

ELK-DESA[®]

ELK-DESA RESOURCES BERHAD

(Company No: 180164-X)

QUARTERLY REPORT ON CONSOLIDATED
RESULTS FOR THE PERIOD ENDED
31 DECEMBER 2017

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 For the financial period ended 31 December 2017
 (The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
Revenue	25,895,851	25,118,919	76,431,003	69,638,583
Other income	718,711	395,031	1,343,330	1,686,814
Cost of inventories sold	(4,628,836)	(5,465,962)	(14,279,060)	(14,024,831)
Depreciation of property, plant and equipment	(159,402)	(143,936)	(473,439)	(427,428)
Impairment allowance	(4,559,026)	(5,253,437)	(16,252,729)	(14,714,638)
Other expenses	(7,119,376)	(6,838,090)	(20,498,725)	(19,019,647)
Finance costs	(603,590)	(207,496)	(1,736,713)	(781,469)
Profit before taxation	9,544,332	7,605,029	24,533,667	22,357,384
Taxation	(2,542,178)	(1,935,439)	(6,519,980)	(5,776,483)
Profit for the financial period	7,002,154	5,669,590	18,013,687	16,580,901
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	7,002,154	5,669,590	18,013,687	16,580,901
Earnings per ordinary share - basic (sen)	2.46	2.50	7.10	7.88
Earnings per ordinary share - diluted (sen)	2.32	2.24	6.65	6.58

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2017)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at 31 December 2017

(The figures have not been audited.)

	As at 31.12.2017 RM	As at 31.03.2017 RM
ASSETS		
Non-current assets		
Property, plant and equipment	7,197,826	7,155,604
Hire purchase receivables	268,687,023	243,324,545
Deferred tax assets	3,434,536	3,870,566
	279,319,385	254,350,715
Current assets		
Inventories	9,038,711	6,715,178
Other assets	1,663,048	1,261,259
Trade receivables	9,003,664	8,609,202
Hire purchase receivables	101,719,460	94,901,305
Other receivables, deposits and prepayments	1,720,809	1,829,278
Fixed deposits	22,259,211	12,164,816
Short term funds	38,031,909	-
Cash and bank balances	3,300,832	2,433,255
	186,737,644	127,914,293
Total assets	466,057,029	382,265,008
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	307,426,183	243,129,886
Share premium	23,260,816	24,496,944
Retained earnings	57,260,127	57,280,090
ICULS - equity component	17,275,834	25,915,034
Treasury shares	(16,735,944)	(16,735,944)
Total equity	388,487,016	334,086,010
LIABILITIES		
Non-current liabilities		
Block discounting payables - secured	26,704,353	11,235,666
ICULS - liability component	2,384,897	4,201,689
Deferred tax liability	38,441	38,441
	29,127,691	15,475,796
Current liabilities		
Trade payables	13,923,147	14,931,949
Other payables and accruals	3,962,608	4,824,023
Dividend payable	9,281,217	-
Block discounting payables - secured	17,689,492	10,559,933
Bank overdrafts	-	519,946
Current tax liabilities	3,585,858	1,867,351
	48,442,322	32,703,202
Total liabilities	77,570,013	48,178,998
TOTAL EQUITY AND LIABILITIES	466,057,029	382,265,008
Net assets per share	1.36	1.45

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2017)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the financial period ended 31 December 2017
 (The figures have not been audited.)

	Number of Issued Shares Unit	Share Capital RM	Share Premium RM	Retained Earnings RM	Treasury shares RM	ICULS - equity component RM	Total Equity RM
Balance as at 1 April 2016	184,800,000	184,800,000	13,997,928	52,604,820	(13,440,667)	83,283,772	321,245,853
Total comprehensive income	-	-	-	16,580,901	-	-	16,580,901
Final Dividend for financial year ended 31 March 2016		-	-	(7,962,088)	-	-	(7,962,088)
Interim Dividend for financial year ended 31 March 2017	-	-	-	(7,484,720)	-	-	(7,484,720)
Conversion of ICULS	58,324,526	58,324,526	10,498,476	(2,879,071)		(57,363,820)	8,580,111
Purchase of treasury shares	-	-	-	-	(3,295,277)	-	(3,295,277)
Balance as at 31 December 2016	243,124,526	243,124,526	24,496,404	50,859,842	(16,735,944)	25,919,952	327,664,780
Balance as at 1 April 2017	243,129,526	243,129,886	24,496,943	57,280,090	(16,735,944)	25,915,034	334,086,009
Total comprehensive income	-	-	-	18,013,689	-	-	18,013,689
Final Dividend for financial year ended 31 March 2017	-	-	-	(8,136,209)	-	-	(8,136,209)
Interim Dividend for financial year ending 31 March 2018	-	-	-	(9,281,217)	-	-	(9,281,217)
Conversion of ICULS	8,783,893	10,364,999	-	(616,226)	-	(8,639,200)	1,109,573
Issuance of shares pursuant to right issue	46,492,498	53,931,298	-	-	-	-	53,931,298
Expenses incurred in relation to the right issue	-	-	(1,236,127)	-	-	-	(1,236,127)
Balance as at 31 December 2017	298,405,917	307,426,183	23,260,816	57,260,127	(16,735,944)	17,275,834	388,487,016

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2017)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 For the financial period ended 31 December 2017
 (The figures have not been audited.)

	9 months ended	
	31.12.2017 RM	31.12.2016 RM
<u>Cash flows from operating activities</u>		
Profit before taxation	24,533,667	22,357,385
Adjustment for :		
Depreciation of property, plant and equipment	473,439	427,428
Loss/(Gain) on disposal of property, plant and equipment	(2,357)	(20,169)
Property, plant and equipment written off	1	-
Net impairment allowance made for the financial period	16,902,455	15,299,030
Interest expense	1,669,149	696,571
Interest income	(484,090)	(1,225,365)
Income from short term funds	(466,317)	-
Operating profit before working capital changes	42,625,947	37,534,880
Changes in working capital:		
Inventories	(2,323,533)	(4,895,228)
Other assets	(401,789)	(506,904)
Hire purchase receivables	(48,919,691)	(63,203,209)
Trade receivables	(557,519)	(5,721,045)
Other receivables, deposits and prepayments	108,469	(1,560,678)
Trade payables	(1,008,802)	2,389,689
Other payables and accruals	(490,924)	2,006,077
	(53,593,789)	(71,491,298)
Cash generated from/(used in) operations	(10,967,842)	(33,956,418)
Tax paid	(4,715,833)	(3,620,233)
Net cash from/(used in) operating activities	(15,683,675)	(37,576,651)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(516,003)	(592,897)
Proceeds from disposal of property, plant and equipment	2,358	43,773
Interest received	484,090	1,225,365
Income received from short term funds	466,317	-
Net withdrawal / (placement) of fixed deposit with licensed banks with original maturity of more than three (3) months	-	25,979,507
Net cash from/(used in) investing activities	436,762	26,655,748
<u>Cash flows from financing activities</u>		
Net (repayment)/drawdown of block discounting payables	22,735,926	(4,910,960)
Proceed from Rights Issue	53,931,298	-
Rights Issue expenses paid	(1,236,127)	-
Interest paid	(2,534,148)	(3,946,180)
Dividend paid	(8,136,209)	(7,962,088)
Purchase of treasury shares	-	(3,295,277)
Net cash from/(used in) financing activities	64,760,740	(20,114,505)

ELK-DESA RESOURCES BERHAD (Company No 180164-X)
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 For the financial period ended 31 December 2017
 (The figures have not been audited.)

	9 months ended	
	31.12.2017	31.12.2016
	RM	RM
Net increase/(decrease) in cash and cash equivalents during the financial period	49,513,827	(31,035,408)
Cash and cash equivalents as at beginning of financial year	14,078,125	51,414,554
Cash and cash equivalents as at end of financial period	63,591,952	20,379,146
<u>Composition of cash and cash equivalents</u>		
Deposits, cash and bank balances	25,560,043	20,410,071
Bank overdraft	-	(30,925)
Short term fund	38,031,909	-
	<u>63,591,952</u>	<u>20,379,146</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2017)

A1 Accounting Policies And Basis Of Preparation

The interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9 Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS 34: Interim Financial Reporting.

The interim financial statements are unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2017, which had been prepared in accordance with Malaysian Financial Reporting Standards (MFRS).

The accounting policies adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2017 except for the adoption of new MFRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 April 2017.

On 1 April 2017, the following accounting standards, amendments and interpretations of the MFRS Framework were adopted by the Group.

Title		Effective Date
Amendments to MFRS 12	<i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2017
Amendments to MFRS 107	<i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

Application of the above accounting standards, amendments and interpretations are not expected to have a material impact on the financial statements of the Group.

A2 Seasonal and Cyclical Factors

Generally, the Group's operations will benefit from higher consumer spendings during festive seasons in Malaysia.

A3 Unusual Items due to Their Nature, Size or Incidence

There were no unusual items that may affect the amount stated in the interim financial statements during the financial period ended 31 December 2017.

A4 Change in Estimates

There were no changes in estimates that had any material effect for the financial period ended 31 December 2017.

A5 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

Save as disclosed below, there were no issuance, repurchases and repayment of debt and equity securities and share cancellations during the financial period ended 31 December 2017.

On 5 September 2017, the Company issued 46,492,498 new ordinary shares at RM 1.16 per share pursuant to the Company's right issue exercise.

During the financial period under review, the Company had issued 8,783,893 new ordinary shares pursuant to conversions of 10,364,999 units of ICULS.

A6 Dividend Paid

On 28 August 2017, the Company had paid a single-tier final dividend of 3.50 per share for the financial year ended 31 March 2017 amounting to RM8.14 million.

On 8 February 2018, the Company had paid a single-tier interim dividend of 3.25 sen per share for the financial year ending 31 March 2018 amounting to RM9.28 million.

A7 Segmental Reporting

	Hire Purchase Financing RM	Furniture RM	Elimination RM	Consolidated RM
<u>Quarter Ended 31 December 2017</u>				
Revenue (External)	18,445,056	7,450,087	-	25,895,143
Revenue (Inter-Segment)	-	1,000	(292)	708
Other income	707,388	62,967	(51,644)	718,711
Cost of inventories sold	-	(4,629,037)	201	(4,628,836)
Depreciation of property, plant and equipment	(104,145)	(55,378)	121	(159,402)
Impairment allowance	(4,542,923)	(16,103)	-	(4,559,026)
Other expenses	(4,368,295)	(2,750,391)	(690)	(7,119,376)
Finance costs	(577,022)	(78,076)	51,508	(603,590)
Profit/(Loss) before tax	9,560,059	(14,931)	(796)	9,544,332
<u>Quarter Ended 31 December 2016</u>				
Revenue (External)	16,729,262	8,389,657	-	25,118,919
Revenue (Inter-Segment)	-	3,474	(3,474)	-
Other income	368,732	26,298	-	395,030
Cost of inventories sold	-	(5,468,425)	2,463	(5,465,962)
Depreciation of property, plant and equipment	(95,081)	(48,854)	-	(143,935)
Impairment allowance	(5,216,903)	(36,534)	-	(5,253,437)
Other expenses	(4,211,667)	(2,627,434)	1,011	(6,838,090)
Finance costs	(168,708)	(38,788)	-	(207,496)
Profit/(Loss) before tax	7,405,635	199,394	-	7,605,029
<u>9 months Ended 31 December 2017</u>				
Revenue (External)	53,750,940	22,680,063	-	76,431,003
Revenue (Inter-Segment)	-	6,915	(6,915)	-
Other income	1,405,905	57,289	(119,864)	1,343,330
Cost of inventories sold	-	(14,284,218)	5,158	(14,279,060)
Depreciation of property, plant and equipment	(310,372)	(163,188)	121	(473,439)
Impairment allowance	(16,089,332)	(163,397)	-	(16,252,729)
Other expenses	(12,570,660)	(7,930,668)	2,603	(20,498,725)
Finance costs	(1,669,149)	(187,290)	119,726	(1,736,713)
Profit/(Loss) before tax	24,517,332	15,506	829	24,533,667
Segment assets	463,574,852	22,502,289	(20,020,112)	466,057,029
Segment liabilities	75,199,196	7,390,132	(5,019,315)	77,570,013
<u>9 months Ended 31 December 2016</u>				
Revenue (External)	48,019,891	21,618,692	-	69,638,583
Revenue (Inter-Segment)	-	3,813	(3,813)	-
Other income	1,623,885	62,930	-	1,686,815
Cost of inventories sold	-	(14,027,544)	2,713	(14,024,831)
Depreciation of property, plant and equipment	(284,488)	(142,940)	-	(427,428)
Impairment allowance	(14,663,298)	(51,340)	-	(14,714,638)
Other expenses	(11,801,863)	(7,220,773)	2,989	(19,019,647)
Finance costs	(696,716)	(84,753)	-	(781,469)
Profit/(Loss) before tax	22,197,411	158,085	1,889	22,357,385
Segment assets	369,781,761	18,066,516	(15,000,000)	372,848,277
Segment liabilities	42,212,063	2,971,434	-	45,183,497

A8 Subsequent Events

There was no material event subsequent to the current quarter.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the financial period ended 31 December 2017.

A10 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and assets for the Group as at 31 December 2017.

A11 Capital Commitments

There were no material capital commitments for the purchase of property, plant and equipment as at the end of the financial period ended 31 December 2017.

A12 Related Party Disclosures

There was no significant related party transaction during the financial period ended 31 December 2017.

B1 Review Of Performance

CURRENT QUARTER (FY2018-Q3 vs FY2017-Q3)

GROUP	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				9 months ended			
	31.12.2017	31.12.2016			31.12.2017	31.12.2016		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	25,895,851	25,118,919	776,932	3%	76,431,003	69,638,583	6,792,420	10%
Profit before interest and tax	10,147,922	7,812,525	2,335,397	30%	26,270,380	23,138,853	3,131,527	14%
Profit before taxation	9,544,332	7,605,029	1,939,303	26%	24,533,667	22,357,384	2,176,283	10%
GROUP	As at		Variance	Variance			Variance	Variance
	31.12.2017	31.12.2016						
	RM	RM			RM	%		
Hire Purchase Receivables	370,406,483	323,966,529	46,439,954	14%				
Total Borrowings	44,393,845	10,383,145	34,010,700	328%				

The Group's revenue increased by 3% to RM25.90 million due to higher contribution from hire purchase segment. The Group's profit before tax increased by 26% to RM9.54 million mainly due to higher profit contribution from the hire purchase segment.

Hire purchase receivables registered a 14% growth year on year from RM323.97 million to RM370.41 million as at 31 December 2017. This was the key factor that led to the hire purchase division's increased revenue for the current financial period.

Total borrowings increased 328% mainly due to higher drawdown of block discounting payables during the current financial period to support the increased hire purchase receivables.

HIRE PURCHASE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				9 months ended			
	31.12.2017	31.12.2016			31.12.2017	31.12.2016		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	18,445,056	16,729,262	1,715,794	10%	53,750,940	48,019,891	5,731,049	12%
Profit before interest and tax	10,137,081	7,574,343	2,562,738	34%	26,186,481	22,894,127	3,292,354	14%
Profit before taxation	9,560,059	7,405,635	2,154,424	29%	24,517,332	22,197,411	2,319,921	10%

Hire Purchase Segment

Revenue increased by 10% to RM18.45 million, mainly due to increase in hire purchase portfolio.

Other income increased by 78% to RM0.71 million mainly due to additional income received from short term funds.

Impairment allowance decreased by 13% to RM4.54 million. Credit loss charge (i.e. impairment allowance over average net hire purchase receivables) decreased from 1.55% to 1.18%. Excluding the collective impairment allowance, the credit loss charge for the quarter decreased from 1.44% to 1.08%.

Other expenses increased by 4% to RM4.37 million, which is in line with the larger hire purchase portfolio. As a result of higher borrowings, the finance cost increased by 242% to RM0.58 million.

The profit before tax increased by 29% to RM9.56 million mainly due to increase in hire purchase portfolio and lower impairment allowance for the quarter ended 31 December 2017.

FURNITURE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				9 months ended			
	31.12.2017	31.12.2016			31.12.2017	31.12.2016		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	7,451,087	8,393,131	(942,044)	-11%	22,686,978	21,622,505	1,064,473	5%
Profit before interest and tax	63,145	238,182	(175,037)	-73%	202,796	242,838	(40,042)	-16%
Profit before taxation	(14,931)	199,394	(214,325)	-107%	15,506	158,085	(142,579)	-90%

Furniture Segment

Revenue decreased by 11% to RM7.45 million mainly due to the lower export sales, which is in line with the Group's effort to focus its operations in the domestic market. Gross profit margin increased from 35% to 38%.

Other expenses increased by 5% to RM2.75 million mainly due to higher advertisement and promotional expenses.

The Division recorded a loss before tax of approximately RM15,000 for the quarter ended 31 December 2017.

YEAR-TO-DATE (FY2018YTD vs FY2017YTD)

The Group's revenue increased 10% to RM76.43 million, mainly due to higher contribution from hire purchase business.

The Group's profit before tax increased 10% to RM24.53 million, contributed by hire purchase division.

Hire Purchase Segment

Revenue increased by 12% from RM48.02 million to RM53.75 million, mainly due to increase in hire purchase portfolio.

Impairment allowance increased by 10% to RM16.09 million mainly due to higher cost of debt recoveries. Despite the higher impairment allowance, the credit loss charge decreased from 4.71% to 4.41%. Excluding the collective impairment allowance, the credit loss charge for the financial period would be 4.18%, a decrease from 4.31%. Generally, the higher cost of living and the current soft economic environment would have an impact on the repayability of our hirers.

Other expenses increased by 7% to RM12.57 million, which is in line with the larger hire purchase portfolio.

As a result of higher borrowings, the finance cost increased by 140% to RM1.67 million.

As a result of the above factors, the profit before tax for the 9-month period increased by 10% from RM22.20 million to RM24.52 million, riding on the increase in hire purchase portfolio and the Group's concerted efforts in credit recovery.

Furniture Segment

Despite a 52% decrease in export sales amounting to RM2.6 million, the total furniture revenue increased by 5% to RM22.68 million which is in line with the Group's effort to focus its operations in the domestic market. Gross profit margin increased from 35% to 37%.

Impairment allowance increased by 218% to approximately RM163,000 mainly due to slow payment from the furniture dealers. Other expenses increased by 10% to RM7.93 million mainly due to higher advertisement expenses, staff cost and transportation expenses.

The Division recorded a profit before tax of approximately RM15,500 for the 9-month period ended 31 December 2017.

B2 Comparison of Results with Preceding Quarter

GROUP	Current Quarter	Immediate Preceding Quarter	Variance	Variance
	31.12.2017 RM	30.09.2017 RM		
Revenue	25,895,851	24,964,217	931,634	4%
Profit before interest and tax	10,147,922	8,671,477	1,476,445	17%
Profit before taxation	9,544,332	8,089,892	1,454,440	18%

The Group's profit before tax for the current quarter of RM9.54 million was higher as compared to RM8.09 million of the immediate preceding quarter mainly due to higher profit contribution from the hire purchase segment.

B3 Prospects and Outlook

Despite the cautious outlook ahead, the Group is not likely to experience any slowdown in the demand for second hand cars financing for the financial year ending 31 March 2018 as the business segment that the Group is currently operating in, is still relatively small as compared to the overall auto financing industry. The Group believes that there is still much more room to grow, even within its existing area of operations.

The Group will continue to strategically operate in the underserved niche market and focus on growing the small value second hand car financing segment. The business strategy will also be constantly reviewed to ensure the Group continues to stay relevant in the industry and at the same time keeping the credit risk exposure within the tolerance level.

The furniture business will continue to be affected by the sluggish consumers' sentiments and current soft economic environment. However, the Group will focus on ensuring the operational efficiencies in the furniture division.

Impairment allowances as a result of downside credit risk is a key factor affecting the future performance of the Group, in particular the hire purchase business. Therefore, the Group will continue to place strong emphasis on close monitoring and efficient debt recoveries as well as follow-up mechanism, to minimise the impact from the current soft economic environment.

Riding on the positive performance in the third quarter, the Board is optimistic that the Group's profit for the financial year ending 31 March 2018 will be better than financial year ended 31 March 2017.

B4 Profit Forecasts

The Group did not issue any profit forecasts for the period under review.

B5 Taxation

Tax charge for the quarter and financial period ended 31 December 2017 are set out below:

	3 months ended 31.12.2017	9 months ended 31.12.2017
	RM	RM
(a) Income Tax	2,535,749	6,434,341
(b) Deferred Taxation	6,429	85,639
	<u>2,542,178</u>	<u>6,519,980</u>

The effective tax rate of the Group for the financial period ended 31 December 2017 were higher than the statutory tax rate due to certain expenses which were not deductible for tax purposes.

B6 Status of Corporate Proposals Announced

On 11 November 2016, Mercury Securities Sdn Bhd, on behalf of the Board, announced that the Company proposes to undertake the following proposals:

(i) Proposed renounceable rights issue of up to 51,589,369 new ordinary shares at an issue price of RM1.16 per rights share on the basis of one (1) rights share for every five (5) existing ordinary shares in ELK-Desa Resources Berhad held on an entitlement date to be determined later ("Proposed Rights Issue"); and

(ii) Proposed exemption under Paragraph 4.08(1)(B) of the Rules of Take-Overs, Mergers and Compulsory Acquisitions to Mr. Teoh Hock Chai @ Tew Hock Chai ("THC") and persons acting in concert with him ("PACs") from the obligation to undertake a mandatory take-over offer for all ELK-Desa shares not already held by THC and his PACs ("Proposed Exemption").

On 8 September 2017, the Company has successfully completed the Rights Issue of 46,492,498 Rights Shares.

Other than disclosed above, there are no other corporate proposals for the Group.

As at 31 December 2017, the proceeds have been utilised as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Timeframe for Utilisation	Balance	Remarks
	RM	RM		RM	
(a) Hire purchase disbursements	52,331,298	46,342,150	Within 12 months	5,989,148	Not fully utilised
(b) Expenses relating to the Rights Issue	1,600,000	1,236,127	Within 6 months	363,873	Not fully utilised
	<u>53,931,298</u>	<u>47,578,277</u>		<u>6,353,021</u>	

B7 Group Borrowings & Debt Securities

The Group does not have any borrowings or debt securities that are denominated in foreign currency.

		As at 31.12.2017	As at 31.12.2016
		RM	RM
Borrowings			
Block Discounting Payables (Fixed rate and secured)	- within 1 year - later than 1 year	<u>17,689,492</u> <u>26,704,353</u>	<u>7,539,020</u> <u>2,813,200</u>
		44,393,845	10,352,220
Bank Overdraft (Floating rate and unsecured)	- within 1 year	-	30,925
Total Borrowings		<u>44,393,845</u>	<u>10,383,145</u>
Debt Securities			
ICULS - liability component	- later than 1 year	<u>2,384,897</u>	<u>4,379,387</u>

B8 Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

B9 Dividend

There was no dividend proposed in the current quarter (3Q 2017 : Nil).

Year-to-date ("YTD") dividend for the financial period ended 31 December 2017 is 3.25 sen per ordinary share (YTD FY2017 : 3.25 sen).

B10 Earnings Per Share

Basic earnings per share is calculated by dividing the Group's net profit by the weighted average number of ordinary shares in issue during the financial period.

	Quarter ended 31.12.2017	Quarter ended 31.12.2016	Year to date ended 31.12.2017	Year to date ended 31.12.2016
Profit after taxation (RM)	7,002,154	5,669,590	18,013,687	16,580,901
Weighted average number of ordinary shares (units)	284,985,908	226,837,578	253,798,114	210,430,520
Basic earnings per ordinary share (sen)	2.46	2.50	7.10	7.88

Diluted earnings per share is calculated by dividing the Group's net profit by the weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares.

	Quarter ended 31.12.2017	Quarter ended 31.12.2016	Year to date ended 31.12.2017	Year to date ended 31.12.2016
Profit after taxation (RM)	7,002,154	5,669,590	18,013,687	16,580,901
Interest expense on ICULS, net of tax (RM)	22,804	90,019	371,382	368,675
Adjusted profit after tax (RM)	7,024,958	5,759,609	18,385,069	16,949,576
Weighted average number of ordinary shares (units)	284,985,908	226,837,578	253,798,114	210,430,520
Adjustment for potential dilutive shares (units)	18,222,353	29,878,185	22,867,157	47,017,230
Adjusted weighted average number of ordinary shares (units)	303,208,261	256,715,763	276,665,271	257,447,750
Diluted earnings per ordinary share (sen)	2.32	2.24	6.65	6.58

B11 Audit Report For The Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 31 March 2017 was not qualified.

B12 Notes to the Statement of Comprehensive Income

	3 months ended 31.12.2017 RM	9 months ended 31.12.2017 RM
Profit before taxation is arrived at after charging:		
Interest expense	577,022	1,669,149
Inventories written down	-	-
Reversal of inventories previously written down	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Realised foreign exchange (gain) or loss	(36,535)	(10,352)
Unrealised foreign exchange (gain) or loss	-	-
Gain or loss on derivatives	-	-
Exceptional items	-	-
And crediting:		
Interest income	159,721	484,090

B13 Retained Earnings

The following analysis of realised and unrealised retained earnings is prepared in accordance with the guidance issued by the Malaysian Institute of Accountants in the prescribed format by Bursa Malaysia Securities Berhad.

	As at 31.12.2017 RM	As at 31.03.2017 RM
Total retained earnings of the Company and its subsidiaries		
- Realised	89,209,058	89,368,310
- Unrealised	2,823,720	2,823,720
	<u>92,032,778</u>	<u>92,192,030</u>
Less: Consolidation adjustments	(34,772,651)	(34,911,940)
Total retained earnings as per consolidation accounts	<u><u>57,260,127</u></u>	<u><u>57,280,090</u></u>