



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Condensed Consolidated Statements of Profit or Loss

And Other Comprehensive Income (unaudited)

For the Second Financial Quarter Ended 31 December 2016

	3 months ended		Year-to-date ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
<b>Revenue</b>	<b>49,337</b>	<b>55,944</b>	<b>93,476</b>	<b>96,993</b>
Other income/(expenses)	2,728	(945)	3,697	5,908
Operating expenses	(44,010)	(47,384)	(82,107)	(86,166)
<b>Profit from operations</b>	<b>8,055</b>	<b>7,615</b>	<b>15,066</b>	<b>16,735</b>
Depreciation & amortisation	(1,632)	(1,442)	(3,219)	(2,840)
Finance income	24	11	43	14
Finance costs	(376)	(160)	(678)	(248)
<b>Profit before tax</b>	<b>6,071</b>	<b>6,024</b>	<b>11,212</b>	<b>13,661</b>
Income tax expense	(1,016)	(1,858)	(2,031)	(3,396)
<b>Profit for the period</b>	<b>5,055</b>	<b>4,166</b>	<b>9,181</b>	<b>10,265</b>
<b>Other comprehensive income, net of tax:-</b> <i>Item that will be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	(227)	(565)	562	(1,768)
<b>Other comprehensive income for the period</b>	<b>(227)</b>	<b>(565)</b>	<b>562</b>	<b>(1,768)</b>
<b>Total comprehensive income for the period</b>	<b>4,828</b>	<b>3,601</b>	<b>9,743</b>	<b>8,497</b>
<b>Profit attributable to:</b>				
Owners of the Company	4,921	4,046	8,970	10,200
Non-controlling interests	134	120	211	65
<b>Profit for the period</b>	<b>5,055</b>	<b>4,166</b>	<b>9,181</b>	<b>10,265</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	4,744	3,456	9,541	8,611
Non-controlling interests	84	145	202	(114)
<b>Total comprehensive income for the period</b>	<b>4,828</b>	<b>3,601</b>	<b>9,743</b>	<b>8,497</b>
<b>Earning per share attributable to owners of the Company (sen) (Note B10)</b>				
- Basic at nominal value of RM0.10 per share	<b>0.60</b>	<b>0.51</b>	<b>1.10</b>	<b>1.30</b>
- Diluted at nominal value of RM0.10 per share	<b>0.50</b>	<b>0.40</b>	<b>0.91</b>	<b>1.02</b>

The Condensed Consolidated Statements of Profit or Loss And Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

**Hovid Bhd (Company no: 58476 A)**

**Condensed Consolidated Statements of Financial Position (Unaudited)**

**For the Second Financial Quarter Ended 31 December 2016**

	As at 31.12.2016 (Unaudited) RM'000	As at 30.6.2016 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	196,859	169,507
Intangible assets	21,264	20,472
Investment properties	2,600	2,600
Available-for-sale investment	-	-
Deferred tax assets	981	926
	221,704	193,505
<b>Current Assets</b>		
Inventories	37,670	34,181
Trade receivables	36,499	39,827
Other receivables, deposits and prepayments	22,195	21,577
Tax recoverable	1,513	309
Cash and deposits	20,320	23,350
	118,197	119,244
<b>Total Assets</b>	<b>339,901</b>	<b>312,749</b>
<b>EQUITY</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	81,942	81,482
Share premium	5,824	5,364
Reserves	38,907	38,428
Retained earnings	81,307	76,426
	207,980	201,700
<b>Non-controlling interests</b>	2,825	2,623
<b>Total Equity</b>	210,805	204,323
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	14,144	13,912
Term loans	44,658	35,106
Finance lease liabilities	578	539
Provision for retirement benefits	4,618	4,246
	63,998	53,803
<b>Current Liabilities</b>		
Trade payables	14,751	11,219
Other payables and accruals	20,308	17,745
Term loans	8,671	7,063
Short term borrowings	21,240	18,468
Finance lease liabilities	128	128
	65,098	54,623
<b>Total Liabilities</b>	129,096	108,426
<b>Total Equity And Liabilities</b>	<b>339,901</b>	<b>312,749</b>
<b>Net Assets Per Share Attributable To Owners Of The Company (Sen)</b>	<b>25.38</b>	<b>24.75</b>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Condensed Consolidated Statements of Changes in Equity (unaudited)

For the Second Financial Quarter Ended 31 December 2016

	Attributable to Owners of the Company					Non-controlling Interests	Total Equity
	Non-distributable			Distributable	Total		
	Share capital RM'000	Share premium RM'000	Reserves RM'000	Retained earnings RM'000	RM'000		
<b>PERIOD ENDED 31 DECEMBER 2016</b>							
<b>At 1 July 2016</b>	<b>81,482</b>	<b>5,364</b>	<b>38,428</b>	<b>76,426</b>	<b>201,700</b>	<b>2,623</b>	<b>204,323</b>
Total comprehensive income for the period	-	-	571	8,970	9,541	202	9,743
Transactions with owners of the Company:-							
Conversion of warrants	460	460	(92)	-	828	-	828
Interim dividend	-	-	-	(4,089)	(4,089)	-	(4,089)
<b>At 31 December 2016</b>	<b>81,942</b>	<b>5,824</b>	<b>38,907</b>	<b>81,307</b>	<b>207,980</b>	<b>2,825</b>	<b>210,805</b>
<b>PERIOD ENDED 31 DECEMBER 2015</b>							
<b>At 1 July 2015</b>	<b>78,135</b>	<b>2,018</b>	<b>38,298</b>	<b>65,250</b>	<b>183,701</b>	<b>2,310</b>	<b>186,011</b>
Total comprehensive income for the period	-	-	(1,589)	10,200	8,611	(114)	8,497
Transactions with owners of the Company:-							
Conversion of warrants	1,855	1,855	(371)	-	3,339	-	3,339
Interim dividends	-	-	-	(6,695)	(6,695)	-	(6,695)
<b>At 31 December 2015</b>	<b>79,990</b>	<b>3,873</b>	<b>36,338</b>	<b>68,755</b>	<b>188,956</b>	<b>2,196</b>	<b>191,152</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

**Hovid Bhd (Company no: 58476 A)**

**Condensed Consolidated Statements of Cash Flows (unaudited)  
For the Second Financial Quarter Ended 31 December 2016**

	Note	6 months ended	
		31.12.2016 RM'000	31.12.2015 RM'000
<b>Cash flows from operating activities</b>			
Profit before tax		11,212	13,661
<i>Adjustments for:</i>			
Amortisation of intangible assets		324	304
Provision for retirement benefits		338	279
Depreciation of property, plant and equipment		2,895	2,536
(Gain)/loss on disposals of properties, plant and equipment		(87)	1
Impairment loss on receivables		32	49
Interest expense		678	248
Interest income		(43)	(14)
Inventories written down		-	(3)
Inventories written off		180	222
Impairment of product development expenditure		800	2,450
Property, plant and equipment written off		10	9
Reversal of impairment loss on receivables		(11)	(6)
Unrealised gain on foreign exchange		(2,976)	(4,283)
<b>Operating profit before changes in working capital</b>		13,352	15,453
Change in inventories		(3,669)	(7,341)
Change in receivables, deposits and prepayments		2,689	(21,690)
Change in payables and accruals		8,614	12,037
Bankers' acceptances		2,772	7,819
<b>Cash generated from operations</b>		23,758	6,278
Tax paid		(2,846)	(3,146)
<b>Net cash from operating activities</b>		20,912	3,132
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(31,383)	(13,156)
Interest received		43	14
Proceeds from disposals of property, plant and equipment		330	1
Product development expenditure incurred		(1,916)	(1,277)
Proceeds from government grants		2,766	-
<b>Net cash used in investing activities</b>		(30,160)	(14,418)



Continuous Innovation & Quality

**Hovid Bhd (Company no: 58476 A)**

**Condensed Consolidated Statements of Cash Flows (unaudited)  
For the Second Financial Quarter Ended 31 December 2016**

	Note	6 months ended	
		31.12.2016 RM'000	31.12.2015 RM'000
<b>Cash flows from financing activities</b>			
Interest paid		(678)	(313)
Placement of pledged deposits with a licensed bank		(14)	(17)
Repayment of finance lease liabilities		(79)	(97)
Repayment of term loans		(1,859)	(371)
Drawdown of term loans		12,992	12,111
Interim dividends paid		(4,089)	(6,695)
Proceeds from warrants conversion		828	3,339
<b>Net cash from financing activities</b>		<b>7,101</b>	<b>7,957</b>
Change in cash and cash equivalents		(2,147)	(3,329)
Effect of exchange rates fluctuations on cash held		(897)	245
Cash and cash equivalents at beginning of the period		21,940	21,847
<b>Cash and cash equivalents at end of the period</b>	(I)	<b>18,896</b>	<b>18,763</b>

Note (I) Cash and cash equivalents comprises:

Cash and bank balances	20,320	19,838
Less: Fixed deposits pledged to banks	(1,424)	(1,075)
	<u>18,896</u>	<u>18,763</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Second Financial Quarter Ended 31 December 2016

Explanatory Notes as per MFRS 134, Interim Financial Reporting

**A1 Basis of preparation**

The condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed interim financial statements also comply with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standard Board ("IASB").

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2016. The explanatory notes attached to the condensed 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 30 June 2016.

**A2 Changes in accounting policies**

During the period, the Group adopted all new and revised MFRSs and IC Interpretations ("IC Int.") and amendments to MFRSs and IC Int. issued that are relevant to the Group's operations and effective for accounting years beginning on or after 1 July 2016. The adoption of these new and revised MFRSs and IC Int. have not resulted in material change to the Group's accounting policies.

**Standards and IC Interpretations ("IC Int.") in issue but not yet effective**

The Group has not elected for early adoption of the relevant new and revised MFRSs and IC Int. and amendments to MFRSs and IC Int. which have been issued but not yet effective at the date of authorisation for issue of these condensed interim financial statements. The directors anticipate that the adoption of these Standards and IC Int. when they become effective will have no material impact on the financial statements of the Group in the period of initial recognition.

**A3 Audit report of preceding annual financial statements**

The audit report of the preceding annual financial statements was not subject to any qualification.

**A4 Comment about seasonal or cyclical factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the quarter under review.

**A5 Unusual items affecting assets, liabilities, equities, net income or cash flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the quarter under review.

**A6 Significant estimates and changes in estimates**

There were no changes in estimates that have had any material effect during the quarter under review.

**A7 Debt and equity securities**

During the current quarter, the Company issued 1,770,300 ordinary shares of RM0.10 each for cash arising from the exercise of Warrants at an exercise price of RM0.18 per ordinary share.

Other than the above, there was no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

**A8 Dividends paid**

An interim single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2016, declared by the Directors on 30 August 2016, was paid on 11 October 2016.



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Second Financial Quarter Ended 31 December 2016

Explanatory Notes as per MFRS 134, Interim Financial Reporting

**A9 Segment information**

The Group is principally confined to the manufacturing and sale of pharmaceutical and herbal products. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating segment.

**A10 Valuation of property, plant and equipment**

The Group did not carry out any revaluation on its property, plant and equipment during the quarter under review.

**A11 Material subsequent events**

The Company's manufacturing licences for both production facilities located at Lot 56442, 7½ Miles, Jalan Ipoh/Chemor 31200 Chemor Perak, and 121, Jalan Tunku Abdul Rahman (formerly known as Jalan Kuala Kangsar), 30010 Ipoh, Perak, were revoked by the Pharmaceutical Services Division of the Ministry of Health ("PSD") on 9 January, 2017 via the facsimile received from PSD on the same date. Consequently, all our manufacturing activities were halted with immediate effect.

PSD issued the letter to revoke the manufacturing licences based on the following audit findings by National Pharmaceutical Regulatory Agency ("NPR") during their audit conducted on 5 January 2017:-

- i. Current Good Manufacturing Practice ("cGMP") compliance are not acceptable, and
- ii. Pharmaceutical Quality System does not comply with the latest cGMP requirements.

NPR came for their audit from 1 to 3 February 2017, subsequent to our submission of the necessary corrective actions to improve our cGMP. NPR reverted with their comments on 10 February 2017. Currently, we are liaising with NPR on the necessary improvements. The re-issuance of the licences will be subject to NPR being satisfied with the outcome of our improvements.

**A12 Changes in the composition of the Group**

There were no changes to the composition of the Group during the quarter under review.

**A13 Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets since the date of last annual report as at 30 June 2016, to the date of this report.

**A14 Significant related parties transactions**

	3 months ended		Year-to-date ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
<b>Transactions with companies in which a Director is also a director of those companies</b>				
Sales	1	1	4	1
Reallocation of common costs	17	16	25	16
Purchases	(481)	(1,237)	(996)	(1,245)
Steam supply income/(expense)	177	(56)	271	(56)
Rental of boiler expense	(5)	(4)	(9)	(4)
Research services rendered	-	4	1	4
<b>Transactions with a company in which a person connected with a Director has substantial financial interests</b>				
Purchase of computer equipment and accessories	(42)	(157)	(65)	(244)



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Second Financial Quarter Ended 31 December 2016

Explanatory Notes as per MFRS 134, Interim Financial Reporting

**A15 Capital commitments**

The Group's capital commitments not provided for in the interim financial statements as at balance sheet date were as follows:-

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Authorised and contracted	15,120
Authorised but not contracted	4,653
<b>Total capital commitments</b>	<b>19,773</b>





Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Second Financial Quarter Ended 31 December 2016

Explanatory Notes Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

## B1 Review of performance

### For the Quarter

The Group recorded a revenue of RM49.3 million during the current quarter which represents a decrease of 11.8% or RM6.6 million as compared to the preceding year corresponding quarter's revenue of RM55.9 million. The decrease was mainly due to a surge in local sales in the previous year's corresponding quarter prior to our price increase which took effect from January 2016, and the deferment of an export shipment during the current quarter pending receipt of payment from the customer.

The Group's pre-tax profit of RM6.1 million was slightly higher in comparison to preceding year corresponding quarter's result of RM6.0 million despite a lower revenue. Foreign exchange gain of RM2.4 million arising from a stronger United States of America Dollar ("USD") in comparison to the foreign exchange loss of RM1.0 million in previous year's corresponding quarter, contributed to the better result in the current quarter.

### Year-to-date

The Group's revenue for the current financial period amounting to RM93.5 million was RM3.5 million or 3.6% lower in comparison to RM97.0 million achieved in the previous financial period. The lower revenue was mainly due to a surge in local sales in the previous year's corresponding quarter prior to our price increase which took effect from January 2016, and the deferment of an export shipment during the current quarter pending receipt of payment from the customer.

The Group's pre-tax profit for the current financial period of RM11.2 million, was RM2.4 million or 17.9% lower in comparison to the previous financial period's profit of RM13.6 million. The poorer result was due to the lower revenue and lower foreign exchange gain recorded for the current financial period of RM3.1 million in comparison to RM5.7 million for the previous financial period that arose from the fluctuation of USD against RM.

## B2 Results comparison with preceding quarter

	Quarter ended	
	31.12.2016 RM'000	30.9.2016 RM'000
<b>Revenue</b>	49,337	44,139
<b><u>Profit before tax</u></b>		
Profit before tax and before foreign exchange differences	3,666	4,458
Add:		
Unrealised foreign exchange gain	2,787	189
Realised foreign exchange gain	(382)	494
Net foreign exchange gain	2,405	683
<b>Profit before tax</b>	<b>6,071</b>	<b>5,141</b>

The Group recorded a revenue of RM49.3 million during the current financial quarter which represents an increase of RM5.2 million or 11.8% as compared to the preceding financial quarter's revenue of RM44.1 million. The higher revenue for the current quarter was due to increased orders and the spillover of deferred shipments from preceding quarter to current quarter.

The Group's pre-tax profit was RM6.1 million, an increase of RM0.9 million or 18.1% as compared to the preceding quarter of RM5.2 million. Foreign exchange gain increased by RM1.7 million, from RM0.7 million in preceding quarter to RM2.4 million in the current quarter. However, this increase was offset by the current quarter's increase in operating expenses by RM1.3 million.

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Second Financial Quarter Ended 31 December 2016

Explanatory Notes Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

### B3 Commentary on Prospects

Barring any unforeseen circumstances and subject to having our manufacturing licences re-issued by the NPRA, the outlook for the Group is expected to be satisfactory given that the Group is expanding its tablet and capsule production facility and actively securing new overseas markets and registration of new products. However, the fluctuation of RM against the USD and the resulting unrealised forex exchange gains / loss may cause some fluctuations to our RM denominated financial results.

The Group will continue to enhance its competitive edge by continually placing emphasis in research and development and improving its production processes to achieve better efficiency.

### B4 Profit forecast, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any public document or any announcements made.

### B5 Income tax expense

	3 months ended		Year-to-date ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Income tax expense for current period	1,181	1,900	1,800	3,354
Deferred tax expense	(165)	(42)	231	42
Total	1,016	1,858	2,031	3,396

The effective tax rate for the current financial period is lower than the statutory tax rate mainly due to tax incentive and the non-taxable unrealised foreign exchange gain.

### B6 Status of corporate proposal and its proceeds utilisation

There are no corporate proposals announced but not completed for the quarter under review.

### B7 Borrowings and debt securities

Details of the Group's bank borrowings as at end of the period were as follows :-

	Current RM'000	Non-current RM'000	Total RM'000
Secured	30,039	45,236	75,275

The bank borrowings denominated in foreign currencies in RM equivalent are as follows:-

	RM'000
US Dollar	17,053
Philippines Peso	396
Colombian Peso	748
	<u>748</u>

### B8 Material litigation

There were no material litigation against the Group as at the reporting date that arose since the date of last annual report, other than the following litigation which is not material but disclosed here for information:-

As disclosed in the annual report for financial year ended 30 June 2016, on 24 December 2014, the Company's competitor ("Plaintiffs") took action against the Company for patent infringement for manufacturing and selling one of the Company's products. The Company had defended the suit and counterclaimed against the Plaintiffs to invalidate the subject patent.



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Second Financial Quarter Ended 31 December 2016

Explanatory Notes Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

**B8 Material litigation (Cont.)**

On 21 July 2016, the High Court of Kuala Lumpur had decided in favour of the Company and granted, inter alia, an order invalidating the subject patent and accordingly decided that there was no patent infringement. The claim against the Company for patent infringement was dismissed with costs by the High Court.

On 30 August 2016, the High Court awarded the Company total costs including disbursements of RM656,853.03, with interest of 5% per annum calculated on the total costs from 30 August 2016 until the date of full payment by the Plaintiffs. The amount awarded together with interest was received on 30 November 2016.

On 29 September 2016, the Plaintiffs filed a notice of appeal to the Court of Appeal of Malaysia against the decision of the High Court. The Company is defending the appeal by the Plaintiffs and is currently awaiting further date to be fixed by the Appeal Court.

**B9 Dividend proposed or declared**

On 30 August 2016, the Directors declared an interim single-tier dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 June 2016, amounting to RM4,089,210, which was paid on 11 October 2016.

**B10 Earnings per share**

The basic earnings per share has been calculated by dividing the Group's net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period. For the purpose of calculating diluted earnings per share, the profit attributable to shareholders and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, ie, warrants in issue.

	3 months ended		Year-to-date ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Net profit attributable to shareholders	4,921	4,046	8,970	10,200
<u>Number of ordinary shares</u>				
	'000	'000	'000	'000
Weighted average number of ordinary shares (basic)	818,504	791,065	817,611	787,449
Effects of dilution in outstanding Warrants	161,729	211,068	167,604	210,765
Weighted average number of ordinary shares (diluted)	980,233	1,002,133	985,215	998,214
<u>Earning per share</u>				
	Sen	Sen	Sen	Sen
Earning per share at nominal value of RM0.10 per share:-				
Basic	0.60	0.51	1.10	1.30
Diluted	0.50	0.40	0.91	1.02



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Second Financial Quarter Ended 31 December 2016

Explanatory Notes Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

**B11 Profit for the period**

Included in the profit for the period are:-

	3 months ended		Year-to-date ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Finance income	24	11	43	14
Other income	266	73	751	203
Finance cost	(376)	(160)	(678)	(248)
Depreciation and amortisation	(1,632)	(1,442)	(3,219)	(2,840)
Impairment loss on receivables	(28)	(15)	(32)	(49)
Reversal of impairment loss on receivables	2	-	11	6
Write off of receivables	-	-	(40)	-
Gain on disposal of property, plant and equipment	34	(1)	87	(1)
Inventories written off	(49)	(154)	(180)	(222)
Foreign exchange gain	2,405	(1,016)	3,088	5,700
Gain/(loss) on derivatives	-	-	-	-
Exceptional items	-	-	-	-

**B12 Realised and unrealised profits and losses disclosure**

	As at 31.12.2016 RM'000	As at 30.6.2016 RM'000
Total retained profits of Company and its subsidiaries:-		
Realised	92,345	91,675
Unrealised	(11,302)	(14,172)
Total	81,043	77,503
Consolidation adjustments	264	(1,077)
Total group retained earnings	81,307	76,426

Authorisation for issue

On 23 February 2017, the Board of Directors authorised this interim report for issue.

On behalf of the Board,

Goh Tian Hock

Ng Yuet Seam

Joint Secretaries