

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017

	As at 30-Apr-17 RM'000	As at 31-Jul-16 RM'000
Non-current assets		
Property, plant and equipment	3,028	2,550
Investment properties	22,323	22,819
Intangible assets	299	378
Securities available-for-sale ("AFS")	21,805	7,304
Other investments	470	470
Loans, advances and financing	265,288	291,302
Deferred tax assets	3,476	4,189
	<u>316,689</u>	<u>329,012</u>
Current assets		
Securities held-for-trading	4,746	-
Securities available-for-sale ("AFS")	471,162	427,404
Loans, advances and financing	30,940	62,892
Trade receivables	-	98
Other receivables, deposits and prepayments	3,502	5,686
Tax recoverable	1,217	524
Deposits, cash and bank balances	38,554	24,868
	<u>550,121</u>	<u>521,472</u>
Total assets	<u>866,810</u>	<u>850,484</u>
Non-current liabilities		
Deferred tax liabilities	170	173
Current liabilities		
Other payables and accruals	9,428	12,459
Taxation	2	274
	<u>9,430</u>	<u>12,733</u>
Total liabilities	<u>9,600</u>	<u>12,906</u>
Equity attributable to equity holders of the Company		
Share capital	282,874	255,159
Reserves	574,336	582,419
Total equity	<u>857,210</u>	<u>837,578</u>
Total liabilities and equity	<u>866,810</u>	<u>850,484</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>3.36</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 30 APRIL 2017

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u> <u>30-Apr-17</u> <u>RM'000</u>	<u>3 months ended</u> <u>30-Apr-16</u> <u>RM'000</u>	<u>9 months ended</u> <u>30-Apr-17</u> <u>RM'000</u>	<u>9 months ended</u> <u>30-Apr-16</u> <u>RM'000</u>
Operating revenue		13,385	15,438	41,800	48,042
Other income		813	625	2,415	1,871
Personnel costs		(2,076)	(2,140)	(4,725)	(6,436)
Depreciation and amortisation		(291)	(290)	(844)	(903)
Allowances for impairment loss on:					
- loans, advances and financing		(2,535)	(2,206)	(4,845)	(5,566)
Other expenses		(1,017)	(986)	(3,289)	(3,674)
		8,279	10,441	30,512	33,334
Finance costs		-	-	-	(24)
Profit before taxation	A11	8,279	10,441	30,512	33,310
Taxation	B6	(1,150)	(1,756)	(4,623)	(5,636)
Profit for the financial period		7,129	8,685	25,889	27,674
Attributable to:					
Equity holders of the Company		7,129	8,685	25,889	27,674
Earnings per share attributable to equity holders of the Company (sen)					
- Basic	B13	2.80	3.41	10.15	10.85

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 30 APRIL 2017

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended 30-Apr-17 RM'000	3 months ended 30-Apr-16 RM'000	9 months ended 30-Apr-17 RM'000	9 months ended 30-Apr-16 RM'000
Profit for the financial period	<u>7,129</u>	<u>8,685</u>	<u>25,889</u>	<u>27,674</u>
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Securities AFS:				
- net change in fair value	779	254	1,494	107
- net gain transferred to income statement on disposal	-	-	(96)	-
	<u>779</u>	<u>254</u>	<u>1,398</u>	<u>107</u>
Total comprehensive income for the financial period	<u>7,908</u>	<u>8,939</u>	<u>27,287</u>	<u>27,781</u>
Attributable to:				
Equity holders of the Company	<u>7,908</u>	<u>8,939</u>	<u>27,287</u>	<u>27,781</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 STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2017

	Attributable to Equity Holders of the Company						
	Issued and fully paid ordinary shares						
	Contributed	Capital	Share	AFS	Retained	Total	
Number	share	redemption	premium	reserve	profits	equity	
of shares	capital	reserve	premium	reserve	profits	equity	
'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	25,889	25,889
Other comprehensive income for the financial period	-	-	-	-	1,398	-	1,398
Total comprehensive income for the financial period	-	-	-	-	1,398	25,889	27,287
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)
At 30 April 2017	255,159	282,874	-	-	2,509	571,827	857,210

	Attributable to Equity Holders of the Company						
	Issued and fully paid ordinary shares of RM1 each						
	Number	Nominal	Capital	Share	AFS	Retained	Total
of shares	value	redemption	premium	reserve	profits	equity	
'000	RM'000	reserve	premium	reserve	profits	equity	
'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 August 2015	255,159	255,159	10,686	17,029	422	544,086	827,382
Profit for the financial period	-	-	-	-	-	27,674	27,674
Other comprehensive income for the financial period	-	-	-	-	107	-	107
Total comprehensive income for the financial period	-	-	-	-	107	27,674	27,781
Final dividend for the financial year ended 31 July 2015	-	-	-	-	-	(25,516)	(25,516)
At 30 April 2016	255,159	255,159	10,686	17,029	529	546,244	829,647

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 30 APRIL 2017

	9 months ended 30-Apr-17 RM'000	9 months ended 30-Apr-16 RM'000
Operating activities		
Profit for the financial period	25,889	27,674
Adjustments for:		
Non-cash items	9,965	11,934
Non-operating items - investing	(11,711)	(11,092)
Non-operating items - financing	-	24
	<u>24,143</u>	<u>28,540</u>
Changes in operating assets and liabilities:		
Securities held-for-trading	4,445	-
Receivables	46,003	(6,308)
Payables	<u>(3,038)</u>	<u>(471)</u>
	71,553	21,761
Taxation paid	<u>(4,878)</u>	<u>(6,193)</u>
Net operating cash flow	<u>66,675</u>	<u>15,568</u>
Investing activities		
Proceeds from disposals of:		
- property, plant and equipment	-	1
- other investments	-	5
Purchases of:		
- property, plant and equipment	(743)	(16)
- intangible assets	(3)	(5)
Net purchase of securities AFS	(56,740)	(2,771)
Income distributions from securities received	<u>12,129</u>	<u>11,646</u>
Net investing cash flow	<u>(45,357)</u>	<u>8,860</u>
Financing activities		
Dividend paid	(7,655)	(25,516)
Interest paid on borrowings	-	(24)
Net financing cash flow	<u>(7,655)</u>	<u>(25,540)</u>
Net change in cash and cash equivalents	13,663	(1,112)
Cash and cash equivalents at beginning of the financial period	<u>23,984</u>	<u>8,631</u>
Cash and cash equivalents at end of the financial period	<u>37,647</u>	<u>7,519</u>
Cash and cash equivalents at end of the financial period comprise:		
Deposits, cash and bank balances	38,554	9,444
Less:		
Deposits with a licensed bank maturing after one month	(711)	(688)
Clients' monies held in trust	(196)	(1,237)
	<u>(907)</u>	<u>(1,925)</u>
	<u>37,647</u>	<u>7,519</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 30 APRIL 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 30 April 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 30 April 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 30 April 2017.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 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.

Bursa Securities has subsequently vide its letter dated 8 December 2016 granted the Company another 6-month extension of time until 30 June 2017 to comply with the public shareholding spread requirement. As the Company is still unable to address the non-compliance with the public shareholding spread requirement, the Company has written to Bursa for a further extension of time to allow the controlling shareholder to consider alternative options.

A9 Subsequent Events

There are no material events subsequent to the financial period ended 30 April 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 30 April 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>9 months ended</u>	<u>9 months ended</u>
	<u>30-Apr-17</u>	<u>30-Apr-16</u>	<u>30-Apr-17</u>	<u>30-Apr-16</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	8,820	10,806	28,292	31,800
Income distributions from securities	4,096	3,768	12,086	11,585
Rental income	326	634	1,033	1,903
Net gain on disposals of other investments	-	-	-	2
Net unrealised gain on securities held-for-trading	272	-	301	-
Net gain on disposals of securities AFS	-	-	121	-
Net foreign exchange gain/(loss)	-	(11)	41	(7)
Interest expense	-	-	-	(24)
Loans, advances and financing:				
- net individual impairment allowance written back	-	-	450	-
- collective impairment allowance made	(2,499)	(2,171)	(5,037)	(5,621)
- bad debts written off	(243)	(131)	(698)	(268)
- bad debts recovered	207	96	440	323

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 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 30 April 2017.

A12 Commitments and Contingencies

	As at 30-Apr-17 RM'000	As at 31-Jul-16 RM'000
(a) Loan commitments	<u>7,500</u>	<u>-</u>
(b) Capital expenditure commitments	<u>-</u>	<u>403</u>
(c) Non-cancellable operating lease commitments		
- future minimum lease payable	110	244
- future minimum lease receivable	<u>1,265</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
9 months ended 30 April 2017					
Revenue					
External revenue *	28,112	12,655	1,033	-	41,800
Inter-segment revenue	-	5,620	213	(5,833)	-
Total revenue	<u>28,112</u>	<u>18,275</u>	<u>1,246</u>	<u>(5,833)</u>	<u>41,800</u>
Segment profit	<u>12,394</u>	<u>17,973</u>	<u>145</u>	<u>-</u>	<u>30,512</u>
9 months ended 30 April 2016					
Revenue					
External revenue *	34,473	11,666	1,903	-	48,042
Inter-segment revenue	-	8,191	220	(8,411)	-
Total revenue	<u>34,473</u>	<u>19,857</u>	<u>2,123</u>	<u>(8,411)</u>	<u>48,042</u>
Segment profit	<u>13,449</u>	<u>18,648</u>	<u>1,213</u>	<u>-</u>	<u>33,310</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 30 APRIL 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
30-Apr-17				
<u>Financial assets</u>				
Securities held-for-trading				
- Quoted securities	4,746	4,746	-	-
Securities AFS				
- Quoted securities	492,967	492,967	-	-
	<u>497,713</u>	<u>497,713</u>	<u>-</u>	<u>-</u>
31-Jul-16				
<u>Financial assets</u>				
Securities AFS				
- Quoted securities	434,708	434,708	-	-
	<u>434,708</u>	<u>434,708</u>	<u>-</u>	<u>-</u>

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 30-Apr-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	<u>296,228</u>	<u>296,451</u>	<u>354,194</u>	<u>356,027</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 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 quarterly operating revenue of the Group continued to be on a downtrend for the second consecutive quarter in the financial year ending 31 July 2017 ("FY2017"). The Group reported a total operating revenue of RM13.4 million for the current quarter, which is 13% lower than the revenue of RM15.4 million recorded in the previous corresponding quarter. The cumulative Group operating revenue of RM41.8 million for nine months ended 30 April 2017 lagged behind the revenue of RM48.0 million recorded in the previous corresponding financial period. Lower interest income from moneylending activities has led to the contraction in operating revenue for the current quarter and financial period. In addition, the Group also experienced a decline in fee-based income and lower rental income from property letting in the current financial period which have further weakened the revenue base of the Group.

The Group posted a lower pretax profit for the current quarter and financial period ended 30 April 2017 in line with the reduction in operating revenue. Pretax profit of the Group for the current financial period was at RM30.5 million vs. RM33.3 million recorded for the corresponding nine months last year. The earnings of the Group for the current financial period under review was mainly pulled down by a 21% decrease in pretax profit for the current quarter to RM8.3 million from the pretax profit of RM10.4 million recorded in the previous corresponding quarter. The decrease in profitability of the Group for the current financial period under review was partially cushioned by reduction in personnel costs and marketing expenses, lower loan loss provisioning and gains on securities portfolio for the current financial period.

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

(a) Moneylending

The moneylending segment reported a weaker earnings in the third quarter of FY2017. Pretax profit for the current quarter slipped to RM2.3 million from the pretax profit of RM3.8 million recorded in the previous corresponding quarter, mainly attributed to decrease in net interest income and fee-based income, coupled with higher loan loss provisioning for the current quarter.

The lower earnings for the current quarter has resulted in the cumulative pretax profit of the moneylending segment falling below the pretax profit for the previous corresponding financial period. The segment posted a pretax profit of RM12.4 million for the nine months ended 30 April 2017, compared to RM13.5 million recorded for the corresponding period last year, primarily emanating from decrease in both net interest income and fee-based income, partially offset by decrease in personnel costs, lower marketing expenses and reduction in loan loss provisioning.

(b) Investment holding

The investment holding segment registered a steady pretax profit of RM5.9 million for the current quarter, which is marginally lower than the pretax profit of RM6.3 million for the previous corresponding quarter. For the nine months ended 30 April 2017, the segment's pretax profit of RM18.0 million is marginally below the pretax profit of RM18.6 million recorded for the previous corresponding financial period. The decrease in profitability for the current quarter and financial period is primarily as a result of lower interest income on advances to subsidiaries, partially offset by marked-to-market gain on securities and higher returns on investments. The net gain on disposal of securities, higher fund management fee rebates and reduction in personnel costs have also collectively compensated for the unfavourable effects of the lower interest income on earnings of the Group for the current financial period under review.

(c) Property investment

On a quarterly basis, the property investment segment is close to breakeven in the current quarter under review with a pretax profit of RM0.01 million, relative to the pretax profit of RM0.4 million recorded in the previous corresponding quarter. The continuing decline in quarterly pretax profit of the segment in the current financial period under review has eroded the pretax profit for the Group to RM0.1 million for the nine months ended 30 April 2017, against the pretax profit of RM1.2 million for the previous corresponding financial period. This was mainly due to lower rental income from property letting and increase in operating expenses on properties held for rent.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2017

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

The Group posted a pretax profit of RM8.3 million, which is 23% lower than the pretax profit of RM10.7 million for the preceding second quarter of FY2017, largely as a result of higher personnel costs, increase in loan loss provisioning and reduction in interest income from moneylending activities.

B3 Commentary

(a) Current Year's Prospects

The Government has recently enforced restrictions on salary deduction of government servants. The Group is in the process of assessing the impacts of the enforcement whilst focusing more on growing its term loan business.

The investment holding segment will continue to monitor the performance of its investment portfolio with the objective of enhancing returns. No significant change in the operations of the property investment segment is expected.

The Group will continue to evaluate potential viable business opportunities to complement its existing businesses.

Barring unforeseen circumstances, the Board of Directors expects the Group to perform satisfactorily in the last quarter 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 30 April 2017 are as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended 30-Apr-17	3 months ended 30-Apr-16	9 months ended 30-Apr-17	9 months ended 30-Apr-16
	RM'000	RM'000	RM'000	RM'000
In respect of the current financial year:				
Malaysian income tax	(1,385)	(1,958)	(3,817)	(6,012)
Deferred tax	332	267	(709)	441
	(1,053)	(1,691)	(4,526)	(5,571)
In respect of prior financial years:				
Malaysian income tax	(96)	(63)	(96)	(63)
Deferred tax	(1)	(2)	(1)	(2)
	(97)	(65)	(97)	(65)
	(1,150)	(1,756)	(4,623)	(5,636)

The effective tax rate of the Group for the current quarter and financial period ended 30 April 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 30 APRIL 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 30 April 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

Purpose	Note	Proposed utilisation RM'000	Amount utilised RM'000	Unutilised RM'000
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. Pending identification of a potential viable business, the timeframe has since been extended to 30 June 2017. As the Company is still in the process of exploring new business opportunities, the timeframe is now further extended to 30 June 2018.

Proceeds not utilised as at 30 April 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 30 April 2017 and 31 July 2016.

B10 Disclosure of Realised and Unrealised Profits or Losses

	As at 30-Apr-17 RM'000	As at 31-Jul-16 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	572,554	553,601
- unrealised	3,303	4,022
	<u>575,857</u>	<u>557,623</u>
Consolidation adjustments	(4,030)	(4,030)
Total Group retained profits	<u>571,827</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 30 April 2017 and 31 July 2016.

B12 Changes in Material Litigation

The Group did not have any material litigation as at 30 April 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 30 APRIL 2017

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended 30-Apr-17	3 months ended 30-Apr-16	9 months ended 30-Apr-17	9 months ended 30-Apr-16
Profit for the financial period attributable to equity holders of the Company (RM'000)	7,129	8,685	25,889	27,674
Weighted average number of ordinary shares in issue ('000)	255,159	255,159	255,159	255,159
Basic earnings per share (sen)	2.80	3.41	10.15	10.85

There were no dilutive potential ordinary shares in issue as at 30 April 2017 and 30 April 2016.

By Order of the Board

Ooi Hui Ling
Company Secretary

Penang
20 June 2017