

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
**(Incorporated in Malaysia)**

**Consolidated Statement Of Comprehensive Income**  
**For the Financial Period Ended 31 December 2016**  
(The figures have not been audited)

	Note	Individual Quarter		Year to Date	
		3 months ended 31.12.16 RM'000	3 months ended 31.12.15 RM'000	6 months ended 31.12.16 RM'000	6 months ended 31.12.15 RM'000
<b>Revenue</b>	4	6,285	6,293	11,954	11,239
Other Income		1	21	2	22
Changes in Inventories		(105)	(480)	(94)	15
Staff Costs		(590)	(392)	(1,111)	(928)
Depreciation		(109)	(112)	(195)	(146)
Subcontract Labour Costs, Fertilizer and Chemical Costs		(1,088)	(1,258)	(2,138)	(2,836)
Foreign Exchange (Loss)/Gain		(7,481)	724	(8,937)	(6,933)
Other Expenses		(1,444)	(1,033)	(3,033)	(2,748)
<b>(Loss)/Profit from operations</b>	4	(4,531)	3,763	(3,552)	(2,315)
Share of Profit/(Loss) of Associates		55	114	(922)	(1,535)
<b>(Loss)/Profit before tax</b>	20	(4,476)	3,877	(4,474)	(3,850)
Income tax expense	21	(618)	(258)	(940)	(225)
<b>Loss/(Profit) after tax</b>		(5,094)	3,619	(5,414)	(4,075)
<b><u>Other Comprehensive Income/(Loss)</u></b>					
Available-for-sale investments:					
- Loss on fair value changes		(6,689)	(11,138)	(3,696)	(52,778)
- Loss on disposal of available-for-sale investment		(10,180)	-	(10,180)	-
Foreign currency translation		31,490	(19,335)	46,169	62,707
Share of other comprehensive (loss)/income of associates		(4,065)	5,180	1,675	(8,242)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		10,556	(25,293)	33,968	1,687
<b>Total comprehensive income/(loss) for the period</b>		5,462	(21,674)	28,554	(2,388)
<b>(Loss)/Profit attributable to:</b>					
Owners of the parent		(2,572)	2,174	(2,575)	(1,770)
Non-controlling interest		(2,522)	1,445	(2,839)	(2,305)
		(5,094)	3,619	(5,414)	(4,075)
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		2,744	(10,426)	13,821	(627)
Non-controlling interest		2,718	(11,248)	14,733	(1,761)
		5,462	(21,674)	28,554	(2,388)
<b>(Loss)/Earnings per share attributable to owners of the parent:</b>					
Basic (Sen)	26(a)	(4.07)	3.44	(4.08)	(2.80)
Diluted (Sen)	26(b)	(4.07)	3.44	(4.08)	(2.80)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**

(Incorporated in Malaysia)

**Consolidated Statement of Financial Position****As at 31 December 2016**

	(Unaudited) As at 31.12.16 RM'000	(Audited) As at 30.6.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	300,123	299,883
Biological assets	17,148	10,426
Investment properties	69,839	64,447
Investment in associates	87,359	79,520
Available-for-sale investments	401,816	406,790
Deferred tax asset	205	205
	<u>876,490</u>	<u>861,271</u>
<b>Current assets</b>		
Inventories	173	266
Trade and other receivables	3,074	2,598
Prepayments	417	677
Tax recoverable	197	491
Cash and bank balances	265,444	253,789
	<u>269,305</u>	<u>257,821</u>
<b>TOTAL ASSETS</b>	<u>1,145,795</u>	<u>1,119,092</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	63,172	63,172
Reserves	579,569	566,330
	<u>642,741</u>	<u>629,502</u>
Non-controlling interests	483,254	469,677
<b>Total equity</b>	<u>1,125,995</u>	<u>1,099,179</u>
<b>Non-current liabilities</b>		
Deferred tax liability	15,147	15,137
Trade and other payables	467	445
Provision for retirement benefits	51	42
	<u>15,665</u>	<u>15,624</u>
<b>Current liabilities</b>		
Trade and other payables	3,839	4,180
Tax payable	296	109
	<u>4,135</u>	<u>4,289</u>
<b>Total liabilities</b>	<u>19,800</u>	<u>19,913</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,145,795</u>	<u>1,119,092</u>

The consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**

(Incorporated in Malaysia)

**Consolidated Statement of Changes in Equity  
For the Financial Period Ended 31 December 2016**

(The figures have not been audited)

	← Non distributable →							← Distributable →					
	Equity, Total RM'000	Equity Attributable to Owners of the Parent, total RM'000	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Equity Interest in the Company held by subsidiaries RM'000	Cultivation and Replacement Reserves RM'000	Property and Investment Reserve RM'000	General Reserve RM'000	Retained Earnings RM'000	Non- controlling interests RM'000
<b>Opening balance at 1 July 2016</b>	1,099,180	629,503	63,172	5,216	214,439	119,669	60,951	(25,649)	4,862	5,662	17,412	163,769	469,677
Total comprehensive income/(loss) for the period	28,554	13,821	-	-	727	(7,478)	23,147	-	-	-	-	(2,575)	14,733
Dividend paid	(1,739)	(583)	-	-	-	-	-	-	-	-	-	(583)	(1,156)
<b>As at 31 December 2016</b>	<b>1,125,995</b>	<b>642,741</b>	<b>63,172</b>	<b>5,216</b>	<b>215,166</b>	<b>112,191</b>	<b>84,098</b>	<b>(25,649)</b>	<b>4,862</b>	<b>5,662</b>	<b>17,412</b>	<b>160,611</b>	<b>483,254</b>
<b>Opening balance at 1 July 2015</b>	1,118,192	636,030	63,172	5,216	220,260	139,992	43,619	(25,649)	4,862	5,662	17,412	161,484	482,162
Total comprehensive (loss)/income for the period	(2,388)	(627)	-	-	(3,577)	(25,954)	30,674	-	-	-	-	(1,770)	(1,761)
Dividend	(1,787)	(631)	-	-	-	-	-	-	-	-	-	(631)	(1,156)
<b>As at 31 December 2015</b>	<b>1,114,017</b>	<b>634,772</b>	<b>63,172</b>	<b>5,216</b>	<b>216,683</b>	<b>114,038</b>	<b>74,293</b>	<b>(25,649)</b>	<b>4,862</b>	<b>5,662</b>	<b>17,412</b>	<b>159,083</b>	<b>479,245</b>

The consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
(Incorporated in Malaysia)

**Consolidated Statement of Cash Flows**  
**For the Financial Period Ended 31 December 2016**

(The figures have not been audited)

	<b>6 months ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(4,474)	(3,850)
Adjustments for:		
Depreciation	195	146
Provision for retirement benefit	9	19
Dividend income	(2,688)	(4,235)
Interest income	(1,055)	(1,458)
Share of loss of associates	922	1,535
Unrealised foreign exchange loss	8,926	6,907
Operating cash flows before working capital changes	<u>1,835</u>	<u>(936)</u>
Receivables	(36)	(2,051)
Prepayments	259	214
Inventories	94	(15)
Payables	(352)	(298)
Cash flows from/(used in) operations	<u>1,800</u>	<u>(3,086)</u>
Taxes refunded	-	189
Taxes paid	(474)	(395)
Net cash flows from/(used in) operating activities	<u>1,326</u>	<u>(3,292)</u>
<b>INVESTING ACTIVITIES</b>		
Dividends received	3,966	6,699
Interest received	1,088	1,363
Withdrawal from fixed deposits	1,607	4,858
Purchase of property, plant and equipment	(435)	(701)
Addition of biological assets	(6,723)	(4,652)
Proceeds from sale of available-for-sale investment	6,256	-
Cash flows from investing activities	<u>5,759</u>	<u>7,567</u>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company	(583)	-
Dividends paid to non-controlling interest	(1,156)	-
Net cash used in financing activities	<u>(1,739)</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,346</b>	<b>4,275</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>7,916</b>	<b>12,701</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>234,030</b>	<b>205,219</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>247,292</b>	<b>222,195</b>
<b>(Note 27)</b>	<b><u>247,292</u></b>	<b><u>222,195</u></b>

The consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
**(Incorporated in Malaysia)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Basis of Preparation**

The interim financial statements have been prepared on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties and available-for-sale investments that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 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 year ended 30 June 2016. 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 year ended 30 June 2016.

**2. Significant accounting policies**

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2016.

**(i) Revised FRSs issued and not yet effective**

The Group has not early adopted the following revised FRSs which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

	<b>Effective date for financial periods beginning on or after</b>
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 12 (Annual Improvements to FRS Standards 2014-2016 Cycle)	1 January 2017
FRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
**(Incorporated in Malaysia)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**2. Significant Accounting Policies (cont'd)**

**Revised FRSs issued and not yet effective (cont'd)**

**Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards ("FRS") as its financial reporting framework until the MFRS is mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively against opening retained earnings.

**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 30 June 2016 was not qualified.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
**(Incorporated in Malaysia)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**4. Segmental Information**

	<b>6 months ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	7,518	5,085
Investment	4,436	6,154
Total	<u>11,954</u>	<u>11,239</u>
<b>Segment results</b>		
Plantation	4,722	1,302
Investment	3,756	(1,014)
	8,478	288
Unallocated corporate expenses	(12,030)	(2,603)
Loss from operations	<u>(3,552)</u>	<u>(2,315)</u>
<b>Segment assets</b>		
Plantation	370,982	354,458
Investment	774,574	779,619
	1,145,556	1,134,077
Unallocated corporate asset	239	168
Total assets	<u>1,145,795</u>	<u>1,134,245</u>

**5. Unusual Items due to their Nature, Size or Incidence**

During the current quarter, one of the subsidiaries had disposed its investment in British and Malayan Trustees Limited with proceeds of RM6.26 million. This resulted in a loss of RM10.18 million. Other than this other comprehensive loss, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2016.

**6. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**7. Comments about Seasonal or Cyclical Factors**

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling price of crude palm oil. The production of fresh fruit bunches is influenced by weather conditions, production cycle and age of palms.

**8. Dividend Paid**

In respect of the financial year ended 30 June 2016, as reported in the directors' report of that year, the following dividends were paid during the current period:

	<b>Amount</b>	<b>Net dividend</b>
	<b>RM</b>	<b>per share</b>
		<b>Sen</b>
First and final tax exempt (single-tier) dividend of 1%	<u>631,720</u>	<u>1.00</u>

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
**(Incorporated in Malaysia)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**9. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and year-to-date.

**10. Changes in Composition of the Group**

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

**11. Capital Commitments**

There are no commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 December 2016.

**12. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 December 2016.

**13. Related Party Transactions**

Transactions with related parties are as follows:

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih has an interest (recurrent)	239	234	473	462
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	77	48	148	125
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	437	676	1,073	1,085
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	85	70	169	142
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih, has an interest and Balaraman A/L Annamaly is a common director (recurrent)	62	62	125	125



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**Part A - Explanatory Notes Pursuant to FRS 134**

**14. Subsequent Events**

There were no material events subsequent to the end of the current quarter.

**15. Fair Value Hierarchy**

The Group uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31.12.16</b>				
Available-for-sale financial assets	344,839	56,977	-	401,816
Freehold land	-	-	298,052	298,052
Investment properties	-	-	69,839	69,839
	<u>344,839</u>	<u>56,977</u>	<u>367,891</u>	<u>769,707</u>
<b>30.06.16</b>				
Available-for-sale financial assets	354,772	52,018	-	406,790
Freehold land	-	-	298,052	298,052
Investment properties	-	-	64,447	64,447
	<u>354,772</u>	<u>52,018</u>	<u>362,499</u>	<u>769,289</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial period and the comparative period. There were no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**16. Performance Review**

The Group recorded revenue of RM6.29 million for the current quarter ended 31 December 2016. This was comparable to last year's corresponding quarter despite lower interest and dividend income. Crop sales was higher than last year's corresponding quarter by about 64% on account of higher tonnage harvested and the increase in fresh fruit bunch ("FFB") prices by about 47%. Rental income from the Group's investment properties was slightly higher.

For the current quarter, the Group reported an after-tax loss of RM5.09 million despite higher revenue achieved as compared to last year's corresponding quarter's after-tax profit of RM3.62 million. This was due to:-

- 1) The foreign exchange difference was an exchange loss of RM7.48 million for the current quarter while it was an exchange gain of RM724,000 for the quarter a year ago. This was due to the weakening of Singapore Dollar against United States Dollar by 5.7% for the current quarter.
- 2) Share of profit of associates for the current quarter was RM55,000. This was lower than last year's corresponding quarter's RM114,000.
- 3) Income tax expense of RM618,000 for the current quarter was higher than last year's corresponding quarter's RM258,000.

For the 1st half of the current financial year, the Group's revenue of RM11.95 million was higher than last year's RM11.24 million despite lower interest and dividend income. Crop sales of RM7.52 million was more than last year's corresponding period by about 48%, mainly on account of the 47% increase in FFB prices. The Group also received rental income of RM694,000 during the current period-to-date which was higher than last year's RM462,000.

The Group reported an after-tax loss of RM5.41 million at the end of the 6 months ended 31 December 2016 compared to last year's RM4.08 million. This exceeded last year's corresponding period's loss by RM1.33 million despite share of associates' financial loss was lower by RM613,000. This was due to:-

- 1) The foreign exchange loss of RM8.94 million was higher than last year's RM6.93 million.
- 2) Income tax expense of RM940,000 for the current period-to-date was higher than last year's corresponding quarter by RM715,000.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**17. Comment on Material Change in Profit Before Taxation for the Current Quarter as  
Compared with the Immediate Preceding Quarter**

For the quarter under review, the Group's revenue of RM6.29 million was higher than the immediate preceding quarter (1Q2017) of RM5.67 million despite lower dividend and interest income. This was due to higher crop sales on account of the increases of 7% and 14% in tonnage harvested and FFB prices respectively. Rental income was slightly higher.

The Group reported a pre-tax loss of RM4.48 million for the current quarter as compared to the immediate preceding quarter's profit of RM2,000. This was despite higher revenue achieved and share of financial results of the associates was a profit of RM55,000 for the current quarter while it was a loss of RM977,000 in the immediate preceding quarter. This was mainly due to the foreign exchange loss of RM7.48 million for the current quarter which was significantly higher than the immediate preceding quarter's loss of RM1.46 million.

**18. Commentary on Prospects**

Since October 2016, there has been an upward trend in CPO prices, primarily attributed towards the seasonally lower crop production. On the back of the volatile currency markets, it is reasonable to expect the average price of CPO to be above RM2,800 per metric ton for the second half of the financial year.

Production-wise, with the period of El-Nino effect coming to an end, the Group's FFB yield is expected to be higher during the period of January to June 2017. The Group expects FFB yield to be higher by 10% compared to the same period of the last financial year.

With expectations of higher FFB production and CPO prices, the Board expects the Group to achieve higher profitability from its plantation operations for the rest of the current financial year.

The Group's results are also dependent on dividend income receivable from its investments, market valuation of its publicly listed investments and the effect of currency fluctuations.

The results of the associated companies may be further affected by the market valuation of their investments and currency fluctuations.

**19. Profit Forecast or Profit Guarantee**

There is no profit forecast or profit guarantee.

**KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)**  
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**20. (Loss)/Profit before tax**

(Loss)/Profit for the period is arrived after charging/(crediting):

	Individual Quarter		Year-To-Date	
	31.12.16 RM'000	31.12.15 RM'000	31.12.16 RM'000	31.12.15 RM'000
Interest income	(493)	(729)	(1,055)	(1,458)
Other income including investment income	(1,657)	(3,063)	(3,383)	(4,718)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	109	112	195	146
Provision for and write off of receivables	n/a	n/a	n/a	n/a
Provision for and write off of inventories	n/a	n/a	n/a	n/a
Gain or loss on disposal of quoted or unquoted investments or properties	(10,180)	n/a	(10,180)	n/a
Impairment of assets	n/a	n/a	n/a	n/a
Foreign exchange loss/(gain)	7,481	(724)	8,937	6,933
(Gain)/Loss on derivatives	n/a	n/a	n/a	n/a
Exceptional items	n/a	n/a	n/a	n/a

n/a : Not applicable

**21. Income Tax Expense**

	Individual Quarter		Year-To-Date	
	3 months ended		6 months ended	
	31.12.16 RM'000	31.12.15 RM'000	31.12.16 RM'000	31.12.15 RM'000
Current tax:				
Malaysian income tax	523	180	801	246
Foreign tax	95	78	177	168
	<u>618</u>	<u>258</u>	<u>978</u>	<u>414</u>
Over provision of income tax in prior years				
Malaysian income tax	-	-	-	(189)
Foreign tax	-	-	(38)	-
	<u>-</u>	<u>-</u>	<u>(38)</u>	<u>(189)</u>
Total income tax expense	<u>618</u>	<u>258</u>	<u>940</u>	<u>225</u>

The effective tax rates for the current quarter, current year-to-date and last year's year-to-date were higher as certain expenses were not deductible for tax purposes. The effective tax rate for last year's corresponding quarter was lower as certain income was not subjected to income tax.

The over provision of income tax for the current year-to-date and last year's year-to-date arose from tax refunds in respect of prior years' of assessments.

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**22. Corporate Proposals**

There was no corporate proposal announced by the Company as at the date of the issue of this quarterly report.

**23. Borrowings**

There were no borrowings and debt securities as at 31 December 2016.

**24. Changes in Material Litigation**

There was no pending material litigation as at the date of the issue of this quarterly report.

**25. Dividend Payable**

The directors do not recommend any dividend for the current quarter under review.

**26. (Loss)/Earnings Per Share**

**(a) Basic**

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>	<b>31.12.16</b>	<b>31.12.15</b>
Loss/(Earnings) attributable to owners of the parent (RM'000)	<u>(2,572)</u>	<u>2,174</u>	<u>(2,575)</u>	<u>(1,770)</u>
Weighted average number of ordinary shares in issue ('000)	<u>63,172</u>	<u>63,172</u>	<u>63,172</u>	<u>63,172</u>
Basic (loss)/earnings per share (Sen)	<u>(4.07)</u>	<u>3.44</u>	<u>(4.08)</u>	<u>(2.80)</u>

**(b) Diluted**

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there is no dilutive potential ordinary shares outstanding as at 31 December 2016.

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**27. Cash and cash equivalents**

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	<b>6 months period</b>	
	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	265,444	252,679
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(18,152)	(30,484)
Cash and cash equivalents	<u>247,292</u>	<u>222,195</u>

**28. Disclosure of Realised and Unrealised Retained Profits**

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

The breakdown of retained profits of the Group, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	<b>As at</b>	<b>As at</b>
	<b>31.12.16</b>	<b>30.06.16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Total retained profits of the Group and its subsidiaries:</b>		
- Realised	145,971	141,737
- Unrealised	11,593	39,465
	157,564	181,202
<b>Less: Consolidation adjustments</b>	3,047	(17,432)
	<u>160,611</u>	<u>163,770</u>

**29. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 February 2017.