



CHUAN HUAT RESOURCES BERHAD
(290729-W)

Condensed Consolidated Financial Statements
For the Quarter Ended
30 June 2017

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)**Condensed Consolidated Statement of Financial Position****As at 30 June 2017**

(The figures below have not been audited)

	Unaudited As at 30/06/17 (RM'000)	Audited As at 31/12/16 (RM'000)
ASSETS		
Non-Current assets		
Property, plant & equipment	161,839	169,897
Investment properties	42,097	30,190
Investments	3,721	3,778
Intangible assets	39	39-
	<u>207,696</u>	<u>203,904</u>
Current assets		
Inventories	110,566	103,462
Trade & other receivables	178,470	184,099
Cash & cash equivalents	25,228	24,571
	<u>314,264</u>	<u>312,132</u>
TOTAL ASSETS	<u>521,960</u>	<u>516,036</u>
EQUITY AND LIABILITIES		
Share Capital	84,335	84,335
Reserves	186,506	181,095
	<u>270,841</u>	<u>265,430</u>
Non-controlling interest	15,041	14,538
Total equity	<u>285,882</u>	<u>279,968</u>
Non-current liabilities		
Borrowings	19,392	16,892
Deferred tax liabilities	8,748	9,844
	<u>28,140</u>	<u>26,736</u>
Current liabilities		
Trade & other payables	40,501	59,334
Borrowings	166,535	149,928
Taxation	902	70
	<u>207,938</u>	<u>209,332</u>
Total liabilities	<u>236,078</u>	<u>236,068</u>
TOTAL EQUITY AND LIABILITIES	<u>521,960</u>	<u>516,036</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.61</u>	<u>1.57</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2016

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income
For the Quarter and Six months ended 30 June 2017**

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	30/06/17 (RM'000)	30/06/16 (RM'000)	30/06/17 (RM'000)	30/06/16 (RM'000)
Revenue	148,450	179,321	310,567	322,843
Operating expenses	(143,618)	(168,391)	(297,827)	(307,647)
Other income	1,136	297	3,201	640
Operating profit	5,968	11,227	15,941	15,836
Depreciation and amortisation	(1,878)	(2,065)	(3,770)	(3,920)
Interest expenses	(2,105)	(1,836)	(4,005)	(3,602)
Interest income	114	131	436	238
Provision for and write off of receivables	(525)	107	(2,038)	(269)
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-	5	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss	22	38	(4)	14
Profit from operation	1,596	7,602	6,565	8,297
Fair value gain on investment properties	-	-	-	-
Profit before tax	1,596	7,602	6,565	8,297
Taxation	(857)	(2,115)	(2,625)	(2,149)
Profit for the period	739	5,487	3,940	6,148
Other Comprehensive Income net of tax	946	51	1,974	53
Total Comprehensive Income for the period	1,685	5,538	5,914	6,201
Profit attributable to:-				
Owner of the parent	506	5,266	3,437	5,921
Non-controlling interest	233	221	503	227
Profit for the period	739	5,487	3,940	6,148
Comprehensive Income attributable to:-				
Owner of the parent	1,452	5,317	5,411	5,974
Non-controlling interest	233	221	503	227
Comprehensive Income for the period	1,685	5,538	5,914	6,201
Earnings per share (sen):-				
Basic and diluted earnings per share	0.30	3.12	2.04	3.51

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2016.

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)**Condensed Consolidated Statement of Changes in Equity****For the Six months ended 30 June 2017**

(The figures below have not been audited)

	Attributable to equity holders of the Company						Total (RM'000)	Minority interests (RM'000)	Total Equity (RM'000)
	Non – Distributable			Distributable					
	Share Capital (RM'000)	Capital Reserve (RM'000)	Warrant Reserve (RM'000)	Exchange Translation Reserve (RM'000)	Revaluation Reserve (RM'000)	Retained Earnings (RM'000)			
At 1 January 2017	84,335	21,923	566	756	71,033	86,817	265,430	14,538	279,968
Total comprehensive income for the period	-	-	-	(99)	2,073	3,437	5,411	503	5,914
Increase paid-up capital	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
At 30 June 2017	84,335	21,923	566	657	73,106	90,254	270,841	15,041	285,882
At 1 January 2016	84,127	21,923	566	676	68,632	76,831	252,755	14,478	267,233
Total comprehensive income for the period	-	-	-	(112)	165	5,921	5,974	227	6,201
Increase paid-up capital	208	-	-	-	-	-	208	-	208
Dividend paid	-	-	-	-	-	-	-	-	-
At 30 Jun 2016	84,335	21,923	566	564	68,797	82,752	258,937	14,705	273,642

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2016

CHUAN HUAT RESOURCES BERHADCompany No. 290729-W
(Incorporated in Malaysia)**Condensed Consolidated Statement of Cash Flows
For the Six months ended 30 June 2017**

(The figures below have not been audited)

	06 months ended	
	30/06/17	30/06/16
	(RM'000)	(RM'000)
Cash flows from operating activities		
Profit/(loss) before tax from operation	6,565	8,297
Adjustment for non-cash items :-		
Depreciation and amortization	3,770	3,920
Interest expenses	4,005	3,602
Interest income	(436)	(238)
Provision for and write off of receivables	2,038	269
Provision for and write off of inventories	-	-
Non-cash items	(2,756)	(375)
Operating profit before working capital changes	13,186	15,475
..Increase in research and development	-	-
(Increase)/Decrease in inventories	(7,186)	12,523
Decrease/(Increase) in receivables	4,192	(23,905)
(Decrease)/ increase in payables	(17,722)	(15,468)
Cash (used)/ generated from operations	(7,530)	(11,375)
Interest received	398	194
Interest paid	(3,426)	(2,901)
Net tax (paid)/ refund	(234)	(289)
Net cash (outflow) from operating activities	(10,792)	(14,371)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,001)	(2,496)
Purchase of investment and investment properties	(7,479)	(221)
Proceeds from issuance of shares	-	208
Proceeds from disposal of property, plant and equipment	200	121
Proceeds from disposal of investment properties	2,333	-
Proceeds from disposal of quoted and unquoted shares	57	-
..Net cash inflow from disposal of a subsidiary company	(600)	-
Interest received	37	45
Net cash outflow from investing activities	(6,453)	(2,343)
Cash flows from financing activities		
Net proceeds from /(repayments to) term loans	2,451	846
Repayments of finance lease liabilities	(737)	(667)
Net (repayments to)/ proceeds from short term borrowings	16,340	22,482
Dividend paid	-	-
Interest paid	(578)	(701)
(Increased)/ decreased in fixed deposit pledged	(20)	(2,102)
Net cash inflow from financing activities	17,456	19,858
Effects of changes in exchange rates	99	112
Net increase in cash & cash equivalents	211	3,144
Cash & cash equivalents at beginning of the financial year	22,390	21,030
Cash & cash equivalents at end of the financial period	22,700	24,286

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2016

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2017**

1. Basis of Preparation

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 which were prepared under the Malaysian Financial Reporting Standards (“MFRS”) and amendments to standards to be applied by all Entities Other Than Private Entities.

These interim financial statements of the Group are not audited and have been prepared in accordance with the requirements of MFRS 134 – *Interim Financial Reporting* and the applicable disclosure provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

2. Significant Accounting Policies

The accounting policies applied by the Group in these interim consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 31 December 2016, except for the adoption of the following newly-issued MFRS for the financial periods beginning on or after 1 January:

Effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 12: Annual Improvements to MFRSs 2014–2016 Cycle
- Amendments to MFRS 107: Disclosure Initiative
- Amendments to MFRS112: Recognition of Deferred Tax Assets for Unrealised Losses

Initial application of the above applicable standards, is not expected to have any material impact on the financial statements of the Group.

As at the date of authorisation of these interim financial statements, the Group have not made early adoption of the following MFRSs, IC Interpretations and Amendments to MFRSs which have been issued and will be effective for the financial periods as stated below:-

Effective for annual periods beginning on or after 1 January 2018

- MFRS 9: Financial Instruments (IFRS 9 as issued by IASB in July 2014)
- MFRS15: Revenue from Contracts with Customers
- Amendments to MFRS 1: Annual Improvements to MFRSs 2014–2016 Cycle
- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4: Applying FRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 128: Annual Improvements to MFRSs 2014–2016 Cycle
- Amendments to MFRS 140: Transfer of Investment Property
- IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019

- MFRS 16 : Leases

2. Significant Accounting Policies (cont'd)

The Group plans to apply the abovementioned MFRSs (and its consequential amendments) and Interpretations in the respective annual periods based on their effective dates and applicability

3. Auditors' Report in respect of the 2016 Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not qualified.

4. Seasonality or Cyclicity of Interim Operations

The Group's performance was not affected by any significant seasonal or cyclical factors in the current quarter under review.

5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter and six months ended 30 June 2017.

6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and six months ended 30 June 2017.

7. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the quarter and six months ended 30 June 2017.

8. Dividends Paid

No dividend has been paid during the quarter and six months ended 30 June 2017

(The rest of this page is intentionally left blank)

9. Segment Information

	3 months ended		6 months ended	
	30/06/17	30/06/16	30/06/17	30/06/16
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>Segment Revenue</u>				
Trading of hardware & building materials	151,207	187,250	316,440	331,508
Trading of IT related products	12,614	12,980	26,902	26,694
Others	421	409	827	857
Total revenue including inter-segment sales	164,242	200,639	344,169	359,059
Elimination of inter segment sales	(15,792)	(21,318)	(33,602)	(36,216)
Total revenue	148,450	179,321	310,567	322,843
<u>Profit/ (loss) from operations</u>				
Trading of hardware & building materials	5,788	10,917	15,534	15,588
Trading of IT related products	191	282	404	174
Others	(11)	28	3	74
Total Operating Profit	5,968	11,227	15,941	15,836
<u>Profit/ (loss) before taxation</u>				
Trading of hardware & building materials	1,767	7,671	6,818	8,570
Trading of IT related products	54	120	165	(160)
Others	(225)	(189)	(418)	(113)
Total Profit before taxation	1,596	7,602	6,565	8,297

10. Carrying Amount of Revalued Assets

There were no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group did not adopt a revaluation on its property, plant and equipment.

11. Material Events Subsequent to the Balance Sheet Date

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement.

12. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter and six months ended 30 June 2017 and up to the date of this Interim Financial Report.

13. Contingent Liabilities/Contingent Assets

	30/06/17 (RM'000)	31/12/16 (RM'000)	Changes (RM'000)
Corporate guarantees in respect of Banking facilities granted to subsidiary Companies	352,792	352,792	-
Corporate guarantees in respect of the Supply of goods to subsidiary companies	76,600	81,100	(4,500)

14. Capital Commitments

The Group has commitments as follows:

	30/06/17 (RM'000)	31/12/16 (RM'000)	Changes (RM'000)
Capital expenditure approved and contracted for	2,536	2,977	(441)

15. Related Party Transactions

The related parties of the Group and of the Company comprise the following:

Related companies being subsidiary companies of Chuan Huat Resources Berhad (CHRB) are as follow:-

- i) Chuan Huat Metal Sdn Bhd (CHM), a 80% owned subsidiary
- ii) Pineapple Resources Berhad, a 63.85% owned subsidiary and it's subsidiary companies (PRB Group)
- iii) Keyline Consulting Sdn Bhd (KLC), a 70% owned subsidiary
- iv) CHRB Building Materials Sdn Bhd (CHRB BM), a 60% owned subsidiary
- v) CHRB Trading Sdn Bhd (CHRB Trading), a 55% owned subsidiary
- vi) CH Sweestech Door Sdn Bhd ("CHSD"), a 52.5% owned subsidiary

Other related parties being an associated company of the Chuan Huat Resources Berhad Group of companies and companies in which Directors of the Company and Directors of subsidiary companies have an interest.

15. Related Party Transactions (cont'd)

The significant related party transactions are as follows:

	6 months ended 30/06/17 (RM'000)	6 months ended 30/06/16 (RM'000)
a) Sale of goods to		
i) <u>Other related parties</u>		
Ahmad Zaki Sdn Bhd	8,292	6,906
ii) <u>Subsidiaries</u>		
CHM	1,270	1,947
CHRB BM	468	754
CHSD	178	-
KLC	4	-
b) Purchase of goods from		
i) <u>Other related parties</u>		
Amalgamated Industrial Steel Berhad	142	168
ii) <u>Subsidiaries</u>		
KLC	832	1,247
CHM	70	21
CHRB BM	8	-
CHSD	5	283
i) <u>Subsidiaries</u>		
Rental income received from subsidiaries	141	140
Security, water & electricity charges received from subsidiaries	24	24
Management fee and incentive received from subsidiaries	38	38
Rental of motor vehicle	6	6
Interest expenses	-	25

Ahmad Zaki Sdn Bhd is a company in which Dato' Sri Haji Wan Zaki bin Haji Wan Muda is a substantial shareholder of Chuan Huat Resources Berhad.

Amalgamated Industrial Steel Berhad is a company in which CHRB had 6.67% indirect interest through a 100% owned subsidiary, Chuan Huat Hardware Holdings Sdn Bhd.

In the opinion of the Directors, the above related party transactions have been entered into in the normal course of business and have been established under terms that are no more favourable than those arranged with independent third parties.

16. Cash and Cash Equivalents

	6 months ended	
	30/06/17 (RM'000)	30/06/16 (RM'000)
Fixed deposit with a licensed bank	4,916	4,572
Cash and bank balances	20,312	23,060
Bank overdraft	(1,711)	(314)
	23,517	27,318
Less : Fixed Deposits pledged	(817)	(3,032)
	22,700	24,286

17. Review of Performance

The Group's revenue for the six (6) months ended 30 June 2017 has decreased by 3.80% as compared to the preceding year's corresponding financial period.

The Group's revenue for the second quarter ended 30 June 2017 has decreased by 17.22% as compared to the preceding year's corresponding financial period.

The Group recorded a profit before tax of RM1.596 million and RM6.565 million for the second quarter and the six (6) months of the financial period ended 30 June 2017 as compared to RM7.602 million and RM8.297 million in the preceding year corresponding financial period.

The details of the performance of the various segments are as follows:

	3 months ended			6 months ended		
	30.06.17 RM'000	30.06.16 RM'000	Change %	30.06.17 RM'000	30.06.16 RM'000	Change %
Revenue						
Trading of hardware & building materials	135,606	166,579	-18.59	283,363	297,332	-4.70
Trading of IT related products	12,595	12,512	0.66	26,723	25,012	6.84
Others	249	230	8.26	481	499	-3.61
Total	148,450	179,321	-17.22	310,567	322,843	-3.80
Profit / (Loss) before taxation						
Trading of hardware & building materials	1,767	7,671	-76.97	6,818	8,570	-20.44
Trading of IT related products	54	120	-55.00	165	(160)	203.13
Others	(225)	(189)	-19.05	(418)	(113)	-269.91
Total	1,596	7,602	-79.00	6,565	8,297	-20.88

The reasons for the changes in the various sectors are as follows:-

(i) Trading of hardware & building materials

The decrease in revenue for the six months financial period ended 30 June 2017 was mainly due to slowdown in construction and property markets.

The division revenue for the second quarter ended 30 June 2017 has decreased by 18.59% to RM135.606 million as compared to the corresponding quarter of preceding year. The decrease in revenue was mainly due to low demand and decrease in global steel price.

The division recorded a Profit Before Tax ("PBT") of RM1.767 million for the second quarter ended 30 June 2017 and RM6.818 million for the six months period ended 30 June 2017. The decrease of PBT was mainly due to lower profit margin.

17. Review of Performance (cont'd)

(ii) Trading of IT related products

The Group's revenue for the second quarter and six months financial period ended 30 June 2017 increased by 0.66% and 6.84% respectively compared to the corresponding periods of the preceding year. The increase in revenue was mainly due to the additional sales generated from the promotion program launched in AEON and TESCO hypermarket.

The Group has recorded a Profit Before Tax ("PBT") of RM54,000 and RM165,000 for the second quarter and six months ended 30 June 2017 respectively compared to the PBT of RM120,000 and Loss Before Tax ("LBT") of RM160,000 in the corresponding financial period of the preceding year. The increase of PBT for the six months ended 30 June 2017 was mainly due to increase of revenue and reduction in operating expenses.

(iii) Others

The increase in revenue for the second quarter and decrease in revenue for the six months financial period ended 30 June 2017 was mainly due to increase and decrease in rental income respectively.

The division incurred a higher loss before tax of RM0.225 million and RM0.418 million for the second quarter and six months period ended 30 June 2017 compared to the corresponding period of preceding financial period ended 30 June 2016 was mainly due to reversal of over provision of depreciation in second quarter of financial period ended 30 June 2016.

18. Material changes in profit before taxation against preceding quarter

The Group recorded a Profit Before Tax of RM1.596 million for the current quarter as compared to RM4.969 million in the immediate preceding quarter ended 31 Mar 2017. The detailed analysis by business segment are as follow:

	Individual Quarter 3 months ended		Change %
	30/06/17 (RM'000)	31/03/17 (RM'000)	
Revenue			
Trading of hardware & building Materials	135,606	147,756	-8.22
Trading of IT related products	12,595	14,128	-10.85
Others	249	233	6.87
Total	148,450	162,117	-8.43
Profit / (Loss) before taxation			
Trading of hardware & building Materials	1,767	5,051	-65.02
Trading of IT related products	54	111	-51.35
Others	(225)	(193)	-16.58
Total	1,596	4,969	-67.88

18. Material changes in profit before taxation against preceding quarter (cont'd)

The reasons for the changes in the various sectors are as follows:-

- (i) Trading of hardware & building materials
The division recorded Profit Before Tax ("PBT") of RM1.767 million for the second quarter ended 30 June 2017 as compared to RM5.051 million for the first quarter ended 31 Mar 2017. This was mainly due to lower turnover and profit margin.
- (ii) Trading of IT related products
The Group recorded a PBT of RM54,000 for the second quarter ended 30 June 2017 compared to RM111,000 in the preceding quarter ended 31 Mar 2017. The decrease of PBT was mainly due to lower revenue during the muslim fasting (puasa) month.
- (iii) Others
The division recorded a Loss Before Tax of RM0.225 million for the second quarter ended 30 June 2017 and a Loss Before Tax of RM0.193 million for the first quarter ended 31 Mar 2017. This was mainly due to slight increase in operating expenses in second quarter ended 30 June 2017.

19. Commentary on Prospects

Although the year 2017 started off looking more positive in the recovery of the overall building construction market especially in the rise of infrastructure projects and the rise in the global prices of steel, the second quarter took a turn for the reverse in the steel prices, bringing down the group's performance.

However, with the rise of the infrastructure construction projects, the outlook looks promising in the increase for the demand for steel products and coupled with the rebound in the prices, the performance for the Group is expected to be good for the rest of the year.

As for IT (Information Technology) division, it is seeing an improvement to the bottom line with the changes in the product mix and streamlining in the operation cost.

20. Profit Forecast and Profit Guarantee

The Group is not subject to any profit forecast or profit guarantee requirements.

21. Income Tax Expenses

	3 months ended		6 months ended	
	30/06/17 (RM'000)	30/06/16 (RM'000)	30/06/17 (RM'000)	30/06/16 (RM'000)
Malaysia income tax				
- current	327	1,299	1,645	1,584
- under/ (over) provision in prior years	3	4	3	12
	330	1,303	1,648	1,596
Deferred taxation	527	812	977	553
TOTAL	857	2,115	2,625	2,149

The effective tax rate for the financial period ended 30 June 2017 and 30 June 2016 are not reflective of the statutory tax rate mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

22. Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at the date of this report.

23. Borrowings

	6 months ended	
	30/06/17 (RM'000)	30/06/16 (RM'000)
<u>Short Term</u>		
Bank overdrafts (unsecured)	1,711	314
Bills payable (unsecured)	158,543	147,834
Finance lease liabilities	1,104	1,179
Term loans (amount payable within 12 months)	5,177	5,240
	166,535	154,567
<u>Long Term</u>		
Finance lease liabilities	3,489	3,792
Less : amount payable within 12 months	(1,104)	(1,179)
	2,385	2,613
Term Loans (secured)	22,184	22,311
Less : amount payable within 12 months	(5,177)	(5,240)
	17,007	17,071
	19,392	19,684

24. Realised and Unrealised Profits / (Losses)

	As at 30/06/17 (RM'000)	As at 30/12/16 (RM'000)
Total retained earnings of the Company and its subsidiaries:		
- Realised	84,820	77,780
- Unrealised	5,434	9,037
	90,254	86,817
Consolidation adjustments	-	-
Retained earnings as per statements of financial positions	90,254	86,817

25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

26. Changes in Material Litigation

As at date of this report, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2016.

27. Dividends

No dividend has been declared or recommended for payment for the quarter and six months ended 30 June 2017.

28. Earnings per share

a. Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the total number of ordinary shares of the Company in issue for the respective period as follows:

	3 months ended		6 months ended	
	30/06/17 (RM'000)	30/06/16 (RM'000)	30/06/17 (RM'000)	30/06/16 (RM'000)
(Loss)/Profit attributable to the owners of the parent (RM'000)	506	5,266	3,437	5,921
Total number of ordinary shares in issue ('000)	168,670	168,670	168,670	168,670
Basic earnings per share (sen)	0.30	3.12	2.04	3.51

28. Earnings per share (Cont'd)**b. Diluted earnings per share**

The diluted earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the total number of ordinary shares of the Company in issue adjusted for the effects of dilutive potential ordinary shares for the respective period as follows:

	3 months ended		6 months ended	
	30/06/17 (RM'000)	30/06/16 (RM'000)	30/06/17 (RM'000)	30/06/16 (RM'000)
(Loss)/Profit attributable to the owners of the parent (RM'000)	506	5,266	3,437	5,921
Total number of ordinary shares in issue ('000)	168,670	167,156	168,670	167,156
Effects of dilution for Warrants ('000)	0	41,789	0	41,789
Adjusted number of ordinary shares in issue applicable to diluted earnings per share ('000)	168,670	208,945	168,670	208,945
Diluted earnings per share (sen)	0.30	3.12	2.04	3.51

29. Authorisation for Issue

This interim financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD**DATO' LIM LOONG HENG**
DEPUTY MANAGING DIRECTOR

Date: 29 August 2017