

MERCURY INDUSTRIES BERHAD
(Company No. 105550 - K)

The Board of Directors is pleased to announce the following :
UNAUDITED INTERIM REPORT OF THE GROUP FOR THE 2ND QUARTER ENDED 30 JUNE 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To Date	Preceding Year Corresponding Period	Changes	
			Amount	%			Amount	%
	30/6/2017 RM'000	30/6/2016 RM'000	RM'000		30/6/2017 RM'000	30/6/2016 RM'000	RM'000	
Continuing Operations								
Revenue	19,671	18,210	1,461	8.0%	33,217	32,544	673	2.1%
Cost of sales	(16,408)	(15,351)	(1,057)	6.9%	(27,803)	(27,162)	(641)	2.4%
Gross Profit	3,263	2,859	404		5,414	5,382	32	
Other income								
Gain on sale of property, plant and equipment	58	-	58	100.0%	58	-	58	100.0%
Gain on sale of subsidiary	9,062	-	9,062	100.0%	9,062	-	9,062	100.0%
Impairment loss no longer required:								
- other investments	-	-	-		7	-	7	100.0%
Other incomes	205	148	57	38.5%	305	147	158	108.1%
	<u>9,325</u>	<u>148</u>	<u>9,177</u>	<u>6200.7%</u>	<u>9,432</u>	<u>147</u>	<u>9,285</u>	<u>6334.4%</u>
Operating expenses								
Depreciation & amortisation	336	307	29	9.3%	655	632	23	3.6%
Impairment loss on:								
- other investments	28	30	(2)	-5.2%	-	52	(52)	-100.0%
Loss on sale of property, plant and equipment	-	-	-		-	5	(5)	-100.0%
Other operating expenses	658	551	107	19.4%	1,828	1,091	737	67.5%
	<u>1,022</u>	<u>888</u>	<u>134</u>	<u>15.1%</u>	<u>2,483</u>	<u>1,780</u>	<u>703</u>	<u>39.5%</u>
Results From Operating Activities	11,566	2,119	9,447	445.8%	12,363	3,749	8,614	229.8%
Interest income	67	-	67	100.0%	131	-	131	100.0%
Interest expense	(438)	(614)	176	-28.7%	(1,033)	(1,213)	180	-14.8%
Net Finance Costs	<u>(371)</u>	<u>(614)</u>	<u>243</u>	<u>-39.6%</u>	<u>(902)</u>	<u>(1,213)</u>	<u>311</u>	<u>-25.6%</u>
Profit Before Taxation	11,195	1,505	9,690	643.7%	11,461	2,536	8,925	352.0%
Income Tax Expense	(648)	(539)	(109)	20.2%	(955)	(946)	(9)	0.9%
Profit From Continuing Operations	10,547	966	9,581	991.7%	10,506	1,590	8,916	560.9%
Discontinued Operation								
Profit from discontinued operation, net of tax	795	1,084	(289)	-26.7%	1,988	2,098	(110)	-5.2%
Profit For The Period	11,342	2,050	9,292	453.2%	12,494	3,688	8,806	238.8%
Other Comprehensive Income, Net Of Tax	-	-	-		-	-	-	
Total comprehensive income for the period	11,342	2,050	9,292	453.2%	12,494	3,688	8,806	238.8%
Total comprehensive income attributable to:								
Owners of the Company - continuing operations	9,976	494	9,482	1917.6%	9,665	713	8,952	1255.8%
Owners of the Company - discontinued operation	795	1,084	(289)	-26.7%	1,988	2,098	(110)	-5.2%
Non-controlling interests	571	472	99	21.0%	841	877	(36)	-4.1%
Total comprehensive income for the period	11,342	2,050	9,292	453.2%	12,494	3,688	8,806	238.8%
Earnings per share (Sen)								
- Continuing Operations	24.83	1.23			24.05	1.77		
- Discontinued Operation	1.98	2.70			4.95	5.22		
	<u>26.81</u>	<u>3.93</u>			<u>29.00</u>	<u>6.99</u>		

The Condensed Consolidated Statements of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30/6/2017 RM'000	Audited As At 31/12/2016 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	4,858	3,526
Goodwill on consolidation	31,579	28,438
Investment properties	6,085	2,914
Deferred tax assets	63	63
	<u>42,585</u>	<u>34,941</u>
Current Assets		
Trade receivables	74,229	50,165
Others receivables	1,535	366
Amount due from customers on contracts	11,756	9,457
Other Investments	146	139
Short term deposits	13,989	9,017
Cash and bank balances	530	838
	<u>102,185</u>	<u>69,982</u>
Assets classified as held for sale	-	47,461
	<u>102,185</u>	<u>117,443</u>
TOTAL ASSETS	<u>144,770</u>	<u>152,384</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	40,182	40,182
Share Premium	81,819	81,819
Accumulated losses	(49,848)	(61,501)
Equity attributable to owners of the Company	<u>72,153</u>	<u>60,500</u>
Non-controlling interests	<u>9,843</u>	<u>9,002</u>
Total Equity	<u>81,996</u>	<u>69,502</u>
Non-Current Liabilities		
Term loan > 12 months	-	28,302
Finance lease liabilities	788	1,072
	<u>788</u>	<u>29,374</u>
Current Liabilities		
Trade payables	51,486	29,505
Others payables	5,076	5,546
Amount due to a director	-	2,413
Finance lease liabilities	788	924
Term loan < 12 months	255	1,698
Bank overdrafts	1,160	998
Bank borrowings	2,789	1,984
Tax payable	432	562
Proposed Dividend	-	2,411
	<u>61,986</u>	<u>46,041</u>
Liabilities classified as held for sale	-	7,467
	<u>61,986</u>	<u>53,508</u>
TOTAL EQUITY AND LIABILITIES	<u>144,770</u>	<u>152,384</u>
Net assets per share (RM)	1.7957	1.5056

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<---- Attributable To Owners Of The Company ---->

	Issued Capital RM'000	Share Premium RM'000	Accumulated Loss RM'000	Total Equity RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance as of 1.1.2017	40,182	81,819	(61,501)	60,500	9,002	69,502
Total Comprehensive Income For The Period	-	-	11,653	11,653	841	12,494
Balance as of 30.06.2017	<u>40,182</u>	<u>81,819</u>	<u>(49,848)</u>	<u>72,153</u>	<u>9,843</u>	<u>81,996</u>
Balance as of 1.1.2016	40,182	81,819	(63,249)	58,752	6,901	65,653
Total Comprehensive Income For The Period	-	-	2,811	2,811	877	3,688
First Interim Dividend (Note 29)	-	-	(2,411)	(2,411)	-	(2,411)
Balance as of 30.06.2016	<u>40,182</u>	<u>81,819</u>	<u>(62,849)</u>	<u>59,152</u>	<u>7,778</u>	<u>66,931</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The Group	6 months ended 30/6/2017 RM'000	6 months ended 30/6/2016 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation from continuing operations	11,461	2,535
Profit before taxation from discontinued operation	<u>2,653</u>	<u>2,779</u>
	14,114	5,314
Adjustment for non-cash items	<u>(9,678)</u>	<u>2,679</u>
Operating Profit Before Working Capital Changes	4,436	7,993
Changes in working capital:		
Inventories	-	(484)
Receivables	1,375	(9,625)
Customers on contract	(2,299)	-
Payables	(5,196)	3,137
Bills payable	44	1,996
Income tax paid	<u>(1,053)</u>	<u>(2,128)</u>
Net Cash (Used in)/ From Operating Activities	<u>(2,693)</u>	<u>889</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of subsidiary company, net of cash acquired	(7,192)	-
Purchase of property, plant and equipment	(1,938)	(345)
Purchase of investment property	(42)	-
Placement of fixed deposits pledged	(59)	-
Proceeds from disposal of property, plant & equipment	57	4
Proceeds from disposal of subsidiary	50,500	-
Interest received	131	99
Net Cash From/(Used in Investing Activities)	<u>41,457</u>	<u>(242)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividend paid to shareholders	(2,411)	-
Drawdown of finance Lease	3,080	-
Interest paid	(1,033)	(1,213)
Repayment of finance lease liabilities	(3,952)	(303)
Repayment for term loan	(30,005)	-
Advance from a director	-	1,649
Net Cash (Used in)/ From Financing Activities	<u>(34,321)</u>	<u>133</u>
CASH AND CASH EQUIVALENTS		
Net changes	4,443	780
Effect of exchange rate changes	-	(248)
Balance as of 1 January	8,240	12,281
Balance as at end of financial period	<u>12,683</u>	<u>12,813</u>

Cash and cash equivalents at the end of the financial period comprise the following balance amount:

	As at 30/6/2017 RM'000	As at 30/6/2016 RM'000
Cash and bank balances	530	5,974
Bank overdrafts	(1,160)	(1,490)
Short term deposits with licensed financial institutions	13,989	8,329
Less: Fixed deposits pledged	<u>(676)</u>	<u>-</u>
	<u>12,683</u>	<u>12,813</u>

The Condensed Consolidated statement of Cash Flow should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

Part A - Explanatory Notes Pursuant To Financial Reporting Standard 134

1 Basis of Preparation

The interim financial report is unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard (MFRS) 134 - Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the annual financial statements of the Group for the year ended 31 December 2016.

Apart from the above, the quarterly financial statements are to be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016.

2 Financial Reporting Standards

Significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2016.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2017. The adoption of these new and revised MFRS and IC Interpretations have not resulted in any material impact upon the financial statements of the Group.

MFRSs and IC Interpretations that were issued but are not yet effective have not been early adopted by the Group.

3 Auditors' Report on Preceding Annual Financial Statements

There was no qualification of the Group audited financial statements for the year ended 31 December 2016.

4 Segmental Reporting

Segmental report for the financial period ended 30 June 2017 is as follows:

	<i>Discontinued Operation</i>		<i>Continuing Operations</i>			<i>Consolidated</i>
	<i>Manufacturing & Trading</i>	<i>Building Materials</i>	<i>Construction</i>	<i>Investment Holding</i>	<i>Eliminations</i>	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 Months Ended 30/06/2017						
Revenue						
External revenue	17,083	645	32,572	-	-	50,300
Inter-segment revenue	8,100	509	-	-	(8,609)	-
Total revenue	<u>25,183</u>	<u>1,154</u>	<u>32,572</u>	<u>-</u>	<u>(8,609)</u>	<u>50,300</u>
Results						
Segment profit	2,599	114	3,855	39,972	(31,578)	14,962
Interest income	54	-	9	121	-	184
Finance cost	-	(6)	(134)	(893)	-	(1,033)
Profit before tax	<u>2,653</u>	<u>108</u>	<u>3,730</u>	<u>39,200</u>	<u>(31,578)</u>	<u>14,113</u>
6 Months Ended 30/06/2016						
Revenue						
External revenue	19,850	-	32,544	-	-	52,394
Inter-segment revenue	9,663	-	-	7,108	(16,771)	-
Total revenue	<u>29,513</u>	<u>-</u>	<u>32,544</u>	<u>7,108</u>	<u>(16,771)</u>	<u>52,394</u>
Results						
Segment profit	2,683	-	3,984	4,261	(4,500)	6,428
Interest income	99	-	-	-	-	99
Finance cost	-	-	(114)	(1,099)	-	(1,213)
Profit before tax	<u>2,782</u>	<u>-</u>	<u>3,870</u>	<u>3,162</u>	<u>(4,500)</u>	<u>5,314</u>

Sales Revenue By Geographical Market

	6 months ended 30/6/2017 RM'000	6 months ended 30/6/2016 RM'000
Malaysia - continuing operations	33,217	32,544
Malaysia - discontinued operation	<u>12,811</u>	<u>15,136</u>
	46,028	47,680
Other Countries - discontinued operation*	<u>4,272</u>	<u>4,714</u>
	<u>50,300</u>	<u>52,394</u>

* less than 5% for each of the components.

5 Unusual Item Affecting Assets, Liabilities, Equity, Net Income Or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter under review.

6 Change Of Estimates Used

There was no material change in estimates for the financial quarter under review.

7 Seasonality Or Cyclicity Of Interim Operations

The Group's operations are not significantly affected by any seasonal or cyclical factors.

8 Dividends Paid

No dividend has been paid during the current quarter ended 30 June 2017 (2016:Nil).

9 Issuance, Cancellation, Repurchases, Resale and Repayments Of Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter ended 30 June 2017.

10 Material Events Not Reflected In The Financial Statements

There were no material events in the financial quarter under review that have not been reflected in the financial statements for the said period.

11 Changes In The Composition Of The Group

The composition of the Group for the current quarter ended 30 June 2017 has been changed by:

(i) the acquisition of a 100% equity interest in Andaman Marketing Sdn Bhd ("AMSB") on 14 June 2017 and resulting in AMSB becoming a wholly-owned subsidiary of the Company.

(ii) the disposal of 100% equity interest in Silverlight Prospects Sdn Bhd ("SPSB") which was completed on 22 June 2017 which resulted in SPSB ceasing to be a subsidiary of the Company.

12 Capital Commitments

There is a capital commitment of RM3.75 million for the purchase of property, plant and equipment, which has not been reflected in the interim financial statements for the current quarter ended 30 June 2017.

13 Contingent Liabilities / Assets

The Company has issued unsecured corporate guarantees totalling RM61.17 million to certain financial institutions and building materials suppliers for credit facilities granted to certain of its subsidiary companies. Accordingly, the Company is contingently liable to such financial institutions and suppliers to the extent of the amount of credit facilities utilised. There is no contingent assets as at the date of this report.

14 Recurrent Related Party Transactions

Details of the relationship between the Group and its related party are as described below.

Name of Related Party

(a) Leow Lai Ching ("LLC")

Relationship

* LLC is the wife of Chow Kit Loong, who is a director and major shareholder of Paramount Bounty Sdn Bhd ("PBSB") and holds the balance 30% equity interest in PBSB.

(b) Pujian Development Sdn Bhd ("Pujian")

* Pujian is a subsidiary of Ecofirst Consolidated Berhad in which Dato' Tiong Kwing Hee (Dato' Tiong") is the Group Chief Executive Officer, Director and major shareholder. Dato' Tiong is also the Managing Director and major shareholder of Mercury.

(c) Maju Puncakbumi Sdn Bhd ("Maju Puncak")

Maju Puncak is a subsidiary of Meda Inc. Berhad in which Dato' Tiong is a major shareholder. Dato' Tiong is also the Managing Director and major shareholder of Mercury.

* Shareholders' mandate has already been obtained at the last Annual General Meeting held on 24 May 2017.

The information on the transactions which have been entered into with PBSB during the period is as follows:

	Nature of Transactions	Current Quarter 30/6/2017 RM'000	Year to date 30/6/2017 RM'000
(a) LLC	Rental of office space from LLC	12	24
(b) Pujian	(i) Civil & construction works for Pujian	4,755	4,755
	(ii) Provision of insurance agency services by Pujian	204	204
(c) Maju Puncak	Sales of building materials	45	45

15 Material Subsequent Event

There were no material events subsequent to the end of the financial period under review that have not been reflected in the financial statements for the said period.

Part B - Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad

16 Review Of Performance

In the current quarter under review, the Company completed the acquisition of a 100% equity interest in Andaman Marketing Sdn Bhd ("AMSB"), a company principally involved in the marketing of building materials. It also completed the disposal of its 100% equity interest in Silverlight Prospects Sdn Bhd ("SPSB") and thus exited the auto refinish industry. The performance review of the current quarter covers only the continuing operations which focuses on the Construction Segment and the Building Materials Segment.

For the current quarter, Group's revenue increased by RM1.46 million (+8.0%) to RM19.67 million while Group's pretax profit increased by RM9.69 million (+643.7%) to RM11.2 million as compared to the revenue of RM18.21 million and pretax profit of RM1.51 million in the corresponding quarter in 2016. Both the construction and building materials segments contributed to the increase in revenue while the increase in pretax profit was mainly contributed by the gain of RM9.06 million on disposal of SPSB.

For the Construction Division, revenue increased by RM0.82 million (+4.5%) to RM19.03 million while pretax profit increased by RM0.41 million (+19.6%) to RM2.52 million as compared to the revenue of RM18.21 million and pretax profit of RM2.11 million in the corresponding quarter of 2016. The increase in revenue was attributed to the construction works at the new project in Ampang which was awarded to PBSB in February 2017. The increase in pretax profit was due to improved margin arising from the different projects mix.

For the Building Materials Segment, the newly acquired wholly-owned subsidiary, AMSB made a maiden contribution of RM0.65 million to Group's revenue and RM0.11 million to Group's pretax profit since it became a subsidiary in June 2017. AMSB's principal activity of marketing building materials is expected to support the operation and growth of the construction subsidiary, PBSB.

As for the Investment Holding Segment, it achieved a pretax profit of RM8.62 million as compared to the pretax loss of RM0.61 million in the corresponding period in 2016. The increased in pretax profit was due to a gain of RM9.06 million arising from the disposal of the entire equity interest in SPSP. The RM30.0 million term loan has been repaid from the proceeds of the disposal of SPSP.

For the current year to date period, Group's revenue of the Continuing Operations increased marginally by RM0.67 million (+2.7%) while pretax profit increased by RM8.93 million (+352%) as compared to the corresponding period in 2016. As mentioned earlier, the increase in pretax profit was mainly contributed by the one-off gain from the disposal of SPSP.

17 Comparison With Previous Quarter's Results

	Current Quarter	Previous Quarter	Changes	
	30/06/2017	31/03/2017	RM'000	%
Continuing Operations	RM'000	RM'000	RM'000	%
Revenue	19,671	13,546	6,125	45%
Operating Profit	11,566	798	10,768	1349%
Profit Before Interest and Tax	11,566	798	10,768	1349%
Profit Before Tax	11,195	265	10,930	4125%
Profit/(Loss) After Tax	10,547	(42)	10,589	25212%
Profit/(Loss) Attributable to Owners of the company	9,976	(312)	10,288	3298%
Discontinued Operation				
Revenue	6,790	10,293	(3,503)	-34%
Profit Before Tax	1,029	1,624	(595)	-37%
Profit After Tax	795	1,194	(399)	-33%

For the current quarter, revenue increased by RM6.13 million (+45%) while pretax profit increased by RM10.93 million (+4125%) to RM19.67 million and RM11.2 million respectively as compared to the previous quarter. The increase in revenue was due to the maiden revenue contribution by AMSB and higher progress billing (+RM5.48 million) by PBSB, as construction works and billing in the previous quarter was affected by the inclement weather during the period. The increase in pretax profit was mainly due to the gain of RM9.06 million arising from the disposal of SPSP.

18 Prospects For 2017

The Malaysian economy is showing signs of recovery led by growth in the manufacturing sector and construction works on public transportation infrastructure networks and expressways. However, in the residential property sector where the Group operates, the difficulty of potential buyers in getting bank financing has resulted in a slowdown in sales and construction of residential and commercial properties. As for the Group, barring unforeseen circumstances, the Board is optimistic that the Group will continue to remain profitable in 2017 due to the remaining orderbook of RM316 million of construction works in hand as at 30 June 2017. Moreover, with the expected profit contribution from AMSB, the interest savings from the repayment of the RM30 million term loan and the one-off gain of RM9.06 million from the disposal of SPSP, the expected profit generated will more than adequately compensate for the loss of profit contribution from the disposal of the Paints Division.

19 Variance From Profit Forecast

This note is not applicable.

20 Discontinued Operation

The results of the discontinued operation is as summarised below:

	Current Quarter	Corresponding Quarter	Year to date	Year to date
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	6,790	10,688	17,083	19,850
Cost of goods sold	(4,256)	(7,075)	(10,688)	(12,759)
Other incomes	44	484	200	653
Operating expenses	(1,549)	(2,604)	(3,942)	(4,966)
	1,029	1,493	2,653	2,778
Income Tax	(234)	(409)	(665)	(680)
Profit for the period	795	1,084	1,988	2,098

21 Income Tax Expense

	Current Quarter	Year to date
	30/6/2017	30/6/2017
	RM'000	RM'000
Provision for current taxation		
- Current year	648	955

22 Gain or Loss On Derivatives

This is not applicable as the Group does not deal in derivatives.

23 Exceptional Items

The gain of RM9.06 million on disposal of SPSB is considered an exceptional item during the financial quarter under review.

24 Status Of Corporate Proposals

With the completion of the acquisition of AMSB on 14 June 2017 and the completion of the disposal of SPSB on 22 June 2017, there is no other outstanding corporate proposal as at the end of the current financial quarter.

25 Status of Utilisation of Proceeds From Disposal of SPSB

Purpose	Proposed Utilisation	Actual Utilisation As At 30 June 2017	Initial Timeframe For Utilisation Of Proceeds From Date of Disposal (22 June 2017)	Balance Of Unutilised Proceeds
	RM'000	RM'000		RM'000
(a) Repayment of bank borrowings	30,000	30,000	Within 12 months	Nil
(b) Working capital purposes	19,650	3,175	Within 24 months	16,475
(c) Defray expenses on disposal of SPSB	850	759	Within 3 months	91
Total	50,500	33,934		16,566

Remaining balance of RM91,000 will be channeled as working capital purposes of the Company.

26 Group Borrowings And Debt Securities

(a) The Group's borrowings as of 30 June 2017 are as follows:

	As at period ended 30/06/2017		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Secured:-			
Term loan	-	255	255
	-	255	255
Unsecured:-			
Bank overdrafts	-	1,160	1,160
Bankers' acceptance	-	2,789	2,789
	-	3,949	3,949
Total	-	4,204	4,204

	As at period ended 30/06/2016		
	Long Term RM'000	Short Term RM'000	Total borrowing RM'000
Secured:-			
Term loan	30,000	-	30,000
	30,000	-	30,000
Unsecured:-			
Bank overdrafts	-	1,490	1,490
Bankers' acceptance	-	1,996	1,996
	-	3,486	3,486
Total	30,000	3,486	33,486

(b) There were no borrowings or debt securities denominated in foreign currencies.

27 Accumulated Loss

The breakdown of the accumulated loss of the Group as at the reporting date is as follows:

	As At 30/6/2017 RM'000	As At 30/6/2016 RM'000
Analysed By:		
- Realised Loss	(49,911)	(62,904)
- Unrealised Gain	63	887
	<u>(49,848)</u>	<u>(62,017)</u>

28 Changes In Material Litigation

There is no material litigation as of the date of this report.

29 Dividend Payable

The Board has not declared any dividend payment for the financial quarter ended 30 June 2017 (2016: First Single Tier Interim Dividend of 6 sen per ordinary share amounting to RM2,410,900).

30 Profit Guarantee

(i) In the acquisition of the 70% equity interest in PBSB, the Vendor has guaranteed that PBSB will achieve an audited profit after tax ("PAT") of RM6.6 million per annum for each of the financial year ending 31 December 2015, 31 December 2016 and 31 December 2017.

The guaranteed PAT for the financial year ended 31 December 2016 has been fulfilled.

(ii) In the acquisition of the 100% equity interest in AMSB, the vendors have guaranteed that AMSB will achieve an audited PAT of RM1.0 million per annum for each of the financial year ending 31 December 2018, 31 December 2019 and 31 December 2020.

31 Earnings Per Ordinary share

The basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period:-

	<u>Current Quarter</u>		<u>Year to date</u>	
	<u>30/6/2017</u>	<u>30/6/2016</u>	<u>30/6/2017</u>	<u>30/6/2016</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company (RM'000)				
- continuing operations	9,976	494	9,665	713
- discontinued operation	795	1,084	1,988	2,098
	<u>10,771</u>	<u>1,578</u>	<u>11,653</u>	<u>2,811</u>
Weighted average number of ordinary shares in issue ('000)	40,182	40,182	40,182	40,182
Basic earnings per share (Sen)				
- continuing operations	24.83	1.23	24.05	1.77
- discontinued operation	1.98	2.70	4.95	5.22
	<u>26.81</u>	<u>3.93</u>	<u>29.00</u>	<u>6.99</u>