



POS MALAYSIA BERHAD

(229990-M)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period
Ended 30 September 2016

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 30 September 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Current Quarter 3 Months Ended		Cumulative 6 Months Ended	
		30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Revenue		395,123	398,801	810,992	789,167
Operating expenses		<u>(382,740)</u>	<u>(392,797)</u>	<u>(759,114)</u>	<u>(754,912)</u>
Profit from operations		12,383	6,004	51,878	34,255
Other income		7,880	2,524	12,726	8,718
Other expenses		(5,409)	(745)	(5,960)	(861)
Finance cost		<u>(1,351)</u>	<u>(1,222)</u>	<u>(2,646)</u>	<u>(2,083)</u>
PROFIT BEFORE ZAKAT AND TAXATION		13,503	6,561	55,998	40,029
Zakat		<u>(817)</u>	<u>(474)</u>	<u>(1,319)</u>	<u>(1,258)</u>
PROFIT BEFORE TAXATION		12,686	6,087	54,679	38,771
Taxation	18	<u>(5,950)</u>	<u>(2,608)</u>	<u>(16,099)</u>	<u>(12,556)</u>
NET PROFIT FOR THE QUARTER / FINANCIAL PERIOD		<u>6,736</u>	<u>3,479</u>	<u>38,580</u>	<u>26,215</u>
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/ FINANCIAL PERIOD (NET OF TAX)		<u>6,736</u>	<u>3,479</u>	<u>38,580</u>	<u>26,215</u>
Basic and diluted earnings per share (sen):	23	<u>1.15</u>	<u>0.65</u>	<u>6.87</u>	<u>4.88</u>

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 and the explanatory notes attached to the interim financial report

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at 30.09.2016 RM'000	Audited As at 31.03.2016 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,081,883	665,193
Investment properties		31,100	31,100
Intangible asset		394,502	4,630
Other receivables		13,236	-
Deferred tax assets		11,444	-
Prepaid lease properties		42,398	-
Other assets		624	-
		1,575,187	700,923
CURRENT ASSETS			
Inventories		13,477	10,924
Trade and other receivables		706,559	422,365
Investment securities : financial assets at fair value through profit or loss		408	407
Investment securities: held-to-maturity		84,136	84,265
Current tax assets		15,219	11,150
Cash and cash equivalents		635,918	638,712
		1,455,717	1,167,823
TOTAL ASSETS		3,030,904	1,868,746
EQUITY AND LIABILITIES			
Share Capital		391,388	268,513
Share premium		680,004	385
Reserves		822,446	846,698
Equity attributable to Owners of the Company		1,893,838	1,115,596
Non-controlling interest		2,139	-
TOTAL EQUITY		1,895,977	1,115,596
NON-CURRENT LIABILITIES			
Deferred tax liabilities		57,622	36,169
Long term borrowings	20	19,212	-
Post-employment benefit obligations		2,313	-
		79,147	36,169
CURRENT LIABILITIES			
Trade and other payables		797,790	617,713
Bank borrowings	20	193,268	98,798
Current tax liabilities		1,890	470
Dividend payable		62,832	-
		1,055,780	716,981
TOTAL LIABILITIES		1,134,927	753,150
TOTAL EQUITY AND LIABILITIES		3,030,904	1,868,746
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY* (RM)		2.42	2.08

* Based on 782,776,836 (31.03.2016: 537,026,085) ordinary shares in issue.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and fully paid ordinary shares		Non-distributable		Retained Earnings RM'000	Total RM'000	Non - controlling Interest RM'000	Total Equity RM'000
	Number of shares '000	Nominal value RM'000	Share Premium RM'000	Revaluation Reserves RM'000				
Balance at beginning of the financial year 1.4.2016.	537,026	268,513	385	1,144	845,554	1,115,596	-	1,115,596
Net profit for the financial period represented total comprehensive income for the financial period	-	-	-	-	38,580	38,580	-	38,580
Issue of ordinary shares for acquisition of a subsidiary company (net of issuance cost)	245,751	122,875	679,619	-	-	802,494	-	802,494
Final dividend in respect of financial year ended 31 March 2016	-	-	-	-	(62,832)	(62,832)	-	(62,832)
<u>Transaction with Owners</u>								
Acquisition of a subsidiary company	-	-	-	-	-	-	2,139	2,139
Balance as at 30.09.2016	782,777	391,388	680,004	1,144	821,302	1,893,838	2,139	1,895,977
Balance at beginning of the financial year 1.4.2015	537,026	268,513	385	1,144	852,811	1,122,853	-	1,122,853
Net profit for the financial period represented total comprehensive income for the financial period	-	-	-	-	26,215	26,215	-	26,215
Balance as at 30.09.2015	537,026	268,513	385	1,144	879,026	1,149,068	-	1,149,068

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended 30.09.2016 RM'000	6 Months Ended 30.09.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	38,580	26,215
Adjustments:		
- Depreciation of property, plant and equipment	53,203	49,425
- Finance cost	2,646	2,083
- Taxation	16,099	12,556
- Interest income	(8,423)	(8,718)
- Unrealised foreign exchange differences	5,254	2,097
- Allowance for doubtful debts (net of write backs)	(1,509)	6,773
- Gain on disposal of property, plant and equipment	(2,356)	-
- Others	139	2,964
Operating profit before working capital changes	103,633	93,395
Changes in working capital:		
Net increase in current assets	(39,374)	(52,961)
Net (decrease) / increase in current liabilities	(20,889)	35,896
Net cash generated from operations	43,370	76,330
Tax paid, net of refund	(12,444)	(29,361)
Net cash generated from operating activities	30,926	46,969
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments and redemption of held-to maturity securities	-	5,026
Net cash inflow from acquisition of a subsidiary company	19,110	-
Proceeds from disposal of property, plant and equipment	3,719	-
Purchase of property, plant and equipment	(40,839)	(60,120)
Interest received	8,423	8,718
Net cash used in investing activities	(9,587)	(46,376)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	6 Months Ended 30.09.2016 RM'000	6 Months Ended 30.09.2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown on revolving credit	-	50,000
Interest expense	(2,646)	(2,083)
Net cash (used in) / generated from financing activities	(2,646)	47,917
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,693	48,510
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR	576,673	445,726
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD	595,366	494,236
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash	303,780	319,515
Deposits	332,138	339,385
	635,918	658,900
Less: collections held on behalf of agencies**	(37,950)	(164,664)
Bank overdraft	(2,602)	-
	595,366	494,236

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 and the explanatory notes attached to the interim financial report.

** The amount of cash held on behalf of agencies is included under Trade and Other Payables in the Statement of Financial Position.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with MFRS 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 March 2016 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial ended 31 March 2016 except for the adoption of the following new /amended standards which are applicable to the Group with effect 1 April 2016:

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- *Annual Improvements to MFRSs 2012-2014 Cycle*

The adoption and application of the above standards are not expected to have any material impact to the financial statements of the Group.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's operations are not subject to any significant seasonal factors except that mail volume fluctuates during the festive season and at the beginning of calendar year.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

Save as below, there was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2016.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE (CONTINUED)

- (a) On 13 September 2016, the Company completed the acquisition of 100% equity interest in KL Airport Services Sdn. Bhd. (now known as Pos Aviation Sdn. Bhd.) (“Pos Aviation”) from HICOM Holdings Berhad, a wholly-owned subsidiary company of DRB-HICOM Berhad for a total consideration of RM749.35 million via its issuance of 225,030,030 new ordinary shares of RM0.50 each (“POSM Shares”) at an issue price of RM3.33 per POSM Shares.

The initial accounting for Pos Aviation business combination in the consolidated financial statements of Pos Malaysia involves identifying and determining the fair values to be assigned to Pos Aviation’s identifiable assets, liabilities and contingent liabilities and the cost of the combination. As at 30 September 2016, the fair value of Pos Aviation’s identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation (“PPA”) on Pos Aviation’s identifiable assets, liabilities and contingent liabilities. The Pos Aviation’s business combination has been accounted for using these provisional values. The Group shall recognise any adjustments to these provisional values upon completion of the PPA exercise within twelve months from the acquisition date.

The initial accounting has resulted in goodwill on consolidation amounting to approximately RM389.88 million which has been recognised as intangible asset in the consolidated statement of financial position of the Group as at 30 September 2016.

- (b) On 13 September 2016, the Company completed the acquisition of part of a parcel of freehold industrial land measuring 9.912 acres located in Section 28, Shah Alam from HICOM Indungan Sdn. Bhd., an indirect wholly-owned subsidiary company of DRB-HICOM Berhad, for a total consideration of RM69 million via its issuance of 20,720,721 new ordinary shares of RM0.50 each at an issue price of RM3.33 per POSM Shares.

5. CHANGES IN ESTIMATES

There was no material change in the estimate of amount reported in prior financial periods that has a material effect to this interim financial report.

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as disclosed below, there was no issuance and repayment of debt and equity securities, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2016.

On 13 September 2016, the Company issued a total of 245,750,751 new ordinary shares of RM0.50 each at an issue price of RM3.33 per POSM Shares, pursuant to the acquisitions of Pos Aviation and part of a parcel of freehold industrial land measuring 9.912 acres located in Section 28, Shah Alam as mentioned in Note 4.

7. DIVIDENDS PAID

The shareholders have approved a first and final single tier dividend of 11.1 sen per ordinary share at the last Annual General Meeting held on 18 August 2016 in respect of the financial year ended 31 March 2016. The net dividend of RM62,832,056 was paid on 7 October 2016.

8. SEGMENTAL INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different business processes and customer needs. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) and the Board of Directors review internal Management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Postal Services – Includes the provision of basic mail services for corporate and individual customers and customised solutions such as Mailroom Management and Direct Mail and over-the-counter services for payment of bills and certain financial products and services.
- Courier – Includes the courier, parcel and logistic solutions by sea, air and land to both national and international destinations.
- International – Includes the direct entry and transshipment.

Other operations include the hybrid mail which provides data and document processing services, business of internet security products, solutions and services and rental income from investment properties held by the Group. None of these segments meets any of the quantitative thresholds for determining reportable segments in the current reporting period.

There are varying levels of integration between the Mail reportable segment and the Courier reportable segments. This integration includes shared distribution services. The accounting policies of the reportable segments are the same as described in Note 2.

Information regarding the operations of each reportable segment is shown below. Performance is measured based on segment results. Segment results is used to measure performance as Management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on a negotiated basis.

8. SEGMENTAL INFORMATION (CONTINUED)

The information of each of the Group's business segments for the financial period ended 30 September 2016 is as follows:

Period ended 30 September 2016						
	Postal Services	Courier	International	Others	Elimination	Total
Revenue						
External	383,645	322,142	59,751	45,454	-	810,992
Internal	29,204	30,409	-	37,035	(96,648)	-
Total revenue	412,849	352,551	59,751	82,489	(96,648)	810,992
Segment (loss)/ profits	(59,645)	83,749	6,563	21,211		51,878
Other Income						12,726
Other expenses						(5,960)
Finance Cost						(2,646)
Profit before zakat and taxation						55,998
Zakat						(1,319)
Profit before taxation						54,679
Taxation						(16,099)
Net profit for the financial period						38,580
Attributable to:						
Owners of the company						38,580

9. PROPERTY, PLANT AND EQUIPMENT

There is no revaluation of property, plant and equipment from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. SUBSEQUENT EVENT

There has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature that would likely affect substantially the results of the operations of the Group.

11. CHANGES IN THE COMPOSITION OF THE GROUP

On 13 September 2016, the Company completed the acquisition of 100% equity interest in Pos Aviation for a total consideration of RM749.35 million via the issuance of 225,030,030 new ordinary shares of RM0.50 each at an issue price of RM3.33 per POSM Shares. As a result, Pos Aviation became a wholly-owned subsidiary company of the Group.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets at the end of the reporting period other than what was reported in the last audited financial statements.

13. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging / (crediting) the following:

	3 Months Ended		6 Months Ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Depreciation of property, plant and equipment	26,548	24,876	53,203	49,425
Finance cost	1,351	1,222	2,646	2,083
Fair value (gain) / loss of investment securities : financial assets at fair value through profit or loss	(20)	90	(1)	90
Doubtful debts (net of write backs)	187	1,765	(1,509)	6,773
Write off of property, plant and equipment	12	-	12	-
Gain on disposal of property, plant and equipment	(1,210)	-	(2,356)	-
Interest income on:				
- short term deposits	(2,999)	(3,253)	(6,764)	(6,863)
- investment securities: held-to-maturity	(646)	(882)	(1,659)	(1,855)
Net foreign exchange differences	3,227	2,950	5,948	2,097

14. REVIEW OF GROUP PERFORMANCE

14.1 Group performance for the financial period ended 30 September 2016

The Group generated higher revenue of RM811.0 million for the financial period ended 30 September 2016 as compared to RM789.2 million in the previous corresponding period ended 30 September 2015. This represents an increase of RM21.8 million or equivalent to 2.8% growth.

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

14.1 Group performance for the financial period ended 30 September 2016 (continued)

(a) Group revenue by segment are as follows:

	Group revenue	6 months ended		Variance RM'000
		30.09.2016 RM'000	30.09.2015 RM'000	
(i)	Postal Services	383,645	408,585	(24,940)
(ii)	Courier	322,142	264,688	57,454
(iii)	International	59,751	81,710	(21,959)
(iv)	Others	45,454	34,184	11,270
	Total	810,992	789,167	21,825

(i) Postal Services Segment

Postal Services segment registered lower revenue of RM383.6 million as compared to RM408.6 million. This is due to lower revenue in mail business resulted from a net drop in traditional mail volume and lower transaction from retail segment from commercial private section for unit trust.

(ii) Courier Segment

Courier segment registered higher revenue by RM57.5 million compared to RM264.7 million in the previous corresponding period ended 30 September 2015. The upward performance was driven by increased in demand from e-commerce.

(iii) International Segment

International segment revenue was lower by RM22.0 million due to decrease in revenue generated from transshipment resulted from the drop in volume compared to previous corresponding period ended 30 September 2015.

(iv) Others Segment

Others segment which consist of digital certificates, printing and insertion registered higher revenue by RM11.3 million due to higher revenue generated from sales of digital certificates as well as printing and insertion.

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

14.1 Group performance for the financial period ended 30 September 2016 (continued)

(b) Group Profit Before Tax

For the financial period ended 30 September 2016, profit before tax increased to RM54.7 million as compared to RM38.8 million in the previous corresponding period ended 30 September 2015 due to higher profits generated from courier segment driven by demand in e-commerce and online business.

14.2 Comparison between the current financial quarter and the preceding year corresponding quarter

(a) Group revenue by segment are as follows:

	Group revenue	3 months ended		Variance RM'000
		30.09.2016 RM'000	30.09.2015 RM'000	
(i)	Postal Services	176,945	197,100	(20,155)
(ii)	Courier	159,373	132,773	26,600
(iii)	International	39,984	55,128	(15,144)
(iv)	Others	18,821	13,800	5,021
	Total	395,123	398,801	(3,678)

(i) Postal Services Segment

Postal Services segment registered lower revenue of RM176.9 million as compared to RM197.1 million. This is due to lower revenue for direct mail for mail segment and decrease of transactions from bill payment for retail segment.

(ii) Courier Segment

Courier segment registered higher revenue of RM159.4 million compared to RM132.8 million. The upward performance was driven by increased in demand from e-commerce.

(iii) International Segment

International segment registered lower revenue of RM40.0 million as compared to RM55.1 million due to lower transactions from transshipment business segment.

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

14.2 Comparison between the current financial quarter and the preceding year corresponding quarter (continued)

(a) Group revenue by segment are as follows (continued):

(iv) **Others Segment**

Others segment which consist of digital certificates, printing and insertion registered higher revenue by RM5.0 million due to higher business volume attributed to sales of digital certificates as well as printing and insertion.

(b) **Group Profit Before Tax**

For the financial quarter ended 30 September 2016, profit before tax increased to RM12.7 million as compared to RM6.1 million in the corresponding quarter previous year due to higher revenue generated from courier segment business.

15. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The group recorded a lower profit before tax of RM12.7 million in the current quarter ended 30 September 2016 compared with RM42.0 million in the preceding quarter ended 30 June 2016 due to decrease in volume from courier business segment and international business segment during the current quarter.

16. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2017

In the third quarter of 2016, the Malaysian economy grew by 4.3% year-on-year. The economic growth was mainly driven by sustained domestic demand as a result of growth in wage and employment. Overall investment is also expected to be supported by the on-going implementation of infrastructure projects and capital spending in the manufacturing and services sectors. *(Source BNM's Press Release on Economic and Financial Developments on Malaysia in Third Quarter of 2016, 11 November 2016).*

The Malaysian Government recently unveiled a number of measures in the recent Annual Budget 2017 to promote e-Commerce as a means to enhance the income generation capabilities of the general public, especially for those in the lower income group. These measures, over the long term, will support the growth in e-Commerce which is currently driving the volume growth in our courier business. In addition, the recent upward revision of courier service charges (on selected product categories) would result in positive contributions to the Group's revenue and bottom-line.

The continued substantial infrastructure spending by the Government as well as those through private-public partnership channels will provide our haulage/logistics business with opportunities to enlarge our footprint in project logistics business. As such, we believe that the prospects of the Group remain positive in the current operating environment.

17. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the current financial period in a public document.

18. TAXATION

Taxation comprises the following:

	3 Months Ended		6 Months Ended	
	30.09.2016 RM'000	30.09.2015 RM'000	30.09.2016 RM'000	30.09.2015 RM'000
Current taxation	6,646	(8,602)	16,386	7,101
Deferred taxation	(696)	11,210	(287)	5,455
Total	5,950	2,608	16,099	12,556

The Group's effective tax rate for the current quarter ended 30 September 2016 is higher compared to the statutory tax rate due to certain expenses which were not deductible for tax purposes.

19. STATUS OF CORPORATE PROPOSALS

On 14 March 2016, Pos Malaysia, has entered into:

- (i) a conditional shares sale agreement with HICOM Holdings Bhd, 100% wholly-owned subsidiary of DRB-HICOM Berhad for the proposed acquisition of the entire issued and paid-up share capital of KLAS (KL Airport Services Sdn Bhd), comprising 88,328,527 ordinary shares of RM1.00 each in KLAS ("KLAS Shares"), 35,300,000 redeemable convertible preference shares of RM1.00 each in KLAS ("KLAS RCPS") and such number of New KLAS Shares to be issued on a later date, for a total purchase consideration of RM749.35 million ("KLAS SSA"); and
- (ii) a conditional sale and purchase agreement with HICOM Indungan and HICOM Engineering Sdn Bhd ("HICOM Engineering"), an indirect wholly-owned subsidiary of DRB-HICOM, for the proposed acquisition of part of a parcel of freehold industrial land held under GRN 311546 Lot 62010, Pekan HICOM, District of Petaling, State of Selangor Darul Ehsan located along Jalan Jijan 28/35, Section 28, 40400 Shah Alam ("Section 28 Land") measuring 9.912 acres for a purchase consideration of RM69.00 million ("Land SPA").

HICOM Engineering is the registered owner of the Section 28 Land while HICOM Indungan is the beneficial owner of the Section 28 Land.

This proposed acquisition has been approved by the shareholders on 18 August 2016. The above exercise has been completed on 13 September 2016.

20. GROUP BORROWINGS

Total Group borrowings are as follows:

	Unaudited as at 30.09.2016 RM'000
Short Term Borrowings	
(a) Bank overdrafts - unsecured	2,602
(b) Others	
<u>Secured:</u>	
Revolving credit	102,098
Hire purchase and finance lease liabilities – portion repayable within 12 months	6,568
Short term loan under Islamic financing	30,000
	138,666
<u>Unsecured:</u>	
Revolving credit	52,000
	193,268
(c) Long Term Borrowings	
<u>Secured:</u>	
Hire purchase and finance lease liabilities – portion repayable within 12 months	25,780
	(6,568)
	19,212
Total Group borrowings	212,480

21. MATERIAL LITIGATION

There is no material litigation pending as at the date of this report.

22. DIVIDEND

No interim dividend has been declared for the financial period ended 30 September 2016.

23. EARNINGS PER SHARE

The basic and diluted earnings per share have been calculated based on the Group's net profit attributable to Owners of the Company and weighted average number of ordinary shares outstanding during the financial period.

	3 Months Ended		6 Months Ended	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Net profit attributable to Owners of the Company (RM'000)	6,736	3,479	38,580	26,215
Number of ordinary shares in issue ('000)	782,777	537,026	782,777	537,026
Weighted average number of ordinary shares outstanding ('000)	585,108	537,026	561,198	537,026
Basic and diluted earnings per share (sen)	1.15	0.65	6.87	4.88

24. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

The retained profits of the Group as at 30 September 2016 are analysed as follows:

	As at 30.09.2016 RM'000	As at 30.09.2015 RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	775,884	845,202
- Unrealised	77,166	60,504
	853,050	905,706
Total share of retained profits from associates (Realised)	(7,650)	(7,650)
Add: Consolidation adjustments	(24,098)	(19,030)
Total Group retained profits	821,302	879,026

25. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

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

BY ORDER OF THE BOARD

DATO' CAROL CHAN CHOY LIN
COMPANY SECRETARY

Kuala Lumpur
24 November 2016