

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2016 - UNAUDITED

	Notes	Quarter ended 30 September		Cumulative period ended 30 September	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	A10	32,673	30,013	96,933	89,284
Cost of sales		(20,526)	(24,241)	(67,257)	(71,040)
Gross profit		<u>12,147</u>	<u>5,772</u>	<u>29,676</u>	<u>18,244</u>
Other income		465	2,460	1,364	3,783
Administrative expenses		(6,737)	(5,127)	(17,324)	(14,800)
Selling and marketing expenses		(926)	(739)	(2,724)	(2,731)
Other expenses		(216)	(563)	(1,481)	(1,138)
Finance costs		(355)	(442)	(1,076)	(912)
Interest income		45	83	135	155
Share of profit of a joint venture (net of tax)		93	120	181	158
Profit before tax	A10	<u>4,516</u>	<u>1,564</u>	<u>8,751</u>	<u>2,759</u>
Tax expense	B5	<u>(1,013)</u>	<u>(290)</u>	<u>(1,815)</u>	<u>(1,088)</u>
Profit for the period	A10	<u>3,503</u>	<u>1,274</u>	<u>6,936</u>	<u>1,671</u>
Other comprehensive income					
Foreign currency translations		(88)	2,611	(1,013)	3,701
Total comprehensive income for the period		<u>3,415</u>	<u>3,885</u>	<u>5,923</u>	<u>5,372</u>
Profit/(loss) attributable to:					
Owners of the parent		3,172	1,638	6,358	2,794
Non-controlling interest		331	(364)	578	(1,123)
		<u>3,503</u>	<u>1,274</u>	<u>6,936</u>	<u>1,671</u>
Total comprehensive income/(loss) attributable to:					
Owners of the parent		2,969	4,226	5,351	6,458
Non-controlling interest		446	(341)	572	(1,086)
		<u>3,415</u>	<u>3,885</u>	<u>5,923</u>	<u>5,372</u>
Earnings per ordinary share attributable to owners of the parent (sen):	B11				
Basic		1.07	0.57	2.15	0.96
Diluted		<u>0.95</u>	<u>NA</u>	<u>1.93</u>	<u>NA</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016 - UNAUDITED

	Notes	As at 30 September 2016 RM'000	As at 31 December 2015 RM'000
Non-current assets			
Property, plant and equipment		48,723	47,958
Investment in a joint venture		1,239	1,413
Deferred tax assets		14	15
Intangible assets		1,476	1,534
Total non-current assets		<u>51,452</u>	<u>50,920</u>
Current assets			
Inventories		21,259	22,035
Property development costs		153,878	146,297
Trade and other receivables		30,381	24,273
Current tax assets		650	537
Cash and bank balances		17,027	24,057
Total current assets		<u>223,195</u>	<u>217,199</u>
Total assets		<u><u>274,647</u></u>	<u><u>268,119</u></u>
Equity			
Share capital		74,059	72,531
Share premium		1,077	68
Warrants reserve		4,101	4,346
Treasury shares		(87)	(87)
Exchange translation differences		(2,225)	(1,218)
Retained earnings	B13	46,077	41,197
Total attributable to owners of the parent		<u>123,002</u>	<u>116,837</u>
Non-controlling interests		(1,186)	(1,758)
Total equity		<u><u>121,816</u></u>	<u><u>115,079</u></u>
Non-current liabilities			
Borrowings	B7	24,866	35,316
Trade and other payables		-	28,754
Deferred tax liabilities		1,179	1,179
Total non-current liabilities		<u>26,045</u>	<u>65,249</u>
Current liabilities			
Trade and other payables		93,002	43,119
Borrowings	B7	32,221	44,239
Current tax liabilities		1,563	433
Total current liabilities		<u>126,786</u>	<u>87,791</u>
Total liabilities		<u><u>152,831</u></u>	<u><u>153,040</u></u>
Total equity and liabilities		<u><u>274,647</u></u>	<u><u>268,119</u></u>
Net assets per share attributable to owners of the parent (RM)	B12	<u>0.4158</u>	<u>0.4033</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER 2016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016 - UNAUDITED

Notes	<----- Attributable to owners of the parent ----->							Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	translation differences RM'000	Warrants reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000		
Balance at 1 January 2015	72,531	68	(5,131)	4,346	(87)	36,571	108,298	(355)	107,943
Profit for the period	-	-	-	-	-	2,794	2,794	(1,123)	1,671
Dividend paid	-	-	-	-	-	(1,449)	(1,449)	-	(1,449)
Foreign currency translations	-	-	3,664	-	-	-	3,664	37	3,701
Balance at 30 September 2015	<u>72,531</u>	<u>68</u>	<u>(1,467)</u>	<u>4,346</u>	<u>(87)</u>	<u>37,916</u>	<u>113,307</u>	<u>(1,441)</u>	<u>111,866</u>
Balance at 1 January 2016	72,531	68	(1,218)	4,346	(87)	41,197	116,837	(1,758)	115,079
Profit for the period	-	-	-	-	-	6,358	6,358	578	6,936
Foreign currency translations	-	-	(1,007)	-	-	-	(1,007)	(6)	(1,013)
Issuance of shares pursuant to exercise of warrants	1,528	1,009	-	(245)	-	-	2,292	-	2,292
Dividend paid	-	-	-	-	-	(1,478)	(1,478)	-	(1,478)
Balance at 30 September 2016	<u>74,059</u>	<u>1,077</u>	<u>(2,225)</u>	<u>4,101</u>	<u>(87)</u>	<u>46,077</u>	<u>123,002</u>	<u>(1,186)</u>	<u>121,816</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER 2016
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016 - UNAUDITED

	Year-to-date ended	
	30 September	
	2016	2015
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	8,751	2,759
Adjustments for:		
Non-cash items	3,818	4,240
Finance costs	1,076	912
Interest income	(135)	(155)
Share of profit of a joint venture	(181)	(158)
Operating profit before changes in working capital	13,329	7,598
(Increase)/ decrease in inventories	(67)	2,178
Increase in trade and other receivables	(6,108)	(4,943)
Increase in property development costs	(7,581)	(7,985)
Increase in trade and other payables	21,129	5,070
Cash generated from operations	20,702	1,918
Tax paid (net with tax refunded)	(787)	(891)
Net cash from operating activities	19,915	1,027
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,316)	(4,322)
Dividends received from a joint venture	319	703
Interest received	135	155
Proceeds from disposal of property, plant and equipment	618	120
Net cash used in investing activities	(2,244)	(3,344)
Cash flows from financing activities		
Dividends paid to owners of the parent	(1,478)	(1,449)
Interest paid	(1,076)	(912)
Drawdown of borrowings	17,193	23,321
Repayments of borrowings	(40,898)	(12,662)
Repayments of hire purchase creditors	(798)	(349)
Proceeds from issuance of shares pursuant to exercise of warrants	2,292	-
Net cash (used in)/from financing activities	(24,765)	7,949
Net (decrease)/increase in cash and cash equivalents	(7,094)	5,632
Effects of exchange rate changes	516	124
Cash and cash equivalents at beginning of period	20,743	16,083
Cash and cash equivalents at end of period	14,165	21,839
Cash and cash equivalents comprise:		
Cash and bank balances	17,027	24,981
Less: Bank overdraft	(137)	(494)
Deposits placed with financial institutions		
with original maturity of more than three (3) months	(28)	(28)
Restricted cash	(2,697)	(2,620)
	14,165	21,839

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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QUARTERLY REPORT – 30 SEPTEMBER 2016

PART A: NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of *FRS 134 Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2015 except for those disclosed in Note A2.

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 financial position and performance of the Group since the financial year ended 31 December 2015 and should be read in conjunction with the Company’s audited financial statements for the financial year ended 31 December 2015.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning on or after 1 January 2016.

- FRS 14 Regulatory Deferral Accounts
- Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127 Equity Method in Separate Financial Statements
- Amendments to FRSs Annual Improvements to 2012-2014 Cycle
- Amendments to FRS 101 Disclosure Initiative
- Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception

Adoption of the above pronouncements does not have any significant impact to the Group.

The following are Standards of the FRS Framework that have been issued by MASB but have not been early adopted by the Group.

- FRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*

The Group is in the process of assessing the impact of implementing these Amendments and Standards, since the effects would only be observable for future financial years.

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QUARTERLY REPORT – 30 SEPTEMBER 2016

A3. AUDITORS' REPORT ON PRECEDING YEAR'S FINANCIAL STATEMENTS

The report of the auditors to members of the Company dated 11 April 2016 on the audited financial statements for the financial year ended 31 December 2015 did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965.

A4. SEASONALITY OF OPERATIONS

The Group's results were not materially affected by any major seasonal or cyclical factors.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year-to-date under review.

A6. CHANGES IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates that have had a material effect in the current quarter and financial year-to-date results.

A7. DEBT AND EQUITY SECURITIES

Share Split

Every one (1) existing ordinary share of RM0.50 each held on 13 September 2016 was subdivided into two (2) ordinary shares of RM0.25 each.

Saves as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial year-to-date under review.

A8. DIVIDENDS PAID

During the financial period ended 30 September 2016, RM1,478,403 was paid on 23 July 2016 as a final single tier dividend of 1.0 sen per share for the financial year ended 31 December 2015.

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A9. PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions and disposals

There were no material acquisitions and disposals during the current quarter and financial year-to-date under review.

(b) Impairment losses

There were no impairment losses during the current quarter and financial year-to-date under review.

(c) Valuation

The valuation of land and buildings has been brought forward without amendment from the previous year's financial statements.

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A10. OPERATING SEGMENTS

Information on reportable segments is presented as follows:

For the period ended 30 September	Manufacturing		Property development & construction		Others		Eliminations		Consolidated	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue										
Revenue from external customers	70,923	63,826	26,010	25,458	-	-	-	-	96,933	89,284
Inter-segment revenue	629	589	11,550	-	3,189	-	(15,368)	(589)	-	-
Total revenue	<u>71,552</u>	<u>64,415</u>	<u>37,560</u>	<u>25,458</u>	<u>3,189</u>	<u>-</u>	<u>(15,368)</u>	<u>(589)</u>	<u>96,933</u>	<u>89,284</u>
Segment Results	6,084	4,466	3,523	(398)	(1,037)	(1,467)	-	-	8,570	2,601
Share of profit of a joint venture (net of tax)	181	158	-	-	-	-	-	-	181	158
Profit/(loss) before tax	<u>6,265</u>	<u>4,624</u>	<u>3,523</u>	<u>(398)</u>	<u>(1,037)</u>	<u>(1,467)</u>	<u>-</u>	<u>-</u>	<u>8,751</u>	<u>2,759</u>
Taxation									(1,815)	(1,088)
Profit for the period									<u>6,936</u>	<u>1,671</u>

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A11. EVENTS AFTER BALANCE SHEET DATE

There were no material events subsequent to the end of the financial period.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter and financial year-to-date under review except for the following:

- a) Premier Gesture Sdn Bhd, a wholly-owned subsidiary of the Company had incorporated Premier Baycity Sdn Bhd (“PBSB”) on 31 May 2016. The authorised capital of PBSB is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been issued and are fully paid-up. On 1 July 2016, PBSB allotted and issued additional forty-nine (49) new ordinary shares to PGSB, and forty-nine (49) new ordinary shares to Baycity Park Sdn Bhd (“BPSB”) such that PGSB’s and BPSB’s total equity interest in PBSB equals to fifty-one percent (51%) and forty-nine percent (49%) equity interest respectively. Consequently, PBSB’s issued and paid up share capital of RM2.00 was increased to RM100.00 comprising one hundred (100) ordinary shares of RM1.00 each.
- b) Two (2) wholly-owned subsidiary companies namely PRG Ventures Sdn Bhd (“PVSB”) and Premier Electrify Sdn Bhd (“PESB”) have been incorporated on 19 September 2016 under the PRG Group. The authorised share capital of PVSB and PESB is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each of which two (2) ordinary shares have been issued and are fully paid up.

A13. CONTINGENT ASSETS

The Group does not have any contingent assets as at the end of the quarter under review.

A14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in other contingent liabilities and contingent assets since the last annual balance sheet as at 31 December 2015.

A15. CAPITAL COMMITMENTS

There were no capital commitments outstanding not provided for in the financial statements as at the end of the quarter under review.

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A16. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended		Cumulative period ended	
	30 September		30 September	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Sale of goods	<u>340</u>	<u>303</u>	<u>1,269</u>	<u>1,141</u>

The above sales transactions are with a company in which directors of a subsidiary has an interest.

Apart from the above, there were no other material related party transactions entered into during the current quarter and financial year-to-date under review.

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. ANALYSIS OF PERFORMANCE

The Group's revenue of RM32.7 million for current quarter of 2016 was RM2.7 million higher than the RM30.0 million reported in the corresponding quarter of the previous year. Revenue for the financial year-to-date under review was RM96.9 million, RM7.6 million higher than the RM89.3 million recorded in the same period of the preceding year.

The Group recorded a profit before tax of RM4.5 million in current quarter of 2016 as compared to profit before tax of RM1.6 million for same quarter of last year. Profit before tax for the current financial year-to-date of RM8.8 million was RM6.0 million higher than profit before taxation of RM2.8 million reported in the corresponding period of year 2015.

Increase in revenue and profit before tax was contributed by improved performance of manufacturing segment as well as profit recognition from the development and sale of Picasso Residence.

a) Manufacturing

The revenue of RM25.1 million from manufacturing segment for the current quarter was RM3.1 million higher than RM22.0 million recorded in the corresponding quarter of 2015. The segment's revenue for the financial year-to-date of RM70.9 million was also RM7.1 million higher than RM63.8 million recorded in the same period of last year.

Profit before tax recorded by manufacturing segment during the quarter under review was RM3.6 million, RM1.7 million higher than RM1.9 million reported in the same quarter of last year. The segment's profit before taxation of RM6.1 million for the financial year-to-date was RM1.6 million higher than RM4.5 million for the same period of year 2015.

Increase in revenue and profit for the current quarter and year-to-date are mainly due to increased sales and better cost efficiencies.

b) Property development & construction

The property development & construction segment recorded a revenue of RM7.6 million, RM0.8 million lower than RM8.4 million recorded in the same quarter of last year. The revenue for the financial year-to-date of RM26.0 million was also RM0.5 million higher than RM25.5 million recorded in the same period of last year.

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B1. ANALYSIS OF PERFORMANCE (CONT'D)

b) Property development & construction (cont'd)

Profit before tax of RM1.2 million in the current quarter as compared to loss before tax of RM0.2 million recorded in the corresponding quarter of last year. The profit before tax for financial year-to-date under review was RM3.5 million, RM3.9 million higher than loss before tax of RM0.4 million reported for the same period of year 2015.

Decrease in revenue during the quarter was mainly due to lower revenue contribution from the construction contract as compare to the same quarter of last year. Despite the decrease in revenue, the profit before tax in current quarter was arising from the profit recognition from the development and sale of Picasso Residence.

Increase in revenue and profit before tax for the financial year-to-date under review was contributed by profit recognition from the development and sale of Picasso Residence.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM32.7 million and profit before tax of RM4.5 million for the current quarter ended 30 September 2016 as compared to revenue of RM33.2 million and profit before tax of RM2.0 million achieved in the preceding quarter. The increase in profit before tax was contributed by the improved performance of manufacturing segment and profit recognition from the development and sale of Picasso Residence.

B3. PROSPECTS

The manufacturing division expects to achieve a satisfactory performance in the remaining quarter.

On the property development outlook, the Malaysian property market is expected to remain challenging. The Group is conscious that it will be operating in a very challenging business environment ahead. The Group will focus on marketing and sale of the Picasso Residence units and on timely construction of the development.

B4. PROFIT FORECAST

Not applicable as the Group did not publish any profit forecast.

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B5. TAX EXPENSE

	Quarter ended 30 September		Cumulative period ended 30 September	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current year taxation:				
- Malaysia	856	57	1,324	589
- Overseas	291	233	625	499
- Over provision in prior years – Malaysia	(134)	-	(134)	-
	<u>1,013</u>	<u>290</u>	<u>1,815</u>	<u>1,088</u>

The effective tax rate of the Group for the period ended 30 September 2016 is lower than the statutory tax rate due to the utilisation of unabsorbed business allowances by certain subsidiary during the financial year-to-date under review.

B6. STATUS OF CORPORATE PROPOSALS

a) Long term incentive plan (“LTIP”) of up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares, if any) for the eligible employees and directors of the Company and its subsidiary companies

The LTIP was implemented on 1 June 2015 and there was no allocation of options and shares pursuant to the LTIP as at the reporting date.

b) Share Split

Share Split has been completed on 14 September 2016 following the listing of and quotation for 296,218,200 subdivided shares and 51,273,500 additional warrants arising from the adjustments made in accordance with the provisions under the deed poll constituting the warrants 2014/2019 dated 2 June 2014 consequential to the Share Split, on the Main Market of Bursa Securities.

c) Development Joint Venture Agreement (“DJVA”)

The Company has announced on 19 July 2016 that its wholly owned subsidiary company; Premier Gesture Sdn Bhd (“PGSB”) has entered into a Development Joint Venture Agreement (“DJVA”) with Baycity Park Sdn Bhd (“BPSB”) and Premier Baycity Sdn Bhd (“PBSB”) in relation to the proposed development of a parcel of 99-year leasehold land known as Lot PT 46025, HSM 13499, Seksyen U5, Mukim of Sungai Buloh, Daerah Petaling, Negeri Selangor with an area of 26,254 m². PGSB has also entered into a Shareholders Agreement (“SA”) with BPSB to set out the terms governing their relationship as shareholders in PBSB. The completion DJVA and SA are not subjected to the Company’s shareholders’ approval.

The payment for the Development Rights Consideration under the DJVA has been partially paid and is expected to be fully paid within 6 months or from the date of the DJVA or such other dates as mutually agreed between parties as provided under the terms of the DJVA.

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B6. STATUS OF CORPORATE PROPOSALS (CONT'D)

d) Proposed Listing of the Group's Manufacturing Business on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited ("Proposed Listing")

The Company has appointed Shenwan Hongyuan Capital (H.K.) Limited, a licensed corporate finance adviser under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and other professional advisers for the Proposed Listing. The Company will make further announcements in relation to the Proposed Listing as and when appropriate under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B7. BORROWINGS

The Group's borrowings as at the end of the current quarter are as follows:

	As at 30 September 2016 RM'000	As at 31 December 2015 RM'000
Current liabilities	32,221	44,239
Non-current liabilities	24,866	35,316
	<u>57,087</u>	<u>79,555</u>
The borrowings are denominated in the following currencies:		
- Ringgit Malaysia	48,217	69,924
- United States Dollar	4,099	4,936
- Vietnamese Dong	4,771	4,695
	<u>57,087</u>	<u>79,555</u>

The bank borrowings are secured by way of debentures on the fixed and floating assets of the Group and corporate guarantees of the Company.

B8. DIVIDENDS

Other than the dividend paid as disclosed in Note A8, no dividend has been proposed by the Board of Directors for the financial period ended 30 September 2016.

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B9. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September		Cumulative period ended 30 September	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Operating profit is arrived at after charging/ (crediting):				
Interest expense	355	442	1,076	912
Depreciation and amortization	1,219	1,254	3,555	3,422
Inventories written down	92	345	370	693
Interest income	(45)	(83)	(135)	(155)
Net loss/(gain) on foreign exchange	(55)	(2,119)	578	(2,494)
(Gain)/loss on disposal of property, plant and equipment	<u>(66)</u>	<u>1</u>	<u>(107)</u>	<u>125</u>

- (a) There were no gain or loss on disposal of quoted or unquoted investments or properties during the current quarter and financial year-to-date under review.
- (b) Apart from the above, there were no impairment of other assets during the current quarter and financial year-to-date under review.
- (c) There were no gain or loss on derivatives during the current quarter and financial year-to-date under review.
- (d) There were no exceptional items during the current quarter and financial year-to-date under review.

B10. MATERIAL LITIGATION

The Group is not involved in any claim or legal action that will have a material effect on the Group's financial position, results of operations or liquidity at the date of this report.

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B11. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the parent for the period by the weighted average number of ordinary shares in issue during the period (excluding treasury shares).

The weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect retrospective adjustments arising from the Share Split which was completed on 14 September 2016, as required by FRS 133, Earnings Per Share.

	Quarter ended 30 September		Cumulative period ended 30 September	
	2016	2015 Restated	2016	2015 Restated
Profit attributable to owners of the parent (RM'000)	<u>3,172</u>	<u>1,638</u>	<u>6,358</u>	<u>2,794</u>
Weighted average number of ordinary shares in issue ('000)	<u>295,820</u>	<u>289,707</u>	<u>295,824</u>	<u>289,707</u>
Basic earnings per ordinary share (sen)	<u>1.07</u>	<u>0.57</u>	<u>2.15</u>	<u>0.96</u>

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B11. EARNINGS PER ORDINARY SHARE (CONT'D)

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share is calculated by dividing by profit attributable to equity holders of the parent for the period by the weighted average number of ordinary shares in issue adjusted for the effects of dilutive potential ordinary shares.

	Quarter ended 30 September		Cumulative period ended 30 September	
	2016	2015 Restated	2016	2015 Restated
Profit attributable to owners of the parent (RM'000)	<u>3,172</u>	<u>1,638</u>	<u>6,358</u>	<u>2,794</u>
Weighted average number of ordinary shares in issue (‘000)	295,820	289,707	295,824	289,707
Effect of dilution	<u>38,642</u>	<u>-**</u>	<u>34,523</u>	<u>-**</u>
Adjusted weighted average number of ordinary shares in issue (‘000)	<u>334,462</u>	<u>289,707</u>	<u>329,347</u>	<u>289,707</u>
Diluted earnings per ordinary share (sen)	<u>0.95</u>	<u>-**</u>	<u>1.93</u>	<u>-**</u>

**The effect on the diluted earnings per share for the corresponding period of year 2015 arising from the warrants was anti-dilutive. Accordingly, the diluted EPS was not presented for the said period.

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B12. NET ASSETS PER SHARE

Net assets per share attributable to owners of the parent is arrived at by dividing the total equity attributable to owners of the parent at the end of the period by the number of ordinary shares in issue at the end of the period (excluding treasury shares).

The number of ordinary shares in issue for the previous financial year has been restated to reflect retrospective adjustments arising from the Share Split which was completed on 14 September 2016.

	As at 30 September 2016 ‘000	As at 31 December 2015 Restated ‘000
Total equity attributable to owners of the parent (RM)	<u>123,002</u>	<u>116,837</u>
Number of ordinary shares in issue	296,237	290,125
Number of shares repurchased	<u>(418)</u>	<u>(418)</u>
Number of ordinary shares in issue (excluding treasury shares)	<u>295,820</u>	<u>289,707</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.4158</u>	<u>0.4033</u>

13. REALISED AND UNREALISED PROFITS OR LOSSES

	As at 30 September 2016 RM'000	As at 31 December 2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	64,959	58,167
- Unrealised	<u>(314)</u>	<u>(441)</u>
	64,645	57,726
Total share of retained earnings from a joint venture:		
- Realised	516	1,012
- Unrealised	<u>-</u>	<u>4</u>
	65,161	58,742
Less: Consolidation adjustments	<u>(19,084)</u>	<u>(17,545)</u>
Retained earnings as per Consolidated Statement of Financial Position	<u>46,077</u>	<u>41,197</u>

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B14. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 November 2016.