

**HANDAL RESOURCES BERHAD (816839-X)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

|  | <b>Individual Quarter</b>       |   | <b>Cumulative Period</b>        |  |
|--|---------------------------------|---|---------------------------------|--|
|  | <b>Current Quarter ended</b>    | <b>Preceding Year Corresponding Quarter</b> | <b>Cumulative Year To Date</b>  | <b>Preceding Year Corresponding Period</b> |
|  | <b>31 March 2017<br/>RM'000</b> | <b>31 March 2016<br/>RM'000</b>             | <b>31 March 2017<br/>RM'000</b> | <b>31 March 2016<br/>RM'000</b>            |
| <b>Revenue</b>   | 14,326                          | 22,389                                      | 14,326                          | 22,389                                     |
| Cost of sales  | (7,210)                         | (13,870)                                    | (7,210)                         | (13,870)                                   |
| <b>Gross profit</b>                                      | 7,116                           | 8,519                                       | 7,116                           | 8,519                                      |
| Other operating income                                   | 362                             | 146   | 362                             | 146  |
| Administration and other operating expenses              | (5,408)                         | (6,839)                                     | (5,408)                         | (6,839)                                    |
| Depreciation and amortisation cost                       | (683)                           | (787)                                       | (683)                           | (787)                                      |
| Finance costs  | (416)                           | (489)                                       | (416)                           | (489)                                      |
| <b>Profit before taxation</b>                            | 971                             | 550   | 971                             | 550  |
| Income tax expense                                       | (312)                           | (339)                                       | (312)                           | (339)                                      |
| <b>Profit after tax for the period</b>                   | 659                             | 211   | 659                             | 211  |
| <b>Other comprehensive income</b>                        | -                               | -   | -                               | -  |
| <b>Total other comprehensive income</b>                  | -                               | -   | -                               | -  |
| <b>Total comprehensive income for the period</b>         | 659                             | 211   | 659                             | 211  |
| <b>Profit attributable to:</b>                           |                                 |   |                                 |  |
| Equity holders of the parent                             | 659                             | 212   | 659                             | 212  |
| Non-controlling Interest                                 | -                               | (1)   | -                               | (1)  |
| <b>Total comprehensive income for the period</b>         | 659                             | 211   | 659                             | 211  |
| Weighted average no. of ordinary shares in issue (' 000) | 159,690                         | 160,000                                     | 159,690                         | 160,000                                    |
| Earnings per share - Basic (sen)                         | 0.41                            | 0.13  | 0.41                            | 0.13                                       |

**Notes:**

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) 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 notes attached to this interim financial report.

# HANDAL RESOURCES BERHAD (816839-X)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

|   | UNAUDITED<br>As at<br>31 March 2017<br>RM'000 | AUDITED<br>As at<br>31 December 2016<br>RM'000 |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| <b>Non-current assets</b>   |   |  |
| Property, plant and equipment   | 30,823  | 31,471   |
| Intangible asset  | 11,305  | 11,305   |
|   | <u>42,128</u>                                 | <u>42,776</u>                                  |
| <b>Current Assets</b>   |   |  |
| Inventories   | 12,615  | 11,938   |
| Work-in-progress  | 5,154   | 4,620  |
| Trade receivables (Note II)   | 28,145  | 28,910   |
| Amount due by customers for contract works  | 3,407   | 4,975  |
| Other receivables, deposits & prepayment  | 715   | 605  |
| Financial assets held for trading   | 8,779   | 8,687  |
| Short term investment   | 78  | 78   |
| Fixed deposits with licensed banks  | 12,638  | 12,552   |
| Cash on hand and at bank  | 7,821   | 9,433  |
| Tax recoverable   | 143   | 261  |
| Asset held for sale   | 12,640  | 12,306   |
|   | <u>92,135</u>                                 | <u>94,365</u>                                  |
| <b>Total Assets</b>   | <u><b>134,263</b></u>                         | <u><b>137,141</b></u>                          |
| <b>EQUITY AND LIABILITIES</b>   |   |  |
| <b>Equity</b>   |   |  |
| Share capital   | 80,000  | 80,000   |
| Treasury shares   | (72)  | (47)   |
| Share Premium   | 29  | 29   |
| Reserves  | 19,477  | 18,818   |
| Shareholders' Fund  | 99,434  | 98,800   |
| Minority Interests  | (22)  | (22)   |
| Total equity  | <u>99,412</u>                                 | <u>98,778</u>                                  |
| <b>Non-current liabilities</b>  |   |  |
| Long term borrowings  | 578   | 1,851  |
| Deferred taxation   | 3,997   | 3,997  |
|   | <u>4,575</u>                                  | <u>5,848</u>                                   |
| <b>Current Liabilities</b>  |   |  |
| Trade payables  | 2,163   | 2,260  |
| Other payables and accruals   | 2,113   | 2,378  |
| Hire purchase creditors   | 163   | 176  |
| Short term borrowings   | 24,051  | 25,566   |
| Tax payables  | 1,785   | 2,134  |
|   | <u>30,276</u>                                 | <u>32,515</u>                                  |
| <b>Total liabilities</b>  | 34,851  | 38,363   |
| <b>Total equity and liabilities</b>   | <u><b>134,263</b></u>                         | <u><b>137,141</b></u>                          |
| Net Assets Per Share Attributable to ordinary<br>equity holders of the Company (RM) | 0.62  | 0.62   |

(i) 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 notes attached to this interim financial report.

(ii) Trade Receivable consist of Trade Debtors RM12.18million (FYE16: RM10.89 million) and Accrued Revenue RM15.96 million (FYE16: RM18.02 million); Accrued Revenue consist of contract jobs which have been completed and pending the issuance of documentation for invoicing.

**HANDAL RESOURCES BERHAD (816839-X)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

|   | Attributable to equity holders of the Company |                 |               |                 |                  |                    |                           |               |
|---|---|-----------------|---------------|-----------------|------------------|--------------------|---------------------------|---------------|
|   | Share Capital                                 | Treasury Shares | Share Premium | Warrant Reserve | Retained Profits | Shareholders' Fund | Non- controlling Interest | Total Equity  |
|   | RM'000  | RM'000          | RM'000        | RM'000          | RM'000           | RM'000             | RM'000                    | RM'000        |
| <b>Balance as at 1 Jan 2017</b>                 | <b>80,000</b>                                 | <b>(47)</b>     | <b>29</b>     | -               | <b>18,818</b>    | <b>98,800</b>      | <b>(22)</b>               | <b>98,778</b> |
| Repurchase of Treasury Shares                   | -   | (25)            | -             | -               | -                | (25)               | -                         | (25)          |
| Total comprehensive income/ (loss) for the year | -   | -               | -             | -               | 659              | 659                | (0)                       | 659           |
| <b>Balance as at 31 March 2017</b>              | <b>80,000</b>                                 | <b>(72)</b>     | <b>29</b>     | -               | <b>19,477</b>    | <b>99,434</b>      | <b>(22)</b>               | <b>99,412</b> |

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 notes attached to this interim financial report.

**HANDAL RESOURCES BERHAD (816839-X)****UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

|   | Period Ended<br>31 March 2017 | Preceding year<br>Corresponding<br>Period<br>31 March 2016 |
|---|-------------------------------|--|
|   | RM'000                        | RM'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                               |  |
| Profit before taxation  | 971                           | 550  |
| <b>Adjustments for Non Cash items</b>                               | <u>946</u>                    | <u>1,150</u>   |
| <b>Operating profit before working capital changes</b>              | <b>1,917</b>                  | <b>1,700</b>   |
| Decrease/(Increase) in Inventories                                  | (677)                         | (64)   |
| Decrease/(Increase) in work-in-progress                             | (534)                         | (3,468)  |
| Decrease/(Increase) in trade receivables                            | 656                           | 10,016   |
| Decrease/(Increase) in amount due from customers for contract works | 1,568                         | 3,203  |
| (Decrease)/Increase in payables                                     | (758)                         | (6,170)  |
| (Decrease)/Increase in amount due to customers for contract works   | <u>-</u>                      | <u>114</u>   |
| <b>Cash generated from operations</b>                               | <b>2,172</b>                  | <b>5,331</b>   |
| Interest paid   | (287)                         | (217)  |
| Tax paid  | (298)                         | (687)  |
| Tax refunded  | 150                           | 40   |
| <b>Net cash from operating activities</b>                           | <u><b>1,737</b></u>           | <u><b>4,467</b></u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                               |  |
| Placement of fixed deposits   | (86)                          | (94)   |
| Purchase of property, plant and equipment                           | (314)                         | (184)  |
| Interest received   | 86                            | 94   |
| <b>Net cash used in investing activities</b>                        | <u><b>(314)</b></u>           | <u><b>(184)</b></u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                               |  |
| Interest paid   | (153)                         | (271)  |
| Repayment of term loan  | (1,040)                       | (995)  |
| Increase/(Repayment) of hire purchase creditors                     | (98)                          | (53)   |
| Net increase/(decrease) in bills payable                            | (1,064)                       | (216)  |
| Purchase of Treasury Shares   | (25)                          | -  |
| <b>Net cash used in financing activities</b>                        | <u><b>(2,380)</b></u>         | <u><b>(1,535)</b></u>                                      |
| <b>Net (decrease)/increase in cash and cash equivalents</b>         | (957)                         | 2,748  |
| <b>Cash and cash equivalents at beginning of the period</b>         | <u>(6,757)</u>                | <u>(5,440)</u>   |
| <b>Cash and cash equivalents at end of the period</b>               | <u><b>(7,714)</b></u>         | <u><b>(2,692)</b></u>                                      |
| <b>Cash and cash equivalents comprises :-</b>                       |                               |  |
| Short term investment and fixed deposits with licensed banks        | 12,716                        | 12,308   |
| Cash and bank balances  | 7,821                         | 9,830  |
| Bank overdraft  | <u>(15,613)</u>               | <u>(12,588)</u>  |
|   | 4,924                         | 9,550  |
| FD pledged with licenced banks                                      | <u>(12,638)</u>               | <u>(12,242)</u>  |
|   | <u><b>(7,714)</b></u>         | <u><b>(2,692)</b></u>                                      |

**Notes:**

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

**HANDAL RESOURCES BERHAD (816839-X)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
MARCH 2017**

**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE FIRST  
QUARTER ENDED 31 MARCH 2017**

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation**

These condensed consolidated interim financial statements, for the period ended 31 March 2017, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2016, the Group prepared its financial statements in accordance with Malaysia Financial Reporting Standards (“MFRS”).

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2016.

**A2. Significant Accounting Policies**

**New MFRSs and IC Interpretation and Amendments to MFRSs That Are In Issue But Not Yet Effective**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (IC) Interpretation were issued and have been applied by the Group.

***Effective for annual periods beginning on or after 1 January 2017***

Amendments to MFRS 107 *Disclosure Initiative*  
Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*  
Amendments to MFRSs Classified as “Annual Improvements to MFRSs 2012 - 2014 Cycle”  
Amendments to MFRS 12 *Disclosure of Interests in Other Entities*

***Effective for annual periods beginning on or after 1 January 2018***

MFRS 9 *Financial Instruments (IFRS 9 issued in July 2014)*  
MFRS 15 *Revenue from Contracts with Customers*  
Clarifications to MFRS 15 *Revenue from Contracts with Customers*  
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*  
Amendments to MFRS 4 *Applying MFRS 9, Financial Instruments with MFRS 4, Insurance Contracts*  
Amendments to MFRS 140 *Transfers of Investment Property*

**HANDAL RESOURCES BERHAD (816839-X)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
MARCH 2017**

*Amendments to MFRSs Classified as “Annual Improvements to MFRS Standards  
2014 - 2016 Cycle”*

|                        |  |
|------------------------|--|
| Amendments to MFRS 1   | <i>First-time Adoption of Malaysian Reporting Standards</i>    |
| Amendments to MFRS 128 | <i>Investments in Associates and Joint Ventures</i>            |
| IC Interpretation 22   | <i>Foreign Currency Transactions and Advance Consideration</i> |

***Effective for annual periods beginning on or after 1 January 2019***

|         |               |
|---------|---------------|
| MFRS 16 | <i>Leases</i> |
|---------|---------------|

***Effective for annual periods beginning on or after a date to be determined by MASB***

|                                       |  |
|---------------------------------------|--|
| Amendments to MFRS 10<br>and MFRS 128 | <i>Sale or Contribution of Assets between an Investor<br/>and its Associates or Joint Ventures</i> |
|---------------------------------------|--|

The Group and the Company will apply the above new MFRSs, IC Interpretation and amendments to MFRSs that are applicable once they become effective.

**A3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2016 did not contain any qualification.

**A4. Items of Unusual Nature**

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

**A5. Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

**A6. Changes in Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter under review except for the following:-

During the 8<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> May 2016, the shareholders of the Company have approved the Company to purchase its own shares, where the maximum number of shares purchased shall not exceed 10 percent (10%) of the issued and paid up share capital of the company at any point in time.

Up to 31<sup>st</sup> March 2017, the Company bought back 100,000 ordinary shares of RM0.50 each at an average of RM0.2544 per share from the open market. The total consideration including transaction cost for the said shares bought back was RM25,440 and was financed by internally generated fund. The shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A) (b) of the Companies Act, 1965.

**HANDAL RESOURCES BERHAD (816839-X)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
MARCH 2017**

**A7. Dividend Paid and Distributed**

There were no dividends paid in the current period.

**A8. Segmental Information**

The Group is organized into the following operating segments:-

- a) Integrated crane services contracts (“Integrated crane services”)
- b) Manufacturing and fabrication of new offshore pedestal cranes (“Fabrication of cranes”)
- c) Workover projects lifting solutions
- d) Supply, fabrication & servicing industrial equipments & tank systems
- e) Consultants in engineering project support services.

**HANDAL RESOURCES BERHAD (816839-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

Segmental Reporting

| Period ended 31 March 2017                  | Integrated crane services | Fabrication of cranes | Workover projects lifting solutions | Supply, fabrication & servicing industrial equipments & tank systems | Consultants In Engineering project support services | Eliminations | Consolidated |
|---|---------------------------|-----------------------|-------------------------------------|--|---|--------------|--------------|
|   | RM' 000                   | RM' 000               | RM' 000                             | RM' 000  | RM' 000   | RM' 000      | RM' 000      |
| Revenue from external customers             | 11,633                    | 2,047                 | -                                   | 646  | -   | -            | 14,326       |
| Inter-segment revenue                       |                           |                       |                                     |  | 17  | (17)         | -            |
| <b>Total revenue</b>                        | 11,633                    | 2,047                 | -                                   | 646  | 17  | (17)         | 14,326       |
| <b>Results</b>                              |                           |                       |                                     |  |   |              |              |
| Profit from operations                      | 6,668                     | 251                   | -                                   | 197  | -   | -            | 7,116        |
| Other operating income                      |                           |                       |                                     |  |   |              | 362          |
| GP MARGIN                                   | 57%                       | 12%                   | -                                   | 30%  | -   |              |              |
| Administration and Other operation expenses |                           |                       |                                     |  |   |              | (5,408)      |
| Depreciation & amortization                 |                           |                       |                                     |  |   |              | (683)        |
| Finance cost                                |                           |                       |                                     |  |   |              | (416)        |
| <b>Profit before tax</b>                    |                           |                       |                                     |  |   |              | <b>971</b>   |
| Taxation                                    |                           |                       |                                     |  |   |              | (312)        |
| <b>Profit after tax</b>                     |                           |                       |                                     |  |   |              | <b>659</b>   |



**HANDAL RESOURCES BERHAD (816839-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31**  
**MARCH 2017**

**A9. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment in the current financial quarter.

**A10. Capital Commitments**

There are no material capital commitments as at the date of this report.

**A11. Material events subsequent to the end of period reported**

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

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

There were no changes in composition of the Group for the financial quarter under review.

**A13. Contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

**A14. Significant Related Party Transactions**

The Group had the following transactions during the current financial quarter with a related party in which a director of the Company have substantial financial interest :-

| <b>Name of Related Parties</b> | <b>Nature of Transaction</b>    | <b>Amount of Transaction (RM'000)</b> |
|--------------------------------|---------------------------------|---------------------------------------|
| Excell Crane & Hydraulics Inc  | Material and spare parts supply | 935                                   |

**HANDAL RESOURCES BERHAD (816839-X)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
MARCH 2017**

**NOTES TO THE QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE FIRST  
QUARTER ENDED 31 MARCH 2017**

**PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF  
BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

**B1. Review Of Performance Of The Group - Period ended 31 March 2017**

|                              | Individual Quarter                             |  | Cumulative Period                                      |   |
|------------------------------|--|--|--|---|
|                              | Current<br>Quarter<br>31 March 2017<br>RM' 000 | Preceding Year<br>Corresponding<br>Quarter<br>31 March 2016<br>RM' 000 | Cumulative<br>Year to Date<br>31 March 2017<br>RM' 000 | Preceding Year<br>Corresponding<br>Period ended<br>31 March 2016<br>RM' 000 |
| Revenue                      | 14,326   | 22,389   | 14,326   | 22,389  |
| Gross profits                | 7,116  | 8,519  | 7,116  | 8,519   |
| Profit before tax            | 971  | 550  | 971  | 550   |
| Profit after tax             | 659  | 211  | 659  | 211   |
| Gross profit margin (%)      | 50%  | 38%  | 50%  | 38%   |
| Profit before tax margin (%) | 7%   | 2%   | 7%   | 2%  |
| Profit after tax margin (%)  | 5%   | 1%   | 5%   | 1%  |

**(a) Current Quarter (Q1 2017) vs Preceding Year Corresponding Quarter (Q1 2016)**

For the current quarter, the Group posted a profit before tax of RM0.97 million as compared to a RM0.55 million registered in the preceding year corresponding quarter. This is mainly due to improved cost control, lower administration expenses and higher other operating income.

Performance of the respective operating business segments for the 1st quarter 2017 as compared to the previous year corresponding quarter is analysed as follows:-

**1) Integrated crane business**

The revenue of this business segment has decreased from RM15.98 million to RM11.63 million due to lower business activities resulting from scaling down of operation by the industry.

The Gross profit margin (1Q17:57% vs. 1Q16:52%) has increased due to improvement in operational efficiency.

**HANDAL RESOURCES BERHAD (816839-X)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
MARCH 2017**

**2) Fabrication of crane business**

The revenue of this business segment is recognized based on the percentage (%) completion method. As per current quarter, there was RM2.05 million sales generated compared to RM5.85 million in the preceding year corresponding quarter. The Gross profit margin of this business segment has improved (1Q17:12% vs 1Q16:3%). This is attributable to tighter cost control in response to market conditions.

**3) Workover Project business**

There was no workover project during this current quarter.

**4) Supply, fabrication & servicing industrial equipments & tank**

The revenue of this business segment increased from RM0.18 million to RM0.65 million due to increase business activities. The Gross profit margin (1Q17:30% vs. 1Q16:40%) has decreased.

**B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter**

For the current quarter, the Group registered a profit before tax of RM0.97 million as compared to a loss before tax of RM3.97 million in the preceding quarter.

This is mainly due to impairment loss provision of rig asset and intangible asset in the preceding quarter amounting to RM2.77 million and RM0.65 million respectively.

**B3. Prospects**

The Group Performance is expected to be challenging for the current financial year in view of the global oil supply continuing to influence industry outlook. However, we see the recent firming up of oil prices as a positive indicator.

**B4. Profit Forecast**

The Group has not issued any profit forecast for the current financial period.

**HANDAL RESOURCES BERHAD (816839-X)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
MARCH 2017**

**B5. Taxation**

|              | Current quarter ended<br>31 March 2017<br>RM'000 | For the period ended<br>31 March 2017<br>RM'000 |
|--------------|--|---|
| Current tax  | 312  | 312   |
| Deferred tax | -  | -   |
|              | <hr/>  | <hr/>   |
|              | 312  | 312   |
|              | <hr/>  | <hr/>   |

The Group's effective tax rates for the current quarter and cumulative financial period respectively are higher than the statutory tax rate of 25% principally due to losses of certain subsidiaries which cannot be offset against taxable profit made by Handal Offshore Services Sdn Bhd.

**B6. Status of Corporate Proposals and utilization of proceeds.**

There was no corporate proposal announced for the current reporting quarter.

**B7. Group Borrowing and Debts Securities**

The Group's borrowing and debts securities as at 31 March 2017 are as follows:

|         | Current<br>RM'000 | Non-<br>Current<br>RM'000 | Total<br>RM'000 |
|---------|-------------------|---------------------------|-----------------|
| Secured | 24,214            | 578                       | 24,792          |

**B8. Material Litigation**

There were no material litigation as at the date of issuance of this quarterly report.

**HANDAL RESOURCES BERHAD (816839-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31**  
**MARCH 2017**

**B9. Earnings Per Share**

|  | Individual Period                 |   | Cumulative Quarter                  |  |
|--|-----------------------------------|---|-------------------------------------|--|
|  | Current Quarter Ended 31-March-17 | Corresponding Quarter Ended 31-March-16 | Cumulative Year To Date 31-March-17 | Corresponding Year To Date 31-March-16 |
|  | RM'000                            | RM'000                                  | RM'000                              | RM'000                                 |
| <b>BASIC EARNINGS PER SHARE</b>  |                                   |   |                                     |  |
| Profit for the period attributable to ordinary equity holders of the Company | 659                               | 212                                     | 659                                 | 212                                    |
| Weighted average number of ordinary shares in issue ('000)                   | 159,690                           | 160,000                                 | 159,690                             | 160,000                                |
| Basic earnings per share (sen)   | 0.41                              | 0.13                                    | 0.41                                | 0.13                                   |

**B10. Profit before Taxation**

Profit before taxation is arrived at after crediting/ (charging) the following income/ (expenses):

|                                 | Current Quarter ended<br>31 March 2017<br>RM'000 | Cumulative Quarter ended<br>31 March 2017<br>RM'000 |
|---------------------------------|--|---|
| - Interest Income               | 86   | 86  |
| - Foreign exchange gain/(loss)  | (30)   | (30)  |
| - Short Term Investment Income  | 92   | 92  |
| - Depreciation and amortization | (683)  | (683)   |

**HANDAL RESOURCES BERHAD (816839-X)  
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31  
MARCH 2017**

**B11. Dividends**

The Directors have not recommended any dividend for the current quarter ended 31 March 2017.

**B12. Realised and unrealized profits / (losses) disclosure.**

The retained profits as at 31 March 2017 analysed as follows:-

|  | As At End of<br>Current Quarter |
|--|---------------------------------|
|  | 31/3/2017                       |
|  | RM'000                          |
| Total retained profits of the Company and the subsidiaries:-       |                                 |
| - Realised   | 27,435                          |
| - Unrealised   | <u>(3,998)</u>                  |
|  | 23,437                          |
| Less: Consolidation adjustment                                     | <u>(3,960)</u>                  |
| Total group retained profits as per consolidated income statements | <u>19,477</u>                   |