

INARIAMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Period Quarter	Preceding Year Corresponding Quarter	%	Current Period To Date	Preceding Financial Period	%
	30/09/2017 RM'000	30/09/2016 RM'000		30/09/2017 RM'000	30/09/2016 RM'000	
Revenue	373,089	281,577	32.5%	373,089	281,577	32.5%
Cost of sales	(273,309)	(221,846)	23.2%	(273,309)	(221,846)	23.2%
Gross Profit	99,780	59,731	67.0%	99,780	59,731	67.0%
Other income	2,990	10,751	-72.2%	2,990	10,751	-72.2%
Administrative expenses	(28,643)	(20,148)	42.2%	(28,643)	(20,148)	42.2%
Operating Profit	74,127	50,334	47.3%	74,127	50,334	47.3%
Finance costs	(459)	(369)	24.4%	(459)	(369)	24.4%
Profit before taxation	73,668	49,965	47.4%	73,668	49,965	47.4%
Tax expenses	(4,973)	(1,813)	> 100%	(4,973)	(1,813)	> 100%
Profit for the financial period	68,695	48,152	42.7%	68,695	48,152	42.7%
Profit for attributable to:						
Owners of the Company	68,376	48,004	42.4%	68,376	48,004	42.4%
Non-controlling interests	319	148	> 100%	319	148	> 100%
	68,695	48,152	42.7%	68,695	48,152	42.7%
Other comprehensive income, net of tax:						
Foreign currency translation of foreign operations	(4,271)	1,287	> -100%	(4,271)	1,287	> 100%
Fair value changes of available-for-sale investment	-	1,217	> -100%	-	1,217	> -100%
Total comprehensive income	64,424	50,656	27.2%	64,424	50,656	27.2%
Total comprehensive income attributable to:						
Owners of the Company	64,105	50,508	26.9%	64,105	50,508	26.9%
Non-controlling interests	319	148	> 100%	319	148	> 100%
	64,424	50,656	27.2%	64,424	50,656	27.2%

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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period To Date	Preceding Financial Period
	<u>30/09/2017</u> RM'000	<u>30/09/2016</u> RM'000	<u>30/09/2017</u> RM'000	<u>30/09/2016</u> RM'000
Earnings per share attributable to owners of the Company (sen) ⁽²⁾				
Basic	<u>3.41</u>	<u>2.49*</u>	<u>3.41</u>	<u>2.49*</u>
Diluted	<u>3.28</u>	<u>2.44*</u>	<u>3.28</u>	<u>2.44*</u>

(1) The condensed unaudited consolidated statement of other comprehensive income are prepared based on the consolidated results of Inari Amertron Berhad and its subsidiaries for the current quarter/financial period ended 30 September 2017.

(2) Basic earnings per share for the quarter and cumulative financial period is calculated based on the profit for the period divided by the weighted average number of ordinary shares in issue for the quarter and financial period respectively. Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

* For comparison purpose, the Earning Per Share for the quarter and the period ended 30 September 2016 had been adjusted to reflect the bonus issue of one bonus share for every one existing ordinary shares which had completed on 24 January 2017.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
NOTES TO CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter	Preceding Year Corresponding Quarter	Current Period To Date	Preceding Financial Period
	<u>30/09/2017</u> RM'000	<u>30/09/2016</u> RM'000	<u>30/09/2017</u> RM'000	<u>30/09/2016</u> RM'000
Write down/(Reversal) of inventories to net realisable value	1,915	(2,354)	1,915	(2,354)
Amortisation of development cost	223	221	223	221
Depreciation	22,949	13,533	22,949	13,533
Impairment loss on other receivables	1,635	-	1,635	-
Property, plant and equipment written off	-	2	-	2
Loss on disposal of property, plant & equipment	34	-	34	-
<u>Loss/(Gain) on foreign exchange translation</u>				
- Realised	3,681	(2,566)	3,681	(2,566)
- Unrealised	(285)	(3,509)	(285)	(3,509)
<u>Finance costs</u>				
- Interest expenses	459	369	459	369
- Interest income	(1,918)	(963)	(1,918)	(963)

There is no income/expenses in relation to the below items:
- Provision of doubtful debt

INARIAMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Unaudited As at 30 September 2017 RM'000	Audited As at 30 June 2017 ⁽⁵⁾ RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	373,207	330,630
Deferred tax assets	6,132	6,131
Development costs	3,411	3,629
Intangible assets	5,581	5,619
	388,331	346,009
Current assets		
Inventories	183,854	169,030
Trade and other receivables	249,678	232,147
Tax recoverable	987	906
Deposits with licensed banks	236,952	258,770
Cash and bank balances	232,286	196,524
	903,757	857,377
TOTAL ASSETS	1,292,088	1,203,386
EQUITY AND LIABILITIES		
Share capital ⁽³⁾⁽⁶⁾	491,157	458,654
Other reserves	15,621	20,820
Retained earnings	407,872	396,057
Equity attributable to owners of the Company	914,650	875,531
Non-controlling interests	(1,866)	(2,185)
Total equity	912,784	873,346
Non-current liabilities		
Borrowings	21,776	24,837
Preference shares	2,307	2,307
Deferred rental	345	354
Deferred tax liabilities	3,313	3,359
Retirement benefits obligations	789	668
	28,530	31,525
Current liabilities		
Trade and other payables	268,667	230,702
Borrowings	14,151	16,112
Tax payable	11,395	7,850
Dividend payable	56,561	43,851
	350,774	298,515
Total liabilities	379,304	330,040
TOTAL EQUITY AND LIABILITIES	1,292,088	1,203,386
Net assets per share attributable to owners of the Company ⁽⁴⁾ (RM)	0.4528	0.4390

Notes:

- (3) Based on 2,020,048,289 (as at 30 June 2017: 1,994,281,939) ordinary shares in issue as at 30 September 2017.
- (4) Net assets per share attributable to owners of the Company is computed based on equity attributable to owners of the Company divided by the total number of ordinary shares in issue.
- (5) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statement.

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA – COMPANY NO. 1000809-U)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	Attributable to Owners of the Company						Distributable					
	Non-Distributable			Distributable			Distributable			Distributable		
	Share capital RM'000	Share premium RM'000	Warrants reserve RM'000	Discount on shares RM'000	Capital reserve RM'000	Share option reserve RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2017	458,654	-	11,626	(11,626)	5,387	5,450	9,983	-	396,057	875,531	(2,185)	873,346
Total comprehensive income for the period	-	-	-	-	-	-	(4,271)	-	68,376	64,105	319	64,424
<i>Transactions with owners:</i>												
Issued pursuant to:												
-Exercise of warrants	11,320	-	(1,858)	1,858	-	-	-	-	-	11,320	-	11,320
-Exercise of ESOS	21,185	-	-	-	-	(3,961)	-	-	-	17,224	-	17,224
Pursuant to ESOS granted:												
Share-based compensation	-	-	-	-	-	3,033	-	-	-	3,033	-	3,033
Share issuance expenses	(2)	-	-	-	-	-	-	-	-	(2)	-	(2)
Dividends	-	-	-	-	-	-	-	-	(56,561)	(56,561)	-	(56,561)
	32,503	-	(1,858)	1,858	-	(928)	-	-	(56,561)	(24,986)	-	(24,986)
Balance at 30 September 2017	491,157	-	9,768	(9,768)	5,387	4,522	5,712	-	407,872	914,650	(1,866)	912,784
At 1 July 2016	95,653	280,002	16,521	(16,521)	5,387	8,020	6,377	(8,531)	297,155	684,063	(3,055)	681,008
Total comprehensive income for the period	-	-	-	-	-	-	1,287	1,217	48,004	50,508	148	50,656
<i>Transactions with owners:</i>												
Issued pursuant to:												
-Exercise of warrants	36	367	(337)	337	-	-	-	-	-	403	-	403
-Exercise of ESOS	292	4,719	-	-	-	(1,137)	-	-	-	3,874	-	3,874
Pursuant to ESOS granted:												
Share-based compensation	-	-	-	-	-	1,720	-	-	-	1,720	-	1,720
Dividends	-	-	-	-	-	-	-	-	(21,101)	(21,101)	-	(21,101)
	328	5,086	(337)	337	-	583	-	-	(21,101)	(15,104)	-	(15,104)
Balance at 30 September 2016	95,981	285,088	16,184	(16,184)	5,387	8,603	7,664	(7,314)	324,058	719,467	(2,907)	716,560

Notes:

(6) The new Companies Act, 2016 ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM207,181,734 for the purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the Interim Financial Statement.)

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA - COMPANY NO. 1000809-U)
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Cumulative Quarter 3 Months Ended 30/09/2017 RM'000	Cumulative Quarter 3 Months Ended 30/09/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	73,668	49,965
Adjustments for:		
Amortisation of development costs	223	221
Depreciation	22,949	13,533
Equity-settled share based payment transactions	3,033	1,720
Loss on disposal of property, plant and equipment	34	-
Interest income	(1,918)	(963)
Interest expenses	459	369
Impairment loss on other receivables	1,635	-
Property, plant and equipment written off	-	2
Provision of warranty	1,688	-
Write down/(Reversal) of inventories to net realisable value	1,915	(2,354)
Unrealised gain on foreign exchange	(285)	(3,509)
Operating profit before working capital changes	103,401	58,984
(Increase)/Decrease in inventories	(18,403)	8,054
Increase in receivables	(20,646)	(6,421)
Increase in payables	38,260	23,087
Cash generated from operations	102,612	83,704
Net income tax paid	(1,497)	(1,652)
Interest received	1,918	963
Interest paid	(459)	(369)
Net cash generated from operating activities	102,574	82,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Development Cost	(5)	-
Proceeds from disposal of property, plant and equipment	31	-
Acquisition of property, plant and equipment	(66,780)	(16,424)
Net cash used in investing activities	(66,754)	(16,424)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(43,851)	(9,565)
Net (repayment)/drawdown of loans	(5,022)	18,467
Proceeds from issuance of shares	28,544	4,277
Share issuance expenses	(2)	-
Net cash generated used in financing activities	(20,331)	13,179
NET CHANGES IN CASH AND CASH EQUIVALENTS	15,489	79,401
Effect of changes on foreign exchange rates	(1,545)	(2,460)
CASH AND CASH EQUIVALENT AT BEGINNING	454,610	209,994
CASH AND CASH EQUIVALENT AT END	468,554	286,935
Represented by:		
Deposits with licensed banks	236,952	102,043
Cash and bank balances	232,286	185,564
	469,238	287,607
Less: Fixed deposits pledged to licensed banks	(684)	(672)
	468,554	286,935

INARI AMERTRON BERHAD
(INCORPORATED IN MALAYSIA – COMPANY NO. 1000809-U)

NOTES TO THE REPORT

Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017.

2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30 June 2017 except for the adoption of the following new MFRSs and amendments/improvements to MFRSs that are issued by the MASB that became effective and relevant to the Group for the financial year beginning 1 July 2017:

<u>New MFRSs</u>		<u>Effective for financial periods beginning on or after</u>
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue for Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of MFRS	1 January 2018
MFRS 2	Classification and measurement of Share-based Payment Transactions	1 January 2018
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018
MFRS 140	Investment Property	1 January 2018

The adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were not subject to any qualification.

4. Comments About Seasonal or Cyclical Factors

The Group's present earnings base is not subject to any material seasonal or cyclical changes.

5. Unusual Items Due to their Nature, Size or Incidence

During the financial period under review, there were no items of unusual nature, size, or incidence which affect assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

6. Changes in Estimates

There were no changes in the estimates of amounts which give a material effect in the current quarter and financial period under review.

7. Debt and Equity Securities

During the financial period ended 30 September 2017, a total of 25,766,350 new ordinary shares were allotted as follows:

- i. Exercise of 11,456,500 share options under the Employees' Share Options Scheme at the following exercise price; and

<i>Exercise price (RM)</i>	<i>1.780</i>	<i>1.500</i>	<i>1.475</i>	<i>1.465</i>	<i>1.295</i>
<i>No of shares issued</i>	<i>2,729,800</i>	<i>172,900</i>	<i>3,504,200</i>	<i>3,714,600</i>	<i>701,400</i>

<i>Exercise price (RM)</i>	<i>1.196</i>	<i>0.800</i>	<i>0.536</i>
<i>No of shares issued</i>	<i>372,400</i>	<i>5,400</i>	<i>255,800</i>

- ii. Exercise of 14,309,850 warrants at the following exercise price:

<i>Exercise price (RM)</i>	<i>0.800</i>	<i>0.132</i>
<i>No of shares issued</i>	<i>14,118,488</i>	<i>191,362</i>

7. Debt and Equity Securities (Continued)

Other than the above, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter and financial period under review.

8. Dividend Paid

Dividend paid during the financial period ended 30 September 2017 is as follows:

Third interim single tier dividend of 2.20 sen per ordinary share each amounting to RM43.9 million for the financial year ended 30 June 2017 paid on 6 July 2017.

9. Segmental Information

Business segments

The Group has only one reportable business segment that is its manufacturing of electronic products segment. As such, no operating segment information is prepared.

Geographical information

Revenue information based on the geographical location of customers is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30/09/2017 RM'000	Quarter Ended 30/09/2016 RM'000	Period to date 30/09/2017 RM'000	Period To date 30/09/2016 RM'000
Malaysia	85,748	44,025	85,748	44,025
Singapore	278,211	221,992	278,211	221,992
Others	9,130	15,560	9,130	15,650
	<u>373,089</u>	<u>281,577</u>	<u>373,089</u>	<u>281,577</u>

10. Valuation of Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

11. Subsequent Events

There were no other material events subsequent to the financial period ended 30 September 2017 and up to the date of this report, which affects substantially the results of the operation of the Group.

12. Changes in the Composition of the Group

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

13. Contingent Liabilities and Contingent Assets

The Company provides corporate guarantees amounting to RM214.5 million (as at 30 September 2016: RM134.5 million) to licensed banks and financial institutions for credit facilities granted to certain subsidiaries. Consequently, the Company is contingently liable for RM44.9 million for the facilities utilised by these subsidiaries (as at 30 September 2016: RM71.0 million).

There is no contingent assets as at the date of this report.

14. Capital Commitments

	Cumulative	
	Period ended	
	30/09/2017	30/09/2016
	RM'000	RM'000
Authorised but not contracted for:		
- Property, plant and equipment	25,043	-
- Construction of building	15,785	3,988
	<hr/>	<hr/>
	40,828	3,988
	<hr/>	<hr/>
Authorised and contracted for:		
- Construction of building	-	5,349
- Property, plant and equipment	-	30,456
	<hr/>	<hr/>
	-	35,805
	<hr/>	<hr/>

15. Significant Related Party Transactions

There is no significant transaction with related parties.

Part B – Additional Information as Required By the Main Market Listing Requirement of Bursa Securities

1. Review of Performance

Comparison with the corresponding period in the previous financial year

The Group posted a record revenue of RM373.1 million for the current quarter, representing an increase of 32.5% compared to the corresponding quarter in the previous year. The higher revenue is primarily due to increase in demand of the Group's products.

The Group's profit before tax increased by 47.4% to RM73.7 million from RM50.0 million and profit after tax increased by 42.7% to RM68.7 million from RM48.2 million for the corresponding quarter ended 30 September 2016, mainly due to increase in demand of our existing and new products which came on stream during the past two quarters.

Comparison with the immediate preceding quarter

The Group's record revenue of RM373.1 million for the current quarter is 7.8% higher compared to the revenue registered in the immediate preceding quarter of RM346 million, which was the previous record high for the Group.

The Group's profit before tax increased by 2.0% to RM73.7 million from RM72.2 million and profit after tax increased by 4.0% to RM68.7 million from RM66.1 million in the immediate preceding quarter. The current quarter's profit numbers are also record highs for the Group alongside the Group's record revenue.

Financial Period to Date against preceding year corresponding financial period

The financial performance review is included under the comparison with the corresponding period in the previous financial year.

2. Commentary on Prospects

The International Monetary Fund (IMF) in its October 2017 World Economic Outlook update reported that the global upswing in economic activity is strengthening. Global growth which in 2016 was at 3.2 percent is projected to rise to 3.6 percent in 2017 and to 3.7 percent in 2018.

In the August 2017 update, The World Semiconductor Trade Statistics (WSTS) published the second quarter 2017 semiconductor market figures with the updated forecast of worldwide semiconductor market showing a much stronger growth of 17% to USD\$397 billion, and the year 2018 is forecasted to be up another 4.3% to USD\$414 billion. At the same time, Gartner Inc published their October 2017 report with year-over-year upward growth of mobile phone sales in 2018, with shipments totaling 1.9 billion units, of which smartphones will represent 86 percent of total mobile phone shipments in 2018, up 6 percent from 2017.

For the financial year ending 30 June 2018, the Group will continue to deliver positive performance from our continuing manufacturing activities in the Wireless RF and Optoelectronics operations commensurate with growth in the global semiconductor market. With a good balance of mature and new services/products offerings and barring any unforeseen circumstances, we are optimistic in continuing to deliver profits alongside our growth in revenues for the remainder of the current financial year.

3. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee previously in any public document.

4. Taxation

The taxation charges for the current financial quarter and the cumulative financial period ended 30 September 2017 are as follows:

	Individual Quarter ended		Cumulative Period ended	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- Current tax	(4,973)	(1,813)	(4,973)	(1,813)
- Deferred tax	-	-	-	-
	<u>(4,973)</u>	<u>(1,813)</u>	<u>(4,973)</u>	<u>(1,813)</u>
(Under)/Over provision in prior year:				
- Current tax	-	-	-	-
- Deferred tax	-	-	-	-
	<u>(4,973)</u>	<u>(1,813)</u>	<u>(4,973)</u>	<u>(1,813)</u>

The effective tax rate of the Group for the current financial quarter and the financial period ended 30 September 2017 is lower than the statutory tax rate of 24% as certain subsidiaries have been granted pioneer status under the Promotion of Investment Act, 1986.

5. Status of Corporate Proposals

5.1 On 3 March 2016, the Company announced that Inari Integrated Systems Sdn Bhd (“IIS”) (formerly known as Excelmation Sdn Bhd), a wholly-owned subsidiary of Inari had on 12 February 2016 received a letter of approval from Malaysian Investment Development Authority (“MIDA”) for a matching (1 : 1) grant to modernise and upgrade the manufacturing facilities, equipment and machineries of IIS for the manufacture of Advanced Communication Chips and Die Preparation, as follows:

- (i) RM20 million matching grant shall be in exchange of Non-Redeemable Convertible Preference Shares (“CPS”) to be issued by Inari to MIDA or its nominee and the CPS is convertible into ordinary shares of Inari at any time within a period of 3 years at a conversion price to be determined. The CPS shall bear dividend at 2.0% per annum from the date of issuance until the date of conversion of the CPS; and
- (ii) RM80 million matching grant shall be disbursed by MIDA to IIS within a period of 3 years and IIS shall pay dividend/interest at the rate of 2% per annum for a period of 10 years.

The detailed terms and conditions of the CPS will be announced in due course and the issuance of the CPS and the terms thereof will be subject to the approval of the relevant authorities and the shareholders of Inari at an Extraordinary General Meeting to be convened.

There is no other corporate proposal announced but not completed as at date of this report.

6. Status of Utilisation of Proceeds

There is no unutilised proceeds from any corporate proposal.

7. Group Borrowings and Debt Securities

The Group’s borrowings as at 30 September 2017 are as follows:

	Short Term	Long Term	Total
	RM’000	RM’000	RM’000
Term loans	8,308	20,792	29,100
Trade financing	748	-	748
Finance lease liabilities	5,095	984	6,079
Total Borrowing	14,151	21,776	35,927

8. Material Litigation

The Group was not engaged in any litigation which is likely to give rise to proceedings which may materially and adversely affect the financial position or the business operations of the Group.

9. Dividend

The Directors propose the first single tier interim dividend of 2.3 sen per ordinary share in respect of the financial year ending 30 June 2018.

The entitlement date and payment date are on 15 December 2017 and 8 January 2018 respectively.

Total dividend for the financial year ending 30 June 2018 and financial year ended 30 June 2017 are summarised as follow:

	Net Per Share FY2018 (sen)	Net Per Share FY2017 (sen)
<u>First Interim Dividend</u>		
Single tier dividend	2.30	2.30
Special dividend	-	0.70
<u>Second Interim Dividend</u>		
Single tier dividend	*	1.80
<u>Third Interim Dividend</u>		
Single tier dividend	*	2.20
<u>Fourth Interim Dividend</u>		
Single tier dividend	*	2.30
Special dividend	*	0.50
	2.30	9.80

* *Not applicable for the current quarter under review.*

10. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share for the current financial quarter and financial period have been calculated by dividing the net profit attributable to owners of the Company for the financial quarter and financial period by the weighted average number of ordinary shares in issue during the financial quarter and financial period to date.

	Individual Quarter ended		Cumulative Period ended	
	30/09/2017 RM'000	30/09/2016 RM'000	30/09/2017 RM'000	30/09/2016 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and financial period to date (RM'000)	68,376	48,004	68,376	48,004
Weighted average number of ordinary shares in issue ('000)	2,004,413	1,929,492*	2,004,413	1,929,492*
Basic earnings per share (sen)	3.41	2.49*	3.41	2.49*

(b) Diluted earnings per share

Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that warrants are exercised at the beginning of the financial period and ESOS granted by the reporting date.

	Individual Quarter ended		Cumulative Period ended	
	30/09/2017 RM'000	30/09/2016 RM'000	30/09/2017 RM'000	30/09/2016 RM'000
Net profit attributable to shareholders of the Company for the financial quarter and financial period to date (RM'000)	68,376	48,004	68,376	48,004
Weighted average number of ordinary shares (basic) ('000)	2,004,413	1,929,492*	2,004,413	1,929,492*
Effect of dilution due to warrants ('000)	58,589	32,260	58,589	32,260
Effect of dilution due to ESOS ('000)	21,143	5,371	21,143	5,371
Weighted average number of ordinary shares (diluted) ('000)	2,084,145	1,967,123*	2,084,145	1,967,123*
Diluted earnings per share (sen)	3.28	2.44*	3.28	2.44*

*For comparison purpose, the Earnings Per Share for the quarter and period ended 30 September 2016 had been adjusted to reflect the bonus issue of one bonus share for every one existing ordinary shares which had completed on 24 January 2017.

11. Disclosure of Realised and Unrealised Profits or Losses

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of unappropriated profits as at the reporting date has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysian Institute of Accountants.

The Group's retained profits as at 30 September 2017 and 30 September 2016 are analysed as follow:

	Financial Period Ended	
	30/09/2017 RM'000	30/09/2016 RM'000
<u>Total retained profits of the Company and its subsidiaries</u>		
- Realised	484,821	395,688
- Unrealised	3,104	3,263
	<hr/>	<hr/>
	487,925	398,951
Add: Consolidated adjustments	(80,053)	(74,893)
	<hr/>	<hr/>
Total Group retained profits as per consolidated financial statements	407,872	324,058