

**KKB ENGINEERING BERHAD**

(Company No : 26495 - D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016****Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 3 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/03/2016 RM	COMPARATIVE QUARTER ENDED 31/03/2015 RM	CURRENT PERIOD ENDED 31/03/2016 RM	COMPARATIVE PERIOD ENDED 31/03/2015 RM
Revenue	22,162,647	76,726,693	22,162,647	76,726,693
Cost of sales	<u>(21,468,301)</u>	<u>(38,591,740)</u>	<u>(21,468,301)</u>	<u>(38,591,740)</u>
<b>Gross profit</b>	694,346	38,134,953	694,346	38,134,953
Other income	1,961,076	1,284,197	1,961,076	1,284,197
Distribution costs	(165,007)	(182,391)	(165,007)	(182,391)
Administrative expenses	(3,624,820)	(4,668,080)	(3,624,820)	(4,668,080)
Other expenses	(429,708)	(467,730)	(429,708)	(467,730)
Finance costs	(109,977)	(149,127)	(109,977)	(149,127)
Share of results of associates	(987,892)	421,945	(987,892)	421,945
<b>(Loss)/Profit before tax</b>	<u>(2,661,982)</u>	<u>34,373,767</u>	<u>(2,661,982)</u>	<u>34,373,767</u>
Income tax expense	<u>709,596</u>	<u>(5,766,374)</u>	<u>709,596</u>	<u>(5,766,374)</u>
<b>(Loss)/Profit for the period</b>	<u>(1,952,386)</u>	<u>28,607,393</u>	<u>(1,952,386)</u>	<u>28,607,393</u>
<b>Other Comprehensive Income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Comprehensive (Expense)/Income for the period</b>	<u>(1,952,386)</u>	<u>28,607,393</u>	<u>(1,952,386)</u>	<u>28,607,393</u>
(Loss)/Profit for the period attributable to:				
Owners of the parent	(1,955,957)	26,670,710	(1,955,957)	26,670,710
Non-controlling interests	3,571	1,936,683	3,571	1,936,683
	<u>(1,952,386)</u>	<u>28,607,393</u>	<u>(1,952,386)</u>	<u>28,607,393</u>
Total Comprehensive (Expense)/Income for the period attributable to:				
Owners of the parent	(1,955,957)	26,670,710	(1,955,957)	26,670,710
Non-controlling interests	3,571	1,936,683	3,571	1,936,683
	<u>(1,952,386)</u>	<u>28,607,393</u>	<u>(1,952,386)</u>	<u>28,607,393</u>
<b>(Loss)/Earnings per share attributable to owners the parent:</b>				
Basic, for (loss)/profit for the period (sen)	<u>(0.76)</u>	<u>10.35</u>	<u>(0.76)</u>	<u>10.35</u>
Diluted, for profit for the period (sen) - Not Applicable				

(These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

**KKB ENGINEERING BERHAD**

(Company No : 26495 - D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016****Unaudited Condensed Consolidated Statements of Financial Position**

	AS AT 31/03/2016 RM	AS AT 31/12/2015 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	147,256,037	149,400,879
Investment in associates	<u>1,029,772</u>	<u>2,017,664</u>
	<u>148,285,809</u>	<u>151,418,543</u>
<b>Current assets</b>		
Inventories	29,284,989	27,973,871
Amount due from customers for contract work	6,840,069	-
Trade and other receivables	11,749,100	15,006,202
Other current assets	2,091,459	987,140
Investment securities	129,486,333	121,286,411
Cash and bank balances	<u>9,925,646</u>	<u>16,763,950</u>
	<u>189,377,596</u>	<u>182,017,574</u>
<b>TOTAL ASSETS</b>	<b><u>337,663,405</u></b>	<b><u>333,436,117</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Amount due to customers for contract work	-	1,169,544
Loans and borrowings	3,265,795	3,227,713
Trade and other payables	17,818,922	7,692,799
Income tax payable	<u>189,182</u>	<u>1,463,844</u>
	<u>21,273,899</u>	<u>13,553,900</u>
<b>Net Current assets</b>	<u>168,103,697</u>	<u>168,463,674</u>
<b>Non-current liabilities</b>		
Loans and borrowings	5,941,809	6,772,538
Deferred tax liabilities	<u>966,823</u>	<u>1,676,419</u>
	<u>6,908,632</u>	<u>8,448,957</u>
<b>Total liabilities</b>	<u>28,182,531</u>	<u>22,002,857</u>
<b>Net assets</b>	<u>309,480,874</u>	<u>311,433,260</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	128,896,000	128,896,000
Retained earnings	<u>170,499,823</u>	<u>172,455,780</u>
	299,395,823	301,351,780
<b>Non-controlling interests</b>	<u>10,085,051</u>	<u>10,081,480</u>
<b>Total equity</b>	<u>309,480,874</u>	<u>311,433,260</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>337,663,405</u></b>	<b><u>333,436,117</u></b>

(These Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

**KKB ENGINEERING BERHAD**

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(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016****Unaudited Condensed Consolidated Statements of Changes in Equity**

	<----- Attributable to owners of the parent ----->			Non-controlling	Total
	Non-Distributable	Distributable	Total	Interests	Equity
	Share	Retained			
	Capital	Earnings			
	RM	RM	RM	RM	RM
<b>At 1 January 2015</b>	128,896,000	156,736,492	285,632,492	10,007,295	295,639,787
Profit for the period	-	26,670,710	26,670,710	1,936,683	28,607,393
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	26,670,710	26,670,710	1,936,683	28,607,393
<b>At 31 March 2015</b>	<u>128,896,000</u>	<u>183,407,202</u>	<u>312,303,202</u>	<u>11,943,978</u>	<u>324,247,180</u>
<b>At 1 January 2016</b>	128,896,000	172,455,780	301,351,780	10,081,480	311,433,260
(Loss)/profit for the period	-	(1,955,957)	(1,955,957)	3,571	(1,952,386)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	(1,955,957)	(1,955,957)	3,571	(1,952,386)
<b>At 31 March 2016</b>	<u>128,896,000</u>	<u>170,499,823</u>	<u>299,395,823</u>	<u>10,085,051</u>	<u>309,480,874</u>

(These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

**KKB ENGINEERING BERHAD**

(Company No : 26495 - D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016****Unaudited Condensed Consolidated Statements of Cash Flows**

	CUMULATIVE 3 MONTHS ENDED 31/03/2016 RM	CUMULATIVE 3 MONTHS ENDED 31/03/2015 RM
(Loss)/Profit before taxation	(2,661,982)	34,373,767
Adjustments for:		
Depreciation of property, plant & equipment	2,993,838	3,121,200
Interest expense	109,977	149,127
Property, plant & equipment written off	1	6,236
Impairment loss on trade receivables	37,872	158,055
Dividend income	(762,410)	(348,137)
Fair value changes in investment securities	(437,512)	(404,647)
Unrealised foreign exchange gain	(17,586)	(4,846)
Interest income	(80,346)	(243,447)
Share of results of associates	987,892	(421,945)
Total adjustments	<u>2,831,726</u>	<u>2,011,596</u>
Operating cash flows before changes in working capital	169,744	36,385,363
Changes in working capital		
(Increase)/decrease in inventories	(1,311,118)	7,272,261
Increase in amount due from customers for contract work	(6,840,069)	-
Decrease in amount due to customers for contract work	(1,169,544)	(977,891)
Decrease in receivables	3,259,408	334,092
Increase/(decrease) in payables	10,143,709	(882,971)
Increase in other current assets	(3,000)	(3,001)
Cash flows from operations	<u>4,249,130</u>	<u>42,127,853</u>
Interest paid	(109,977)	(149,127)
Taxation paid, net of refund	<u>(2,395,980)</u>	<u>(6,719,487)</u>
Net cash flows from operating activities	<u>1,743,173</u>	<u>35,259,239</u>
Investing activities		
Acquisition of property, plant & equipment	(848,997)	(543,741)
Additional investment in an associate	-	(860,000)
Net acquisition of investment securities	(7,000,000)	(6,299,999)
Interest received	40,168	36,079
Dividend received from an associate	20,000	-
Net cash flows used in investing activities	<u>(7,788,829)</u>	<u>(7,667,661)</u>
Financing activities		
Net repayment of bankers' acceptances	-	(11,200,000)
Repayment of lease instalments	<u>(792,648)</u>	<u>(1,026,449)</u>
Net cash flows used in financing activities	<u>(792,648)</u>	<u>(12,226,449)</u>
Net (decrease)/increase in cash and cash equivalents	(6,838,304)	15,365,129
Cash and cash equivalents at the beginning of the period	16,763,950	7,549,362
Cash and cash equivalents at the end of the period	<u>9,925,646</u>	<u>22,914,491</u>

(These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**

### **Selected explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting**

#### **1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2015. The explanatory notes attached to the 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 2015.

#### **2. Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2015 except for the adoption of the following with effect from 1 January 2016:

- ❖ Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- ❖ Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants
- ❖ Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- ❖ Amendments to MFRS 127: Equity Method in Separate Financial Statements
- ❖ Amendments to MFRS 101: Disclosure Initiatives
- ❖ Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception
- ❖ MFRS 14: Regulatory Deferral Accounts
- ❖ Annual Improvements 2012-2014 Cycle
  - MFRS 7: Financial Instruments: Disclosures
  - MFRS 134: Interim Financial Reporting

The initial application of the above is not expected to have any material financial impact on the Group's results.

#### **3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2015 was not qualified.

#### **4. Seasonal or cyclical factors**

The business operations of the Group are not significantly affected by any seasonal or cyclical factors in the current quarter and financial year to date.

**5. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group in the current quarter and financial year to date.

**6. Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior financial years which have a material effect in the current quarter and financial year to date.

**7. Debt and equity securities**

There were no issuances and repayments of debt and equity securities, share buy backs, shares cancellation, shares held as treasury shares and resale of treasury shares in the current quarter and financial year to date.

**8. Dividend paid**

No dividend was paid in the current quarter and financial year to date.

**9. Segmental Reporting**

The information for business segments predominantly conducted in Malaysia for the current financial year to date was as follows:

**RESULTS FOR PERIOD-TO-DATE ENDED 31 MARCH 2016**

	Manufacturing RM	Engineering RM	Consolidated RM
Total revenue	7,607,048	18,277,965	25,885,013
Less: Inter-segment revenue	(3,714,826)	(7,540)	(3,722,366)
External revenue	3,892,222	18,270,425	22,162,647
Results	(662,614)	(901,499)	(1,564,113)
Finance costs	-	(109,977)	(109,977)
Share of results of associates	(18,113)	(969,779)	(987,892)
Loss before tax	(680,727)	(1,981,255)	(2,661,982)
Income tax expense	100,629	608,967	709,596
Loss after tax	(580,098)	(1,372,288)	(1,952,386)
	=====	=====	=====
<b>OTHER INFORMATION</b>			
Interest income	25,808	54,538	80,346
Depreciation	281,900	2,711,938	2,993,838
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## RESULTS FOR PERIOD-TO-DATE ENDED 31 MARCH 2015

	Manufacturing RM	Engineering RM	Consolidated RM
Total revenue	64,831,027	21,612,072	86,443,099
Less: Inter-segment revenue	(264,227)	(9,452,179)	(9,716,406)
	-----	-----	-----
External revenue	64,566,800	12,159,893	76,726,693
	-----	-----	-----
Results	24,905,381	9,195,568	34,100,949
Finance costs	(62)	(149,065)	(149,127)
Share of results of associates	19,185	402,760	421,945
	-----	-----	-----
Profit before tax	24,924,504	9,449,263	34,373,767
Income tax expense	(6,159,245)	392,871	(5,766,374)
	-----	-----	-----
Profit after tax	18,765,259	9,842,134	28,607,393
	=====	=====	=====

### **OTHER INFORMATION**

Interest income	43,944	199,503	243,447
Depreciation	381,765	2,739,435	3,121,200
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#### **10. Material subsequent events**

There were no material subsequent events as at the date of this announcement.

#### **11. Changes in composition of the Group**

There were no changes in composition of the Group for the current quarter and financial year to date.

#### **12. Contingent liabilities/Contingent assets as at 31 March 2016**

There were no material contingent liabilities or contingent assets as at the date of this announcement.

#### **13. Capital Commitments**

	As at 31/03/2016 RM	As At 31/03/2015 RM
Commitments in respect of capital expenditure:		
Approved and contracted for:		
Property, plant and equipment	2,420,168	837,658
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## 14. Related Party Transactions

	3 Months Ended		Cumulative 3 Months Ended	
	Current Quarter Ended 31/03/2016 RM	Comparative Quarter Ended 31/03/2015 RM	Current Period Ended 31/03/2016 RM	Comparative Period Ended 31/03/2015 RM
Transactions with an associate, Edisi Optima Sdn. Bhd.				
- Sale of fabricated and galvanized steel products	26,307	-	26,307	-
- Provision of miscellaneous services such as machineries, equipments and labour	7,936	18,773	7,936	18,773
- Rental income	6,000	6,000	6,000	6,000
- Purchase of miscellaneous services such as machineries, equipments and labour	9,719	15,454	9,719	15,454
Transactions with an associate, OceanMight Sdn. Bhd.				
- Rental income	94,900	84,900	94,900	84,900
- Sales of fabricated/galvanised steel products, structural steel works and other related products	11,551,652	4,516,138	11,551,652	4,516,138
Transactions with subsidiaries of an investor, Cahya Mata Sarawak Bhd.				
- Sales of steel pipes and pipe fittings to CMS Infra Trading Sdn. Bhd.	-	60,044,315	-	60,044,315
- Sales of fabricated/galvanised steel products and structural steel works to PPES Works (Sarawak) Sdn. Bhd.	-	88,000	-	88,000
- Purchase of steel and concrete products from CMS Concrete Products Sdn. Bhd.	122,861	-	122,861	-
Rental expense paid to companies in which certain directors of the Company have substantial financial interest and/or are also directors				
- KKB Development Sdn. Bhd.	17,850	17,850	17,850	17,850
- KKB Realty Sdn. Bhd.	17,400	17,400	17,400	17,400
- Sepang Kaya Sdn. Bhd.	30,857	30,857	30,857	30,857
Rental expense paid to a director, Dato Kho Kak Beng	19,200	7,200	19,200	7,200
Rental expense paid to a person connected with certain directors of the Company				
- Kho Siew Lan	1,600	-	1,600	-
	-----	-----	-----	-----
	11,906,282	64,846,887	11,906,282	64,846,887
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These transactions have been entered into with related parties on terms and conditions that are not more favourable to the related party than those generally available to the public.



## **Explanatory notes pursuant to Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

### **15. Detailed Review Of Performance**

The Group recorded a total revenue of RM22.2 million in the current quarter (1Q15: RM76.7 million) and pre-tax loss of RM2.7 million against a Pre-Tax Profit of RM34.4 million in the preceding year corresponding quarter.

Revenue decreased by 71.1% due to slower activities of the Group's major subsidiaries i.e Harum Bidang Sdn Bhd and KKB Industries (Sabah) Sdn Bhd resulting in much lower revenue recorded by the Steel Pipes manufacturing business.

The overall financial performance of the Group for 1Q15 has been affected due to competition within the industry for limited works available for both the Engineering and Manufacturing sectors under the prevailing softening global economy.

#### Engineering Sector

The Engineering sector's revenue of RM18.3 million (1Q15: RM12.2 million) was 50.0% higher, as a result of higher progress billings from on-going fabrication projects. The absence of any new construction projects and sizeable steel fabrication works has however pulled down the overall earnings for the sector.

Current quarter's revenue was mainly contributed from the remaining on-going fabrication works involving the supply of Low/High Tension Steel Poles, supply of fabricated steel structures for Tank 7 New Jetty-PAF Projects for Petronas LNG Train 9 project, subcontract works for the fabrication of wellhead platforms and other miscellaneous fabrication works.

For Hot-Dip Galvanizing Division, quarter's revenue of RM748K was mainly contributed from the supply of Hot Dip Galvanised Steel Poles and other ad-hoc orders from walk-in customers.

#### Manufacturing Sector

Revenue from the Group's Steel Pipes manufacturing business reduced in the current quarter with marginal revenue of RM246K as compared to RM62.3 million recorded in the preceding year first quarter. The decline in revenue was mainly due to the fulfillment of its major contract for the supply of Polyurethane Lined Mild Steel Pipes and Mild Steel Cement-Lined Pipes and Pipes Specials to CMS Infra Trading Sdn Bhd.

LPG Cylinders sales for the current quarter shows an increase with revenue recorded of RM3.6 million (1Q15: RM2.3 million) due to higher offtake of LPG cylinders from the Company's major customer, including the supply of LPG Cylinders to Petron Malaysia Refining & Marketing Bhd (formerly known as Esso Malaysia Bhd) and the export of LPG Cylinders to Brunei Shell Marketing Company Sdn Bhd.

### **16. Material changes in the quarterly results compared to the results of the preceding quarter**

Current quarter's Group revenue of RM22.2 million (4Q15: RM12.8 million) increased by 73.4% compared to the preceding quarter, mainly due to higher sales recognized from the Engineering sector in particular from the Steel Fabrication Division but offset by lower sales from the Group's Steel Pipes manufacturing business.

## 17. Prospects

The continued uncertainty in the global economy has inevitably affected the Group's performance on the back of lower volumes and increasing costs.

Moving forward, the Group's operation will continue to face challenges, with inflation, volatility of global raw material steel prices, foreign exchange rates and uncertainties of global economy.

The Group's diversified portfolio coupled with its healthy financial position with relatively low gearing however provides a resilient platform to mitigate the adverse effects under the prevailing competitive and challenging business environment.

We remain focused and continue our efforts to strengthen and grow our core business in both the engineering and manufacturing activities based on strong fundamentals to optimise our operations towards a sustainable growth for the financial year ending 2016, barring any unforeseen circumstances.

## 18. Variances from financial estimate, forecast or projection, or profit guarantee

Not applicable to the Group as no financial estimate, forecast or projection, or profit guarantee were published.

## 19. Commentary on the company's progress to achieve the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the financial estimate, forecast, projection or internal targets

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

## 20. Statement of the Board of Directors' opinion as to whether the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

## 21. Taxation

	3 Months Ended		Cumulative 3 Months Ended	
	Current Quarter Ended 31/03/2016 RM	Comparative Quarter Ended 31/03/2015 RM	Current Period Ended 31/03/2016 RM	Comparative Period Ended 31/03/2015 RM
Malaysian taxation - Current year	-	6,193,157	-	6,193,157
Deferred tax	(709,596)	(426,783)	(709,596)	(426,783)
	-----	-----	-----	-----
	(709,596)	5,766,374	(709,596)	5,766,374
	=====	=====	=====	=====

## 22. Status of Corporate Proposals

There were no new or outstanding corporate proposals announced which have not been completed as at the date of this announcement.

## 23. Group's Borrowings and Debt Securities

Total Group's loans and borrowings as at 31 March 2016 were as follows: -

Loans and Borrowings (denominated in Ringgit Malaysia)	Secured RM
<u>Current</u>	
Lease payables	3,265,795 -----
<u>Non-Current</u>	
Lease payables	5,941,809 -----
Total borrowings	9,207,604 =====

## 24. Material Litigations

The hearing of the arbitration proceedings between KKB Builders Sdn Bhd (a wholly owned subsidiary of the Company) as the Claimant and Global Upline Sdn Bhd as the Respondent is on-going.

The legal opinion given by the Company's lawyers is that the Respondent's claim is without basis.

Save as disclosed above, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position.

## 25. Dividend

A first and final single tier dividend of 4.0 sen per ordinary share of RM0.50 each, in respect of the financial year ended 31 December 2015 has been recommended by the Board of Directors on 23 February 2016, payable to shareholders of the Company whose names appear in the Record of Depositors on 23 May 2016.

The payment of this first and final dividend is subject to the shareholders' approval at the forthcoming Fortieth Annual General Meeting to be held on 12 May 2016, and if approved will be paid on 13 June 2016.

**26. Earnings per share**

	3 Months Ended		Cumulative 3 Months Ended	
	Current Quarter Ended 31/03/2016	Comparative Quarter Ended 31/03/2015	Current Period Ended 31/03/2016	Comparative Period Ended 31/03/2015
Net (loss)/profit attributable to owners of the parent (RM)	<u>(1,955,957)</u>	<u>26,670,710</u>	<u>(1,955,957)</u>	<u>26,670,710</u>
Weighted average number of ordinary shares in issue	<u>257,792,000</u>	<u>257,792,000</u>	<u>257,792,000</u>	<u>257,792,000</u>
Basic (loss)/earnings per share for the period attributable to owners of the parent (sen)	<u>(0.76)</u>	<u>10.35</u>	<u>(0.76)</u>	<u>10.35</u>

There is no dilution in its (loss)/earnings per ordinary share in the current quarter and financial year to date as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

**27. Realised and Unrealised Profits/Losses**

	As at 31/03/2016 RM	As at 31/12/2015 RM
Total retained profits of the Company and its subsidiaries:		
- Realised	177,493,788	179,152,861
- Unrealised	7,270,971	6,561,375
	-----	-----
	184,764,759	185,714,236
Total share of accumulated losses from associates:		
- Realised	(3,817,223)	(2,809,331)
- Unrealised	-	-
	-----	-----
	180,947,536	182,904,905
Less: Consolidation adjustments	(10,447,713)	(10,449,125)
	-----	-----
Total group retained profits as per consolidated accounts	170,499,823	172,455,780
	=====	=====

**28. Additional Disclosures on Profit for the period**

	3 Months Ended		Cumulative 3 Months Ended	
	Current Quarter Ended 31/03/2016 RM	Comparative Quarter Ended 31/03/2015 RM	Current Period Ended 31/03/2016 RM	Comparative Period Ended 31/03/2015 RM
Profit for the period is arrived at after charging/(crediting):				
Interest income	(80,346)	(243,447)	(80,346)	(243,447)
Realised foreign exchange loss/(gain)	64,376	(3,133)	64,376	(3,133)
Unrealised foreign exchange gain	(17,586)	(4,846)	(17,586)	(4,846)
Rental income	(112,900)	(106,400)	(112,900)	(106,400)
Depreciation of property, plant and equipment	2,993,838	3,121,200	2,993,838	3,121,200
Interest expense	109,977	149,127	109,977	149,127
Impairment loss on trade receivables	37,872	158,055	37,872	158,055
Property, plant and equipment written off	1	6,236	1	6,236

Other than the above items which have been included in the statement of profit or loss and other comprehensive income, there were no provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and period ended 31 March 2016.