

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2016 - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.16 RM'000 Unaudited	Preceding year corresponding quarter 31.12.15 RM'000 Unaudited	Current year to date 31.12.16 RM'000 Unaudited	Preceding year corresponding period 31.12.15 RM'000 Unaudited
Revenue	90,121	76,599	155,721	150,881
Operating expenses	(79,634)	(54,543)	(141,595)	(123,109)
Other operating income	2,208	4,622	4,446	7,313
Profit from operations	12,695	26,678	18,572	35,085
Finance costs, net	(5,982)	(1,875)	(12,003)	(3,897)
Share of results of joint ventures	8,811	4,197	12,495	3,863
Profit before tax	15,524	29,000	19,064	35,051
Tax	(2,567)	(9,206)	(5,282)	(12,720)
Profit for the period	12,957	19,794	13,782	22,331
Attributable to:				
Equity holders of the Company	12,957	19,794	13,782	22,331
Non-controlling interest	-	-	-	-
	12,957	19,794	13,782	22,331
Earnings per share (sen):				
Basic EPS	2.73	4.70	2.90	5.30
Diluted EPS	2.72	4.69	2.90	5.29

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 6 MONTHS ENDED 31 DECEMBER 2016 - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.16 RM'000 Unaudited	Preceding year corresponding quarter 31.12.15 RM'000 Unaudited	Current year to date 31.12.16 RM'000 Unaudited	Preceding year corresponding period 31.12.15 RM'000 Unaudited
Profit for the period	12,957	19,794	13,782	22,331
<b>Other comprehensive income</b>				
Items that may be subsequently reclassified to profit or loss:				
Share of joint venture gain on net fair value change on casflow hedge	1,796	-	3,235	-
Foreign currency translation	-	-	-	3
	1,796	-	3,235	3
<b>Total comprehensive income for the period</b>	<b>14,753</b>	<b>19,794</b>	<b>17,017</b>	<b>22,334</b>
Attributable to:				
Equity holders of the Company	14,753	19,794	17,017	22,334
Non-controlling interest	-	-	-	-
	<b>14,753</b>	<b>19,794</b>	<b>17,017</b>	<b>22,334</b>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 6 MONTHS ENDED 31 DECEMBER 2016 - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.16 RM'000 Unaudited	Preceding year corresponding quarter 31.12.15 RM'000 Unaudited	Current year to date 31.12.16 RM'000 Unaudited	Preceding year corresponding period 31.12.15 RM'000 Unaudited
(a) Interest income	1,084	3,222	2,372	4,553
(b) Other income including investment income	1,124	1,400	2,074	2,760
(c) Interest expense	(5,043)	(1,579)	(10,711)	(3,297)
(d) Depreciation and amortisation	(2,435)	(2,614)	(4,924)	(5,318)
(e) (Allowance)/Reversal for impairment of receivables	(95)	16	(109)	(82)
(f) Provision of inventories	(723)	(475)	(2,596)	(1,732)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Reversal of impairment of assets	-	-	-	-
(i) Foreign exchange gain	144	2,078	12	1,617
(j) Fair value gain/(loss) on derivatives	658	(3,894)	2,667	(641)
(k) Exceptional items	-	-	-	-

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	<b>As At End Of Current quarter 31 December 2016 RM'000 Unaudited</b>	<b>As At Preceding Financial Year Ended 30 June 2016 RM'000 Audited</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	128,805	130,551
Land held for property development	75,047	75,027
Investment properties	148,660	148,660
Prepaid land lease payments	1,335	1,365
Investment in joint ventures	68,211	53,458
Deferred tax assets	16,625	17,315
	<u>438,683</u>	<u>426,376</u>
<b>Current assets</b>		
Property development costs	302,809	295,239
Inventories	914,985	939,276
Trade and other receivables	98,400	92,349
Other current assets	10,466	14,302
Tax recoverable	13,290	11,045
Cash and bank balances	132,893	144,146
	<u>1,472,843</u>	<u>1,496,357</u>
<b>Total assets</b>	<u>1,911,526</u>	<u>1,922,733</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Borrowings	34,644	16,644
Trade and other payables	133,025	162,853
Other current liabilities	3,941	4,475
Derivative financial instruments	98	2,765
Tax payable	495	64
	<u>172,203</u>	<u>186,801</u>
<b>Net current assets</b>	<u>1,300,640</u>	<u>1,309,556</u>
<b>Non-current liabilities</b>		
Borrowings	424,375	423,965
Deferred tax liabilities	2,309	2,269
Deferred income	25,563	25,563
Provision	2,030	2,030
	<u>454,277</u>	<u>453,827</u>
<b>Total liabilities</b>	<u>626,480</u>	<u>640,628</u>
<b>Net assets</b>	<u>1,285,046</u>	<u>1,282,105</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	487,330	486,987
Reserves	173,571	170,494
Treasury shares	(18,268)	(18,266)
Retained earnings	642,413	642,890
<b>Total equity</b>	<u>1,285,046</u>	<u>1,282,105</u>
<b>Total equity and liabilities</b>	<u>1,911,526</u>	<u>1,922,733</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE 6 MONTHS ENDED 31 DECEMBER 2016 - UNAUDITED**

	-----<----- Attributable to Equity Holders of the Parent ----->-----							
	Share Capital	Treasury Shares	Share Premium	Revaluation Reserves	Foreign Exchange/ Hedging Reserves	Share Option/Grant Reserve	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2016	486,987	(18,266)	143,748	28,125	(2,154)	775	642,890	1,282,105
Total comprehensive income for the period	-	-	-	-	3,235	-	13,782	17,017
Acquisition of treasury shares	-	(2)	-	-	-	-	-	(2)
Vesting of ordinary shares granted under RSP	343	-	321	-	-	(664)	-	-
RSP Expenses	-	-	-	-	-	185	-	185
Dividends	-	-	-	-	-	-	(14,259)	(14,259)
At 31 December 2016	<u>487,330</u>	<u>(18,268)</u>	<u>144,069</u>	<u>28,125</u>	<u>1,081</u>	<u>296</u>	<u>642,413</u>	<u>1,285,046</u>
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 period	-	-	-	-	3	-	22,331	22,334
Issue of rights shares	158,187	-	23,728	-	-	-	-	181,915
Acquisition of treasury shares	-	(2)	-	-	-	-	-	(2)
Vesting of ordinary shares granted under RSP	221	-	269	-	-	(490)	-	-
RSP Expenses	-	-	-	-	-	275	-	275
Dividends	-	-	-	-	-	-	(14,243)	(14,243)
At 31 December 2015	<u>486,798</u>	<u>(18,264)</u>	<u>143,620</u>	<u>12,508</u>	<u>(1,435)</u>	<u>850</u>	<u>655,208</u>	<u>1,279,285</u>

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 2016 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 6 MONTHS ENDED 31 DECEMBER 2016 - UNAUDITED**

	Period ended 31.12.16 RM'000 Unaudited	Period ended 31.12.15 RM'000 Unaudited
<b>Operating activities</b>		
Profit before tax	19,064	35,051
Adjustment for:		
Non-cash items	5,111	7,542
Non-operating items	<u>(4,155)</u>	<u>(5,120)</u>
Operating profit before working capital changes	20,020	37,473
Net change in assets	12,159	(33,353)
Net change in liabilities	<u>(29,677)</u>	<u>(37,109)</u>
Cash used in operations	2,502	(32,989)
Interest paid	(10,682)	(10,994)
Taxation paid	<u>(6,366)</u>	<u>(9,538)</u>
Net cash used in operating activities	<u>(14,546)</u>	<u>(53,521)</u>
<b>Investing activities</b>		
Interest received	2,372	4,553
Proceeds from disposal of property, plant and equipment and prepaid land lease payments	514	5
Purchase of property, plant and equipment	(3,293)	(1,780)
Expenditures on land held for development	(20)	(61)
Addition of deposits of more than 3 months maturity with licenced banks	<u>7,652</u>	<u>(9,762)</u>
Net cash generated from/(used in) investing activities	<u>7,225</u>	<u>(7,045)</u>
<b>Financing activities</b>		
Drawdown of borrowings	26,731	96,795
Repayment of borrowings	(8,750)	(16,907)
Dividends paid to shareholders of the company	(14,259)	(14,243)
Proceeds from issuance of ordinary shares	-	181,915
Shares repurchased	<u>(2)</u>	<u>(1)</u>
Net cash generated from financing activities	<u>3,720</u>	<u>247,559</u>
Net (decrease)/ increase in cash and cash equivalents	(3,601)	186,993
Effect of foreign exchange rate changes	-	3
Cash and cash equivalents at the beginning of the financial period	131,734	143,169
Cash and cash equivalents at the end of the financial period	<u>128,133</u>	<u>330,165</u>
<b>Cash and bank balances:</b>		
Cash on hand and at banks	26,786	41,233
Deposits of up to 3 months maturity with licensed banks	<u>101,347</u>	<u>288,932</u>
	128,133	330,165
Cash and bank balance held in trust	44	170
Deposits of more than 3 months maturity with licensed banks	<u>4,716</u>	<u>10,826</u>
	<u>132,893</u>	<u>341,161</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 2016 and the accompanying notes attached to the interim financial statements.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS ENDED 31 DECEMBER 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 2016 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 venture ('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>
Amendments to FRS 10: Consolidated Financial Statements and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to FRS 12: Disclosure of Interests in Other Entities (Annual Improvements to FRS 2014-2016 Cycle)	1 January 2017
Amendments to FRS 107: Statement of Cash Flows	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to FRS 2014-2016 Cycle)	1 January 2018
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4: Applying FRS 9 "Financial Instruments" with FRS 4 "Insurance Contracts"	1 January 2018
FRS 9: Financial Instruments	1 January 2018
Amendments to FRS 128: Investments in Associates and Joint Ventures (Annual Improvements to FRS 2014-2016 Cycle)	1 January 2018
Amendments to FRS 140: Investment Property	1 January 2018
IC Interpretation 22: Foreign Currency Translations and Advance Consideration	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. 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 and Amendments to FRS 2, Amendments to FRS107 and Amendments to FRS 112.

Companies Act 2016

The Companies Act 2016 ("New Act") was enacted to replace the Companies Act 1965. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the effective date of the New Act, except Section 241 and Division 8 of Part III of the New Act, to be 31 January 2017.

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group and of the Company would include the removal of the authorised share capital, replacement of no par value shares in place of par or nominal value shares, and the treatment of share premium and capital redemption reserves.

The adoption of the New Act is not expected to have any financial impact on the Group and on the Company for the current financial year-to-date as any accounting implications will only be applied prospectively, if applicable and the effect of adoption mainly will be on the disclosures to the annual report and financial statements of the Group and of the Company for the financial year ending 30 June 2017.

## 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-to-date.

## 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

There were no issuance and repayment of debts and equity securities for the current quarter and financial year-to-date except for the vesting of 343,000 ordinary shares of RM1.00 granted under Restricted Share Award.

During the current financial year-to-date, 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 2016	2,000	1.10	1.10	1.10	2,233

# Inclusive of commission, stamp duty and other charges

As at 10 February 2017, the total number of treasury shares held under Section 67A of the Companies Act, 1965 were 12,021,000 or 2.5% of the total paid up share capital of the Company. None of the treasury shares were sold or cancelled during the current financial year-to-date.

## A7 Dividends paid

A first and final dividend of 3 sen per share Single Tier for the financial year ended 30 June 2016 was paid on 15 December 2016.

## A8 Segment information

Segment results for current quarter ended 31 December 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	37,007	5,301	46,085	1,728	-	90,121
Inter-segment sales	-	-	-	-	-	-
	<u>37,007</u>	<u>5,301</u>	<u>46,085</u>	<u>1,728</u>	<u>-</u>	<u>90,121</u>
<u>Results</u>						
Segment results	4,813	987	6,518	430	-	12,748
Unallocated results						(53)
Loss from operations						12,695
Finance costs						(5,982)
Share of results of joint ventures						8,811
Profit before tax						<u>15,524</u>

Segment results for the corresponding quarter ended 31 December 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	19,503	6,033	49,300	1,763	-	76,599
Inter-segment sales	-	-	-	-	-	-
	<u>19,503</u>	<u>6,033</u>	<u>49,300</u>	<u>1,763</u>	<u>-</u>	<u>76,599</u>
<u>Results</u>						
Segment results	21,079	2,018	2,973	366	-	26,436
Unallocated results						242
Profit from operations						26,678
Finance costs						(1,875)
Share of results of joint ventures						4,197
Profit before tax						<u>29,000</u>



Segment results for the current period ended 31 December 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	59,550	11,213	82,519	2,439	-	155,721
Inter-segment sales			-		-	-
	<u>59,550</u>	<u>11,213</u>	<u>82,519</u>	<u>2,439</u>	<u>-</u>	<u>155,721</u>
<u>Results</u>						
Segment results	7,307	2,469	9,052	286	-	19,114
Unallocated results						(542)
Profit from operations						<u>18,572</u>
Finance costs						(12,003)
Share of results of joint ventures						<u>12,495</u>
Profit before tax						<u><u>19,064</u></u>

Segment results for the corresponding period ended 31 December 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	44,478	12,262	91,129	3,012	-	150,881
Inter-segment sales			-		-	-
	<u>44,478</u>	<u>12,262</u>	<u>91,129</u>	<u>3,012</u>	<u>-</u>	<u>150,881</u>
<u>Results</u>						
Segment results	23,113	4,144	8,532	421	-	36,210
Unallocated results						(1,125)
Profit from operations						<u>35,085</u>
Finance costs						(3,897)
Share of results of joint ventures						<u>3,863</u>
Profit before tax						<u><u>35,051</u></u>

Segment assets and liabilities as at 31 December 2016:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
<u>Assets</u>						
Segment assets	1,359,210	245,550	127,355	9,009		1,741,124
Unallocated assets:						
Tax assets						29,915
Corporate assets						<u>140,487</u>
Total assets						<u><u>1,911,526</u></u>
<u>Liabilities</u>						
Segment liabilities	136,264	5,435	15,231	1,730		158,660
Unallocated liabilities:						
Borrowings						459,019
Tax liabilities						2,804
Corporate liabilities						<u>5,997</u>
Total liabilities						<u><u>626,480</u></u>

Segment assets and liabilities as at 31 December 2015:

	Property Development RM'000	Property Investment RM'000	Retail RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
<u>Assets</u>						
Segment assets	1,253,304	243,397	149,329	10,740		1,656,770
Unallocated assets:						
Tax assets						35,915
Corporate assets						<u>237,388</u>
Total assets						<u><u>1,930,073</u></u>
<u>Liabilities</u>						
Segment liabilities	111,071	5,758	16,884	1,784		135,497
Unallocated liabilities:						
Borrowings						506,418
Tax liabilities						3,594
Corporate liabilities						<u>5,279</u>
Total liabilities						<u><u>650,788</u></u>

#### A9 Carrying amount of revalued assets

The valuations of land and buildings (under property, plant and equipment) and investment properties have been brought forward without amendments from the previous audited financial statements.

#### A10 Subsequent events

There were no other material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements.

As disclosed in the preceding quarter, Angel Wing (M) Sdn. Bhd., a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement on 7 November 2016 for the sale of its vacant land located at Bandar Ulu Kelang, Daerah Gombak, Negeri Selangor Darul Ehsan measuring approximately 1.6 acre for a total cash consideration of RM11.5 million. The sale has yet to be completed.

#### A11 Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

#### A12 Significant related party transactions

The significant related party transactions for the current quarter ended 31 December 2016 were as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.16 RM'000	Preceding year corresponding quarter 31.12.15 RM'000	Current period to date 31.12.16 RM'000	Preceding year corresponding period 31.12.15 RM'000
Management fees charged by a related company	204	252	448	514
Licence fees and central marketing contribution charged by related companies	42	46	89	93
Administrative charges by related companies	1,440	939	2,183	2,034
Purchase of products and raw materials from a related company	-	130	-	839
Professional fee charged by a firm in which a director is a partner	68	36	144	61
Administrative charges to a joint venture	322	327	592	573

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 period ended 31 December 2016 ('current period'), the Group's revenue of RM155.7 million was 3% higher as compared to RM150.9 million for the period ended 31 December 2015 ('corresponding period').

The revenue from property development division was RM59.5 million in the current period compared with RM44.5 million in the corresponding period. The higher revenue achieved in the current period was due to new sales recorded and increased in percentage of completion for the BM Mahkota and Bukit Minyak Utama ("BMU") projects. However, the property development division recorded a lower operating profit of RM7.3 million in the current period as compared with RM23.1 million in the corresponding period. The higher operating profit achieved in the corresponding period was due to the recognition of net claims against the contractor arising from the settlement of final contract accounts for one of the completed project.

The revenue from the retail division was RM82.5 million in the current period compared with RM91.1 million in the corresponding period mainly due to cautious consumers spending. The operating profit of the retail division was higher at RM9.1 million in the current period compared with RM8.5 million in the corresponding period.

In the current period, the Group's recorded share of profit from joint ventures of RM12.5 million compared with share of profit RM3.9 million in the corresponding period. The higher share of profit from joint ventures were due to better sales achieved from additional retail outlets of one of its joint ventures during the current period.

The Group recorded a profit before tax of RM19.1 million for the current period as compared with RM35.1 million for the corresponding period.

### B2 Variation of results against preceding quarter

The Group recorded a 37% increase in revenue from RM65.6 million in the quarter ended 30 September 2016 ('preceding quarter') to RM90.1 million in the quarter ended 31 December 2016 ('current quarter'). This was mainly due to the higher revenue contribution from the property development and retail divisions.

The revenue from property development division was RM37.0 million in the current quarter compared with RM22.5 million in the preceding quarter mainly due to the new sales secured from BM Mahkota and BMU residential units in the current quarter. The property development division recorded a higher operating profit of RM4.8 million in the current quarter compared to an operating profit of RM2.5 million in the preceding quarter.

The revenue from the retail division was RM46.1 million in the current quarter compared with RM36.4 million in the preceding quarter. The operating profit of the retail division was higher at RM6.5 million in the current quarter compared with RM2.5 million in the preceding quarter mainly due to year end sales and festive season resulting in higher revenue achieved in the current quarter.

The Group recorded a profit before tax of RM15.5 million in the current quarter compared with a profit before tax of RM3.5 million in the preceding quarter. The higher profit before tax in the current quarter was mainly due to higher revenue achieved and higher profit from joint ventures.

### B3 Prospect for the current financial year

Amid weak consumers' spending, the retail and property outlook is expected to be challenging in the current 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 31.12.16 RM'000	Cumulative year to date 31.12.16 RM'000
Current period provision		
Income tax	2,210	4,617
Deferred tax	357	534
Under/(Over)provision in prior year		
Income tax	-	(64)
Deferred tax	-	195
	<u>2,567</u>	<u>5,282</u>

For the current quarter and financial year-to-date 31 December 2016, the effective tax rate for the Group is higher than the statutory tax 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**

There were no corporate proposals announced as at 10 February 2017.

**B7 Borrowings and debt securities**

	As at 31.12.2016 RM'000
a) Short term borrowings	
Secured	16,644
Unsecured	<u>18,000</u>
	34,644
b) Long term borrowings	
Secured	424,375
	<u>459,019</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 does not recommend the payment of any dividend for the current quarter ended 31 December 2016.

**B10 Derivative financial instruments**

The Group's outstanding derivative financial instrument as at 31 December 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	18,785	18,687	<u>(98)</u>

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 gain of RM2.7 million in current financial year-to-date 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 31.12.16 RM'000	Preceding year corresponding quarter 31.12.15 RM'000	Current year to date 31.12.16 RM'000	Preceding year corresponding period 31.12.15 RM'000
Profit attributable to equity holders of the Company	12,957	19,794	13,782	22,331
Weighted average no of shares ('000)	475,311	421,030	475,149	421,030
Effects of dilution from ESOS/RSP ('000)	560	834	430	723
Adjusted weighted average no of shares in issue and issuable ('000)	475,871	421,864	475,579	421,753
Basic earnings per share (sen)	2.73	4.70	2.90	5.30
Diluted earnings per share (sen)	2.72	4.69	2.90	5.29

**B12 Realised and unrealised profit/(losses) disclosure**

The retained earnings as at 31 December 2016 may be analysed as follows:

	As at 31.12.2016 RM'000
Total retained earnings of the Company and its subsidiaries:	
- Realised	425,418
- Unrealised	203,588
	<u>629,006</u>
Total share of accumulated losses from an associate:	
- Realised	(4)
- Unrealised	-
Total share of retained earnings from joint ventures:	
- Realised	53,300
- Unrealised	-
	<u>682,302</u>
Less : Consolidation adjustments	(39,889)
	<u>642,413</u>
Total Group retained earnings as per consolidated financial statements	<u>642,413</u>

**By Order of the Board**

**LOH LAY EONG**  
**CHUA SIEW CHUAN**  
Company Secretaries

Date : 14 February 2017