

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016 – unaudited

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To-Date Ended	Preceding Year To-Date Ended
		30 June		30 June	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue		583,386	576,564	1,174,777	1,018,064
Profit from operations		18,588	4,940	39,876	9,884
Finance costs		(5,301)	(5,096)	(10,247)	(10,855)
Share of profit of associate		482	-	57	-
Profit / (Loss) before tax	A10	13,769	(156)	29,686	(972)
Tax (expense) / income	A11	(3,084)	2,420	(4,999)	1,535
Profit for the period		10,685	2,264	24,687	563
Other comprehensive income / (expense), net of tax					
Exchange differences on translation					
foreign operations		5,290	5,582	(11,562)	12,895
Hedge of net investment		-	-	-	-
Total other comprehensive income / (expense) for the period, net of tax		5,290	5,582	(11,562)	12,895
Total comprehensive income / (expense) for the period		15,975	7,846	13,125	13,458
Profit attributable to:					
Owners of the Company		10,662	1,963	24,355	108
Non-controlling interests		23	301	332	455
Profit for the period		10,685	2,264	24,687	563
Total comprehensive income attributable to:					
Owners of the Company		15,952	7,545	12,793	13,003
Non-controlling interests		23	301	332	455
Total comprehensive income for the period		15,975	7,846	13,125	13,458
Basic earnings per ordinary share (sen)	A12(a)	2.23	0.41	5.10	0.02
Diluted earnings per ordinary share (sen)	A12(b)	2.23	0.41	5.10	0.02

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016 – unaudited

	Note	30 June 2016 RM'000	31 December 2015 RM'000
Assets			
Non-current assets			
Property, plant and equipment		410,508	437,943
Prepaid lease payments	A13	13,159	14,308
Intangible assets	A14	11,945	11,945
Investment property		26,011	26,563
Investment in associates		5,057	4,996
Deferred tax assets		118	28
		466,798	495,783
Current assets			
Derivative financial assets		17,547	12,840
Inventories		512,873	776,334
Trade and other receivables		328,660	282,233
Prepayments and other assets		10,502	10,759
Tax recoverable		5,801	9,299
Amount owing by associate		-	1,997
Amount owing by affiliated co		-	660
Deposits, bank and cash balances		70,045	28,610
		945,428	1,122,732
Total assets		1,412,226	1,618,515
Equity			
Share capital		120,040	119,629
Treasury shares		(5,195)	(5,195)
Share premium		1,792	-
Foreign currency translation reserve		38,747	50,309
Retained profits		236,041	211,686
Equity attributable to owners of the Company		391,425	376,429
Non-controlling interests		763	431
Total equity		392,188	376,860
Non-current liabilities			
Amount owing to holding company		11,935	-
Loans and borrowings	A16	94,984	128,428
Provision for employee benefit		705	751
Deferred tax liabilities		18,110	18,519
		125,734	147,698
Current liabilities			
Derivative financial liabilities		7,800	13,206
Trade and other payables		176,427	379,504
Loans and borrowings	A16	707,328	701,197
Dividend payables		-	-
Tax payable		2,749	50
		894,304	1,093,957
Total liabilities		1,020,038	1,241,655
Total equity and liabilities		1,412,226	1,618,515
Net assets per share (sen)			
attributable to owners of the Company		81.90	79.04

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2016 – unaudited

	Attributable To Owners Of The Company					Non-controlling Interests	Total Equity	
	Non-distributable			Distributable				
	Share Capital	Treasury Share	Share Premium	Foreign Currency	Retained Profits			
				Translation Reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	Total RM'000	RM'000	RM'000	
Balance at 1 January 2016	119,629	(5,195)	-	50,309	211,686	376,429	431	376,860
Profit for the period	-	-	-	-	24,355	24,355	332	24,687
Other comprehensive expense for the period:								
foreign currency translation	-	-	-	(11,562)	-	(11,562)	-	(11,562)
Total comprehensive expense for the period	-	-	-	(11,562)	24,355	12,793	332	13,125
Conversion of warrants	411	-	1,792	-	-	2,203	-	2,203
Contribution from/distribution to owners of the Company	411	-	1,792	-	-	2,203	-	2,203
Balance at 30 June 2016	120,040	(5,195)	1,792	38,747	236,041	391,425	763	392,188
Balance at 1 January 2015	119,629	(5,195)	-	17,230	188,749	320,413	3,958	324,371
(Loss) / Profit for the year	-	-	-	-	22,757	22,757	(381)	22,376
Other comprehensive income for the year:								
foreign currency translation	-	-	-	33,079	-	33,079	-	33,079
remeasurement of post-employment benefit obligation, net of tax	-	-	-	-	171	171	-	171
Total comprehensive income for the year	-	-	-	33,079	22,928	56,007	(381)	55,626
Disposal of a subsidiary	-	-	-	-	-	-	(3,006)	(3,006)
Change in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	-	9	9	(140)	(131)
Contribution from/distribution to owners of the Company	-	-	-	-	9	9	(3,146)	(3,137)
Balance at 31 December 2015	119,629	(5,195)	-	50,309	211,686	376,429	431	376,860

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2016 – unaudited

	Six Months Ended	
	30-Jun-16	30-Jun-15
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	29,686	(972)
Adjustments for:		
Non-cash and non-operating items	23,942	18,242
Operating profit before working capital changes	53,628	17,270
Changes in working capital		
Net change in current assets	199,807	26,570
Net change in current liabilities	(193,256)	(33,574)
Cash generated from operations	60,179	10,266
Tax paid	1,007	(367)
Interest paid	(8,676)	(8,705)
Interest received	398	117
Net cash from operating activities	52,908	1,311
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,133)	(19,754)
Proceeds from disposal of PPE	-	82
Payment for the lease rental	(124)	(124)
Net cash (used in) investing activities	(1,257)	(19,796)
Cash flows from financing activities		
Bank and other borrowings	(25,828)	26,445
Payment to holding company	11,935	(6,565)
Changes in Fixed deposit pledged	923	556
Proceed from exercised of warrants	2,203	-
Dividend paid	-	(1,715)
Net cash (used in) financing activities	(10,767)	18,721
Net decrease in cash and cash equivalents	40,884	236
Effect of exchange rate changes	736	(7,073)
Cash and cash equivalents at the beginning of financial period	26,731	39,236
Cash and cash equivalents at the end of financial period	68,351	32,399
Cash and cash equivalents at the end of financial period comprise of :		
Deposits, bank and cash balances	70,044	34,364
Bank overdrafts	(34)	(1,017)
	70,010	33,347
Less : Non-cash and cash equivalents		
Fixed deposit pledged to bank as collateral	(1,659)	(948)
	68,351	32,399

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A. Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting 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 financial statements of Guan Chong Berhad (“GCB” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 December 2015. 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 December 2015.

A2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2015 were prepared in accordance with MFRS. The significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the financial year ended 31 December 2015, except for those standards, amendments and IC interpretation which are effective from the annual period beginning on or after 1 January 2016. The adoptions of these standards, amendments and IC interpretations have no material impact on this Condensed Report.

A3. Seasonal or cyclical factors

The cocoa processing industry is, to a certain extent, subject to the seasonal pattern of the consumption of cocoa-based products within a year.

A4. Unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows

Other than those stated in the notes, there are no other items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence.

A5. Material changes in estimates

There was no material changes in estimates of amounts reported that will have a material effect during the current quarter under review.

A6. Issuances and repayment of debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

A7. Dividends paid

There was no dividend declared or paid by the Company during the current quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A8. Segmental information

The Group presenting segmental information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the assets.

Six Months Ended 30 June 2016	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:						
Total external revenue	430,892	668,345	53,098	22,442	-	1,174,777
Internal segment revenue	305,703	1,130,233	600,041	-	(2,035,977)	-
Total revenue	736,595	1,798,578	653,139	22,442	(2,035,977)	1,174,777
Segment result	24,873	26,562	10,320	(6,205)	(2,311)	53,239
Interest income						398
Finance cost						(10,247)
Depreciation & amortisation						(13,704)
Profit before tax						29,686
Tax expenses						(4,999)
Profit for the period						24,687
Segment assets	665,204	241,975	458,974	40,154	-	1,406,307
Deferred tax assets						118
Tax recoverable						5,801
Total assets						1,412,226
Segment liabilities	31,460	146,533	6,135	12,739	-	196,867
Deferred tax liabilities						18,110
Tax payables						2,749
Borrowings						802,312
						1,020,038

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A8. Segmental information – (cont'd)

Six Months Ended 30 June 2015	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:						
Total external revenue	451,970	537,850	12,989	15,255	-	1,018,064
Internal segment revenue	199,776	922,335	520,747	-	(1,642,858)	-
Total revenue	651,746	1,460,185	533,736	15,255	(1,642,858)	1,018,064
Segment result	(2,339)	6,580	11,705	6,240	871	23,057
Interest income						116
Finance cost						(10,855)
Depreciation & amortisation						(13,290)
Loss before tax						(972)
Tax expenses						1,535
Profit for the period						563
Segment assets	753,120	166,395	524,470	25,159	-	1,469,144
Deferred tax assets						111
Tax recoverable						7,057
Total assets						1,476,312
Segment liabilities	26,388	175,934	6,791	6,112	-	215,225
Deferred tax liabilities						13,193
Tax payables						585
Borrowings						909,610
						1,138,613

A9. Changes in the composition of the Group

GCB and Mr Teoh Boon Hak had on 30 May 2016 entered into a share sale and purchase agreement with Fuji Oil Asia Pte. Ltd., to dispose of 70% equity interest in aggregate in GCB Speciality Chocolates Sdn Bhd (“GCBSC”), representing 14,000,000 ordinary shares of RM1.00 each for a total cash consideration of RM12,810,000. Upon completion of the Proposed Disposal, GCBSC will no longer be a subsidiary of GCB and shall become an associate of GCB.

Whereas on 30 June 2016, GCB had entered into a sale of shares agreement with Ms Tay Lie Siang, Ms Tay Lee Goh, Ms Tay Lee Lin and Ms Tay Lee Shein to dispose of the entire equity interest held by GCB in GCB Marketing Sdn. Bhd. (“GCBM”), representing 3,000,000 ordinary shares of RM1.00 each for cash consideration of RM150,000. Upon the completion of the disposal, GCBM is no longer a subsidiary of GCB.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A10. Profit before tax

Included in the profit before tax are the following items:

	Current Quarter Ended 30-Jun-16 RM'000	Current Year To-Date 30-Jun-16 RM'000
Amortisation of prepaid lease payments	180	367
Bad debts written off	-	-
Depreciation	6,532	13,303
Realised gain on foreign exchange	(1,127)	(35,193)
Unrealised loss on foreign exchange	17,238	9,697
Realised loss/ (gain) on commodity future contracts	13,191	(8,514)
Realised gain on forward currency contracts	(2,240)	(2,084)
Unrealised (gain) / loss on commodity future contracts	(9,986)	3,626
Unrealised gain on commodity option contracts	(21,113)	(10,420)
Unrealised gain on forward currency contracts	(1,433)	(1,323)
(Reversal) / Write down of inventories	(13,117)	27
Interest expense	4,429	8,676
Interest income	(353)	(398)

A11. Tax expense

	Current Quarter Ended		Current Year To-Date Ended	
	30-Jun-16 RM'000	30-Jun-15 RM'000	30-Jun-16 RM'000	30-Jun-15 RM'000
Income tax expense:				
- Current period estimate	3,084	(804)	4,999	580
Deferred tax				
- Originated of temporary differences	-	(1,420)	-	(1,860)
- (Over) provision in prior year	-	(196)	-	(255)
	3,084	(2,420)	4,999	(1,535)

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rate for the current interim period was higher than the statutory tax rate principally due to additional tax provision as a result of better performance.

The Group's effective tax rate for the corresponding interim period ended 30 June 2015 was lower than the statutory tax rate principally due to reversal of temporary differences.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A12. Earnings per share

- (a) Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the financial period as follows:-

	Current Quarter Ended		Current Year To-Date Ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Profit for the financial period attributable to owners of the Company (RM'000)	10,662	1,963	24,355	108
Weighted average number of ordinary shares in issue ('000)	477,918	476,274	477,918	476,274
Basic earnings per share (sen)	2.23	0.41	5.10	0.02

- (b) For the purpose of calculating diluted EPS, profit for the period and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares convert under warrants issued as shown below:

	Current Quarter Ended		Current Year To-Date Ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Profit for the financial period attributable to owners of the Company (RM'000)	10,662	1,963	24,355	108
Weighted average number of ordinary shares in issue ('000)	477,918	476,274	477,918	476,274
Effect of dilution of warrants	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuales	477,918	476,274	477,918	476,274
Diluted earnings per share (sen)	* 2.23	0.41	* 5.10	0.02

* There is no dilutive effect of the potential ordinary shares convert under warrants issued since the exercise price is above the average market value at the company's shares.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A13. Prepaid lease payments

	30-Jun-16 RM'000	31-Dec-15 RM'000
Cost:		
At 1 January	14,308	12,909
Add: Payment for sub-leases	124	124
Additions	-	-
	14,432	13,033
Less: Amortisation of prepaid lease payments	(367)	(707)
Sub-lease rental	(191)	(259)
Foreign exchange difference	(715)	2,241
At 31 December	13,159	14,308
Analysed as:		
Sub-leases of warehouse	880	948
Leasehold land	12,279	13,360
	13,159	14,308

A14. Intangible assets

	Goodwill RM'000	Technical know-how RM'000	Clientele list RM'000	Total RM'000
Cost:				
At 1 January 2016 / 31 December 2015	12,650	1,016	972	14,638
Acquisition of subsidiary	-	-	-	-
Adjustment	-	-	-	-
At 30 June 2016	12,650	1,016	972	14,638
Accumulated amortisation and impairment				
At 1 January 2015	(705)	(1,016)	(972)	(2,693)
Amortisation	-	-	-	-
Impairment	-	-	-	-
At 31 December 2015 and 1 January 2016	(705)	(1,016)	(972)	(2,693)
Amortisation	-	-	-	-
Impairment	-	-	-	-
At 30 June 2016	(705)	(1,016)	(972)	(2,693)
Net carrying amount:				
At 31 December 2015	11,945	-	-	11,945
At 30 June 2016	11,945	-	-	11,945

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A15. Fair value information

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs are unobservable inputs for the asset or liability.

As at reporting date, the Group held the following financial assets or liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2016				
Financial assets				
Derivative assets :				
- forward foreign currency contracts	-	2,243	-	2,243
- commodity futures contract	15,304	-	-	15,304
	15,304	2,243	-	17,547
Financial liabilities				
Derivative liabilities :				
- forward foreign currency contracts	-	32	-	32
- commodity futures contract	7,768	-	-	7,768
	7,768	32	-	7,800
31 December 2015				
Financial assets				
Derivative assets :				
- forward foreign currency contracts	-	159	-	159
- commodity futures contract	12,681	-	-	12,681
	12,681	159	-	12,840
Financial liabilities				
Derivative liabilities :				
- forward foreign currency contracts	-	40	-	40
- commodity futures contract	13,166	-	-	13,166
	13,166	40	-	13,206

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A16. Loans and borrowings

The Group's borrowings at the end of the current quarter are as follows:

		Denominated in currency	30-Jun-16 RM'000	31-Dec-15 RM'000
Current				
Secured	- Bank overdrafts	RM	34	854
	- Bankers' acceptances	RM	6,525	6,700
	- Term loans	RM	2,150	2,150
		USD	68,073	50,707
	- Trade loans	USD	584,412	565,190
	- Revolving credit	RM	45,847	75,170
	- Obligation under finance leases	RM	287	426
Unsecured	- Bank overdrafts	RM	-	-
			707,328	701,197
Non-Current				
Secured	- Term loans	RM	15,037	16,748
		USD	79,659	111,286
	- Obligation under finance leases	RM	288	394
			94,984	128,428
			802,312	829,625

A17. Contingent liabilities

There were no material contingent liabilities as at 30 June 2016.

A18. Commitments

(a) Lease commitments

At the end of the current quarter, the Group has the following outstanding land lease rental commitments:-

Authorised and contracted for	RM'000 804
	<u>804</u>

(b) Capital commitments

At the end of the current quarter, capital expenditure of the Group contracted but not provided for are as follows :-

Authorised and contracted for :	RM'000
Property, plant and equipment	1,887
	<u>1,887</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

A19. Material events subsequent to the end of the current quarter

There was no material events subsequent to the current quarter ended 30 June 2016 that have not been reflected in this quarterly report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

B. Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

B1. Review of performance

The Group's revenue of RM 583.4 million for the current quarter ended 30 June 2016 is higher than the revenue in the previous corresponding quarter ended 30 June 2015 of RM 576.6 million. The increase of 1.2% in turnover is mainly due to increase in average selling price of cocoa solids.

The Group made a profit before tax for the quarter ended 30 June 2016 of RM 13.7 million as compared with the loss before tax of RM 0.2 million in the preceding year corresponding quarter ended 30 June 2015. This is mainly due to higher net gain on foreign exchange, which arising from strengthening of Ringgit Malaysia against US Dollar and Great Britain Pound, for the quarter ended 30 June 2016 as compared to the preceding year corresponding quarter ended 30 June 2015.

B2. Comment on material change in profit before tax

The Group recorded a profit before tax of RM 13.7 million for the current quarter as compared to a profit before tax of RM 15.9 million in the preceding quarter. This is mainly due to lower selling price for cocoa butter. The lower net gain on foreign exchange also contributed to the reduction in profit before tax for current quarter.

B3. Commentary of prospects

The Group expects the business environment for the financial year ending 31 December 2015 to be challenging. While the cocoa bean prices continue to be volatile, the demand for cocoa solids remains uncertain.

The Group will continue to focus on turnaround efforts which include reducing inventory level, exploring new markets for its wide range of cocoa ingredients, growing industrial chocolate business and optimising production according to market conditions.

B4. Profit forecast or profit guarantee

There were no profits forecast or profit guarantee issued by the Group.

B5. Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

B6. Derivative financial instruments

Details of the outstanding derivative financial instruments as at 30 June 2016 are as follows:

	Derivative	Contract Amount RM'000	Fair Value - Net Gains/ (Losses) RM'000	Purpose
1	Forward Foreign Exchange Contracts: Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year	51,329 -	3,302 -	For hedging currency risk
2	Commodity Futures Sale Contracts - Less than 1 year Purchase Contracts - Less than 1 year	171,922 213,574	10,599 (2,324)	For hedging price risk

The fair values of the above derivatives are determined by using the market rates at the end of reporting period and changes in the fair values are recognised in the profit and loss. The subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or a liability with the corresponding gain or loss recognised in the profit or loss.

There have been no significant changes to the Group's exposure credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

B7. Material litigation

There was no material litigation against the Group as at the date of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS – FIRST QUARTER ENDED 30 JUNE 2016

B8. Dividends

The Board of Directors does not recommend any dividend for the current financial quarter.

B9. Realised and Unrealised Profits/Losses Disclosure

The retained profits as at 30 June 2016 and 31 December 2015 is analysed as follows:-

	Current Quarter Ended 30-Jun-16 RM'000	Preceding Year To-Date Ended 31-Dec-15 RM'000
Total retained profits of the Company and the subsidiaries:		
- Realised	277,489	238,114
- Unrealised	(27,828)	(14,655)
	249,661	223,459
Less: Consolidated adjustments	(13,620)	(11,773)
Total group retained profits as per consolidated financial statements	236,041	211,686

B10. Auditors' report on preceding annual financial statements

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

Tay Hoe Lian
 Managing Director
 Dated: 12.08.2016