

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2016**

	Note	3 months ended		12 months ended	
		31/12/16	31/12/15	31/12/16	31/12/15
		RM'000	RM'000	RM'000	RM'000
REVENUE		16,373	21,989	59,340	57,581
COST OF SALES		(11,419)	(19,372)	(44,118)	(50,639)
GROSS PROFIT		4,954	2,617	15,222	6,942
OTHER INCOME		2,190	7,649	1,914	8,739
ADMINISTRATIVE EXPENSES		(3,501)	(3,520)	(12,331)	(10,650)
SELLING AND DISTRIBUTION EXPENSES		(180)	(221)	(750)	(826)
OTHER EXPENSES		(991)	(211)	(1,188)	(211)
FINANCE COST		(53)	(48)	(178)	(206)
PROFIT BEFORE TAX		2,419	6,266	2,689	3,788
TAX (EXPENSE)/INCOME		(323)	270	(776)	270
PROFIT FOR THE FINANCIAL PERIOD		2,096	6,536	1,913	4,058
OTHER COMPREHENSIVE INCOME/(LOSS)					
Foreign currency translation difference		357	(423)	(60)	1,836
		357	(423)	(60)	1,836
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		2,453	6,113	1,853	5,894
Profit attributable to:					
Owners of the parent		1,652	6,057	861	3,579
Non-controlling interests		444	479	1,052	479
		2,096	6,536	1,913	4,058
Total comprehensive income attributable to:					
Owners of the parent		2,009	5,634	801	5,415
Non-controlling interests		444	479	1,052	479
		2,453	6,113	1,853	5,894
Earnings per share (sen)					
Basic	25	0.92	4.62	0.48	2.73
Diluted	25	Warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.			

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
		As at 31/12/2016	As at 31/12/15
		RM'000	RM'000
ASSETS			
Non-current assets			
Intangible assets		-	1,729
Property, plant and equipment		23,285	24,123
		<u>23,285</u>	<u>25,852</u>
Current assets			
Inventories		800	732
Trade receivables		23,235	27,785
Other receivables		4,757	4,215
Tax recoverable		858	331
Deposits with licensed banks		486	2,109
Cash and bank balances		6,604	11,277
		<u>36,740</u>	<u>46,449</u>
TOTAL ASSETS		<u>60,025</u>	<u>72,301</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		44,695	44,695
Share premium		3,420	3,420
Retained earnings		8,140	1,879
Other reserves		(21,459)	(15,999)
		<u>34,796</u>	<u>33,995</u>
Non-controlling interests		13,955	14,703
TOTAL EQUITY		<u>48,751</u>	<u>48,698</u>
Non-current liabilities			
Deferred tax liabilities		735	795
Borrowings	20	71	821
		<u>806</u>	<u>1,616</u>
Current liabilities			
Trade payables		4,793	14,232
Other payables		3,490	4,105
Borrowings	20	2,185	3,628
Tax payables		-	22
		<u>10,468</u>	<u>21,987</u>
TOTAL LIABILITIES		<u>11,274</u>	<u>23,603</u>
TOTAL EQUITY AND LIABILITIES		<u>60,025</u>	<u>72,301</u>
Net assets per share attributable to owners of the parent (RM)		<u>0.19</u>	<u>0.19</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Cumulative quarter ended 31 DECEMBER 2016

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL	SHARE PREMIUM	MERGER DEFICIT	WARRANT RESERVE	CURRENCY FLUCTUATION RESERVE	OTHER RESERVE				RETAINED EARNINGS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				RM'000
Balance as at 01.01.2016	44,695	3,420	(22,246)	5,493	4,701	(3,947)	1,879	33,995	14,703	48,698
Transaction with owners:-										
Transfer of warrants reserve to retained earnings upon the expiry of unexercised warrants				(5,400)			5,400	-	-	-
Dividend paid to non-controlling interest									(1,800)	(1,800)
Total transaction with owners	-	-	-	(5,400)	-	-	5,400	-	(1,800)	(1,800)
Total comprehensive (loss)/income for the financial year	-	-	-	-	(60)	-	861	801	1,052	1,853
Balance as at 31.12.2016	44,695	3,420	(22,246)	93	4,641	(3,947)	8,140	34,796	13,955	48,751

Cumulative quarter ended 31 DECEMBER 2015

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL	SHARE PREMIUM	MERGER DEFICIT	WARRANT RESERVE	CURRENCY FLUCTUATION RESERVE	OTHER RESERVE				ACCUMULATED LOSSES
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				RM'000
Balance as at 01.01.2015	29,350	3,420	(22,246)	5,400	2,865	-	(1,607)	17,182	-	17,182
Transactions with owners:-										
Issuance of ordinary shares arising from acquisition of subsidiary companies	14,095							14,095	14,674	28,769
Adjustments on premium of shares issued on acquisition of subsidiary companies						(3,947)		(3,947)		(3,947)
Issuance of warrants				113			(113)	-		-
Exercise of warrants	1,250			(20)			20	1,250		1,250
Dividend paid									(450)	(450)
Total transactions with owners	15,345	-	-	93	-	(3,947)	(93)	11,398	14,224	25,622
Total comprehensive income for the financial year	-	-	-	-	1,836	-	3,579	5,415	479	5,894
Balance as at 31.12.2015	44,695	3,420	(22,246)	5,493	4,701	(3,947)	1,879	33,995	14,703	48,698

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	12 months ended	
	31/12/2016	31/12/2015
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	2,689	3,788
Adjustments for:		
Amortisation of intangible assets	701	1,061
Bad debt written off	199	-
Depreciation	4,474	3,435
Excess of net fair value over acquisition cost	-	(7,786)
Gain on disposal of property, plant and equipment	(8)	-
Interest income	(43)	(48)
Interest expenses	178	206
Intangible asset written off	989	-
Property, plant and equipment written off	-	2
Unrealised loss/(gain) on foreign exchange	37	(1,061)
Operating profit/(loss) before working capital changes	9,216	(403)
Changes in working capital:-		
Inventories	(68)	99
Receivables	1,966	(288)
Payables	(8,092)	4,429
CASH GENERATED FROM OPERATIONS	3,022	3,837
Tax paid	(1,385)	(275)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,637	3,562
INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	-	9,187
Dividend paid to non-controlling interest	(1,800)	(450)
Purchase of property, plant and equipment	(3,878)	(1,248)
Proceeds from disposal of property, plant and equipment	118	12
Interest received	43	48
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(5,517)	7,549
FINANCING ACTIVITIES		
Drawdown of borrowings	748	-
Interest paid	(178)	(206)
Repayment of term loan	(2,551)	(1,748)
Proceeds from issuance of shares	-	1,250
NET CASH USED IN FINANCING ACTIVITIES	(1,981)	(704)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		
Net changes	(5,861)	10,407
Brought forward	12,974	2,307
Effects of exchange translation differences on cash and cash equivalents	(23)	260
Carried forward	7,090	12,974

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2016

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. Basis of preparation

The Condensed Interim Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Statements also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of 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 31 December 2015.

2. Significant Accounting Policies

Significant accounting policies and methods of computation adopted for the condensed interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2015 except for the adoption of the new/revised MFRS mentioned below.

2.1 Adoption of MFRS, Amendments to MFRS and IC Interpretation

On 1 January 2016, the Group adopted the following new and amended MFRSs and IC Interpretation which are mandatory for annual financial periods beginning on or after 1 January 2016:

- 1) MFRS 14 Regulatory Deferral Accounts
- 2) Amendments to MFRS 4 – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- 3) Amendments to MFRS 10, MFRS 12 and MFRS 128 – Investment Entities: Applying the Consolidation Exception
- 4) Amendments to MFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations
- 5) Amendments to MFRS 101 - Disclosure Initiative
- 6) Amendments to MFRS 116 and MFRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation
- 7) Amendments to MFRS 116 and MFRS 141 -Agriculture: Bearer Plants
- 8) Amendments to MFRS 127 – Equity Method in Separate Financial Statements
- 9) Annual Improvements to MFRSs 2012–2014 Cycle
 - a. Amendments to MFRS 5
 - b. Amendments to MFRS 7
 - c. Amendments to MFRS 119
 - d. Amendment to MFRS 134

There is no material impact arising from adoption of the above standards and amendments on the financial statements of the Group.

2.2 MFRSs and Amendments to MFRSs Issued but not yet Effective

The following are MFRSs and Amendments to MFRSs with effective dates after 1 January 2016 issued by MASB and they have not been early adopted by the Group in this set of financial statements.

(a) MFRS and Amendments effective for annual periods beginning on or after 1 January 2017

- 1) Amendments to MFRS 107 - Disclosure Initiative
- 2) Amendments to MFRS 112 - Recognition of Deferred Tax Assets for Unrealised Losses
- 3) Annual Improvements to MFRSs 2014–2016 Cycle
 - a. Amendments to MFRS 12

There is no material impact arising from adoption of the above standards and amendments on the financial statements of the Group.

(b) MFRS, Amendments and IC Interpretations effective for annual periods beginning on or after 1 January 2018

- 1) Amendments to MFRS 2 – Classification and Measurement of Share-based Payment Transactions
- 2) MFRS 9 – Financial Instruments (IFRS 9 as issued by IASB in July 2014)
- 3) MFRS 15 – Revenue from Contracts with Customers
- 4) Amendments to MFRS 140 – Transfers of Investment Property
- 5) Annual Improvements to MFRSs 2014-2016 Cycle
 - a. Amendments to MFRS 1
 - b. Amendments to MFRS 128
- 6) IC Interpretation 22 – Foreign Currency Transactions and Advance Consideration

(c) MFRS and Amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16: Leases

(d) MFRS and Amendments effective for annual periods beginning on or after 1 January 2019

Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture

3. Audit Report of Preceding Annual Financial Statements

The preceding year annual audited financial statements were not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's operations were not subject to any seasonal or cyclical changes.

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

Included in Other Income is RM1.27 million being the receivable from the vendor for failure to fulfill the 2nd year profit guarantee amount of RM4.6 million.

There was no other item which is unusual because of its size or incidences that has affected the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter under review.

6. Material Changes in Estimates

There were no material changes in estimates for the quarter ended 31 December 2016.

7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

8. Dividend Paid

There were no dividends declared or paid by the Group for the current quarter under review.

9. Segmental Reporting

The segmental results of the Group for the current and previous financial year-to-date under review is set out below:

Geographical information		
Revenue information based on the geographical location of customers are as follows:-		
Location	<u>12 Months Ended</u> 31.12.2016 RM'000	<u>12 Months Ended</u> 31.12.2015 RM'000
People's Republic of China	13,762	12,674
Malaysia	12,425	5,506
Singapore	39,278	43,708
Others	1,074	800
Inter segment	(7,199)	(5,107)
	59,340	57,581

Results for 3 Months Ended 31.12.2016	Technical Assembly Services	Surface Treatment & Precision Cleaning	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue:-				
External customers	-	16,373	-	16,373
Inter segment	-	2,249	(2,249)	-
Total revenue	-	18,622	(2,249)	16,373
Results:-				
Segment results	-	4,954	-	4,954
Unallocated amounts:				
Other income				2,190
Other corporate expenses				(4,725)
Profit before tax				2,419

**MCLEAN TECHNOLOGIES BERHAD (“MCLEAN” OR THE COMPANY”)
(Company No: 893631-T)**

Results for 3 Months Ended 31.12.2015	Technical Assembly Services	Surface Treatment & Precision Cleaning	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue:-				
External customers	7,419	14,570	-	21,989
Inter segment	-	1,390	(1,390)	-
Total revenue	7,419	15,960	(1,390)	21,989
Results:-				
Segment results	288	2,329	-	2,617
Unallocated amounts:				
Other income				7,649
Other corporate expenses				(4,000)
Profit before tax				6,266
Results for 12 Months Ended 31.12.2016	Technical Assembly Services	Surface Treatment & Precision Cleaning	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue:-				
External customers	-	59,340	-	59,340
Inter segment	-	7,199	(7,199)	-
Total revenue	-	66,539	(7,199)	59,340
Results:-				
Segment results		15,222	-	15,222
Unallocated amounts:				
Other income				1,914
Other corporate expenses				(14,447)
Profit before tax				2,689

**MCLEAN TECHNOLOGIES BERHAD (“MCLEAN” OR THE COMPANY”)
(Company No: 893631-T)**

Results for 12 Months Ended 31.12.2015	Technical Assembly Services	Surface Treatment & Precision Cleaning	Elimination	Total
	RM’000	RM’000	RM’000	RM’000
Revenue:-				
External customers	17,606	39,975	-	57,581
Inter segment	-	5,107	(5,107)	-
Total revenue	17,606	45,082	(5,107)	57,581
Results:-				
Segment results	464	6,478	-	6,942
Unallocated amounts:				
Other income				8,739
Other corporate expenses				(11,893)
Profit before tax				3,788

It was not practicable to separate out the segment assets and liabilities for its business segments as the assets and liabilities were jointly used by all business segments.

10. Valuation of Property, Plant and Equipment

Freehold lands and buildings has been brought in to the Group upon acquisition of DWZ. As at 31 December 2016, all the Group’s plant and equipment were stated at cost less accumulated depreciation.

11. Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

12. Changes in the Composition of the Group

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

13. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

There were no material changes in the contingent liabilities since the financial year ended 31 December 2015.

(b) Contingent assets

There were no contingent assets as at the end of current financial quarter.

14. Capital Commitment

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
Authorised and contractor for:-		
Electronic equipment	90	136
Plant and machinery	-	59
	90	195

15. Review of Performance

Comparison between Current Financial Quarter Ended 31 December 2016 and Previous Corresponding Quarter Ended 31 December 2015

A summary of the Group’s performance is set out below:-

	3 Months Ended					
	31.12.2016			31.12.2015		
	Technical Assembly Services	Surface Treatment & Precision Cleaning	Total	Technical Assembly Services	Surface Treatment & Precision Cleaning	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	16,373	16,373	7,419	14,570	21,989
Gross profit	-	4,954	4,954	288	2,329	2,617
Profit before tax			2,419			6,266

Technical Assembly Services Division

There were no orders in the current quarter ended 31 December 2016.

Surface Treatment & Precision Cleaning Division

Revenue for the current quarter increase as compared to the preceding year corresponding quarter mainly due to increase in cassette and tray cleaning volume. Gross profit margin increased from 15.98% to 30.26% mainly due to improve cost structure through full leverage on DWZ resources.

Overall, the Group reported a profit before tax of RM2.42 million as compared to a profit before tax of RM6.27 million in the previous year corresponding quarter. Included in profit before tax are the following item:

- a) Other income
 - 2016: Compensation for profit guarantee shortfall RM1.27 million.
 - 2015: Excess of net fair value over acquisition cost RM7.46 million.
- b) Other expenses
 - 2016: RM0.99 million intangible asset written off.

Comparison between Current Year Ended 31 December 2016 and Previous Corresponding Year Ended 31 December 2015

	12 Months Ended					
	31.12.2016			31.12.2015		
	Technical Assembly Services	Surface Treatment & Precision Cleaning	Total	Technical Assembly Services	Surface Treatment & Precision Cleaning	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	59,340	59,340	17,606	39,975	57,581
Gross profit	-	15,222	15,222	464	6,478	6,942
Profit before tax			2,689			3,788

Technical Assembly Services Division

There were no orders in the current period ended 31 December 2016.

Surface Treatment & Precision Cleaning Division

Revenue from Surface Treatment & Precision Cleaning for the current period increased by approximately 48.44% as compared to the preceding year corresponding period mainly due to the inclusion of newly acquired DWZ group and overall increase across all precision cleaning services. Gross profit margin increased from 16.21% to 25.65% mainly due to improve cost structure through increase leverage on DWZ resources.

Overall, the Group reported a profit before tax of RM2.67 million as compared to a profit before tax of RM3.79 million in the previous year corresponding period. Included in profit before tax are the following item:

- a) Other income
 - 2016: Compensation for profit guarantee shortfall RM1.27 million.
 - 2015: Excess of net fair value over acquisition cost RM7.46 million.
- b) Other expenses
 - 2016: RM0.99 million intangible asset written off.

16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter

	3 Months Ended					
	31.12.2016			30.09.2016		
	Technical Assembly Services	Surface Treatment & Precision Cleaning	Total	Technical Assembly Services	Surface Treatment & Precision Cleaning	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	16,373	16,373	-	15,737	15,737
Gross profit	-	4,954	4,954	-	3,396	3,396
Profit before tax			2,419			1,597

Technical Assembly Services Division

There were no orders in the current quarter ended 31 December 2016.

Surface Treatment & Precision Cleaning Division

The Group’s revenue from Surface Treatment & Precision Cleaning for current financial quarter has increased by 4.04% as compared to the immediate preceding quarter. The increase in sales is mainly due to increase in Surface treatment services.

Gross profit margin for the surface treatment and precision cleaning division increased from 21.58% to 30.26% mainly due to increase in the higher margin Surface treatment services revenue.

Overall, the Group registered a profit before tax of RM2.42 million as compared to a profit before tax of RM1.60 million in the immediate preceding quarter.

17. Future Prospects

The demand for our services from the Hard Disk Drive Industry is expected to remain stable. With the combine surface treatment & precision cleaning business return to profitability, the Group will accelerate its expansion plan.

18. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter .

19. Status of Corporate Proposals

Warrants 2015/2020 with exercise right expiring on 7 October 2020

Up to 31 December 2016, the total number of warrants converted into ordinary shares at RM0.25 each and the number of unexercised warrants are as follows:

Total number of warrants listed	Total number of warrants converted into ordinary shares	Total number of unexercised warrants
28,175,996	5,000,000	23,175,996

20. Group Borrowings and Debt Securities

The Group’s borrowings as at 31 December 2016 presented as follows:-

	RM’000
Long Term Borrowings	
Secured:-	
Term loan	71
Short Term Borrowings	
Secured:-	
Factoring loan	2,185

The total borrowings denominated in foreign currency as at 31 December 2016 are: -

Foreign currency – SGD 688,819 @ RM3.0989/SGD	RM’000 2,135
	2,135

21. Realised and Unrealised Profits/(Losses)

	As at 31.12.2016	As at 31.12.2015
	RM’000	RM’000
Total accumulated profit/(losses) of the Group:		
- Realised	(7,111)	(8,374)
- Unrealised	735	267
	<u>(6,376)</u>	<u>(8,107)</u>
Consolidated adjustments	14,516	9,985
Total Group retained earnings	<u>8,140</u>	<u>1,878</u>

22. Off Balance Sheet Financial Instruments

As at 31 December 2016, the Group does not have any off balance sheet financial instrument.

23. Material Litigation

On 16 February 2016, Petroliam Nasional Berhad (“Petroliam”) and Petronas Gas Berhad (“PGB”) (“collectively referred to as “Petronas”), through their appointed solicitor, have issued a letter of demand to the Company’s subsidiaries, DWZ Industries Sdn. Bhd. (“DWZ”) and DWZ Industries (Johor) Sdn. Bhd. (“DWZ Johor”) (“collectively referred to as “DWZ Entities”) for unlawful entry into PGB’s land by way of installing a piping structure under the land and discharge of foreign effluent which caused damage to PGB’s pipeline. The amount of damages demanded is RM46,754,614.07. DWZ Entities through its solicitor has taken all measures to resist the claim.

On 31 October 2016, DWZ Entities has been served with a writ and a statement of claim in respect of the Civil Action commenced by PGB. The claim for remedial and other works have been quantified in the Statement of Claim at the sum of RM6,634,305.40. However, the Statement of Claim also includes heads of claim for general damages as well as aggravated, exemplary or punitive damages which are not quantified at the date of this report.

The Plaintiff has applied for an interim injunction pending the trial of the action and the hearing as scheduled is fixed for the 26th of March 2017. Both the DWZ entities have filed an affidavit to oppose the application and will resist the same robustly. The Court has given directions towards the preparation for the hearing and DWZ solicitors will prepare for this in time for the hearing as scheduled or when eventually heard if adjourned.

24. Dividend Payable

There was no dividend payable or proposed during the current quarter ended 31 December 2016.

25. Taxation

Details of taxation are as follows: -

	3 Months Ended		12 Months Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000		RM'000	
Current taxation	361	20	814	20
Under provision in prior year	22	-	22	-
Deferred tax	(60)	(290)	(60)	(290)
	<u>323</u>	<u>(270)</u>	<u>776</u>	<u>(270)</u>

The Group’s effective tax rate for the cumulative quarter ended 31 December 2016 under review is higher than the statutory tax rate as profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes as these subsidiaries are not able to satisfy the conditions for group relief.

26. Earnings Per Share

Basic

The calculation of the basic earnings per share is based on the net profit divided by the weighted average number of ordinary shares of RM0.25 each in issue.

	3 Months Ended		12 Months Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net profit for the period attributable to owners of the parent (RM'000)	1,652	6,057	861	3,579
Weighted average number of ordinary shares in issue ('000)	178,778	131,214	178,778	131,214
Basic EPS (sen)	0.92	4.62	0.48	2.73

Diluted

Warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.

27. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Profit before tax is arrived at after charging/(crediting) the following items:-

	3 Months Ended 31 December 2016	12 Months Ended 31 December 2016
	RM'000	RM'000
(a) Interest income	(16)	(43)
(b) Other income including investment income	(1,295)	(1,561)
(c) Interest expenses	53	178
(d) Depreciation and amortisation	1,333	5,175
(e) Provision for and write off of receivables	-	199
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(h) Intangible asset written off	989	989
(i) Foreign exchange gain	(739)	(170)
(j) Gain or loss on derivatives	-	-
(k) Bad debt recovered	(132)	(132)
(l) Gain on disposal of property, plant and equipment	(8)	(8)

- End -