

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	3 months ended		6 months ended	
	30.09.2017 RM'000 unaudited	30.09.2016 RM'000 unaudited	30.09.2017 RM'000 unaudited	30.09.2016 RM'000 unaudited
Revenue	16,418	58,295	40,887	117,282
Cost of sales	(11,524)	(44,279)	(25,323)	(88,723)
Gross profit	4,894	14,016	15,564	28,559
Interest income	229	1,515	1,681	3,223
Other operating income	864	19,036	13,008	20,372
Depreciation and amortisation	(426)	(1,129)	(1,245)	(2,783)
Loss on disposal of an associated company	(35,332)	-	(35,332)	-
Operating expenses	(19,044)	(25,288)	(38,625)	(51,674)
(Loss)/Profit from operations	(48,815)	8,150	(44,949)	(2,303)
Finance costs	(4,295)	(1,964)	(6,932)	(3,159)
Share of results of joint ventures	-	(60)	-	(101)
Share of results of an associated company	38,878	(1,526)	38,395	(2,623)
(Loss)/Profit before tax	(14,232)	4,600	(13,486)	(8,186)
Taxation	(221)	(2,111)	(759)	(3,063)
(Loss)/Profit for the financial period	(14,453)	2,489	(14,245)	(11,249)
Other comprehensive income				
Net gain on available-for-sale ("AFS") investments:				
- Loss on fair value changes	-	1	-	(16)
Exchange differences arising on translation of foreign operations	-	870	(1)	953
Total comprehensive (loss)/income for the financial period	(14,453)	3,360	(14,246)	(10,312)
(Loss)/Profit attributable to:				
Equity holders of the Company	(13,506)	2,505	(12,982)	(11,232)
Non-controlling interests	(947)	(16)	(1,263)	(17)
	(14,453)	2,489	(14,245)	(11,249)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(13,506)	3,376	(12,983)	(10,295)
Non-controlling interests	(947)	(16)	(1,263)	(17)
	(14,453)	3,360	(14,246)	(10,312)
Earnings per share attributable to Equity Holders of the Company:				
- Basic (sen)	(2.97)	0.55	(2.86)	(2.47)
- Diluted (sen)	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Attributable to the Equity Holders of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Available- for-sale reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000			
Current 6 months ended										
30 September 2017 (unaudited)										
At 1 April 2017	227,338	91,037	-	4,520	20,227	343	125,139	468,604	(722)	467,882
Loss for the financial period	-	-	-	-	-	-	(12,982)	(12,982)	(1,263)	(14,245)
Other comprehensive loss for the financial period	-	-	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive loss for the financial period	-	-	-	-	-	(1)	(12,982)	(12,983)	(1,263)	(14,246)
Employees' Share Option Scheme ("ESOS") forfeited during the financial period	-	-	-	(1,056)	-	-	1,056	-	-	-
Capital contribution by non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	-	2,891	2,891
At 30 September 2017	227,338	91,037	-	3,464	20,227	342	113,213	455,621	906	456,527

	Attributable to the Equity Holders of the Company							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Capital reserve RM'000	Available- for-sale reserve RM'000	Share option reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000			
Preceding 6 months ended										
30 September 2016 (unaudited)										
At 1 April 2016	227,338	91,037	26	5,189	20,227	(609)	118,721	461,929	-	461,929
Loss for the financial period	-	-	-	-	-	-	(11,232)	(11,232)	(17)	(11,249)
Other comprehensive (loss)/income for the financial period	-	-	(16)	-	-	953	-	937	-	937
Total comprehensive (loss)/income for the financial period	-	-	(16)	-	-	953	(11,232)	(10,295)	(17)	(10,312)
Dividends paid	-	-	-	-	-	-	(2,273)	(2,273)	-	(2,273)
Reversal of fair value gain on disposal of available-for-sale financial assets	-	-	(10)	-	-	-	10	-	-	-
ESOS forfeited during the financial period	-	-	-	(286)	-	-	286	-	-	-
Non-controlling interests arising from acquisition of a subsidiary company	-	-	-	-	-	-	-	-	17	17
At 30 September 2016	227,338	91,037	-	4,903	20,227	344	105,512	449,361	-	449,361

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	As at 30.09.2017 RM'000 unaudited	As at 31.03.2017 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	4,042	13,811
Investment in an associated company	-	35,937
Other investment	1	1
Land held for property development	272,957	72,430
Goodwill	30,337	30,337
Deferred tax assets	12,469	12,469
	<u>319,806</u>	<u>164,985</u>
Current assets		
Inventories	66,128	71,124
Property development costs	61,084	61,086
Accrued billings	1,556	16,249
Trade receivables	113,730	123,395
Other receivables, deposits and prepayments	147,448	123,462
Amount owing by an associated company	-	146,040
Tax recoverable	5,091	7,097
Fixed deposits with licensed banks	7,666	7,647
Cash and bank balances	218,082	85,027
	<u>620,785</u>	<u>641,127</u>
TOTAL ASSETS	<u>940,591</u>	<u>806,112</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	227,338	227,338
Reserves	228,283	241,266
	<u>455,621</u>	<u>468,604</u>
Non-controlling interests	906	(722)
TOTAL EQUITY	<u>456,527</u>	<u>467,882</u>
LIABILITIES		
Non-current and deferred liabilities		
Redeemable preference shares	961	961
Borrowings - secured	167,863	85,009
Deferred tax liabilities	6,146	6,223
Trade payables	16,141	15,255
	<u>191,111</u>	<u>107,448</u>
Current liabilities		
Progress billings	2,269	-
Trade payables	63,787	93,209
Other payables and accruals	146,625	69,098
Provisions	21,826	23,815
Borrowings - secured	58,035	43,150
Tax liabilities	411	1,510
	<u>292,953</u>	<u>230,782</u>
TOTAL LIABILITIES	<u>484,064</u>	<u>338,230</u>
TOTAL EQUITY AND LIABILITIES	<u>940,591</u>	<u>806,112</u>
Net assets per ordinary share attributable to equity holders of the Company (RM)	<u>1.00</u>	<u>1.03</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	6 months ended	
	30.09.2017	30.09.2016
	RM'000	RM'000
	unaudited	unaudited
Cash Flows from Operating Activities		
Loss before taxation	(13,486)	(8,186)
Adjustments for:		
Depreciation of property, plant and equipment	1,245	2,783
Property, plant and equipment written off	33	115
Impairment of goodwill	-	33
Loss on disposal of an associated company	35,332	-
Gain on disposal of subsidiary companies	(2,278)	(22,552)
Loss on disposal of property, plant and equipment	3	-
Share of results of joint ventures	-	101
Share of results of associated companies	(38,395)	2,623
Interest expenses	6,932	3,159
Interest income	(1,681)	(3,223)
Operating loss before working capital changes	(12,295)	(25,147)
Decrease/(Increase) in:		
Land held for property development	(200,528)	3,893
Property development costs	26	(12,881)
Inventories	4,210	15,676
Accrued billings	14,693	37,191
Receivables	(18,785)	(26,758)
Assets classified as held for sale	-	(606)
Increase/(Decrease) in:		
Progress billings	2,269	-
Payables	60,949	(83,993)
Cash used in operations	(149,461)	(92,625)
Interest received	1,681	3,223
Interest paid	(6,956)	(3,990)
Liquidated and ascertained damages paid	(1,988)	(3,376)
Sales incentives paid	-	(500)
Tax refunded	82	-
Tax paid	-	(35,889)
	(7,181)	(40,532)
Net cash used in operating activities	(156,642)	(133,157)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(3,081)	(3,946)
Proceeds from disposal of property, plant and equipment	48	-
Proceeds from disposal of subsidiary companies	7,102	2,380
Proceeds from disposal of an associated company	39,000	-
Net cash inflow on acquisition of a new subsidiary company	-	2
Repayment from/(Advances to) an associate company	146,040	(11,553)
Advances to joint ventures	-	(2,359)
Decrease of short-term funds	-	30,855
Investment in joint ventures	-	(5)
(Placement)/Withdrawal of fixed deposits	(19)	831
Net cash from investing activities	189,090	16,205
Cash Flows from Financing Activities		
Drawdown of bank borrowings	98,315	9,603
Repayment of bank borrowings	(2,445)	(29,166)
Dividends paid	-	(2,273)
Proceeds from issuance of shares to non-controlling interests	2,891	-
Repayment of hire-purchase creditors	(224)	(249)
Net cash from/(used in) financing activities	98,537	(22,085)
Net increase/(decrease) in cash and cash equivalents	130,985	(139,037)
Currency translation differences	(1)	(1,742)
Cash and cash equivalents at beginning of financial period	78,538	184,680
Cash and cash equivalents at end of financial period	209,522	43,901
Cash and cash equivalents at the end of the financial year comprise the following		
Cash and bank balances	218,082	53,796
Fixed deposits with licensed banks	7,666	7,438
Bank overdraft	(8,560)	(9,942)
	217,188	51,292
Less: Fixed deposits pledged	(7,666)	(7,438)
Add: Cash & bank balances included in the asset held for sale	-	47
	209,522	43,901

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2017 and the accompanying explanatory notes attached to this interim financial statements.

GLOBAL ORIENTAL BERHAD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements of Global Oriental Berhad (“GOB” or “Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2017. These explanatory notes attached to the 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 March 2017.

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2017, except for the compliance with the new/revised Financial Reporting Standards (“FRSs”) that are effective for the financial period beginning on or after 1 January 2017.

The adoption of the new/revised FRSs that came into effect during the current financial year is not expected to have any material impact on the financial statements of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”). Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities. Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers are allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework are now required to adopt the MFRS Framework latest by 1 January 2017. The effective date of MFRS 15 was subsequently deferred to annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare its first set of MFRS financial statements for the year ending 31 March 2019 when the MFRS Framework is mandated by MASB.

The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

2. AUDITORS’ REPORT ON REPORTING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements of GOB for the financial year ended 31 March 2017 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance for the quarter ended 30 September 2017 was not affected by any significant seasonal or cyclical fluctuations.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter under review.

5. CHANGES IN ESTIMATES

There were no changes in estimates during the quarter under review that had a material effect on the interim financial statements.

6. DEBT AND EQUITY SECURITIES

During the quarter under review, no ordinary shares were allotted to the employees of the Group as no ESOS option was exercised. As at 30 September 2017, a total of 6,693,079 ESOS options to subscribe for ordinary shares remain unexercised.

There were no issuances, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

7. DIVIDENDS PAID

There were no dividends paid or declared during the quarter under review.

8. SEGMENTAL INFORMATION

a) Business Segments

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results For 6 Months Ended							
30 September 2017							
Revenue							
External sales	14,616	-	11,078	-	15,193	-	40,887
Inter-segment sales	-	4,514	-	-	-	(4,514)	-
	14,616	4,514	11,078	-	15,193	(4,514)	40,887
Results							
Segment results	2,274	(102)	1,422	(2,295)	(10,229)	(687)	(9,617)
Loss on disposal of an associated company				(35,332)			(35,332)
Unallocated expenses:							
- Finance costs							(6,932)
- Share of results of an associated company							38,395
Loss before tax							(13,486)
Taxation							(759)
Loss for the financial period							(14,245)

Group	Property	Construction	Trading	Investment	Others	Elimination	Total
	development		and				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results For 6 Months Ended							
30 September 2016							
Revenue							
External sales	86,824	-	12,089	-	18,369	-	117,282
Inter-segment sales	-	33,997	-	-	-	(33,997)	-
	86,824	33,997	12,089	-	18,369	(33,997)	117,282
Results							
Segment results	(7,962)	1,155	1,899	24,723	(7,104)	(15,014)	(2,303)
Unallocated expenses:							
- Finance costs							(3,159)
- Share of results of joint ventures							(101)
- Share of results of an associated company							(2,623)
Loss before tax							(8,186)
Taxation							(3,063)
Loss for the financial period							(11,249)

b) Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Current Year Quarter 30.09.2017 RM'000	Preceding Year Corresponding Quarter 30.09.2016 RM'000	Current Year To Date 30.09.2017 RM'000	Preceding Year To Date 30.09.2016 RM'000
Revenue				
Malaysia	16,418	56,772	40,887	113,486
China	-	1,523	-	3,796
	16,418	58,295	40,887	117,282

9. CARRYING AMOUNT OF REVALUED ASSETS

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

There has been no change to the valuations of the property, plant and equipment since the audited financial statements for the year ended 31 March 2017.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the reporting period.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review, except as follows:

- (a) On 4 August 2017, the Group entered into two separate share sale agreements with (i) Trillion Benchmark Sdn Bhd and (ii) Rosmanira binti Junoh and Gan Wei Pin, for the disposal of entire equity interest in the following subsidiary companies for a total cash consideration of RM11.0 million.
- (i) Prima Pengkalan Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 on 5 October 2012, with a paid-up ordinary share capital of RM5,365,118.00 comprising 5,365,118 ordinary shares for a cash consideration of RM4,500,000.00;
 - (ii) Champion Vista Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 on 9 October 2012, with a paid-up ordinary share capital of RM7,712,005.00 comprising 7,712,005 ordinary shares for a cash consideration of RM4,342,000.00;
 - (iii) Vista Versatile Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 on 15 October 2012, with a paid-up ordinary share capital of

RM488,891.00 comprising 488,891 ordinary shares for a cash consideration of RM1,000,000.00;

- (iv) First Integrated Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 on 20 July 2016, with a paid-up ordinary share capital of RM396,390.00 comprising 396,390 ordinary shares for a cash consideration of RM1.00;
- (v) Ultimate Destiny Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 on 20 July 2016, with a paid-up ordinary share capital of RM100,619.00 comprising 100,619 ordinary shares for a cash consideration of RM1.00; and
- (vi) Dekad Sinaran Sdn Bhd, a private limited company incorporated in Malaysia under the Companies Act, 1965 on 12 October 2012, with a paid-up ordinary share capital of RM958,000.00 comprising 958,000 ordinary shares for a cash consideration of RM1,158,000.00.

- (b) On 27 September 2017, the Group acquired the entire issued and paid-up share capital of Macorp Holdings Sdn Bhd ("MHSB"), a private limited company incorporated in Malaysia under the Companies Act 1965 on 17 May 2002, comprising 2 ordinary shares for a cash consideration of RM2.00.

12. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at the date of this report, there were no material contingent liabilities except as follows:

Corporate guarantee amounting to RM233.7 million given by our Company to financial institutions for credit facilities granted to our subsidiaries.

13. CAPITAL COMMITMENTS

The amount of commitments not provided for as at the date of this report is as follows:

- (a) Non-cancellable operating lease commitments

The Group has commitment in respect of rental of premises as follows:

	RM'000
Future minimum rentals payable:	
- Not later than 1 year	3,378
- More than 1 year and within 2 years	271
- More than 2 years and within 5 years	-
	<u>3,649</u>

The Group has entered into non-cancellable operating lease agreements which represent rental payable for the use of premises.

(b) Other commitment

RM'000

Approved but not contracted for:

- Development Agreement for proposed development of land in Kuala Lumpur

247,250

PART B – EXPLANATORY NOTES PURSUANT TO THE REVISED LISTING REQUIREMENTS OF BURSA SECURITIES

1. REVIEW OF PERFORMANCE

a) Financial review for current quarter and financial year to date

	Individual Period		Changes	Cumulative Period		Changes
	Current Year Quarter 30.09.2017	Preceding Year Corresponding Quarter 30.09.2016		Current Year To Date 30.09.2017	Preceding Year To Date 30.09.2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	16,418	58,295	-72%	40,887	117,282	-65%
Operating (Loss)/Profit	(48,815)	8,150	-699%	(44,949)	(2,303)	-1852%
(Loss)/Profit Before Tax	(14,232)	4,600	-409%	(13,486)	(8,186)	-65%
(Loss)/Profit After Tax	(14,453)	2,489	-681%	(14,245)	(11,249)	-27%
(Loss)/Profit attributable to Owners of the Company	(13,506)	2,505	-639%	(12,982)	(11,232)	-16%

Current Quarter

For the current quarter, the Group registered a lower revenue of RM16.4 million compared to RM58.3 million of the preceding year corresponding quarter. The decrease in revenue was mainly due to lower sales recognition from development projects.

The Group recorded a loss before tax of RM14.12 million for the current quarter under review compared to a profit before tax of RM4.6 million of the preceding year corresponding quarter. The decline in results was attributable to lower profit contribution from development projects as most of the Group's projects were completed in 2016 and early 2017. During the quarter, the Group exercised its put option to dispose its remaining investment in an associated company which resulted in a net contribution of RM3.5 million towards Group's results.

Year-to-date (6 months)

The Group registered lower revenue of RM40.9 million and higher loss before tax of RM13.5 million compared to the preceding year corresponding period's revenue of RM117.3 million and loss before tax of RM8.2 million respectively. The adverse results were mainly attributed to lower contribution from the property division and lower other operating income.

b) Financial review for current quarter compared with immediate preceding quarter

	Current Year Quarter 30.09.2017 RM'000	Immediate Preceding Quarter 30.06.2017 RM'000	Changes %
Revenue	16,418	24,469	-33%
Operating (Loss)/Profit	(48,815)	3,866	-1363%
(Loss)/Profit Before Tax	(14,232)	746	-2008%
(Loss)/Profit After Tax	(14,453)	208	-7049%
(Loss)/Profit attributable to Owners of the Company	(13,506)	524	-2677%

Compared against the immediate preceding quarter, the Group's revenue of RM16.4 million was lower against RM24.5 million while a loss before tax of RM14.2 million was incurred against a profit before tax of RM0.7 million. The decrease in results was mainly due to lower contribution from the property division and lower other operating income.

2. COMMENTARY ON PROSPECTS

In view of prevailing purchasers' cautious sentiment and affordability, property sector will remain flattish in 2017. However, the Group is expected to derive positive contributions towards financial year ending 31 March 2018 and beyond from projects in Klang Valley. In addition, we anticipate that our imminent projects in Perak and Pahang would enhance our prospects.

3. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the financial year under review.

4. TAXATION

	Current Year Quarter 30.09.2017 RM'000	Preceding Year Corresponding Quarter 30.09.2016 RM'000	Current Year To Date 30.09.2017 RM'000	Preceding Year To Date 30.09.2016 RM'000
Current period taxation	(255)	(2,160)	(837)	(3,374)
Deferred taxation	34	49	78	311
	<u>(221)</u>	<u>(2,111)</u>	<u>(759)</u>	<u>(3,063)</u>

The effective tax rate is not reflective of the statutory tax rate principally due to the restriction in the group relief available in respect of losses incurred by certain subsidiary companies and expenses which were not deductible for tax purposes.

5. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this report.

6. BORROWINGS AND DEBT SECURITIES

	As at 30.09.2017		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Redeemable preference shares	961	-	961
Bank borrowings	167,223	49,280	216,503
Hire-purchase creditors	640	195	835
Bank overdrafts	-	8,560	8,560
	<u>168,824</u>	<u>58,035</u>	<u>226,859</u>

	As at 30.09.2016		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Redeemable preference shares	961	-	961
Bank borrowings	41,005	59,434	100,439
Hire-purchase creditors	998	263	1,261
Bank overdrafts	-	9,942	9,942
	<u>42,964</u>	<u>69,639</u>	<u>112,603</u>

All borrowings are denominated in Ringgit Malaysia and are fully secured.

7. CHANGES IN MATERIAL LITIGATION

The Company and its subsidiary companies are not engaged, either as plaintiff or defendant, in any litigation which has a material effect since the date of the last annual statement of financial position to the date of this report. The Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceeding which might materially and/or adversely affect the position or business of the Group.

8. DIVIDEND

No dividend has been proposed or declared for the current quarter.

9. EARNINGS PER SHARE

a) Basic

The basic earnings per share is calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares in issue during the financial period.

	Current Year Quarter 30.09.2017	Preceding Year Corresponding Quarter 30.09.2016	Current Year To Date 30.09.2017	Preceding Year To Date 30.09.2016
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(13,506)	2,505	(12,982)	(11,232)
Number of ordinary shares in issue ('000)	454,676	454,676	454,676	454,676
Basic earnings per share (sen)	(2.97)	0.55	(2.86)	(2.47)

b) Diluted

ESOS granted and warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.

10. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Current Year Quarter 30.09.2017 RM'000	Preceding Year Corresponding Quarter 30.09.2016 RM'000	Current Year To Date 30.09.2017 RM'000	Preceding Year To Date 30.09.2016 RM'000
After Charging:				
Interest expenses	4,295	1,964	6,932	3,159
Depreciation and amortisation	426	1,129	1,245	2,783
Property, plant and equipment written off	13	-	33	115
Loss on disposal of property, plant and equipment	-	-	3	-
Impairment of goodwill	-	-	-	33
Loss on disposal of an associated company	35,332	-	35,332	-
After Crediting:				
Interest income	229	1,515	1,681	3,223
Gain on disposal of subsidiary companies	2,278	21,884	2,278	22,552

There were no gain or loss on disposal of quoted investment, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter under review.

11. DISCLOSURE ON REALISED AND UNREALISED PROFITS

	As at 30.09.2017 RM'000	As at 31.03.2017 RM'000
Total retained profits of the Company and its subsidiaries		
– Realised	186,969	198,898
– Unrealised	38,292	42,493
	<hr/> 225,261	<hr/> 241,391
Less: Consolidation adjustments	(112,048)	(116,252)
Total Group retained earnings as per statements of financial position	<hr/> 113,213	<hr/> 125,139

12. AUTHORISATION FOR ISSUE

These interim financial statements have been authorised by the Board of Directors for issuance in accordance with a resolution of the Directors duly passed at the Board of Directors' Meeting held on 27 November 2017.

By Order of the Board
Chin Pei Fung (MAICSA 7029712)
Company Secretary
Selangor Darul Ehsan
27 November 2017