

**HWANG CAPITAL (MALAYSIA) BERHAD**  
(Company no. 238969-K)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2017**

	As at 31-Jan-17 RM'000	As at 31-Jul-16 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	3,021	2,550
Investment properties	22,488	22,819
Intangible assets	325	378
Securities available-for-sale ("AFS")	20,954	7,304
Other investments	470	470
Loans, advances and financing	272,625	291,302
Deferred tax assets	3,145	4,189
	<u>323,028</u>	<u>329,012</u>
<b>Current assets</b>		
Securities held-for-trading	822	-
Securities available-for-sale ("AFS")	465,072	427,404
Loans, advances and financing	30,719	62,892
Trade receivables	3	98
Other receivables, deposits and prepayments	4,632	5,686
Tax recoverable	1,526	524
Deposits, cash and bank balances	33,791	24,868
	<u>536,565</u>	<u>521,472</u>
<b>Total assets</b>	<u>859,593</u>	<u>850,484</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	170	173
<b>Current liabilities</b>		
Other payables and accruals	9,992	12,459
Taxation	129	274
	<u>10,121</u>	<u>12,733</u>
<b>Total liabilities</b>	<u>10,291</u>	<u>12,906</u>
<b>Equity attributable to equity holders of the Company</b>		
Share capital	282,874	255,159
Reserves	566,428	582,419
<b>Total equity</b>	<u>849,302</u>	<u>837,578</u>
<b>Total liabilities and equity</b>	<u>859,593</u>	<u>850,484</u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<u>3.33</u>	<u>3.28</u>

*The condensed financial statements should be read in conjunction with the most recent audited financial statements for the financial year ended 31 July 2016.*

**HWANG CAPITAL (MALAYSIA) BERHAD**  
(Company no. 238969-K)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u> 31-Jan-17 RM'000	<u>3 months ended</u> 31-Jan-16 RM'000	<u>6 months ended</u> 31-Jan-17 RM'000	<u>6 months ended</u> 31-Jan-16 RM'000
<b>Operating revenue</b>		<b>14,101</b>	16,185	<b>28,415</b>	32,604
Other income		<b>782</b>	719	<b>1,602</b>	1,246
Personnel costs		<b>(677)</b>	(2,380)	<b>(2,649)</b>	(4,296)
Depreciation and amortisation		<b>(288)</b>	(296)	<b>(553)</b>	(613)
Allowances for impairment loss on:					
- loans, advances and financing		<b>(2,039)</b>	(1,086)	<b>(2,310)</b>	(3,360)
Other expenses		<b>(1,182)</b>	(1,387)	<b>(2,272)</b>	(2,688)
		<b>10,697</b>	11,755	<b>22,233</b>	22,893
Finance costs		-	(24)	-	(24)
<b>Profit before taxation</b>	A11	<b>10,697</b>	11,731	<b>22,233</b>	22,869
Taxation	B6	<b>(1,688)</b>	(2,023)	<b>(3,473)</b>	(3,880)
<b>Profit for the financial period</b>		<b>9,009</b>	9,708	<b>18,760</b>	18,989
<b>Attributable to:</b>					
Equity holders of the Company		<b>9,009</b>	9,708	<b>18,760</b>	18,989
<b>Earnings per share attributable to equity holders of the Company (sen)</b>					
- Basic	B13	<b>3.53</b>	3.80	<b>7.35</b>	7.44

*The condensed financial statements should be read in conjunction with the most recent audited financial statements for the financial year ended 31 July 2016.*

**HWANG CAPITAL (MALAYSIA) BERHAD**  
(Company no. 238969-K)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended 31-Jan-17 RM'000	3 months ended 31-Jan-16 RM'000	6 months ended 31-Jan-17 RM'000	6 months ended 31-Jan-16 RM'000
<b>Profit for the financial period</b>	<b>9,009</b>	9,708	<b>18,760</b>	18,989
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Securities AFS:				
- net change in fair value	232	(240)	715	(147)
- net gain transferred to income statement on disposal	-	-	(96)	-
	<b>232</b>	(240)	<b>619</b>	(147)
<b>Total comprehensive income for the financial period</b>	<b>9,241</b>	9,468	<b>19,379</b>	18,842
<b>Attributable to:</b>				
Equity holders of the Company	<b>9,241</b>	9,468	<b>19,379</b>	18,842

*The condensed financial statements should be read in conjunction with the most recent audited financial statements for the financial year ended 31 July 2016.*

**HWANG CAPITAL (MALAYSIA) BERHAD**  
(Company no. 238969-K)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

	Attributable to Equity Holders of the Company						
	Issued and fully paid ordinary shares						
	Number of shares '000	Contributed share capital RM'000	Capital redemption reserve RM'000	Share premium RM'000	AFS reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 August 2016	255,159	255,159	10,686	17,029	1,111	553,593	837,578
Profit for the financial period	-	-	-	-	-	18,760	18,760
Other comprehensive income for the financial period	-	-	-	-	619	-	619
Total comprehensive income for the financial period	-	-	-	-	619	18,760	19,379
Effects of the Companies Act, 2016	-	27,715	(10,686)	(17,029)	-	-	-
Final dividend for the financial year ended 31 July 2016	-	-	-	-	-	(7,655)	(7,655)
<b>At 31 January 2017</b>	<b>255,159</b>	<b>282,874</b>	<b>-</b>	<b>-</b>	<b>1,730</b>	<b>564,698</b>	<b>849,302</b>

	Attributable to Equity Holders of the Company						
	Issued and fully paid ordinary shares of RM1 each						
	Number of shares '000	Nominal value RM'000	Capital redemption reserve RM'000	Share premium RM'000	AFS reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 August 2015	255,159	255,159	10,686	17,029	422	544,086	827,382
Profit for the financial period	-	-	-	-	-	18,989	18,989
Other comprehensive income for the financial period	-	-	-	-	(147)	-	(147)
Total comprehensive income for the financial period	-	-	-	-	(147)	18,989	18,842
Final dividend for the financial year ended 31 July 2015	-	-	-	-	-	(25,516)	(25,516)
<b>At 31 January 2016</b>	<b>255,159</b>	<b>255,159</b>	<b>10,686</b>	<b>17,029</b>	<b>275</b>	<b>537,559</b>	<b>820,708</b>

*The condensed financial statements should be read in conjunction with the most recent audited financial statements for the financial year ended 31 July 2016.*

**HWANG CAPITAL (MALAYSIA) BERHAD**  
(Company no. 238969-K)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

	<b>6 months ended 31-Jan-17 RM'000</b>	<b>6 months ended 31-Jan-16 RM'000</b>
<b>Operating activities</b>		
Profit for the financial period	18,760	18,989
<b>Adjustments for:</b>		
Non-cash items	6,215	7,750
Non-operating items - investing	(7,780)	(7,489)
Non-operating items - financing	-	24
	<u>17,195</u>	<u>19,274</u>
<b>Changes in operating assets and liabilities:</b>		
Net changes in receivables	48,697	(22,957)
Net changes in payables	(2,474)	(884)
	<u>63,418</u>	<u>(4,567)</u>
Taxation paid	(3,578)	(4,225)
<b>Net operating cash flow</b>	<u>59,840</u>	<u>(8,792)</u>
<b>Investing activities</b>		
Proceeds from disposals of other investments	-	5
Purchases of:		
- property, plant and equipment	(636)	(4)
- intangible assets	(3)	(5)
Net (purchase)/disposal of securities AFS	(50,578)	24,771
Income distributions from securities AFS received	7,938	7,817
<b>Net investing cash flow</b>	<u>(43,279)</u>	<u>32,584</u>
<b>Financing activities</b>		
Dividend paid	(7,655)	(25,516)
Interest paid on borrowings	-	(24)
<b>Net financing cash flow</b>	<u>(7,655)</u>	<u>(25,540)</u>
<b>Net change in cash and cash equivalents</b>	<u>8,906</u>	<u>(1,748)</u>
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>23,984</u>	<u>8,631</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>32,890</u>	<u>6,883</u>
<b>Cash and cash equivalents at end of the financial period comprise:</b>		
Deposits, cash and bank balances	33,791	8,798
Less:		
Deposits with a licensed bank maturing after one month	(705)	(682)
Clients' monies held in trust	(196)	(1,233)
	<u>(901)</u>	<u>(1,915)</u>
	<u>32,890</u>	<u>6,883</u>

*The condensed financial statements should be read in conjunction with the most recent audited financial statements for the financial year ended 31 July 2016.*

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**A. Explanatory Notes in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting**

**A1 Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting and Chapter 9, Part K of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements. The interim financial report, which also complied with the International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by the International Accounting Standards Board, should be read in conjunction with the most recent audited financial statements for the financial year ended 31 July 2016. The explanatory notes provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 July 2016.

The accounting policies and methods of computation adopted for this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 July 2016 except for the adoption of the following revised Malaysian Financial Reporting Standards ("MFRSs"), that are relevant and effective for the Group for the financial year ending 31 July 2017:

<u>MFRS</u>	<u>Description</u>
• Amendments to MFRS 5	Non-current Assets Held For Sale and Discontinued Operations <i>(Annual Improvements to MFRSs 2012-2014 Cycle)</i>
• Amendment to MFRS 7	Financial Instruments: Disclosures <i>(Annual Improvements to MFRSs 2012-2014 Cycle)</i>
• Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
• Amendments to MFRS 101	Disclosure Initiative
• Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
• Amendments to MFRS 127	Equity Method in Separate Financial Statements
• Amendment to MFRS 134	Interim Financial Reporting <i>(Annual Improvements to MFRSs 2012-2014 Cycle)</i>

The adoption of the above MFRSs does not give rise to any material financial effects to the Group.

**A2 Auditors' Report**

The auditors' report of the most recent annual financial statements of the Group for the financial year ended 31 July 2016 was not subject to any qualification.

**A3 Seasonal or Cyclical Factors**

The operations of the Group were not materially affected by any seasonal or cyclical factors.

**A4 Exceptional Items**

There are no exceptional items for the current quarter and financial period ended 31 January 2017.

**A5 Changes in Estimates**

There are no material changes in accounting estimates used in the preparation of the interim financial report for the current quarter and financial period ended 31 January 2017 as compared with the prior financial year.

**A6 Debts and Equity Securities**

There are no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial period ended 31 January 2017.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**A6 Debts and Equity Securities (cont'd)**

Pursuant to Section 618(2) of the Companies Act, 2016, which has come into effect on 31 January 2017, share premium and capital redemption reserve of the Group and of the Company have been transferred to and now form part of the contributed share capital of the Group and of the Company, as disclosed in the consolidated statement of changes in equity of the Group.

**A7 Dividends**

A final single tier dividend of 3.0 sen per ordinary share, amounting to RM7,654,767 in respect of the previous financial year ended 31 July 2016 was paid on 20 December 2016.

The Board of Directors has not declared or recommended the payment of dividend in respect of the current financial year ending 31 July 2017.

**A8 Significant Events**

The trading in the shares of the Company has been suspended by Bursa Securities since 2 September 2016 pursuant to Paragraph 16.02(2) of the Bursa Securities Main Market Listing Requirements ("MMLR") and a 6-month extension of time until 31 December 2016 was granted to the Company by Bursa Securities to comply with the public shareholding spread requirement then. The suspension will only be uplifted by Bursa Securities upon full compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the MMLR by the Company or as may be determined by Bursa Securities.

During the current quarter and financial period ended 31 January 2017, Bursa Securities has vide its letter dated 8 December 2016 granted the Company a further 6-month extension of time until 30 June 2017 to comply with the public shareholding spread requirement. The Company is still exploring alternative solutions to address the non-compliance with the public shareholding spread requirement.

**A9 Subsequent Events**

There are no material events subsequent to the financial period ended 31 January 2017.

**A10 Changes in the Composition of the Group**

There are no changes in the composition of the Group for the current quarter and financial period ended 31 January 2017.

**A11 Items of Income and Expenses**

Profit before taxation of the Group is stated after crediting/(charging):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>	<u>3 months ended</u>	<u>6 months ended</u>	<u>6 months ended</u>
	<u>31-Jan-17</u>	<u>31-Jan-16</u>	<u>31-Jan-17</u>	<u>31-Jan-16</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	9,399	10,621	19,472	20,994
Income distributions from securities AFS	4,221	3,976	7,990	7,817
Rental income	343	635	707	1,269
Net gain on disposals of other investments	-	-	-	2
Net unrealised gain on securities held-for-trading	29	-	29	-
Net gain on disposals of securities AFS	-	-	121	-
Net foreign exchange gain/(loss)	43	(1)	41	4
Loans, advances and financing:				
- net individual impairment allowance written back	-	-	450	-
- collective impairment allowance made	(1,894)	(1,070)	(2,538)	(3,450)
- bad debts written off	(232)	(95)	(455)	(137)
- bad debts recovered	87	79	233	227

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**A11 Items of Income and Expenses (cont'd)**

Other than as disclosed above, other disclosure items as required under Item 16, Appendix 9B of the Bursa Securities Main Market Listing Requirements are not applicable to the Group for the current quarter and financial period ended 31 January 2017.

**A12 Commitments and Contingencies**

	As at 31-Jan-17 RM'000	As at 31-Jul-16 RM'000
(a) Loan commitments	<u>150</u>	<u>-</u>
(b) Capital expenditure commitments	<u>-</u>	<u>403</u>
(c) Non-cancellable operating lease commitments		
- future minimum lease payable	179	244
- future minimum lease receivable	<u>1,367</u>	<u>1,943</u>

**A13 Segmental Information**

The Group is organised into the following operating segments:

- Moneylending - moneylending and credit financing activities
- Investment holding - investment holding activities
- Property investment - property letting and investment activities

The segmental information are as follows:

	Money- lending RM'000	Investment holding RM'000	Property investment RM'000	Inter- segment elimination RM'000	Group RM'000
<b>6 months ended 31 January 2017</b>					
<b>Revenue</b>					
External revenue *	19,381	8,327	707	-	28,415
Inter-segment revenue	-	4,059	147	(4,206)	-
Total revenue	<u>19,381</u>	<u>12,386</u>	<u>854</u>	<u>(4,206)</u>	<u>28,415</u>
<b>Segment profit</b>	<u>10,052</u>	<u>12,047</u>	<u>134</u>	<u>-</u>	<u>22,233</u>
<b>6 months ended 31 January 2016</b>					
<b>Revenue</b>					
External revenue *	23,475	7,860	1,269	-	32,604
Inter-segment revenue	-	5,382	146	(5,528)	-
Total revenue	<u>23,475</u>	<u>13,242</u>	<u>1,415</u>	<u>(5,528)</u>	<u>32,604</u>
<b>Segment profit</b>	<u>9,680</u>	<u>12,387</u>	<u>802</u>	<u>-</u>	<u>22,869</u>

\* External revenue of the Group comprises all types of revenue derived from moneylending, investment holding and rental income from property letting.



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**A14 Fair value of financial instruments**

The fair value hierarchy, which reflects the significance of the inputs used in fair value measurement, is as follows:

- Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted price included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

There have been no significant changes to the methods and assumptions used in estimating the fair values of financial instruments since the end of the previous financial year.

**Financial instruments measured at fair value**

The table below presents the financial instruments of the Group, which are measured at fair value, classified by level of the fair value hierarchy.

	Carrying amount RM'000	Fair value hierarchy		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>31-Jan-17</b>				
<b><u>Financial assets</u></b>				
Securities held-for-trading				
- Quoted securities	822	822	-	-
Securities AFS				
- Quoted securities	486,026	486,026	-	-
	<b>486,848</b>	<b>486,848</b>	-	-
<b>31-Jul-16</b>				
<b><u>Financial assets</u></b>				
Securities AFS				
- Quoted securities	434,708	434,708	-	-

**Financial instruments not measured at fair value**

The fair values of financial instruments of the Group, which are not measured at fair value, approximate their carrying amounts, except as disclosed below:

	As at 31-Jan-17		As at 31-Jul-16	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Loans, advances and financing	303,344	305,278	354,194	356,027

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**B. Explanatory Notes in accordance with Chapter 9, Part K of the Bursa Malaysia Securities Berhad Main Market Listing Requirements**

**B1 Analysis of the Performance of the Operating Segments of the Group**

The Group registered a total operating revenue that was 13% lower at RM28.4 million for the first half of the financial year ending 31 July 2017 ("FY2017"), compared with RM32.6 million recorded in the previous corresponding financial period. On a similar trend, the total operating revenue of the Group was relatively lower at RM14.1 million for the second quarter of FY2017 against RM16.2 million recorded in the previous corresponding quarter. Reduction in interest income and fee-based income from moneylending activities as well as decrease in rental income from property letting have collectively lowered the operating revenue of the Group for the current financial period, partly cushioned by higher returns from investment holding activities.

On the back of a lower revenue base for the current quarter and financial period, pretax profit of the Group contracted marginally from RM22.9 million recorded in the first half of the previous financial year to RM22.2 million for the current financial period. On a quarterly basis, the Group posted a pretax profit of RM10.7 million for the current quarter, which is 9% lower than the pretax profit of RM11.7 million recorded in the corresponding quarter last year. The unfavourable effects of the lower operating revenue on the profitability of the Group was however, compensated by reduction in personnel costs and lower loan loss provisioning in the current quarter and financial period. The earnings of the Group for the current financial period was also partly lifted by write back of loan loss provision previously made on debt recovery.

The performance of the key operating segments of the Group are analysed as follows:

(a) Moneylending

For the second quarter of FY2017, pretax profit of the moneylending segment was down to RM4.6 million from RM5.1 million recorded in the previous corresponding quarter, mainly linked to a combination of factors, i.e. reduction in interest income and fee-based income, net of incentive and commission expense coupled with increased loan loss provisioning, partly mitigated by lower interest expense and decrease in personnel costs.

Despite the lower earnings for the current quarter, the moneylending segment posted a higher pretax profit of RM10.1 million for the six months ended 31 January 2017, compared to the pretax profit of RM9.7 million recorded in the previous corresponding financial period. This was mainly attributable to reduction in interest expense and lower personnel costs as well as a lower level of loan loss provisioning and write back of loan loss provision previously made on debt recovery, partly negated by lower interest income and fee-based income, net of incentive and commission expense for the current financial period.

(b) Investment holding

Consistent with the preceding first quarter of FY2017, the investment holding segment continued to post a marginally lower pretax profit at RM6.0 million in the second quarter of FY2017 against the pretax profit of RM6.2 million recorded in the previous corresponding quarter, largely as a flow-through effect from reduction in interest income on advances to subsidiaries, partly offset by increase in investment returns and lower personnel costs.

Period-to-date, the pretax profit of the investment holding segment of RM12.0 million marginally lagged behind the pretax profit of RM12.4 million recorded in the previous corresponding financial period. This was attributable to lower interest income on advances to subsidiaries, partly mitigated by increased investment returns, net gain on disposal of securities and reduction in personnel costs in the current financial period.

(c) Property investment

The property investment segment posted a lower pretax profit of RM0.06 million and RM0.13 million for the current quarter and financial period ended 31 January 2017, compared to the pretax profit of RM0.4 million and RM0.8 million for the previous corresponding quarter and financial period. The reduced profitability is mainly due to reduction in rental income and increase in operating expenses, partly offset by lower finance cost for the current quarter and financial period under review.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**B2 Material Change in Profit Before Taxation for the Current Quarter compared with the Immediate Preceding Quarter**

Pretax profit of the Group for the second quarter of FY2017 of RM10.7 million is 7% lower in comparison to the pretax profit of RM11.5 million recorded in the preceding first quarter, primarily as a consequence of higher loan loss provisioning and interest income from moneylending activities, partially offset by reduction in personnel costs and higher investment returns in the current quarter.

**B3 Commentary**

**(a) Current Year's Prospects**

Amidst challenging economic outlook and weak consumer sentiments, the Group will remain cautious and selective on asset quality in its lending activities and in exploring alternative credit financing solutions whilst focusing on securing the repayments of its existing loans/financing portfolio with continuing debts monitoring and collection efforts in place.

The investment holding segment will continue to review and diversify its investment portfolio from time to time, to improve on returns and to minimise portfolio concentration risks. No significant change in the operations of the property investment segment is expected.

The Group continues to seek and evaluate viable businesses to complement its existing business.

Barring unforeseen circumstances, the Board of Directors expects the Group to perform satisfactorily in the remaining quarters of the financial year ending 31 July 2017.

**(b) Progress and Steps to Achieve Revenue or Profit Estimate, Forecast, Projection and Internal Targets Previously Announced**

Not applicable.

**B4 Statement of the Board of Directors' Opinion on Achievability of Revenue or Profit Estimate, Forecast, Projection and Internal Targets Previously Announced**

Not applicable.

**B5 Profit Forecast and Profit Guarantee**

Not applicable.

**B6 Taxation**

The analysis of the tax expense for the current quarter and financial period ended 31 January 2017 are as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>	<u>3 months ended</u>	<u>6 months ended</u>	<u>6 months ended</u>
	<u>31-Jan-17</u>	<u>31-Jan-16</u>	<u>31-Jan-17</u>	<u>31-Jan-16</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
In respect of the current financial year:				
Malaysian income tax	(1,007)	(1,963)	(2,432)	(4,054)
Deferred tax	(681)	(60)	(1,041)	174
	<u>(1,688)</u>	<u>(2,023)</u>	<u>(3,473)</u>	<u>(3,880)</u>

The effective tax rate of the Group for the current quarter and financial period ended 31 January 2017 is lower than the statutory tax rate mainly due to certain income which are not subject to tax, partially offset by expenses not deductible for tax purpose.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**B7 Status of Corporate Proposals**

There are no corporate proposals announced but not completed as at date of this announcement.

**B8 Status of utilisation of proceeds raised from corporate proposals**

The status of utilisation of proceeds raised from a corporate proposal as at 31 January 2017 is as follows:

Disposals of 100% equity interest in HwangDBS Investment Bank Berhad and its subsidiaries and associate in the financial year ended 31 July 2014

<b>Purpose</b>	<b>Note</b>	<b>Proposed utilisation RM'000</b>	<b>Amount utilised RM'000</b>	<b>Unutilised RM'000</b>
Special cash dividend to shareholders		637,897	637,897	-
General working capital requirements		73,683	73,683	-
General investment in liquid assets		75,000	75,000	-
Potential acquisition of new business	(i)	250,000	-	250,000
Repayment of borrowings		310,000	310,000	-
Expenses incurred on disposals of subsidiaries and associate		14,000	14,000	-
		<u>1,360,580</u>	<u>1,110,580</u>	<u>250,000</u>

- (i) The initial intended timeframe for utilisation of the proceeds allocated for potential acquisition of new business ("timeframe") was within twelve months from the date of completion of disposals of subsidiaries and associate on 7 April 2014. The timeframe has since been subsequently extended annually up to 6 April 2017. Pending identification of a potential viable business, the timeframe is now further extended to 30 June 2017.

Proceeds not utilised as at 31 January 2017 are invested in unit trusts and deposits with financial institutions.

**B9 Group Borrowings and Debt Securities**

The Group did not have any outstanding borrowings as at 31 January 2017 and 31 July 2016.

**B10 Disclosure of Realised and Unrealised Profits or Losses**

	<b>As at 31-Jan-17 RM'000</b>	<b>As at 31-Jul-16 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- realised	565,750	553,601
- unrealised	2,978	4,022
	<u>568,728</u>	<u>557,623</u>
Consolidation adjustments	(4,030)	(4,030)
Total Group retained profits	<u>564,698</u>	<u>553,593</u>

The disclosure of realised and unrealised profits or losses is made in accordance with the directive issued by Bursa Securities and the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants.

**B11 Disclosure of Derivatives**

The Group did not hold any derivative financial instruments as at 31 January 2017 and 31 July 2016.

**B12 Changes in Material Litigation**

The Group did not have any material litigation as at 31 January 2017 which would materially affect the financial position or business of the Group.

**HWANG CAPITAL (MALAYSIA) BERHAD**  
(Company no. 238969-K)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2017**

**B13 Basic Earnings Per Share Attributable to Equity Holders of the Company**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>3 months</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>31-Jan-17</b>	<b>31-Jan-16</b>	<b>31-Jan-17</b>	<b>31-Jan-16</b>
Profit for the financial period attributable to equity holders of the Company (RM'000)	<u><b>9,009</b></u>	<u>9,708</u>	<u><b>18,760</b></u>	<u>18,989</u>
Weighted average number of ordinary shares in issue ('000)	<u><b>255,159</b></u>	<u>255,159</u>	<u><b>255,159</b></u>	<u>255,159</u>
<b>Basic earnings per share</b> (sen)	<u><u><b>3.53</b></u></u>	<u><u>3.80</u></u>	<u><u><b>7.35</b></u></u>	<u><u>7.44</u></u>

There were no dilutive potential ordinary shares in issue as at 31 January 2017 and 31 January 2016.

**By Order of the Board**

**Ooi Hui Ling**  
**Company Secretary**

**Penang**  
**21 March 2017**