PENSONIC
Your Enjoyment

PENSONIC HOLDINGS BERHAD (300426-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2017

PENSONIC HOLDINGS BERHAD (300426-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 NOVEMBER 2017 (Unaudited)

	Note	Individual Quarter 3 months ended 30.11.2017 RM'000	Individual Quarter 3 months ended 30.11.2016 RM'000	Cumulative Period 6 months ended 30.11.2017 RM'000	Cumulative Period 6 months ended 30.11.2016 RM'000
Revenue	9	74,840	81,199	165,770	169,602
Cost of sales		(59,319)	(64,394)	(132,097)	(134,061)
Gross profit		15,521	16,805	33,673	35,541
Other operating income		82	211	271	420
Interest income		29	29	40	40
Operating expenses		(14,280)	(15,161)	(29,316)	(31,404)
Results from operating activities		1,352	1,884	4,668	4,597
Finance costs		(1,015)	(1,248)	(2,189)	(2,608)
Operating profit		337	636	2,479	1,989
Share of profit of equity accounted associates		-	-	-	-
Profit before tax		337	636	2,479	1,989
Tax expense	19	(241)	(23)	(245)	(31)
Profit for the period		96	613	2,234	1,958
Other comprehensive income, net of tax					
Foreign currency translation differences		(158)	171	(137)	307
Total comprehensive income for the period		(62)	784	2,097	2,265
Profit attributable to:					
Shareholders of the Company		118	619	2,258	1,975
Non-controlling interests		(22)	(6)	(24)	(17)
		96	613	2,234	1,958
Total comprehensive income attributable to:					
Shareholders of the Company		(40)	790	2,121	2,282
Non-controlling interests		(22)	(6)	(24)	(17)
		(62)	784	2,097	2,265
Basic earnings per ordinary share (sen)	25	0.09	0.48	1.74	1.52
Diluted earnings per ordinary share (sen)	25	0.09	0.44	1.70	1.43

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017 (Unaudited)

	Note	Unaudited 30.11.2017 RM'000	Audited 31.05.2017 RM'000
ASSETS			
Property, plant and equipment		90,237	90,596
Investments in associates		338	338
Intangible assets		1,069	1,068
Total non-current assets		91,644	92,002
Inventories		75,956	72,370
Trade and other receivables		54,852	65,931
Current tax assets		488	594
Cash and cash equivalents		23,420	22,327
Total current assets		154,716	161,222
TOTAL ASSETS		246,360	253,224
EQUITY			
Share capital		67,671	67,671
Reserves		54,113	51,991
Total equity attributable to owners of the Company		121,784	119,662
Non-controlling interests		2,022	(90)
TOTAL EQUITY		123,806	119,572
LIABILITIES			
Loans and borrowings	22	9,804	11,980
Deferred tax liabilities		-	7
Total non-current liabilities		9,804	11,987
Loans and borrowings	22	76,626	76,880
Trade and other payables		36,124	44,785
Total current liabilities		112,750	121,665
Total liabilities		122,555	133,652
TOTAL EQUITY AND LIABILITIES		246,360	253,224
Net assets per share attributable to equity holders (RM)		0.95	0.92

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 NOVEMBER 2017 (Unaudited)

	Attributable to owners of the Company									
	Non- Distributable Reserve						Distributable			
	Share capital RM'000	Share premium RM'000	Exchange translation Reserve RM'000	Capital reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 June 2016	64,834	2,837	770	4,488	6,483	(639)	37,098	**115,871**	(27)	**115,844**
Foreign currency translation differences	-	-	307	-	-	-	-	**307**	-	**307**
Profit for the year	-	-	-	-	-	-	1,975	**1,975**	(17)	**1,958**
Total comprehensive income for the year	-	-	307	-	-	-	1,975	**2,282**	(17)	**2,265**
At 30 November 2016	64,834	2,837	1,077	4,488	6,483	(639)	39,073	**118,153**	(44)	**118,109**
At 1 June 2017	67,671	-	705	4,488	6,483	(639)	40,955	**119,663**	(90)	**119,573**
Foreign currency translation differences	-	-	(137)	-	-	-	-	**(137)**	-	**(137)**
Profit for the year	-	-	-	-	-	-	2,258	**2,258**	(24)	**2,234**
Total comprehensive income for the year	-	-	(137)	-	-	-	2,258	**2,121**	(24)	**2,097**
Shares issued to Non-controlling Interests	-	-	-	-	-	-	-	**-**	2,136	**2,136**
At 30 November 2017	67,671	-	568	4,488	6,483	(639)	43,213	**121,784**	2,022	**123,806**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 NOVEMBER 2017 (Unaudited)

		6 months ended	
	Note	30.11.2017 RM'000	30.11.2016 RM'000
Cash flows from operating activities			
Profit before taxation	27	2,479	1,989
Adjustments for:			
Depreciation of property, plant and equipment		3,140	3,052
Depreciation of investment properties		-	4
Interest expense		2,189	2,608
Interest income		(40)	(40)
Plant and equipment written off		-	5
Bad debts written off		(6)	-
Inventories written down		349	-
Unrealised foreign exchange loss		431	-
(Gain)/Loss on disposal of plant and equipment		(18)	38
Operating profit before changes in working capital		8,524	7,656
Changes in working capital:			
Inventories		(3,935)	(11,574)
Trade and other receivables		10,654	18,604
Trade and other payables		(8,658)	(17,708)
Cash generated from/(used in) operations		6,585	(3,022)
Income tax paid		(146)	(145)
Net cash generated from/(used in) operating activities		6,439	(3,167)
Cash flows from investing activities			
Interest received		40	40
Purchase of property, plant and equipment		(2,782)	(1,351)
Proceeds from disposal of plant and equipment		18	168
Proceeds from issuance of share to non-controlling interest		2,136	-
Net cash used in investing activities		(588)	(1,143)
Cash flows from financing activities			
Repayment of term loans		(5,176)	(5,124)
Drawdown/(Repayment) of finance lease liabilities, net		(271)	479
Drawdown of borrowings, net		3,553	6,841
Interest paid		(2,189)	(2,608)
Placement of pledged fixed deposits		(1,593)	(1,949)
Net cash used in financing activities		(5,676)	(2,361)
Net increase/(decrease) in cash and cash equivalents		175	(6,671)
Cash and cash equivalents at beginning of period		14,860	15,941
Effect of exchange differences on cash and cash equivalents		(137)	301
Cash and cash equivalents at end of period		14,898	9,571

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE PERIOD ENDED 30 NOVEMBER 2017 (Unaudited)

	6 months ended	
	30.11.2017	**30.11.2016**
	RM'000	**RM'000**
Cash and cash equivalents comprised the following:		
Cash and bank balances	20,723	20,110
Bank overdrafts	(5,825)	(10,540)
Short term deposits with licensed banks	2,697	4,376
	17,595	13,946
Less: Fixed deposits pledged with licensed bank	(2,685)	(2,044)
Less: Fixed deposit with maturity more than three months	(12)	(2,331)
	14,898	9,571

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2017 (Unaudited)

PART A: EXPLANATORY NOTES AS PER FRS 134 - INTERIM FINANCIAL REPORTING

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34: Interim financial Reporting issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2017. These explanatory notes, attached to the condensed consolidated interim financial statements, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2017.

2. Significant Accounting Policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 31 May 2017.

At the date of authorization of these interim financial statements, the Group have not applied the following new MFRSs, IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
• Amendments to MFRS 12		1 January 2017
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 9	Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018

		Effective dates for financial periods beginning on or after
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2018
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intend to adopt the above MFRSs when they become effective.
The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group except as mentioned below:

<u>MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)</u>
MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement.*

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

<u>MFRS 15 *Revenue from Contracts with Customers*</u>
MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.
Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2. Significant Accounting Policies (cont'd)

<u>MFRS 16 *Leases*</u>
MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group are currently being assessed by management.

3. Audit Qualification

There were no audit qualification on the annual financial statements of the Company and the Group for the year ended 31 May 2017.

4. Seasonality of Operations

The Group's business operations are generally affected by festive seasons, school holidays and carnival sales in Malaysia.

5. Unusual and Material Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 30 November 2017.

6. Significant Estimates and Changes in Estimates

There were no changes in estimates of amounts reported in the prior quarter and/ or financial period that have a material effect on the Group in the current period under review.

7. Debt and Equity Securities

There were no issuance and repayment of debts and equity security, share buy-backs, share cancellation, share held as treasury shares by the Company during the financial period under review.

8. Dividend Paid

There was no dividend paid during the period under review.

On 25 October 2017, the shareholders of the Company had approved a final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 May 2017. The dividend which amounted to RM2,593,360 will be paid on 29 December 2017.

9. Segmental Information

						For the 6 months ending 30.11.2017
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	288	165,482	-	165,770	-	165,770
Segment profit	149	3,075	(583)	2,641	(162)	2,479
Segment assets	73,719	187,166	98,317	359,202	(113,867)	245,335
Included in the measure of segment assets is:						
Capital expenditure	121	2,647	14	2,482	-	2,482

						For the 6 months ending 30.11.2016
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	173	169,429	-	169,602	-	169,602
Segment profit	1,021	1,807	(877)	1,951	38	1,989
Segment assets	75,868	187,438	103,318	366,744	(112,300)	254,444
Included in the measure of segment assets is:						
Capital expenditure	180	1,183	(12)	1,351	-	1,351

10. Events after the Reporting Period

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

11. Changes in Composition of the Group

On 30 July 2017, the Group incorporated a subsidiary in Indonesia under the name of PT Pensonic Appliance Indonesia ("PTPAI"). PTPAI is capitalised at USD1,000,000 represented by 1,000,000 shares at issue price of USD1 each. The Group owned 51% equity interest in PTPAI for a total consideration of RM2,223,090.

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of a material nature as at the end of current financial period.

13. Capital Commitments

On 26 December 2017, Pensonic Sales & Service Sdn. Bhd., a wholly owned subsidiary, has acquired 2 pieces of contiguous freehold lands for a total consideration of RM20,068,467.38.

14. Significant Related Party Transactions

The significant transactions with companies in which certain Directors and persons connected to Directors have substantial financial interests are as follows:

	Individual Quarter		Cumulative Period	
	3 months ended		6 months ended	
	30.11.2017 RM'000	30.11.2016 RM'000	30.11.2017 RM'000	30.11.2016 RM'000
Transaction with associate				
-Sales	463	723	1,080	1,073
Transaction with related party				
- Purchases	510	531	1,385	1,455
- Services acquired	30	66	61	145
- Sales	16	-	19	2

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2017 (Unaudited)

PART B: ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. Review of Performance

	Individual Quarter 3 months ended			Cumulative Period 6 months ended		
	30.11.2017 RM'000	30.11.2016 RM'000	%	30.11.2017 RM'000	30.11.2016 RM'000	%
Revenue	74,840	81,199	(7.8)	165,770	169,602	(2.2)
Profit before tax	337	636	(47.0)	2,479	1,989	24.6
Profit after tax	96	613	(84.3)	2,234	1,958	14.0
Profit attributable to owner of the Company	118	619	(80.9)	2,258	1,975	14.3

The Group registered revenue of RM74.8 million for the current quarter ended 30 November 2017 compared to the revenue of RM81.2 million in the preceding year corresponding quarter. The Group registered a profit before tax of RM0.3 million for the current quarter compared to the profit before tax of RM0.6 million in the preceding year corresponding financial quarter.

For the period under review, the Group registered revenue of RM165.8 million compared with RM169.6 million in the preceding year corresponding period. However, the Group recorded a slightly higher profit before tax of RM2.5 million compare with RM1.9 million in corresponding period last year.

16. Variation of results Against Preceding Quarter

	Current Quarter Ended 30.11.2017 RM'000	Immediate Preceding Quarter Ended 31.08.2017 RM'000	%
Revenue	74,840	90,930	(17.7)
Profit before tax	337	2,142	(>100)
Profit after tax	96	2,138	(>100)
Profit attributable to owner of the Company	118	2,140	(>100)

The Group recorded revenue of RM74.8 million for the current financial quarter ended 30 November 2017 compared to the revenue of RM90.9 million in the preceding quarter ended 31 August 2017. The Group recorded a lower performance in second quarter compared with other quarters due to non-festive season.

17. Commentary on Prospects

Given the Group's extensive experience in the industry, the Board believes that the Group will be able to manage the challenges ahead and remain competitive in the foreseeable future.

The Group has set up subsidiary companies in Indonesia and Cambodia recently. In both cases, we are of the view that such investment would be to the benefit of the Group in the long run and that time is needed for market penetration and brand name building to increase market shares and revenue. As such, the Group do not expect immediate financial contribution to the Group in the near future.

The Group is developing our Digital Customer Relationship Management. The objective of the platform is to provide customers with direct after-sales service solutions with easier online service calls, marketing automation, e-commerce, royalty programme and smart appliance management.

The Group has also started our e-commerce and partnership with various reputable marketplaces, as well as TV shopping channels. We have seen significant improvement in revenue. However, it is still minimal comparing to the total group revenue. With the e-commerce platform, we will be developing our Online-To-Offline commerce with our existing dealers to create a win-win business solution in this trending e-commerce market. We are expecting a full force digital marketing by end of the 2018.

On top of that, the Group is in the process of securing 2 new distributorships of electrical appliances brands from United Kingdom. These distributorships cover Malaysia and Singapore and is anticipated to contribute to Group revenue in mid to long term.

18. Profit Forecast

Not applicable as no profit forecast was published.

19. Taxation

	Individual Quarter		Cumulative Period	
	3 months ended		3 months ended	
	30.11.2017 RM'000	30.11.2016 RM'000	30.11.2017 RM'000	30.11.2016 RM'000
Malaysian statutory tax				
- Current year	255	8	255	13
Foreign statutory tax				
- Current year	-	6	-	8
	-	14	-	21
Deferred tax expense				
- Current year	(14)	9	(10)	10
	241	23	245	31

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate for the Group is lower than the statutory tax rate in the current quarter and year-to-date mainly due to the tax incentives enjoyed by certain subsidiaries in the Group.

20. Status of Corporate Proposal

As at the date of this report, there are no corporate proposals that are pending for completion.

21. Trade Receivables

The age analysis of trade receivables is as follow:

	Unaudited 30.11.2017 RM'000	Audited 31.05.2017 RM'000
Neither past due nor impaired	34,182	50,960
Past due but not impaired:		
Less than 60 days	10,120	8,723
60 to 120 days	1,532	195
More than 120 days	469	634
	12,121	9,552
	46,303	60,512
Impaired	1,187	1,330
	47,490	61,842

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

22. Borrowings and Debts Securities

Details of the Group's borrowings as at the end of this financial period are as follows:

	Unaudited 30.11.2017 RM'000	Audited 31.05.2017 RM'000
Current		
Unsecured		
Bank overdraft	5,825	5,609
Revolving credit	2,500	2,500
Bankers' acceptance	63,762	58,092
	72,087	66,201
Secured		
Bank overdraft	-	753
Bankers' acceptance	146	2,263
Term loans	3,864	7,137
Finance lease liabilities	529	526
	4,539	10,679
	76,626	76,880
Non – current		
Secured		
Term loans	8,610	10,512
Finance lease liabilities	1,194	1,468
	9,804	11,980
	9,804	11,980
Currency Denominated In		
Ringgit Malaysia ("MYR")	86,430	88,860
Singapore Dollar ("SGD")	-	-
	86,430	88,860

The bank borrowings and term loans are secured by the following:

(a) Legal charges over certain properties belonging to the Company and subsidiary companies;
(b) Lien on fixed deposits belonging to the subsidiary companies; and
(c) Corporate guarantee by the Company.

23. Material Litigation

The Group is not engaged in any material litigation for the current financial period ended 30 November 2017.

24. Dividend

The Board does not recommend any dividend for the current financial period ended 30 November 2017.

25. Earnings per Share ("EPS")

(a) Basic EPS

	Individual Quarter		Cumulative Period	
	3 months ended		6 months ended	
	30.11.2017	30.11.2016	30.11.2017	30.11.2016
Net profit for the period attributable to owners of the Company (RM'000)	118	619	2,258	1,975
Number of ordinary shares in issue ('000)	129,668	129,668	129,668	129,668
Basic earnings per share (sen)	0.09	0.48	1.74	1.52

(b) Diluted EPS

	Individual Quarter		Cumulative Period	
	3 months ended		6 months ended	
	30.11.2017	30.11.2016	30.11.2017	30.11.2016
Net profit for the period attributable to owners of the Company (RM'000)	118	619	2,258	1,975
Weighted average number of ordinary shares ('000)	131,274	140,508	132,995	138,107
Diluted earnings per share (sen)	0.09	0.44	1.70	1.43

26. Disclosure of Realised and Unrealised Retained Earnings

	Unaudited 30.11.2017 RM'000	Audited 31.05.2017 RM'000
- realised	45,380	40,853
- unrealised	(428)	1,713
	44,952	42,566
Total retained earnings of associates		
- realised	134	134
Less: Consolidation adjustments	(1,873)	(1,745)
Total retained earnings	43,213	40,955

27. Profit for the period

Profit for the period has been arrived at:

	Individual Quarter		Cumulative Period	
	3 months ended		6 months ended	
	30.11.2017 RM'000	30.11.2016 RM'000	30.11.2017 RM'000	30.11.2016 RM'000
After charging / (crediting):-				
Interest income	(29)	(29)	(40)	(40)
Government grants received	(57)	(129)	(201)	(202)
(Gain)/Loss on disposal of property, plant and equipment	-	-	(18)	38
Realised gain on foreign exchange	(240)	(1,270)	(510)	(1,647)
Reversal for doubtful debt	(18)	-	(22)	-
Interest expense	1,015	1,248	2,189	2,608
Depreciation & amortization	1,590	1,532	3,140	3,056
Inventories provision	147	(294)	349	(22)
Plant and equipment written off	-	-	-	5
Unrealised loss on foreign exchange	202	1,249	431	1,881

28. Authorization for Issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors.