

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 31 December 2016**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Revenue		37,951	36,133	91,737	113,050
Operating expenses	10	(38,279)	(29,654)	(104,174)	(119,904)
Other operating income	11	1,415	(570)	4,499	8,713
(Loss)/Profit from operations		<u>1,087</u>	<u>5,909</u>	<u>(7,938)</u>	<u>1,859</u>
Finance costs		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit before tax		1,087	5,909	(7,938)	1,859
Taxation	21	(415)	(129)	(652)	(790)
<b>(Loss)/profit for the period</b>		<u>672</u>	<u>5,780</u>	<u>(8,590)</u>	<u>1,069</u>
<b>Other Comprehensive Income :</b>					
Foreign currency translation		-	-	-	143
<b>Total comprehensive (loss)/income for the period</b>		<u>672</u>	<u>5,780</u>	<u>(8,590)</u>	<u>1,212</u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 31 December 2016**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.12.2016 RM'000	Preceding Year Corresponding Quarter 31.12.2015 RM'000	Current Year To Date 31.12.2016 RM'000	Preceding Year Corresponding Period 31.12.2015 RM'000
(Loss)/profit attributable to :					
Owners of the Parent		894	5,645	(6,199)	4,044
Non-controlling interest		(222)	135	(2,391)	(2,975)
		<u>672</u>	<u>5,780</u>	<u>(8,590)</u>	<u>1,069</u>
Total comprehensive income attributable to :					
Owners of the Parent		894	5,645	(6,199)	4,187
Non-controlling interest		(222)	135	(2,391)	(2,975)
		<u>672</u>	<u>5,780</u>	<u>(8,590)</u>	<u>1,212</u>
Earnings Per Share					
(a) Basic (sen)	27a	0.56	3.46	(3.85)	2.48
(b) Diluted (sen)	27b	-	-	-	-

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 December 2016**

	<b>As at 31.12.2016 RM'000 unaudited</b>	<b>As at 31.03.2016 RM'000 audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	89,972	98,044
Prepaid land lease payments	8,388	8,506
Land held for property development	17,297	17,297
Deferred tax assets	12,776	12,776
Goodwill on consolidation	4,735	11,005
	<u>133,168</u>	<u>147,628</u>
<b>Current assets</b>		
Property development costs	35,609	34,324
Inventories	192,101	201,641
Trade and other receivables	33,982	30,736
Other current assets	5,976	5,760
Current tax asset	1,563	1,165
Term deposits	103,644	50,268
Cash and bank balances	49,390	99,650
	<u>422,265</u>	<u>423,544</u>
<b>TOTAL ASSETS</b>	<u><u>555,433</u></u>	<u><u>571,172</u></u>

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 December 2016**

	<b>As at 31.12.2016 RM'000 unaudited</b>	<b>As at 31.03.2016 RM'000 audited</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	131,370	131,370
Treasury shares	(4,485)	(4,480)
Retained earnings	340,967	347,166
Capital reserves	266	266
	<u>468,118</u>	<u>474,322</u>
<b>Non-controlling interest</b>	<u>33,364</u>	<u>35,755</u>
<b>Total equity</b>	<u>501,482</u>	<u>510,077</u>
<b>Current liabilities</b>		
Short term borrowings	12,524	8,413
Trade and other payables	5,828	11,903
Other current liabilities	10,807	13,329
Current tax payable	64	-
	<u>29,223</u>	<u>33,645</u>
<b>Non current liabilities</b>		
Deferred tax liabilities	10,640	10,643
Term loan	14,088	16,807
	<u>24,728</u>	<u>27,450</u>
<b>Total liabilities</b>	<u>53,951</u>	<u>61,095</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>555,433</u>	<u>571,172</u>
Net asset per share	2.91	2.95

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 31 December 2016**

	<b>9 Months Ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>unaudited</b>
<b>Operating activities</b>		
Loss before tax	(7,938)	1,859
<u>Adjustments for :</u>		
Amortisation of prepaid land lease payments	117	117
Depreciation	8,163	8,340
Deposit written off	78	-
Gain on disposal of property, plant and equipment	(9)	107
Goodwill impairment	6,270	-
Goodwill written off	-	7,785
Interest expenses included in cost of sales	-	208
Interest expenses included in administrative expenses	511	(432)
Interest income	(2,768)	(3,154)
Property, plant and equipment written off	66	44
Unrealised gain foreign exchange	-	(1,859)
Total adjustments	12,428	11,156
<b>Operating cash flows before changes in working capital</b>	<b>4,490</b>	<b>13,015</b>
<u>Changes in working capital :</u>		
Increase in property development costs	(1,284)	(29,425)
Decrease in land held for property development	-	27,222
Decrease in inventories	9,540	23,974
(Increase)/Decrease in trade and other receivables	(3,246)	21,077
(Increase)/Decrease in other current assets	(294)	347
(Decrease)/Increase in trade and other payables	(6,075)	8,003
Decrease in other current liabilities	(2,521)	(17,743)
Total changes in working capital	(3,880)	33,455
Cash flows from operation	610	46,470
Interest paid included in cost of sales	-	(208)
Interest paid included in administrative expenses	(511)	-
Tax paid, net of refund	(990)	(17,041)
Net cash flows (used in)/from operating activities	<u>(891)</u>	<u>29,221</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 31 December 2016**

	<b>9 Months Ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>unaudited</b>
<b>Investing activities</b>		
Interest received	2,768	3,154
Proceeds from disposal of property, plant and equipment	9	1,087
Purchase of property, plant and equipment	(157)	(1,125)
Net cash flows from investing activities	<u>2,620</u>	<u>3,116</u>
<b>Financing activities</b>		
Dividend paid to non-controlling interest	-	(2,000)
Drawdown of term loan	-	5,000
Proceeds from short term borrowings, net of repayment	1,392	(18,170)
Treasury shares acquired	(5)	-
Net cash flows from/(used in) financing activities	<u>1,387</u>	<u>(15,170)</u>
<b>Net increase in cash and cash equivalent</b>	<b>3,116</b>	<b>17,167</b>
<b>Cash and cash equivalents at 1 April</b>	<b>149,918</b>	<b>151,357</b>
<b>Cash and cash equivalents at 31 December</b>	<b><u>153,034</u></b>	<b><u>168,524</u></b>
<b>Analysis of cash and cash equivalents</b>		
Fixed deposits	103,644	49,714
Cash and bank balances	49,390	118,810
	<u>153,034</u>	<u>168,524</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Period Ended 31 December 2016**

	← Non-Distributable		Attributable to owners of the Company			Distributable Equity attributable to the owners of the Company →		Total RM'000
	Share Capital RM'000	Reserve arising on consolidation RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	RM'000	Non- controlling interest RM'000	
<b>Current Year To Date</b>								
<b>Ended 31 December 2016</b>								
Opening balance at 1 April 2016	131,370	266	-	(4,480)	347,166	474,322	35,755	510,077
<b>Total comprehensive income</b>	-	-	-	-	(6,199)	(6,199)	(2,391)	(8,590)
<b>Transactions with owners</b>								
Purchase of treasury shares	-	-	-	(5)	-	(5)	-	(5)
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	(5)	-	(5)	-	(5)
Closing balance at 31 December 2016	131,370	266	-	(4,485)	340,967	468,118	33,364	501,482

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Period Ended 31 December 2016**

	← Non-Distributable		Attributable to owners of the Company			Distributable Equity attributable to the owners of the Company		Total RM'000
	Share Capital RM'000	Reserve arising on consolidation RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	RM'000	Non-controlling interest RM'000	
<b>Preceding Year</b>								
<b>Corresponding Period</b>								
<b>Ended 31 December 2015</b>								
Opening balance at 1 April 2015	131,370	266	(143)	(4,405)	351,383	478,471	43,564	522,035
<b>Total comprehensive income</b>	-	-	143	-	4,044	4,187	(2,975)	1,212
<b>Transactions with owners</b>								
Dividends on preference shares	-	-	-	-	-	-	(2,000)	(2,000)
Shares buy back	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	(2,000)	(2,000)
Closing balance at 31 December 2015	131,370	266	-	(4,405)	355,427	482,658	38,589	521,247

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)



**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016**

---

**1. Accounting policies and methods of computation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2016. These 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 the financial position and performance of the Group since the year ended 31 March 2016.

**2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2016 except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), amendment to FRS and Issues Committee ("IC") Interpretations :

	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016

The adoption of the above standards, amendments and annual improvements did not have any material effect on the financial performance or position of the Group.

The Group has not early adopted the following FRS and IC Interpretations which have effective dates as follow:

	Effective for annual periods beginning on or after
FRS 115: Revenue from Contracts with Customers	1 January 2018
FRS 9: Financial Instruments	1 January 2018

The FRS and Interpretation above are expected to have no significant impact on the financial statements of the Group upon their initial application.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016**

---

**3. Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be 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 (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be preparing its financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2018. 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 profits.

**4. Disclosure of audit qualification**

There was no qualification on the audit report of the preceding audited financial statements.

**5. Seasonality or cyclical nature of interim operations**

The timber business of the Group is affected by the world demand and supply of plywood. The other operations of the Group are not materially affected by any seasonality or cyclical factors.

**6. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence**

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

**7. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016**

**8. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

During the current quarter, 5,100 ordinary shares of RM0.80 each were purchased and retained as treasury shares. The details of the shares bought back as of 31 December 2016 are as follows:

Month	No. of shares bought	Purchase price per share		Average price per share	Total cost
		Lowest	Highest		
		RM	RM	RM	RM'000
December 2016	5,100	0.87	0.88	0.87	5

**9. Dividends paid**

There was no dividend paid during the financial period to date.

**10. Operating expenses**

	3 Months Ended		9 Months Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Amortisation of prepaid land lease payments	39	39	117	117
Depreciation	2,721	2,769	8,163	8,340
Deposit written off	-	-	78	-
Goodwill impairment	-	-	6,270	-
Goodwill written off	-	-	-	7,785
Gain on disposal of property, plant and equipment	(9)	107	(9)	107
Interest expenses included in cost of sales	-	33	-	208
Interest expenses included in administrative expenses	236	(532)	511	-
Property, plant and equipment written off	-	45	66	45
Realised loss on foreign exchange	-	(4,838)	-	(6,925)
Unrealised loss/(gain) in foreign exchange	-	6,183	-	(1,859)
Cost of sales	28,271	24,648	72,325	86,210
Marketing and distribution expenses	4,420	915	10,122	7,702
Administration expenses	1,436	(303)	5,116	16,611
Other expenses	1,165	589	1,415	1,563
<b>Total operating expenses</b>	<b>38,279</b>	<b>29,655</b>	<b>104,174</b>	<b>119,904</b>

**11. Other operating income**

	3 months Ended		9 months Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Interest income	929	1,055	2,768	3,154
Miscellaneous income	486	(1,625)	1,731	5,559
<b>Total other operating income</b>	<b>1,415</b>	<b>(570)</b>	<b>4,499</b>	<b>8,713</b>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016**

**12. Segmental reporting**

The Group's segmental report for the financial period to date is as follows :

	Timber Operations RM'000	Trading RM'000	Property and Investment Holdings RM'000	Property Development RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>						
External sales	91,696	-	41	-	-	91,737
Inter-segment sales	4,953	-	-	-	(4,953)	-
Total revenue	<u>96,649</u>	<u>-</u>	<u>41</u>	<u>-</u>	<u>(4,953)</u>	<u>91,737</u>
Operating profit/(loss) before interest and tax	2,138	(7)	(249)	(1,708)	(10,369)	(10,195)
Interest income	1,619	-	586	52	-	2,257
Income taxes	(586)	-	(35)	(31)	-	(652)
Net profit/(loss)	<u>3,171</u>	<u>(7)</u>	<u>302</u>	<u>(1,687)</u>	<u>(10,369)</u>	<u>(8,590)</u>

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

All inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**13. Valuations of property, plant and equipment**

The valuation of property, plant and equipment have been bought forward without any amendments from the previous annual financial statements.

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

There were no changes in the composition of the Group during the current financial year to date, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016**

---

**15. Capital commitments**

As at 31 December 2016, there were no material capital commitments for capital expenditure by the Group which might have a material impact on the financial position or business of the Group.

**16. Changes in contingent liabilities since the last annual balance sheet date**

There were no changes in contingent liabilities of the Company since the last annual balance sheet date as at 31 March 2016. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 31 December 2016, the amount of banking facilities utilised which were secured by corporate guarantees was RM26.6 million.

**17. Review of the performance of the Group for the period under review and financial year-to-date**

The Group's turnover and loss after taxation for the nine months ended 31 December 2016 are RM91.7 million and RM8.6 million respectively. In the corresponding period of the previous financial year, the Group's turnover and profit after taxation were RM113.1 million and RM1.1 million respectively.

The Group's turnover and profit after taxation for the quarter under review are RM40.0 million and RM0.7 million respectively. In the corresponding quarter of the previous financial year, the Group's turnover and profit after taxation were RM36.1 million and RM5.8 million respectively.

Included in the loss for the nine months period is a goodwill impairment of RM6.3 million and an adjustment to property development cost of RM4.1 million

The performance of the Group's timber and property development divisions, which are its main operating divisions, are as follow:

*Timber*

The timber division's turnover and loss after taxation for the nine months ended 31 December 2016 are RM91.7 million and RM3.1 million respectively. In the corresponding period of the previous financial year, the division's turnover and profit after taxation were RM110.6 million and RM7.1 million respectively.

The division's turnover and profit after taxation for the quarter under review is RM37.9 million and RM1.2 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM36.1 million and RM5.2 million respectively.

The lower margin for the quarter under review is due to depressed plywood prices globally. Further, the Group is disposing its lower grade of stocks.

Included in the loss after taxation for the nine months period is a goodwill impairment amounting to RM6.3 million in respect of the Company's subsidiary, Rajang Plywood Sawmill Sdn Bhd which has suspended production activity.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016**

---

**17. Review of the performance of the Group for the period under review and financial year-to-date (Continued)**

*Property Development*

The division's loss after taxation for the nine months ended 31 December 2016 is RM5.7 million. In the corresponding period of the previous financial year, the division's turnover and loss after taxation were RM2.4 million and RM7.5 million respectively.

The division's loss after taxation for the quarter under review is RM0.5 million. There were no sales recorded for the quarter under review. In the corresponding quarter of the previous financial year, the division's profit after taxation was RM0.4 million. The expenses incurred were mainly maintenance and administrative in nature.

The loss after taxation for the nine months period is mainly due to reassessment of cost allocated to the saleable area amounting to RM4.1 million. The reassessed cost was taken to the income statement.

**18. Review of the performance of the Group for the quarter under review and immediate preceding quarter**

The Group's turnover and profit after taxation for the quarter under review are RM40.0 million and RM0.7 million respectively. In the immediate preceding quarter, the Group's turnover and loss after taxation were RM35.9 million and RM2.3 million respectively.

The performance of the Group's timber and property development divisions, which are the Group's main operating divisions are as follows:

*Timber*

The timber division's turnover and profit after taxation for the quarter under review are RM37.9 million and RM1.2 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM35.9 million and RM1.9 million respectively.

A slight improvements in selling price gave rise to better margins for the quarter under review.

*Property Development*

The division's loss after taxation for the quarter under review is RM0.5 million. There were no sales recorded for the quarter under review as property market continues to be soft. In the immediate preceding quarter, the division's loss after taxation were RM0.4 million. The expenses incurred were mainly maintenance and administrative in nature.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016**

---

**19. Prospects and Outlook**

*Timber*

The plywood market is soft as it is expected to remain at current levels in the coming months.

*Property Development*

The division is gearing towards launching its new development in Bukit Serdang, Selangor in 2017. This project is expected to contribute to the Group's earnings in the 2018 financial year. Rental income meanwhile is expected to improve with additional units rented out.

Apart from the goodwill write off and reallocation of cost for the property sector, the Board expects the Group's performance to be satisfactory.

**20. Variance of actual profit from forecast profit**

Not applicable.

**21. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and financial period-to-date**

	<b>Current Quarter RM'000</b>	<b>Financial Period-to-date RM'000</b>
Taxation		
- Current year charge	(414)	(649)
Deferred taxation		
- Current year	(1)	(3)
	<u>(415)</u>	<u>(652)</u>

**22. Status of corporate proposal**

There was no corporate proposal not completed at the date of this report.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016

---

**23. Group borrowings and debt securities**

	<b>As at 31.12.2016 RM'000</b>
Short term borrowings	
- secured	12,524
Long term borrowings	
- secured	14,088
Total borrowings	<u>26,612</u>

All the above borrowings are denominated in Ringgit Malaysia .

**24. Material litigation**

There was no material litigation against the Group as at the reporting date.

**25. Proposed dividend**

The Board of Directors does not recommend any interim dividend for the financial quarter ended 31 December 2016.

**26. Disclosure requirements pursuant to implementation of FRS 139**

**Part A: Disclosure of derivatives**

As at 31 December 2016, the Group did not hold any financial derivatives.

**Part B: Disclosure of gains/losses arising from fair value changes of financial liabilities**

As at 31 December 2016, the Group did not have any gains/losses arising from fair value changes of financial liabilities.

**Part C: Disclosure of breakdown of realised and unrealised profits or losses**

The Group's realised and unrealised retained profits are as follows:

	<b>As at 31.12.2016 RM'000</b>
Total retained profits of the Company and its subsidiaries:	
- Realised	371,473
- Unrealised	<u>2,136</u>
	373,609
Add: Consolidation adjustments	<u>(32,642)</u>
Total group retained profits as per consolidated accounts	<u>340,967</u>



EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 December 2016

---

**27. Earnings per share**

The earnings per share is calculated as follows :

	<b>Financial Period-to-date RM'000</b>
<b>a. Basic</b>	
Net profit/ (loss) attributable to ordinary shareholders (RM'000)	<u>(6,199)</u>
Number of ordinary shares in issue (in thousand)	<u>160,929</u>
Basic profit/ (loss) per ordinary share (sen)	<u>(3.85)</u>
<b>b. Diluted</b>	
Not applicable	

**28. Subsequent event**

There was no material event subsequent to the end of the current quarter.

BY ORDER OF THE BOARD

Kimberly Ong Sweet Ee  
Company Secretary

27 February 2017