



Malton Berhad

(Company No: 320888-T)

**INTERIM FINANCIAL REPORT
31 DECEMBER 2016**

MALTON BERHAD

(Company No: 320888-T)

Interim Financial Report – 31 DECEMBER 2016

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MALTON BERHAD

(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2016 (These figures have not been audited)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2015 RM'000	CURRENT YEAR TO DATE 31.12.2016 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31.12.2015 RM'000
Revenue	195,974	133,412	326,015	256,487
Operating Expenses	(191,501)	(126,082)	(311,268)	(243,501)
Other Operating Income	4,631	3,192	8,349	6,520
Finance Costs	(4,160)	(3,978)	(8,214)	(7,997)
Share in Results of Associated Companies	170	187	105	106
Profit before Taxation	5,114	6,731	14,987	11,615
Taxation	(972)	(2,434)	(4,611)	(2,988)
Net Profit for the Period	4,142	4,297	10,376	8,627
Other Comprehensive Income				
Change in fair value of available-for-sale financial assets	(1)	673	1	523
	4,141	4,970	10,377	9,150
Attributable to:				
Owners of the Company	4,166	4,303	10,425	8,637
Non-Controlling Interests	(24)	(6)	(49)	(10)
Net Profit for the Period	4,142	4,297	10,376	8,627
Earnings per Share Attributable to Equity Holders of the Company (Sen)				
Basic	0.92	0.96	2.31	1.92
Fully Diluted	0.96	0.99	2.32	1.99

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD
(Company No : 320888-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.12.2016 RM'000	Audited As At 30.06.2016 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	13,259	9,560
Investment Properties	133,836	114,770
Land held for Property Development	74,675	85,238
Investment in Associated Companies	2,518	2,413
Other Investments	245	245
Deferred Tax Assets	11,451	7,871
	<u>235,984</u>	<u>220,097</u>
Current Assets		
Property Development	1,106,753	1,174,844
Inventories	109,087	105,688
Trade Receivables	115,550	105,108
Accrued Billings	63,757	25,198
Amount due from contract customer	-	1,116
Other Receivables and Prepaid Expenses	378,068	370,152
Tax recoverable	610	633
Short term funds	2,947	1,421
Fixed Deposits with Licensed Banks	4,273	4,092
Cash and Bank Balances	77,176	93,051
	<u>1,858,221</u>	<u>1,881,303</u>
TOTAL ASSETS	<u>2,094,205</u>	<u>2,101,400</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	448,416	448,416
Share Premium	6	6
Other Reserves	25,551	25,550
Retained Earnings	263,737	264,525
	<u>737,710</u>	<u>738,497</u>
Non-Controlling Interests	189,463	187,110
Total Equity	<u>927,173</u>	<u>925,607</u>
Non-Current Liabilities		
RCCLS - Liability component	37,732	68,014
Redeemable Preference Shares	3,000	3,000
Bank Borrowings	255,017	168,895
Hire-Purchase Payables	4,478	1,636
Deferred Tax Liabilities	61,501	62,692
	<u>361,728</u>	<u>304,237</u>
Current Liabilities		
Trade Payables	251,245	390,103
Amount Owing to Contract Customers	24,408	-
Advance Billings	8,970	7,107
Other Payables and Accrued Expenses	184,386	131,670
RCCLS - Liability component	32,084	25,667
Bank Borrowings	284,823	296,506
Hire-Purchase Payables	1,790	720
Tax Liabilities	17,598	19,783
	<u>805,304</u>	<u>871,556</u>
TOTAL EQUITY AND LIABILITIES	<u>2,094,205</u>	<u>2,101,400</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>1.65</u>	<u>1.65</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016
(These figures have not been audited)**

	Share Capital RM'000	Equity Component of RCSLS RM'000	Share Premium RM'000	Available- for-sale Reserve RM'000	Warrant Reserve RM'000	Revaluation Reserve RM'000	Option Reserve RM'000	Retained Earnings RM'000	Non- Controlling Interests RM'000	Total RM'000
Balance as at 1.7.2015	448,416	2,887	6	(793)	20,546	2,065	2,035	239,515	-	714,677
Issuance of shares:										
- Redemption of RCSLS	-	(397)	-	-	-	-	-	(3,153)	-	(3,550)
Share options lapsed under ESOS	-	-	-	-	-	-	(2,035)	2,035	-	-
Effect of dilution in equity interest of a subsidiary								434		434
Non-controlling interest arising from subscription of shares in a subsidiary									208	208
Total comprehensive income	-	-	-	523	-	-	-	8,637	(10)	9,150
Balance as at 31.12.2015	448,416	2,490	6	(270)	20,546	2,065	-	247,468	198	720,919
Balance as at 1.7.2016	448,416	2,887	6	52	20,546	2,065	-	264,525	187,110	925,607
Non-controlling interest arising from subscription of shares in a subsidiary	-	-	-	-	-	-	-	-	2,402	2,402
Dividend paid to minority shareholder								(11,213)	-	(11,213)
Total comprehensive income	-	-	-	1	-	-	-	10,425	(49)	10,377
Balance as at 31.12.2016	448,416	2,887	6	53	20,546	2,065	-	263,737	189,463	927,173

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD

(Company No : 320888-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

(These figures have not been audited)

	31.12.2016 RM'000	31.12.2015 RM'000
CASH FLOWS FROM/(USED IN)		
OPERATING ACTIVITIES		
Profit before Taxation	14,987	11,615
Adjustments for :		
Finance costs	8,214	7,997
Reversal of impairment loss of inventories	(3,399)	-
Share in results of associated companies	(105)	(106)
Depreciation of property, plant & equipment	1,806	1,401
Distribution income on short term funds	(31)	(40)
Loss/(Gain) on disposal of property, plant & equipment	418	(268)
Interest income	(2,998)	(4,764)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	18,892	15,835
CHANGES IN WORKING CAPITAL		
(Increase)/Decrease:		
Property development - current portion	77,606	3,737
Receivables	(22,276)	(39,330)
Accrued billings	(38,559)	6,583
Amount owing by contract customers	25,524	39,346
Increase/(Decrease) in:		
Payables	(83,398)	(21,951)
Advance billing	1,862	(18,657)
CASH USED IN OPERATIONS	(20,349)	(14,437)
Income tax paid net of refund	(11,544)	(6,763)
NET CASH USED IN OPERATING ACTIVITIES	(31,893)	(21,200)
INVESTING ACTIVITIES		
Interest received	6,576	759
Distribution income from short term funds received	31	40
(Increase)/Decrease in:		
Property development - non-current portion	10,563	(14,575)
Short term funds	(1,525)	(10,020)
Additional of Investment properties	(19,066)	(27,123)
Proceeds from disposal of property, plant & equipment	36	407
Proceeds from exercise of Put Option	-	154,000
(Placement)/Withdrawal of fixed deposit	(181)	(10,730)
Addition to property, plant & equipment	(1,119)	(478)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(4,685)	92,280
FINANCING ACTIVITIES		
Finance costs paid	(15,589)	(11,249)
Proceeds from long-term loans	206,449	56,498
Redemption of preference shares	-	(8,000)
Acquisition of subsidiary, net of cash and cash equivalents	-	(1)
Dividends paid	(11,210)	-
Repayment of borrowings	(141,666)	(35,975)
Repayment of hire purchase payables	(927)	(633)
NET CASH FROM FINANCING ACTIVITIES	37,057	640
Net increase in cash and cash equivalents	479	71,720
Cash and cash equivalents at the beginning of the period	47,478	45,990
Cash and cash equivalents at the end of the period	47,957	117,710
Cash and cash equivalents comprise the followings :		
Fixed deposits net of amounts pledged	-	71,246
Cash and bank balances	74,985	51,586
Bank overdrafts	(27,028)	(5,122)
	47,957	117,710

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)

MALTON BERHAD (Company No. 320888-T)
**UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1 Accounting Policies and Method of Computation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2016.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual audited financial statements for the financial year ended 30 June 2016.

Adoption of Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities should apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that TEs which have chosen to continue with the FRS Framework are now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

The Group falls within the scope definition of TEs and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* in its financial statements for the financial year ending 30 June 2019, being the first set of financial statements prepared in accordance with the new MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

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Standards and Amendments to FRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments to FRSs which were in issue but not yet effective and not early adopted by the Group are as listed below:

FRS 9	Financial Instruments ³
FRS 14	Regulatory Deferral Accounts ¹
Amendments to FRS 2	Classification and Measurements of Shared-based Payment Transactions ³
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint venture ⁴
Amendments to FRS 101	Disclosure Initiative ¹
Amendments to FRS 107	Disclosure Initiative ²
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ²
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to FRS 127	Equity Method in Separate Financial Statements ¹
Amendments to FRSs	Annual Improvements to FRSs 2012 – 2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

² Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

³ Effective for annual periods beginning on or after 1 January 2018, with limited exceptions. Earlier application is permitted

⁴ Effective date deferred to a date to be determined and announced, with earlier application still permitted.

The directors anticipate that the abovementioned Standards and Amendments to FRSs will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments to FRSs will have no material impact on the financial statements of the Group in the period of initial application.

2 Audit Report

The auditors' report on preceding year's annual financial statements of the Company and of the Group was not qualified.

3 Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

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4 Unusual Items

There were no material items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

5 Changes in Estimates

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

6 Debt and Equity Securities

There were no issuance, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company during the quarter.

7 Dividend Paid

On 30 December 2016, the Company paid a first and final single-tier dividend of 2.5% in respect of the financial year ended 30 June 2016 as approved by the shareholders at the Annual General Meeting of the Company held on 23 November 2016.

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8 Segmental Reporting

a) Analysis by business segments for the 6-months period ended 31 December 2016:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	264,309	61,024	350	332		326,015
Internal Sales	-	137,605	-	34,068	(171,673)	-
	<u>264,309</u>	<u>198,629</u>	<u>350</u>	<u>34,400</u>	<u>(171,673)</u>	<u>326,015</u>
Results						
Segmental operating profit/(loss)	<u>18,661</u>	<u>8,044</u>	<u>3,653</u>	<u>22,574</u>	<u>(32,865)</u>	<u>20,067</u>
Interest and distribution income						<u>3,029</u>
Profit from operations						<u>23,096</u>
Finance costs						<u>(8,214)</u>
Share in results of associated companies						<u>105</u>
Profit before tax						<u>14,987</u>
Income tax expense						<u>(4,611)</u>
Net profit for the period						<u>10,376</u>

b) Analysis by business segments for the 6-months period ended 31 December 2015:

	Property development RM'000	Construction RM'000	Property trading RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External Sales	153,808	102,326	-	353		256,487
Internal Sales	-	76,751	-	30,674	(107,425)	-
	<u>153,808</u>	<u>179,077</u>	<u>-</u>	<u>31,027</u>	<u>(107,425)</u>	<u>256,487</u>
Results						
Segmental operating profit/(loss)	<u>14,675</u>	<u>11,351</u>	<u>(43)</u>	<u>21,040</u>	<u>(32,321)</u>	<u>14,702</u>
Interest and distribution income						<u>4,804</u>
Profit from operations						<u>19,506</u>
Finance costs						<u>(7,997)</u>
Share in results of associated companies						<u>106</u>
Profit before tax						<u>11,615</u>
Income tax expense						<u>(2,988)</u>
Net profit for the period						<u>8,627</u>

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9 Revaluation of Property, Plant and Equipment and Investment Properties

The valuation of property, plant and equipment and investment properties have been brought forward without any amendments from the annual financial statements for the financial year ended 30 June 2016.

10. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the current quarter ended 31 December 2016 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

11 Changes in the Composition of the Group

There were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings and discontinued operations for the Group for the quarter under review.

12 Contingent Liabilities

As at this reporting date, the Group does not have any material contingent liabilities.

13 Significant Related Party Transactions

The significant transactions with entities in which certain Directors of the Company are also Directors are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2016 RM'000	Preceding Year Corresponding Quarter 31.12.2015 RM'000	Current Year To-Date 31.12.2016 RM'000	Preceding Year Corresponding Year To-Date 31.12.2015 RM'000
Progress billings received/Receivable:				
Impian Ekspresi Sdn Bhd	6,307	14,924	8,677	14,924
Harmoni Perkasa Sdn Bhd	22,156	11,490	36,703	11,490
Exercise of Put Option:				
Impian Ekspresi Sdn Bhd	-	154,000	-	154,000
Rental paid/payable to:				
Pavilion REIT #	744	751	1,488	1,513
Purchase of gifts and hampers				
Crabtree & Evelyn (Malaysia) Sdn Bhd	41	33	96	177

Pavilion REIT is managed by Pavilion REIT Management Sdn Bhd, a company in which certain Directors of the Company have directorships.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

1 Review of Performance

The Group's revenue for the current quarter improved by 46.9% to RM196.0 million as compared to RM133.4 million reported in the previous corresponding quarter while pre-tax profit for the current quarter declined by 23.9% to RM5.1 million as compared to RM6.7 million reported in the previous corresponding quarter. Revenue from the property development division increase significantly during the current quarter as compared to the previous corresponding quarter due to higher billings from Bukit Jalil Shops and The Park Sky Residence in Bukit Jalil City with lower corresponding profit recognised. Revenue and profits from construction and project management division declined in the current quarter as compared to the previous corresponding quarter due to lower billings from Da:Men project which is nearing completion.

The share of results of associated companies during the quarter showed a gain of RM0.2 million in the current quarter and the previous corresponding quarter.

2 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

The Group's revenue increased to RM196.0 million for the current quarter as compared to RM130.0 million for the immediate preceding quarter. The Group recorded a pre-tax profit of RM5.1 million for the current quarter as compared to the pre-tax profit of RM9.9 million for the immediate preceding quarter. The higher turnover for the current quarter was due to higher work progress for the on-going projects under property development division and the construction division also recorded higher contributions arising from higher progress billings from its projects. The lower pre-tax profit during the current quarter were mainly due to higher material and direct labour costs.

3 Prospects for the current Financial Year Ending 30 June 2017

The Malaysian real GDP expanded by 4.5% in the fourth quarter of 2016 as compared to 4.3% recorded in the third quarter of 2016, underpinned by continued expansion in private sector expenditure.

The Malaysian economy is expected to expand by 4-4.5% in 2017 with domestic demand remaining as the key driver of growth. The ringgit has come under renewed pressure and financial market volatility increased due to concerns over major issues in the advanced economies, such as policy and political uncertainties following the outcome of the presidential election in the US and the UK's vote to exit the EU. The global and domestic economic environment remain challenging.

In the meantime, the on-going development projects of the Group namely, Bukit Jalil City Signature Shops and The Park Sky Residence in Bukit Jalil, Rapid City Centre in Johor and SK One Residence in Seri Kembangan, together with the on-going construction contracts in hand and in particular Pavilion Damansara Heights and Royale Pavilion Hotel projects, will continue to contribute positively to the earnings of the Group for the financial year ending 30 June 2017. During the financial year ending 30 June 2017, the Group has plans to launch new property projects within the Klang Valley including the upcoming The Park 2 Residence in Bukit Jalil.

Barring unforeseen circumstances, the Board of Directors envisages the Group to achieve satisfactory results for the financial year ending 30 June 2017.

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4 Profit Forecast or Profit Guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee.

5 Taxation

Details of taxation are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2016 RM'000	Preceding Year Corresponding Quarter 31.12.2015 RM'000	Current Year To-Date 31.12.2016 RM'000	Preceding Year Corresponding Year To-Date 31.12.2015 RM'000
Current taxation	3,369	6,930	9,382	10,409
Under provision in prior year	-	27	-	370
Deferred taxation	(2,397)	(4,523)	(4,771)	(7,791)
	972	2,434	4,611	2,988

The effective tax rate for the current year to-date (before share of results of associated companies) is higher than the statutory tax rate due to the incurrence of certain expenses that are not deductible for tax purposes and losses incurred by certain subsidiary companies which do not qualify for group relief.

6 Profits /(Loss) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investment and/or properties for the quarter under review.

7 Purchases or Disposals of Quoted Securities

There was no purchase and disposal of quoted securities by the Group for the current financial quarter under review.

8 Status of Corporate Proposals

On 28 June 2016, Silver Setup Sdn Bhd (“SSSB”), an indirect wholly-owned subsidiary of the Company, had entered into a conditional Revocation Agreement with Batu Kawan Development Sdn Bhd (“BKDSB”) and Eco Horizon Sdn Bhd (“EHSB”), a wholly-owned subsidiary of Eco World Development Group Berhad (“Eco World”), to revoke and rescind the Joint Development Agreement entered between SSSB and BKDSB on 10 October 2012 for the joint development of a piece of land measuring approximately 300 acres situated at Batu Kawan, Mukim 13, Seberang Perai Selatan, Negeri Pulau Pinang (the “Land”), for a revocation sum amounting to RM50,000,000.

The Revocation Agreement is conditional upon the followings:

- (a) the approval of the Penang Development Corporation for the sale of the Land to EHSB by BKDSB;
- (b) the approval of the State Authority of Pulau Pinang for the transfer of the Land to EHSB;

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- (c) the approval of the shareholders of Eco World for the acquisition of the Land and a portion of another parcel of land held under H.S.(D) 45956 for PT 5258 in Mukim 13, Daerah Seberang Selatan, Negeri Pulau Pinang measuring approximately 74.491 acres (“74.491 acres Land”) which was obtained on 20 February 2017;
- (d) the approval of the Economic Planning Unit of the Prime Minister’s Department, Malaysia for the purchase of the Land and the 74.491 acres Land by EHSB.

Save for the above, there was no other outstanding corporate proposal for the Group.

9 Borrowings and Debt Securities

The Group’s borrowings and debt securities as at the end of the current quarter are as follows:

	RM’000
RCSLS – Liability Component	69,816
Term Loans	328,430
Revolving Credits	133,400
Bridging Loans	50,982
Redeemable Preference Shares	3,000
Bank Overdrafts	27,028
Hire Purchase Payables	6,268
Total	<u>618,924</u>
Repayment due within next 12 months	<u>318,697</u>
Repayment due after 12 months	<u>300,227</u>

All borrowings are denominated in Ringgit Malaysia and are secured except for RM30,000,000 revolving credit facilities which are unsecured.

10 Material Litigation

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

11 Dividend

No interim dividend has been recommended for the financial quarter ended 31 December 2016.

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12 Earnings Per Share (“EPS”)

Basic

The basic earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s profit attributable to equity holders of the Company of RM4,166,000 and RM10,425,000 respectively and on the weighted average number of ordinary shares in issue and ranking for dividend during the quarter.

Fully Diluted

The diluted earnings per ordinary share of the Group for the current quarter and current year to date have been calculated based on the Group’s adjusted profit attributable to equity holders of the Company of RM4,971,000 and RM12,035,000 respectively and on the weighted average number of ordinary shares in issue and issuable and ranking for dividend during the quarter assuming full conversion of the outstanding RCSLS, and the effects of unexercised Warrants and ESOS options.

(a) Basic EPS	Individual Quarter		Cumulative Quarter	
	Current Quarter 31.12.2016	Preceding Year Corresponding Qtr 31.12.2015	Current Year To Date 31.12.2016	Preceding Year to Date 31.12.2015
Profit attributable to equity holders of the Company (RM’000)	4,166	4,303	10,425	8,637
Weighted average number of shares in issue (’000)	448,416	448,416	448,416	448,416
Basic earnings per share (sen)	0.92	0.96	2.31	1.92
(b) Diluted EPS	Current Quarter 31.12.2016	Preceding Year Corresponding Qtr 31.12.2015	Current Year To Date 31.12.2016	Preceding Year to Date 31.12.2015
Profit attributable to equity holders of the Company (RM’000)	4,166	4,303	10,425	8,637
Effects on earnings upon conversion of RCSLS (RM’000)	805	1,097	1,610	2,194
	<u>4,971</u>	<u>5,400</u>	<u>12,035</u>	<u>10,831</u>
Weighted average number of shares in issue (’000)	448,416	448,416	448,416	448,416
Effects of RCSLS	70,586	96,253	70,586	96,253
Adjusted weighted average number of shares in issue and issuable (’000)	<u>519,002</u>	<u>544,669</u>	<u>519,002</u>	<u>544,669</u>
Diluted earnings per share (sen)	0.96	0.99	2.32	1.99

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13 Profit Before Tax

The following items have been included in arriving at profit before tax:

After charging:	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year	Current Year	Preceding
	31.12.2016	Corresponding Qtr	To Date	Year to Date
	RM'000	31.12.2015	31.12.2016	31.12.2015
		RM'000	RM'000	RM'000
Interest expense	4,160	3,978	8,214	7,997
Depreciation and Amortization	940	693	1,806	1,401
Loss on disposal of property, plant and equipment	418		418	
Impairment loss on other investment	-	-	-	-
After crediting:				
Reversal of impairment loss of inventories	3,399	-	3,399	-
Interest income	1,539	2,272	2,998	4,764
Gain on disposal of property, plant and equipment	-	268	-	268
Other income	(327)	622	1,921	1,448
Distribution income from short term funds	20	30	31	40

There were no provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investment or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter under review and financial period ended 31 December 2016.

14 Realised and Unrealised Retained Earnings

	As at 31.12.2016 RM'000	As at 30.9.2016 RM'000
Total share of retained earnings:		
Company and subsidiaries		
-realised	520,630	525,776
-unrealised	25,858	23,462
	<u>546,488</u>	<u>549,238</u>
Associated companies		
-realised	2,518	2,349
-unrealised	-	-
	<u>2,518</u>	<u>2,349</u>
Less: Consolidation adjustments	<u>(285,269)</u>	<u>(280,804)</u>
Total group retained earnings as per unaudited consolidated financial statements	<u>263,737</u>	<u>270,783</u>