

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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE 9 MONTHS ENDED 31 MARCH 2017 - UNAUDITED

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.17 RM'000 Unaudited	Preceding year corresponding quarter 31.03.16 RM'000 Unaudited	Current year to date 31.03.17 RM'000 Unaudited	Preceding year corresponding period 31.03.16 RM'000 Unaudited
Revenue	84,615	62,479	240,336	213,360
Operating expenses	(73,911)	(67,151)	(215,506)	(190,260)
Other operating income	1,709	4,214	6,155	11,527
Profit from operations	12,413	(458)	30,985	34,627
Finance costs, net	(5,785)	(1,840)	(17,788)	(5,737)
Share of results of joint ventures	7,064	2,684	19,559	6,547
Profit before tax	13,692	386	32,756	35,437
Tax	(1,433)	(1,327)	(6,715)	(14,047)
Profit for the period	12,259	(941)	26,041	21,390
Attributable to:				
Equity holders of the Company	12,259	(941)	26,041	21,390
Non-controlling interest	-	-	-	-
	12,259	(941)	26,041	21,390
Earnings per share (sen):				
Basic EPS	2.58	(0.20)	5.48	4.87
Diluted EPS	2.58	(0.20)	5.47	4.87

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 9 MONTHS ENDED 31 MARCH 2017 - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.17 RM'000 Unaudited	Preceding year corresponding quarter 31.03.16 RM'000 Unaudited	Current year to date 31.03.17 RM'000 Unaudited	Preceding year corresponding period 31.03.16 RM'000 Unaudited
Profit for the period	12,259	(941)	26,041	21,390
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Share of joint venture gain on net fair value change on casflow hedge	(1,831)	-	1,404	-
Foreign currency translation	1	-	1	2
	(1,830)	-	1,405	2
Total comprehensive income for the period	<u>10,429</u>	<u>(941)</u>	<u>27,446</u>	<u>21,392</u>
Attributable to:				
Equity holders of the Company	10,429	(941)	27,446	21,392
Non-controlling interest	-	-	-	-
	<u>10,429</u>	<u>(941)</u>	<u>27,446</u>	<u>21,392</u>

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 9 MONTHS ENDED 31 MARCH 2017 - UNAUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.17 RM'000 Unaudited	Preceding year corresponding quarter 31.03.16 RM'000 Unaudited	Current year to date 31.03.17 RM'000 Unaudited	Preceding year corresponding period 31.03.16 RM'000 Unaudited
(a) Interest income	968	2,907	3,340	7,460
(b) Other income including investment income	741	1,307	2,815	4,067
(c) Interest expense	(6,029)	(1,522)	(16,740)	(4,819)
(d) Depreciation and amortisation	(2,350)	(2,591)	(7,274)	(7,909)
(e) (Allowance)/Reversal for impairment of receivables	6	41	(103)	(41)
(f) Provision of inventories	(33)	(53)	(2,629)	(1,785)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Reversal of impairment of assets	-	-	-	-
(i) Foreign exchange gain/(loss)	18	(288)	30	1,329
(j) Fair value gain/(loss) on derivatives	49	(3,863)	2,716	(4,504)
(k) Exceptional items	-	-	-	-

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	As At End Of Current quarter 31 March 2017 RM'000 Unaudited	As At Preceding Financial Year Ended 30 June 2016 RM'000 Audited
Assets		
Non-current assets		
Property, plant and equipment	127,658	130,551
Land held for property development	75,054	75,027
Investment properties	148,660	148,660
Prepaid land lease payments	1,320	1,365
Investment in joint ventures	73,296	53,458
Deferred tax assets	16,508	17,315
	<u>442,496</u>	<u>426,376</u>
Current assets		
Property development costs	310,934	295,239
Inventories	900,658	939,276
Trade and other receivables	98,415	92,349
Other current assets	6,790	14,302
Tax recoverable	17,215	11,045
Cash and bank balances	98,558	144,146
	<u>1,432,570</u>	<u>1,496,357</u>
Total assets	<u>1,875,066</u>	<u>1,922,733</u>
Equity and liabilities		
Current liabilities		
Borrowings	14,282	16,644
Trade and other payables	110,382	162,853
Other current liabilities	2,320	4,475
Derivative financial instruments	49	2,765
Tax payable	2,596	64
	<u>129,629</u>	<u>186,801</u>
Net current assets	<u>1,302,941</u>	<u>1,309,556</u>
Non-current liabilities		
Borrowings	420,000	423,965
Deferred tax liabilities	2,309	2,269
Deferred income	25,563	25,563
Provision	2,030	2,030
	<u>449,902</u>	<u>453,827</u>
Total liabilities	<u>579,531</u>	<u>640,628</u>
Net assets	<u>1,295,535</u>	<u>1,282,105</u>
Equity attributable to owners of the parent		
Share capital	487,330	486,987
Reserves	171,801	170,494
Treasury shares	(18,268)	(18,266)
Retained earnings	654,672	642,890
Total equity	<u>1,295,535</u>	<u>1,282,105</u>
Total equity and liabilities	<u>1,875,066</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 9 MONTHS ENDED 31 MARCH 2017 - 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	-	-	-	-	1,405	-	26,041	27,446
Acquisition of treasury shares	-	(2)	-	-	-	-	-	(2)
Vesting of ordinary shares granted under RSP	343	-	321	-	-	(664)	-	-
RSP Expenses	-	-	-	-	-	245	-	245
Dividends	-	-	-	-	-	-	(14,259)	(14,259)
At 31 March 2017	<u>487,330</u>	<u>(18,268)</u>	<u>144,069</u>	<u>28,125</u>	<u>(749)</u>	<u>356</u>	<u>654,672</u>	<u>1,295,535</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	-	-	-	-	2	-	21,390	21,392
Issue of rights shares	158,187	-	23,728	-	-	-	-	181,915
Acquisition of treasury shares	-	(2)	-	-	-	-	-	(2)
Vesting of ordinary shares granted under RSP	410	-	397	-	-	(807)	-	-
RSP Expenses	-	-	-	-	-	400	-	400
Dividends	-	-	-	-	-	-	(14,243)	(14,243)
At 31 March 2016	<u>486,987</u>	<u>(18,264)</u>	<u>143,748</u>	<u>12,508</u>	<u>(1,436)</u>	<u>658</u>	<u>654,267</u>	<u>1,278,468</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)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 9 MONTHS ENDED 31 MARCH 2017 - UNAUDITED**

	Period ended 31.03.17 RM'000 Unaudited	Period ended 31.03.16 RM'000 Unaudited
Operating activities		
Profit before tax	32,756	35,437
Adjustment for:		
Non-cash items	7,892	10,501
Non-operating items	<u>(6,159)</u>	<u>(9,188)</u>
Operating profit before working capital changes	34,489	36,750
Net change in assets	20,404	(90,770)
Net change in liabilities	<u>(52,273)</u>	<u>(70,039)</u>
Cash used in operations	2,620	(124,059)
Interest paid	(16,737)	(17,505)
Taxation paid	<u>(9,503)</u>	<u>(13,707)</u>
Net cash used in operating activities	<u>(23,620)</u>	<u>(155,271)</u>
Investing activities		
Interest received	3,340	7,460
Proceeds from disposal of property, plant and equipment and prepaid land lease payments	525	5
Purchase of property, plant and equipment	(4,577)	(2,281)
Expenditures on land held for development	(26)	(832)
Addition of deposits of more than 3 months maturity with licenced banks	<u>3,580</u>	<u>(10,636)</u>
Net cash generated from/(used in) investing activities	<u>2,842</u>	<u>(6,284)</u>
Financing activities		
Drawdown of borrowings	26,732	137,306
Repayment of borrowings	(33,701)	(21,481)
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>(2)</u>
Net cash generated from financing activities	<u>(21,230)</u>	<u>283,495</u>
Net (decrease)/ increase in cash and cash equivalents	(42,008)	121,940
Effect of foreign exchange rate changes	1	2
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>89,727</u>	<u>265,111</u>
Cash and bank balances:		
Cash on hand and at banks	46,079	29,739
Deposits of up to 3 months maturity with licensed banks	<u>43,648</u>	<u>235,202</u>
	89,727	264,941
Cash and bank balance held in trust	23	170
Deposits of more than 3 months maturity with licensed banks	<u>8,808</u>	<u>11,870</u>
	<u>98,558</u>	<u>276,981</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)
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 9 MONTHS ENDED 31 MARCH 2017 - 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 May 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 March 2017:

	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	38,996	4,716	39,760	1,143	-	84,615
Inter-segment sales	-	-	-	-	-	-
	<u>38,996</u>	<u>4,716</u>	<u>39,760</u>	<u>1,143</u>	<u>-</u>	<u>84,615</u>
<u>Results</u>						
Segment results	6,632	344	4,959	162	-	12,097
Unallocated results						316
Profit from operations						<u>12,413</u>
Finance costs						(5,785)
Share of results of joint ventures						<u>7,064</u>
Profit before tax						<u><u>13,692</u></u>

Segment results for the corresponding quarter ended 31 March 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	9,439	5,486	46,339	1,215	-	62,479
Inter-segment sales	-	-	-	-	-	-
	<u>9,439</u>	<u>5,486</u>	<u>46,339</u>	<u>1,215</u>	<u>-</u>	<u>62,479</u>
<u>Results</u>						
Segment results	(4,160)	1,179	701	169	-	(2,111)
Unallocated results						1,653
Loss from operations						<u>(458)</u>
Finance costs						(1,840)
Share of results of joint ventures						<u>2,684</u>
Profit before tax						<u><u>386</u></u>

Segment results for the current period ended 31 March 2017:

	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	98,546	15,929	122,279	3,582	-	240,336
Inter-segment sales			-		-	-
	<u>98,546</u>	<u>15,929</u>	<u>122,279</u>	<u>3,582</u>	<u>-</u>	<u>240,336</u>
<u>Results</u>						
Segment results	13,939	2,813	14,011	448	-	31,211
Unallocated results						(226)
Profit from operations						30,985
Finance costs						(17,788)
Share of results of joint ventures						19,559
Profit before tax						<u>32,756</u>

Segment results for the corresponding period ended 31 March 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	53,917	17,748	137,468	4,227	-	213,360
Inter-segment sales			-		-	-
	<u>53,917</u>	<u>17,748</u>	<u>137,468</u>	<u>4,227</u>	<u>-</u>	<u>213,360</u>
<u>Results</u>						
Segment results	18,953	5,323	9,233	590	-	34,099
Unallocated results						528
Profit from operations						34,627
Finance costs						(5,737)
Share of results of joint ventures						6,547
Profit before tax						<u>35,437</u>

Segment assets and liabilities as at 31 March 2017:

	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	1,343,331	244,791	132,387	8,868		1,729,377
Unallocated assets:						
Tax assets						33,723
Corporate assets						111,966
Total assets						<u>1,875,066</u>
<u>Liabilities</u>						
Segment liabilities	117,964	4,969	11,295	1,594		135,822
Unallocated liabilities:						
Borrowings						434,282
Tax liabilities						4,905
Corporate liabilities						4,522
Total liabilities						<u>579,531</u>

Segment assets and liabilities as at 31 March 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	1,316,749	243,486	128,447	10,460		1,699,142
Unallocated assets:						
Tax assets						40,055
Corporate assets						209,011
Total assets						<u>1,948,208</u>
<u>Liabilities</u>						
Segment liabilities	97,616	4,907	14,185	1,542		118,250
Unallocated liabilities:						
Borrowings						542,569
Tax liabilities						4,892
Corporate liabilities						4,029
Total liabilities						<u>669,740</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 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

During the current quarter, changes in the composition of the Group are as follows:

- a) Tribridge International Limited ("Tribridge"), a wholly-owned dormant subsidiary of Premium Strategy (M) Sdn. Bhd., which in turn is 100% owned by the Company, was officially struck off from the BVI Government Register by the Registrar of Corporate Affairs in British Virgin Islands on 1 May 2017. Tribridge is a dormant company since the date of incorporation on 25 October 2012.
- b) Nian Sheng Investments Limited ("Nian Sheng"), a dormant wholly owned subsidiary of the Company had been dissolved and struck off from the BVI Government Register by the Registrar of Corporate Affairs, British Virgin Islands with effect from 1 November 2015. Nian Sheng had ceased operation on 17 December 2007 following the completion of disposal of its investment in Diamond String Limited and it had remained a dormant company thereafter.

Both strike off are in accordance with the Management Plan and will not have any financial impact on the gearing, earnings and net assets of the Group for the financial year ending 30 June 2017.

Except for the above, there were no other 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 and corresponding quarter ended 31 March 2017 were as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.17 RM'000	Preceding year corresponding quarter 31.03.16 RM'000	Current period to date 31.03.17 RM'000	Preceding year corresponding period 31.03.16 RM'000
Management fees charged by a related company	156	196	604	710
Licence fees and central marketing contribution charged by related companies	37	40	126	133
Administrative charges by related companies	532	1,174	2,715	3,208
Purchase/(Sales) of products and raw materials from/(to) a related company	(268)	(589)	(268)	250
Professional fee charged by a firm in which a director is a partner	25	115	169	176
Administrative charges to a joint venture	275	288	867	861

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 March 2017 ('current period'), the Group's revenue of RM240.3 million was 13% higher as compared to RM213.4 million for the period ended 31 March 2016 ('corresponding period').

The revenue from property development division was RM98.5 million in the current period compared with RM53.9 million in the corresponding period. The higher revenue achieved in the current period was due to increase revenue contribution from BM Mahkota and Bukit Minyak Utama ("BMU") projects coupled with the sale of Sering Ukay's vacant land located at Bandar Ulu Kelang.

However, the property development division recorded a lower operating profit of RM13.9 million in the current period as compared with RM19.0 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 RM122.3 million in the current period compared with RM137.5 million in the corresponding period mainly due to lower number of outlets and cautious consumers spending. The operating profit of the retail division was higher at RM14.0 million in the current period compared with RM9.2 million in the corresponding period due to better profit margin as a result of more stable foreign currency and better control of overhead costs. This is further contributed by favourable fair value forex gain on its foreign exchange contracts.

In the current period, the Group's recorded share of profit from joint ventures of RM19.6 million compared with share of profit RM6.5 million in the corresponding period. The higher share of profit from joint ventures was due to higher revenue recorded by one of its joint ventures in the current period.

The Group recorded a profit before tax of RM32.8 million for the current period as compared with RM35.4 million for the corresponding period.

B2 Variation of results against preceding quarter

The Group recorded a 6% decrease in revenue from RM90.1 million in the quarter ended 31 December 2016 ('preceding quarter') to RM84.6 million in the quarter ended 31 March 2017 ('current quarter'). This was mainly due to the lower revenue contribution from the retail division.

The revenue from property development division was RM39.0 million in the current quarter compared with RM37.0 million in the preceding quarter mainly due to the sale of Sering Ukay's vacant land located at Bandar Ulu Kelang. The property development division recorded a higher operating profit of RM6.6 million in the current quarter compared to an operating profit of RM4.8 million in the preceding quarter.

The revenue from the retail division was RM39.8 million in the current quarter compared with RM46.1 million in the preceding quarter. The operating profit of the retail division was lower at RM5.0 million in the current quarter compared with RM6.5 million in the preceding quarter mainly due to lower revenue in the current quarter.

The Group recorded a share of profit of joint ventures of RM7.1 million in the current quarter compared to RM8.8 million in the preceding quarter.

The Group recorded a profit before tax of RM13.7 million in the current quarter compared with a profit before tax of RM15.5 million in the preceding quarter.

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 31.03.17 RM'000	Cumulative year to date 31.03.17 RM'000
Current period provision		
Income tax	4,983	9,600
Deferred tax	118	652
Under/(Over)provision in prior year		
Income tax	(3,668)	(3,732)
Deferred tax	-	195
	<u>1,433</u>	<u>6,715</u>

For the current quarter and financial year-to-date 31 March 2017, 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 May 2017.

B7 Borrowings and debt securities

As at
31.03.2017
RM'000

a) Short term borrowings

Secured	14,282
Unsecured	-
	<u>14,282</u>

b) Long term borrowings

Secured	420,000
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434,282

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 March 2017.

B10 Derivative financial instruments

The Group's outstanding derivative financial instrument as at 31 March 2017 were analysed as follows:

	Notional Value RM'000	Fair value RM'000	Derivative Liabilities RM'000
Foreign currency forward contracts - Less than one year	15,870	15,821	(49)

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 31.03.17	Preceding year corresponding quarter 31.03.16	Current year to date 31.03.17	Preceding year corresponding period 31.03.16
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company	12,259	(941)	26,041	21,390
Weighted average no of shares ('000)	475,309	481,160	475,202	438,833
Effects of dilution from ESOS/RSP ('000)	559	644	472	570
Adjusted weighted average no of shares in issue and issuable ('000)	475,868	481,804	475,674	439,403
Basic earnings per share (sen)	2.58	(0.20)	5.48	4.87
Diluted earnings per share (sen)	2.58	(0.20)	5.47	4.87

B12 Realised and unrealised profit/(losses) disclosure

The retained earnings as at 31 March 2017 may be analysed as follows:

	As at 31.03.2017 RM'000
Total retained earnings of the Company and its subsidiaries:	
- Realised	430,736
- Unrealised	203,470
	<u>634,206</u>
Total share of accumulated losses from an associate:	
- Realised	(4)
- Unrealised	-
Total share of retained earnings from joint ventures:	
- Realised	60,364
- Unrealised	-
	<u>694,566</u>
Less : Consolidation adjustments	(39,894)
	<u><u>654,672</u></u>
Total Group retained earnings as per consolidated financial statements	

By Order of the Board

LOH LAY EONG
CHUA SIEW CHUAN
Company Secretaries

Date : 15 May 2017