

HIAP TECK VENTURE BERHAD
(Company No:421340-U)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for 3rd quarter from 1 February 2018 to 30 April 2018

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30/04/2018	30/04/2017	30/04/2018	30/04/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	241,567	297,125	802,539	845,377
Cost of Sales	(210,565)	(238,318)	(692,844)	(695,888)
Gross Profit	31,001	58,807	109,694	149,489
Other Income	7,985	9,824	17,002	39,482
Operating Expenses	(15,672)	(12,075)	(42,128)	(36,498)
Other Expenses	-	(2,347)	-	(2,692)
Profit from Operations	23,315	54,209	84,569	149,781
Finance Costs	(5,218)	(7,561)	(16,086)	(24,848)
Share of profit/(loss) of equity accounted investees, net of tax	(13,390)	(4,920)	(6,722)	(60,337)
Profit Before Tax	4,707	41,728	61,761	64,596
Income tax	(3,542)	(9,786)	(14,287)	(29,888)
Profit for the Period	1,165	31,942	47,474	34,708
Other Comprehensive Income				
Net loss on available-for-sale financial assets - fair value changes	(120)	218	(130)	664
Foreign currency translation	(93)	11	1,300	(38)
	(213)	229	1,170	626
Total Comprehensive Income	952	32,171	48,644	35,334
Profit Attributable to:				
Owners of the parent	1,335	31,944	47,921	34,890
Minority Interest	(170)	(2)	(447)	(182)
	1,165	31,942	47,474	34,708
Total Comprehensive Income Attributable to:				
Owners of the parent	1,122	32,173	49,091	35,152
Minority Interest	(170)	(2)	(447)	182
	952	32,171	48,644	35,334
Earnings Per Share (EPS)				
(a) Basic (sen)	0.10	2.48	3.64	2.71
(b) Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Company No:421340-U)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position as at 30 April 2018

	30/04/2018 (Unaudited)	31/7/2017 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	252,801	252,358
Mining exploration & evaluation asset	21,495	20,484
Investment properties	7,199	7,318
Investment in joint venture	-	-
Available-for-sale - financial assets	1,376	1,507
Deferred tax assets	554	554
Trade and other receivables (Amount due from joint venture)	90,935	90,935
	<u>374,360</u>	<u>373,156</u>
Current assets		
Inventories	318,273	323,847
Trade and other receivables	688,532	564,402
Tax recoverable	2,255	2,348
Available-for-sale - financial assets	3,737	4,691
Cash and cash equivalents	49,394	83,350
	<u>1,062,191</u>	<u>978,638</u>
Total assets	<u>1,436,551</u>	<u>1,351,794</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	667,840	654,864
Treasury shares	(7,499)	(7,499)
Warrant reserve	30,341	30,341
Foreign reserve	963	(337)
Share option reserve	4,638	4,638
Fair value adjustment reserve	(1,233)	(1,103)
Equity component of RCUIDS, net of tax	31,483	44,459
Retained profits	129,932	82,012
	<u>856,465</u>	<u>807,375</u>
Minority Interest	(451)	(4)
Total equity	<u>856,014</u>	<u>807,371</u>
Non-current liabilities		
Borrowings	23,157	25,245
Deferred tax liabilities	35,493	36,527
	<u>58,650</u>	<u>61,772</u>
Current liabilities		
Borrowings	455,572	428,427
Trade and other payables	58,660	40,607
Tax payable	7,655	13,617
	<u>521,887</u>	<u>482,651</u>
Total liabilities	<u>580,537</u>	<u>544,423</u>
Total equity and liabilities	<u>1,436,551</u>	<u>1,351,794</u>
Net assets per share attributable to owners of the parent (RM)	0.64	0.62

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial statement.

HIAP TECK VENTURE BERHAD
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Condensed Consolidated Statements of Cash Flows for the period ended 30 April 2018

	Current Year To-date 30/04/2018 RM'000	Preceding Year Corresponding Period 30/04/2017 RM'000
<u>Operating Activities</u>		
Profit Before Tax	61,761	64,596
Adjustments for:		
Depreciation of investment property	119	119
Depreciation of property, plant and equipment	8,708	11,062
Equity-settled share based payments	-	336
Gain on disposal of property, plant and equipment	(2,209)	(6,615)
Loss on disposal of an associate company	-	2
Interest expense	16,086	24,848
Finance income:		
Available-for-sale financial assets	(721)	(955)
Deposits	(338)	(2,781)
Joint venture	(21,942)	(21,634)
Net overdue interest income	(201)	(448)
Net unrealised foreign exchange (gain) / loss	7,035	(2,597)
Property, plant and equipment written off	-	44
Provision for slow moving inventories	3,621	7,785
Provision for doubtful debts	-	2,235
Share of (gain) / loss of equity accounted investees, net of tax	6,722	60,337
Operating profit before changes in working capital	78,640	136,334
Net change in current assets	(53,149)	(46,907)
Net change in current liabilities	18,481	(36,279)
Cash (used in) / from operations	43,972	53,148
Interest paid	(15,148)	(26,848)
Net overdue interest income received	201	448
Taxes paid, net of taxes refunded	(21,190)	(13,290)
Net cash (used in) / from operating activities	7,836	13,458
<u>Investing Activities</u>		
Finance income:		
Available-for-sale financial assets	721	955
Deposits	338	2,781
Jointly controlled entity	-	21,634
Investment in available-for-sale financial assets	954	(13,702)
Proceeds from disposal of property, plant and equipment	3,527	9,747
Purchase of property, plant and equipment	(10,898)	(8,931)
Proceeds from disposal of an associate company	-	473
Proceeds from withdrawal of available-for-sale financial assets		
Additions to mining exploration and evaluation asset	(1,011)	(478)
Advances to joint venture	(59,536)	(47,273)
Net cash used in investing activities	(65,905)	(34,794)
<u>Financing Activities</u>		
Dividends paid	-	(3,853)
Convertible secured bonds redeemed	-	(147,000)
Purchase of treasury shares	-	(3)
Drawdown/(repayment) of borrowings	24,045	19,031
Net cash from financing activities	24,045	(131,825)
Net Change in Cash and Cash Equivalents	(34,024)	(153,161)
Effect of exchange rate changes	68	830
Cash and Cash Equivalents at beginning of period	83,350	241,492
Cash and Cash Equivalents at end of period	49,394	89,161

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Company No:421340-U)
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Condensed Consolidated Statements of Changes in Equity for the period ended 30 April 2018

	----- Attributable to equity holders of the parent -----										Total RM'000	Minority Interests RM'000	Total Equity RM'000
	----- Non-distributable -----						<-Distributable->						
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Reserve RM'000	Share Option Reserve RM'000	Fair Value Adjustment Reserve RM'000	Equity Component of Redeemable Convertible Secured Bonds, net of tax RM'000	Equity Component of RCUIDS, net of tax RM'000	Retained Profits RM'000				
As at end of current quarter ended 30 April 2018													
Opening balance as at 1 August 2017	654,864	(7,499)	30,341	(337)	4,638	(1,103)	-	44,459	82,012	807,375	(4)	807,371	
Total comprehensive income	-	-	-	1,300	-	(130)	-	-	47,921	49,091	(447)	48,644	
Transactions with owners													
Issuance of ordinary shares pursuant to:- - Conversion of RCUIDS	12,976	-	-	-	-	-	-	(12,976)	-	-	-	-	
Transactions with owners	12,976	-	-	-	-	-	-	(12,976)	-	-	-	-	
Closing balance as at 30 April 2018	667,840	(7,499)	30,341	963	4,638	(1,233)	-	31,483	129,933	856,466	(451)	856,015	
As at preceding year corresponding quarter ended 30 April 2017													
Opening balance as at 1 August 2016	644,358	(7,496)	48,800	(282)	4,190	(1,701)	(353)	54,965	170,383	912,864	180	913,044	
Total comprehensive income	-	-	-	(38)	-	664	-	-	34,890	35,516	(182)	35,334	
Transactions with owners													
Issuance of ordinary shares pursuant to:- - Conversion of RCUIDS	4,117	-	-	-	-	-	-	(4,117)	-	-	-	-	
Convertible secured bonds redeemed	-	-	-	-	-	-	353	-	(3,485)	(3,132)	-	(3,132)	
Purchase of treasury shares	-	(3)	-	-	-	-	-	-	-	(3)	-	(3)	
Warrants expired	-	-	(18,459)	-	-	-	-	-	18,459	-	-	-	
Equity-settled share based payment	-	-	-	-	336	-	-	-	-	336	-	336	
Final dividend for the financial year ended 31 July 2016 (Single tier of 0.6%)	-	-	-	-	-	-	-	-	(3,853)	(3,853)	-	(3,853)	
Transactions with owners	4,117	(3)	(18,459)	-	336	-	353	(4,117)	11,121	(6,652)	-	(6,652)	
Closing balance as at 30 April 2017	648,475	(7,499)	30,341	(320)	4,526	(1,037)	-	50,848	216,394	941,728	(2)	941,726	

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2017 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Company No: 421340-U)

Notes to the Quarterly Report – 30 April 2018

**PART A : EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING
STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

1. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 July 2017. 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 31 July 2017.

2. Significant Accounting Policies

This interim financial report has been prepared based on accounting policies and methods of computation which are consistent with those adopted in the annual audited financial statements for the year ended 31 July 2017.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 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

2. Significant Accounting Policies (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 140, Investment Property – Transfers of Investment Property

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group and the Company.

3. Audit qualification

There were no audit qualifications on the annual financial statements of the Group for the year ended 31 July 2017.

4. Seasonal or cyclical factors

The Group's business operations are not materially affected by any major seasonal factors except during Hari Raya, Christmas and Chinese New Year festive seasons where business activities generally slow down.

5. Material unusual items

There were no items of an unusual nature or amount affecting assets, liabilities, equity, net income or cash flows during the quarter.

6. Material changes in estimates

There were no material changes in estimates of amount reported in prior interim period that have material impact in the current quarter under review.

7. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review except the following:

- a) Issuance of 6,012,000 new ordinary shares arising from the conversion of RCUIDS for the current quarter under review.
- b) As at quarter ended 30 April 2018, a total of 5,492,000 buy-back shares were held as treasury shares and carried at cost.

8. Dividend paid

No dividend has been paid during the quarter under review.

9. Segment information

The Group's activities are identified into the following business segments:

	← 9 months ended 30 April 2018 →						
	Trading	Manufac- turing	Property and Investment	Transport- ation	Mining explor- ation	Elimina- tion	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SALES							
- External sales	371,815	430,668	54	2	-	-	802,539
- Intersegment sales	-	14,664	72,475	2,004	-	(89,143)	-
Total sales	371,815	445,332	72,529	2,006	-	(89,143)	802,539
RESULTS							
Finance income	235	748	21,974	44	-	-	23,001
Finance costs	6,460	6,761	2,865	-	-	-	16,086
Depreciation & amortisation	253	6,774	1,367	188	245	-	8,827
Share of profit of joint venture	-	-	-	-	-	-	(6,722)
Segment profit/(loss)	14,397	40,019	13,850	291	(74)	(6,722)	61,761

10. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendments from the previous annual report.

11. Significant events

There were no material events subsequent to the end of the interim period up to the date of this report.

12. Changes in the composition of the Group

There were no significant changes in the composition of the Group as at the date of this report.

13. Changes in contingent liabilities and assets

The contingent liabilities as at 30 April 2018 are as follow:

	Group	
	30.04.2018 RM'000	30.04.2017 RM'000
Unsecured Contingent Liabilities :-		
In respect of indemnity provided for bank guarantees issued	6,965	6,530
In respect of corporate guarantees issued to a joint venture	9,085	8,829
Total	16,050	15,359

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14. Capital commitments

Share of capital commitments of the joint venture as at 30 April 2018 are as follow:

	RM'000
<u>Capital expenditure:</u>	
Approved and contracted for	62,187
	<hr/>
	62,187

15. Related party transactions

Related party transactions for the quarter under review in which certain Directors have direct/indirect interest are as follows:

	Group	
	Current year quarter	Current year-to date
	30.04.2018	30.04.2018
	RM'000	RM'000
Purchases of steel products by certain wholly owned subsidiaries of the Group from JK Ji Seng Sdn.Bhd.	56,614	198,780

These transactions have been entered into in the normal course of business and at arm's length basis and on terms no more favourable to the related party than those generally available to the public and are not detrimental to minority shareholders.

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**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA
SECURITIES BERHAD LISTING REQUIREMENTS**

16. Review of performance

Table 1: Financial review for current quarter and financial year to date for the quarter ended 30 April 2018.

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%	Current Year To-date	Preceding Year Corresponding Period	Amount	%
	30/04/2018	30/04/2017			30/04/2018	30/04/2017		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	241,567	297,125	(55,558)	-19%	802,539	845,377	(42,838)	-5%
Profit from Operations	23,315	54,209	(30,894)	-57%	84,569	149,781	(65,212)	-44%
Profit Before Tax	4,707	41,728	(37,021)	-89%	61,761	64,596	(2,835)	-4%
Profit for the Period	1,165	31,942	(30,777)	-96%	47,474	34,708	12,766	37%
Profit Attributable to:								
Owners of the parent	1,335	31,944	(30,609)	-96%	47,921	34,890	13,031	37%
Minority Interest	(170)	(2)	(168)	-8400%	(447)	(182)	(265)	-146%
	1,165	31,942	(30,777)	-96%	47,474	34,708	12,766	37%

The Group reported revenue of RM241.57 million for Q3 FY2018, representing a decrease of 19% over the preceding year corresponding quarter's revenue of RM297.13 million. The decrease was due to lower sales volume for both the Trading and Manufacturing divisions as compared to preceding year correspondent quarter.

The Trading division reported lower revenue of RM110.44 million as compared to RM135.35 million in the preceding year corresponding quarter. The Manufacturing division also reported a decline in revenue from RM169.16 million in the preceding year corresponding quarter to RM135.4 million in the current quarter under review.

The Group registered a Profit from Operations of RM23.32 million for Q3 FY2018 as compared to RM54.21 million in the preceding year quarter corresponding. The decrease was due to both lower revenue and lower margin achieved by the Trading division and Manufacturing division as compared to the preceding year corresponding quarter.

For the quarter under review, the Group registered a profit before tax of RM4.71 million, which was 89% lower as compared to RM41.73 million in the preceding year corresponding quarter. This was due to the lower Profit from Operations of the operating subsidiaries and a higher share of loss of JV for the quarter under review of RM13.39 million as compared to a share of loss of JV of RM4.92 million in the preceding year corresponding quarter.

17. Comparison with immediate preceding quarter's results

Table 2: Financial review for current quarter compared with immediate preceding quarter

	Individual Quarter		Changes	
	Current Year Quarter	Immediate Preceding Quarter	Amount	%
	30/04/2018	31/01/2018		
	RM'000	RM'000	RM'000	%
Revenue	241,567	302,482	(60,915)	-20.14%
Profit from Operations	23,315	21,237	2,078	9.78%
Profit Before Tax	4,707	34,015	(29,308)	-86.16%
Profit for the Period	1,165	30,408	(29,243)	-96.17%
Profit Attributable to:				
Owners of the parent	1,335	30,548	(29,213)	-95.63%
Minority Interest	(170)	(140)	(30)	-21.43%
	1,165	30,408	(29,243)	-96.17%

For the quarter under review, the Group's revenue decreased by 20% from RM302.48 million in the immediate preceding quarter to RM241.57 million due to lower sales volume as compared to the immediate preceding quarter.

The Group reported a Profit before Tax of RM4.71 million in Q3 FY2018 as compared to a Profit before Tax of RM34.02 million in Q2 FY2018 due principally to the share of loss of JV of RM13.39 million for the quarter under review as compared to share of profit of JV RM18.59 million in the immediate preceding quarter.

18. Prospects

The overall apparent steel consumption in ASEAN-6 has slowed down registering a negative growth rate of around 5% y.o.y. in 2017 due to the mixed impacts from the ASEAN countries.

Indonesia and Philippines steel demand still registered a positive growth due to the contribution from the infrastructure projects by government of these two countries. Vietnam, the largest steel consumption country within the ASEAN-6 registered slight decrease due the slowdown in construction sector especially the construction of warehouse and factories.

Malaysia recorded an apparent steel consumption of 9.6 million tonnes down 6% y.o.y. Despite the decline in the steel demand in the region in 2017, overall steel production in ASEAN-6 increased in the year. This is due to many countries in the region experienced declines in the steel import including Malaysia, Singapore, Thailand and Vietnam.

Prospect in Year 2018, the World Steel Association short range outlook for the next 18 months suggests that 2018 steel demand will grow 1.8% followed by 0.7% in 2019. Steel demand is benefitting from the broad and favorable global economic momentum affecting both the developed and developing countries at the same time.

The world steel programmes in the automotive, construction, packaging and rail sectors all aim to maintain the role of steel as a versatile product without which modern society cannot remain sustainable.

However, the steel demand in Malaysia for the year 2018 will be challenging. Domestic demand will continue to drive growth, supported by continued expansion in private sector activities, strong support from net exports and improving global trade activities. Further assessment of GDP growth target after policy initiatives by the new government has been outlined.

The steel demand is likely to be weaker in the last quarter of the Group's financial year due to the festive season and the review of the mega infrastructure projects by the new government. However, we expect this scenario will be temporary as we strongly believe that the new government will put in place positive measures to drive the economic growth of the country in the coming months.

The group is committed to continuous improvement in all aspects to strive for a positive performance for the financial year and stay forefront in the steel industry in Malaysia.

19. Variance of actual and forecast profit

Not applicable.

20. Tax

	Group	
	Current year quarter	Current year-to date
	30.04.2018	30.04.2018
	RM'000	RM'000
Income tax	3,633	15,320
Deferred tax	(91)	(1,033)
	3,542	14,287

The Group's effective tax rate was higher than the statutory income tax rate of 24% mainly due to share of loss of joint venture which resulted in lower profit before tax at Group level. The Group's effective tax rate was approximate the statutory income tax rate should the calculation exclude the share of loss of the joint venture.

21. Status of corporate proposal

There was no corporate proposal as at the date of this announcement.

22. Borrowings

The Group's borrowings as at 30 April 2018 are as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured:</u>			
Bankers' Acceptances	-	340,176	340,176
Revolving credit	-	60,000	60,000
<u>Unsecured:</u>			
RCUIDS	23,157	-	23,157
Term Loan	-	55,396	55,396
	<u>23,157</u>	<u>455,572</u>	<u>478,729</u>

Bankers' Acceptances and revolving credit are secured by corporate guarantees of the Company.

As at 30 April 2018, the Company has extended corporate guarantees amounting to RM400.18 million to financial institutions for banking facilities granted to certain subsidiaries. The financial impact of the guarantees is not material as the subsidiaries concerned are in positive financial standings to meet their obligations as and when they fall due.

The redeemable convertible unsecured Islamic debt securities ("RCUIDS") are constituted by a Trust Deed entered into between the Company and the trustee on 10 May 2016.

23. Material litigation

There is no material litigation for the quarter under review.

24. Dividend

The Board of Directors does not recommend any dividend for the period under review.

25. Earnings per share (“EPS”)

a) Basic EPS

The basic Earnings per share is calculated by dividing the Group’s net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares in issue.

	Current Year Quarter 30.04.2018	Current Year to-date 30.04.2018
Profit attributable to owners of the parent (RM'000)	1,335	47,921
Weighted average number of ordinary shares in issue ('000)	1,328,548	1,317,534
Basic Earnings per share (sen)	0.10	3.64

b) Diluted EPS

The diluted earnings per share is calculated by dividing the Group’s net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares that would have been in issue upon full exercise of the remaining options under ESOS, warrants and redeemable convertible secured bonds, adjusted for the number of such ordinary shares that would have been issued at fair value.

No diluted earnings per share is disclosed as there was no effect on earnings per share for the current period as the exercise price for option under ESOS and warrants and conversion price of redeemable convertible secured bonds were higher than the average market price.

26. Realised and unrealised profit disclosure

	Current Year Quarter 30.04.2018 RM'000	Immediate Preceding Quarter 31.01.2018 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	268,580	254,585
- Unrealised	(10,736)	(11,320)
	257,844	243,265
Total share of accumulated losses of the joint venture		
- Realised	(457,013)	(410,382)
- Unrealised	49,239	15,998
Less: Consolidation adjustments	279,862	279,717
Total retained profits	129,932	128,598

27. Profit from operations

	Current Year Quarter 30.04.2018 RM'000	Current Year-to-date 30.04.2018 RM'000
<i>Profit for the year is arrived at after charging:</i>		
Depreciation of property, plant and equipment	2,604	8,708
Depreciation of investment property	39	119
Provision for slow moving inventories	650	3,621
Finance costs	5,218	16,086
<i>and after crediting/(charging):</i>		
Gain on disposal of property, plant and equipment	88	2,209
Finance income:		
Available-for-sale financial assets	319	721
Deposits	75	338
Joint venture	7,247	21,942
Net foreign exchange gain/(loss)		
Realised	(1,011)	(2,844)
Unrealised	676	(7,035)
Rental income	236	346

28. Authorisation for Issue

The Interim Financial Statements were authorised for issue by the Board of Directors on 25th June 2018.