



SALUTICA BERHAD

(Company No. 1024781-T)
(Incorporated in Malaysia under the Companies Act, 1965)

The Board of Directors of Salutica Berhad (formerly known as Blue Ocean Genius Sdn Bhd) (“**Salutica**” or the “**Company**”) (“**Board**”) is pleased to announce the following unaudited consolidated results for the third quarter and financial period ended (“**FPE**”) 31 March 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016

| | Note | 3 months ended | | 9 months ended | |
|--|------|---------------------|---------------------|---------------------|---------------------|
| | | 31.3.2016 RM'000 | 31.3.2015 RM'000 | 31.3.2016 RM'000 | 31.3.2015 RM'000 |
| Revenue | A9 | 38,106 | 34,882 | 169,790 | 146,806 |
| Profit from operations | | 929 | 2,015 | 23,192 | 12,119 |
| Finance costs | | (265) | (21) | (549) | (69) |
| Profit before tax | | 664 | 1,994 | 22,643 | 12,050 |
| Income tax expense | B5 | (171) | 700 | (5,830) | (200) |
| Profit for the period/year | | 493 | 2,694 | 16,813 | 11,850 |
| Other comprehensive income, net of tax | | 0 | 0 | 0 | 16 |
| Total comprehensive income for the period/year | | 493 | 2,694 | 16,813 | 11,866 |
| Profit and total comprehensive income attributable to: Owners of the Company | | 493 | 2,694 | 16,813 | 11,866 |
| Total comprehensive income for the period/year | | 493 | 2,694 | 16,813 | 11,866 |
| Earnings per share | | | | | |
| Basic (Sen) | B15 | 0.16 | 0.87 | 5.42 | 3.82 |

Note:

The Condensed Consolidated Statement of Comprehensive Income is unaudited and should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 28 April 2016 (“**Accountants’ Report**”) and the accompanying explanatory notes attached to the interim financial statements.



SALUTICA BERHAD

(Company No. 1024781-T)
(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

| | Note | As at 31.3.2016 RM'000 | As at 30.6.2015 RM'000 |
|--|------|------------------------------|------------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, plant and equipment | | 41,011 | 38,945 |
| Other investments | | 119 | 55 |
| Deferred tax assets | | 2,836 | 8,484 |
| | | <u>43,966</u> | <u>47,484</u> |
| Current Assets | | | |
| Inventories | | 30,038 | 15,593 |
| Trade and other receivables | | 19,433 | 18,616 |
| Derivative Financial Instruments | | 264 | 0 |
| Current tax assets | | 25 | 0 |
| Cash and cash equivalents | | 37,294 | 41,218 |
| | | <u>87,054</u> | <u>75,427</u> |
| TOTAL ASSETS | | <u>131,020</u> | <u>122,911</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 31,000 | 31,000 |
| Reserves | | 59,995 | 45,182 |
| Total equity attributable to owners of the Company | | 90,995 | 76,182 |
| Non-controlling interests | | 0 | 0 |
| TOTAL EQUITY | | <u>90,995</u> | <u>76,182</u> |
| Non-current Liabilities | | | |
| Finance lease liability | | 0 | 9,366 |
| Hire-purchase creditors | | 1,553 | 0 |
| Term loans | | 11,879 | 0 |
| | | <u>13,432</u> | <u>9,366</u> |
| Current Liabilities | | | |
| Trade and other payables | | 22,707 | 30,675 |
| Derivative financial liabilities | | 0 | 147 |
| Finance lease liability | | 0 | 6,483 |
| Hire-purchase creditors | | 931 | 0 |
| Term loans | | 2,882 | 0 |
| Provision for warranties | | 73 | 55 |
| Current tax liabilities | | 0 | 3 |
| Dividend payable | | 0 | 0 |
| | | <u>26,593</u> | <u>37,363</u> |
| TOTAL LIABILITIES | | <u>40,025</u> | <u>46,729</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>131,020</u> | <u>122,911</u> |
| Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen) | | 29.3 | 24.6 |

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report and the accompanying explanatory notes attached to the interim financial statements.



SALUTICA BERHAD

(Company No. 1024781-T)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FPE 31 MARCH 2016

| | ←-----Attributable to owners of the Company-----→ | | | |
|---|---|------------------------------------|---|-----------------|
| | ←Non Distributable Reserve→ Share Capital RM'000 | Fair Value Reserve RM'000 | Distributable Retained Earnings RM'000 | Total RM'000 |
| At 1 July 2015 | 31,000 | 16 | 45,166 | 76,182 |
| Total comprehensive income for the year | 0 | 0 | 16,813 | 16,813 |
| Dividends | 0 | 0 | (2,000) | (2,000) |
| At 31 March 2016 | 31,000 | 16 | 59,979 | 90,995 |
| At 1 July 2014 | 0.2 | 0 | 58,275 | 58,275 |
| Total comprehensive income for the year | 0 | 16 | 11,850 | 11,866 |
| Dividend | 0 | 0 | (3,133) | (3,133) |
| At 31 March 2015 | 0.2 | 16 | 66,992 | 67,008 |

Note:

The Condensed Consolidated Statement of Changes in Equity is unaudited and should be read in conjunction with the Accountant's Report and the accompanying explanatory notes attached to the interim financial statements.



SALUTICA BERHAD

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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FPE 31 MARCH 2016

| | Current Quarter Ended 31.3.2016 RM'000 | Preceding Year Corresponding Quarter Ended 31.3.2015 RM'000 |
|--|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit for the financial period | 16,813 | 11,850 |
| Adjustments: | | |
| Depreciation of property, plant and equipment | 4,719 | 4,217 |
| - Gain on disposal of plant and equipment | (29) | (110) |
| - Write off | 17 | 0 |
| Finance costs | 549 | 69 |
| Finance income | (834) | (747) |
| Short term investment | | |
| - Gain on disposal | (6) | 0 |
| Inventories | | |
| - Allowance for slow moving | (51) | (252) |
| (write back)/Provision for warranties | 34 | 40 |
| Gain from early settlement of finance lease | (1,149) | 0 |
| Taxation | 5,830 | 200 |
| Fair value (gain)/loss on derivative financial instruments | (412) | 333 |
| Unrealised loss on foreign exchange | 344 | 90 |
| Operating profit before changes in working capital | 25,825 | 15,690 |
| Changes in working capital: | | |
| Inventories | (14,393) | 5,188 |
| Trade and other receivables | (1,107) | 11,626 |
| Trade and other payables | (7,401) | (20,327) |
| Cash generated from operations | 2,924 | 12,177 |
| Income tax paid | (210) | (179) |
| Net cash generated from operating activities | 2,714 | 11,998 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | B6 (3,666) | (1,695) |
| Acquisition of other investment | (64) | 0 |
| Proceeds from disposal of plant and equipment | 355 | 112 |
| Interest received | 834 | 747 |
| Uplift of deposit with bank with maturity period of more than three months | 8,800 | (7,800) |
| Purchase of short term investment | (4,000) | 0 |
| Proceeds from sale of short term investment | 4,006 | 0 |
| Net cash from / (used in) investing activities | 6,265 | (8,636) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of Finance lease | 0 | (4,652) |
| Repayment of hire-purchase creditor | (415) | 0 |
| Repayment of term loans | (1,139) | 0 |
| Uplift of deposits with bank as security | 1,500 | 0 |
| Interest paid | (549) | (69) |
| Dividend paid | (2,000) | (3,133) |
| Net cash used in financing activities | (2,603) | (7,854) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 6,376 | (4,492) |



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| | | |
|---|---------------|---------------|
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | 25,918 | 20,706 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR | 32,294 | 16,214 |
| Cash and cash equivalents comprise: | | |
| Short-term deposits with licensed banks | 24,500 | 13,900 |
| Cash and bank balances | 7,794 | 2,314 |
| | 32,294 | 16,214 |

Note:

The condensed consolidated cash flow statement is unaudited and should be read in conjunction with the Accountants' Report and the accompanying explanatory notes attached to the interim financial statements.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

A COMPLIANCE WITH MALAYSIA FINANCIAL REPORTING STANDARD (MFRS) 134: INTERIM FINANCIAL REPORTING AND THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“LISTING REQUIREMENTS”)

A1 Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

These condensed consolidated interim financial statements should be read in conjunction with the Accountant’ Report and the accompanying explanatory notes therein. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of Salutica and its subsidiary (“Group”) since the financial year ended (“FYE”) 30 June 2015.

A2 Changes in Accounting Policies

The significant accounting policies adopted in these quarterly financial statements are consistent with those adopted as disclosed in the Accountants’ Report.

New standards, amendments to published standards and Issue Committee (“IC”) interpretations to existing standards that are applicable to the group and are effective

There are no new standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group for the current financial period.

New standards early adopted by the Group

There are no standards early adopted by the Group.

New standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group but not yet effective

The Group will apply the new standards, amendments to published standards and IC interpretations in the following financial period:

Effective for the financial year beginning 1 July 2016

- Amendments to MFRS 116 and MFRS 138 “Clarification of Acceptable Methods of Depreciation and Amortisation”
- Amendments to MFRS 127 “Separate Financial Statements – Equity Accounting in Separate Financial Statements”
- Amendments to MFRS 101 “Presentation of Financial Statements – Disclosure Initiative”
- Amendments to MFRS 10, 12 & 128 “Investment entities – Applying the Consolidation Exception”
- Annual Improvements to MFRSs 2012 – 2014 Cycle (Amendments to MFRS 5 “Non-current Assets Held for sale and Discontinued Operations”, MFRS 7 “Financial Instruments: Disclosures” and MFRS 134 “Interim Financial Reporting”)



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

A2 Changes in Accounting Policies (cont'd)

New standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group but not yet effective (cont'd)

Effective for the financial year beginning 1 July 2017

- Amendments to MFRS 107 "Statement of Cash Flows" – Disclosure Initiative
- Amendments to MFRS 112 "Income Taxes" – Recognition of Deferred Tax Assets for Unrealised Losses"

Effective for the financial year beginning 1 July 2018

- MFRS 15, Revenue from Contracts with Customers
- MFRS 9, Financial Instruments (2014)

Effective for the financial year beginning 1 July 2019

- MFRS 16 "Leases"

The initial application of the above mentioned standards and amendments are not expected to have any material financial impacts to the current and prior periods' financial statements of the Group except as the mentioned below:

- MFRS 15, Revenue from Contracts with Customers
- MFRS 9, Financial Instruments :
 - MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities and on hedge accounting.
- MFRS 16 Leases

The Group is currently assessing the financial impact that may arise from the adoption of these standards.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Group for the FYE 30 June 2015 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

The operations of the Group during the current quarter as compared to the preceding quarter are also subject to seasonal factors due to the increase in sales of electronic products during the year-end holiday period in many countries globally. However, the financial period under review have not been materially affected by any seasonal or cyclical factors.

A5 Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and current FPE 31 March 2016.

A6 Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim period or financial year that have a material effect in the current quarter.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

A7 Changes in Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A8 Dividends Paid

There was no dividend paid for the current quarter.

For the 9 months FPE 31 March 2016, a total of RM2.0 million has been declared and paid on 27 October 2015 as first interim single tier tax-exempt dividend.

A9 Operating segments

The principal activities of the Group comprises vertical integration processes covering product design and development, and manufacturing of mobile communication products, wireless electronics and lifestyle devices. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before taxation are mainly confined to one operating segment.

In presenting information on the basis of geographical segments, segment revenue is based on geographical markets where the goods are delivered rather than the origin of the customers as follows:

| | 3 months ended | | 9 months ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31.3.2016 RM'000 | 31.3.2015 RM'000 | 31.3.2016 RM'000 | 31.3.2015 RM'000 |
| North America | 33,146 | 24,126 | 153,370 | 97,988 |
| Europe | 1,206 | 2,777 | 4,459 | 30,243 |
| Australia (including New Zealand, Oceania) | 20 | 856 | 87 | 1,065 |
| Asia (excluding Malaysia) | 3,312 | 6,349 | 10,818 | 14,982 |
| Africa (including Middle East) | 4 | 9 | 25 | 92 |
| Malaysia | 418 | 765 | 1,031 | 2,436 |
| Total | 38,106 | 34,882 | 169,790 | 146,806 |

A10 Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the current quarter under review.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

A11 Material Events Subsequent to the end of the current quarter

Save as disclosed below, there were no material events subsequent to the end of the current quarter that have not been reflected in these interim financial statements:

- (i) Second interim single tier tax-exempt dividend of RM2.0 million declared on 4 April 2016 and paid on 18 April 2016; and
- (ii) the listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM38,800,000 comprising 388,000,000 ordinary shares of RM0.10 each in Salutica on the ACE Market of Bursa Securities, which was completed on 18 May 2016.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter.

A13 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

A14 Capital Commitments

Capital commitments in respect of property, plant and equipment not provided for in the financial statements are as follows:

| | As at 31.3.2016 RM'000 |
|-------------------------------|-------------------------------------|
| Contracted | 383 |
| Authorised but not contracted | 11,340 |

A15 Significant related party transactions

| | 31.3.2016 RM'000 |
|--|----------------------------|
| Consultancy fee paid/payable | |
| - With a person connected with directors of the Company | 14.7 |
| - With firms in which certain directors of the Company are members of the respective firms | 233 |



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of Performance

The Group recorded revenue of approximately RM38.1 million and profit before taxation of approximately RM0.7 million for the current quarter and revenue of approximately RM169.8mil and profit before taxation of approximately RM22.6 million for the current FPE 31 March 2016.

The major contributor to the revenue stream was from the Bluetooth headsets totalling RM32.6 million which accounted for approximately 85.6% of the total revenue recorded for the current quarter.

The Group have expensed a total of RM2.1 million related to one-off listing expenses for the current quarter. If not for these one-off listing expenses, the Group's profit before taxation would be approximately RM2.7 million compared with RM2.0 million for the corresponding quarter ended 31 March 2015.

B2 Comment on material change in profit before taxation

| | Current Quarter 31.3.2016 RM'000 | Preceding Quarter 31.12.2015 RM'000 | Variance RM'000 | % |
|------------------------|---|--|----------------------------|----------|
| Revenue | 38,106 | 67,998 | (29,891) | -44% |
| Profit Before Taxation | 664 | 11,550 | (10,886) | -94% |

The Group recorded lower revenue for the current quarter as compared to the revenue in the preceding quarter mainly due to the seasonal nature of the business of consumer electronic products. The quarter prior to and leading to major holidays of our export markets would normally generate higher revenue.

The lower profit before taxation for the current quarter 31 March 2016 was mainly attributable to a one-off listing expenses of approximately RM2.1 million. In contrast, for the preceding quarter 31 December 2015, there was a RM1.1 million one-off gain arising from the early settlement of the finance lease liability.

B3 Prospects

As disclosed in the Prospectus of the Company dated 28 April 2016, the Group has put in place a series of future plans in the following areas:

- (i) Continued focus on research and development as well as expansion of the *FOBO* product range;
- (ii) Increase sales, marketing and branding initiatives for *FOBO*;
- (iii) Expansion of our business in the design, development and manufacture of Bluetooth devices for external brands;
- (iv) Expansion and upgrade of manufacturing facilities; and
- (v) New product expansion in the consumer electronic devices for touchscreen functionality as well as in other industries.

Barring any unforeseen circumstances, the Board is of the opinion that the prospects of the Group's financial performance for the financial year ending 30 June 2016 will remain favourable.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

B4 Variance between Actual Profit and Forecast Profit

The Group has not provided any revenue or profit forecast in any public documents and announcements.

B5 Taxation

| | 3 months ended | | 9 months ended | |
|--------------|----------------|--------------|----------------|------------|
| | 31.3.2016 | 31.3.2015 | 31.3.2016 | 31.3.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax | | | | |
| Current year | 69 | 73 | 200 | 200 |
| Prior year | (18) | 0 | (18) | 0 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 51 | 73 | 182 | 200 |
| Deferred tax | | | | |
| Current year | 120 | (773) | 5,648 | 0 |
| Prior year | 0 | 0 | 0 | 0 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 171 | (700) | 5,830 | 200 |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current quarter and current financial year.

The effective tax rates of the Group for the current quarter and current year-to-date were slightly higher than the Malaysia statutory tax rate due mainly to certain non-deductible expenses by the Group.

B6 Unquoted investments and properties

There were no purchases or sales of unquoted investment or properties for the current quarter.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the current quarter and the financial period to date.

B8 Status of Corporate Proposals

There is no corporate proposal announced but pending completion as at the date of this report.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

B9 Utilisation of proceeds from the Initial Public Offering (“IPO”)

Based on the IPO price of RM0.80, the gross proceeds arising from the Public Issue amounting to RM62.4 million is intended to be utilised in the following manner:

| Details of utilisation | Intended utilisation (RM'000) | Actual utilisation to-date (RM'000) | Deviation (RM'000) | Intended timeframe for utilisation (from date of listing) |
|-------------------------------|--------------------------------------|--|---------------------------|--|
| Repayment of bank borrowing | 8,500 | - | - | Within 6 months |
| Capital expenditure | 25,000 | - | - | Within 24 months |
| R&D expenditure | 8,200 | - | - | Within 24 months |
| Working capital | 16,700 | - | - | Within 24 months |
| Estimated listing expenses | 4,000 | 2,100 | - | Within 3 months |
| Total | 62,400 | 2,100 | - | |

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 April 2016.

As at the date of this report, save for approximately RM2.1 million which has been utilised to defray the listing expenses incurred, there is no other utilisation of IPO proceeds.

B10 Borrowings and debt Securities

The Group's loans and borrowings as at 31 March 2016 are as follows:

| | Payable Within 12 Months RM'000 | Payable After 12 Months RM'000 | Total RM'000 |
|-------------------------|--|---------------------------------------|---------------------|
| <u>Secured</u> | | | |
| Hire Purchase | 931 | 1,553 | 2,484 |
| Term loans | 2,662 | 11,020 | 13,682 |
| <u>Unsecured</u> | | | |
| Term loans | 220 | 859 | 1,079 |
| | 3,813 | 13,432 | 17,245 |

All the borrowings are denominated in Ringgit Malaysia.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

B11 Derivative financial instruments

As at the date of the statement of financial position 31 March 2016, the Group has the following outstanding derivative financial instruments:

| Derivatives | Contract or Notional Amount (RM'000) | Fair Value Net gain / (loss) (RM'000) |
|--|--|---|
| Currency forward contracts: Less than 1 year | 6,181 | 264 |

For the current quarter and FPE 31 March 2016, there is no change to the Group's financial risk management policies and objectives in managing these derivative financial instruments and its related accounting policies. Foreign currency forward contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuations in foreign currency exchange rates.

B12 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the end of current quarter to the date of the interim financial report.

B13 Material Litigation

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

B14 Dividend

On 19 May 2016, the Board has declared a third interim single tier tax-exempt dividend of 0.6 sen per share on 388 million ordinary shares amounting to approximately RM2.328 million. The entitlement date and payment date will be announced at a later date.

B15 Earnings Per Share ("EPS")

| | 3 months ended | | 9 months ended | |
|---|----------------|-----------|----------------|-----------|
| | 31.3.2016 | 31.3.2015 | 31.3.2016 | 31.3.2015 |
| BASIC EPS | | | | |
| Profit attributable to owners of the Company (RM'000) | 493 | 2,694 | 16,813 | 11,850 |
| Weighted average number of ordinary shares in issue ('000) | 310,000 | 309,930 | 310,000 | 309,930 |
| Basic EPS (sen) | 0.16 | 0.87 | 5.42 | 3.82 |

There was no dilution in the earning per share as there was no potential diluted ordinary share outstanding as at the end of the current period under review.



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NOTES TO THE INTERIM FINANCIAL STATEMENTS THIRD QUARTER ENDED 31 MARCH 2016

B16 Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

| | As at 31.3.2016 RM'000 | As at 31.3.2015 RM'000 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Total retained profits of the Group: | | |
| Realised | 39,134 | 47,782 |
| Unrealised | 2,832 | 1,197 |
| | <hr/> | <hr/> |
| | 41,966 | 48,979 |
| Add: Consolidation adjustments | 18,013 | 18,013 |
| Total | <hr/> 59,979 | <hr/> 66,992 |

B17 Notes to the Statement of Comprehensive Income

| | 3 months ended 31.3.2016 RM'000 | 9 months ended 31.3.2016 RM'000 |
|--|--|--|
| Profit from operations for the period/year is arrived at after charging/(crediting): | | |
| (Reversal)/Allowance for Slow moving inventories | (64) | (52) |
| Depreciation of Property, plant and equipment | 1,577 | 4,719 |
| Provision for warranties | 5 | 34 |
| Rental expenses | | |
| - hostel | 7 | 13 |
| - equipment/machinery | 9 | 33 |
| Interest expenses | 265 | 549 |
| Net foreign exchange losses | | |
| - Realised | 454 | 1,504 |
| - Unrealised | 344 | 344 |
| Fair value gains on derivative financial instruments | (264) | (412) |
| Gain on disposal of property, plant & equipment | (26) | (29) |
| Gain from early settlement of finance lease | 0 | (1,149) |
| Rental Income | (19) | (56) |
| Interest income | (289) | (834) |
| Gain on disposal of Short term investment | (2) | (6) |

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

B18 Authorisation for issue

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 19 May 2016.