

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)  
(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2016 RM('000)	31/12/2015 RM('000)	31/12/2016 RM('000)	31/12/2015 RM('000)
Revenue	8,051	6,312	25,753	27,376
Cost of sales	<u>(2,959)</u>	<u>(3,027)</u>	<u>(11,236)</u>	<u>(13,728)</u>
Gross profit	5,092	3,285	14,517	13,648
Other income	296	727	2,128	7,401
Administrative and general expenses	<u>(4,177)</u>	<u>(3,450)</u>	<u>(13,265)</u>	<u>(18,247)</u>
Operating profit	1,211	562	3,380	2,802
Finance cost	<u>(135)</u>	<u>(97)</u>	<u>(532)</u>	<u>(283)</u>
Profit before taxation	1,076	465	2,848	2,519
Taxation	<u>(52)</u>	<u>(97)</u>	<u>(168)</u>	<u>(220)</u>
Profit after taxation	1,024	368	2,680	2,299
Other comprehensive (loss)/income:				
Exchange differences on translation of foreign operations	<u>-</u>	<u>(190)</u>	<u>2</u>	<u>797</u>
Total comprehensive income	<u>1,024</u>	<u>178</u>	<u>2,682</u>	<u>3,096</u>
<b>PROFIT ATTRIBUTABLE TO</b>				
Owners of the parent	956	184	2,672	2,211
Non-controlling interests	<u>68</u>	<u>184</u>	<u>8</u>	<u>88</u>
	<u>1,024</u>	<u>368</u>	<u>2,680</u>	<u>2,299</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of the parent	956	(6)	2,674	3,008
Non-controlling interests	<u>68</u>	<u>184</u>	<u>8</u>	<u>88</u>
	<u>1,024</u>	<u>178</u>	<u>2,682</u>	<u>3,096</u>
Weighted average number of ordinary shares in issue ('000)	1,072,052	1,067,324	1,079,106	1,064,734
Earnings per share (sen)				
(a) Basic	0.09	0.02	0.25	0.20
(b) Fully diluted	0.06	0.02	0.17	0.20

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)  
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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Unaudited As At 31/12/2016 RM('000)	Audited As At 31/12/2015 RM('000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	17,209	16,913
Software development expenditure	9,473	1,296
Intangible assets	64,020	63,595
Other investments	1	1
Deferred tax assets	1,016	130
Trade receivables	-	2,363
	<u>91,719</u>	<u>84,298</u>
<b>CURRENT ASSETS</b>		
Inventories	11,190	821
Other investments	39,670	844
Trade receivables	32,603	39,460
Other receivables, deposits and prepayments	9,942	5,681
Tax recoverable	291	125
Amount owing by ultimate holding company	504	490
Fixed deposits with licensed banks	900	6,136
Cash and bank balances	7,185	5,874
	<u>102,285</u>	<u>59,431</u>
<b>TOTAL ASSETS</b>	<u>194,004</u>	<u>143,729</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	108,284	106,581
Share premium	9,451	9,451
Exchange translation reserve	(133)	(135)
Reserve on acquisition	(36,809)	(36,809)
Warrant reserve	20,983	16,718
ICULS	37,734	-
Other reserves	(19,013)	(14,748)
Retained earnings	50,406	47,734
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<u>170,903</u>	<u>128,792</u>
Non-controlling interests	215	187
<b>TOTAL EQUITY</b>	<u>171,118</u>	<u>128,979</u>
<b>NON-CURRENT LIABILITIES</b>		
Finance lease liability	-	42
Bank borrowings	4,266	4,435
Deferred tax liabilities	35	34
	<u>4,301</u>	<u>4,511</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,879	3,726
Other payables and accrued expenses	10,752	5,516
ICULS	4,545	-
Finance lease liability	42	61
Bank borrowings	165	150
Bank overdraft	-	679
Tax payable	202	107
<b>TOTAL CURRENT LIABILITIES</b>	<u>18,585</u>	<u>10,239</u>
<b>TOTAL LIABILITIES</b>	<u>22,886</u>	<u>14,750</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>194,004</u>	<u>143,729</u>
Net assets per share attributable to owners of the parent (sen)	<u>15.78</u>	<u>12.08</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)  
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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

	Share Capital	Share Premium	Exchange Translation Reserve	Reserve on Acquisition	ICULS	Other Reserves	Warrants Reserves	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
<b>Balance as at 1 January 2016</b>	106,581	9,451	(135)	(36,809)	-	(14,748)	16,718	47,734	128,792	187	128,979
Issuance of Warrants	-	-	-	-	-	(4,265)	4,265	-	-	-	-
Issuance of ICULS	-	-	-	-	39,428	-	-	-	39,428	-	39,428
ICULS Conversion	1,703	-	-	-	(1,694)	-	-	-	9	-	9
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	20	20
Profit for the period	-	-	-	-	-	-	-	2,672	2,672	8	2,680
Other comprehensive income	-	-	2	-	-	-	-	-	2	-	2
Total comprehensive income for the financial period	-	-	2	-	-	-	-	2,672	2,674	8	2,682
<b>Balance as at 31 December 2016</b>	<b>108,284</b>	<b>9,451</b>	<b>(133)</b>	<b>(36,809)</b>	<b>37,734</b>	<b>(19,013)</b>	<b>20,983</b>	<b>50,406</b>	<b>170,903</b>	<b>215</b>	<b>171,118</b>

## FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

	Share Capital	Share Premium	Exchange Translation Reserve	Reserve on Acquisition	ICULS	Other Reserves	Warrants Reserves	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)	RM('000)
<b>Balance as at 1 January 2015</b>	106,233	9,274	(932)	(36,809)	-	(14,748)	16,718	45,523	125,259	96	125,355
Issuance of share via exercise of Employees' Share Option Scheme	348	177	-	-	-	-	-	-	525	-	525
Arising from Reverse Acquisition Exercise	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	2,211	2,211	91	2,302
Other comprehensive income	-	-	797	-	-	-	-	-	797	-	797
Total comprehensive income for the financial period	-	-	797	-	-	-	-	2,211	3,008	91	3,099
<b>Balance as at 31 December 2015</b>	<b>106,581</b>	<b>9,451</b>	<b>(135)</b>	<b>(36,809)</b>	<b>-</b>	<b>(14,748)</b>	<b>16,718</b>	<b>47,734</b>	<b>128,792</b>	<b>187</b>	<b>128,979</b>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

	<b>12 MONTHS ENDED 31/12/2016 RM('000)</b>	<b>12 MONTHS ENDED 31/12/2015 RM('000)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,848	2,519
Adjustments for:		
Amortisation of intangible assets	1,728	1,204
Government grant income	(181)	(181)
Depreciation of property, plant and equipment	736	635
Inventories written off	-	8
Impairment on trade receivables	416	1,946
Impairment on other Investment	1,334	
(Gain)/loss on disposal of property, plant and equipment	(404)	2
Unrealised (gain)/loss on foreign exchange	180	(11)
Dividend Income	(1,270)	(53)
Interest income	(201)	(297)
Interest expense	532	283
Gain on disposal of other investment	-	-
Loss on disposal of subsidiary company	-	133
Loss on winding up of subsidiary company	-	38
Bad Debts written off-Trade receivables	-	5,862
Fair Value adjustment on Trade receivable	-	105
Property, plant and equipment written off	-	19
Share-based payment expenses	-	108
Reversal of impairment on trade receivable	-	(5,804)
Operating profit before working capital changes	5,718	6,516
Changes in working capital:		
Net change in current assets	(4,806)	(303)
Net change in current liabilities	3,356	(1,986)
Cash used in operations	4,268	4,227
Interest received	201	297
Tax refund	-	22
Tax paid	(109)	(417)
Exchange translation differences	-	81
<b>Net cash used in operating activities</b>	<b>4,360</b>	<b>4,210</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,838)	(11,608)
Proceeds from disposal of property, plant and equipment	882	28
Additional of intangible assets	-	(5,400)
Investment in financial assets at fair value through profit & loss	-	(6,620)
Investment in unquoted share	(1,334)	-
Net cash inflow on disposal of subsidiary companies	-	550
Capital contribution by non-controlling interest	20	-
Disposal of subsidiary, net of cash disposed off	-	(3)
Proceeds from disposal of investment in financial assets at fair value through profit or loss	-	9,712
<b>Net cash used in investing activities</b>	<b>(12,270)</b>	<b>(13,341)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(218)	(283)
Fixed deposit pledged with financial institutions	(48)	(4,280)
Fixed deposit released from pledge	5,254	-
Increase in other investments	(37,555)	-
Repayment of finance lease liabilities	(19)	(58)
Repayment of term loan	(196)	(90)
Proceeds from issuance of shares under ESOS & Warrants	-	417
Proceeds from issuance of shares of ICULS	42,653	-
<b>Net cash from financing activities</b>	<b>9,871</b>	<b>(4,294)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,961</b>	<b>(13,425)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	-	-
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>5,224</b>	<b>18,649</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>7,185</b>	<b>5,224</b>
<b>Cash &amp; cash equivalents at the end of the financial period comprise:</b>		
Cash and bank balances	7,185	5,874
Fixed deposits with licensed banks	900	6,136
Bank overdraft	-	(679)
	<b>8,085</b>	<b>11,331</b>
Less: Fixed deposits pledged to licensed banks	(900)	(6,107)
	<b>7,185</b>	<b>5,224</b>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read  
in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and  
the accompanying explanatory notes attached to the interim financial statements)

# PUC FOUNDER (MSC) BERHAD

(Company No: 451734-A)  
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## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED ("FPE") 31 DECEMBER 2016

### A. EXPLANATORY NOTES

#### A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Chapter 9, Part K Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of PUC Founder (MSC) Berhad ("PUCF") and its subsidiaries ("Group") for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

#### A2 Changes in Accounting Policy

The accounting policies and methods of computation adopted by the Group in these unaudited condensed consolidated financial statements are consistent with those of the annual audited financial statements for the financial year ended 31 December 2015.

The adoption of the following MFRS that came into effect on 1 January 2016 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Annual Improvements to MFRSs 2012 - 2014 Cycle	
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception

#### A3 Audit report of preceding annual financial statements

There were no audit qualifications to the annual audited financial statements of the Group for the financial year ended 31 December 2015.

#### A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors during the financial period under review.

#### A5 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 of the Group for the current financial quarter and financial period-to-date under review.

#### A6 Material changes in estimates

Not applicable as there were no estimates reported by PUCF in the prior financial years.

#### A7 Debt and equity securities

During the financial year, the issued and paid up share capital of PUCF increased from RM106,580,549 to RM108,284,045 pursuant to the conversion of 34,069,920 Irredeemable Convertible Unsecured Loan Stocks ('ICULS') into 17,034,960 new ordinary shares of RM0.10 each.

There was no issuance or repayment of debt or equity securities for the current financial quarter under review.

#### A8 Dividends

There were no dividends declared or paid in the current financial quarter under review.

#### A9 Segmental information

The Group's segmental revenue and profit after taxation for the financial period under review is as follows:-

	CURRENT YEAR QUARTER 31/12/2016 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2015 RM('000)	CURRENT YEAR TO DATE 31/12/2016 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM('000)
<b>Revenue</b>				
<b>Business Segment</b>				
Biometrics	-	(222)	243	531
Advertising & Media	7,530	5,683	24,290	25,609
Financial Services	212	851	912	1,236
Renewable Energy	308	-	308	-
Others	-	-	-	-
	<b>8,051</b>	<b>6,312</b>	<b>25,753</b>	<b>27,376</b>
<b>Profit after taxation</b>				
<b>Business Segment</b>				
Biometrics	-	(1,256)	(2)	(3,650)
Advertising & Media	1,496	1,024	8,260	5,907
Financial Services	299	600	(324)	42
Renewable Energy	(557)	-	(1,371)	-
Others	(214)	-	(3,883)	-
	<b>1,024</b>	<b>368</b>	<b>2,680</b>	<b>2,299</b>

#### A10 Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment reported in the current financial quarter under review.

#### A11 Capital commitments

The Group does not have any material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter under review.

**A12 Material events subsequent to the end of the quarter**

There were no material events subsequent to the financial quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

**A13 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial year to-date except for the following:

- (i) Joint venture with Greentech Malaysia Alliance Sdn Bhd ("GTMA") on 13 January 2016 whereby GTMA will subscribe 20% shareholdings in PUC Founder Technology Sdn Bhd ("PUCT"), an existing subsidiary of the Group. PUCT subsequently changed its name to Greentech Malaysia Founder Sdn Bhd on 15 January 2016.
- (ii) The PRC's Commercial and Industrial Bureau had, via its notification letter dated 17 June 2016, confirmed the completion of the winding up of Redhot Media International (Shanghai) Co.Ltd ("RHIS"). Pursuant thereto, RHIS is deemed dissolved.

**A14 Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets for the current financial quarter under review.

**A15 Significant related party transactions**

Save as disclosed below, there were no other related party transactions for the financial year under review:-

	CURRENT YEAR TO DATE 31/12/2016 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM('000)
Supply of a GPS-based geographical navigation application programme	1,200	1,200
Advertising and media charges on the obituary of late Mr. Cheong Chia Chieh	34	-

**B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES****B1 Review of performance**

The Group recorded revenue and profit before tax of RM8.0 million and RM1.1 million respectively in the current quarter compared to RM6.3 million and RM0.5 million respectively recorded in the corresponding quarter.

The higher revenue is attributed from an overseas media sale secured by the advertising and media segment as well as the maiden revenue from our completed 1MW solar plant.. Notwithstanding the foregoing, profit before tax recorded an improvement over previous corresponding period arising from improvement in the advertising and media segment's profit and the cessation of biometrics segment. Renewal energy segment recorded a loss due to the expending of costs incurred in the unsuccessful bidding of a large scale solar project.

Year-to-date revenue and profit before tax is at RM25.8 million and RM2.7 million respectively compared to RM27.4 million and RM2.3 million in previous corresponding period. The lower revenue is due to the slower market conditions affecting the advertising and media segment in Malaysia. The higher profit before tax is mainly due to the better sales margins secured by the media and advertising segment.

**B2 Variation of results against preceding quarter**

Revenue  
Profit before taxation

	CURRENT YEAR QUARTER ENDED 31/12/2016 RM('000)	PRECEDING QUARTER ENDED 30/09/2016 RM('000)	Variance	
			RM('000)	%
Revenue	8,051	4,599	3,452	75%
Profit before taxation	1,076	985	91	9%

The increase in revenue is mainly due to higher contribution from advertising and media segment as well as the initial contribution from renewal energy segment.

Profit before tax for the current quarter was RM1.1 million as compared to RM0.9 million in preceding quarter mainly due to expending of cost incurred in the unsuccessful bidding for a large scale solar project.

**B3 Prospects**

The Board expects the weak economic sentiments experienced in 2016 to continue. Hence the Board expects the media and advertising segment to continue facing headwinds. The Group will counter these challenges by positioning itself as an aggregator of media space to gain more leverage from volume of media space and differentiate itself from conventional advertising businesses.

The Group applied for feed-in-tariff quota of 1MW and large scale solar bid during the year 2016, but neither was awarded. For the first 1MW solar plant, the Group has received Feed-in Tariff Commencement Date approval from SEDA and currently generates recurring income.

The Group will continue development of its existing electronic commerce and financial technology related services as it is expected to contribute positively to the growth and development of the Group's business, in line with the Malaysian government's direction to expedite growth of the country's e-commerce sector under the Logistics and Trade Facilitation Masterplan Plan (2015-2020), and ambition to launch the world's first Digital Free Trade Zone.

**B4 Profit forecast or profit guarantee**

The Group has not issued or disclosed in any public documents any profit forecast or profit guarantee for the current financial quarter under review.

**B5 Taxation**

	CURRENT YEAR QUARTER 31/12/2016 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2015 RM('000)	CURRENT YEAR TO DATE 31/12/2016 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM('000)
<b>Income tax</b>				
- Provision for previous and current period	52	97	168	220
Effective tax rate	5%	21%	6%	9%

The effective tax rates of the Group for the current financial quarter and year to-date are lower than the statutory tax rate of 24% as certain subsidiary, namely EPP Solution Sdn Bhd, has been granted pioneer status under the Multimedia Super Corridor initiative. The Group also has subsidiaries established in the British Virgin Islands, namely AllChina.cn Ltd and Red Media Asia Ltd, that are not subjected to corporate taxation.

**B6 Status of corporate proposals**

Save as disclosed below, there is no other outstanding corporate proposal which has been announced but not yet completed as at the date of this report:-

**Rights Issue of ICULS with Warrants**

On 18 February 2016, the Group announced that as at the close of acceptance and payment for the Rights Issue of ICULS with Warrants at 5.00 p.m. on 5 February 2016 ("Closing Date"), the total valid acceptances and excess applications received under the Rights Issue of ICULS with Warrants were RM42,653,286.45 nominal value of the Rights ICULS together with 213,266,257 free Warrants-B. This represents an under-subscription of RM31,953,044.35 nominal value of the Rights ICULS or approximately 42.83% from the total of RM74,606,330.80 nominal value of the Rights ICULS together with 373,031,654 free Warrants-B available for subscription under the Rights Issue of ICULS with Warrants. Notwithstanding the under-subscription for the Rights Issue of ICULS with Warrants, the minimum subscription level of RM28,000,000.00 nominal value of the Rights ICULS for the Rights Issue of ICULS with Warrants was achieved and the Company will proceed with the Rights Issue of ICULS with Warrants.

The Rights ICULS and Warrants-B were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 24 February 2016.

**Status of utilisation of proceeds raised from the issuance of the ICULS**

The status of the utilisation of proceeds arising from the ICULS as at 31 December 2016 is as follows:-

	Proposed * utilisation RM('000)	Actual Utilisation RM('000)	Deviation		Balance unutilised RM('000)	Expected time frame for utilisation
			RM('000)	%		
Capital expenditure for construction of solar photovoltaic plants	35,415	(160)	-	-	35,255	within 24 months
Working capital	6,238	(2,970)	-	-	3,268	within 36 months
Defrayment of expenses in relation to the Rights Issue of ICULS with Warrants	1,000	(1,000)	-	-	-	within 6 months
	<u>42,653</u>	<u>(4,130)</u>	<u>-</u>	<u>-</u>	<u>38,523</u>	

Note: \*The details of the proposed utilisation have been modified to reflect the actual proceeds received.

**B7 Borrowings**

The Group's borrowings as at 31 December 2016 are as follows:-

	Short term RM('000)	Long term RM('000)	Total RM('000)
<b>Secured</b>			
Finance lease liability	42	-	42
Term Loan	165	4,266	4,431
	<u>207</u>	<u>4,266</u>	<u>4,473</u>

**B8 Material litigation**

The Group does not have any material litigation as at the date of this interim financial report.

**B9 Dividends**

There were no dividends declared during the current financial quarter under review.

**B10 Earnings per share****a. Basic earnings per share**

The basic earnings per share of the Group which is calculated by dividing the profit attributable to owners of the parent for the period by the weighted average number of shares in issue is as follows:-

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2016	2015	2016	2015
Profit attributable to owners of the parent (RM'000)	956	184	2,672	2,211
Weighted average number of ordinary shares in issue ('000)	1,072,052	1,067,324	1,079,106	1,064,734
Basic earnings per share (sen)	0.09	0.02	0.25	0.20

**b. Diluted earnings per share**

The diluted earnings per share of the Group is calculated by dividing the profit attributable to owners of the parent for the period by the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of convertible securities into ordinary shares is as follows:-

	3 months ended 31 December		Cumulative 12 months ended 31 December	
	2016	2015	2016	2015
Profit attributable to owners of the parent (RM'000)	956	184	2,672	2,211
Weighted average number of ordinary shares as per basic earnings per share computation ('000)	1,072,052	1,067,324	1,079,106	1,064,734
Assuming full exercise of Warrants ('000)	501,527	105,390	501,527	27,609
Weighted average number of ordinary shares diluted ('000)	1,573,579	1,172,714	1,580,633	1,092,343
Diluted earnings per share (sen)	0.06	0.02	0.17	0.20

**B11 Breakdown of realised and unrealised profit or losses of the Group**

	As at 31/12/2016 RM('000)	As at 31/12/2015 RM('000)
Total retained earnings of the Group		
- Realised	53,478	51,338
- Unrealised	981	96
	<u>54,459</u>	<u>51,434</u>
Less: Consolidation adjustments	(4,053)	(3,700)
Total retained earnings as per consolidated accounts	<u>50,406</u>	<u>47,734</u>

**B12 Profit for the period**

Profit before taxation is arrived after (crediting)/charging:-

	CURRENT YEAR QUARTER 31/12/2016 RM('000)	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2015 RM('000)	CURRENT YEAR TO DATE 31/12/2016 RM('000)	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM('000)
Interest income	(37)	(65)	(201)	(287)
Dividend income	(361)	-	(1,270)	-
Interest expense	135	97	532	283
Depreciation and amortisation	1,152	399	2,464	1,605
Government grant income	(46)	(181)	(181)	(181)
Impairment - Trade receivables	416	691	416	2,083
Impairment - Other investment	1,334	-	1,334	-
Gain on disposal of property, plant and equipment	-	(429)	(404)	(407)
Net gain on disposal of a subsidiary	-	(324)	-	(451)
(Gain)/loss on foreign exchange - Realised	4	-	(1)	-
Loss on foreign exchange - Unrealised	10	6	180	2

By Order of the Board

Cindy Lim Seck Wah  
Secretary

Kuala Lumpur  
23 February 2017