>	<b>4,707</b>	<b>12,809</b>
Income tax expense	680	314	(1,354)	(3,416)
<b>Profit/(loss) net of tax</b>	<b>61</b>	<b>(1,081)</b>	<b>3,353</b>	<b>9,393</b>
<b>Other comprehensive income</b>				
<b>Item that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations	(110)	5	(143)	(307)
<b>Other comprehensive income for the period, net of tax</b>	<b>(110)</b>	<b>5</b>	<b>(143)</b>	<b>(307)</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(49)</b>	<b>(1,076)</b>	<b>3,210</b>	<b>9,086</b>
<b>(Loss)/profit attributable to:</b>				
Owners of the parent	(1,957)	(1,307)	1,182	8,384
Non-controlling interests	2,018	226	2,171	1,009
	<b>61</b>	<b>(1,081)</b>	<b>3,353</b>	<b>9,393</b>
<b>Total comprehensive (loss)/ income attributable to:</b>				
Owners of the parent	(2,023)	(1,306)	1,094	8,194
Non-controlling interests	1,974	230	2,116	892
	<b>(49)</b>	<b>(1,076)</b>	<b>3,210</b>	<b>9,086</b>
<b>(Loss)/Earnings per share (EPS) attributable to owners of the parent (sen per share)</b>				
Basic	(0.63)	(0.42)	0.38	2.71

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**CEPATWAWASAN GROUP BERHAD**

(Company No. 536499-K)

**Condensed consolidated statement of financial position as at 30 September 2019**

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	230,570	227,145
Investment properties	43,340	43,340
Intangible assets	17,358	17,358
Land use rights	1,889	1,910
Deferred tax assets	3,552	3,033
Trade and other receivables	137,529	140,836
<b>Total non-current assets</b>	<b>434,238</b>	<b>433,622</b>
Biological assets	1,142	1,142
Inventories	24,966	26,720
Trade and other receivables	19,743	20,567
Tax recoverable	3,271	3,364
Short term investments	13,714	13,860
Deposits placed with licensed banks	4,460	8,658
Cash and bank balances	14,771	8,840
<b>Total current assets</b>	<b>82,067</b>	<b>83,151</b>
<b>TOTAL ASSETS</b>	<b>516,305</b>	<b>516,773</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	318,446	318,446
Treasury shares	(11,097)	(11,097)
Retained earnings	117,041	120,494
Other reserve	(80,495)	(80,354)
Foreign currency translation reserve	(447)	(359)
<b>Total equity attributable to owners of the parent</b>	<b>343,448</b>	<b>347,130</b>
Non-controlling interests	13,327	12,498
<b>Total equity</b>	<b>356,775</b>	<b>359,628</b>
<b>LIABILITIES</b>		
Lease rental payable	267	267
Borrowings	55,255	53,070
Deferred tax liabilities	24,631	24,410
<b>Total non-current liabilities</b>	<b>80,153</b>	<b>77,747</b>
Borrowings	59,355	54,646
Trade and other payables	19,477	24,524
Income tax payables	545	228
<b>Total current liabilities</b>	<b>79,377</b>	<b>79,398</b>
<b>Total liabilities</b>	<b>159,530</b>	<b>157,145</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>516,305</b>	<b>516,773</b>
<b>Net assets per share attributable to owner of the parent (RM)</b>	<b>1.11</b>	<b>1.12</b>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

## Condensed consolidated statement of cash flows for the period ended 30 September 2019

	9 months ended 30.09.2019 (Unaudited) RM'000	9 months ended 30.09.2018 (Unaudited) RM'000
<b>Operating activities</b>		
Profit before tax	4,707	12,809
Adjustments for:		
Depreciation and amortisation	8,589	9,510
Provision for doubtful debt no longer required	(115)	-
Finance costs	4,050	3,825
Property, plant and equipment written off	52	101
Fair value adjustment on Biological assets	-	289
Finance income	(6,009)	(6,157)
Net loss on foreign exchange - unrealised	(36)	-
<b>Operating profit before working capital changes</b>	<u>11,238</u>	<u>20,377</u>
Decrease/(increase) in inventories	1,754	(413)
Decrease in receivables	9,719	9,827
Decrease in payables	(5,001)	(4,622)
<b>Cash generated from operations</b>	<u>17,710</u>	<u>25,169</u>
Interest paid	(4,050)	(3,825)
Income taxes paid	(2,200)	(6,235)
Income taxes refund	934	433
Interest received	530	610
<b>Net cash flows generated from operating activities</b>	<u>12,924</u>	<u>16,152</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(11,712)	(9,419)
Net investment in short term money market funds	146	3,026
<b>Net cash flows used in investing activities</b>	<u>(11,566)</u>	<u>(6,393)</u>
<b>Financing activities</b>		
Purchase of treasury shares in Subsidiary	(229)	-
Dividend Paid	(4,635)	(6,179)
Dividend paid to non-controlling interests	(1,200)	(1,600)
Drawdown of term loans	16,400	10,779
Drawdown of revolving credits	5,500	2,500
Repayment of term loans	(13,841)	(12,484)
Repayment of revolving credits	(1,000)	(6,250)
Repayment of obligations under finance leases	(497)	(176)
<b>Net cash flows used in financing activities</b>	<u>498</u>	<u>(13,410)</u>
<b>Net Increase/(decrease)in cash and cash equivalents</b>	1,856	(3,651)
<b>Net foreign exchange difference</b>	(123)	(314)
<b>Cash and cash equivalents at beginning of financial period</b>	14,771	19,215
<b>Cash and cash equivalents at end of financial period</b>	<u>16,504</u>	<u>15,250</u>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
Deposits placed with licensed banks	4,460	8,658
Cash and bank balances	14,771	8,840
	<u>19,231</u>	<u>17,498</u>
Deposits pledged with licensed banks	(2,727)	(2,248)
Cash and cash equivalents at end of financial period	<u>16,504</u>	<u>15,250</u>

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.



**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Notes to the condensed consolidated interim financial statements**

1. Basis of preparation

These condensed consolidated interim financial statements for the period ended 30 September 2019 have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2018.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2018 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2019. The adoption of the MFRSs and Amendments do not have significant impact on the financial statements of the Group.

3. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements of the Group for the year ended 31 December 2018 was not qualified.

4. Segment information

The Group has three reportable segments, as described below, which are the Group’s strategies business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant - Power generation and sales of biomass by-products

**Information about reportable segments**

	Results for the 3 months ended 30 September							
	Plantation		Oil Mill		Power Plant		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	2,884	2,650	36,900	39,390	3,833	2,216	43,617	44,256
<b>Inter-segment revenue</b>	6,699	7,552	-	-	-	-	6,699	7,552
<b>Segment profit</b>	(1,425)	(580)	1,418	310	(244)	(936)	(251)	(1,206)

4. Segment information (cont'd)

	<b>3 months ended 30.09.2019 (Unaudited) RM'000</b>	<b>3 months Ended 30.09.2018 (Unaudited) RM'000</b>
<b>Segment loss is reconciled to consolidated loss before tax as follows:</b>		
Segment loss	(251)	(1,206)
Other non-reportable segments	148	64
Elimination of inter-segment profits	(19)	(64)
Unallocated corporate expenses	(497)	(189)
Consolidated loss before tax	<u>(619)</u>	<u>(1,395)</u>

**Results for the 9 months ended 30 September**

	<b>Plantation</b>		<b>Oil Mill</b>		<b>Power Plant</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>External revenue</b>	6,381	11,756	122,708	152,510	18,935	17,364	148,024	181,630
<b>Inter-segment revenue</b>	23,972	26,895	-	-	-	-	23,972	26,895
<b>Segment (loss)/profit</b>	(984)	7,800	4,709	4,055	1,965	2,011	5,690	13,867
<b>Segment assets</b>	222,413	222,934	38,103	41,193	178,255	174,689	438,771	439,107
<b>Segment liabilities</b>	24,232	24,372	28,203	29,422	38,044	50,542	90,479	104,335

	<b>9 months ended 30.09.2019 (Unaudited) RM'000</b>	<b>9 months Ended 30.09.2018 (Unaudited) RM'000</b>
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	5,690	13,866
Other non-reportable segments	466	93
Elimination of inter-segment profits	(142)	(119)
Unallocated corporate expenses	(1,307)	(1,031)
Consolidated profit before tax	<u>4,707</u>	<u>12,809</u>

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Changes in estimates

There was no estimation of amount used in the preceding reporting quarter having a material impact in the current reporting quarter.

7. Comments about seasonal or cyclical factors

The Group considers the seasonal or cyclical factors affecting the results of the operations of the Group comprising the cultivation of oil palm and processing of fresh fruit bunches to include general climatic conditions, age profile of oil palms, the cyclical nature of annual production and the movements in commodity prices.

8. Dividend paid

There were no dividend paid during the current quarter.

9. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

10. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 September 2019.

11. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 30 September 2019 is as follows:

	<b>RM'000</b>
Approved and contracted for	2,730
Approved but not contracted for	<u>17,862</u>
	<u>20,592</u>

12. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2018.

13. Subsequent events

There were no material subsequent events to the end of the current quarter.

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Information required by Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

1. Review of performance

The performance of the Group is tabulated below:-

	Current Quarter		% +/-	Preceding Quarter		% +/-	Cumulative Quarter		% +/-
	3 <sup>rd</sup> Qtr19 RM'000	3 <sup>rd</sup> Qtr18 RM'000		2 <sup>nd</sup> Qtr19 RM'000		3 <sup>rd</sup> Qtr19 RM'000	3 <sup>rd</sup> Qtr18 RM'000		
<b>Financial Performances :-</b>									
Revenue	44,135	44,448	-1%	52,670	-16%	149,203	182,478	-18%	
Operating (loss)/Profit	(1,341)	(2,054)	35%	1,132	>-100%	2,748	10,477	-74%	
(Loss)/Profit before tax	(619)	(1,395)	56%	1,622	>-100%	4,707	12,809	-63%	
(Loss)/Profit after tax	61	(1,081)	>100%	660	-91%	3,353	9,393	-64%	
(Loss)/Profit attributable to Owners of the parent	(1,957)	(1,307)	-50%	699	>-100%	1,182	8,384	-86%	
Own FFB Production (mt)	27,691	24,979	11%	28,175	-2%	88,530	86,633	2.2%	
CPO Production (mt)	15,965	15,479	3%	17,785	-10%	54,202	54,558	-1%	
PK Production (mt)	3,747	3,738	*	4,259	-12%	13,041	13,358	-2%	
CPO sales (mt)	16,405	15,135	8%	19,221	-15%	55,127	54,444	1%	
PK sales (mt)	3,927	3,600	9%	4,028	-2%	13,098	13,491	-3%	
CPO Price per mt (RM)	1,986	2,189	-9%	1,943	2%	1,954	2,339	-16%	
PK Price per mt (RM)	1,101	1,740	-37%	1,035	6%	1,142	1,864	-39%	
Mill OER	20.00%	19.74%	0.26%	19.78%	0.22%	19.76%	19.72%	0.04%	
Electricity Export(MWh)	15,420	16,186	-5%	19,647	-22%	55,900	54,197	3%	

\* Less than +/- 1%



1. Review of performance (Cont'd)

**Current Quarter vs. Previous Year Corresponding Quarter**

For this quarter under review, the Group recorded revenue of RM44.13 million as compared to a revenue of RM44.44 million in the preceding year corresponding quarter, which is a marginal decrease of RM0.31 million (1%).

Loss before tax however reduced by RM0.78 million (56%) from a loss before tax of RM 1.39 million in the preceding year corresponding quarter to a loss before tax of RM0.62 million despite a decrease in contribution from Plantation segment as a result in decrease in average selling price of CPO and FFB. The decrease in loss before tax is mainly due to:-

- i) Increase in CPO and PK sales during the period by 8% and 9% respectively.
- ii) Increase in segment contribution from Oil Mill as a result in increase in FFB processed by 2% and better OER Margin.
- iii) Higher schedule plant maintenance cost in Power Plant during corresponding quarter in previous financial year.

Performance of the respective operating business segments for this quarter under review as compared to the preceding year corresponding quarter is analyzed as follows:

- iv) Plantation – Decreased by RM0.85 million (>100%) from Segment loss of RM0.58 million to Segment loss of RM1.42 million mainly as a result of a decrease in average FFB selling price by 15% despite an increase in FFB production of 11%.
- v) Oil Mill – Segment Profit increased by RM1.11 million (>100%) from RM0.31 million to RM 1.42 million mainly due to increase in CPO and PK sales by 8% and 9% respectively and also better Mill OER margin.
- vi) Power Plant –Segment loss reduced by RM0.69 million (74%) from Segment loss of RM0.94 million to a Segment loss of RM0.24 million due to higher scheduled Plant maintenance cost in corresponding quarter in previous financial year.

**Current Year-to-date vs. Previous Year-to-date**

For this financial period under review, the Group recorded revenue of RM149.20 million as compared to a revenue of RM182.48 million in the preceding year corresponding period, a decrease of RM33.28 million (18%). Profit before taxation for this financial period under review decreased by RM8.10 million (63%) from RM12.81 million to RM4.71 million.

The decreases in revenue and profit before tax for this financial period under review are mainly due to decreases in CPO, PK and FFB average selling prices by 16%, 39% and 22% respectively.

1. Review of performance (Cont'd)

Performance of the respective operating business segments for this financial period under review as compared to the preceding year corresponding period is analysed as follows:

- i. Plantation – The decrease in segment profit before tax by RM8.78 million (>100%) from Segment profit of RM7.80 million to a segment loss of RM0.98 million was mainly due to lower FFB selling price by 23%.
  - ii. Oil Mill – The increase in segment profit by RM0.65 million (16%) from profit before tax of RM4.05 million to a segment profit of RM4.71 million was mainly due a improvement in Mill OER margin.
  - iii. Power Plant – Segment Profit decreased marginally by RM0.05million from segment profit of RM2.01million to segment profit of RM1.96 million.
- .
2. Comment on material change in profit before tax against immediate preceding quarter

The Group recorded a loss before tax of RM0.62 million in the quarter under review as compared to a profit before tax RM1.62 million in the immediate preceding quarter, a decrease in profit of RM2.24 million(>100%) mainly due to fluctuation in estate upkeep and maintenance expenses due to seasonal program variance and a decrease in CPO sales and Power export by 15% and 22% respectively.

3. Commentary on prospects

The Group foresees palm oil prices to remain under pressure for the remainder of financial year 2019 and thus it poses a huge challenge to the Group performance for 2019.

4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast or guarantee published.

5. (Loss)/Profit for the period

	Current quarter		Cumulative quarter	
	3 months ended 30.09.2019 (Unaudited) RM'000	3 months ended 30.09.2018 (Unaudited) RM'000	9 months ended 30.09.2019 (Unaudited) RM'000	3 months ended 30.09.2018 (Unaudited) RM'000
(Loss)/Profit for the period is arrived at after charging:				
Depreciation and amortization	3,249	3,188	8,589	9,510
Plant and equipment written off	21	22	52	101
Provision for doubtful debts no long required	-	-	(115)	-
Loss on Fair value adjustment on Biological assets	-	200	-	289
Net loss on foreign exchange - unrealised	(44)	-	(36)	-

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

6. Income tax expense

	Current quarter		Cumulative quarter	
	3 months ended 30.09.2019 (Unaudited) RM'000	3 months ended 30.09.2018 (Unaudited) RM'000	9 months ended 30.09.2019 (Unaudited) RM'000	9 months ended 30.09.2018 (Unaudited) RM'000
Income tax				
- Current provision	227	221	832	2,632
- Under provision of tax in prior years	93	(78)	189	(78)
	<u>320</u>	<u>143</u>	<u>1,021</u>	<u>2,554</u>
Deferred tax				
- Relating to origination and reversal of temporary differences	(1,050)	(518)	(19)	791
- Under provision of tax in prior years	50	61	352	71
	<u>(1,000)</u>	<u>(457)</u>	<u>333</u>	<u>862</u>
Total income tax expense	<u>(680)</u>	<u>(314)</u>	<u>1,354</u>	<u>3,416</u>

The Group's effective tax rate for the cumulative quarter was lower than the statutory tax rate of 24% principally due to net gain in deferred tax assets after setting off of recognition of deferred tax asset in a subsidiary not recognised in previous financial year against de-recognising of deferred tax in another subsidiary recognised in previous financial year.

7. Corporate proposals

There was no corporate proposal for the current quarter under review.

8. Borrowings

	<b>As at 30.09.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
<b>Short term borrowings - Secured</b>		
Obligation under finance leases	541	617
Revolving credit	40,050	35,550
Term loans	18,764	18,479
	<u>59,355</u>	<u>54,646</u>
<b>Long term borrowings – Secured</b>		
Obligation under finance leases	1,321	1,411
Term loans	53,934	51,659
	<u>55,255</u>	<u>53,070</u>
 Total borrowings	 <u>114,610</u>	 <u>107,716</u>

The Group's total borrowings include a loan amount of RM19.76 million (31.12.2018: RM27.97 million) under the Green Technology Financing Scheme for the renewable power plants.

9. Trade Receivables and other receivables

	<b>As at 30.09.2019 (Unaudited) RM'000</b>	<b>As at 31.12.2018 (Audited) RM'000</b>
<b>Current</b>		
Third parties	7,170	5,605
Amount due from customer on service concession	8,175	9,783
Less : Allowance for impairment	(333)	(485)
	<u>15,012</u>	<u>14,903</u>
Other receivables, net	4,731	5,664
	<u>19,743</u>	<u>20,567</u>
<b>Non Current</b>		
Amount due from customer on service concession	137,529	140,836
 Ageing analysis of Current trade receivables :-		
Neither past due nor impaired	14,131	14,767
1 to 30 days	588	51
31 to 60 days	121	37
61 to 90 days	121	44
More than 91 days	384	489
	<u>15,345</u>	<u>15,388</u>
Less : Allowance for impairment	(333)	(485)
	<u>15,012</u>	<u>14,903</u>

Trade receivables are non-interest bearing and generally on 7 to 30 days terms.

## 10. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2019.

## 11. Material litigation

Yuh @ Abdul Salleh Bin Pompulu (“AYU”) Vs Suwaya Bte Buang (“SUWAYA”), Suara Baru Sdn Bhd (“SBSB”) and Cepatawawasan Group Berhad (“the Company”)

The Company and SBSB (a wholly-owned subsidiary held through Syarikat Melabau Sdn. Bhd., another wholly-owned subsidiary of the Company) have been served with a Writ of Summons issued by the High Court in Sabah and Sarawak at Sandakan vide Suit No. SDK-22NCvC-12/6-2016 (HC) on 14.06.2016. SBSB is the sub-lessee of 33 lots of land (“the Lands”) totaling approximately 337.949 acres situated in Sungai Sekong in the District of Sandakan, Sabah. The Lands are leased from SUWAYA to SBSB for a term of 99 years. The lease commenced in the year 1997 and will expire in the year 2096. The lands had been transferred to SUWAYA by their previous 33 owners, including AYU. AYU, on his behalf and the other 32 previous owners, alleges that the transfer of the land to SUWAYA was through forged documents and therefore the said transfer is null and void. AYU further alleges that as the transfer to SUWAYA is null and void, therefore the sublease by SUWAYA to SBSB is likewise null and void. AYU therefore seeks an order of the High Court to set aside the said transfer to the SUWAYA and also the sublease to SBSB.

SBSB and the Company had filed their Defence (“Defence”) in the High Court in Sabah and Sarawak at Sandakan on 11 July 2016, followed by an application in the High Court in Sabah and Sarawak at Sandakan on 26th August 2016 to strike out the Suit on the ground that the Suit is frivolous or vexatious or is otherwise an abuse of the process of the Court.

The striking out application came up for hearing on 26th September 2016 where the Court directed the parties to file their respective written submissions. On 1 December 2016, the application to strike out was dismissed by the High Court in Sabah and Sarawak at Sandakan (“Sandakan High Court”) with costs, on the ground that it was not a proper case to be disposed of by way of affidavit evidence and the Suit is fixed for trial on 17 April 2017 to 21 April 2017 before the Sandakan High Court.

On 28 December 2016, the Company and SBSB filed an appeal to the Court of Appeal against the decision of the High Court. The said appeal was heard and dismissed by the Court of Appeal with no order as to costs on 17th November 2017.

SBSB and the Company have on 12 December 2017 filed a motion for leave to appeal to the Federal Court against the decision of the Court of Appeal. The application for leave to appeal to the Federal Court was heard and allowed by the Federal Court on 13th April 2018.

The appeal to Federal Court was heard on 24 June 2019 and dismissed by Federal Courts with costs of RM10,000 awarded to AYU. Following the decision by Federal Court, the High Court at Sandakan, Sabah has fixed the trial date on 29 October 2019.

The Board of Directors of the Company is of the view that the Suit will have no immediate material financial and operational impact on the Company and Group as the Company expects that pursuant to the facts of the case, the documents presently available and the advice of its solicitors, the Company has a good defence against the Plaintiff’s claim.

12. Dividend payable

No interim ordinary dividend has been declared for the financial period ended 30 September 2019.

13. (Loss)/Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing the Group's profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period excluding treasury shares held by the Company.

	Current quarter		Cumulative quarter	
	3 months	3 months	9 months	9 months
	ended	ended	ended	ended
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	(1,957)	(1,307)	1,182	8,384
Weighted average number of ordinary shares in issue ('000)	308,967	308,967	308,967	308,967
Basic (loss)/ earnings per share (sen per share)	(0.63)	(0.42)	0.38	2.71

(b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

14. Authorisation for issue

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2019.