

WING TAI MALAYSIA BERHAD (6716-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - UNAUDITED

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.16 RM'000 Unaudited	Preceding year comparative quarter 30.06.15 RM'000 Unaudited	Current year ended 30.06.16 RM'000 Unaudited	Comparative year ended 30.06.15 RM'000 Audited
Revenue	62,460	66,498	275,820	316,293
Operating expenses	(71,748)	(55,353)	(262,008)	(276,188)
Other operating income	3,051	18,572	14,578	50,065
(Loss)/Profit from operations	(6,237)	29,717	28,390	90,170
Finance costs, net	(4,762)	(2,196)	(10,499)	(9,491)
Share of results of joint ventures	3,986	(858)	10,533	8,971
(Loss)/Profit before tax	(7,013)	26,663	28,424	89,650
Tax	(4,364)	(9,380)	(18,411)	(20,061)
(Loss)/Profit for the period/year	(11,377)	17,283	10,013	69,589
Attributable to:				
Equity holders of the Company	(11,377)	17,283	10,013	69,589
Non-controlling interest	-	-	-	
	(11,377)	17,283	10,013	69,589
(Loss)/Earnings per share (sen):				
Basic EPS	(2.36)	5.36	2.24	21.63
Diluted EPS	(2.36)	5.34	2.23	21.58

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying notes attached to the interim financial statements.

WING TAI MALAYSIA BERHAD (6716-D)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.16 RM'000 Unaudited	Preceding year comparative quarter 30.06.15 RM'000 Unaudited	Current year ended 30.06.16 RM'000 Unaudited	Comparative year ended 30.06.15 RM'000 Audited
(Loss)/Profit for the period/year	(11,377)	17,283	10,013	69,589
Other comprehensive income				
Items that will not reclassified to profit or loss:				
Revaluation on land and buildings	15,617	-	15,617	-
Items that may be subsequently reclassified to profit or loss:				
Share of joint venture loss on net fair value change on casflow hedge	(718)	-	(718)	-
Foreign currency translation	-	(165)	2	(1,632)
	14,899	(165)	14,901	(1,632)
Total comprehensive income for the period/year	3,522	17,118	24,914	67,957
Attributable to:				
Equity holders of the Company	3,522	17,118	24,914	67,957
Non-controlling interest	-	-	-	-
	3,522	17,118	24,914	67,957

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying notes attached to the interim financial statements.

WING TAI MALAYSIA BERHAD (6716-D)
(Incorporated in Malaysia)

**NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.16 RM'000 Unaudited	Preceding year comparative quarter 30.06.15 RM'000 Unaudited	Current year ended 30.06.16 RM'000 Unaudited	Comparative year ended 30.06.15 RM'000 Audited
(a) Interest income	1,951	1,161	9,411	6,162
(b) Other income including investment income	1,100	3,454	5,167	9,773
(c) Interest expense	(4,387)	(1,737)	(9,206)	(7,251)
(d) Depreciation and amortisation	(2,486)	(2,730)	(10,395)	(11,325)
(e) Allowance for impairment of receivables	(50)	(26)	(91)	(682)
(f) Provision of inventories	(703)	(710)	(2,488)	(1,914)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Reversal of impairment of assets	-	-	-	-
(i) Foreign exchange (loss)/gain	(2,660)	2,064	(1,331)	4,572
(j) Fair value gain/(loss) on derivatives	1,739	-	(2,765)	-
(k) Exceptional items				
Gain on disposal of a joint venture	-	-	-	34,130

WING TAI MALAYSIA BERHAD (6716-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	As At End Of Financial Year 30 June 2016 RM'000 Unaudited	As At Preceding Financial Year Ended 30 June 2015 RM'000 Audited
Assets		
Non-current assets		
Property, plant and equipment	130,551	126,137
Land held for property development	75,027	74,143
Investment properties	148,660	145,982
Prepaid land lease payments	1,365	1,424
Investment in joint ventures	53,457	45,485
Deferred tax assets	17,315	20,694
	<u>426,375</u>	<u>413,865</u>
Current assets		
Property development costs	295,239	834,934
Inventories	939,276	165,304
Trade and other receivables	95,144	94,439
Other current assets	7,030	26,152
Tax recoverable	11,045	16,961
Cash and bank balances	144,146	144,403
	<u>1,491,880</u>	<u>1,282,193</u>
Total assets	<u>1,918,255</u>	<u>1,696,058</u>
Equity and liabilities		
Current liabilities		
Borrowings	16,644	100,740
Trade and other payables	162,850	148,409
Other current liabilities	-	2,609
Derivative financial instruments	2,765	-
Tax payable	64	389
	<u>182,323</u>	<u>252,147</u>
Net current assets	<u>1,309,557</u>	<u>1,030,046</u>
Non-current liabilities		
Borrowings	423,965	325,651
Deferred tax liabilities	2,269	1,762
Deferred income	25,563	25,563
Provision	2,030	1,929
	<u>453,827</u>	<u>354,905</u>
Total liabilities	<u>636,150</u>	<u>607,052</u>
Net assets	<u>1,282,105</u>	<u>1,089,006</u>
Equity attributable to owners of the parent		
Share capital	486,987	328,390
Reserves	170,494	131,758
Treasury shares	(18,266)	(18,262)
Retained earnings	642,890	647,120
Total equity	<u>1,282,105</u>	<u>1,089,006</u>
Total equity and liabilities	<u>1,918,255</u>	<u>1,696,058</u>

WING TAI MALAYSIA BERHAD (6716-D)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - UNAUDITED**

	-----<-----Attributable to Equity Holders of the Parent----->-----								
	Share Capital	Treasury Shares	Share Premium	Revaluation Reserves	Foreign Exchange/ Hedging Reserves	Reserve of disposal group classified as held for sale	Share Option/Grant Reserve	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2015	328,390	(18,262)	119,623	12,508	(1,438)	-	1,065	647,120	1,089,006
Total comprehensive income for the year	-	-	-	15,617	(716)	-	-	10,013	24,914
Issue of rights shares	158,187	-	23,728	-	-	-	-	-	181,915
Acquisition of treasury shares	-	(4)	-	-	-	-	-	-	(4)
Dividends	-	-	-	-	-	-	-	(14,243)	(14,243)
Vesting of ordinary shares pursuant to RSP	410	-	397	-	-	-	(807)	-	-
RSP Expenses	-	-	-	-	-	-	517	-	517
At 30 June 2016	486,987	(18,266)	143,748	28,125	(2,154)	-	775	642,890	1,282,105
At 1 July 2014	326,359	(18,251)	118,793	12,508	194	10,695	1,535	599,398	1,051,231
Total comprehensive income for the year	-	-	-	-	(1,632)	-	-	69,589	67,957
Reserve of disposal group classified as held for sale	-	-	-	-	-	(10,695)	-	-	(10,695)
Acquisition of treasury shares	-	(11)	-	-	-	-	-	-	(11)
Dividends	-	-	-	-	-	-	-	(22,132)	(22,132)
Issue/Vesting of ordinary shares pursuant to ESOS/RSP	2,031	-	830	-	-	-	(1,259)	265	1,867
RSP Expenses	-	-	-	-	-	-	789	-	789
At 30 June 2015	328,390	(18,262)	119,623	12,508	(1,438)	-	1,065	647,120	1,089,006

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 2015 and the accompanying notes attached to the interim financial statements.

WING TAI MALAYSIA BERHAD (6716-D)
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - UNAUDITED**

	Current year ended 30.06.2016 RM'000 Unaudited	Comparative year ended 30.06.2015 RM'000 Audited
Operating activities		
Profit before tax	28,424	89,650
Adjustment for:		
Non-cash items	27,926	(24,864)
Non-operating items	<u>(10,020)</u>	<u>(7,093)</u>
Operating profit before working capital changes	46,330	57,693
Net change in assets	(202,353)	(56,532)
Net change in liabilities	15,073	(34,014)
Cash used in operations	<u>(140,950)</u>	<u>(32,853)</u>
Interest paid	(25,826)	(19,852)
Taxation paid	(12,553)	(12,090)
Retrenchment benefits paid	-	(74)
Net cash used in operating activities	<u>(179,329)</u>	<u>(64,869)</u>
Investing activities		
Interest received	9,411	6,162
Advances to joint ventures	(7,400)	(3,620)
Proceeds from disposal of property, plant and equipment and prepaid land lease payments	75	187
Proceeds from disposal of a joint venture	-	23,435
Proceeds from disposal of investment properties	416	-
Purchase of property, plant and equipment	(3,122)	(9,127)
Expenditures on land held for development	(884)	(22,073)
Expenditures on investment properties	-	-
Addition of deposits of more than 3 months maturity with licenced banks	(11,177)	3,317
Net cash used in investing activities	<u>(12,681)</u>	<u>(1,719)</u>
Financing activities		
Drawdown of borrowings	141,268	57,000
Repayment of borrowings	(127,645)	(47,050)
Dividends paid to shareholders of the Company	(14,243)	(22,132)
Proceeds from issuance of ordinary shares	181,915	1,867
Shares repurchased	(4)	(11)
Net cash generated from/(used in) financing activities	<u>181,291</u>	<u>(10,326)</u>
Net decrease in cash and cash equivalents	(10,719)	(76,914)
Effect of foreign exchange rate changes	(715)	(1,632)
Cash and cash equivalents at the beginning of the financial year	143,169	221,715
Cash and cash equivalents at the end of the financial year	<u>131,735</u>	<u>143,169</u>
Cash and bank balances:		
Cash on hand and at banks	43,248	44,804
Deposits of up to 3 months maturity with with licensed banks	88,487	98,365
	<u>131,735</u>	<u>143,169</u>
Cash and bank balance held in trust	261	170
Deposits of more than 3 months maturity with licensed banks	12,150	1,064
	<u>144,146</u>	<u>144,403</u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying notes attached to the interim financial statements.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 - UNAUDITED**

A1 Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of land and buildings included within property, plant and equipment and investment properties that have been measured at their fair values and financial instruments as sets out in FRS 139.

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard ("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 for the financial year ended 30 June 2016.

The Group adopted the same accounting policies and methods of computation as in the audited financial statements for the financial year ended 30 June 2015 except for the adoption of the effective new and revised FRSs, IC interpretations, amendments to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations.

The applications of the effective new and revised FRSs, IC Interpretations, and Amendments did not 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 ("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 and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer ('herein called "Transitioning Entities").

On 8 September 2015, MASB has decided to allow Transitioning Entities to defer adoption of the MFRS Framework. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly has the option to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019.

The Group have not adopted the following standards and interpretations that have been issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 9: Financial Instruments	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 16: Leases	1 January 2019

The Group expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except for FRS 9: Financial Instruments and MFRS 15 Revenue from Contracts with Customers. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial asset but no impact on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of MFRS 15 and MFRS 16.

A2 Audit Report

The audit report of the preceding annual financial statements was not subject to any qualification.

A3 Seasonal or cyclical factors

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors.

A4 Unusual items

There were no unusual items for the current quarter and financial year ended 30 June 2016.

A5 Changes in estimates

There was no significant change in estimates of amount reported in prior interim periods or prior financial years/period.

A6 Debt and equity securities

During the current financial year, the Company increased its issued and paid up ordinary shares from RM328,390,132 to RM486,987,298 by way of:

- i) issuance of 158,187,066 new ordinary shares RM1.00 each pursuant to right issue, and
- ii) vesting of 410,100 ordinary shares of RM1.00 granted under Restricted Share Award.

As at 12 August 2016, the total number of treasury shares held under Section 67A of the Companies Act, 1965 were 12,019,000 or 2.5% of the total paid up share capital of the Company.

During the current financial year ended 30 June 2016, the Company bought back its issued shares from the open market as follows:-

<u>Month</u>	<u>No of shares</u>	<u>Lowest Price</u> RM	<u>Highest Price</u> RM	<u>Average Price</u> RM	<u>consideration paid #</u> RM
November 2015	1,000	1.30	1.30	1.30	1,332
May 2016	2,000	1.18	1.18	1.18	2,393

Inclusive of commission, stamp duty and other charges

A7 Dividends paid

A first and final dividend of 3 sen per share Single Tier for the financial year ended 30 June 2015 was paid on 16 December 2015.

A8 Segment information

Segment results for current quarter ended 30 June 2016:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
<u>Revenue</u>						
External sales	19,049	5,015	36,560	1,836	-	62,460
Inter-segment sales	-	-	-	-	-	-
	<u>19,049</u>	<u>5,015</u>	<u>36,560</u>	<u>1,836</u>	<u>-</u>	<u>62,460</u>
<u>Results</u>						
Segment results	5,283	(12,608)	1,841	514	-	(4,970)
Unallocated results						(1,267)
Loss from operations						(6,237)
Finance costs						(4,762)
Share of results of joint ventures						3,986
Profit before tax						<u>(7,013)</u>

Segment results for the preceding year corresponding quarter ended 30 June 2015:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
<u>Revenue</u>						
External sales	23,631	5,807	34,217	2,843	-	66,498
Inter-segment sales	-	-	-	-	-	-
	<u>23,631</u>	<u>5,807</u>	<u>34,217</u>	<u>2,843</u>	<u>-</u>	<u>66,498</u>
<u>Results</u>						
Segment results	6,630	6,467	2,062	1,031	-	16,190
Unallocated results						13,527
Profit from operations						29,717
Finance costs						(2,196)
Share of results of joint ventures						(858)
Profit before tax						<u>26,663</u>

Segment results for the current financial year ended 30 June 2016:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	72,966	22,763	174,028	6,063	-	275,820
Inter-segment sales	-	-	-	-	-	-
	<u>72,966</u>	<u>22,763</u>	<u>174,028</u>	<u>6,063</u>	<u>-</u>	<u>275,820</u>
Results						
Segment results	24,236	(7,285)	11,074	1,104	-	29,129
Unallocated results						(739)
Profit from operations						<u>28,390</u>
Finance costs						(10,499)
Share of results of joint ventures						<u>10,533</u>
Profit before tax						<u><u>28,424</u></u>

Segment results for the corresponding year ended 30 June 2015:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue						
External sales	115,570	23,536	170,469	6,718	-	316,293
Inter-segment sales	-	-	-	-	-	-
	<u>115,570</u>	<u>23,536</u>	<u>170,469</u>	<u>6,718</u>	<u>-</u>	<u>316,293</u>
Results						
Segment results	23,121	10,923	21,438	1,684	-	57,166
Unallocated results						33,004
Profit from operations						<u>90,170</u>
Finance costs						(9,491)
Share of results of joint ventures						<u>8,971</u>
Profit before tax						<u><u>89,650</u></u>

Segment assets and liabilities as at 30 June 2016:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Assets						
Segment assets	1,367,291	245,444	123,171	11,160	-	1,747,066
Unallocate assets:						
Tax assets						28,360
Corporate assets						<u>142,829</u>
Total assets						<u><u>1,918,255</u></u>
Liabilities						
Segment liabilities	165,790	4,923	15,541	1,670	-	187,924
Unallocated liabilities:						
Borrowings						440,609
Tax liabilities						2,333
Corporate liabilities						<u>5,284</u>
Total liabilities						<u><u>636,150</u></u>

Segment assets and liabilities as at 30 June 2015:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Assets						
Segment assets	1,192,448	244,980	115,366	10,484	-	1,563,278
Unallocate assets:						
Tax assets						37,655
Corporate assets						<u>95,125</u>
Total assets						<u><u>1,696,058</u></u>
Liabilities						
Segment liabilities	152,631	6,735	12,440	1,531	-	173,337
Unallocated liabilities:						
Borrowings						426,391
Tax liabilities						2,151
Corporate liabilities						<u>5,173</u>
Total liabilities						<u><u>607,052</u></u>

A9 Carrying amount of revalued assets

The valuations of land and buildings (under property, plant and equipment) and investment properties have been revised to incorporate the latest valuations made in 2016 by independent valuers.

A10 Subsequent events

Saved as disclosed in B6, there were no other material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements.

A11 Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year ended 30 June 2016.

A12 Significant related party transactions

The significant related party transactions for the period ended 30 June 2016 were as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.16 RM'000	Preceding year comparative quarter 30.06.15 RM'000	Current year ended 30.06.16 RM'000	Comparative year ended 30.06.15 RM'000
Management fees charged by a related company	179	228	889	910
Licence fees and central marketing contribution charged by related companies	37	43	170	173
Administrative charges by related companies	910	1,319	4,118	2,656
(Sales)/Purchase of products and raw materials from a related company	(129)	178	121	236
Professional fee charged by a firm in which a director is a partner	52	190	228	451
Administrative charges to a joint venture	274	202	1,135	1,036

The above transactions have been entered in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with other parties.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1 Review of performance

For the financial year ended 30 June 2016 ('current financial year'), the Group's revenue of RM275.8 million was lower as compared to RM316.3 million for the year ended 30 June 2015 ('corresponding year').

The revenue from property development division was RM73.0 million in the current financial year compared with RM115.6 million in the corresponding year. Lower revenue from the property development division was mainly attributable to lower revenue recognition from the Group's northern region projects which were substantially completed in September 2015. Despite lower revenue recorded in current year, the property development division recorded a marginally higher operating profit of RM24.2 million as compared with RM23.1 million in the corresponding year. The higher operating profit was mainly attributable to the adjustment arising from settlement of final contract accounts for one of the subsidiary's completed project in the current year.

The revenue from the retail division was RM174.0 million in the current financial year compared with RM170.5 million in the corresponding year. However, the operating profit of the retail division was lower at RM11.1 million in the current financial year compared with RM21.4 million in the corresponding year. The lower operating profit from retail division was due to lower gross profit margin arising from currency depreciation, higher sales discounts and fair value loss on foreign currency forward contracts.

In the current financial year, the Group's recorded share of profit from joint ventures of RM10.5 million compared with share of profit of RM9.0 million in the corresponding year.

The Group recorded a profit before tax of RM28.4 million for the current financial year compared with RM89.7 million for the corresponding year. During the current financial year end, the Group revalued its assets and recorded a fair value loss of RM5.2 million on its investment properties and development properties and revaluation deficit of RM7.6 million on its property, plant and equipment as compared to a fair value gain of RM5.1 million in the corresponding year. The higher profit before tax recorded in the corresponding year was mainly due to the recognition of a net gain of RM34.1 million from disposal of shares in its joint venture in Indonesia.

B2 Variation of results against preceding quarter

The Group recorded a revenue of RM62.5 million in the quarters ended 31 March 2016 ('preceding quarter') and 30 June 2016 ('current quarter').

The revenue from property development division was RM19.0 million in the current quarter compared with RM9.4 million in the preceding quarter. The property development division recorded an operating profit of RM5.3 million in the current quarter compared to an operating loss of RM4.2 million in the preceding quarter mainly due higher sales achieved in the current quarter.

The revenue from the retail division was RM36.6 million in the current quarter compared with RM46.3 million in the preceding quarter. The operating profit of the retail division was higher at RM1.8 million in the current quarter compared with RM0.7 million in the preceding quarter.

The Group recorded a loss before tax of RM7.0 million in the current quarter compared with a profit before tax of RM0.4 million in the preceding quarter. This is mainly due to fair value loss of RM5.2 million and revaluation deficit of RM7.6 million on the Group's investment properties and development properties and its property, plant and equipment.

B3 Prospect for the next financial year

Amid weak consumers' sentiment, the retail and property outlook is expected to be challenging in the next financial year.

B4 Profit forecast and profit guarantee

- i) - variance from profit forecast - not applicable.
- ii) - variance from profit guarantee - not applicable.

B5 Tax

	Quarter ended	Cumulative year to date
	30.06.16	30.06.16
	RM'000	RM'000
Current period provision		
Income tax	2,912	20,241
Deferred tax	1,276	156
Under/(Over)provision in prior year		
Income tax	63	(2,099)
Deferred tax	113	113
	<u>4,364</u>	<u>18,411</u>

For the current quarter and financial year ended 30 June 2016, the effective tax rate for the Group is higher than the statutory rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits of other subsidiaries and certain expenses which are not deductible for tax purposes.

B6 Status of corporate proposal announced

In May 2015, the Company embarked on a renounceable Rights Issue of 158,187,066 new ordinary shares of RM1.00 each on the basis of one (1) Rights Share for every two (2) existing shares held by the entitled shareholders, at an issue price of RM1.15 per Rights Share.

On 4 September 2015, the Rights Issue has been completed following the listing of and quotation for 158,187,066 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad.

As at 12 August 2016, the status of utilisation of the proceeds raised by the Company from the Rights Issue is as follows:

	Approved utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Development expenditure, working capital requirements and refinancing of bank borrowings	181,115	181,115	-
Estimated expenses for the corporate exercise	800	800	-
Total gross proceeds	181,915	181,915	-

There were no other corporate proposals announced which remained incomplete as at 12 August 2016.

B7 Borrowings and debt securities

	As at 30.06.2016 RM'000
a) Short term borrowings	
Secured	16,644
Unsecured	-
	<u>16,644</u>
b) Long term borrowings	
Secured	423,965
	<u>440,609</u>
c) There were no foreign currency borrowings included in the above.	

B8 Changes in material litigation

To the best of the knowledge of the Company, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceeding which might materially affect the position or business of the Company and/or its subsidiaries.

B9 Dividend

The Board of Directors has recommended, for approval at the forthcoming Annual General Meeting, payment of a first and final dividend of 3 sen Single Tier amounting to RM14.2 million for the financial year ended 30 June 2016 (2015 : first and final dividend of 3 sen Single Tier amounting to RM14.2 million).

B10 Derivative financial instruments

The Group's outstanding derivative financial instrument as at 30 June 2016 were analysed as follows:

	Notional Value RM'000	Fair value RM'000	Derivative Liabilities RM'000
Foreign currency forward contracts - Less than one year	26,190	23,425	(2,765)

Foreign exchange forward contracts were entered into by subsidiaries company in the retail division to manage some of its foreign currency exposure against the foreign currency risks of the underlying transactions denominated in foreign currency.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and its subsequently remeasured at fair value at the end of the reporting period. The gain or loss arising from the fair value changes of derivatives are recognised in the income statement when changes arises. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Group recognised a total net loss of RM2.8 million in current financial year ended 30 June 2016 arising from the fair value changes on the derivative financial instruments.

The Group measured the derivatives at fair value with inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

B11 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.16 RM'000	Preceding year comparative quarter 30.06.15 RM'000	Current year ended 30.06.16 RM'000	Comparative year ended 30.06.15 RM'000
(Loss)/Profit attributable to equity holders of the Company	(11,377)	17,283	10,013	69,589
Weighted average no of shares ('000)*	481,297	322,688	447,818	321,791
Effects of dilution from ESOS/RSP ('000)	644	770	588	723
Adjusted weighted average no of shares in issue and issuable ('000)	481,941	323,458	448,406	322,514
Basic (loss)/earnings per share (sen)	(2.36)	5.36	2.24	21.63
Diluted (loss)/earnings per share (sen)	(2.36)	5.34	2.23	21.58

* Comparative figures for the weighted average number of ordinary shares for both the basic and fully diluted earnings per share have been restated to reflect adjustments arising from the Rights Issue which was completed on 4 September 2015.

B12 Realised and unrealised profit/(losses) disclosure

The retained earnings as at 30 June 2016 may be analysed as follows:

	As at 30.06.2016 RM'000
Total retained earnings of the Company and its subsidiaries:	
- Realised	418,609
- Unrealised	223,365
	<u>641,974</u>
Total share of accumulated losses from an associate:	
- Realised	(4)
- Unrealised	-
Total share of retained earnings from joint ventures:	
- Realised	40,805
- Unrealised	-
	<u>682,775</u>
Less : Consolidation adjustments	(39,885)
	<u>642,890</u>
Total Group retained earnings as per consolidated financial statements	<u>642,890</u>

By Order of the Board

LOH LAY EONG
CHUA SIEW CHUAN
Company Secretaries

Date : 18 August 2016