

ELK-DESA[®]

ELK-DESA RESOURCES BERHAD

(Company No: 180164-X)

**QUARTERLY REPORT ON CONSOLIDATED
RESULTS FOR THE PERIOD ENDED
30 JUNE 2018**

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial period ended 30 June 2018
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM	RM	RM	RM
Revenue	28,821,638	25,570,935	28,821,638	25,570,935
Other income	675,645	218,602	675,645	218,602
Cost of inventories sold	(5,708,446)	(5,049,292)	(5,708,446)	(5,049,292)
Depreciation of property, plant and equipment	(162,874)	(153,094)	(162,874)	(153,094)
Impairment allowance	(3,921,097)	(6,611,731)	(3,921,097)	(6,611,731)
Other expenses	(8,255,227)	(6,524,438)	(8,255,227)	(6,524,438)
Finance costs	(728,284)	(551,538)	(728,284)	(551,538)
Profit before taxation	10,721,355	6,899,444	10,721,355	6,899,444
Taxation	(2,650,718)	(1,849,398)	(2,650,718)	(1,849,398)
Profit for the financial period	8,070,637	5,050,046	8,070,637	5,050,046
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	8,070,637	5,050,046	8,070,637	5,050,046
Earnings per ordinary share - basic (sen)	2.80	2.19	2.80	2.19
Earnings per ordinary share - diluted (sen)	2.68	2.06	2.68	2.06

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2018)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

(The figures have not been audited.)

	As at 30.06.2018 RM	As at 31.03.2018 RM
ASSETS		
Non-current assets		
Property, plant and equipment	10,979,525	7,239,513
Hire purchase receivables	302,923,784	281,872,966
Deferred tax assets	2,962,605	3,624,551
	316,865,914	292,737,030
Current assets		
Inventories	8,830,552	8,451,574
Other assets	1,124,315	1,412,695
Trade receivables	11,264,305	9,919,379
Hire purchase receivables	109,879,291	105,410,777
Other receivables, deposits and prepayments	1,523,634	2,106,066
Current tax assets	-	36,530
Fixed deposits	300,127	-
Short term funds	28,100,203	34,669,749
Cash and bank balances	4,536,815	15,594,775
	165,559,242	177,601,545
Total assets	<u>482,425,156</u>	<u>470,338,575</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	315,781,042	307,439,983
Share premium	23,260,816	23,260,816
Retained earnings	73,800,260	65,169,158
ICULS - equity component	10,312,074	17,264,332
Treasury shares	(16,735,944)	(16,735,944)
Total equity	406,418,248	396,398,345
LIABILITIES		
Non-current liabilities		
Block discounting payables - secured	31,149,419	29,435,983
ICULS - liability component	1,220,225	2,260,704
Deferred tax liability	13,716	13,716
	32,383,360	31,710,403
Current liabilities		
Trade payables	13,032,268	13,551,933
Other payables and accruals	3,006,531	4,807,919
Block discounting payables - secured	24,817,328	21,205,294
Current tax liabilities	2,767,421	2,664,681
	43,623,548	42,229,827
Total liabilities	<u>76,006,908</u>	<u>73,940,230</u>
TOTAL EQUITY AND LIABILITIES	<u>482,425,156</u>	<u>470,338,575</u>
Net assets per share	1.39	1.39

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2018)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 30 June 2018
(The figures have not been audited.)

	Number of Issued Shares Unit	Share Capital RM	Share Premium RM	Retained Earnings RM	Treasury shares RM	ICULS - equity component RM	Total Equity RM
Balance as at 1 April 2017	243,129,526	243,129,886	24,496,944	57,280,090	(16,735,944)	25,915,034	334,086,010
Total comprehensive income	-	-	-	5,050,046	-	-	5,050,046
Issuance of shares upon conversion of ICULS	2,086,694	2,462,299	-	(146,393)	-	(2,052,317)	263,589
Balance as at 30 June 2017	245,216,220	245,592,185	24,496,944	62,183,743	(16,735,944)	23,862,717	339,399,645
Balance as at 1 April 2018 - as previously stated	298,417,611	307,439,983	23,260,816	65,169,158	(16,735,944)	17,264,332	396,398,345
- Effect of adoption of MFRS9	-	-	-	1,212,489	-	-	1,212,489
Balance as at 1 April 2018 (as restated)	298,417,611	307,439,983	23,260,816	66,381,647	(16,735,944)	17,264,332	397,610,834
Total comprehensive income	-	-	-	8,070,637	-	-	8,070,637
Issuance of shares upon conversion of ICULS	7,068,693	8,341,059	-	(652,024)	-	(6,952,258)	736,777
Balance as at 30 June 2018	305,486,304	315,781,042	23,260,816	73,800,260	(16,735,944)	10,312,074	406,418,248

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2018)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial period ended 30 June 2018

(The figures have not been audited.)

	3 months ended	
	30.06.2018	30.06.2017
	RM	RM
<u>Cash flows from operating activities</u>		
Profit before taxation	10,721,355	6,899,444
Adjustment for :		
Depreciation of property, plant and equipment	163,931	153,177
Loss/(Gain) on disposal of property, plant and equipment	-	(2,357)
Property, plant and equipment written off	-	1
Net impairment allowance made for the financial period	4,323,331	6,838,931
Interest expense	728,284	532,707
Interest income	(380,110)	(127,035)
Unrealised (gain) / loss on foreign exchange	(14,031)	-
Operating profit before working capital changes	<u>15,542,760</u>	<u>14,294,868</u>
Changes in working capital:		
Inventories	(378,977)	(790,047)
Other assets	288,380	(277,111)
Hire purchase receivables	(28,039,861)	(18,015,588)
Trade receivables	(1,477,762)	4,024
Other receivables, deposits and prepayments	582,432	(635,402)
Trade payables	(519,665)	375,136
Other payables and accruals	(1,230,160)	(1,139,471)
	<u>(30,775,613)</u>	<u>(20,478,459)</u>
Cash generated from/(used in) operations	<u>(15,232,853)</u>	<u>(6,183,591)</u>
Tax paid	<u>(2,494,400)</u>	<u>(2,445,486)</u>
Net cash from/(used in) operating activities	(17,727,253)	(8,629,077)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(3,903,944)	(102,615)
Proceeds from disposal of property, plant and equipment	-	2,358
Interest received	380,110	127,035
Net cash from/(used in) investing activities	(3,523,834)	26,778
<u>Cash flows from financing activities</u>		
Net (repayment)/drawdown of block discounting payables	5,346,897	10,972,942
Interest paid	(1,395,331)	(1,400,270)
Net cash from/(used in) financing activities	3,951,566	9,572,672

ELK-DESA RESOURCES BERHAD (Company No 180164-X)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial period ended 30 June 2018

(The figures have not been audited.)

	3 months ended	
	30.06.2018	30.06.2017
	RM	RM
Net increase/(decrease) in cash and cash equivalents during the financial period	(17,299,521)	970,373
Effects of exchange rate changes on cash and cash equivalents	(27,859)	-
Cash and cash equivalents as at beginning of financial year	50,264,525	14,078,125
Cash and cash equivalents as at end of financial period	32,937,145	15,048,498
<u>Composition of cash and cash equivalents</u>		
Deposits, cash and bank balances	4,836,942	16,728,652
Bank overdraft	-	(1,680,154)
Short term fund	28,100,203	-
	32,937,145	15,048,498

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2018)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2018

A1 Accounting Policies And Basis Of Preparation

The interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9 Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements are unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2018, which had been prepared in accordance with Malaysian Financial Reporting Standards (MFRS).

The accounting policies adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2018 except for the adoption of new MFRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 April 2018.

On 1 April 2018, the following accounting standards, amendments and interpretations of the MFRS Framework were adopted by the Group.

Title		Effective Date
Amendments to MFRS 1	<i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i>	1 January 2018
MFRS 15	<i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15		1 January 2018
MFRS 9	<i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128	<i>Annual Improvements to MFRS Standards 2014 - 2017 Cycle</i>	1 January 2018
IC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140	<i>Transfers of Investment Property</i>	1 January 2018

Application of the above accounting standards, amendments and interpretations are not expected to have a material impact on the financial statements of the Group.

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018.

The Group is applying the modified retrospective method for the adoption of MFRS 9 and the cumulative effects are shown as an adjustment to the opening retained earnings on 1 April 2018.

The new requirements introduced in respect of the accounting for financial instruments were classification and measurement, impairment and hedge accounting.

The impact of the adoption of MFRS 9 to the Group is limited to classification and measurement, and impairment whereas the hedge accounting is not applicable to the Group.

a) Classification and Measurement

MFRS 9 contains three principal classifications categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

The Group analysed the contractual cash flow characteristics of all financial instruments and concluded that reclassification for these instruments is not required.

b) Impairment

MFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the hirers, debtors and the economic environment in which the business is operating in.

ELK-DESA RESOURCES BERHAD (Company No 180164-X)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2018

The financial impact arising from the initial application of MFRS9 on the statement of financial position of the Group as at 1 April 2018 are as follows:-

Financial Effects Due to the adoption of MFRS 9

The following table summaries the financial impact, net of tax, of transition to MFRS 9 on the statements financial position of the Group :

	RM
Deferred tax assets	
Balance as at 1 April 2018	3,624,551
- Effects of MFRS 9	<u>(412,231)</u>
Balance as at 1 April 2018, restated	<u>3,212,320</u>
Hire purchase receivables	
Balance as at 1 April 2018	387,283,743
- Effects of MFRS 9	<u>1,717,629</u>
Balance as at 1 April 2018, restated	<u>389,001,372</u>
Trade receivables	
Balance as at 1 April 2018	9,919,379
- Effects of MFRS 9	<u>(92,908)</u>
Balance as at 1 April 2018, restated	<u>9,826,471</u>
Retained earnings	
Balance as at 1 April 2018	65,169,158
- Effects of MFRS 9	<u>1,212,489</u>
Balance as at 1 April 2018, restated	<u>66,381,647</u>

A2 Seasonal and Cyclical Factors

Generally, the Group's operations will benefit from higher consumer spendings during festive seasons in Malaysia.

A3 Unusual Items due to Their Nature, Size or Incidence

There were no unusual items that may affect the amount stated in the interim financial statements during the financial period ended 30 June 2018.

A4 Change in Estimates

There were no changes in estimates that had any material effect for the financial period ended 30 June 2018.

A5 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

Save as disclosed below, there were no issuance, repurchases and repayment of debt and equity securities and share cancellations during the financial period ended 30 June 2018.

During the financial period under review, the Company had issued 7,068,693 new ordinary shares pursuant to conversions of 8,341,059 units of ICULS.

A6 Dividend Paid

There was no dividend paid during the financial period ended 30 June 2018.

Pursuant to the shareholders' approval on 9 August 2018 for the single-tier final dividend of 3.5 sen per share in respect of the financial year ended 31 March 2018, the dividend will be paid to shareholders on 26 September 2018.

A7 Segmental Reporting

	Hire Purchase Financing RM	Furniture RM	Consolidated RM
<u>Year To Date and Quarter Ended 30 June 2018</u>			
Revenue (External)	19,965,269	8,856,369	28,821,638
Other income	544,424	131,221	675,645
Cost of inventories sold	-	(5,708,446)	(5,708,446)
Depreciation of property, plant and equipment	(117,458)	(45,416)	(162,874)
Impairment allowance	(3,835,925)	(85,172)	(3,921,097)
Other expenses	(5,265,620)	(2,989,607)	(8,255,227)
Finance costs	(728,284)	-	(728,284)
Profit/(Loss) before tax	10,562,406	158,949	10,721,355
Segment assets	459,620,046	22,805,111	482,425,157
Segment liabilities	74,502,565	1,504,344	76,006,909
<u>Year To Date and Quarter Ended 30 June 2017</u>			
Revenue (External)	17,637,166	7,933,769	25,570,935
Other income	207,769	10,833	218,602
Cost of inventories sold	-	(5,049,292)	(5,049,292)
Depreciation of property, plant and equipment	(100,492)	(52,602)	(153,094)
Impairment allowance	(6,451,531)	(160,200)	(6,611,731)
Other expenses	(3,916,330)	(2,608,108)	(6,524,438)
Finance costs	(532,707)	(18,831)	(551,538)
Profit/(Loss) before tax	6,843,875	55,569	6,899,444
Segment assets	376,537,960	20,559,490	397,097,450
Segment liabilities	55,304,929	2,392,876	57,697,805

A8 Subsequent Events

There was no material event subsequent to the current quarter.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the financial period ended 30 June 2018.

A10 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and assets for the Group as at 30 June 2018.

A11 Capital Commitments

There were no material capital commitments for the purchase of property, plant and equipment as at the end of the financial period ended 30 June 2018.

A12 Related Party Disclosures

There was no significant related party transaction during the financial period ended 30 June 2018.

ELK-DESA RESOURCES BERHAD (Company No 180164-X)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2018

B1 Review Of Performance

YEAR TO DATE AND CURRENT QUARTER (FY2019-Q1 vs FY2018-Q1)

GROUP	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2018	30.06.2017			30.06.2018	30.06.2017		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	28,821,638	25,570,935	3,250,703	13%	28,821,638	25,570,935	3,250,703	13%
Profit before interest and tax	11,449,639	7,450,982	3,998,657	54%	11,449,639	7,450,982	3,998,657	54%
Profit before taxation	10,721,355	6,899,444	3,821,911	55%	10,721,355	6,899,444	3,821,911	55%

GROUP	As at		Variance	Variance
	30.06.2018	30.06.2017		
	RM	RM	RM	%
Hire Purchase Receivables	412,803,075	349,562,707	63,240,368	18%
Total Borrowings	55,966,747	34,390,222	21,576,525	63%

The Group's revenue increased by 13% to RM28.82 million due to higher contribution from both hire purchase and furniture segment. The Group's profit before tax increased by 55% to RM10.72 million mainly due to increase in hire purchase portfolio and significantly lower impairment allowance for the quarter ended 30 June 2018.

Hire purchase receivables recorded a 18% growth year on year from RM349.56 million to RM412.80 million as at 30 June 2018. This was the key factor that led to the increase in hire purchase revenue for the current financial period.

Total borrowings increased by 63% mainly due to higher drawdown of block discounting payables during the current financial period to support the increased hire purchase receivables.

HIRE PURCHASE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2018	30.06.2017			30.06.2018	30.06.2017		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	19,965,269	17,637,166	2,328,103	13%	19,965,269	17,637,166	2,328,103	13%
Profit before interest and tax	11,290,690	7,376,582	3,914,108	53%	11,290,690	7,376,582	3,914,108	53%
Profit before taxation	10,562,406	6,843,875	3,718,531	54%	10,562,406	6,843,875	3,718,531	54%

Hire Purchase Segment

Revenue increased by 13% to RM19.97 million, mainly due to increase in hire purchase portfolio.

Other income increased by 162% to RM0.54 million mainly due to an additional income received from short term funds.

Impairment allowance decreased by 41% to RM3.84 million. Credit loss charge (i.e. impairment allowance over average net hire purchase receivables) decreased from 1.79% to 0.92%. The improvement was mainly due to a stable economic environment during financial period under review and coupled with the Group's concerted efforts in credit recovery.

Other expenses increased by 34% to RM5.26 million mainly due to higher staff costs attributed to the recruitment of a larger workforce. As a result of higher borrowings, the finance cost increased by 37% to RM0.73 million.

The profit before tax increased by 54% to RM10.56 million mainly due to increase in hire purchase portfolio and lower impairment allowance for the quarter ended 30 June 2018.

FURNITURE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2018	30.06.2017			30.06.2018	30.06.2017		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	8,856,369	7,933,769	922,600	12%	8,856,369	7,933,769	922,600	12%
Profit before interest and tax	158,949	74,400	84,549	114%	158,949	74,400	84,549	114%
Profit before taxation	158,949	55,569	103,380	186%	158,949	55,569	103,380	186%

Furniture Segment

Revenue increased by 12% to RM8.86 million mainly due to the increase of local sales, which is in line with the Group's effort to focus its operations in the domestic market.

Other expenses increased by 15% to RM2.99 million mainly due to higher operating expenses which is in tandem with the higher sales.

The Division recorded a profit before tax of RM0.16 million mainly due to higher revenue and lower impairment allowance for the quarter ended 30 June 2018 .

B2 Comparison of Results with Preceding Quarter

GROUP	Current Quarter	Immediate Preceding Quarter	Variance RM	Variance %
	30.06.2018 RM	31.03.2018 RM		
Revenue	28,821,638	27,696,469	1,125,169	4%
Profit before interest and tax	11,449,639	11,483,843	(34,204)	0%
Profit before taxation	10,721,355	10,801,957	(80,602)	-1%

The Group's profit before tax for the current quarter of RM10.72 million was slightly lower as compared to RM10.80 million of the immediate preceding quarter mainly due to lower profit contribution from furniture segment in current quarter.

B3 Prospects and Outlook

Despite the uncertain economic conditions ahead, the overall macro-economic factors (i.e. labour market conditions, inflation outlook, cost of living) and general public sentiments remain positive. In view of this, the Group intends to maintain its momentum in growing its hire purchase portfolio in the financial year ending 31 March 2019 without compromising on the quality of its assets.

The Group will focus on its core business of second hand car hire purchase financing, which strategically operates in the underserved niche market, and continue to remain prudent in managing its credit risks.

The furniture business will continue to focus its operations in the domestic market. However, the short term sales and profit margin could be affected by the imminent introduction of the Sales and Services Tax .

In conclusion, the Board is confident that the Group's performance for the financial year ending 31 March 2019 is expected to be better than financial year ended 31 March 2018.

B4 Profit Forecasts

The Group did not issue any profit forecasts for the period under review.

B5 Taxation

Tax charge for the quarter and financial period ended 30 June 2018 are set out below:

	3 months ended 30.06.2018
	RM
(a) Income Tax	2,633,670
(b) Deferred Taxation	17,048
	<u>2,650,718</u>

The effective tax rate of the Group for the financial period ended 30 June 2018 was higher than the statutory tax rate due to certain expenses which were not deductible for tax purposes.

B6 Status of Corporate Proposals Announced

There are no corporate proposals announced for the Group as at the reporting date.

ELK-DESA RESOURCES BERHAD (Company No 180164-X)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2018

B7 Group Borrowings & Debt Securities

The Group does not have any borrowings or debt securities that are denominated in foreign currency.

Borrowings		As at	As at
		30.06.2018	30.06.2017
		RM	RM
Block Discounting Payables	- within 1 year	24,817,328	12,756,871
(Fixed rate and secured)	- later than 1 year	31,149,419	19,953,197
		55,966,747	32,710,068
Bank Overdraft	- within 1 year	-	1,680,154
(Floating rate and unsecured)			
Total Borrowings		55,966,747	34,390,222
Debt Securities			
ICULS - liability component	- later than 1 year	1,220,225	3,690,152

B8 Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

B9 Dividend

There was no dividend proposed in the current quarter and the previous corresponding quarter.

B10 Earnings Per Share

Basic earnings per share is calculated by dividing the Group's net profit by the weighted average number of ordinary shares in issue during the financial period.

	Quarter ended 30.06.2018	Quarter ended 30.06.2017	Year to date ended 30.06.2018	Year to date ended 30.06.2017
Profit after taxation (RM)	8,070,637	5,050,046	8,070,637	5,050,046
Weighted average number of ordinary shares (units)	287,857,798	230,546,465	287,857,798	230,546,465
Basic earnings per ordinary share (sen)	2.80	2.19	2.80	2.19

Diluted earnings per share is calculated by dividing the Group's net profit by the weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares.

	Quarter ended 30.06.2018	Quarter ended 30.06.2017	Year to date ended 30.06.2018	Year to date ended 30.06.2017
Profit after taxation (RM)	8,070,637	5,050,046	8,070,637	5,050,046
Interest expense on ICULS, net of tax (RM)	47,180	243,502	47,180	243,502
Adjusted profit after tax (RM)	8,117,817	5,293,548	8,117,817	5,293,548
Weighted average number of ordinary shares (units)	287,857,798	230,546,465	287,857,798	230,546,465
Adjustment for potential dilutive shares (units)	15,350,462	26,169,298	15,350,462	26,169,298
Adjusted weighted average number of ordinary shares (units)	303,208,260	256,715,763	303,208,260	256,715,763
Diluted earnings per ordinary share (sen)	2.68	2.06	2.68	2.06

B11 Audit Report For The Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 31 March 2018 was not qualified.

B12 Notes to the Statement of Comprehensive Income

	3 months ended 30.06.2018 RM
Profit before taxation is arrived at after charging:	
Interest expense	728,284
And crediting :	
Interest income	380,110
Unrealised foreign exchange gain	14,031
Realised foreign exchange gain	44,073

B13 Retained Earnings

The following analysis of realised and unrealised retained earnings is prepared in accordance with the guidance issued by the Malaysian Institute of Accountants in the prescribed format by Bursa Malaysia Securities Berhad.

	As at 30.06.2018 RM	As at 31.03.2018 RM
Total retained earnings of the Company and its subsidiaries		
- Realised	106,655,264	97,021,116
- Unrealised	<u>2,669,751</u>	<u>3,043,541</u>
	109,325,015	100,064,657
Less: Consolidation adjustments	<u>(35,524,755)</u>	<u>(34,895,499)</u>
Total retained earnings as per consolidation accounts	<u><u>73,800,260</u></u>	<u><u>65,169,158</u></u>