

PRG HOLDINGS BERHAD
(Company No: 541706-V)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017 - UNAUDITED

	Notes	Quarter ended 30 June		Cumulative period ended 30 June	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	A10	59,045	33,236	93,411	64,260
Cost of sales		(41,129)	(24,918)	(65,289)	(46,731)
Gross profit		<u>17,916</u>	<u>8,318</u>	<u>28,122</u>	<u>17,529</u>
Other income		421	544	1,045	899
Administrative expenses		(9,674)	(5,276)	(16,688)	(10,587)
Selling and marketing expenses		(2,300)	(1,055)	(3,379)	(1,798)
Other expenses		(646)	(374)	(1,173)	(1,265)
Finance costs		(365)	(340)	(724)	(721)
Interest income		51	44	101	90
Share of profit of a joint venture (net of tax)		28	91	82	88
Profit before tax	A10	<u>5,431</u>	<u>1,952</u>	<u>7,386</u>	<u>4,235</u>
Tax expense	B5	(2,064)	(219)	(2,973)	(802)
Profit for the period	A10	<u>3,367</u>	<u>1,733</u>	<u>4,413</u>	<u>3,433</u>
Other comprehensive income					
Foreign currency translations		(1,293)	(273)	(1,243)	(925)
Total comprehensive income for the period		<u>2,074</u>	<u>1,460</u>	<u>3,170</u>	<u>2,508</u>
Profit attributable to:					
Owners of the parent		1,414	1,615	2,305	3,186
Non-controlling interest		1,953	118	2,108	247
		<u>3,367</u>	<u>1,733</u>	<u>4,413</u>	<u>3,433</u>
Total comprehensive income attributable to:					
Owners of the parent		118	1,344	1,059	2,266
Non-controlling interest		1,956	116	2,111	242
		<u>2,074</u>	<u>1,460</u>	<u>3,170</u>	<u>2,508</u>
Earnings per ordinary share attributable to owners of the parent (sen):	B11				
Basic		0.47	0.55	0.77	1.08
Diluted		<u>0.34</u>	<u>0.49</u>	<u>0.55</u>	<u>0.98</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 2016 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 SECOND QUARTER 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017 - UNAUDITED

	Notes	As at 30 June 2017 RM'000	As at 31 December 2016 RM'000
Non-current assets			
Property, plant and equipment		48,929	50,166
Investment in a joint venture		959	1,355
Deferred tax assets		564	564
Intangible assets		1,418	1,457
Total non-current assets		<u>51,870</u>	<u>53,542</u>
Current assets			
Inventories		24,284	23,888
Property development costs		143,260	156,923
Trade and other receivables		41,456	31,641
Current tax assets		1,042	959
Cash and bank balances		15,944	20,504
Total current assets		<u>225,986</u>	<u>233,915</u>
Total assets		<u><u>277,856</u></u>	<u><u>287,457</u></u>
Equity			
Share capital		76,050	74,555
Share premium		-	1,404
Exchange translation differences		(1,220)	26
Warrants reserve		4,013	4,022
Treasury shares		(87)	(87)
Retained earnings	B13	46,287	43,982
Total attributable to owners of the parent		125,043	123,902
Non-controlling interests		1,134	(977)
Total equity		<u>126,177</u>	<u>122,925</u>
Non-current liabilities			
Borrowings	B7	15,905	17,201
Trade and other payables		11,580	11,580
Deferred tax liabilities		1,089	1,089
Total non-current liabilities		<u>28,574</u>	<u>29,870</u>
Current liabilities			
Trade and other payables		96,904	100,242
Borrowings	B7	23,728	33,751
Current tax liabilities		2,473	669
Total current liabilities		<u>123,105</u>	<u>134,662</u>
Total liabilities		<u>151,679</u>	<u>164,532</u>
Total equity and liabilities		<u><u>277,856</u></u>	<u><u>287,457</u></u>
Net assets per share attributable to owners of the parent (RM)	B12	<u>0.4196</u>	<u>0.4161</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 2016 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 SECOND QUARTER 2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017 - UNAUDITED

	<----- Attributable to owners of the parent ----->								
	<-----Non-distributable----->			Distributable					
Notes	Share capital RM'000	Share premium RM'000	Exchange translation differences RM'000	Warrants reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
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	-	-	-	-	-	3,186	3,186	247	3,433
Foreign currency translations	-	-	(920)	-	-	-	(920)	(5)	(925)
Issuance of shares pursuant to exercise of warrants	1,494	986	-	(239)	-	-	2,241	-	2,241
Balance at 30 June 2016	<u>74,025</u>	<u>1,054</u>	<u>(2,138)</u>	<u>4,107</u>	<u>(87)</u>	<u>44,383</u>	<u>121,344</u>	<u>(1,516)</u>	<u>119,828</u>
Balance at 1 January 2017	74,555	1,404	26	4,022	(87)	43,982	123,902	(977)	122,925
Adjustment for effects of CA 2016	1,404	(1,404)	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	2,305	2,305	2,108	4,413
Foreign currency translations	-	-	(1,246)	-	-	-	(1,246)	3	(1,243)
Issuance of shares pursuant to exercise of warrants	91	-	-	(9)	-	-	82	-	82
Balance at 30 June 2017	<u>76,050</u>	<u>-</u>	<u>(1,220)</u>	<u>4,013</u>	<u>(87)</u>	<u>46,287</u>	<u>125,043</u>	<u>1,134</u>	<u>126,177</u>

Note 1:

With the Companies Act 2016 ("CA 2016") coming into effect on 31 January 2017, the credit standing in the share premium account has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the CA 2016, the Company may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the CA 2016.

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 2016 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 SECOND QUARTER 2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2017 - UNAUDITED

	Year-to-date ended 30 June	
	2017 RM'000	2016 RM'000
Cash flows from operating activities		
Profit before tax	7,386	4,235
Adjustments for:		
Non-cash items	2,255	2,573
Finance costs	724	721
Interest income	(101)	(90)
Share of profit of a joint venture	(82)	(88)
Operating profit before changes in working capital	<u>10,182</u>	<u>7,351</u>
(Increase)/ decrease in inventories	(1,013)	1,283
Increase in trade and other receivables	(9,775)	(1,465)
Decrease/(increase) in property development costs	13,663	(4,306)
Increase in trade and other payables	<u>(3,348)</u>	<u>10,913</u>
Cash generated from operations	9,709	13,776
Tax paid (net with tax refunded)	<u>(1,230)</u>	<u>(421)</u>
Net cash from operating activities	<u>8,479</u>	<u>13,355</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,182)	(1,431)
Repayment from a joint venture	(64)	-
Dividends received from a joint venture	440	319
Interest received	101	90
Proceeds from disposal of property, plant and equipment	1,494	537
Deposits placed with financial institutions with original maturity of more than three (3) months	99	-
Placement of restricted cash	<u>(34)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,146)</u>	<u>(485)</u>
Cash flows from financing activities		
Interest paid	(724)	(721)
Drawdown of borrowings	12,143	11,351
Repayments of borrowings	(22,072)	(31,285)
Repayments of hire purchase creditors	(874)	(558)
Proceeds from issuance of shares pursuant to exercise of warrants	<u>82</u>	<u>2,240</u>
Net cash used in financing activities	<u>(11,445)</u>	<u>(18,973)</u>
Net decrease in cash and cash equivalents	(4,112)	(6,103)
Effects of exchange rate changes	(293)	111
Cash and cash equivalents at beginning of period	<u>17,003</u>	<u>20,743</u>
Cash and cash equivalents at end of period	<u>12,598</u>	<u>14,751</u>
Cash and cash equivalents comprise:		
Cash and bank balances	15,944	17,742
Less: Bank overdraft	(569)	(290)
Deposits placed with financial institutions		
with original maturity of more than three (3) months	(28)	(28)
Restricted cash	<u>(2,749)</u>	<u>(2,673)</u>
	<u>12,598</u>	<u>14,751</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

PRG HOLDINGS BERHAD (541706-V)

QUARTERLY REPORT – 30 JUNE 2017

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 2016 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 2016 and should be read in conjunction with the Company’s audited financial statements for the financial year ended 31 December 2016.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016, 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 2017.

Amendments to FRSs 'Annual Improvements to FRSs 2014-2016 Cycle'

FRS 107: Disclosures Initiatives

FRS 112: Recognition of Deferred Tax for Unrealised Losses

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

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework. The MFRS Framework has been applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption will be mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018.

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A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The financial statements could be different if prepared under the MFRS Framework.

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

The report of the auditors to members of the Company dated 4 April 2017 on the audited financial statements for the financial year ended 31 December 2016 did not contain any qualification.

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

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

No dividend were paid during the current quarter and financial year-to-date under review in relation to the financial year ending 31 December 2017.

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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:

	Manufacturing		Property development & construction		Others		Eliminations		Consolidated	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
For the period ended 30 June										
Revenue										
Revenue from external customers	58,446	45,860	34,965	18,400	-	-	-	-	93,411	64,260
Inter-segment revenue	242	426	12,807	1,180	21,594	3,189	(34,643)	(4,795)	-	-
Total revenue	58,688	46,286	47,772	19,580	21,594	3,189	(34,643)	(4,795)	93,411	64,260
Segment Results	7,950	2,533	3,728	2,366	(4,374)	(752)	-	-	7,304	4,147
Share of profit of a joint venture (net of tax)	82	88	-	-	-	-	-	-	82	88
Profit/(loss) before tax	8,032	2,621	3,728	2,366	(4,374)	(752)	-	-	7,386	4,235
Taxation									(2,973)	(802)
Profit for the financial period									4,413	3,433

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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) Furniweb Holding Limited, a wholly-owned subsidiary companies has been incorporated in the Cayman Islands as an exempted company with limited liability on 3 March 2017 under the PRG Group.
- b) Premier International Marketing Sdn Bhd, a wholly-owned subsidiary has been incorporated on 13 April 2017 under the PRG Group.
- c) Premier Construction International Sdn Bhd, a wholly-owned subsidiary has been incorporated on 21 April 2017 under the PRG Group.
- d) PRG Global Sdn Bhd, a wholly-owned subsidiary has been incorporated on 22 May 2017 under the PRG Group.
- e) PRG Asset Sdn Bhd, a wholly-owned subsidiary has been incorporated on 6 June 2017 under the PRG Group.
- f) Premier Food Processing Sdn Bhd, a wholly-owned subsidiary has been incorporated on 14 June 2017 under the PRG Group.
- g) PRG Construction Sdn Bhd, a wholly-owned subsidiary has been incorporated on 28 June 2017 under the PRG Group.

A13. 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 2016.

A14. 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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A15. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended		Cumulative period ended	
	30 June		30 June	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Sale of goods	<u>217</u>	<u>1,435</u>	<u>447</u>	<u>2,378</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 RM59.0 million for current quarter of 2017 was RM25.8 million higher than the RM33.2 million reported in the corresponding quarter of the previous year. Revenue for the financial year-to-date under review was RM93.4 million, RM29.1 million higher than RM64.3 million recorded in the same period of the preceding year.

The Group recorded a profit before tax of RM5.4 million in current quarter of 2017 was RM3.4 million higher than profit before tax of RM2.0 million for same quarter of last year. Profit before tax for the current financial year-to-date of RM7.4 million was RM3.2 million higher than profit before taxation of RM4.2 million reported in the corresponding period of year 2016.

Increase in the Group's revenue and profit before tax during the financial period mainly contributed by higher revenue and profit recognition from Picasso Residence development project as well as improved performance of manufacturing division. The profit before tax for the financial period was reduced by RM3.5 million for the corporate exercise expenses in relation to the Proposed Listing.

a) Manufacturing

The revenue of RM29.9 million from manufacturing segment for the current quarter of year 2017 was RM6.3 million higher than RM23.6 million recorded in the corresponding quarter of 2016. The segment's revenue for the financial year-to-date of RM58.4 million was also RM12.5 million higher than RM45.9 million recorded in the same period of last year.

Profit before tax recorded by manufacturing segment during the quarter under review was RM4.0 million, RM1.8 million higher than RM2.2 million reported in the same quarter of last year. The segment's profit before taxation of RM8.0 million for the financial year-to-date was RM5.4 million higher than RM2.6 million for the same period of year 2016.

Increase in revenue for the current quarter are mainly due to increased sales volume and product mix. The increase in profit before tax was in tandem with the increase in revenue.

b) Property development & construction

The property development & construction segment recorded a revenue of RM29.2 million for the current quarter of year 2017, RM19.6 million higher than RM9.6 million recorded in the same quarter of last year. The revenue for the financial year-to-date of RM35.0 million was also RM16.6 million higher than RM18.4 million recorded in the same period of last year.

Profit before tax of RM4.7 million in the current quarter, RM4.6 million higher than profit before tax of RM0.1 million recorded in the corresponding quarter of last year. The profit before tax for financial year-to-date under review was RM3.7 million, RM1.3 million higher than profit before tax of RM2.4 million reported for the same period of year 2016.

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B1. ANALYSIS OF PERFORMANCE (CONT'D)

b) Property development & construction (Cont'd)

Increase in revenue and profit before tax during the quarter was mainly due to higher sales and higher percentage of completion from Picasso Residence development.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER

The Group recorded revenue of RM59.1 million and profit before tax of RM5.4 million for the current quarter ended 30 June 2017 as compared to revenue of RM34.4 million and profit before tax of RM2.0 million for the preceding quarter. Increase in revenue and profit before tax mainly due to higher revenue contribution from Picasso Residence and improved performance of manufacturing segment.

B3. PROSPECTS

The manufacturing division expects to achieve a satisfactory performance.

The Malaysian property and construction market is expected to remain challenging. 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.

B5. TAX EXPENSE

	Quarter ended 30 June		Cumulative period ended 30 June	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Current year taxation:				
- Malaysia	1,593	(1)	2,092	468
- Overseas	471	220	881	334
	<u>2,064</u>	<u>219</u>	<u>2,973</u>	<u>802</u>

The effective tax rate of the Group for the period ended 30 June 2017 is higher than the statutory tax rate as certain subsidiaries experienced losses and corporate expenses not deductible for tax purposes during the quarter and financial year-to-date under review.

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B6. STATUS OF CORPORATE PROPOSALS

a) **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 completed an internal reorganisation on 28 April 2017 to rationalise the Group's structure in preparation for the Proposed Listing.

The Company has, through Shenwan Hongyuan Capital (H.K.) Limited, the sole sponsor to the Proposed Listing, submitted an application to the HK Exchange on 11 May 2017 for the Proposed Listing.

The Proposed Listing was approved by the shareholders of the Company at the Extraordinary General Meeting held on 21 July 2017.

b) **Proposed disposal of partial charter capital in Furnitech Components (Vietnam) Co., Ltd ("Proposed Disposal")**

Furniweb (Vietnam) Shareholding Company ("FVSC"), a wholly-owned subsidiary of PRG, Scoot Filoot Pty Ltd ("Scoot") and Shann Australia Pty Ltd ("Shann") had on 26 July 2017 entered into a share purchase agreement with Lubra Beteiligungsgesellschaft mbH ("Lubra") in relation to the disposal by FVSC, Scoot and Shann and acquisition by Lubra of part of the charter capital of Furnitech Components (Vietnam) Co., Ltd ("Furnitech"), upon the terms and conditions stipulated in the SPA; and

FVSC, Scoot, Shann and Lubra had also on even date entered into a members' agreement ("MA") to amongst others, set out the terms governing their relationship as shareholders in Furnitech and the capital contribution by Lubra into Furnitech, upon the terms and conditions stipulated in the MA.

B7. BORROWINGS

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

	As at 30 June 2017 RM'000	As at 31 December 2016 RM'000
Current liabilities	23,728	33,751
Non-current liabilities	15,905	17,201
	<u>39,633</u>	<u>50,952</u>
The borrowings are denominated in the following currencies:		
- Ringgit Malaysia	29,071	40,106
- United States Dollar	4,484	5,025
- Vietnamese Dong	6,078	5,821
	<u>39,633</u>	<u>50,952</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.

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B8. DIVIDENDS

The Board of Director has proposed a final single tier dividend of 0.5 sen per share for the financial year ended 31 December 2016

B9. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 June		Cumulative period ended 30 June	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Operating profit is arrived at after charging/ (crediting):				
Interest expense	365	340	724	721
Depreciation and amortization	1,249	1,132	2,488	2,336
Inventories written down	-	140	-	278
Reversal of inventories written down	(378)	-	(21)	-
Interest income	(51)	(44)	(101)	(90)
Net loss on foreign exchange	807	37	879	633
Gain on disposal of property, plant and equipment	<u>(286)</u>	<u>(25)</u>	<u>(295)</u>	<u>(41)</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 period/ 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 June		Cumulative period ended 30 June	
	2017	2016 Restated	2017	2016 Restated
Profit attributable to owners of the parent (RM'000)	<u>1,414</u>	<u>1,615</u>	<u>2,305</u>	<u>3,186</u>
Weighted average number of ordinary shares in issue ('000)	<u>297,822</u>	<u>295,681</u>	<u>297,812</u>	<u>294,365</u>
Basic earnings per ordinary share (sen)	<u>0.47</u>	<u>0.55</u>	<u>0.77</u>	<u>1.08</u>

(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 June		Cumulative period ended 30 June	
	2017	2016 Restated	2017	2016 Restated
Profit attributable to owners of the parent (RM'000)	<u>1,414</u>	<u>1,615</u>	<u>2,305</u>	<u>3,186</u>
Weighted average number of ordinary shares in issue ('000)	297,822	295,681	297,812	294,365
Effect of dilution	<u>120,379</u>	<u>33,524</u>	<u>117,572</u>	<u>32,283</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>418,201</u>	<u>329,205</u>	<u>415,484</u>	<u>326,648</u>
Diluted earnings per ordinary share (sen)	<u>0.34</u>	<u>0.49</u>	<u>0.55</u>	<u>0.98</u>

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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 period/ year has been restated to reflect retrospective adjustments arising from the Share Split which was completed on 14 September 2016.

	As at 30 June 2017	As at 31 December 2016
Total equity attributable to owners of the parent (RM'000)	125,043	123,902
Number of ordinary shares in issue ('000)	298,440	298,220
Number of shares repurchased ('000)	(418)	(418)
Number of ordinary shares in issue (excluding treasury shares) ('000)	298,022	297,803
Net assets per share attributable to owners of the parent (RM)	0.4196	0.4161

B13. REALISED AND UNREALISED PROFITS OR LOSSES

	As at 30 June 2017 RM'000	As at 31 December 2016 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	80,124	68,755
- Unrealised	(343)	445
	79,781	69,200
Total share of retained earnings from a joint venture:		
- Realised	548	474
- Unrealised	6	8
	80,335	69,682
Less: Consolidation adjustments	(34,048)	(25,700)
Retained earnings as per Consolidated Statement of Financial Position	46,287	43,982

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 18 August 2017.