

**NETX HOLDINGS BERHAD (533441-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31/3/2017 RM'000	31/3/2016 RM'000	31/3/2017 RM'000	31/3/2016 RM'000
REVENUE	2,622	3,816	4,233	9,729
COST OF SALES	(395)	(1,381)	(1,541)	(3,408)
GROSS PROFIT / (LOSS)	2,227	2,435	2,692	6,321
OTHER INCOME	61	(117)	490	131
ADMINISTRATION EXPENSES	(979)	(819)	(2,784)	(1,624)
OTHER OPERATING EXPENSES	-	(6)	-	(32)
PROFIT / (LOSS) FROM OPERATIONS	1,309	1,493	398	4,796
FINANCE COST	(40)	(48)	(126)	(148)
PROFIT / (LOSS) BEFORE TAX	1,269	1,445	272	4,648
INCOME TAX EXPENSES	(1)	(11)	(4)	(11)
NET PROFIT / (LOSS) FOR THE PERIOD	1,268	1,434	268	4,637
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	1,268	1,434	268	4,637
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	1,306	1,449	371	4,656
NON-CONTROLLING INTEREST	(38)	(15)	(103)	(19)
	1,268	1,434	268	4,637
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	1,306	1,449	371	4,656
NON-CONTROLLING INTEREST	(38)	(15)	(103)	(19)
	1,268	1,434	268	4,637
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	0.10	0.23	0.03	0.74

*The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.*

**NETX HOLDINGS BERHAD (533441-W)**  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	AS AT 31 March 2017 Unaudited RM'000	AS AT 30 June 2016 Audited RM'000
<b><u>ASSETS</u></b>		
<b><u>NON-CURRENT ASSETS</u></b>		
Property, Plant and Equipment	5,938	5,854
Intangible Assets	2,491	3,215
Deferred Tax Asset	677	677
Goodwill on Consolidation	693	693
	<u>9,799</u>	<u>10,439</u>
<b><u>CURRENT ASSETS</u></b>		
Inventories	304	407
Trade Receivables	9,565	7,137
Other Receivables, Deposits and Prepayment	13,880	189
Tax Recoverable	5	5
Fixed Deposits placed with Licensed Bank	3,710	-
Short Term Investment	4,369	-
Cash and Bank Balances	3,133	27,624
	<u>34,966</u>	<u>35,362</u>
<b>TOTAL ASSETS</b>	<u><u>44,765</u></u>	<u><u>45,801</u></u>
<b><u>EQUITIES AND LIABILITIES</u></b>		
<b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u></b>		
Share Capital	25,022	62,555
Share Premium	1,822	1,822
Warrant Reserve	15,263	15,263
Accumulated Losses	(971)	(38,875)
	<u>41,136</u>	<u>40,765</u>
Non-Controlling Interest	(187)	(84)
<b>TOTAL EQUITY</b>	<u>40,949</u>	<u>40,681</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Long Term Borrowing (Mortgage)	2,650	2,878
	<u>2,650</u>	<u>2,878</u>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	421	420
Other Payables and Accruals	352	332
Provision for warranty	-	1,170
Deferred Income	106	46
Short Term Borrowing (Mortgage)	287	274
	<u>1,166</u>	<u>2,242</u>
<b>TOTAL LIABILITIES</b>	3,816	5,120
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u><u>44,765</u></u>	<u><u>45,801</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.03	0.03

*The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.*

**NETX HOLDINGS BERHAD (533441-W)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	←	← ATTRIBUTABLE TO OWNER OF THE PARENT →			→		
	SHARE CAPITAL RM'000	NON - DISTRIBUTABLE SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	DISTRIBUTABLE ACCUMULATED LOSSES RM'000	TOTAL RM'000	NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
<b>Balance as at 1 July 2016</b>	62,555	1,822	15,263	(38,875)	40,765	(84)	40,681
Net profit for the financial period representing total comprehensive expenses for the period	-	-	-	371	371	(103)	268
Transactions with owners: Par Value reduction	(37,533)	-	-	37,533	-	-	-
<b>Balance as at 31 March 2017</b>	<b>25,022</b>	<b>1,822</b>	<b>15,263</b>	<b>(971)</b>	<b>41,136</b>	<b>(187)</b>	<b>40,949</b>
<b>Balance as at 1 July 2015</b>	62,555	2,599	-	(46,575)	18,579	(60)	18,519
Net profit for the financial period representing total comprehensive income for the period	-	-	-	4,656	4,656	(19)	4,637
Transactions with owners: Par Value reduction	(31,278)	-	-	31,278	-	-	-
<b>Balance as at 31 March 2016</b>	<b>31,277</b>	<b>2,599</b>	<b>-</b>	<b>(10,641)</b>	<b>23,235</b>	<b>(79)</b>	<b>23,156</b>

*The unaudited Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.*

**NETX HOLDINGS BERHAD (533441-W)**  
(Incorporated in Malaysia)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	<b>CURRENT YEAR TO DATE 31/3/2017 RM'000</b>	<b>PRECEDING YEAR TO DATE 31/3/2016 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	272	4,648
Adjustment for:		
Depreciation of property, plant and equipment	158	125
Amortisation of intangible assets	830	-
Amortisation of deferred income	(87)	(9)
Provision for warranty	-	1,170
Bad debts written off	-	26
Property, plant and equipment written off	-	3
Loss on disposal of plant and equipment	-	3
Unrealised foreign exchange loss	(155)	360
Interest expense	126	148
Interest income	(211)	(13)
<b>Operating (loss)/profit before working capital changes</b>	<b>933</b>	<b>6,461</b>
Increase in current assets	(15,832)	(6,712)
Decrease in current liabilities	(1,150)	728
<b>Cash Used in Operations</b>	<b>(16,049)</b>	<b>477</b>
Tax Paid	(5)	(11)
Interest paid	(126)	(148)
<b>Net Cash Used in Operations</b>	<b>(16,180)</b>	<b>318</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	164	13
Proceeds from disposal of property, plant and equipment	-	7
Purchase of intangible assets	(105)	-
Purchase of property, plant and equipment	(77)	(297)
<b>Net Cash From/(Used in) Investing Activities</b>	<b>(18)</b>	<b>(277)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(214)	(191)
<b>Net Cash Used in Financing Activities</b>	<b>(214)</b>	<b>(191)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(16,412)</b>	<b>(150)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>27,624</b>	<b>2,479</b>
<b>UNREALISED FOREIGN EXCHANGE GAIN</b>	<b>-</b>	<b>(183)</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>11,212</b>	<b>2,146</b>
Cash and cash equivalents at end of year consist of :-		
Cash and bank balances	3,133	2,146
Short Term Investment	4,369	-
Fixed deposit with licensed bank	3,710	-
	<b>11,212</b>	<b>2,146</b>

*The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.*

**NETX HOLDINGS BERHAD (533441-W)**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31  
MARCH 2017**

**A. EXPLANATORY NOTES**

**A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The report should be read in conjunction with the audited financial statements of the Group for year ended 30 June 2016. The explanatory notes attached to the quarterly financial report provide an explanation on 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 30 June 2016.

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2016 except for the adoption of the following MFRS and Amendments to MFRS. The adoption of these MFRSs does not have any significant impact on the interim financial statements of the Group and the Company.

<b><u>MFRS and IC Interpretations (Including the Consequential Amendments)</u></b>		<b><u>Effective Date</u></b>
Annual Improvements to MFRSs 2012 - 2014 Cycle		1 January 2016
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture : Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 10 MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016

The following MFRS and Amendments to MFRS have been issued by MASB but are not yet effective to the Group:

<b><u>MFRS and IC Interpretations (Including the Consequential Amendments)</u></b>		<b><u>Effective Date</u></b>
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 12	Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 1 & 128	Annual Improvements to MFRSs 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consolidation	1 January 2018
MFRS 16	Leases	1 January 2019

#### **A2 SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group are not subject to any seasonal or cyclical factors.

#### **A3 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 ended 31 March 2017.

#### **A4 CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect on the financial period under review.

#### **A5 DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 March 2017 other than Par Value Reduction disclosed in note B8(b).

**A6 DIVIDENDS PAID**

No dividends were paid during the financial period under review.

**A7 SEGMENTAL INFORMATION**

The Group's operating segments are classified according to the nature of activities as follow:-

Electronic Payment services : Involved in terminal and other related services  
 Non-electronic Payment services : Involved in provision of turnkey solutions on the network infrastructure, security management, research and development of software, system design, integration and installation and provision of IT services.

	Individual Quarter		Cumulative Quarter	
	Ended 31.3.2017 RM'000	Ended 31.3.2016 RM'000	Ended 31.3.2017 RM'000	Ended 31.3.2016 RM'000
<b>Segment Revenue</b>				
Electronic Payment services	2,316	60	3,910	173
Non-Electronic Payment services	330	3,772	399	9,620
	2,646	3,832	4,309	9,793
Eliminations	(24)	(16)	(76)	(64)
Group revenue	2,622	3,816	4,233	9,729
<b>Segment Results</b>				
Electronic Payment services	1,631	(87)	2,035	(116)
Non-Electronic Payment services	(362)	1,532	(1,763)	4,764
Profit before taxation	1,269	1,445	272	4,648

**A8 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There were no valuation undertaken for property, plant and equipment.

**A9 CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the financial period under review.

**A10 CONTINGENT LIABILITIES**

There were no material contingent liabilities not provided for as at the date of this report.

#### **A11 SIGNIFICANT EVENTS DURING THE INTERIM REPORTING PERIOD**

There were no material events during the interim reporting period other than corporate exercise disclosed in Note B8.

#### **A12 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD**

- 1) Ariantec Sdn Bhd, a wholly-owned subsidiary has on 4 April 2017 entered into a Licensing Agreement with Payallz International Limited for the licensing of Ariantec's products, namely AllZ mPos, AllZ+, AllZ360° and AllZ Wallet, based on a 50/50 revenue sharing model depending on the sales of the Products.
- 2) Payallz Sdn Bhd, a subsidiary of the Company has on 12 April 2017 entered into a Technology Collaboration Agreement with XOX Wallet Sdn Bhd, to develop an electronic payment mobile exchange that enables every XOX Berhad subscribers to be an e-commerce merchant and have interconnect ability with both local and international payment gateways.
- 3) Payallz Sdn Bhd, a subsidiary of the Company has on 19 April 2017 entered into a Technology Partnership Agreement with M3 Online Sdn Bhd, to develop an electronic payment mobile exchange that enables every XOX Berhad subscribers to be an e-commerce merchant and have interconnect ability with both local and international payment gateways.
- 4) Payallz Sdn Bhd, a subsidiary of the Company has on 5 May 2017 entered into a Technology Partnership Agreement with E-Do Business Technology Corporation ("E-DO"), a Company incorporated in China, for the provision of e-commerce online payment, e-wallet and loyalty programme solutions in territories of Cambodia, Malaysia and Thailand. E-DO specializes in the provision of payment services for Alipay, WePay and Union Pay.

#### **A13 CAPITAL COMMITMENTS**

The amount of commitments not provided for as at 31 March 2017 is as follows:

	RM'000
Approved and contracted for:	
Intangible Assets	<u>293</u>

#### **A14 RELATED PARTY TRANSACTIONS**

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



## **B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

### **B1 PERFORMANCE REVIEW**

For the current quarter ended 31 March 2017, the Group recorded revenue of RM2.62 million, lower as compared to RM3.82 million in the corresponding quarter in previous year. This was mainly due to lower revenue generated from Non-electronic payment services segment in current quarter, as compared to RM3.77 million in the corresponding quarter in previous year; mitigated by higher revenue from electronic payment services segment.

The Group recorded a profit before taxation for the current quarter of RM1.27 million, lower than RM1.45 million in the corresponding quarter in previous year, mainly due to lower revenue achieved.

For the 9 months ended 31 March 2017, the Group recorded revenue of RM4.23 million, lower as compared to RM9.73 million in the preceding year to-date. The lower revenue in current year to-date was mainly due to lower revenue generated from Non-electronic payment services segment, but mitigated by higher revenue from electronic payment services segment.

The Group recorded a profit before taxation for the 9 months ended 31 March 2017 of RM272k, lower as compared to RM4.65 million in the preceding year to-date, mainly due to lower revenue achieved, warranties claim by a customer resulted in loss of RM330k, amortization of intangible assets of RM830k and higher marketing, support centre and staff related expenses.

#### Electronic Payment Services Segment

Electronic payment services segment achieved revenue of RM2.3 million in current quarter and RM3.9 million in current year to-date, higher than RM60k in the corresponding quarter in previous year and RM173k in preceding year to-date respectively, was mainly due to intensive marketing initiative to increase number of merchant and new sales on electronic payment solutions.

This segment achieved profit before tax of RM1.63 million in current quarter and RM2.04 million in current year to-date, significantly improved as compared to loss before tax of RM87k in the corresponding quarter in previous year and RM116k in preceding year to-date respectively, mainly due to higher revenue achieved from intensive marketing initiative to increase number of merchant and new sales on electronic payment solutions.

#### Non-electronic Payment Services Segment

Non-Electronic payment services segment recorded revenue of RM330k in current quarter and RM399k in current year to-date, lower than corresponding quarter in previous year of RM3.77 million and preceding year to-date of RM9.62 million. The loss before tax of RM362k in current quarter and RM1.76 million in current year to-date, higher loss as compared to profit before tax of RM1.5 million in corresponding quarter in previous year and RM4.76 million in the preceding year to-date respectively, was mainly due to lower sales and warranties claim by a customer resulted in loss of RM330k.

**B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED WITH PRECEDING QUARTER**

	<b>Current Quarter Ended 31.3.2017 RM'000</b>	<b>Preceding Quarter Ended 31.12.2016 RM'000</b>
Revenue	2,622	1,228
(Loss)/Profit before tax	<u>1,269</u>	<u>208</u>

The Group recorded revenue of RM2.62 million in current quarter, higher revenue as compared to RM1.23 million in previous quarter was mainly due to higher revenue from payment services segment as a result of intensive marketing initiative to increase number of merchant and new sales on electronic payment software.

The Group achieved profit before tax of RM1.27 million in current quarter, higher as compared to RM208k in previous quarter, was mainly due to higher revenue achieved in current quarter.

**B3 FUTURE PROSPECTS**

The Group continue to pursue business ventures domestically and internationally to propel future growth despite the uncertain market condition.

The Group is optimistic to deliver a reasonable performance with the implementation of digital free-trade zone for the financial year ending 30 June 2017.

**B4 PROFIT FORECAST OR PROFIT GUARANTEE**

There is no profit forecast and profit guarantee provided by the Company.

**B5 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)**

	<b>As at 31.3.2017 Unaudited RM'000</b>	<b>As at 30.06.2016 Audited RM'000</b>
Total accumulated losses:		
- Realised Profit / (Loss)	(1,648)	(38,382)
- Unrealised Profit / (Loss)	<u>677</u>	<u>(493)</u>
Total accumulated losses as per consolidated statement of financial position	<u>(971)</u>	<u>(38,875)</u>

**B6 PROFIT / (LOSS) BEFORE TAX**

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter Ended	Current Year Todate Ended	Preceding Year Todate Ended
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging/(crediting) :-				
Depreciation of Property, plant and equipment	54	40	158	125
Amortisation of intangible assets	279	-	830	-
Loss on disposal of P.P.E	-	3	-	3
Bad debts written off	-	-	-	26
Property, plant and equipment written off	-	3	-	3
Provision of warranty	-	-	-	1,170
Interest expense	40	48	126	148
Foreign exchange loss / (gain)	73	513	(147)	350
Interest income	(88)	(1)	(211)	(13)
Rental income	(47)	(35)	(125)	(104)

**B7 TAXATION**

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter Ended	Current Year Todate Ended	Preceding Year Todate Ended
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	1	11	4	11
- Deferred taxation	-	-	-	-
Total	1	11	4	11

The Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated taxable profit for the financial period.

The effective tax rate of the Group for the financial period were lower than the statutory tax rate mainly due to unabsorbed losses brought forward.

## B8 STATUS OF CORPORATE PROPOSALS

### A) STATUS OF UTILISATION OF PROCEEDS RAISED FROM RIGHT ISSUE WITH WARRANTS

Following the completion of Right Issue with Warrantms on 16 June 2016, the following are the status of utilisation of the proceeds in the financial quarter under review:-

<b>Purpose</b>	<b>Original Proposed Utilisation (RM'000)</b>	<b>Revised Proposed Utilisation Revision</b>	<b>Actual Utilisation (RM'000)</b>	<b>Deviation</b>	<b>Intended Timeframe for Utilisation</b>	
Development of Electronic payment platform and solutions	10,000		10,000	4,361	-	Within 24 months
Expansion of existing business and acquisition of future business	12,778	3,036	15,814	12,648	-	Within 24 months
Repayment of existitng bank borrowings	3,300	(3,036)	264	264	-	Within 6 months
Working Capital	4,200		4,200	2,401	-	Within 24 months
Corporate Exercise exp	1,000		1,000	1,000	-	Within 2 months
	<u>31,278</u>	<u>-</u>	<u>31,278</u>	<u>20,674</u>	<u>-</u>	

The Board has on 21<sup>st</sup> February 2017 approved the revision of the proceeds utilisation raised from the Company's Right Issue with Warrants.

### B) PAR VALUE REDUCTION

On 22 September 2016, the Company proposed to undertake the proposed reduction of the issued and paid up share capital of NetX via the cancellation of RM0.03 of the par value of every existing ordinary share of RM0.05 each to RM0.02 each pursuant to Section 64 of the Companies Act, 1965 ("Proposed Par Value Reduction"). The Proposed Par Value Reduction has been approved by the shareholders at the Extraordinary General Meeting held on 24 November 2016. The High Court of Malaya had on 15 February 2017 granted an order confirming the Par Value Reduction.

## B9 GROUP BORROWINGS AND DEBT SECURITIES

	<b>As at 31.3.2017 Unaudited RM'000</b>	<b>As at 30.06.2016 Audited RM'000</b>
<b>Short term borrowing</b>		
Secured	<u>287</u>	<u>274</u>
<b>Long term borrowing</b>		
Secured	<u>2,650</u>	<u>2,878</u>

**B10 DIVIDEND PAYABLE**

No dividend was declared or paid in the current period under review.

**B11 EARNINGS PER SHARE****(a) Basic**

Basic earnings per share is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The basic earnings per share was calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31.3.2017	Preceding Year Corresponding Quarter Ended 31.3.2016	Current Year Todate Ended 31.3.2017	Preceding Year Totate Ended 31.3.2016
Net profit/(loss) attributable to owners of the parent (RM)	1,306,000	1,449,000	371,000	4,656,000
Weighted average number of ordinary shares	1,251,106,066	625,553,033	1,251,106,066	625,553,033
Basic profit/(loss) per share (sen)	0.10	0.23	0.03	0.74

**(b) Diluted**

The outstanding warrants have been excluded from the computation of fully diluted loss per ordinary share as the exercise of warrants to ordinary shares would be anti-dilutive.

**B12 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 30 June 2016 was not subject to any qualification.

**B13 AUTHORISATION FOR ISSUE**

The interim financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the directors.