

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017**

**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	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Revenue	6,002	5,866	11,797	12,087
Cost of sales	(1,946)	(2,447)	(4,096)	(4,766)
<b>Gross profit</b>	<u>4,056</u>	<u>3,419</u>	<u>7,701</u>	<u>7,321</u>
Other income	154	178	310	299
Other operating expenses	(335)	(575)	(693)	(1,115)
Marketing expenses	(4)	(32)	(10)	(67)
Administrative expenses	(1,457)	(1,594)	(2,762)	(2,826)
Finance costs	-	-	-	-
<b>Profit before tax</b>	<u>2,414</u>	<u>1,395</u>	<u>4,546</u>	<u>3,612</u>
Tax expense	(550)	(351)	(1,025)	(964)
<b>Profit for the period</b>	<u>1,864</u>	<u>1,044</u>	<u>3,521</u>	<u>2,648</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>1,864</u>	<u>1,044</u>	<u>3,521</u>	<u>2,648</u>
<b>Profit for the period attributable to:</b>				
Owners of the parent	1,864	1,052	3,521	2,793
Non-controlling interests	-	(8)	-	(145)
	<u>1,864</u>	<u>1,044</u>	<u>3,521</u>	<u>2,648</u>
<b>Earnings per share</b>				
- Basic (sen)	<u>0.45</u>	<u>0.51</u>	<u>0.85</u>	<u>1.35</u>
- Diluted (sen)	<u>0.30</u>	<u>N/A</u>	<u>0.58</u>	<u>N/A</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 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	(Unaudited) 30.06.2017 RM'000	(Audited) 31.12.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,467	15,908
Development costs	10,109	9,832
<b>Total non-current assets</b>	25,576	25,740
<b>Current assets</b>		
Inventories	26	26
Trade and other receivables	5,368	3,962
Cash and cash equivalents	20,712	23,329
<b>Total current assets</b>	26,106	27,317
<b>TOTAL ASSETS</b>	<b>51,682</b>	<b>53,057</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	20,687	20,687
Share premium	57	-
Reserves	23,026	24,815
	43,770	45,502
Non-controlling interests	-	(81)
<b>TOTAL EQUITY</b>	<b>43,770</b>	<b>45,421</b>

*(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 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

*(The figures have not been audited)*

	Note	(Unaudited) 30.06.2017 RM'000	(Audited) 31.12.2016 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>(continued)</b>			
<b>Non-current liabilities</b>			
Borrowings	B8	3,749	4,240
Deferred tax liabilities		63	63
<b>Total non-current liabilities</b>		3,812	4,303
<b>Current liabilities</b>			
Trade and other payables		2,727	2,291
Borrowings	B8	981	981
Current tax liabilities		392	61
<b>Total current liabilities</b>		4,100	3,333
<b>TOTAL LIABILITIES</b>		7,912	7,636
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>51,682</b>	<b>53,057</b>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		0.11	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 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017**

**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
<b>6 Months Period Ended</b>						
<b>30 June 2017</b>						
At 1 January 2017	20,687	57	24,758	45,502	(81)	<b>45,421</b>
Total comprehensive income for the period	-	-	3,521	3,521	-	<b>3,521</b>
NCI reclassification as result of acquisition of Insage	-	-	(81)	(81)	81	-
Dividend paid	-	-	(5,172)	(5,172)	-	<b>(5,172)</b>
At 30 June 2017	<b>20,687</b>	<b>57</b>	<b>23,026</b>	<b>43,770</b>	<b>-</b>	<b>43,770</b>
<b>6 Months Period Ended</b>						
<b>30 June 2016</b>						
At 1 January 2016	20,677		23,263	43,940	506	<b>44,446</b>
Total comprehensive income for the period	-		3,065	3,065	(144)	<b>2,921</b>
Disposal of investment in subsidiary	-		(272)	(272)	(371)	<b>(643)</b>
Dividend paid			(4,135)	(4,135)		<b>(4,135)</b>
At 30 June 2016	<b>20,677</b>		<b>21,921</b>	<b>42,598</b>	<b>(9)</b>	<b>42,589</b>

*(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 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

*(The figures have not been audited)*

	Note	6 Months Period Ended	
		30.06.2017 RM'000	30.06.2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		4,546	3,821
Adjustments for:			
Amortisation of development costs		1,037	868
Depreciation of property, plant and equipment		466	733
Unrealised loss/(gain) on foreign exchange		23	19
Gain on disposal of property, plant and equipment		-	(22)
Property, plant and equipment written off		-	96
Interest income from deposits with licensed banks		(297)	(244)
Operating profit before working capital changes		5,775	5,271
Changes in working capital:			
Increase in inventories		-	46
(Increase)/decrease in trade and other receivables		(1,358)	1,279
Increase/(Decrease) in trade and other payables		383	(270)
(Increase) in development cost		(1,314)	(1,068)
Cash generated from operations		3,486	5,258
Tax paid		(693)	(680)
<b>Net cash from operating activities</b>		<b>2,793</b>	<b>4,578</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		297	244
Effect on cash flow from disposal of subsidiary		-	(137)
Purchase of property, plant and equipment		(26)	(126)
Proceeds from disposal of property, plant and equipment		-	24
<b>Net cash used in investing activities</b>		<b>271</b>	<b>5</b>

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 June 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

*(The figures have not been audited)*

	Note	6 Months Period Ended	
		30.06.2017 RM'000	30.06.2016 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of			
- Term loan		(491)	(491)
Interest paid		-	-
Dividend paid		(5,171)	(4,135)
<b>Net cash used in financing activities</b>		<b>(5,662)</b>	<b>(4,626)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,598)</b>	<b>(43)</b>
<b>Effects of exchange rate changes</b>		<b>(19)</b>	<b>(28)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>23,329</b>	<b>19,702</b>
<b>Cash and cash equivalents at 30 June</b>	B7	<b>20,712</b>	<b>19,631</b>

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 2016 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 June 2017, 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 2016. 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 2016.

Since the previous annual audited financial statements as at 31 December 2016 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:

#### **New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2017**

The Standards and Amendments that are issued but not yet effective up to the date of issuance of financial statements of the Group and the Company are disclosed below. The Group and the Company intend to adopt these Standards and Amendments, if applicable, when they become effective.

<b><u>Title</u></b>	<b><u>Effective date</u></b>
Amendments to MFRS 12 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2017
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 140 Transfers of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

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

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**A1. Basis of Preparation (continue)**

Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	See MFRS 4 Paragraphs 46 and 48
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Amendments and Standards, since the effects would only be observable for the future financial years.

**A2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2016 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.



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

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**A7. Dividends Paid and Distributed**

On 24 February 2017, the Board of Directors had declared a first interim tax exempt dividend of 1.0 sen per ordinary share, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 28 March 2017.

On 19 May 2017, the Board of Directors had declared a second interim tax exempt dividend of 1.5 sen per ordinary share, amounting to approximately RM3.09 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 16 June 2017.

**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)**

**(a) Individual quarter**

<b><u>3 Months Period Ended</u></b> <b><u>30 June 2017</u></b>	<b>AS</b> <b>RM’000</b>	<b>ASP</b> <b>RM’000</b>	<b>Maintenance</b> <b>Services</b> <b>RM’000</b>	<b>Total</b> <b>RM’000</b>
<b>Revenue</b>				
Total revenue	1,178	4,451	453	6,082
Inter-segment revenue	-	(80)	-	(80)
Revenue from external customers	1,178	4,371	453	6,002
<b>Results</b>				
Segment results	555	1,501	208	2,264
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				150
Profit before tax				2,414
Income tax expense				(550)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>1,864</b>

<b><u>3 Months Period Ended</u></b> <b><u>30 June 2016</u></b>	<b>AS</b> <b>RM’000</b>	<b>ASP</b> <b>RM’000</b>	<b>Maintenance</b> <b>Services</b> <b>RM’000</b>	<b>Total</b> <b>RM’000</b>
<b>Revenue</b>				
Total revenue	1,348	4,201	494	6,043
Inter-segment revenue	(17)	(160)	-	(177)
Revenue from external customers	1,332	3,895	473	5,866
<b>Results</b>				
Segment results	139	897	238	1,274
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				121
Profit before tax				1,395
Income tax expense				(351)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>1,044</b>

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

**(b) Cumulative quarter**

<b><u>6 Months Period Ended</u></b> <b><u>30 June 2017</u></b>	<b>AS</b> <b>RM'000</b>	<b>ASP</b> <b>RM'000</b>	<b>Maintenance</b> <b>Services</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Revenue</b>				
Total revenue	2,577	8,428	951	11,956
Inter-segment revenue	-	(159)	-	(159)
Revenue from external customers	2,577	8,269	951	11,797
<b>Results</b>				
Segment results	1,187	2,623	439	4,249
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				297
Profit before tax				4,646
Income tax expense				(1,025)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>3,521</b>

<b><u>6 Months Period Ended</u></b> <b><u>30 June 2016</u></b>	<b>AS</b> <b>RM'000</b>	<b>ASP</b> <b>RM'000</b>	<b>Maintenance</b> <b>Services</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Revenue</b>				
Total revenue	3,201	8,218	967	12,386
Inter-segment revenue	(17)	(282)	-	(299)
Revenue from external customers	3,184	7,936	967	12,087
<b>Results</b>				
Segment results	792	2,055	523	3,369
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				243
Profit before tax				3,612
Income tax expense				(964)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>2,648</b>

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

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**A9. Subsequent Material Event**

There was no material event subsequent to the current financial quarter ended 30 June 2017 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**

The Board of Directors of Excel Force MSC Berhad (“EFORCE” or “the Company”) wishes to announce that the Company has on 31 March 2017 entered into a Share Sale Agreement to acquire its remaining shareholding of 80,000 ordinary shares in Insage MSC Sdn. Bhd. (“Insage”), representing 40% of the total issued and paid up share capital of Insage, from Mr. Kek Chin Wu and Ms. Kek Pei Chin holding an equal amount of 40,000 Insage Shares each for a total cash consideration of RM1.00 (“the Acquisition”). Upon the Acquisition, Insage shall be a wholly-owned 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 June 2017, 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 6 months ended 30 June 2017, the Group registered a turnover of RM11.8 million, decrease by 2% or RM290K compared to the same corresponding period a year ago. The decrease in revenue is mainly due to lower contribution from Application Solution (AS) segment, while Application Service Provider segment (ASP) record as increase in revenue. Lower revenue in AS segment was mainly due to disposal of loss making subsidiaries.

The profit before tax (PBT) for the period under review stood at RM4.5 million, higher by RM933K or 26% as compared to the same correspondence period last year. The increase in PBT was mainly due to lower cost of sales and operating expenditure, where it was mainly attributed from disposal of subsidiaries in previous financial year.

The profit after tax (PAT) recorded at RM3.5 million, an increase of RM872K or 33% compared to same corresponding period last year.

### B2. Variation of Results against Preceding Quarter

	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>&lt; ----- Increase ----- &gt;</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	6,002	5,795	207	4
PBT	2,414	2,132	282	14
PAT	1,864	1,657	206	13

The Group's revenue for current quarter record at RM6 million, slight increase by RM207K or 4% compared to immediate preceding quarter. This was attributed by higher sales recorded in segment Application Service providers (ASP).

PBT in current quarter stood at RM2.4 million, increase of 14% or RM282K compared to immediate preceding quarter. This was mainly attributed by higher revenue recorded and lower cost of sales, partially offset by higher operating expenditure.

PAT recorded at RM1.9 million, increase of 13% or RM206K as compared to immediate preceding quarter.

### B3. Prospects for 2017

Bank Negara Malaysia reported that Malaysian economic growth is projected to continue its strong performance in the second half of 2017, after registering growth of 5.7% in the first half of 2017. Bursa Malaysia also recorded a stellar performance in first 6 months of 2017. This trend is expected to persist and will sustain our customers' good performance. While we are optimistic of our prospect ahead, we will continue to focus on implementing our productivity improvement initiatives to drive out inefficiencies and wastages. This on-going activity will further strengthen our bottom-line results.

**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	
	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000
Income tax	550	351	1,025	964
Deferred tax	-	-	-	-
	<u>550</u>	<u>351</u>	<u>1,025</u>	<u>964</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 June 2017 comprise of:-

	<b>RM'000</b>
Cash in hand	16
Cash at banks	6,214
Short term fund - Investment in fixed income trust funds	14,482
	<u>20,712</u>

**B8. Group Borrowings and Debt Securities**

The Group borrowings as at 30 June 2017 were as follow:-

	<b>Term Loan RM'000</b>
Current	981
Non-current	3,749
	<u>4,730</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 2017, the Board of Directors had declared a first interim tax exempt dividend of 1.0 sen per ordinary share, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 28 March 2017.

On 19 May 2017, the Board of Directors had declared a second interim tax exempt dividend of 1.5 sen per ordinary share, amounting to approximately RM3.09 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 16 June 2017.

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

	<b>Individual Financial</b>		<b>Cumulative Financial</b>	
	<b>Quarter Ended</b>		<b>Quarter Ended</b>	
	<b>30.06.17</b>	<b>30.06.16</b>	<b>30.06.17</b>	<b>30.06.16</b>
<b><u>(a) Basic EPS</u></b>				
Net profit attributable to the equity holders of the Company (RM'000)	1,864	1,052	3,521	2,793
Weighted average number of ordinary shares in issue ('000)	413,732	206,768	413,732	206,768
Basic EPS (sen)	<u>0.45</u>	<u>0.51</u>	<u>0.85</u>	<u>1.35</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 June 2017, divided by the weighted average number of ordinary shares outstanding during the financial year.

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

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

	Individual Financial Quarter Ended		Cumulative Financial Quarter Ended	
	30.06.17	30.06.16	30.06.17	30.06.16
<b><u>(b) Diluted EPS</u></b>				
Net profit attributable to the equity holders of the Company (RM'000)	1,864	1,052	3,521	2,793
Weighted average number of ordinary shares in issue ('000)	413,732	206,768	413,732	206,768
Adjusted for :				
Assumed full conversion of Warrants	206,572	-	206,572	-
	<u>620,304</u>	<u>206,768</u>	<u>620,304</u>	<u>206,768</u>
Diluted EPS (sen)	<u>0.30</u>	<u>N/A</u>	<u>0.57</u>	<u>N/A</u>

The calculation of the diluted EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter ended 30 June 2017, divided by the weighted average number of ordinary shares outstanding during the financial year.

**B13. Realised and Unrealised Profits**

The breakdown of retained profits of the Group as at 30 June 2017 into realised and unrealised profits, pursuant to the directive issued by Bursa Securities dated 25 March 2010, is as follow:

	As at 30.06.17 RM'000	As at 30.06.16 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	22,919	21,640
- Unrealised (loss) / profit	<u>(86)</u>	<u>(57)</u>
	22,833	21,583
Add: Consolidation adjustments	<u>193</u>	<u>238</u>
Total Group retained profits as per consolidated accounts	<u>23,026</u>	<u>21,921</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	
	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000
<b>Profit for the period is arrived after charging:</b>				
Amortisation of development costs	518	461	1,037	936
Amortisation of intangible assets	-	-	-	-
Depreciation of property, plant and equipment	230	359	466	737
Finance costs	-	-	-	-
Loss on foreign exchange	12	-	19	66
	<u>12</u>	<u>-</u>	<u>19</u>	<u>66</u>
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	-	-	-	22
Gain on foreign exchange	-	-	-	12
Interest income from deposits with licensed bank	149	122	297	243
Rental income	15	15	30	30
	<u>15</u>	<u>15</u>	<u>30</u>	<u>30</u>

Notes:

\* Denotes amount less than RM1,000