SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2018

ANNOUNCEMENT

The Board of Directors of Scicom (MSC) Berhad (hereinafter referred to as "Scicom" or "the Company") is pleased to announce the following unaudited consolidated results for the first quarter ended 30 September 2018.

CONSOLIDATED STATEMENT COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	Current Period Quarter 30.9.2018	Preceding Year Corresponding Quarter 30.9.2017	Changes	Current Financial Period Ended 30.9.2018	Preceding Financial Period Ended 30.9.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	38,659	45,838	-16%	38,659	45,838	-16%
Operating expenses	(30,686)	(32,334)	-5%	(30,686)	(32,334)	-5%
Depreciation and amortisation	(1,622)	(1,963)	-17%	(1,622)	(1,963)	-17%
Operating profit	6,351	11,541	-45%	6,351	11,541	-45%
Share of profit of joint venture (net of tax)	0	14	-100%	0	14	-100%
Gain/(Loss) on foreign exchange	197	(19)	-1137%	197	(19)	-1137%
Finance income	265	234	13%	265	234	13%
Profit before taxation	6,813	11,770	-42%	6,813	11,770	-42%
Taxation	(1,678)	(880)	91%	(1,678)	(880)	91%
Profit for the financial period	5,135	10,890	-53%	5,135	10,890	-53%

SCICOM (MSC) BERHAD
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(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	Current Period Quarter 30.9.2018	Preceding Year Corresponding Quarter 30.9.2017	Changes	Current Financial Period Ended 30.9.2018	Preceding Financial Period Ended 30.9.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Other comprehensive (loss)/ income, net of tax						
Foreign currency translation differences for foreign operations	(416)	38	-1195%	(416)	38	-1195%
Total comprehensive income for the financial period	4,719	10,928	-57%	4,719	10,928	-57%
Profit attributable to:						
- Owners of the Company	5,185	10,972	-53%	5,185	10,972	-53%
- Non-controlling interest	(50)	(82)	-39%	(50)	(82)	-39%
Profit for the financial period	5,135	10,890	-53%	5,135	10,890	-53%
Total comprehensive income attributable to:						
- Owners of the Company	4,769	11,010	-57%	4,769	11,010	-57%
- Non-controlling interest	(50)	(82)	-39%	(50)	(82)	-39%
Total comprehensive income for the financial period	4,719	10,928	-57%	4,719	10,928	-57%
Earnings per share attributable to equity holders of the Company:						
- Basic (sen)*	1.46	3.09	-53%	1.46	3.09	-53%
- Diluted (sen)	N/A	N/A	N/A	N/A	N/A	N/A

Other disclosure items pursuant to Note 16 of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At Current Financial Period Ended 30.9.2018	As At Preceding Financial Year Ended 30.06.2018
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	9,514	10,743
Software licences	7,551	7,302
Investment in jointly controlled entity	6	140
	17,071	18,185
Current Assets		
Trade receivables	20,610	21,513
Unbilled receivables	13,453	16,665
Deposits, prepayments and other receivables	8,084	8,181
Tax recoverable	191	202
Investments in cash funds	13,611	13,485
Cash and bank balances	37,793	38,787
	93,742	98,833
TOTAL ASSETS	110,813	117,018
EQUITY AND LIABILITIES		
Capital and reserves attributable to Owners of the Company		
Share capital	35,545	35,545
Retained earnings	67,700	73,179
Currency translation reserve	(3,079)	(2,663)
	100,166	106,061
Non-controlling interest	(1,473)	(1,423)
TOTAL EQUITY	98,693	104,638
Non-Current Liabilities		
Deferred tax liabilities	248	248
	248	248
Current Liabilities		
Trade and other payables	10,849	11,398
Current tax liabilities	1,023	734
	11,872	12,132
TOTAL LIABILITIES	12,120	12,380
TOTAL EQUITY AND LIABILITIES	110,813	117,018
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.28	0.30

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
(Company No. 597426-H)
(Incorporated in Malaysia)
FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and fully paid ordinary shares		Non-distributable	Distributable		
	Number of shares	Share capital	Currency translation reserve	Retained earnings	Non-controlling interest	Total Equity
	'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30.9.2017						
As at 1 July 2017	355,453	35,545	(2,095)	72,950	(1,119)	105,281
Currency translation differences, representing total income and expense recognised directly in equity	0	0	38	0	0	38
Net profit for the financial period	0	0	0	10,972	(82)	10,890
Total comprehensive income/(loss)	0	0	38	10,972	(82)	10,928
Dividends paid for the financial year ended: - 30 June 2017	0	0	0	(10,664)	0	(10,664)
As at 30 September 2017	355,453	35,545	(2,057)	73,258	(1,201)	105,545
3 months ended 30.9.2018						
As at 1 July 2018	355,453	35,545	(2,663)	73,179	(1,423)	104,638
Currency translation differences, representing total income and expense recognised directly in equity	0	0	(416)	0	0	(416)
Net profit for the financial period	0	0	0	5,185	(50)	5,135
Total comprehensive (loss)/income	0	0	(416)	5,185	(50)	4,719
Dividends paid for the financial year ended: - 30 June 2018	0	0	0	(10,664)	0	(10,664)
As at 30 September 2018	355,453	35,545	(3,079)	67,700	(1,473)	98,693

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

SCICOM (MSC) BERHAD
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FIRST QUARTER REPORT ENDED 30 SEPTEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Current Financial Period Ended 30.9.2018	Preceding Financial Year Ended 30.6.2018
	RM'000	RM'000
Operating Activities		
Net profit for the financial period	5,135	31,916
Adjustments:		
Depreciation of plant and equipment	1,184	6,125
Amortisation of software licenses	438	1,729
Bad debts written off	0	368
Unrealised foreign exchange loss	91	1,178
Taxation	1,678	5,113
Interest income	(265)	(994)
Loss on disposal of plant and equipment	0	1
Share of profit of joint venture	0	(5)
Operating profit before changes in working capital	8,261	45,431
Receivables	4,121	12,041
Payables	(549)	2,317
Cash flow from operations	11,833	59,789
Interest received	265	994
Taxation paid	(1,379)	(4,741)
Net cash flow generated from operating activities	10,719	56,042
Investing Activities		
Distribution received from joint venture	134	0
Proceeds from disposal of plant and equipment	0	15
Purchases of plant and equipment	(115)	(2,906)
Purchases of software licences	(687)	(4,643)
Investment in cash funds	(126)	(5,422)
Increase in fixed deposits with maturity of more than 3 months	0	5,000
Net cash flow used in investing activities	(794)	(7,956)
Financing Activities		
Payment of dividends	(10,664)	(31,991)
Net cash flow used in financing activities	(10,664)	(31,991)
Net (decrease)/increase in cash and cash equivalents	(739)	16,095
Effect of foreign exchange on cash and cash equivalents	(255)	(1,374)
Cash and cash equivalents at beginning of financial year	35,787	21,066
Cash and cash equivalents at end of financial period	34,793	35,787
Deposits with maturity of more than 3 months	3,000	3,000
Cash and bank balances at the end of the financial period	37,793	38,787

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited interim financial report should be read in conjunction with the Group's most recent audited financial statements for the financial year ended 30 June 2018.

The accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2018.

The Group has applied the following amendments for the first time for the financial year beginning on 1 July 2018:

- Annual Improvements to MFRS 128 "Investments in Associates and Joint Ventures"
- MFRS 9 'Financial Instruments' will replace MFRS 139 "Financial Instruments: Recognition and Measurement"
- MFRS 15 'Revenue from contracts with customers' replaces MFRS 118 'Revenue' and MFRS 111 'Construction Contracts' and related interpretations.
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"

The adoption of these amendments did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

Standards and amendments that have been issued but not yet effective

Effective for financial periods beginning on or after 1 January 2019

- MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations
- IC Interpretation 23 'Uncertainty over Income Tax Treatments'
- Annual Improvements to MFRS 112 "Income Taxes"

Management is currently assessing the impact arising from the initial application of these standards on the consolidated and separate financial statements of the Group.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2018.

3. AUDITORS' REPORT OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2018 was not qualified.

4. SEASONAL / CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonal and cyclical factors during the financial quarter under review.

5. UNUSUAL ITEMS

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

6. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no material changes in the basis of estimates of amounts previously reported which have a material effect in the financial quarter under review and financial period to date.

7. MOVEMENT IN DEBT AND EQUITY SECURITIES

During the current financial quarter and financial period to date, there were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

8. DIVIDENDS PAID

The following dividends were paid during the financial period to date :-

In respect of the financial year ended	Dividend	Date of dividend payment	Amount paid
2018	Interim dividend of 3.0 sen per ordinary share	28 September 2018	RM10,633,607

9. SEGMENT RESULTS AND REPORTING

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

The two primary segments that are the focus of the management's internal financial and operational reporting structure are as follows:

a. Business Process Outsourcing (BPO)'s suite of services include integrated solutions in Customer Lifecycle Management, e-Commerce Solutions and e-Government Solutions.

   Education includes educational and industrial training services primarily focused on customer care in the service industry.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. SEGMENT RESULTS AND REPORTING (cont'd)

Segmental analysis by geographical areas:

	Current Period Quarter 30.9.2018	Preceding Year Corresponding Quarter 30.9.2017
	RM'000	RM'000
Revenue		
Malaysia	23,140	27,761
Singapore	2,111	2,530
Philippines	6,267	9,503
Thailand	747	714
Sri Lanka	1,414	1,437
China	2,720	2,229
Others	2,260	1,664
	38,659	45,838

Segmental analysis by business segment is as follows:

For the financial period ended 30 September 2018

FY 2019	Current Financial Period Ended 30.9.2018			
	Outsourcing services	Education	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	38,593	66	-	38,659
Inter-segment revenue	-	5	(5)	-
Total revenue	38,593	71	(5)	38,659
Segment results	9,076	(906)		8,170
Unallocated income/ other gains				-
Depreciation of plant and equipment				(1,184)
Amortisation of software licences				(438)
Share of profit of joint venture				-
Finance income				265
Finance cost				-
Profit before taxation				6,813
Taxation				(1,678)
Net profit for the financial period				5,135

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9. SEGMENT RESULTS AND REPORTING (cont'd)

Segmental analysis by business segment is as follows (cont'd):

For the financial period ended 30 September 2017

FY 2018	Preceding Financial Period Ended 30.9.2017			
	Outsourcing services	Education	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	45,753	85	-	45,838
Inter-segment revenue	-	467	(467)	-
Total revenue	45,753	552	(467)	45,838
Segment results	13,911	(426)		13,485
Unallocated income/ other gains				-
Depreciation of plant and equipment				(1,623)
Amortisation of software licences				(340)
Share of results of joint venture (net of tax)				14
Finance income				234
Finance cost				-
Profit before taxation				11,770
Taxation				(880)
Net profit for the financial period				10,890

10. VALUATION OF PLANT AND EQUIPMENT

There was no revaluation of plant and equipment during the financial quarter under review and financial period to date. As at 30 September 2018, all plant and equipment were stated at cost less accumulated depreciation.

11. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the financial quarter under review up to the date of the interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations for the financial quarter under review.

On 24 October 2018, the Company acquired the entire issued and paid up share capital comprising 100 ordinary shares of Mauritius Rupees ("MUR") 1 (approximately RM0.12) each for a total consideration of MUR100 (approximately RM12) in SciSolutions (Mauritius) Ltd ("SML") ("the Acquisition").

SML was incorporated in the Republic of Mauritius on 26 July 2018.The principal activity of SML is for the promotion and provision of Scicom's suite of e-government and BPO services and solutions.

The Acquisition will not have any effect on Scicom's issued and paid up share capital and substantial shareholders' shareholdings. There shall be no material effect on the earnings, net assets or gearing of Scicom for the financial year ending 30 June 2019.

Dato' Sri Leo Suresh Ariyanayakam and Datuk Joseph Dominic Silva have been appointed as Directors of SML. None of the directors or substantial shareholders of Scicom or persons connected to them have any interest, whether direct or indirect in the Acquisition.

13. CONTINGENT LIABILITY OR CONTINGENT ASSET

There was no contingent liability or contingent asset arising since the last audited financial statement for the financial year ended 30 June 2018.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

14. COMMITMENTS

Commitments for the Group not provided for as at 30 September 2018 are as follows:

(a) Capital commitments

	Current Financial Period Ended 30.9.2018
	RM'000
In respect of plant and equipment - Authorised and contracted	230

(b) Non-cancellable operating leases

	Current Financial Period Ended 30.9.2018
	RM'000
Future minimum lease payments	
- not later than 1 year	3,935
- later than 1 year and not later than 5 years	2,946
	6,881

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

16. REVIEW OF PERFORMANCE

PERFORMANCE BY QUARTER/FINANCIAL PERIOD TO DATE

Financial quarter ended	30 Sep 2018	30 Sep 2017	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
Outsourcing	38,593	45,753	(7,160)
Education	66	85	(19)
Total revenue	**38,659**	**45,838**	**(7,179)**
Profit before taxation	**6,813**	**11,770**	**(4,957)**

a. Revenue

Outsourcing
The Group's Outsourcing business principally comprises services provided to clients on long term contracts. Additionally, clients require the Group to provide ad-hoc short term services. The reduction in billable headcount for certain projects as a result of a change in clients' requirements and/or strategies has also resulted in a reduction of billable revenue from these projects amounted to RM12.03 million for the financial quarter under review as compared to the preceding year corresponding quarter.

The decrease in revenue is mitigated by revenue from increase in existing projects which amounted to RM4.87 million, respectively.

The net decrease in the Group's outsourcing revenue for the financial quarter under review is RM7.16 million.

Education
The Group's Education focus is predicated on both internal and external requirements. The external revenue aspect of the Education business for the financial quarter under review is insignificant. The Group's internal training requirements are managed completely by the Education division.

b. Profit before taxation
The lower profit before tax for the financial quarter under review as compared to the preceding year corresponding quarter is due to lower revenue for the financial quarter under review.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Financial quarter ended	30 Sep 2018	30 Jun 2018	Increase/ (decrease)
Revenue	RM'000	RM'000	RM'000
Outsourcing	38,593	37,518	1,075
Education	66	118	(52)
Total revenue	**38,659**	**37,636**	**1,023**
Profit before taxation	**6,813**	**6,280**	**533**

a. Revenue

Outsourcing

The Group's outsourcing business principally comprises services provided to clients on long term contracts. Additionally, clients require the Group to provide ad-hoc short term services.

The net increase in revenue for the financial quarter under review by RM1.08 million as compared to the preceding financial quarter is due mainly to higher billable transactions during the financial quarter under review.

Education

The Group's Education focus is predicated on both internal and external requirements. The external revenue aspect of the Education business for the period under review is insignificant. The Group's internal training requirements are managed completely by the Education division.

b. Profit before taxation

The higher profit before taxation for the current financial quarter under review as compared to the preceding quarter is due mainly to the forex gain recognized for the financial quarter under review.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

18. CURRENT YEAR REVIEW

The Group registered a decrease in revenue and profit before taxation of 15.7% and 42.1% respectively, for the current financial quarter under review as compared to the preceding year financial quarter due to the reduction in transactional volume for Outsourcing's major clients since the 2nd half of the preceding financial year. However, the Group continues to aggressively enhance its pipeline of prospects locally and has made significant inroads in its business development efforts for its suite of products globally. The Group expects these prospects to convert and contribute to the Group's earnings in financial year 2019.

19. EXPLANATORY NOTES FOR VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not publish any profit forecast in respect of the financial year ended 30 June 2019.

20. TAXATION

	Current Financial Quarter Ended 30.9.2018 RM '000	Current Financial Period Ended 30.9.2018 RM '000
Group		
Current tax	1,678	1,678
Deferred tax	-	-
	1,678	1,678

The Malaysian current income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

A subsidiary of the Company has received tax assessment notices of RM1.4 million INR23.8 million (2018: RM1.4 million, INR23.8 million). These assessments are in respect to transfer pricing adjustments and the disallowance of certain expenses for tax purposes. Currently, the subsidiary is challenging the assessments in the Income Tax Appellate Tribunal, in India. The Board of Directors have received expert advice on this matter from a tax agent. Based on the advice received, the Board of Directors are of the view that no significant liability will crystallize from these assessments.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

21. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced but not completed as at 22 November 2018, being the date of this report.

22. GROUP BORROWINGS AND DEBT SECURITIES

The Group does not have any borrowings and debt securities as at 30 September 2018.

23. CHANGES IN MATERIAL LITIGATION

The Company had announced on 29 October 2018, that the Company was served with a writ of summons and statement of claim which was filed at the High Court of the Republic of Singapore on 29 July 2018 ("Claim"). The Claim was filed by Tawasol Al-Sharq Marketing Services (Company No. 4030154973) ("Plaintiff") against the Company as the 2nd defendant.

The Claim is inter alia, for a sum of USD416,930.80 with interest claimed at 5.33% per annum in relation to invoices issued by the Plaintiff after the Company had ceased to procure the Plaintiff's services.

The Company has sought legal advice from its solicitors who have advised that there is no basis to the Claim against the Company. The Directors of the Company are therefore confident that the Company will prevail in this litigation. The Claim is filed in Singapore and the Company has taken appropriate action to defend against the Claim. The Claim will not have any significant financial and operational impact on the Company.

The Company will make appropriate announcements to Bursa Malaysia Securities Berhad as and when there are developments in relations to this matter

Other than the above, there were no material litigation matters dealt with during the financial period to date or pending as at 22 November 2018, being the date of this report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

24. DIVIDENDS

The Board of Directors has approved and declared a first interim dividend of 2 sen, tax exempt, per ordinary share, amounting to RM7,109,071 which is payable on 21 December 2018.

	Current Financial Period Ended 30.9.2018	Preceding Financial Period Ended 30.9.2017
Interim dividend for the financial year ended 30 June	**2019**	**2018**
1st interim		
Approved and declared on	22-Nov-18	13-Nov-17
Date payable/paid	21-Dec-18	12-Dec-17
Based on register members dated	07-Dec-18	27-Nov-17
Amount per share	2.0 sen tax exempt	2.0 sen tax exempt
Net dividend payable/paid(RM)	7,109,071	7,109,071
Interim dividend for the financial year ended 30 June	**2018**	**2017**
4th interim		
Approved and declared on	27-Aug-18	25-Aug-17
Date paid	28-Sep-18	27-Sep-17
Based on register members dated	13-Sep-18	12-Sep-17
Amount per share	3.0 sen tax exempt	3.0 sen tax exempt
Net dividend paid (RM)	10,633,607	10,633,607

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

25. EARNINGS PER SHARE ("EPS")

The basic earnings per share for the financial quarter/period under review are computed as follows:

	Current Financial Quarter Ended 30.9.2018	Current Financial Period Ended 30.9.2018
Profit attributable to the Owners of the Company for the financial period (RM'000)	5,185	5,185
Weighted average number of ordinary shares in issue ('000)	355,454	355,454
Basic earnings per share (sen)	1.46	1.46

Diluted earnings per share is not applicable as the Company has no potential ordinary shares to be issued.

26. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value measurement

The Group measure fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

(i) Level 1 - quoted price (unadjusted) in active market for identical assets or liabilities;

(ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and

(iii) Level 3 - inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

26. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments carried at fair value:

The carrying value of the financial assets and liabilities of the Group as at 30 September 2018 disclosed in the report approximate their fair values.

The following table represents the assets measured at fair value:

	Current Financial Quarter Ended 30.9.2018 RM'000	As at Preceding Financial Period Ended 30.9.2017 RM'000
Available-for-sale financial assets		
Investments in cash funds - Recurring fair value measurement at Level 1 of the fair value hierarchy	13,611	8,130

There were no transfers between levels 1 and 2 for recurring fair value measurements during the financial period.

By order of the Board of Directors

DATO' SRI LEO SURESH ARIYANAYAKAM
DIRECTOR
22 NOVEMBER 2018