



KIM TECK CHEONG CONSOLIDATED BERHAD
(Company No: 1113927-H)

**INTERIM FINANCIAL REPORT FOR THE
THIRD (3RD) QUARTER ENDED 31 MARCH 2017**

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

Unaudited Condensed Consolidated Statement of Comprehensive Income⁽¹⁾

	Note	Individual Quarter 3 months period ended		Cumulative Quarter 9 months period ended	
		31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Revenue		108,310	80,233	311,722	243,145
Cost of sales		(95,502)	(71,138)	(273,940)	(212,165)
Gross profit		12,808	9,095	37,782	30,980
Other income		1,250	450	1,812	3,786 [^]
Administrative expenses		(3,542)	(3,871)	(9,881)	(11,630)
Selling and distribution expenses		(7,675)	(5,621)	(21,239)	(16,252)
Other operating expenses		(504)	(961)	(1,421)	(1,547)
Operating profit / (loss)		2,337	(908)	7,053	5,337
Finance costs		(1,919)	(1,143)	(5,083)	(3,887)
Profit / (Loss) before taxation		418	(2,051)	1,970	1,450
Income tax credit / (expense)		272	411	(77)	(494)
Net profit / (loss) for the period		690	(1,640)	1,893	956
Profit attributable to:					
Owners of the Company		716	(1,665)	1,875	897
Non-controlling interests		(26)	25	18	59
		690	(1,640)	1,893	956
Earnings per share attributable to Owners of the Company					
- Basic (sen)	B10	0.14	(0.33)	0.37	0.18
- Diluted (sen)	B10	0.11	(0.25)	0.28	0.13

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of Kim Teck Cheong Consolidated Berhad ("KTC Consolidated" or the "Company") and its subsidiaries ("KTC Group" or the "Group") for the financial year ended ("FYE") 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.

[^] Included in other income is the gain on bargain purchase arising from acquisition of subsidiaries which had been adjusted from RM2.85 million to RM1.83 million retrospectively upon completion of the purchase price allocation in June 2016.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

Unaudited Condensed Consolidated Statement of Financial Position⁽¹⁾

	As at 31 March 2017 RM'000 (Unaudited)	As at 30 June 2016 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	68,173	60,302
Goodwill on consolidation	7,233	5,981
Intangible asset	178	237
Deferred tax assets	539	268
	76,123	66,788
Current Assets		
Inventories	97,928	60,414
Trade and other receivables	101,785	93,954
Tax assets	2,573	1,270
Deposits, cash and bank balances	3,038	21,999
Total Current Assets	205,324	177,637
Total Assets	281,447	244,425
EQUITY AND LIABILITIES		
Share capital	99,361	75,030
Share premium ⁽²⁾	-	24,331
Revaluation reserve	9,364	9,496
Reorganisation deficit	(47,963)	(47,963)
Retained earnings	30,903	28,896
	91,665	89,790
Non-controlling interests	2,688	866
Total Equity	94,353	90,656
Non-current Liabilities		
Hire purchase payables	3,485	3,266
Borrowings	14,930	11,438
Deferred tax liabilities	5,600	5,657
Total Non-current Liabilities	24,015	20,361
Current Liabilities		
Trade payables and other payables	17,251	31,209
Hire purchase payables	1,552	1,095
Borrowings	143,948	101,074
Current tax liabilities	328	30
Total Current Liabilities	163,079	133,408
Total Liabilities	187,094	153,769
Total Equity and Liabilities	281,447	244,425
Number of ordinary shares of RM0.10 each ('000)	510,277	510,277
Net assets attributable to ordinary shareholders of the Company, per ordinary share (RM)	0.18	0.18

Note:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.
- (2) Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM24,331,000 for the purposes set out in Section 618(3) of the CA 2016.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

Unaudited Condensed Consolidated Statement of Changes in Equity⁽¹⁾

	←----- Attributable to Equity Owners of the Company ----->					Sub-total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable				Distributable			
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reorganisation Deficit RM'000	Retained Earnings RM'000			
Current period-to-date ended 31 March 2017								
As at 1 July 2016	75,030	24,331	9,496	(47,963)	28,896	89,790	866	90,656
Profit for the period, representing total comprehensive income	-	-	-	-	1,875	1,875	18	1,893
Realisation of revaluation reserve	-	-	(132)	-	132	-	-	-
Transaction with owners								
Adjustment for effect of CA 2016 ⁽³⁾	24,331	(24,331)	-	-	-	-	-	-
Acquisition of a subsidiary company	-	-	-	-	-	-	1,804	1,804
Balance as at 31 March 2017	99,361	-	9,364	(47,963)	30,903	91,665	2,688	94,353
Corresponding period-to-date ended 31 March 2016								
As at 1 July 2015	(2)	-	9,672	(64)	26,868	36,476	-	36,476
Profit for the period, representing total comprehensive income	-	-	-	-	897	897	59	956
Realisation of revaluation reserve	-	-	(160)	-	160	-	-	-
Transaction with owners								
Shares issued for acquisition of subsidiaries	60,830	18,414	-	(47,899)	-	31,345	788	32,133
Public issue of shares	14,200	7,100	-	-	-	21,300	-	21,300
Share issue expenses	-	(1,183)	-	-	-	(1,183)	-	(1,183)
Balance as at 31 March 2016	75,030	24,331	9,512	(47,963)	27,925	88,835	847	89,682

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

Unaudited Condensed Consolidated Statement of Changes in Equity⁽¹⁾ (Cont'd)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.
- (2) RM2.00
- (3) Pursuant to Section 618(2) of the CA 2016, any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM24,331,000 for the purposes set out in Section 618(3) of the CA 2016.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

Unaudited Condensed Consolidated Statement of Cash Flows⁽¹⁾

	Current Period Ended 31 March 2017 RM'000	Corresponding Period Ended 31 March 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,970	423
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	2,536	2,168
Amortisation of intangible asset	60	59
Bad debts written off	2	-
Interest income	(164)	(270)
Interest expenses	5,083	3,887
Gain on disposal of property, plant and equipment	(8)	(7)
Gain on bargain purchase arising from the acquisition of subsidiaries	(806)	(1,825) [^]
Inventories written off	1,419	1,509
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,092	5,944
Changes in working capital:		
Inventories	(34,202)	(5,903)
Receivables	(2,690)	(22,789)
Payables	(19,526)	(29,958)
Cash used in operating activities	(46,326)	(52,706)
Interests received	164	270
Interests paid	(563)	(921)
Tax paid	(1,203)	(1,962)
NET OPERATING CASH FLOWS	(47,928)	(55,319)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,732)	(1,653)
Proceeds from the disposal of property, plant and equipment	-	10
Net cash and cash equivalents acquired from the acquisition of subsidiaries	-	1,114
Acquisition of a subsidiary companies, net of cash acquired	(3,676)	-
NET INVESTING CASH FLOWS	(8,408)	(529)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(4,520)	(2,967)
Drawdown of term loans	978	1,460
Repayment of term loans	(1,027)	(556)
Proceeds of bankers' acceptance	304,858	257,616
Repayments of bankers' acceptance	(291,754)	(228,237)
Payments of hire purchase payables	(807)	(720)
Proceeds of revolving credit	18,000	-
Proceeds from issue of shares	-	21,300
Share issue expenses	-	(516)
NET FINANCING CASH FLOWS	25,728	47,380
NET CHANGE IN CASH AND CASH EQUIVALENTS	(30,608)	(8,468)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	10,898	13,673
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	(19,710)	5,205

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017
Unaudited Condensed Consolidated Statement of Cash Flows⁽¹⁾ (Cont'd)

	Current Period Ended 31 March 2017 RM'000	Corresponding Period Ended 31 March 2016 RM'000
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,700	16,531
Cash deposits placed with licensed banks	338	-
Less: Bank overdrafts	(22,748)	(11,326)
	(19,710)	5,205

Notes:

- ^ Included in other income is the gain on bargain purchase arising from acquisition of subsidiaries which had been adjusted from RM2.85 million to RM1.83 million retrospectively upon completion of the purchase price allocation in June 2016.
- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 31 March 2017

A1 Basis of Preparation

The interim financial report the Group are unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”), International Accounting Standard (“**IAS**”) 34: Interim Financial Reporting issued by the Institutional Accounting Standard Board (“**IASB**”), rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This interim financial statement should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2016.

A2 Significant Accounting Policies

The significant accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the FYE 30 June 2016 and the accompanying explanatory notes as attached to this interim financial report.

A3 Auditors’ Report

There was no qualification on the audited financial statements of the Company and its subsidiaries for the FYE 30 June 2016.

A4 Seasonal or Cyclical Factors

The Group does not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial quarter and current year-to-date under review.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current year-to-date under review.

A6 Material Changes in Estimates

There were no changes in estimates that had a material effect in the current financial quarter and current year to-date under review.

A7 Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter and current year-to-date under review.

A8 Dividend Paid

No dividend was paid during the current financial quarter and current year to-date under review.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 31 March 2017 (*Cont'd*)

A9 Segmental Information

(a) Revenue by Business Activities

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Distribution of third party brands of consumer packaged goods	105,026	76,546	302,103	231,860
Distribution of own brands of consumer packaged goods	1,797	2,041	4,811	6,269
Manufacturing of bakery products	1,487	1,646	4,808	5,016
Total	108,310	80,233	311,722	243,145

(b) Revenue by Geographical Market

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
East Malaysia				
Sabah	74,326	71,110	225,235	215,610
Sarawak	28,356	5,175	72,370	15,523
Labuan	3,970	3,948	12,459	12,012
Brunei	1,658	-	1,658	-
Total	108,310	80,233	311,722	243,145

A10 Material Events Subsequent to the end of the Current Financial Quarter

There are no other material events subsequent to the end of the current financial quarter and up to the date of this report.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017**A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 31 March 2017 (Cont'd)****A11 Changes in the Composition of the Group**

Saved as disclosed below, there were no changes in the composition of the Group during the current financial quarter and current year to-date under review:

- (i) On 7 September 2016, KTC Consolidated entered into a share sale and purchase agreement to acquire 100% equity interest in Trans Paint Sdn Bhd (“**Trans Paint**”), which is the sole registered and beneficial owner of a property i.e. a warehousing facility located at Kuching, Sarawak, for a purchase consideration of RM2,535,482 which was funded via proceeds raised from its initial public offering. The acquisition was completed on 28 February 2017 and Trans Paint became a wholly-owned subsidiary company of KTC Consolidated.
- (ii) On 16 March 2016, KTC Consolidated entered into the following two (2) conditional agreements:
- (1) conditional share purchase agreement to acquire a total of 80,000 ordinary shares of B\$1.00 each in Grandtop Marketing Sdn Bhd (“**Grandtop Marketing**”) for a cash consideration of B\$80,000.00, and
 - (2) conditional share subscription agreement to subscribe for 520,000 new ordinary shares of B\$1.00 each in Grandtop Marketing for a cash consideration of B\$520,000.00.

Both conditional agreements were completed on 8 March 2017 and Grandtop Marketing became a 60% owned subsidiary company of KTC Consolidated.

A12 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at the end of the current financial quarter and up to the date of this report.

A13 Capital Commitments

Saved as disclosed below, there were no other material capital commitments as at the end of the current financial quarter:

	As at 31 March 2017 RM'000
Approved and/or contracted for:	
- Construction of new warehousing facility in Kota Kinabalu, Sabah	5,046
Total	5,046

A14 Significant Related Party Transactions

There were no significant related party transactions during the current financial quarter and current year-to-date under review.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

B Additional Information Required by Appendix 9B of the Listing Requirements**B1 Review of Performance****Comparison with preceding year's corresponding quarter**

The Group recorded revenue of RM108.31 million for the third quarter ended 31 March 2017. Of this, distribution of third party brands of consumer packaged goods (“**CPG**”) accounted for RM105.02 million or 96.97% of the Group's total revenue while distribution of own brands of CPG and manufacturing of bakery products represented RM1.80 million or 1.66% and RM1.49 million or 1.37%, respectively.

The Group's revenue increased by 34.99%, from RM80.23 million for the preceding year's corresponding quarter ended 31 March 2016 (“**Q3 of FYE 2016**”) to RM108.31 million for the current quarter ended 31 March 2017 (“**Q3 of FYE 2017**”) and consequently, the Group turned around a loss before tax of RM2.05 million for Q3 of FYE 2016 to a profit before tax (“**PBT**”) of RM0.42 million for Q3 of FYE 2017. The increase was mainly attributed to the following:

- (i) the commencement of distribution of third party brands of CPG for Procter & Gamble (Malaysia) Sdn Bhd in Sarawak with effect from 1 October 2016;
- (ii) the reduced writing-off on expired products as a result of the Group's continuous effort in enhancing its inventory control; and
- (iii) the gain on bargain purchase arising from the acquisition of Grandtop Marketing.

B2 Comparative with Immediate Preceding Quarter's Results

The Group's PBT decreased from RM1.21 million for the immediate preceding quarter ended 31 December 2016 to a PBT of RM0.42 million for Q3 of FYE 2017. This was mainly attributed to the following:

- (i) the Group's revenue decreased by RM6.24 million from RM114.55 million for the immediate preceding quarter ended 31 December 2016 to RM108.31 million for Q3 of FYE 2017; and
- (ii) the Group's finance cost increased by 19.25% from RM1.61 million for immediate preceding quarter ended 31 December 2016 to RM1.92 million for Q3 of FYE 2017, which was mainly due to the increase in utilisation of banking facilities for additional inventory as a result of the inventory mix rectification exercise in order to enhance the service level of the Group's new customer segment.

B3 Prospects

In light of the weak global and economic outlook, the Group has embarked on a major rationalisation programme to manage the cost base in a more efficient and effective way. The Group is also reviewing the existing distributorship of third party CPG brands to improve the margins and cash management.

The Board of Directors of KTC Consolidated (“**Board of Directors**”) is of the view that the Group's overall performance for the financial year ending 30 June 2017 will remain satisfactory.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017**B Additional Information Required by Appendix 9B of the Listing Requirements (Cont'd)****B4 Variance of Actual Profit from Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

B5 Taxation

	Current Quarter 31 March 2017 RM'000	Cumulative Quarter 31 March 2016 RM'000
Current tax expenses	(272)	77
Deferred taxation	-	-
	<u>(272)</u>	<u>77</u>
Effective tax rate	-65.07%	3.91%

The Group's effective tax rate is lower than the statutory tax rate of 24% mainly due to the recognition of deferred tax asset arising from the unutilised tax losses of subsidiaries and the gain on bargain purchase arising from the acquisition of a subsidiary company.

Income tax is calculated at the Malaysian statutory rate 24% of the estimated assessable profit for the fiscal year.

B6 (a) Status of Corporate Proposals

There is no corporate proposal announced but not completed as at the date of this report.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

B Additional Information Required by Appendix 9B of the Listing Requirements (Cont'd)**(b) Utilisation of proceeds from the IPO**

The status of utilisation of the gross proceeds from the IPO amounting to RM21.30 million are as follows:

Purposes		Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Initial timeframe for utilisation (from the listing date)
(i)	Acquisition of warehousing facilities including land and building, in Sibul, Miri and Kuching	9,000	3,000	6,000	Within 24 months
(ii)	Construction of new warehousing facility in Kota Kinabalu, Sabah	2,000	2,000	-	Within 18 months
(iii)	Purchase of equipment for the following:				
	(a) new warehousing facility in Kota Kinabalu, Sabah	1,000	1,000	-	Within 18 months
	(b) three (3) production lines for bakery products in Sabah	1,000	1,000	-	Within 12 months
	(c) a production line for bakery products in Sarawak	1,000	-	1,000	Within 24 months*
(iv)	Working capital	4,700	4,700	-	Within 12 months
(v)	Estimated listing expenses	2,600	2,600	-	Upon Listing
Total gross proceeds		21,300	14,300	7,000	

Note:

* As per the announcement dated 25 November 2016, the timeframe for utilisation has been extended for an additional 12 months from its initial utilisation timeframe of within 12 months from the listing date as per the Prospectus of the Company dated 28 October 2015.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 October 2015.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

B Additional Information Required by Appendix 9B of the Listing Requirements (Cont'd)**B7 Group's Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2017 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Unsecured</u>			
Bankers' acceptances	102,221	-	102,221
Bank overdrafts	22,748	-	22,748
Revolving credit	18,000	-	18,000
	142,969	-	142,969
<u>Secured</u>			
Term loans	979	14,930	15,909
Hire purchase payables	1,552	3,485	5,037
	2,531	18,415	20,946
Total	145,500	18,415	163,915

All the Group's borrowings are denominated in Ringgit Malaysia.

B8 Derivative Financial Instruments

There is no derivative financial instrument as at the date of this report.

B9 Material Litigation

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board of Directors is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

B Additional Information Required by Appendix 9B of the Listing Requirements (Cont'd)**B10 Earnings Per Share ("EPS")**

The basic and diluted EPS for the current quarter and financial year-to-date are computed as follows:

	Current Quarter ended		Year-to-date ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Profit / (Loss) attributable to ordinary equity owners of the Company	716	(1,665)	1,875	897
Weighted average number of ordinary shares of RM0.10 each in issue ('000)				
- number of ordinary shares in issue since 1 July 2016	510,277	(1)	510,277	(1)
- new ordinary shares issued on 1 July 2015 pursuant to the acquisition of subsidiaries	-	368,277	-	368,277
- new ordinary shares issued on 25 November 2015 pursuant to the completion of IPO exercise	-	142,000	-	142,000
	<u>510,277</u>	<u>510,277</u>	<u>510,277</u>	<u>510,277</u>
Basic EPS (sen)	<u>0.14</u>	<u>(0.33)</u>	<u>0.37</u>	<u>0.18</u>
Diluted EPS ⁽²⁾ (sen)	<u>0.11</u>	<u>(0.25)</u>	<u>0.28</u>	<u>0.13</u>

Notes:

- (1) 20 shares.
- (2) The diluted EPS is computed based on the profit attributable to the owners of the Company divided by the number of ordinary shares in issue and assume the full conversion of the redeemable convertible preference shares into 160,012,387 ordinary shares in the Company.

B11 Dividends

No dividends have been declared or proposed for the current financial quarter under review.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

B Additional Information Required by Appendix 9B of the Listing Requirements (Cont'd)**B12 Disclosure of Realised and Unrealised Profits / (Losses)**

The determination of realised and unrealised profits is based on Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities' Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The realised and unrealised retained earnings of the Group as at 31 March 2017 are analysed as follows:

	As at 31 March 2017 RM'000	As at 31 March 2016 RM'000
The retained earnings of the Company and its subsidiaries:		
- Realised	51,836	44,736
- Unrealised	(5,061)	(1,081)
Less: Consolidated adjustments	(15,872)	(15,730)
Total Group retained earnings as per unaudited condensed financial statements	30,903	27,925

B13 Notes to the Condensed Consolidated Statement of Comprehensive Income

	Current Quarter ended		Year-to-date	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Profit before taxation is arrived at after charging:-				
Depreciation of property, plant and Equipment	891	762	2,536	2,168
Amortisation of intangible asset	20	19	60	59
Inventories written off	504	963	1,419	1,509
Bad debts written off	-	-	2	-
Finance costs	1,919	1,143	5,083	3,887
Rental expenses	668	337	1,429	1,017
After crediting:-				
Gain on bargain purchase arising from the acquisition of subsidiaries	(806)	-	(806)	(1,825) [^]
Interest income	(64)	(206)	(164)	(270)

Notes:

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

[^] Included in other income is the gain on bargain purchase arising from acquisition of subsidiaries which had been adjusted from RM2.85 million to RM1.83 million retrospectively upon completion of the purchase price allocation in June 2016.