

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2016 RM '000	PRECEDING YEAR QUARTER 30/06/2015 RM '000	CURRENT YEAR TO DATE 30/06/2016 RM '000	PRECEDING YEAR TO DATE 30/06/2015 RM '000
Revenue	82,834	70,743	156,239	137,218
Operating expenses	(76,278)	(67,478)	(148,438)	(131,981)
Other operating income	543	1,651	2,072	3,780
Finance costs	(214)	-	(214)	-
Share of (loss)/profit of associates	(132)	975	(138)	3,143
Profit before tax (Note 16)	6,753	5,891	9,521	12,160
Tax expense	(1,747)	(1,474)	(1,841)	(2,919)
Profit for the period	5,006	4,417	7,680	9,241
Profit for the period attributable to:				
Owners of the Company	5,009	4,417	7,681	9,242
Non-controlling interests	(3)	-	(1)	(1)
	5,006	4,417	7,680	9,241
Earnings per share (sen):				
(a) Basic	1.90	1.67	2.91	3.50
(b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30/06/2016 RM '000	PRECEDING YEAR QUARTER 30/06/2015 RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30/06/2016 RM '000	PRECEDING YEAR TO DATE 30/06/2015 RM '000
Profit for the period	5,006	4,417	7,680	9,241
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
(Loss)/Gain on available-for-sale financial assets	(400)	805	(769)	229
Currency translation differences for foreign operations	1,020	3,173	(13,100)	12,365
Reclassification adjustments on:				
- Derecognition of available-for-sale financial assets	-	(378)	(106)	(378)
- Impairment of available-for-sale financial assets	344	38	344	42
Other comprehensive income for the period	964	3,638	(13,631)	12,258
Total comprehensive income for the period	5,970	8,055	(5,951)	21,499
Total comprehensive income for the period attributable to:				
Owners of the Company	5,973	8,055	(5,950)	21,500
Non-controlling interests	(3)	-	(1)	(1)
	5,970	8,055	(5,951)	21,499

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	AS AT 30/06/2016 RM '000	AS AT 31/12/2015 RM '000
Non-Current Assets		
Property, Plant and Equipment	149,699	157,967
Investment Properties	8,100	8,900
Goodwill	3,348	3,348
Investment in Associates	18,009	7,367
Available-for-sale Financial Assets	5,930	7,880
Land Held for Property Development	147,272	121,857
Deferred Tax Assets	224	224
	<u>332,582</u>	<u>307,543</u>
Current Assets		
Property Development Costs	46,040	31,168
Accrued Billings	7,799	6,396
Amounts Due from Customers for Contract Work	2,076	2,517
Inventories	45,946	44,250
Trade and Other Receivables	78,160	78,375
Prepayments	5,893	3,991
Current Tax Assets	3,963	4,207
Cash and Cash Equivalents	110,891	135,992
	<u>300,768</u>	<u>306,896</u>
Current Liabilities		
Trade and Other Payables	86,010	76,643
Amounts Due to Customers for Contract Work	2,823	93
Loans and Borrowings	624	-
Current Tax Liabilities	3,184	5,655
	<u>92,641</u>	<u>82,391</u>
Net Current Assets	208,127	224,505
Non-Current Liabilities		
Loans and Borrowings	15,800	-
Deferred Tax Liabilities	12,918	14,097
	<u>28,718</u>	<u>14,097</u>
Net Assets	511,991	517,951
Equity		
Share Capital	277,905	277,905
Treasury Shares	(18,047)	(18,038)
Reserves	252,123	258,073
	<u>511,981</u>	<u>517,940</u>
Equity Attributable to Owners of the Company	511,981	517,940
Non-controlling Interests	10	11
	<u>511,991</u>	<u>517,951</u>
Total Equity	511,991	517,951
Net Assets per Share Attributable to Owners of the Company (RM)	1.94	1.96

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2016

	← Non-Distributable →					Distributable *					Total equity RM '000
	Share capital RM '000	Treasury shares RM '000	Share premium RM '000	Capital reserve RM '000	Revaluation surplus RM '000	Fair value reserve RM '000	Currency translation reserve RM '000	Retained profits RM '000	Equity attributable to owners of the Company RM '000	Non-controlling interests RM '000	
At 01/01/2016	277,905	(18,038)	87	11,537	38,929	(21)	46,176	161,365	517,940	11	517,951
Loss on available-for-sale financial assets	-	-	-	-	-	(769)	-	-	(769)	-	(769)
Currency translation differences for foreign operations	-	-	-	-	-	-	(13,100)	-	(13,100)	-	(13,100)
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(106)	-	-	(106)	-	(106)
- Impairment of available-for-sale financial assets	-	-	-	-	-	344	-	-	344	-	344
Other comprehensive income for the period	-	-	-	-	-	(531)	(13,100)	-	(13,631)	-	(13,631)
Profit/(Loss) for the period	-	-	-	-	-	-	-	7,681	7,681	(1)	7,680
Total comprehensive income for the period	-	-	-	-	-	(531)	(13,100)	7,681	(5,950)	(1)	(5,951)
Purchase of own shares	-	(9)	-	-	-	-	-	-	(9)	-	(9)
Transfer to capital reserve **	-	-	-	538	-	-	-	(538)	-	-	-
At 30/06/2016	277,905	(18,047)	87	12,075	38,929	(552)	33,076	168,508	511,981	10	511,991
At 01/01/2015	277,905	(17,778)	87	-	38,852	1	19,038	176,167	494,272	14	494,286
Gain on available-for-sale financial assets	-	-	-	-	-	229	-	-	229	-	229
Currency translation differences for foreign operations	-	-	-	-	-	-	12,365	-	12,365	-	12,365
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(378)	-	-	(378)	-	(378)
- Impairment of available-for-sale financial assets	-	-	-	-	-	42	-	-	42	-	42
Other comprehensive income for the period	-	-	-	-	-	(107)	12,365	-	12,258	-	12,258
Profit/(Loss) for the period	-	-	-	-	-	-	-	9,242	9,242	(1)	9,241
Total comprehensive income for the period	-	-	-	-	-	(107)	12,365	9,242	21,500	(1)	21,499
Purchase of own shares	-	(163)	-	-	-	-	-	-	(163)	-	(163)
At 30/06/2015	277,905	(17,941)	87	-	38,852	(106)	31,403	185,409	515,609	13	515,622

* Retained profits as at 30 June 2016 amounting to RM17,960,000 (30 June 2015: RM17,854,000), being the excess of treasury shares over share premium, were considered as non-distributable.

** This represents the amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2016**

	CURRENT YEAR TO DATE 30/06/2016 RM '000	PRECEDING YEAR TO DATE 30/06/2015 RM '000
Cash flows from operating activities		
Profit before tax	9,521	12,160
Adjustments for:		
Depreciation	6,969	7,017
Gain on derecognition of available-for-sale financial assets	(106)	(378)
Gain on winding up of foreign subsidiary	(4)	-
Impairment loss on available-for-sale financial assets	344	42
Interest expense	214	-
Interest income	(1,572)	(2,360)
Inventories written down	83	41
(Gain)/Loss on disposal of property, plant and equipment	(28)	92
Gain on disposal of investment properties	(131)	-
Property, plant and equipment written off	1	198
Reversal of impairment loss on loans and receivables	(47)	(20)
Reversal of inventories written down	(130)	(181)
Share of loss/(profit) of associates	138	(3,143)
Unrealised loss/(gain) on foreign exchange	522	(193)
	<u>15,774</u>	<u>13,275</u>
Operating profit before working capital changes	15,774	13,275
Changes in:		
Property development costs	(38,007)	(6,801)
Accrued billings	(1,403)	(2,553)
Amounts due from/to customers for contract work	3,171	(677)
Inventories	(1,649)	(1,718)
Receivables and prepayments	(371)	(382)
Payables	3,684	5,029
Cash (absorbed by)/generated from operations	<u>(18,801)</u>	<u>6,173</u>
Interest paid	(214)	-
Tax paid	(6,118)	(4,649)
Tax refunded	1,532	246
	<u>(4,800)</u>	<u>(4,403)</u>
Net cash (used in)/from operating activities	(23,601)	1,770
Cash flows from investing activities		
Acquisition of associates	(5,229)	-
Acquisition of subsidiary, net of cash acquired	(3,504)	-
Interest received	1,572	2,360
Proceeds from disposal of available-for-sale financial assets	1,773	7,501
Proceeds from disposal of property, plant and equipment	7	-
Proceeds from disposal of investment properties	931	-
Purchase of available-for-sale financial assets	(592)	(11,042)
Purchase of property, plant and equipment	(4,496)	(3,848)
Net cash used in investing activities	(9,538)	(5,029)
Cash flows from financing activities		
Purchase of own shares	(9)	(163)
Proceeds from loans and borrowings	16,424	-
Changes in term deposits pledged as security	(164)	(1,734)
Net cash from/(used in) financing activities	16,251	(1,897)
Currency translation differences	(8,377)	7,638
Net (decrease)/increase in cash and cash equivalents	(25,265)	2,482
Cash and cash equivalents brought forward	133,250	129,515
Cash and cash equivalents carried forward	107,985	131,997
Note:		
Cash and cash equivalents	110,891	136,690
Term deposits pledged as security	(2,906)	(4,693)
	<u>107,985</u>	<u>131,997</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2016**

1. Basis of Preparation

The interim financial report has been prepared in accordance with requirements of FRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the year ended 31 December 2015 except for the adoption of the following Financial Reporting Standards ("FRSs"):

	Effective for annual periods beginning on or after
FRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 116 and FRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRSs contained in the document entitled " <i>Annual Improvements to FRSs 2012 - 2014 Cycle</i> "	1 January 2016

The adoption of the above FRSs did not have any significant impacts on the financial statements of the Group.

In November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework. The issuance was made in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework is a fully IFRS-compliant framework and equivalent to IFRSs.

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/or IC Interpretation 15 Agreements for the Construction of Real Estate, including their parents, significant investors and joint venturers ("Transitioning Entities"). As announced by the MASB on 28 October 2015, Transitioning Entities are allowed to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2018.

Being a Transitioning Entity as defined above, the Group and the Company have elected to continue preparing their financial statements in accordance with the FRS Framework and will first present the financial statements in accordance with the MFRS Framework for the financial year ending 31 December 2018.

2. Audit Report

The preceding annual financial statements of the Group were reported on without any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and period ended 30 June 2016.

5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current year quarter and period ended 30 June 2016.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

During the period ended 30 June 2016, the Company purchased 10,000 ordinary shares of its issued share capital from the open market for a total consideration of approximately RM 0.01 million at an average cost of RM 0.91 per share. The shares purchased were financed by internally generated funds and are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2016**

7. **Dividend Paid**

No dividend was paid during the current year quarter and period ended 30 June 2016.

8. **Segmental Reporting**

Analysis by activity	Electronic	Property			Utility	Unallocated Non-Operating Segments RM '000	Group RM '000
	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000		
Revenue							
Total revenue	128,646	8,243	4,261	736	14,139	2,613	158,638
Intersegment revenue	-	-	(5)	-	-	(2,394)	(2,399)
External revenue	128,646	8,243	4,256	736	14,139	219	156,239
Results							
Segment results	10,362	233	236	278	(1,446)	(1,362)	8,301
Interest income	1,223	41	5	-	85	218	1,572
Interest expense	-	(207)	(7)	-	-	-	(214)
Share of loss of associates	-	-	-	-	-	(138)	(138)
Profit/(Loss) before tax	11,585	67	234	278	(1,361)	(1,282)	9,521
Tax expense	(1,485)	(253)	(2)	(65)	-	(36)	(1,841)
Profit/(Loss) for the period	10,100	(186)	232	213	(1,361)	(1,318)	7,680
Assets							
Segment assets	302,813	224,516	6,382	22,092	29,070	26,281	611,154
Associates	-	-	-	-	-	18,009	18,009
Income tax assets	3	3,066	27	35	1,051	5	4,187
Total assets	302,816	227,582	6,409	22,127	30,121	44,295	633,350
Liabilities							
Segment liabilities	43,383	19,097	1,349	106	7,174	17,724	88,833
Loans and borrowings	-	15,800	624	-	-	-	16,424
Income tax liabilities	13,557	1,009	1	122	-	1,413	16,102
Total liabilities	56,940	35,906	1,974	228	7,174	19,137	121,359

9. **Subsequent Material Events**

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2016**

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 30 June 2016 other than:

On 21 March 2016, GUH Capital Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a subscription agreement to subscribe for 1,166,667 new ordinary shares of RM1.00 each in Straits International Education Group Sdn. Bhd. ("SIEG"), representing 25% equity interest in SIEG, for a total cash consideration of RM11.0 million. SIEG is a company incorporated in Malaysia and its principal activities are investment holding and the provision of management services for the operation of a private international school.

Upon completion of the above subscription on 30 March 2016, SIEG is now a direct and indirect associate of GUH Capital and the Company respectively.

On 21 March 2016, GUH Asset Holdings Sdn. Bhd. (formerly known as GUH Electrical Holdings Sdn. Bhd.) ("GUH Asset"), a wholly-owned subsidiary of the Company, entered into a share purchase agreement to acquire 2 ordinary shares of RM1.00 each in Milan Diamond Sdn. Bhd. ("MDSB"), representing 100% equity interest in MDSB, for a cash consideration of RM2 and the settlement of liabilities of approximately RM6.77 million. MDSB is a company incorporated in Malaysia and has not commenced business since its incorporation. Its intended principal activities are investment holding and leasing.

Upon completion of the above acquisition on 30 March 2016, MDSB is now a wholly-owned subsidiary of GUH Asset and an indirect subsidiary of the Company.

11. Contingent Liabilities or Contingent Assets

The Group has no contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date.

12. Review of the Performance

Operating Segment	Current Year Quarter 30/06/2016	Preceding Year Quarter 30/06/2015	Current Year To Date 30/06/2016	Preceding Year To Date 30/06/2015
	RM '000	RM '000	RM '000	RM '000
Revenue				
<u>Electronic</u>				
- Manufacture of printed circuit boards	65,978	60,847	128,646	108,632
<u>Property</u>				
- Property development	4,717	3,541	8,243	11,178
- Sale of building materials	1,942	1,586	4,256	4,294
- Cultivation of oil palm	247	618	736	1,131
<u>Utility</u>				
- Water and wastewater treatment	9,877	3,901	14,139	11,486
Unallocated non-operating segments	73	250	219	497
Total	82,834	70,743	156,239	137,218
Profit/(Loss) before tax				
<u>Electronic</u>				
- Manufacture of printed circuit boards	8,230	4,209	11,585	6,289
<u>Property</u>				
- Property development	49	505	67	2,284
- Sale of building materials	264	87	234	58
- Cultivation of oil palm	23	414	278	562
<u>Utility</u>				
- Water and wastewater treatment	(459)	123	(1,361)	611
Unallocated non-operating segments	(1,354)	553	(1,282)	2,356
Total	6,753	5,891	9,521	12,160

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2016**

12. **Review of the Performance (cont'd)**

a) Current Year Quarter vs Preceding Year Quarter

The Group's profit before tax of RM 6.8 million for the current year quarter ended 30 June 2016 was RM 0.9 million higher than the profit before tax of RM 5.9 million for the preceding year quarter mainly due to higher contribution from Electronic Division offset by share of loss of associates, impairment loss on available-for-sale financial assets coupled with lower contribution from Property and Utility Divisions.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 30 June 2016 compared to the preceding year quarter is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax increased to RM 8.2 million from RM 4.2 million mainly driven by higher revenue coupled with favourable foreign exchange on stronger USD and RMB.

ii) **Property development**

Profit before tax reduced to RM 0.05 million from RM 0.5 million mainly due to reclassification of compensation received from government for demolition of buildings of RM 0.4 million to other payables in April 2016.

iii) **Sale of building materials**

Profit before tax increased to RM 0.3 million from RM 0.09 million mainly attributed to favourable sales mix and higher purchase incentive.

iv) **Cultivation of oil palm**

Profit before tax decreased to RM 0.02 million from RM 0.4 million on lower FFB production albeit higher CPO price.

v) **Water and wastewater treatment**

The loss before tax of RM 0.5 million was mainly due to higher administrative expenses and slow construction progress for new water projects.

vi) **Unallocated non-operating segments**

The loss before tax of RM 1.4 million was mainly due to RM 1.1 million drop in contribution from associates, lower gain on derecognition of available-for-sale financial assets of RM 0.4 million and impairment loss on available-for-sale financial assets of RM 0.3 million.

b) Current Year To Date vs Preceding Year To Date

For the period ended 30 June 2016, the Group recorded a lower profit before tax of RM 9.5 million compared to RM 12.2 million for the preceding year to date mainly due to share of loss of associates coupled with lower contribution from Property and Utility Divisions which was partly offset by higher contribution from Electronic Division.

Detailed analysis of the performance of the Group's operating segments for the period ended 30 June 2016 compared to the preceding year to date is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax increased to RM 11.6 million from RM 6.3 million mainly due to improved contribution from Malaysia operation on higher revenue.

ii) **Property development**

Profit before tax reduced to RM 0.07 million from RM 2.3 million in line with a decline in property units sold amid stringent credit control by the financial institutions.

iii) **Sale of building materials**

Profit before tax increased to RM 0.2 million from RM 0.06 million mainly due to favourable sales mix and higher purchase incentive.

iv) **Cultivation of oil palm**

Profit before tax decreased to RM 0.3 million from RM 0.6 million in line with lower FFB production.

v) **Water and wastewater treatment**

The loss before tax of RM 1.4 million was mainly due to higher administrative expenses and slow construction progress for new water projects.

vi) **Unallocated non-operating segments**

The loss before tax of RM 1.3 million was mainly due to reduction of RM 3.3 million in contribution from associates coupled with impairment loss on available-for-sale financial assets of RM 0.3 million.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2016**

13. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

As compared to the preceding quarter, the Group's profit before tax increased to RM 6.8 million (Q1'16: RM 2.8 million) mainly due to improved contribution from Electronic Division which was partly offset by impairment loss on available-for-sale financial assets of RM 0.3 million and interest expense of RM 0.2 million.

14. Prospects for 2016

Electronic Division anticipates positive growth momentum to continue in the second half of 2016 on favourable product mix and prudent cost management.

Property Division foresees property sales to pick up gradually in tandem with new property launches, sale of electrical products and building materials to remain flat coupled with stable FFB production and CPO prices for the remainder of 2016.

Utility Division expects positive earnings on higher construction progress of existing water projects in the second half of 2016.

Looking ahead, the Group foresees better performance in the second half of 2016.

15. Variance from Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

16. Profit Before Tax

	Current Year Quarter 30/06/2016 RM'000	Current Year To Date 30/06/2016 RM'000
Profit before tax is arrived at after charging:		
- Interest expense	214	214
- Depreciation	3,455	6,969
- Impairment loss on loans and receivables	-	-
- Inventories written down	29	83
- Inventories written off	-	-
- Impairment loss on available-for-sale financial assets	344	344
- Loss on disposal of property, plant and equipment	-	-
- Property, plant and equipment written off	-	1
- Loss on foreign exchange - realised	614	507
- Loss on foreign exchange - unrealised	-	522
- Loss on financial instruments at fair value through profit or loss	-	-
- Exceptional items	-	-
and crediting:		
- Interest income	768	1,572
- Dividend income	-	-
- Gain on disposal of property, plant and equipment	28	28
- Gain on disposal of investment properties	131	131
- Gain on derecognition of available-for-sale financial assets	-	106
- Gain on foreign exchange - realised	-	-
- Gain on foreign exchange - unrealised	1,983	-
- Gain on winding up of foreign subsidiary	-	4
- Reversal of impairment loss on loans and receivables	37	47
- Reversal of inventories written down	92	130
- Gain on derivatives	-	-

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2016**

17. Taxation

Taxation comprises:

	Current Year Quarter 30/06/2016 RM '000	Current Year To Date 30/06/2016 RM '000
Income tax	(1,588)	(2,442)
Deferred tax	(144)	630
Real Property Gains Tax	(15)	(29)
	<u>(1,747)</u>	<u>(1,841)</u>

The Group's effective tax rates differ from the statutory tax rate mainly because:

- (i) certain income and expenses which are not taxable and allowable; and
- (ii) utilisation of unabsorbed reinvestment allowances by certain subsidiary

18. Status of Corporate Proposals

There were no corporate proposals as at the date of this announcement.

19. Group Borrowings and Debt Securities

Group borrowings and debt securities as at 30 June 2016

	RM '000
Secured	16,424
Unsecured	-
(a) Total	16,424
Short term	624
Long term	15,800
(b) Total	16,424
Ringgit Malaysia	16,424
Foreign currency	-
(c) Total	16,424

20. Financial Instruments

a) Derivatives

There were no outstanding derivatives as at 30 June 2016.

b) Gains/(Losses) arising from Fair Value Changes of Financial Liabilities

There were no gains/(losses) arising from fair value changes of financial liabilities for the current year quarter and period ended 30 June 2016.

c) Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

- i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- iii) Level 3 - unobservable inputs for the asset or liability.

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20. **Financial Instruments (cont'd)**

c) Fair Value (cont'd)

The fair value measurement of financial instruments at the end of the reporting period are as follows:

i) Available-for-sale financial assets

	30/06/2016 RM '000
Shares quoted in Malaysia - at fair value	5,880
Unquoted shares - at cost less impairment losses	50
	<u>5,930</u>

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of unquoted investments cannot be reliably measured due to the lack of quoted prices in active markets for identical instruments. In addition, the variability in the range of reasonable fair value measurements is expected to be significant and the probabilities of the various estimates within the range cannot be reasonably assessed.

ii) Other financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

There were no transfers between Level 1 and Level 2 during the period ended 30 June 2016.

21. **Breakdown of Realised and Unrealised Profits or Losses of the Group**

The breakdown of the retained profits of the Group as at 30 June 2016, into realised and unrealised profits, pursuant to the directive of Bursa Malaysia Securities Berhad, is as follows:

	As at 30/06/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	259,190	251,222
- Unrealised	2,043	1,920
	<u>261,233</u>	<u>253,142</u>
Total share of retained profits of associates:		
- Realised	4,616	4,754
- Unrealised	-	-
	<u>265,849</u>	<u>257,896</u>
Consolidation adjustments and eliminations	(97,341)	(96,531)
Total retained profits as per statement of financial position	<u>168,508</u>	<u>161,365</u>

The segregation of realised and unrealised profits or losses is based on Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", issued by the Malaysian Institute of Accountants on 20 December 2010.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2016**

22. **Material Litigation**

There was no material litigation against the Group as at 30 June 2016.

23. **Proposed Dividend**

On 22 August 2016, the Board of Directors proposed for an interim dividend of 3.5 sen per share for the financial year ending 31 December 2016. The dividend will be paid on 28 September 2016 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 8 September 2016.

24. **Earnings Per Share**

	Current Year Quarter 30/06/2016	Current Year To Date 30/06/2016
Profit attributable to owners of the Company (RM '000)	5,009	7,681
Number of ordinary shares in issue at the beginning of the period ('000)	263,860	263,870
Effect of shares purchased ('000)	-	(8)
Weighted average number of ordinary shares in issue ('000)	263,860	263,862
Basic earnings per share (sen)	1.90	2.91

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and period ended 30 June 2016.

25. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 22 August 2016.