

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2016
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Revenue	5,216	6,288	17,303	18,906
Cost of sales	(2,160)	(2,257)	(6,926)	(6,102)
Gross profit	3,056	4,031	10,377	12,804
Other income	296	190	595	436
Other operating expenses	(426)	(498)	(1,541)	(1,510)
Marketing expenses	(30)	(14)	(97)	(99)
Administrative expenses	(1,520)	(1,407)	(4,346)	(4,162)
Finance costs	-	-	-	(1)
Profit before tax	1,376	2,302	4,988	7,468
Tax expense	(181)	(379)	(1,145)	(1,683)
Profit for the period	1,195	1,923	3,843	5,785
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,195	1,923	3,843	5,785
Profit for the period attributable to:				
Owners of the parent	1,286	1,772	4,079	5,725
Non-controlling interests	(91)	151	(236)	60
	1,195	1,923	3,843	5,785
Earnings per share				
- Basic (sen)	0.62	0.86	1.97	2.77
- Diluted (sen)	N/A	N/A	N/A	N/A

(The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	(Unaudited) 30.09.2016 RM'000	(Audited) 31.12.2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		16,139	17,257
Development costs		9,737	10,026
Goodwill on consolidation		-	32
Total non-current assets		25,876	27,315
Current assets			
Inventories		28	79
Trade and other receivables		4,790	7,912
Cash and cash equivalents	B7	21,764	19,702
Total current assets		26,582	27,693
TOTAL ASSETS		<u>52,458</u>	<u>55,008</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		20,687	20,677
Share premium		57	-
Reserves		23,144	23,263
		43,888	43,940
Non-controlling interests		(50)	506
TOTAL EQUITY		<u>43,838</u>	<u>44,446</u>

(The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 30.09.2016 RM'000	(Audited) 31.12.2015 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Borrowings	B8	4,485	5,221
Deferred tax liabilities		77	77
Total non-current liabilities		4,562	5,298
Current liabilities			
Trade and other payables		2,945	3,578
Borrowings	B8	981	981
Current tax liabilities		132	705
Total current liabilities		4,058	5,264
TOTAL LIABILITIES		8,620	10,562
TOTAL EQUITY AND LIABILITIES		52,458	55,008
Net assets per share attributable to equity holders of the Company (RM)		0.21	0.21

(The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total Attributable to the Owners of the Parent RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<u>9 Months Period Ended</u>						
<u>30 September 2016</u>						
At 1 January 2016	20,677	-	23,263	43,940	506	44,446
Issuance of shares pursuant to conversion of warrants (1)	10	57	-	67	-	67
Total comprehensive income for the period	-	-	4,025	4,025	(236)	3,789
Disposal of investment in subsidiary	-	-	(9)	(9)	(320)	(329)
Dividend paid			(4,135)	(4,135)	-	(4,135)
At 30 September 2016	<u>20,687</u>	<u>57</u>	<u>23,144</u>	<u>43,888</u>	<u>(50)</u>	<u>43,838</u>
<u>9 Months Period Ended</u>						
<u>30 September 2015</u>						
At 1 January 2015	20,677	-	21,914	42,591	491	43,082
Total comprehensive income for the period	-	-	5,724	5,724	60	5,784
Dividend paid	-	-	(4,135)	(4,135)	-	(4,135)
At 30 September 2015	<u>20,677</u>	<u>-</u>	<u>23,503</u>	<u>44,180</u>	<u>551</u>	<u>44,731</u>

1. 97,875 new EForce shares issued on 28 September 2016 pursuant to the conversion of Warrants at exercise price of RM0.68 per ordinary share.

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	Note	9 Months Period Ended	
		30.09.2016 RM'000	30.09.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,988	7,468
Adjustments for:			
Amortisation of development costs		1,370	1,072
Depreciation of property, plant and equipment		1,039	1,126
Unrealised loss/(gain) on foreign exchange		10	(85)
Gain on disposal of property, plant and equipment		(23)	(22)
Property, plant and equipment written off		96	-
Gain on disposal of investment		-	-
Interest expense		-	1
Interest income from deposits with licensed banks		(395)	(245)
Operating profit before working capital changes		7,085	9,315
Changes in working capital:			
Increase in inventories		52	(40)
Decrease/(Increase) in trade and other receivables		2,921	(901)
(Decrease) in trade and other payables		118	(369)
Increase in development cost		(1,977)	(2,152)
Cash generated from operations		8,199	5,853
Tax paid		(1,718)	(1,374)
Net cash from operating activities		6,481	4,479
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		395	245
Effect on cash flow from disposal of subsidiary		141	-
Purchase of property, plant and equipment		(160)	(596)
Proceeds from disposal of property, plant and equipment		24	48
Net cash from/(used in) investing activities		400	(303)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	Note	9 Months Period Ended	
		30.09.2016 RM'000	30.09.2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of			
- Hire purchas liabilities		-	(51)
- Term loan		(736)	(736)
Interest paid		-	(1)
Proceed from issuance of new shares		67	-
Dividend paid		(4,135)	(4,135)
Net cash used in financing activities		(4,804)	(4,923)
Net decrease in cash and cash equivalents		2,077	(747)
Effects of exchange rate changes		(15)	91
Cash and cash equivalents at 1 January		19,702	20,547
Cash and cash equivalents at 30 September	B7	21,764	19,891

Notes:

* Denotes amount less than RM1,000

(The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.)

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

A1. Basis of Preparation

The unaudited interim financial statements, for the period ended 30 September 2016, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2015.

Since the previous annual audited financial statements as at 31 December 2015 were issued, the Group has adopted the Malaysia Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converged Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

At the date of issuance of this unaudited interim financial statements, the MFRSs, amendments to MFRSs and IC Interpretation have been issued by MASB but not yet effective are as listed below:

Effective from financial period beginning on or after 1 January 2016

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (‘MASB’) but have not been early adopted by the Group and the Company.

Title	Effective Date
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs <i>Annual Improvements to 2012-2014 Cycle</i>	1 January 2016
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A1. Basis of Preparation (continue)

The Group is in the process of assessing the impact of implementing these standards and amendments, since the effect will only be observable for the future financial year.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2015 was not qualified.

A3. Seasonality or Cyclicity of Interim Operations

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the current financial quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Material Changes in Accounting Estimates

There was no material changes in estimates of amounts reported in the prior financial year that has a material effect on the current financial quarter under review.

A6. Issuances, Cancellation, Repurchases, Resale and Repayments of Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

A7. Dividends Paid and Distributed

On 24 February 2015, the Board of Directors had declared a first interim tax exempt dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2015. The dividend was paid to the shareholders of EForce on 31 March 2015.

On 26 May 2015, the Board of Directors had declared a second interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2015. The dividend was paid to the shareholders of EForce on 30 June 2015.

On 20 November 2015, the Board of Directors had declared a third interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2015. The dividend was paid to the shareholders of EForce on 23 December 2015.

**A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)
(continued)**

A7. Dividends Paid and Distributed (continue)

On 25 February 2016, the Board of Directors had declared a first interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2016. The dividend was paid to the shareholders of EForce on 25 March 2016.

On 31 May 2016, the Board of Directors had declared a second interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2016. The dividend was paid to the shareholders of EForce on 1 July 2016.

A8. Segmental Reporting

Segment information is presented in respect of the Group’s business segments.

- (i) Application Solutions (“AS”)
 - Sales of software applications and product on an outright purchase basis.
- (ii) Application Services Providers (“ASP”)
 - Income from outsourcing service charge which is volume and transaction based.
- (iii) Maintenance Services
 - Provision of maintenance services.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A8. Segmental Reporting

(a) Individual quarter

<u>3 Months Period Ended</u> <u>30 September 2016</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	993	3,830	472	5,295
Inter-segment revenue	-	(79)	-	(79)
Revenue from external customers	993	3,751	472	5,216
Results				
Segment results	29	982	214	1,225
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				151
Profit before tax				1,376
Income tax expense				(181)
Net profit for the period / Total comprehensive income for the period				1,195

<u>3 Months Period Ended</u> <u>30 September 2015</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	1,730	4,232	448	6,410
Inter-segment revenue	-	(122)	-	(122)
Revenue from external customers	1,730	4,110	480	6,288
Results				
Segment results	593	1,383	251	2,227
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				75
Profit before tax				2,302
Income tax expense				(379)
Net profit for the period / Total comprehensive income for the period				1,923

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A8. Segmental Reporting (continued)

(b) Cumulative quarter

<u>9 Months Period Ended</u> <u>30 September 2016</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	4,194	12,048	1,439	17,681
Inter-segment revenue	(17)	(361)	-	(378)
Revenue from external customers	4,177	11,687	1,439	17,303
Results				
Segment results	820	3,037	737	4,594
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				394
Profit before tax				4,988
Income tax expense				(1,145)
Net profit for the period / Total comprehensive income for the period				3,843

<u>9 Months Period Ended</u> <u>30 September 2015</u>	AS RM'000	ASP RM'000	Maintenance Services RM'000	Total RM'000
Revenue				
Total revenue	5,832	12,068	1,378	19,278
Inter-segment revenue	-	(372)	-	(372)
Revenue from external customers	5,832	11,696	1,378	18,906
Results				
Segment results	1,959	4,467	798	7,224
Finance costs	-	(1)	-	(1)
Interest income from deposits with licensed bank				245
Profit before tax				7,468
Income tax expense				(1,683)
Net profit for the period / Total comprehensive income for the period				5,785

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

A9. Subsequent Material Event

There was no material event subsequent to the current financial quarter ended 31 September 2016 up to the date of the announcement of this report which is likely to substantially affect the results of the operations of the Group for the current financial quarter under review.

A10. Changes in the Composition of the Group

On 31 May 2016, the Group had disposed off the entire shareholdings of 130,000 ordinary shares of RM1.00 each in Capital Market Risk Advisor Sdn. Bhd. (“CMRA”), representing 52% of the total issued and paid up share capital of CMRA, to Mr. Teh Kheng Wan Michael (NRIC No. 670704-71-5059) for a total cash consideration of RM416,000.00 (the “Disposal”). Upon the disposal, CMRA ceased to be a subsidiary of EFORCE.

On 15 September 2016, the Group has disposed off the entire shareholding of 306,000 ordinary shares of RM1.00 each in Winvest Global Sdn Bhd. (“Winvest”), representing 51% of the total issued and paid up share capital of Winvest, to Mr. Hoo Wun Sang for a total cash consideration of RM66,738.00 (the “Disposal”). Upon the Disposal, Winvest ceased to be a subsidiary of EFORCE.

A11. Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets for the current financial quarter under review.

A12. Recurrent Related Party Transactions (“RRPT”)

There were no RRPT in the Group during the current financial quarter under review.

A13. Capital Commitments

As at 30 September 2016, the Group has no material capital commitment in respect of property, plant and equipment.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of Group's Performance

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

For the 9 months ended 30 September 2016, the Group registered a turnover of RM17.3 million, decrease by 8% or RM1.6 million compared to the same corresponding period a year ago. The drop in revenue is mainly attributed by lower revenue from Application Solution (AS) segment.

The profit before tax (PBT) for the period under review stood at RM4.99 million, lower by RM2.48 million or 33% as compared to the same period last year. The drop in PBT was mainly due to lower sales, loss incurred in subsidiary and change in amortisation policy that lead to higher amortisation cost charge out.

The profit after tax (PAT) recorded at RM3.84 million, a decrease of RM1.94 million or 34% compared to same corresponding period last year.

B2. Variation of Results against Preceding Quarter

	Q3 2016	Q2 2016	< ----- Increase ----- >	
	RM'000	RM'000	RM'000	%
Revenue	5,216	5,866	(650)	(11)
PBT	1,376	1,395	(19)	(1)
PAT	1,195	1,044	151	9

The Group's revenue for current quarter record at RM5.22 million, decrease by RM650K or 11% compared to immediate preceding quarter. This was attributed by lower revenue recorded in Application Solution segment (AS) and Application Service Provider (ASP).

PBT in current quarter stood at RM1.38 million, slight decrease of 1% or RM19K compared to immediate preceding quarter mainly due to lower sales and higher amortisation charge out. The lower PBT was offset by higher interest income and lower operating cost.

PAT recorded at RM1.2 million, increase of 9% or RM151K as compared to immediate preceding quarter.

B3. Prospects for 2016

Despite the uncertain global economic outlook, the Group is committed to improve and enhance on its product quality and services. The Group believe that focusing on its core business segments shall remain its priority. Under the current challenging market environment, and with the increase operating cost, the Group foresees the current year financial result will be impacted.

Nevertheless, the Group has secured a few new contracts recently and bulk of it will recognised to revenue in coming financial year. The Group will take necessary steps to address the increase in operating expenditure.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B4. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast nor profit guarantee for the current financial quarter under review and the financial period to-date.

B5. Taxation

The taxation charge for the individual financial quarter and the cumulative financial quarter are as follows:

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.09.16 RM'000	30.09.15 RM'000	30.09.16 RM'000	30.09.15 RM'000
Income tax	181	379	964	1,145
Deferred tax	-	-	-	-
	<u>181</u>	<u>379</u>	<u>964</u>	<u>1,145</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced as at the date of this quarterly report.

B7. Cash and cash equivalents

The Group cash and cash equivalents as at 30 September 2016 comprise of:-

	RM'000
Cash in hand	16
Cash at banks	7,437
Short term fund - Investment in fixed income trust funds	14,311
	<u>21,764</u>

B8. Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2016 were as follow:-

	Term Loan RM'000
Current	981
Non-current	4,485
	<u>5,466</u>

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B) (continued)**

B9. Off Balance Sheet Financial Instruments

The Company does not have any off balance sheet financial instruments as at the date of this report.

B10. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B11. Dividends

On 24 February 2015, the Board of Directors had declared a first interim tax exempt dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2015. The dividend was paid to the shareholders of EForce on 31 March 2015.

On 26 May 2015, the Board of Directors had declared a second interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2015. The dividend was paid to the shareholders of EForce on 30 June 2015.

On 20 November 2015, the Board of Directors had declared a third interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2015. The dividend was paid to the shareholders of EForce on 23 December 2015.

On 25 February 2016, the Board of Directors had declared a first interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2016. The dividend was paid to the shareholders of EForce on 25 March 2016.

On 31 May 2016, the Board of Directors had declared a second interim single tier dividend of 10% equivalent 1.0 sen per ordinary share of RM0.10 each, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2016. The dividend was paid to the shareholders of EForce on 1 July 2016.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B12. Earnings per Share ("EPS")

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.09.16	30.09.15	30.09.16	30.09.15
<u>(a) Basic EPS</u>				
Net profit attributable to the equity holders of the Company (RM'000)	1,286	1,772	4,079	5,724
Weighted average number of ordinary shares in issue ('000)	206,866	206,768	206,866	206,768
Basic EPS (sen)	<u>0.62</u>	<u>0.86</u>	<u>1.97</u>	<u>2.77</u>

The calculation of the basic EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter ended 30 September 2016, divided by the weighted average number of ordinary shares outstanding during the financial year.

B12. Earnings per Share ("EPS") (continue)

(b) Diluted EPS

The diluted earnings per ordinary share is same as the basic earnings per share because the effect of the assumed conversion of warrants will be anti-dilutive and the Company has no other dilutive potential ordinary share in issue as at the end of the reporting period.

B13. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at 30 September 2016 into realised and unrealised profits, pursuant to the directive issued by Bursa Securities dated 25 March 2010, is as follow:

	As at 30.09.16 RM'000	As at 30.09.15 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	22,803	23,801
- Unrealised (loss) / profit	(88)	(430)
	<u>22,714</u>	<u>23,371</u>
Add: Consolidation adjustments	429	132
Total Group retained profits as per consolidated accounts	<u>23,143</u>	<u>23,503</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B14. Profit for the Period

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.09.16 RM'000	30.09.15 RM'000	30.09.16 RM'000	30.09.15 RM'000
Profit for the period is arrived after charging:				
Amortisation of development costs	434	357	1,370	1,072
Depreciation of property, plant and equipment	306	377	1,039	1,126
Finance costs	-	-	-	1
Loss on foreign exchange	-	1	66	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
and after crediting:				
Gain on disposal of property, plant and equipment	-	-	22	22
Gain on foreign exchange	13	74	25	118
Interest income from deposits with licensed bank	152	75	395	245
Rental income	23	-	53	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes:

* Denotes amount less than RM1,000