

**ECS ICT BERHAD**

(351038-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At 31/12/2016 RM'000</b>	<b>As At 31/12/2015 RM'000</b>
<b>ASSETS</b>		
Plant and equipment	3,158	3,413
Intangible asset	571	571
Investment in club membership	62	62
Deferred tax assets	1,385	1,676
Non-current trade debtors	4,613	-
<b>Total non-current assets</b>	<b>9,789</b>	<b>5,722</b>
Inventories	113,447	110,835
Receivables, deposits and prepayments	265,030	197,308
Cash and cash equivalents	110,215	116,237
<b>Total current assets</b>	<b>488,692</b>	<b>424,380</b>
<b>TOTAL ASSETS</b>	<b>498,481</b>	<b>430,102</b>
<b>EQUITY</b>		
Share capital	90,000	90,000
Reserves	166,124	146,782
<b>Total equity attributable to owners of the Company</b>	<b>256,124</b>	<b>236,782</b>
<b>LIABILITIES</b>		
Payables and accruals	240,639	190,022
Tax payable	1,718	3,298
<b>Total current liabilities</b>	<b>242,357</b>	<b>193,320</b>
<b>Total liabilities</b>	<b>242,357</b>	<b>193,320</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>498,481</b>	<b>430,102</b>
Net assets per share attributable to owners of the Company (RM)	1.42	1.32

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.*



**ECS ICT BERHAD**  
(351038-H)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Three Months Ended		Twelve Months Ended	
		31/12/2016 RM'000	31/12/2015 RM'000 Restated	31/12/2016 RM'000	31/12/2015 RM'000 Restated
<b>Revenue</b>		551,579	496,549	1,823,383	1,903,299
Cost of sales	28	(523,615)	(468,933)	(1,730,774)	(1,805,635)
<b>Gross profit</b>		<u>27,964</u>	<u>27,616</u>	<u>92,609</u>	<u>97,664</u>
Distribution expenses	28	(4,861)	(7,738)	(34,069)	(34,935)
Administrative expenses	28	(6,598)	(6,845)	(22,134)	(21,612)
Other income	28	405	17	2,671	475
<b>Results from operating activities</b>	26	<u>16,910</u>	<u>13,050</u>	<u>39,077</u>	<u>41,592</u>
Finance income		591	696	2,077	2,024
Finance costs	27	(782)	(1)	(783)	(2)
Net finance income		<u>(191)</u>	<u>695</u>	<u>1,294</u>	<u>2,022</u>
<b>Profit before tax</b>		<u>16,719</u>	<u>13,745</u>	<u>40,371</u>	<u>43,614</u>
Tax expense	19	(4,142)	(3,402)	(10,229)	(11,126)
<b>Profit for the period / Total comprehensive income for the period</b>		<u>12,577</u>	<u>10,343</u>	<u>30,142</u>	<u>32,488</u>
<b>Profit for the period / Total comprehensive income for the period attributable to:</b>					
Owners of the Company		12,577	10,343	30,142	32,488
Non-controlling interest		-	-	-	-
		<u>12,577</u>	<u>10,343</u>	<u>30,142</u>	<u>32,488</u>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic (sen)	24	7.0	5.7	16.7	18.0
Diluted (sen)		N/A	N/A	N/A	N/A

Notes:

N/A Not applicable

*The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.*



**ECS ICT BERHAD**  
(351038-H)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<- Attributable to owners of the Company - >				
	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
At 1 January 2015	90,000	134,094	224,094	-	224,094
Profit for the period / Total comprehensive income for the period	-	32,488	32,488	-	32,488
Dividend	-	(19,800)	(19,800)	-	(19,800)
At 31 December 2015	<u>90,000</u>	<u>146,782</u>	<u>236,782</u>	<u>-</u>	<u>236,782</u>
At 1 January 2016	90,000	146,782	236,782	-	236,782
Profit for the period / Total comprehensive income for the period	-	30,142	30,142	-	30,142
Dividend	-	(10,800)	(10,800)	-	(10,800)
At 31 December 2016	<u>90,000</u>	<u>166,124</u>	<u>256,124</u>	<u>-</u>	<u>256,124</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.*



**ECS ICT BERHAD**  
(351038-H)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Twelve Months Ended</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	40,371	43,614
<i>Adjustments for:</i>		
Non-cash items	1,326	1,997
Non-operating items	(1,294)	(2,022)
Operating profit before changes in working capital	<u>40,403</u>	<u>43,589</u>
Change in inventories	(2,612)	8,524
Change in receivables, deposits and prepayment	(70,803)	(445)
Change in payables and accruals	48,573	4,704
Cash from operations	<u>15,561</u>	<u>56,372</u>
Tax paid	(11,518)	(10,616)
Net cash generated from operating activities	<u>4,043</u>	<u>45,756</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of plant and equipment	(1,248)	(1,516)
Proceeds from disposal of plant and equipment	6	26
Net cash used in investing activities	<u>(1,242)</u>	<u>(1,490)</u>
<b>Cash Flows from Financing Activities</b>		
Interest received	1,978	2,024
Interest paid	(1)	(2)
Dividend paid	(10,800)	(19,800)
Net cash used in financing activities	<u>(8,823)</u>	<u>(17,778)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(6,022)</u>	<u>26,488</u>
Cash and cash equivalents at beginning of period	<u>116,237</u>	<u>89,749</u>
<b>Cash and cash equivalents at end of period</b>	<u>110,215</u>	<u>116,237</u>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	<u>110,215</u>	<u>116,237</u>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.*



**ECS ICT BERHAD**

(351038-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**1. Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 31 December 2015.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2015 are available upon request from the Company's registered office at: Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

**2. Significant accounting policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 31 December 2015, except with the adoption of the following Malaysian Financial Reporting Standards ("MFRS"), Issues Committee ("IC") Interpretations and Amendments to MFRS for financial period beginning on or after 1 January 2016:

- MFRS 14, Regulatory Deferral Accounts
- Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)
- 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 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants
- Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012-2014 Cycle)
- Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

MFRS 14, Amendments to MFRS 5, Amendments to MFRS 11 and Amendments to MFRS 141 are not applicable to the Group.

The adoption of the above standards and amendments are not expected to have material financial impacts to the financial statements of the Group.

**3. Seasonal or cyclical factors**

The Group's operations were not significantly affected by seasonal or cyclical factors.

**4. Unusual items**

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

**5. Material changes in estimates**

There were no changes in estimates of amounts that have had a material effect in the current financial quarter results.



**ECS ICT BERHAD**  
(351038-H)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**6. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and the financial year-to-date.

**7. Dividends paid**

During the year, the company paid the following dividend:

A single tier final dividend of 3.0 sen per share, totalling RM5,400,000 in respect of the financial year ended 31 December 2015 was paid on 15 June 2016.

A single tier interim dividend of 3.0 sen per share totalling RM5,400,000 in respect of the financial year ended 31 December 2016 was paid on 14 December 2016.

**8. Segmental reporting**

Segment information is presented in respect of the Group's business segments.

The Group business segments comprise the following:

- (i) ICT Distribution      Distribution of volume ICT products to resellers, comprising mainly retailers
- (ii) Enterprise Systems      Distribution of value ICT products to resellers, comprising mainly system integrators and corporate dealers
- (iii) ICT Services      Provision of ICT services

Other non-reportable segments comprise management services and investment holding.

**(a) Information about reportable segments**

	<b>ICT Distribution RM'000</b>	<b>Enterprise Systems RM'000</b>	<b>ICT Services RM'000</b>	<b>Total RM'000</b>
<b><u>12 months financial period ended 31 December 2016</u></b>				
External revenue	1,408,045	377,889	37,449	1,823,383
Inter-segment revenue	9,508	4,211	3,728	17,447
Total revenue	<u>1,417,553</u>	<u>382,100</u>	<u>41,177</u>	<u>1,840,830</u>
Reportable segment profit before tax	<u>20,864</u>	<u>15,598</u>	<u>1,422</u>	<u>37,884</u>
<b><u>12 months financial period ended 31 December 2015</u></b>				
External revenue	1,428,872	426,275	48,152	1,903,299
Inter-segment revenue	7,558	3,391	3,898	14,847
Total revenue	<u>1,436,430</u>	<u>429,666</u>	<u>52,050</u>	<u>1,918,146</u>
Reportable segment profit before tax	<u>27,407</u>	<u>14,003</u>	<u>1,185</u>	<u>42,595</u>



**ECS ICT BERHAD**

(351038-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**8. Segmental reporting (continued)**

**(b) Reconciliation of reportable segment profit and loss:**

	Twelve Months Ended	
	31/12/2016 RM'000	31/12/2015 RM'000
Total profit for reportable segments before tax	37,884	42,595
Other non-reportable segments profit	12,563	20,446
Eliminate of inter-segments profit and loss	(10,076)	(19,427)
Consolidated profit before tax	<u>40,371</u>	<u>43,614</u>

**(c) Segment assets**

	As at	As at
	31/12/2016 RM'000	31/12/2015 RM'000
ICT Distribution	333,042	270,581
Enterprise Systems	135,188	118,831
ICT Services	4,037	4,428
Total reportable segment assets	<u>472,267</u>	<u>393,840</u>
<b>Reconciliation of reportable segment:</b>		
Total reportable segment assets	472,267	393,840
Other non-reportable segments assets	126,680	125,610
Elimination of inter-segment balances	(100,466)	(89,348)
Consolidated total	<u>498,481</u>	<u>430,102</u>

There were no major changes in segment assets during the period.

**(d) Segment liabilities**

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Office. Hence no disclosure is made on segment liabilities.

**9. Material events subsequent to the end of the financial period**

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

**10. Changes in the composition of the Group**

There were no changes in the composition of the Group.



**ECS ICT BERHAD**  
(351038-H)  
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**11. Contingent liabilities and contingent assets**

**(a) Contingent liabilities**

	As At 31/12/2016 RM'000	As At 31/12/2015 RM'000
Guarantees to suppliers and licensed banks for trade credit facilities granted by holding company to Group entities	147,288	145,097

**(b) Contingent assets**

There were no contingent assets as at the end of the current financial period.

**12. Capital commitments**

The capital expenditure contracted but not provided for as at the end of the current financial period amounted to RM54,000.

**13. Capital expenditure**

The major additions and disposals to plant and equipment during the current quarter and financial year-to-date were as follows:

	Three Months Ended 31/12/2016 RM'000	Twelve Months Ended 31/12/2016 RM'000
Plant and equipment: Additions	196	1,248

**14. Related party transactions**

Related parties are those defined under MFRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below were carried out in the ordinary course of business and had been established on negotiated terms.

	Twelve Months Ended 31/12/2016 RM'000	Balance Due From/(To) As at 31/12/2016 RM'000
Transactions with VST Holdings Limited Group:		
<u>Purchases</u>		
VST Computers (H.K.) Ltd	312	-
<u>Sales</u>		
PT ECS Indo Jaya	207	-
Transactions with companies in which certain Directors have substantial interests:		
<u>Professional fee</u>		
Iza Ng Yeoh & Kit	2	-
<u>Rental expense</u>		
Enrich Platinum Sdn Bhd	1,920	-





**ECS ICT BERHAD**

(351038-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**15. Review of performance**

**Comparison results of current quarter and previous year corresponding quarter**

For Q4 FY2016, the Group recorded higher revenue of RM551.6 million, an increase of 11.1% compared with RM496.5 million in the corresponding quarter last year mainly from ICT Distribution Segment. Profit Before Tax (PBT) increased by 21.6% to RM16.7 million compared with the corresponding quarter last year of RM13.7 million mainly due to higher sales and write back of impairment loss on trade receivables.

The performance of the three business segments for Q4 FY2016 compared with Q4 FY2015 were as follows:

a) ICT Distribution

Revenue increased by 13.5% with higher sales from PCs, Notebook and smartphones. With higher sales, the PBT increased by 6.7% to RM8.7 million compared with last year's corresponding period of RM8.2 million.

b) Enterprise Systems

Revenue increased by 6.8% with higher sales of networking equipment. PBT increased by 32.3% to RM6.9 million compared with last year's corresponding period of RM5.2 million mainly due to write back of project provision.

c) ICT Services

Revenue decreased by RM3.4 million. However with higher GP margin, the PBT increased to RM528,000 compared with last year's corresponding period of RM416,000.

**Comparison results of current year-to-date and previous year-to-date**

For 12 months period ended 31 December 2016, the Group recorded revenue of RM1,823.4 million, a decrease of 4.2% compared with the previous year's corresponding period of RM1,903.3 million with lower revenue from all three segments. Sales in last year were higher due to pre-GST sales in Q1 2015. With lower sales and corresponding lower gross profit, the PBT decreased by 7.4% to RM40.4 million.

The performance of the three business segments for 12 months period ended 31 December 2016 as compared to previous year-to-date were as below:

a) ICT Distribution

Revenue decreased by 1.5% with lower sales mainly from mobility products. With lower GP from products mix and higher operating costs, the PBT decreased by 23.9% to RM20.9 million compared with last year's corresponding period of RM27.4 million.

b) Enterprise Systems

Revenue decreased by 11.4% mainly due to lower sales from servers, storage products and software. However, PBT increased by 11.4% to RM15.6 million compared with last year corresponding period of RM14.0 million mainly due to write back of project provision.

c) ICT Services

Revenue decreased by RM10.7 million. However with higher GP margin, the PBT increased to RM1.4 million compared with last year corresponding period of RM1.2 million.



**ECS ICT BERHAD**

(351038-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**16. Material changes in the profit before tax for the current quarter as compared with the immediate preceding quarter**

PBT for Q4 FY2016 of RM16.7 million was higher compared with Q3 FY2016 of RM8.3 million with higher profits from all three segments.

**17. Prospects**

The business outlook for 2017 remains challenging due to the current soft economic environment. The weak Ringgit against the US Dollar has resulted in price increase on all ICT products and consumer buying sentiment is cautious while corporate users have reduced their ICT spending.

For 2017, International Data Corporation (IDC) has forecasted 6.2% growth on the ICT products that the Group is distributing in Malaysia. We have planned to grow our market share on PC, Notebook and Smartphone while exploring new opportunities on Internet of Things (IoT). For Enterprise Systems, we shall invest in the latest technology trends to focus on Hyper-Converged Infrastructure and Cyber Security products.

With our strategies in place for the above market scenario, we are cautiously positive on the overall outlook for FY 2017.

**18. Profit forecast or profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

**19. Tax expense**

	Three Months Ended		Twelve Months Ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Current year	2,978	3,680	10,161	11,545
Prior year	-	-	(223)	(157)
	<u>2,978</u>	<u>3,680</u>	<u>9,938</u>	<u>11,388</u>
Deferred tax	1,164	(278)	291	(262)
	<u>4,142</u>	<u>3,402</u>	<u>10,229</u>	<u>11,126</u>
Effective tax rate	24.8%	24.8%	25.3%	25.5%

The effective tax rate for current year was higher than the Malaysian tax rate of 24% due to certain expenses which were not deductible for tax purposes.

**20. Corporate proposals**

There was no corporate proposal during the current quarter.

**21. Borrowings and debt securities**

There were no borrowings as at the end of the current financial period.

**22. Changes in material litigation**

There was no material litigation as at the end of the current financial period.



**ECS ICT BERHAD**

(351038-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**23. Dividend**

The Board of Directors has recommended for approval of shareholders a single tier final dividend of 3 sen per ordinary share of 50 sen each for the financial year ended 31 December 2016.

The proposed payable date is 15 June 2017 in respect of deposited securities as at 1 June 2017.

**24. Earnings per share**

The basic and diluted earnings per share ("EPS") for the current quarter and current year-to-date were computed as follows:

	Three Months Ended		Twelve Months Ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Profit attributable to equity holders of the Company (RM'000)	12,577	10,343	30,142	32,488
Weighted average number of ordinary shares in issue ('000)	180,000	180,000	180,000	180,000
Basic earnings per share (sen)	7.0	5.7	16.7	18.0
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

Diluted EPS is not applicable as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.

**25. Auditor's report on preceding annual financial statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2015.

**26. Results from operating activities are arrived at after charging/(crediting):**

	Three Months Ended		Twelve Months Ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Depreciation	363	369	1,493	1,397
(Reversal of)/Impairment loss on trade receivables	(3,191)	655	(504)	1,737
(Reversal of)/Inventories written down	(836)	(100)	1,844	(1,149)
Foreign exchange loss/(gain)	758	(3,014)	401	(957)
(Gain)/Loss on derivatives financial instruments	(1,113)	3,062	(2,370)	665

There was no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and exceptional items.



**ECS ICT BERHAD**

(351038-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016**

**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**27. Finance costs**

Finance costs consist of RM782,000 recognised as interest expense due to the fair value measurement of an interest-free non-current trade receivable discounted using prevailing market rate of interest.

**28. Comparative figures**

The following comparative figures have been reclassified to conform to the current year's presentation:

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>31/12/2015</b>	<b>31/12/2015</b>	<b>31/12/2015</b>	<b>31/12/2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>(As</b>	<b>(As previously</b>	<b>(As</b>	<b>(As previously</b>
	<b>(restated)</b>	<b>stated)</b>	<b>(restated)</b>	<b>stated)</b>
Cost of sales	468,933	465,919	1,805,635	1,804,678
Distribution expenses	7,738	6,565	34,935	34,935
Administrative expenses	6,845	8,018	21,612	21,612
Other income/(expense)	17	(2,997)	475	(482)

**29. Realised and unrealised profits or losses**

	<b>As at</b>	<b>As at</b>
	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised profits	216,124	196,686
- Unrealised profits	1,366	1,486
	<u>217,490</u>	<u>198,172</u>
Less: Consolidation adjustments	(51,366)	(51,390)
Total group retained earnings	<u>166,124</u>	<u>146,782</u>

**By order of the Board**

**Chua Siew Chuan**  
**Cheng Chia Ping**  
Company Secretaries

15 February 2017  
Selangor