

ELK-DESA[®]

ELK-DESA RESOURCES BERHAD

(Company No: 180164-X)

**QUARTERLY REPORT ON CONSOLIDATED
RESULTS FOR THE PERIOD ENDED
30 JUNE 2019**

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 2019
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM	RM	RM	RM
Revenue	35,191,948	28,821,638	35,191,948	28,821,638
Other income	474,469	675,645	474,469	675,645
Cost of inventories sold	(7,147,209)	(5,708,446)	(7,147,209)	(5,708,446)
Depreciation of PPE & right of use assets	(524,137)	(162,874)	(524,137)	(162,874)
Impairment allowance	(4,690,129)	(3,921,097)	(4,690,129)	(3,921,097)
Other expenses	(9,409,391)	(8,255,227)	(9,409,391)	(8,255,227)
Finance costs	(1,612,605)	(728,284)	(1,612,605)	(728,284)
Profit before taxation	12,282,946	10,721,355	12,282,946	10,721,355
Taxation	(3,008,299)	(2,650,718)	(3,008,299)	(2,650,718)
Profit for the financial period	9,274,647	8,070,637	9,274,647	8,070,637
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	9,274,647	8,070,637	9,274,647	8,070,637
Earnings per ordinary share - basic (sen)	3.13	2.80	3.13	2.80
Earnings per ordinary share - diluted (sen)	3.07	2.68	3.07	2.68

(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 2019)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

(The figures have not been audited.)

	As at 30.06.2019 RM	As at 31.03.2019 RM
ASSETS		
Non-current assets		
Property, plant and equipment	11,106,423	10,667,280
Hire purchase receivables	388,854,840	357,435,653
Deferred tax assets	3,318,297	3,337,307
Right-of-use assets	3,125,180	-
	406,404,740	371,440,240
Current assets		
Inventories	11,347,597	11,057,387
Other assets	1,063,244	1,312,303
Trade receivables	11,934,371	11,506,486
Hire purchase receivables	124,145,555	119,018,183
Other receivables, deposits and prepayments	2,534,303	1,783,133
Current tax assets	34,025	35,447
Short term funds	11,518,978	16,408,066
Cash and bank balances	7,586,717	15,001,840
	170,164,790	176,122,845
Total assets	<u>576,569,530</u>	<u>547,563,085</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	343,543,823	343,162,661
Retained earnings	59,760,932	60,900,167
ICULS - equity component	6,559,700	6,877,394
Total equity	409,864,455	410,940,222
LIABILITIES		
Non-current liabilities		
Block discounting payables - secured	72,386,708	64,080,577
ICULS - liability component	550,220	629,435
Lease liabilities	1,912,415	-
Deferred tax liability	12,289	12,289
	74,861,632	64,722,301
Current liabilities		
Trade payables	18,268,505	13,915,203
Other payables and accruals	4,188,522	5,237,530
Dividend payable	10,376,503	-
Block discounting payables - secured	54,440,655	50,223,162
Lease liabilities	1,236,017	-
Bank overdraft	1,386,760	-
Current tax liabilities	1,946,481	2,524,667
	91,843,443	71,900,562
Total liabilities	<u>166,705,075</u>	<u>136,622,863</u>
TOTAL EQUITY AND LIABILITIES	<u>576,569,530</u>	<u>547,563,085</u>
Net assets per share	1.38	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 2019)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 30 June 2019
(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 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
- Adjustment on initial application of MFRS 9	-	-	-	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
Balance as at 1 April 2019	296,148,507	343,162,661	-	60,900,167	-	6,877,394	410,940,222
Total comprehensive income	-	-	-	9,274,647	-	-	9,274,647
Issuance of shares upon conversion of ICULS	323,017	381,162	-	(37,379)	-	(317,694)	26,089
Final dividend for financial year ended 31 March 2019	-	-	-	(10,376,503)	-	-	(10,376,503)
Balance as at 30 June 2019	296,471,524	343,543,823	-	59,760,932	-	6,559,700	409,864,455

(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 2019)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2019
(The figures have not been audited.)

	3 months ended	
	30.06.2019	30.06.2018
	RM	RM
<u>Cash flows from operating activities</u>		
Profit before taxation	12,282,946	10,721,355
Adjustment for :		
Depreciation of property, plant and equipment	207,313	163,931
Depreciation of right-of-use assets	316,824	-
Net impairment allowance made for the financial period	5,145,805	4,323,331
Interest expense	1,566,619	728,284
Interest on lease liabilities	45,986	-
Interest income	(87,892)	(90,446)
Income from short term funds	(30,748)	(289,664)
Unrealised (gain) / loss on foreign exchange	11,397	(14,031)
Operating profit before working capital changes	<u>19,458,250</u>	<u>15,542,760</u>
Changes in working capital:		
Inventories	(290,210)	(378,977)
Other assets	249,059	288,380
Hire purchase receivables	(41,504,156)	(28,039,861)
Trade receivables	(627,492)	(1,477,762)
Other receivables, deposits and prepayments	(751,170)	582,432
Trade payables	4,353,302	(519,665)
Other payables and accruals	(842,857)	(1,230,160)
	<u>(39,413,524)</u>	<u>(30,775,613)</u>
Cash generated from/(used in) operations	<u>(19,955,274)</u>	<u>(15,232,853)</u>
Tax paid	<u>(3,574,290)</u>	<u>(2,494,400)</u>
Net cash from/(used in) operating activities	(23,529,564)	(17,727,253)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(646,457)	(3,903,944)
Interest received	87,892	90,446
Income received from short term funds	30,748	289,664
Net cash from/(used in) investing activities	(527,817)	(3,523,834)
<u>Cash flows from financing activities</u>		
Net (repayment)/drawdown of block discounting payables	12,580,904	5,346,897
Interest paid	(1,874,937)	(1,395,331)
Repayment of lease liabilities	(339,558)	-
Net cash from/(used in) financing activities	10,366,409	3,951,566

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2019
(The figures have not been audited.)

	3 months ended	
	30.06.2019	30.06.2018
	RM	RM
Net increase/(decrease) in cash and cash equivalents during the financial period	(13,690,972)	(17,299,521)
Effects of exchange rate changes on cash and cash equivalents	1	(27,859)
Cash and cash equivalents as at beginning of financial year	31,409,906	50,264,525
Cash and cash equivalents as at end of financial period	17,718,935	32,937,145
<u>Composition of cash and cash equivalents</u>		
Deposits, cash and bank balances	7,586,717	4,836,942
Bank overdraft	(1,386,760)	-
Short term fund	11,518,978	28,100,203
	17,718,935	32,937,145

(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 2019)

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

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2019

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 2019, 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 2019 except for the adoption of new MFRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning or after 1 April 2019.

On 1 April 2019, the following accounting standards, amendments and interpretations of the MFRS Framework were adopted by the Group.

Title		Effective Date
MFRS 16	<i>Leases</i>	1 January 2019
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128	<i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9	<i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123	<i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119	<i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

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 16 Leases

MFRS 16, Leases replaces the guidance in MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group applied MFRS 16 using modified restropective approach and measured the right-of-use assets equals to the lease liabilities as 1 April 2019 with no restatement of comparative information. The following table analysed the impact of transition to MFRS 16 on the statement of financial position of the Group :

	RM
Right-of-use assets	
Closing balance as at 31 March 2019	-
- Recognition of right-of-use assets under MFRS 16	4,314,959
Opening balance as at 1 April 2019	<u>4,314,959</u>
Lease liabilities	
Closing balance as at 31 March 2019	-
- Recognition of right-of-use assets under MFRS 16	4,314,959
Opening balance as at 1 April 2019	<u>4,314,959</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 2019.

A4 Change in Estimates

There were no changes in estimates that had any material effect for the financial period ended 30 June 2019.

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 2019.

During the financial period under review, the Company had issued 323,017 new ordinary shares pursuant to conversions of 381,162 units of ICULS.

As at 30 June 2019, the number of ordinary shares were 296,471,524 shares. The number of outstanding ICULS stood at 7,949,275 units.

A6 Dividend Paid

There was no dividend paid during the financial period ended 30 June 2019.

A7 Segmental Reporting

	Hire Purchase Financing RM	Furniture RM	Consolidated RM
Year to Date and Quarter Ended 30 June 2019			
Revenue (External)	24,070,552	11,121,396	35,191,948
Other income	459,409	15,060	474,469
Cost of inventories sold	-	(7,147,209)	(7,147,209)
Depreciation of PPE & right of use assets	(143,331)	(380,806)	(524,137)
Impairment allowance	(4,501,921)	(188,208)	(4,690,129)
Other expenses	(6,383,691)	(3,025,700)	(9,409,391)
Finance costs	(1,567,099)	(45,506)	(1,612,605)
Profit/(Loss) before tax	11,933,919	349,027	12,282,946
Segment assets	546,297,879	30,271,651	576,569,530
Segment liabilities	161,422,592	5,282,483	166,705,075
Year to Date and Quarter Ended 30 June 2018			
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 PPE	(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

A8 Subsequent Events

Save as disclosed below, there was no material event subsequent to the current quarter.

The Group has established a medium term notes program via Premier Auto Assets Berhad, a special purpose vehicle incorporated to facilitate an asset-backed securitisation ("ABS") exercise.

Premier Auto Assets Berhad had on 3 July 2019 made a lodgement with the Securities Commission Malaysia for the establishment of a 10-year medium term notes programme with a nominal value of up to RM1 billion ("MTN Programme") pursuant to the ABS exercise. The ABS exercise involves the disposal by ELK-Desa Capital Sdn Bhd, a wholly owned subsidiary of the Company, from time to time of its portfolio of hire purchase receivables and all rights, titles, interests and benefits under the relevant hire purchase agreements, including all collateral security, guarantees, proceeds of recovery and insurance proceeds in respect of the vehicles (collectively, the "HP Receivables"), to Premier Auto Assets Berhad for a disposal consideration which is based on the book value of the HP Receivables.

Please refer to our Company's announcement for further details.

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 2019.

A10 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and assets for the Group as at 30 June 2019.

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 2019.

A12 Related Party Disclosures

There was no significant related party transaction during the financial period ended 30 June 2019.

B1 Review Of Performance

YEAR TO DATE AND CURRENT QUARTER (FY2020-Q1 vs FY2019-Q1)

GROUP	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2019	30.06.2018	RM	%	30.06.2019	30.06.2018	RM	%
Revenue	35,191,948	28,821,638	6,370,310	22%	35,191,948	28,821,638	6,370,310	22%
Profit before interest and tax	13,895,551	11,449,639	2,445,912	21%	13,895,551	11,449,639	2,445,912	21%
Profit before taxation	12,282,946	10,721,355	1,561,591	15%	12,282,946	10,721,355	1,561,591	15%
GROUP	As at		Variance	Variance				
	30.06.2019				30.06.2018			
	RM	RM	RM	%				
Hire Purchase Receivables	513,000,395	412,803,075	100,197,320	24%				
Total Borrowings	126,827,363	55,966,747	70,860,616	127%				

The Group's revenue increased by 22% to RM35.19 million. The Group's profit before tax increased by 15% to RM12.28 million. The increase in revenue was due to higher contribution from both of hire purchase segment and furniture segment for the quarter ended 30 June 2019. The increase in profit before tax was mainly due to higher contribution from hire purchase segment for the quarter ended 30 June 2019.

Hire purchase receivables recorded a 24% growth year on year from RM412.80 million to RM513.00 million as at 30 June 2019. This was the key factor that led to the increase in hire purchase revenue for the current financial period.

In line with the Group's capital management strategy to leverage up, total borrowings increased by 127% mainly due to higher drawdown of block discounting facility during the current financial period to finance the increase hire purchase receivables.

HIRE PURCHASE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2019	30.06.2018	RM	%	30.06.2019	30.06.2018	RM	%
Revenue	24,070,552	19,965,269	4,105,283	21%	24,070,552	19,965,269	4,105,283	21%
Profit before interest and tax	13,501,018	11,290,690	2,210,328	20%	13,501,019	11,290,690	2,210,329	20%
Profit before taxation	11,933,919	10,562,406	1,371,513	13%	11,933,920	10,562,406	1,371,514	13%

Revenue increased by 21% to RM24.07 million, mainly due to increase in hire purchase portfolio.

Impairment allowance increased by 17% to RM4.50 million. However, credit loss charge (i.e. impairment allowance over average net hire purchase receivables) decreased from 0.97% to 0.94%. The improvement in the credit loss charge was mainly due to stable domestic economic environment during the financial period under review and the Group's concerted efforts in credit recovery.

Other expenses increased by 21% to RM6.34 million mainly due to higher staff costs attributed to a larger workforce. Cost to income ratio remains at manageable level of 28.4%.

As a result of higher borrowings, the finance cost increased by 115% to RM1.57 million.

The profit before tax increased by 13% to RM11.93 million mainly due to increase in hire purchase portfolio for the quarter ended 30 June 2019.

FURNITURE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2019	30.06.2018	RM	%	30.06.2019	30.06.2018	RM	%
Revenue	11,121,396	8,856,369	2,265,027	26%	11,121,396	8,856,369	2,265,027	26%
Profit before interest and tax	394,533	158,949	235,584	148%	394,533	158,949	235,584	148%
Profit before taxation	349,027	158,949	190,078	120%	349,027	158,949	190,078	120%

Revenue increased by 26% to RM11.12 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 marginally increased by 1% to RM3.03 million. Impairment allowance increased by RM0.31 million to RM0.58 million, mainly due to slower payment from furniture dealers. Other expenses increased by 17% to RM12.30 million mainly due to higher operating expenses which is in tandem with the higher sales.

The segment recorded profit before tax of RM0.35 million mainly due to the higher sales for the quarter ended 30 June 2019.

B2 Comparison of Results with Preceding Quarter

GROUP	Current Quarter	Immediate Preceding Quarter	Variance	Variance
	30.06.2019	31.03.2019		
	RM	RM	RM	%
Revenue	35,191,948	32,463,959	2,727,989	8%
Profit before interest and tax	13,895,551	12,882,034	1,013,517	8%
Profit before taxation	12,282,946	11,419,283	863,663	8%

The Group's profit before tax for the current quarter of RM12.28 million was higher as compared to RM11.42 million of the immediate preceding quarter mainly due to higher profit contribution from the hire purchase segment in the current quarter.

B3 Prospects and Outlook

Despite the uncertain global economic conditions ahead, the overall domestic macro-economic factors (i.e. labour market conditions, inflation outlook, cost of living) and general public sentiments remain stable. In view of this, the Group intends to maintain its momentum in growing its hire purchase portfolio in the financial year ending 31 March 2020 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 trading business will continue to focus its operations in the domestic wholesale market.

In view of the Group's growth momentum, the Board is optimistic that the Group's performance for the financial year ending 31 March 2020 is expected to be better than financial year ended 31 March 2019.

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 2019 are set out below:

	3 months ended 30.06.2019 RM
(a) Income Tax	2,997,526
(b) Deferred Taxation	10,773
	<u>3,008,299</u>

The effective tax rate of the Group for the current quarter ended 30 June 2019 was broadly in line with the statutory tax rate of 24%.

B6 Status of Corporate Proposals Announced

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

B7 Group Borrowings & Debt Securities

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

		As at 30.06.2019 RM	As at 30.06.2018 RM
Borrowings			
Block Discounting Payables	- within 1 year	54,440,655	24,817,328
(Fixed rate and secured)	- later than 1 year	72,386,708	31,149,419
		126,827,363	55,966,747
Debt Securities			
ICULS - liability component	- later than 1 year	550,220	1,220,225

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

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2019

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 30.06.2019	Quarter ended 30.06.2018	Year to date ended 30.06.2019	Year to date ended 30.06.2018
Profit after taxation (RM)	9,274,647	8,070,637	9,274,647	8,070,637
Weighted average number of ordinary shares (units)	296,332,661	287,857,798	296,332,661	287,857,798
Basic earnings per ordinary share (sen)	3.13	2.80	3.13	2.80

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 30.06.2019	Quarter ended 30.06.2018	Year to date ended 30.06.2019	Year to date ended 30.06.2018
Profit after taxation (RM)	9,274,647	8,070,637	9,274,647	8,070,637
Interest expense on ICULS, net of tax (RM)	30,475	47,180	30,475	47,180
Adjusted profit after tax (RM)	9,305,122	8,117,817	9,305,122	8,117,817
Weighted average number of ordinary shares (units)	296,332,661	287,857,798	296,332,661	287,857,798
Adjustment for potential dilutive shares (units)	6,875,599	15,350,462	6,875,599	15,350,462
Adjusted weighted average number of ordinary shares (units)	303,208,260	303,208,260	303,208,260	303,208,260
Diluted earnings per ordinary share (sen)	3.07	2.68	3.07	2.68

B11 Audit Report For The Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 31 March 2019 was not qualified.

B12 Notes to the Statement of Comprehensive Income

	3 months ended 30.06.2019 RM
Profit before taxation is arrived at after charging:	
Interest expense	1,566,619
Interest on lease liabilities	45,986
And crediting :	
Interest income	118,640
Unrealised foreign exchange (loss) / gain	(11,397)
Realised foreign exchange loss	40,598

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 30.06.2019 RM	As at 31.03.2019 RM
Total retained earnings of the Company and its subsidiaries		
- Realised	91,417,728	92,571,839
- Unrealised	3,186,244	3,186,245
	<u>94,603,972</u>	<u>95,758,084</u>
Less: Consolidation adjustments	(34,843,040)	(34,857,917)
Total retained earnings as per consolidation accounts	<u>59,760,932</u>	<u>60,900,167</u>