



**HAI-O ENTERPRISE BHD**  
**Company No: 22544-D**  
**(Incorporated in Malaysia)**

**Unaudited Interim Financial Report**  
**31 October 2016**



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2016**

	AS AT END OF CURRENT QUARTER 31/10/2016 (RM'000)	(Audited) AS AT PRECEDING FINANCIAL YEAR ENDED 30/4/2016 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
<i>Property, Plant and Equipment</i>	66,453	66,324
<i>Investment properties</i>	48,916	49,256
<i>Investment in jointly control entity</i>	2,156	2,160
<i>Investment in an associates</i>	15	399
<i>Other Investments</i>		
<i>Financial assets at fair value through     profit or loss</i>	226	240
<i>Available-for-sale investment</i>	12	12
<i>Goodwill arising from consolidation</i>	85	85
<i>Trade receivables - non current</i>	403	465
<i>Deferred tax assets</i>	2,103	1,761
	<b>120,369</b>	<b>120,702</b>
<b>Current Assets</b>		
<i>Inventories</i>	73,923	67,966
<i>Trade and other receivables</i>	28,196	25,193
<i>Other Investments</i>		
<i>Financial assets at fair value through     profit or loss</i>	60,314	53,809
<i>Cash and Cash Equivalents</i>	69,645	53,712
	<b>232,078</b>	<b>200,680</b>
<b>TOTAL ASSETS</b>	<b>352,447</b>	<b>321,382</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
<i>Share capital</i>	101,095	101,095
<i>Treasury Shares</i>	(19,568)	(18,641)
<i>Other reserve</i>	445	474
<i>Retained earnings</i>	178,914	174,445
	<b>260,886</b>	<b>257,373</b>
<b>Non-controlling interest</b>	<b>11,020</b>	<b>11,607</b>
<b>Total Equity</b>	<b>271,906</b>	<b>268,980</b>
<b>Non-current Liabilities</b>		
<i>Borrowings</i>	-	-
<i>Deferred tax</i>	155	64
	<b>155</b>	<b>64</b>
<b>Current Liabilities</b>		
<i>Trade &amp; other payables</i>	69,423	45,098
<i>Short term borrowings</i>	2,471	1,114
<i>Short-term provision</i>	2,040	2,077
<i>Current tax payable</i>	6,452	4,049
	<b>80,386</b>	<b>52,338</b>
<b>Total Liabilities</b>	<b>80,541</b>	<b>52,402</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>352,447</b>	<b>321,382</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.35	1.33

*The Condensed Consolidated Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2016 and the accompanying explanatory notes attached to the interim financial statements.*


**HAI-O ENTERPRISE BHD ( Co.No. 22544-D)**

Quarterly report on consolidated results for the financial period 31 October 2016  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE QUARTER ENDED 31 OCTOBER 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2016	31/10/2015	31/10/2016	31/10/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	99,778	73,587	178,440	128,963
Cost of sales	(67,488)	(50,332)	(120,818)	(85,312)
Gross Profit	32,290	23,255	57,622	43,651
Other income	3,087	2,346	5,661	4,763
Depreciation	(890)	(861)	(1,768)	(1,635)
Administrative expenses	(7,569)	(5,679)	(15,008)	(11,780)
Selling & distribution expenses	(6,450)	(7,408)	(13,431)	(14,543)
Other expenses	(250)	(182)	(301)	(274)
<b>Operating Profit</b>	<b>20,218</b>	<b>11,471</b>	<b>32,775</b>	<b>20,182</b>
Interest income	380	428	609	590
Finance costs	(23)	(13)	(80)	(93)
Share of profit of equity-accounted investee, net of tax	(11)	5	(3)	16
Share of loss of associate company	(243)	-	(385)	-
Profit before taxation	20,321	11,891	32,916	20,695
Income tax expenses	(4,411)	(2,867)	(7,558)	(5,140)
<b>Profit for the period</b>	<b>15,910</b>	<b>9,024</b>	<b>25,358</b>	<b>15,555</b>
<b>Profit attributable to:</b>				
Owner of the parent	15,908	8,940	25,652	15,377
Non-controlling interest	2	84	(294)	178
	15,910	9,024	25,358	15,555
<b>Earnings Per Share attributable to equity holders of the parent</b>				
- Basic	8.22	4.58	13.26	7.89
- Diluted	N.A.	N.A.	N.A.	N.A.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2016 and the accompanying explanatory notes attached to the interim financial statements.



Quarterly report on consolidated results for the financial period 31 October 2016  
The figures have not been audited.

### CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 OCTOBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2016	31/10/2015	31/10/2016	31/10/2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	15,910	9,024	25,358	15,555
Other comprehensive income				
- Foreign currency translation differences for foreign operations	(18)	12	(29)	20
Total comprehensive Income for the period	15,892	9,036	25,329	15,575
<b>Total comprehensive income attributable to:</b>				
Owner of the parent	15,890	8,952	25,623	15,397
Non-controlling Interest	2	84	(294)	178
	15,892	9,036	25,329	15,575

*The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2016 and the accompanying explanatory notes attached to the interim financial statements.*



**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 OCTOBER 2016**

	Attributable to Equity Holders of the Parent					Non-controlling interest	Total Equity	
	Share Capital	Treasury shares	Non distributable Exchange fluctuation reserve	Capital reserve	Distributable Retained Earnings			Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
<b>6 month ended 31 October 2016</b>								
Balance as at 30 April 2016	101,095	(18,641)	(183)	657	174,445	257,373	11,607	268,980
Profit for the period	-	-	-	-	25,652	25,652	(295)	25,357
Other comprehensive income for the period	-	-	(29)	-	-	(29)	-	(29)
Total comprehensive income for the period	-	-	(29)	-	25,652	25,623	(295)	25,328
Acquisition on additional interest in a subsidiary from non-controlling interest	-	-	-	-	43	43	(64)	(21)
Dividend	-	-	-	-	(21,226)	(21,226)	(228)	(21,454)
Purchase of Company's own shares	-	(927)	-	-	-	(927)	-	(927)
<b>Balance at end of financial period</b>	<b>101,095</b>	<b>(19,568)</b>	<b>(212)</b>	<b>657</b>	<b>178,914</b>	<b>260,886</b>	<b>11,020</b>	<b>271,906</b>

**6 month ended 31 October 2015**

Balance as at 30 April 2015	101,095	(14,712)	(205)	657	167,030	253,865	11,966	265,831
Profit for the period	-	-	-	-	15,377	15,377	178	15,555
Other comprehensive income for the period	-	-	20	-	-	20	-	20
Total comprehensive income for the period	-	-	20	-	15,377	15,397	178	15,575
Acquisition on additional interest in a subsidiary from non-controlling interest	-	-	-	-	40	40	(58)	(18)
Dividend	-	-	-	-	(21,388)	(21,388)	(293)	(21,681)
Purchase of Company's own shares	-	(1,166)	-	-	-	(1,166)	-	(1,166)
<b>Balance at end of financial period</b>	<b>101,095</b>	<b>(15,878)</b>	<b>(185)</b>	<b>657</b>	<b>161,059</b>	<b>246,748</b>	<b>11,793</b>	<b>258,541</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2016 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE QUARTER ENDED 31 OCTOBER 2016**

	<b>2017</b> <b>6 month</b> <b>ended</b> <b>31/10/2016</b> <b>(RM '000)</b>	<b>2016</b> <b>6 month</b> <b>ended</b> <b>31/10/2015</b> <b>(RM '000)</b>
Profit before tax	32,916	20,695
Adjustment for :-		
Depreciation	1,768	1,635
Dividend income	(956)	(563)
Fair value (gain)/loss on other investments	(68)	(226)
Finance costs	80	94
Finance income	(609)	(590)
Gain on disposal of property, plant and equipment	(34)	(2)
Loss on disposal of property, plant and equipment	-	-
Property, plant and equipment written off	54	3
Share of profit of equity-accounted investee, net of tax	3	(16)
Share of losses of Associated company	384	-
Provision for sales campaign	(38)	(843)
Unrealised foreign exchange differences	(372)	(276)
<b>Operating profit before changes in working capital</b>	<b>33,128</b>	<b>19,911</b>
Changes in working capital		
<i>Inventories</i>	(5,957)	(3,620)
<i>Receipts from customers</i>	4,226	(3,376)
<i>Net Change in other receivables</i>	(6,700)	1,103
<i>Payment to suppliers, contractors and employees</i>	(4,754)	(20,327)
<i>Net Change in other payables</i>	7,604	27,630
<i>Payment of income taxes</i>	(5,479)	(4,411)
	(11,060)	(3,001)
<b>Net cash flows from operating activities</b>	<b>22,068</b>	<b>16,910</b>
Investing Activities		
<i>Accretion of equity interests in subsidiaries</i>	(21)	(18)
<i>Acquisition of other investments</i>	(48,297)	(10,860)
<i>Purchase of property, plant and equipment</i>	(1,624)	(1,611)
<i>Proceeds from disposal of other investment</i>	41,874	9,286
<i>Proceeds from disposal of property, plant and equipment</i>	36	2
<i>Dividend received</i>	956	563
<i>Interest received</i>	609	590
<b>Net cash used in investing activities</b>	<b>(6,467)</b>	<b>(2,048)</b>
Financing Activities		
<i>Purchase of Company's own share</i>	(927)	(1,166)
<i>Interest paid</i>	(80)	(94)
<i>Drawdown / (Repayment) of Trade Facilities</i>	1,357	(629)
<b>Net cash used in financing activities</b>	<b>350</b>	<b>(1,889)</b>
Net Changes in Cash & Cash Equivalents	15,951	12,973
Effect of exchange rate & fluctuations on cash held	(18)	44
Cash & Cash Equivalents at beginning of financial period	53,712	48,293
<b>Cash &amp; Cash Equivalents at end of the financial period</b>	<b>69,645</b>	<b>61,310</b>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2016 and the accompanying explanatory notes attached to the interim financial statements.*



**A. Notes To The Interim Financial Report**

**A1 Basis of preparation**

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). This interim financial statement also complies with IAS 34, Interim Financial Reporting issued by the International Accounting Statements Board (“IASB”).

The interim financial report should be read in conjunction with the most recent annual financial statements of the Group for the year ended 30 April 2016.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2016.

The Group has not early adopted new or revised standards, amendments and interpretation that have been issued but not yet effective for the Group’s accounting period beginning 1 May 2016.

The initial application of the accounting standards, amendments or interpretations is not expected to have any material financial impacts to the current period and prior period financial statements of the Group upon their first adoption.

**A2 Seasonal or cyclical factors of interim operations**

The Group’s interim business operations are not significantly affected by seasonal or cyclical factors for the quarter under review except for some consumer products, which are affected by major festive seasons.

**A3 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 because of their nature, size or incidence.

**A4 Changes in estimates of amounts reported previously**

There was no material changes in estimates of amounts reported in prior interim period of the current or previous financial years.



**A5 Issues, repurchase and repayments of debts and equity securities**

There have been no other issuance, cancellation, repurchases, resale and repayments of debts and equity securities during the quarter under review except for the following:-

The details of shares held as treasury shares for the period ended 31 October 2016 are as follows:

	Number of Treasury shares	Total Consideration RM
Balance as at 1 Aug 2016	9,171,588	19,369,100
Repurchased during the quarter	57,300	199,071
Balance as at 31 Oct 2016	9,228,888	19,568,171

The repurchase transactions were financed by internally generated funds.

As at 14 December 2016, the treasury shares held were 9,262,888 with total purchase consideration of RM 19,686,506.

**A6 Dividend paid**

A final single tier dividend of 11 sen, amounting to RM 21,225,753 in respect of the previous financial year as approved by the shareholders at the Annual General Meeting held on 28 September 2016 was paid on 23 November 2016.

**A7 Segment information**

Details of segmental analysis for the period ended 31 October 2016 are as follows:

	Multi-Level Marketing	Wholesale	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>REVENUE</b>						
Revenue from external customers	133,927	25,784	16,406	2,323	-	<b>178,440</b>
Inter-segment revenue	33	47,196	-	8,945	(56,174)	-
Total revenue	133,960	72,980	16,406	11,268	(56,174)	178,440
<b>RESULT</b>						
Segment profit/(loss)	25,531	4,513	(56)	2,641	146	<b>32,775</b>
Finance costs						(80)
Interest income						609
Share of profit of equity-accounted investee, net of tax						(388)
Profit before taxation						32,916
Income tax expenses						(7,558)
Net profit for the period						<b>25,358</b>





**A7 Segmental information (continued)**

	Multi-Level Marketing	Wholesale	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Segment assets	147,894	145,171	31,193	28,189	-	352,447
Segment liabilities	32,199	43,344	1,966	3,032	-	80,541

**A8 Property, plant and equipment**

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

**A9 Events after the interim period that have not been reflected in the financial statements for the interim period**

There was no material events subsequent to the current financial quarter ended 31 October 2016.

**A10 Changes in the composition of the Group**

There was no change in the composition of the Group during the interim period except for the following:

The Company had on 29 September 2016 via its 60% owned subsidiary, Yan Ou Holdings (M) Sdn Bhd (“Yan Ou”) incorporated a wholly-owned subsidiary, namely Yan Ou Marketing (International) Sdn Bhd (“Yan Ou Marketing”), with an initial paid-up share capital of RM 2 comprising 2 ordinary shares of RM 1.00 each.

**A11 Contingent liabilities**

The changes in contingent liabilities of the Company and the Group since the last annual Statement of Financial Position date are as follows :-

<u>Company</u>	As at 14 Dec 2016	As at 31 Oct 2016	As at 30 Apr 2016
	RM'000	RM'000	RM'000
Corporate guarantee in respect of credit facilities granted to subsidiary companies	Nil	Nil	Nil



**A11 Contingent liabilities (continued)**

<u>Group</u>	As at 14 Dec 2016	As at 31 Oct 2016	As at 30 Apr 2016
	RM'000	RM'000	RM'000
Bank guarantee given to third parties in respect of services rendered to the Company	1,012	1,513	1,488

**A12 Capital commitment**

The capital commitment of the Group for the period ended 31<sup>st</sup> October 2016 is as follows:

	RM'000
Approved and contracted for in respect of capital expenditure.	2,500



**Additional Information Required By The BMSB - Listing Requirements**

**B1 A detailed analysis of the performance of operating segments of the Group, setting out material factors affecting the earnings and/or revenue of each segment for the current quarter and financial year-to-date**

Current quarter compared to the preceding year's corresponding quarter

For the second quarter under review, the Group recorded higher revenue and pre-tax profit of RM 99.8 million and RM 20.3 million as compared to RM 73.6 million and RM 11.9 million, increased by 35.6% and 70.6% respectively. The increase in pre-tax profit was mainly attributable to higher revenue achieved by the Multi-level marketing ("MLM") division:

(i) MLM division

Revenue and pre-tax profit increased by about 70% and more than double to RM 77.5 million and RM 16 million respectively as compared to the preceding year's corresponding quarter. Additional sales from new products and higher recurring sales of consumer products from member customers and the increase in monthly recruited new members had helped to boost revenue and profit for the division.

(ii) Wholesale division

The external revenue decreased by about 30% to RM 11.7 million as compared to the preceding year's corresponding quarter of RM 16.8 million. The decrease in revenue was mainly attributable to lower sales generated from duty-free goods and Chinese medicated tonic as most of the medical halls had reduced their stockholding level since the increase in selling price early of this financial year.

(iii) Retail division

Despite continuous weak consumer sentiment in the domestic market, revenue decreased marginally by about 2.6% to RM 9.3 million as compared to the preceding year's corresponding quarter. The pre-tax profit declined by approximately 31% mainly due to lower A&P income subsidy from suppliers and a drop in sales of the higher margin house-brand products.



Current financial period compared to the preceding year's corresponding period

For the first half of the current financial year, the Group registered higher revenue and pre-tax profit of RM 178.4 million and RM 32.9 million as compared to RM 129.0 million and RM 20.7 million, representing an increase of 38.4% and 59.0% respectively for the corresponding quarter of the preceding year. The increase in the Group's revenue and pre-tax profit was mainly contributed by the MLM division :

(i) MLM division

The division recorded higher revenue and pre-tax profit of RM 133.9 million and RM 26.0 million as compared to the previous year of RM 82.3 million and RM 13.8 million, representing an increase of 62.7% and 88.4% respectively. The increase was mainly attributable to higher recurring sale of the consumer products such as personal & household, beverage and healthcare products. These small ticket consumer products contributed more than 70% to the total revenue for the division. The new members recruited had increased by more than double to approximately 40,000 as compared to the previous year's corresponding period which had contributed to a higher sales to the division. Furthermore, full commission of the new "Customer Relationship Management" system which provides E-commerce platform has been widely used by the distributors had helped to increase their sales productivity and efficiency.

(ii) Wholesale division

The medical halls have been reducing orders and their stockholding level since the increase in selling price on selected liquor products early this financial year. The imposition of a higher duty by Custom on its key products had affected negatively to the performance of the Wholesale division. Hence, the external revenue maintained at about RM 26.0 million which included a one-off re-export sales amounting to approximately RM 2 million of the Chinese liquor as compared to the preceding year's corresponding period.

However, the pre-tax profit had increased by 32.4% from RM 3.4 million to RM 4.5 million mainly attributable to higher contribution from inter-segment sales .

(iii) Retail division

Despite the current slowdown of the Retail industry as a whole and the decline in the consumption of high-end health supplements products, revenue decreased marginally by about 4% to RM 16.4 million as compared to the preceding year's corresponding period. However, its bottom-line recorded a breakeven in this current financial period as compared to previous year's pre-tax profit of RM 0.6 million mainly due to higher operating costs and lower A&P income subsidy from suppliers, coupled with lower sales of the higher margin house-brand products.

(iv) Other division

The inter-segment's OEM sales of the manufacturing division had contributed to the increase in its pre-tax profit by more than double to approximately RM 0.9 million. Higher demand for health food supplements from the MLM and Retail divisions had contributed significantly to the increase in its inter-segment revenue. However, there was a reduction in the rental income from investment properties division amounting to about RM 1.0 million as a result of the non-renewal of a tenancy agreement by one of its key tenants.



**B2 Material changes in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter**

For the second quarter under review, the Group recorded a higher revenue and pre-tax profit of RM 99.8 million and RM 20.3 million as compared with the immediate preceding quarter of RM 78.7 million and RM 12.6 million, increased by 26.8% and 61.1% respectively, which was mainly due to higher revenue generated from the MLM and Retail divisions:

(i) MLM division

The division had launched its overseas incentive trip promotion campaign in the 2<sup>nd</sup> quarter which had boosted revenue, increased by 37% as compared with the immediate preceding quarter. Besides, additional sales from one newly launched beverage product had contributed over a million Ringgit sales to the total revenue in the 2<sup>nd</sup> quarter. The pre-tax profit in the 2<sup>nd</sup> quarter had increased by 63% to RM 16 million mainly due to higher sales volume achieved especially from its key beverage products following the successful launch of its re-branding campaign activities in the 1<sup>st</sup> quarter.

(ii) Wholesale division

Revenue decreased by about 17% compared with the immediate preceding quarter as there was an additional contribution from a one-off re-export sale of RM 2 million in the immediate preceding quarter. The pre-tax profit increased by approximately 35% to RM 2.7 million as compared with the immediate preceding quarter of RM 2.0 million, mainly attributable to higher contribution from tea segment and inter-segment sales.

(iii) Retail division

The revenue increased by 30% to RM 9.3 million and this had turnaround its bottom line from a loss to a pre-tax profit of RM 0.5 million as compared to the immediate preceding quarter mainly generated from its first half yearly members' sales promotion campaign which contributed to higher revenue in the 2<sup>nd</sup> quarter.



**B3 Commentary on prospects for the next quarter**

The Group views the rising cost of doing business and weak consumer sentiment coupled with the depreciation of Ringgit Malaysia against major currencies will continue to have a negative impact in the remaining half of the financial year. The Group therefore will re-look its current strategies to mitigate the negative impact especially the Wholesale and Retail divisions which are currently operating in a very challenging environment.

The Wholesale division will continue to be affected by the weakening of RM currency as about 40% of its purchases are imported. The division sees that its profit margin will be adversely affected in the near future and has looked into more trade settlement using RMB currency instead of USD with the traders in China. As Chinese New Year festive season is approaching, the Retail division will carry out an extensive CNY promotion campaign and is expecting to bring in more revenue in the next quarter. Currently, the Retail division has started recruiting more Chinese physicians for its outlets to enhance its image as a healthcare service provider and to attract more crowd. Whereas for the MLM division, it will continue to intensify its new members recruitment program and to roll out more new products in the second half of the year.

With the various measures taken by the Group, the Board of Directors remains optimistic that the Group will continue to be profitable in the next quarter

**B4 Statement of the Board of Directors' opinion on achievability of the financial estimate, forecast, projection or internal targets previously announced**

There were no financial estimate, forecast, projection or internal targets previously announced by the Board of Directors.

**B5 Profit Forecast / profit guarantee previously announced**

There were no profit forecast or profit guarantee previously announced.



## B6 Taxation

The provision for income tax is based on the business income earned for the period under review.

For the current quarter and year to date, the effective tax rate of the Group is lower than the statutory tax rate due mainly to certain income which are not subject to tax, utilisation of capital and reinvestment allowance, and expenses which are not deductible for tax purpose and losses of certain subsidiary companies which cannot be set off against profits of certain subsidiaries as no Group relief is available for tax purposes.

	Current quarter ended 31 October 2016 (RM '000)	Current year to date 31 October 2016 (RM '000)
Profit before taxation	20,321	32,916
Taxation at applicable tax rate – 24%	4,877	7,900
Adjustment mainly due to certain non - taxable expenses, utilisation of capital and reinvestment allowance	(466)	(342)
Total Income Tax Expenses	4,411	7,558

## B7 Status of Corporate Proposals

There were no corporate proposals for the period under review.

## B8 Group Borrowings and Debts Securities

The Group borrowings and debts securities as at the end of the reporting financial period :

Group Borrowings	Currency	Secured/ Unsecured	RM'000
Short Term Borrowings	Ringgit Malaysia	Unsecured	2,471
Short Term Borrowings	Ringgit Malaysia	Secured	-
Long Term Borrowings	Ringgit Malaysia	Secured	-
Total			2,471



## B9 Changes in Material Litigation

The Group is not engaged in any material litigation, claims or arbitration, including those pending or threatened against our Group, either as plaintiff or defendant, which has a material effect on the financial position of the Group.

## B10 Dividend

The Board of Directors is pleased to declare an interim single tier dividend of 5 sen per share in respect of the financial year ending 30 April 2017 (31/10/2015: 4 sen interim single tier dividend).

## B11 Realised and Unrealised Profits/Losses Disclosure

In accordance with the directive of BMSB and Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to BMSB Listing Requirements, as issued by Malaysian Institute of Accountants, the Company is required to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period and the previous financial year, on a group basis, into realised and unrealised profits or losses in the notes to its quarterly report.

The disclosure is based on the prescribed format by the BMSB.

	As at 31.10.2016 RM'000	As at 30.04.2016 RM'000 (Audited)
Total retained profits of the Company and its subsidiaries:		
- Realised	178,238	174,369
- Unrealised	1,982	1,514
	180,220	175,883
Total share of retained profits of an associate		
- Realised	(892)	(509)
Total share of retained profits of jointly controlled entities:		
- Realised	1,392	1,448
- Unrealised	(48)	(48)
	180,672	176,774
Less: Consolidation adjustments	(1,758)	(2,328)
Total Group retained profits as per consolidated accounts	178,914	174,445





## B12 Earnings per share (EPS)

### Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR
	31-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
<i>Earnings</i>				
Net profit for the period attributable to equity holders of the parent (RM'000)	15,908	8,940	25,652	15,377
Weighted average number of shares ('000)	193,468	195,011	193,468	195,011
Basic earnings per share (sen)	8.22	4.58	13.26	7.89

Diluted earnings per share is not applicable as there were no dilutive potential ordinary shares during the reporting period.

## B13 Audit report of the preceding annual financial statement

The preceding year annual financial statements were not subject to any qualification.



**B14 Items included in the Statement of Profit and Loss and Other Comprehensive Income**

	<b>CURRENT YEAR QUARTER</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b>	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING YEAR</b>
	<b>31-Oct-16 RM' 000</b>	<b>31-Oct-15 RM' 000</b>	<b>31-Oct-16 RM' 000</b>	<b>31-Oct-15 RM' 000</b>
<i>Profit before taxation is arrived at after (charging)/crediting:</i>				
Interest income	380	428	609	590
Other income including investment Income	3,087	2,346	5,661	4,763
Interest expense	(23)	(13)	(80)	(93)
Depreciation and amortization	(890)	(861)	(1,768)	(1,635)
Provision for and write off of receivables	--	--	--	--
Provision for and write off of inventories	(52)	(29)	(107)	(63)
Gain or loss on disposal of quoted or unquoted investment or properties	-	-	34	2
Impairment of assets	-	-	-	-
Foreign exchange gain or loss:				
- Realised	326	(19)	432	34
- Unrealised	78	(63)	372	261
Gain or loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-