

**M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the Six (6) months ended 31 December 2016**

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 6 months ended</b>	
	<b>31-Dec-16 Unaudited RM'000</b>	<b>31-Dec-15 Unaudited RM'000</b>	<b>31-Dec-16 Unaudited RM'000</b>	<b>31-Dec-15 Unaudited RM'000</b>
<b>Revenue</b>	8,798	10,966	16,686	21,833
Operating Expenses	(8,099)	(11,069)	(15,879)	(21,102)
<b>Profit/(Loss) from Operations</b>	<u>699</u>	<u>(103)</u>	<u>807</u>	<u>731</u>
Net interest income/(expense)	19	(6)	24	(13)
Share of results in an associate	-	(147)	-	(548)
<b>Profit/(Loss) before taxation</b>	<u>718</u>	<u>(256)</u>	<u>831</u>	<u>170</u>
Income tax expense	(585)	(463)	(922)	(725)
<b>Net Profit/(Loss) for the period</b>	<u><u>133</u></u>	<u><u>(719)</u></u>	<u><u>(91)</u></u>	<u><u>(555)</u></u>
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation differences	<u>1,656</u>	<u>(356)</u>	<u>2,231</u>	<u>1,127</u>
Other comprehensive income/(loss) for the period, net of tax	<u>1,656</u>	<u>(356)</u>	<u>2,231</u>	<u>1,127</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>1,789</u></u>	<u><u>(1,075)</u></u>	<u><u>2,140</u></u>	<u><u>572</u></u>
<b>Attributable to:</b>				
Equity holders of the Company	(739)	(1,243)	(1,683)	(1,667)
Non-controlling interests	<u>872</u>	<u>524</u>	<u>1,592</u>	<u>1,112</u>
	<u><u>133</u></u>	<u><u>(719)</u></u>	<u><u>(91)</u></u>	<u><u>(555)</u></u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	169	(1,635)	(400)	(1,002)
Non-controlling interests	<u>1,620</u>	<u>560</u>	<u>2,540</u>	<u>1,574</u>
	<u><u>1,789</u></u>	<u><u>(1,075)</u></u>	<u><u>2,140</u></u>	<u><u>572</u></u>
<b>Earnings/(loss) per share</b>				
Basic / Diluted (sen)	(0.13)	(0.66)	(0.32)	(0.90)

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements)

**M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)**  
(Incorporated in Malaysia)

**NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**  
**For the Six (6) months ended 31 December 2016**

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	31-Dec-16 Unaudited RM'000	31-Dec-15 Unaudited RM'000	31-Dec-16 Unaudited RM'000	31-Dec-15 Unaudited RM'000
Profit/(Loss) before taxation				
Included in the Profit/(loss) before tax are the following items:				
Allowance for impairment of receivables	-	90	-	288
Amortisation of product development expenditure	250	258	491	535
Bad debts recovered	-	-	(1)	-
Depreciation of plant and equipment	262	331	511	653
(Gain)/loss on disposal of plant and equipment	(20)	-	(20)	-
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	83	15	88	25
- Unrealised	(398)	27	(185)	(124)
<u>Interest expense/(income)</u>				
- Interest expense	8	10	17	19
- Interest income	(27)	(4)	(41)	(6)
Property, plant and equipment written off	-	-	-	9

There is no income/expenses in relation to the below items :

- Allowance for impairment of joint venture
- Bad debts written off
- Exceptional items (Otherwise disclosed)
- Gain/loss on derivatives
- Impairment loss on goodwill
- Impairment loss on investment in an associate
- Inventories written down
- Inventories written off
- Investment income - Profit Guarantee ; and
- Product development expenditure written off

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements)

**M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 31 December 2016**

	<b>31-Dec-16</b> <b>Unaudited</b> <b>RM'000</b>	<b>30-Jun-16</b> <b>Audited</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	4,406	3,918
Intangible assets	4,688	4,198
Interest in a jointly controlled entity	-	-
Investment in an associate	-	-
	<u>9,094</u>	<u>8,116</u>
<b>Current Assets</b>		
Inventories	4,986	3,916
Trade and other receivables	28,223	23,757
Amount due from jointly controlled entity	-	64
Tax refundable	1,192	1,137
Cash and bank balances	37,596	6,408
	<u>71,997</u>	<u>35,282</u>
Asset classified as held for sale	-	3,780
<b>TOTAL ASSETS</b>	<u>81,091</u>	<u>47,178</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	58,685	19,732
Share premium	4,631	4,631
Treasury shares	(566)	(566)
Accumulated losses	(5,022)	(3,339)
Foreign currency translation reserve	2,595	1,312
	<u>60,323</u>	<u>21,770</u>
<b>Non-controlling interests</b>	<u>9,223</u>	<u>6,683</u>
<b>Total equity</b>	<u>69,546</u>	<u>28,453</u>
<b>Current Liabilities</b>		
Trade and other payables	10,262	17,900
Loans and borrowings	78	164
Amount due to a director	20	160
Tax payable	300	-
	<u>10,660</u>	<u>18,224</u>
<b>Non-current Liabilities</b>		
Loans and borrowings	820	429
Deferred tax liabilities	65	60
Provision for gratuity	-	12
	<u>885</u>	<u>501</u>
<b>Total liabilities</b>	<u>11,545</u>	<u>18,725</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>81,091</u>	<u>47,178</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	10.32	11.18

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements)

**M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Six (6) months ended 31 December 2016**

	Share Capital	Share Premium	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings/ (Accumulated Losses)	Total	Non-Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Six (6) months ended 31 December 2016</b>								
Balance at 1 July 2016	19,732	4,631	(566)	1,312	(3,339)	21,770	6,683	28,453
Issuance of shares	38,953		-	-	-	38,953	-	38,953
Total comprehensive income/(loss) for the period	-	-	-	1,283	(1,683)	(400)	2,540	2,140
Balance at 31 December 2016	58,685	4,631	(566)	2,595	(5,022)	60,323	9,223	69,546
<b>Six (6) months ended 31 December 2015</b>								
Balance at 1 July 2015	18,561	4,572	(566)	1,625	2,588	26,780	4,905	31,685
Issuance of shares	1,171	59	-	-	-	1,230	-	1,230
Total comprehensive income/(loss) for the period	-	-	-	629	(1,631)	(1,002)	1,670	668
Balance at 31 December 2015	19,732	4,631	(566)	2,254	957	27,008	6,575	33,583

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements)

**M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Six (6) months ended 31 December 2016**

	6 months ended	
	31-Dec-16 Unaudited RM'000	31-Dec-15 Unaudited RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	831	170
Adjustment for :		
Allowance for impairment of receivables	-	288
Amortisation of product development expenditure	491	535
Bad debts recovered	(1)	-
Depreciation of plant and equipment	511	653
(Gain)/loss on disposal of plant and equipment	(20)	-
(Gain)/loss on foreign exchange translation - Unrealised	(185)	(124)
Interest expense	17	19
Interest income	(41)	(6)
Plant and equipment written off	-	9
Share of results in an associate	-	548
Operating profit before working capital changes	1,603	2,092
Changes in working capital :		
Increase in inventories	(1,070)	(774)
Increase in trade and other receivables	(4,280)	(2,508)
Decrease in amount due from an joint venture	64	-
(Decrease)/Increase in trade and other payables	(7,650)	5,909
Decrease in amount due to a Director	(140)	-
Cash flows (used in)/generated from operating activities	(11,473)	4,719
Tax paid	(672)	(1,048)
<b>Net cash (used in)/generated from operating activities</b>	<b>(12,145)</b>	<b>3,671</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	41	6
Purchase of plant and equipment	(979)	(786)
Product development expenditure	(981)	(991)
<b>Net cash used in investing activities</b>	<b>(1,919)</b>	<b>(1,771)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expense	(17)	(19)
Issuance of new shares	38,953	-
Repayment of loans and borrowings	305	(76)
<b>Net cash generated from/(used in) financing activities</b>	<b>39,241</b>	<b>(95)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	25,177	1,805
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	6,011	2,577
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	6,408	3,512
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>37,596</b>	<b>7,894</b>

The cash and cash equivalents at beginning of year and quarter end represents cash on hand, cash and banks balances.

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements)

**M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)**  
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**Part A - Explanatory Notes Pursuant to MFRS 134**

**1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2016. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to understanding the changes in the financial position and performance of the Group since the financial year ended 30 June 2016.

**2. Significant Accounting Policies**

The accounting policies applied by the Group in preparing the condensed consolidated interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 30 June 2016. The Group will adopt the following MFRSs, amendments to MFRSs and IC Interpretation when they become effective in the following financial year:

- (i) Effective for financial periods beginning on or after 1 July 2016:

MFRS 14 'Regulatory Deferral Accounts'

Amendments to MFRS 11 'Accounting for Acquisition of Interests in Joint Operations'

Amendments to MFRS 101 'Disclosure Initiative'

Amendments to MFRS 127 'Equity Method in Separate Financial Statements'

Amendments to MFRS 116 and MFRS 138 'Clarification of Acceptable Methods of Depreciation'

Amendments to MFRS 116 and MFRS 141 'Agriculture: Bearer Plants'

Amendments to MFRS 10, 12 and 128 'Investment Entities: Applying the Consolidation Exception'

Annual Improvements to MFRSs 2012-2014 Cycle

### **3. Seasonal or Cyclical Factors**

The business of the Group is not affected by any significant seasonal or cyclical factors.

### **4. Unusual Items due to their Nature, Size or Incidence**

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the current quarter under review.

### **5. Changes in Accounting Estimates and Errors**

There were no changes in accounting estimates or error that have a material effect in the current quarter under review.

### **6. Debt and Equity Securities**

The Company had on 25 August 2016 completed its Rights Issue with Warrants exercise following the admission of the warrants to the Official List and the listing of quotation for 389,525,880 new ordinary shares of RM0.10 each together with 292,144,409 warrants on the ACE Market of Bursa Securities.

Save as disclosed above, there were no issuance, repurchases and repayments of debt and equity securities in the current quarter under review.

### **7. Dividend Paid**

No dividend has been proposed or paid in the current quarter under review.

## 8. Segmental Information

Segmental information of the results of the Group for the cumulative quarter is as follows:

### (i) Geographical Segment

<b><u>6 months ended</u></b> <b><u>31 December 16</u></b>	<b>Malaysia</b> <b>RM'000</b>	<b>Thailand</b> <b>RM'000</b>	<b>Pakistan</b> <b>RM'000</b>	<b>Other</b> <b>Countries</b> <b>RM'000</b>	<b>Eliminations/ Adjustments</b> <b>RM'000</b>	<b>Group</b> <b>RM'000</b>
Revenue	5,937	549	9,113	1,834	(747)	16,686
Segment results	(3,263)	(85)	5,037	(1,194)	312	807
Interest (expense)/income	(12)	(2)	-	(3)	41	24
Profit/(loss) before taxation	(3,275)	(87)	5,037	(1,197)	353	831
Segment assets	56,505	8,980	29,240	30,206	(43,839)	81,091

<b><u>6 months ended</u></b> <b><u>31 December 15</u></b>	<b>Malaysia</b> <b>RM'000</b>	<b>Thailand</b> <b>RM'000</b>	<b>Pakistan</b> <b>RM'000</b>	<b>Other</b> <b>Countries</b> <b>RM'000</b>	<b>Eliminations/ Adjustments</b> <b>RM'000</b>	<b>Group</b> <b>RM'000</b>
Revenue	11,938	514	8,323	1,892	(834)	21,833
Segment results	(2,249)	(8)	3,351	(388)	25	731
Interest (expense)/income	(10)	(2)	-	(1)	-	(13)
Share of results in an associate	-	-	-	-	(548)	(548)
Profit/(loss) before taxation	(2,259)	(10)	3,351	(389)	(523)	170
Segment assets	11,460	7,801	21,178	(2,859)	14,878	52,458



## 8. Segmental Information (cont'd)

### (ii) Business Segment

<b><u>6 months ended</u></b> <b><u>31 December 16</u></b>	<b>Mobile Solutions RM'000</b>	<b>Trading &amp; Distribution RM'000</b>	<b>Eliminations/ Adjustments RM'000</b>	<b>Group RM'000</b>
Revenue	14,150	3,283	(747)	16,686
Segment results	2,069	(1,574)	312	807
Interest income/(expense)	(12)	(5)	41	24
Profit/(loss) before taxation	2,057	(1,579)	353	831
Segment assets	105,423	19,507	(43,839)	81,091
<b><u>6 months ended</u></b> <b><u>31 December 15</u></b>	<b>Mobile Solutions RM'000</b>	<b>Trading &amp; Distribution RM'000</b>	<b>Eliminations/ Adjustments RM'000</b>	<b>Group RM'000</b>
Revenue	18,936	3,731	(834)	21,833
Segment results	1,762	(1,056)	25	731
Interest income/(expense)	(9)	(4)	-	(13)
Share of results in an associate	-	-	(548)	(548)
Loss before taxation	1,753	(1,060)	(523)	170
Segment assets	36,227	1,353	14,878	52,458

## 9. Related parties transactions

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Administration fee	8	-	16	-
Sales to a related party	2	-	2	-
Sales to an associate	-	110	-	145
	<u>10</u>	<u>110</u>	<u>18</u>	<u>145</u>

The transactions were carried out in the ordinary course of business and are on normal commercial terms

## 10. Subsequent Events

There was no material event that took place between 1st January 2017 to the seventh day before the date of issuing this report.

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market**

**11. Performance Review**

Business Segment	Current quarter 3 months ended			Cumulative quarter 6 months ended	
	FY2017-Q2	FY2016-Q2	FY2017-Q1	FY2017-Q2	FY2016-Q2
	31-Dec-16	31-Dec-15	30-Sep-16	31-Dec-16	31-Dec-15
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Mobile Solutions</b>					
Revenue	7,489	9,516	6,661	14,150	18,936
Profit/(loss) before taxation	1,655	784	402	2,057	1,753
% Profit/(loss) before taxation	22.1%	8.2%	6.0%	14.5%	9.3%
<b>Trading &amp; Distribution</b>					
Revenue	1,309	1,451	1,227	2,536	2,897
Profit/(loss) before taxation	(1,220)	(918)	(359)	(1,579)	(1,060)
% Profit/(loss) before taxation	-93.2%	-63.3%	-29.3%	-62.3%	-36.6%
<b>Adjustment</b>					
Profit/(loss) before taxation	283	(122)	70	353	(523)
<b>Total</b>					
Revenue	8,798	10,966	7,888	16,686	21,833
Profit/(loss) before taxation	718	(256)	113	831	170
% Profit/(loss) before taxation	8.2%	-2.3%	1.4%	5.0%	0.8%

Q2-2017 vs. Q2-2016

The Group generated a total revenue of RM 8.80 million for this quarter ended 31 December 2016 (“Q2-2017”), representing a decrease of RM 2.17 million as compared to RM 10.97 million generated in the previous year corresponding quarter ended 31 December 2015 (“Q2-2016”).

The decrease in revenue in Q2-2017 was mainly due to a significant reduction in Mobile Solutions Services (VAS) arising from many factors both in and out of the Group’s control, such as the overall economic environment and increased competition brought about by reduced barriers to entry for our rivals. However, the increased revenue from our Pakistan operation has mitigated the overall decrease.

We are pleased to note that Profit Before Taxation has increased by RM0.98 million from a previous Loss Before Taxation of RM0.26 million in Q2-2016, as compared to Profit Before Taxation of RM0.72 million generated in Q2-2017. This increase is in large attributable to the favorable results from Pakistan, along with the ongoing effects of our restructuring and optimization exercises that we began several years ago to combat declining revenue and operational inefficiency.

## Q2-2017 vs. Q1-2017

Compared to the previous quarter ended 30 September 2016 (“Q1-2017”), the Group’s revenue has shown an increase by RM 0.91 million, from RM 7.89 million to RM 8.80 million in (“Q2-2017”).

In line with the increase revenue, Profit Before Taxation for 31 December 2016 (“Q2-2017”) increased by RM 0.61 million as compared to Profit Before Taxation of RM 0.11 million incurred in the previous quarter ended 30 September 2016 (“Q1-2017”). This increase in profit from quarter to quarter serves to prove that existing strategies are effective and bearing fruit. There have been improvements across the Group’s product and services lines, particularly in the mobile solutions businesses. Additional measures such as more aggressive promotion resulted in higher sell-through profit margins on top of reduced costs that have lead to the improved results.

## **12. Commentary on Prospects**

The Group's individual business divisions have clearly laid-out plans to best address any challenges that are expected in the market place. Experienced managers and staff have their tailored and unique strategies implemented and constantly fine-tuned, such as with our VAS mobile business. Although Revenue had decreased, the group had already undertaken cost-cutting measures in anticipation. As such, the Group was still able to register RM0.83 million profit before tax in spite of the revenue reduction.

Going forward, the Group is continuing its on-going focus to improve Revenue with continuous effort in expanding our product range, most recently with the EZVIZ brand of home and business surveillance cameras and action sports video devices. There are current products and services that we have yet to focus our marketing and promotional efforts on, and as current revenue stabilizes, we will be able to shift our valuable resources to these. The coming quarters are likely to see further Revenue contribution from our GPS tracker business via Indonesia operation, as top-up orders signify that the business seems close to reaching critical mass.

## **13. Profit Forecast and Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee.

## **14. Taxation**

	<b>Current Quarter 3 months ended</b>		<b>Cumulative Quarter 6 months ended</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of current period:-				
- Malaysian tax	-	-	-	-
- Foreign tax	585	463	922	725
	<u>585</u>	<u>463</u>	<u>922</u>	<u>725</u>

The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by a subsidiary.

## 15. Corporate Proposals

### Utilisation of Proceeds from Corporate Exercises

#### Multiple Proposals

The Company had on 25 August 2016 completed its Rights Issue with Warrants exercise following the admission of the warrants to the Official List and the listing of and quotation for 389,525,880 new ordinary shares of RM0.10 each together with 292,144,409 warrants on the ACE Market of Bursa Securities.

The utilisation of gross proceeds raised as at 31 December 2016 is as follows:-

<b>Purpose</b>	<b>Proposed utilisation (RM'000)</b>	<b>Actual utilisation (RM'000)</b>	<b>Balance yet to be utilised (RM'000)</b>	<b>Estimated timeframe for utilisation</b>
Purchase of i3Display terminals, screens and parts	8,000	662	7,338	Within 24 months
Purchase of products for distribution within existing and new product range	6,500	6,500	-	Within 24 months
Purchase of smart home solution devices	3,000	-	3,000	Within 24 months
Product/software development expenditure	3,500	1,423	2,077	Within 24 months
Working capital	17,750	5,798	11,952	Within 24 months
Estimated expenses for the proposals	203	203	-	Within 24 months
<b>Total</b>	<b>38,953</b>	<b>14,585</b>	<b>24,367</b>	

## 16. Group Borrowings and Debt Securities

The Group borrowings as at 31 December 2016 and 30 June 2016 are as follows:

	<b>31-Dec-16</b> <b>RM'000</b>	<b>30-Jun-16</b> <b>RM'000</b>
<b>Current</b>		
<u>Secured</u>		
- Term loan	62	62
- Obligations under finance leases	16	102
	<hr/> 78	<hr/> 164
<b>Non-current</b>		
<u>Secured</u>		
- Term loan	373	405
- Obligations under finance leases	447	24
	<hr/> 820	<hr/> 429
Total Group borrowings	<hr/> 898	<hr/> 593

The Group did not have any debt securities as at 31 December 2016.

## 17. Realised and Unrealised Earnings or Losses Disclosure

The retained earnings as at 31 December 2016 and 30 June 2016 are analysed as follows:

	<b>31-Dec-16</b> <b>RM'000</b>	<b>30-June-16</b> <b>RM'000</b>
The accumulated losses of the Group		
- Realised	(4,957)	(3,279)
- Unrealised	(65)	(60)
Total Group accumulated losses as per unaudited consolidated financial statement	<hr/> (5,022)	<hr/> (3,339)

## 18. Changes in Material Litigation

As at the seventh (7<sup>th</sup>) day before the date of issuing this report, the Company was not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

## 19. Earnings Per Share

The earnings per share was calculated by dividing the Company's profit after taxation and non-controlling interests by the weighted average number of ordinary shares in the respective period as follows:

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Profit/(Loss) after tax and non-controlling interests (RM'000)	(739)	(1,243)	(1,683)	(1,667)
Weighted average number of ordinary shares in issue	584,288,820	187,349,330	519,367,840	185,203,285
<u>Profit/(Loss) Per Share</u>				
Basic Earnings/(Diluted) Sen	(0.13)	(0.66)	(0.32)	(0.90)

## 20. Derivatives

The Group did not enter into any derivatives during the current quarter under review.

## 21. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

## 22. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2016 was not qualified.