

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 31-Dec-15 RM'000	Preceding year Corresponding Quarter 31-Dec-14 RM'000	Current Year To date 31-Dec-15 RM'000	Preceding year Corresponding Period 31-Dec-14 RM'000
Revenue	23,907	27,630	84,791	130,389
Direct costs	(442)	129	(921)	(174)
Changes in inventories of finished goods and work in progress	(3,448)	716	(1,911)	5,642
Raw materials and consumable used	(17,429)	(15,484)	(67,088)	(96,167)
Changes in inventories of trading merchandise	(749)	(3,510)	(3,903)	(7,777)
Staff costs	(2,599)	(3,191)	(11,125)	(12,530)
Staff costs - SIS	-	-	(9,083)	-
Other income	122	(735)	2,013	2,147
Depreciation and amortisation	(899)	(672)	(3,352)	(2,954)
Other operating expenses	(5,147)	(4,087)	(10,806)	(11,106)
Finance cost	(114)	164	(600)	(714)
<b>(Loss)/Profit before taxation</b>	<b>(6,798)</b>	<b>960</b>	<b>(21,985)</b>	<b>6,756</b>
Taxation	3,363	68	2,879	(432)
<b>(Loss)/Profit after taxation</b>	<b>(3,435)</b>	<b>1,028</b>	<b>(19,106)</b>	<b>6,324</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>(3,435)</b>	<b>1,028</b>	<b>(19,106)</b>	<b>6,324</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	(3,429)	1,028	(19,100)	6,324
Non-controlling interest	(6)	-	(6)	-
	<b>(3,435)</b>	<b>1,028</b>	<b>(19,106)</b>	<b>6,324</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	(3,429)	1,028	(19,100)	6,324
Non-controlling interest	(6)	-	(6)	-
	<b>(3,435)</b>	<b>1,028</b>	<b>(19,106)</b>	<b>6,324</b>
<b>(Loss)/Earning per share (LPS)/EPS attributable to owners of the Company (sen per share):</b>				
Basic (LPS)/EPS	(0.30)	0.09	(1.75)	0.66
Diluted (LPS)/EPS	N/A(*)	0.09	N/A(*)	0.61

\* The fully diluted (loss)/ earning per share is not applicable as the effects on the assumed exercised of the warrants is anti-dilutive.

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at end of Current Quarter 31-Dec-15 RM'000	Audited As at preceding Financial Year Ended 31-Dec-14 RM'000
<b>ASSETS</b>		
<b>Non Current assets</b>		
Property, plant and equipment	70,650	65,453
Other investment	2,552	106
Deferred taxation	622	-
	73,824	65,559
<b>Current Assets</b>		
Inventories	34,809	42,621
Trade and other receivables	19,471	26,524
Fixed deposits with licensed banks	2,071	7,210
Cash and bank balances	6,283	8,920
	62,634	85,275
<b>TOTAL ASSETS</b>	136,458	150,834
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	114,384	104,444
Share premium	19,270	19,137
Revaluation reserve	14,686	14,686
Reverse acquisition reserve	(72,051)	(72,051)
Reserve - SIS	5,218	-
Retained profits	34,377	49,612
	115,884	115,828
Equity attributable to the owners of the Company	115,884	115,828
Non controlling interest	14	-
<b>Total equity</b>	115,898	115,828
<b>Long term liabilities</b>		
Deferred taxation	-	2,678
Deferred income	1,015	902
Hire purchase liabilities	308	712
Term loan	10,440	10,774
	11,763	15,066
<b>Current Liabilities</b>		
Trade and other payables	6,649	12,996
Short term borrowings	-	5,519
Hire purchase liabilities	588	796
Term loan	1,560	566
Derivative liabilities	-	63
	8,797	19,940
<b>TOTAL LIABILITIES</b>	20,560	35,006
<b>TOTAL EQUITY AND LIABILITIES</b>	136,458	150,834
Net assets per share (sen) attributable to owners of the Company	10.13	11.00

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 31-Dec-15 RM'000	Preceding Year Corresponding Period 31-Dec-14 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(21,985)	6,756
Adjustments for:		
Allowance for doubtful debts	2,867	70
Amortisation of club membership	1	1
Bad debts written off	-	40
Changes in fair value on derivative financial instrument	(63)	63
Depreciation of property, plant and equipment	3,351	2,953
Gain on disposal of property, plant and equipment	(6)	(1)
Gain on disposal of quoted securities	(841)	(263)
(Gain)/Loss on foreign exchange - unrealized	(1,509)	(459)
(Gain)/Loss on other investment	(239)	-
Government grant income	(97)	(23)
Property, plant and equipment written off	-	400
Interest income	(170)	(234)
Interest expense	600	714
Staff cost - SIS	9,083	-
Operating cash flows before working capital changes	(9,008)	10,017
Changes in working capital:		
(Increase)/Decrease in inventories	7,812	1,762
Decrease/(Increase) in trade and other receivables	5,069	(465)
(Decrease)/Increase in trade and other payables	(5,589)	(1,300)
Cash (used in)/generated from operations	(1,716)	10,014
Income tax paid	(1,158)	(2,130)
Income tax refunded	-	11
<b>Net cash (used in)/generated from operating activities</b>	(2,874)	7,895
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposit paid for purchase of property, plant and equipment	-	(79)
Government grant received	210	599
Increase in fixed deposit pledged	(538)	(36)
Interest received	170	234
Proceeds from disposal of property, plant and equipment	117	2
Proceeds from disposal of quoted shares	4,463	263
Purchase of property, plant and equipment	(8,659)	(12,755)
Purchase of quoted shares	(5,829)	-
<b>Net cash used in investing activities</b>	(10,066)	(11,772)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(4,946)
Interest paid	(600)	(714)
Payment for share issue expenses	-	(310)
Proceeds from hire purchase	262	-
Proceeds from issuance of shares	10,073	17,289
Proceeds from revolving credit	-	1,800
Proceeds from term loan	12,000	-
Proceeds from trade finance	-	50,890
Repayment of hire purchase	(874)	(1,443)
Repayment of revolving credit	-	(5,300)
Repayment of term loan	(11,340)	(260)
Repayment from trade finance	(5,519)	(61,108)
<b>Net cash generated from/(used in) financing activities</b>	4,002	(4,102)
<b>Net decrease in cash and cash equivalents</b>	(8,938)	(7,979)
Effect of exchange rate changes	624	-
<b>Cash and cash equivalents at 1 January</b>	14,925	22,904
<b>Cash and cash equivalents at 31 December</b>	6,611	14,925
<b>Cash and cash equivalents at end of financial period comprised:</b>		
Cash & bank balances	6,283	8,920
Fixed deposits with licensed banks	2,071	7,210
	8,354	16,130
Less: Fixed deposits pledged	(1,743)	(1,205)
	6,611	14,925

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

**JAG BERHAD ("JAG" OR "COMPANY")**  
(Company No. 439230 - A)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Reserve - SIS RM'000	Retained profits RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2014	64,981	41,621	14,686	(72,051)	-	48,234	-	97,471
Issuance of shares in respect of bonus issue	29,241	(29,241)	-	-	-	-	-	-
Issuance of shares in respect of exercise of warrants	800	-	-	-	-	-	-	800
Issuance of shares in respect of private placement	9,422	7,067	-	-	-	-	-	16,489
Share issue expenses	-	(310)	-	-	-	-	-	(310)
Net profit/Total comprehensive profit	-	-	-	-	-	6,324	-	6,324
Dividend paid	-	-	-	-	-	(4,946)	-	(4,946)
At 31 December 2014	<u>104,444</u>	<u>19,137</u>	<u>14,686</u>	<u>(72,051)</u>	<u>-</u>	<u>49,612</u>	<u>-</u>	<u>115,828</u>
At 1 January 2015	104,444	19,137	14,686	(72,051)	-	49,612	-	115,828
Issuance of shares in respect of conversion of warrants	2,220	-	-	-	-	-	-	2,220
Issuance of shares in respect of share issuance scheme:								
- Issuance of shares	7,720	-	-	-	-	-	-	7,720
- Reserve - Grant of SIS options	-	-	-	-	9,083	-	-	9,083
- Share premium	-	133	-	-	-	-	-	133
- Transfer to share premium - Exercise of SIS options	-	-	-	-	(3,865)	3,865	-	-
Total issuance of shares in respect of share issuance scheme	7,720	133	-	-	5,218	3,865	-	16,936
Acquisition of a subsidiary	-	-	-	-	-	-	20	20
Net loss/Total comprehensive loss	-	-	-	-	-	(19,100)	(6)	(19,106)
At 31 December 2015	<u>114,384</u>	<u>19,270</u>	<u>14,686</u>	<u>(72,051)</u>	<u>5,218</u>	<u>34,377</u>	<u>14</u>	<u>115,898</u>

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting**

**A1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Group’s annual audited financial statements for the financial year ended 31 December 2014.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”) and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

**A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There was no audit qualification on the annual financial statements of JAG for the financial year ended 31 December 2014.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group’s business operations were mainly attributable (i.e., contributing approximately 98% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities and are affected by the cyclicity of the semiconductor companies. The semiconductor industry is cyclical and dependent on its end user industries, in particular the electrical & electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones and other electronic equipment.

As the availability of electrical and electronic waste (“E-waste”) for recycling and manufacturing services is dependent on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is dependent on the trends in the semiconductor industry.

**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 during the financial quarter and year under review.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have had effect on the financial quarter and year under review.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES**

Save as disclosed below, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities held as treasury shares or resale of treasury shares during the financial quarter and year under review:

- a) conversion of 22,200,000 warrants into 22,200,000 new ordinary shares of RM0.10 each in JAG (“JAG Shares”); and
- b) issuance of 77,200,000 new JAG Shares arising from the exercise of 77,200,000 options pursuant to the share issuance scheme (“SIS Options”) of the Company.

**A8. DIVIDEND**

There was no dividend being declared, recommended or paid during the financial quarter and year under review.

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**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**A9. SEGMENT INFORMATION**

The Group’s segmental information is as follows:

	Current Quarter		Year to date	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	RM’000	RM’000	RM’000	RM’000
<b>Revenue By Business Segments</b>				
Manufacturing activities	22,895	23,953	79,224	121,279
Trading activities	634	3,571	4,263	8,450
Proprietary solutions and software maintenance	378	106	1,304	660
	<u>23,907</u>	<u>27,630</u>	<u>84,791</u>	<u>130,389</u>
Elimination of inter-segment sales	-	-	-	-
	<u>23,907</u>	<u>27,630</u>	<u>84,791</u>	<u>130,389</u>
<b>Segment results</b>				
Manufacturing activities	(7,084)	3,460	(12,934)	9,033
Trading activities	379	(2,244)	422	(814)
Investment holding	(153)	(342)	(10,250)*	(722)
Proprietary solutions and software maintenance	128	(150)	1,207	(261)
Profit/(loss) from operations	<u>(6,730)</u>	<u>724</u>	<u>(21,555)</u>	<u>7,236</u>
Interest income	46	72	170	234
Finance cost	<u>(114)</u>	<u>164</u>	<u>(600)</u>	<u>(714)</u>
Profit before taxation	<u>(6,798)</u>	<u>960</u>	<u>(21,985)</u>	<u>6,756</u>
Taxation	<u>3,363</u>	<u>68</u>	<u>2,879</u>	<u>(432)</u>
Profit after taxation	<u>(3,435)</u>	<u>1,028</u>	<u>(19,106)</u>	<u>6,324</u>
<b>Revenue By Geographical Segment</b>				
Malaysia	6,636	12,096	21,323	51,147
Foreign countries	<u>17,271</u>	<u>15,534</u>	<u>63,468</u>	<u>79,242</u>
	<u>23,907</u>	<u>27,630</u>	<u>84,791</u>	<u>130,389</u>

*Note:*

\* The segment loss from investment holding was mainly attributable to cost arising from the granting SIS Options (i.e., RM9.08 million) during the financial year.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation or revaluation of property, plant and equipment during the financial quarter and year under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

**A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER**

Save as disclosed in Note B6, there were no material events subsequent to the current financial quarter ended 31 December 2015 up to the date of this report.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

The Board of Directors of JAG (“Board”) announced:

- i. On 10 February 2015, that the Company had on 6 February 2015 incorporated a new wholly-owned subsidiary, JAG Land Sdn Bhd (“JAG Land”). JAG Land is a private limited company which has an authorized share capital of RM1,000,000 comprising 1,000,000 ordinary shares of RM1 each and the present issued and paid-up capital is RM2 divided into two (2) ordinary shares of RM1 each.

The intended activity of JAG Land is to acquire and deal with any land or property, whether movable or immovable, and to carry on business in connection with the construction of buildings. Subsequent to the financial year under review, the Company had on 28 January 2016 entered into a Sale and Purchase Agreement with Chewway Heavy Machinery Sdn. Bhd., to purchase a parcel of freehold land held under H.S. (D) 137367, PT 133653 Mukim Klang, District of Klang, State of Selangor measuring approximately 13,489.5 square metres in an area bearing postal address Lot No. 10428, Jalan Sg Jati/KS7, Kg Jawa, 41000 Klang, Selangor Darul Ehsan for a total purchase consideration of RM9,873,668.00 as mentioned in Note B6.

- ii. On 13 February 2015, that Jaring Metal Industries Sdn Bhd, a wholly-owned subsidiary of the Company, incorporated the then wholly-owned subsidiary, JAG Nasmec Sdn Bhd (“JAG Nasmec”). JAG Nasmec is a private limited company. As at the date of this announcement, JAG Nasmec has an authorized share capital of RM500,000 comprising 500,000 ordinary shares of RM1 each and a present issued and paid-up share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each. JAG Nasmec is now a 80% owned subsidiary of Jaring Metal Industries Sdn Bhd and the remaining 20% equity interest are held by Bubblelab Laundry Sdn Bhd (10%) and Wong Chan Kong (10%) pursuant to the joint venture agreement entered into on 18 September 2015 which has since been completed.

During the financial year under review, JAG Nasmec commenced operations to undertake the development, implementation, management and operation of twenty-four (24)-hour coin-operated (self-operated) laundry business in Malaysia.

Save as disclosed above, there were no other changes and/or intended changes in the composition of the Group during the current financial quarter and year under review.

**A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no changes in the contingent liabilities and contingent assets during the financial quarter and year under review.

**A14. CAPITAL COMMITMENTS**

The outstanding capital commitments as at 31 December 2015 was approximately RM101,934.

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**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market**

**B1. REVIEW OF PERFORMANCE**

The Group recorded revenue of approximately RM23.91 million for the current financial quarter and RM84.79 million for the financial year ended 31 December 2015. Export sales accounted for about RM17.27 million or 72.23% of total revenue for the current financial quarter and RM63.47 or 74.86% of total revenue for the financial year ended 31 December 2015.

The Group recorded lower revenue for the current financial quarter and current financial year compared to the previous corresponding quarter and previous financial year. The said lower revenue was mainly due to lower quantity of E-waste procured from the suppliers thus resulting in lower sales volume of recovered metals and relatively lower commodity prices, particularly copper.

Other income mainly consisted of gain on unrealized foreign exchange, gain on disposal of quoted securities, unrealized gain on quoted securities and interest received.

The loss after tax of RM3.44 million and RM19.11 million for the current quarter and financial year ended 31 December 2015, respectively, was mainly due to lower margin sales of recovered metals, particularly copper. In view of the downtrend of commodity prices, the cost of raw materials and consumables used were relatively higher at the time the E-waste was procured, particularly copper while the sales were made when the copper prices were lower. In addition, the increased staff cost arising from the granting of SIS Options which amounted to RM9.08 million further contributed to the loss after tax for the financial year ended 31 December 2015.

Other operating expenses mainly consisted of allowance for doubtful debts, repair and maintenance, professional fees, rental expense, commission and marketing fees, insurance, utilities, penalty charges, entertainment and travelling expenses. The decrease in other operating expenses in the current year compared to the previous year was mainly due to lower entertainment and travelling expenses, repair and maintenance and absence of loss on commodity hedging. The increase in other operating expenses in the current financial quarter compared to the previous corresponding quarter was mainly due to higher professional fees, bank charges, commission and marketing fee as well as direct manufacturing expenses.

**B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER**

The Group recorded revenue of approximately RM23.91 million and RM20.24 million for the current quarter ended 31 December 2015 and preceding quarter ended 30 September 2015, respectively. The increase was mainly contributed by higher domestic sales of end products, particularly gold and silver and higher sales from the software division.

The changes in inventories, raw materials and consumables used increased in tandem with the increased sales.

The decrease in other income was mainly due to lower gain on unrealized foreign exchange and lower unrealized gain on quoted securities.

The Group incurred higher other operating expenses in the current quarter mainly due to higher allowances of doubtful debts, commission and marketing fees, professional fees, direct manufacturing expenses and bank charges incurred.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER (CONTINUED)**

The Group recorded a lower loss after tax for the current quarter mainly due to the absence of staff cost arising from the granting of SIS Options in the current quarter compared to the preceding quarter.

**B3. PROSPECTS FOR CURRENT FINANCIAL YEAR**

The Group foresees the current financial year to be challenging amid the relatively lower commodity prices, particularly copper.

**B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE**

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

**B5. TAXATION**

	Current Quarter		Year to date	
	Ended			
	31 Dec	31 Dec	31 Dec	31 Dec
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current income tax	63	68	(421)	(432)
Deferred tax	3,300	-	3,300	-
	<u>3,363</u>	<u>68</u>	<u>2,879</u>	<u>(432)</u>

The effective tax rate of the Group for current quarter and financial year ended 31 December 2015 are lower than the statutory tax rate of 25% due to availability of reinvestment allowance which arose from the capital expenditure of a subsidiary in the current financial quarter under review and previous financial year.

**B6. STATUS OF CORPORATE PROPOSALS**

The Board announced that JAG Land had on 28 January 2016, entered into a Sale and Purchase Agreement with Chewway Heavy Machinery Sdn. Bhd., for the purpose of purchasing a parcel of freehold land held under H.S. (D) 137367, PT 133653 Mukim Klang, District of Klang, State of Selangor measuring approximately 13,489.5 square meters in an area bearing postal address Lot No. 10428, Jalan Sg Jati/KS7, Kg Jawa, 41000 Klang, Selangor Darul Ehsan for a total purchase consideration of RM9,873,668.00. As at the date of this announcement, the terms and conditions have yet to be fulfilled and the balance purchase consideration has yet to be paid, as such the acquisition of land is pending completion.

**JAG BERHAD (“JAG” OR “COMPANY”)**  
**(Company No: 439230 - A)**

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**B7. GROUP BORROWINGS**

The Group’s borrowings as at 31 December 2015 are as follows:-

	<b>Short term (Secured) RM’000</b>	<b>Long Term (Secured) RM’000</b>	<b>Total RM’000</b>
Term loan	1,560	10,440	12,000
Hire purchase liabilities	588	308	896
<b>Total</b>	<u>2,148</u>	<u>10,748</u>	<u>12,896</u>

**B8. MATERIAL LITIGATION**

There was no pending material litigation as at the date of this announcement.

**B9. DIVIDEND**

There was no dividend declared, recommended or paid during the current financial quarter under review.

**B10. REALISED AND UNREALISED PROFITS DISCLOSURE**

The accumulated profits of the Group may be analyzed as follows:

	<b>As at 31 Dec 2015 RM’000</b>	<b>As at 31 Dec 2014 RM’000</b>
Total accumulated profits of the Group		
- Realized	32,868	50,539
- Unrealized	1,509	(927)
<b>Total before consolidation adjustments</b>	34,377	49,612
Less: Consolidation adjustments	-	-
<b>Total accumulated profits as per statement of financial position</b>	<u>34,377</u>	<u>49,612</u>

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**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**B11. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

	Current Quarter Ended		Year to date	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Amortization of club membership	1	1	1	1
Allowance for doubtful debts	2,793	70	2,867	70
Bad debts written off	-	40	-	40
Changes in fair value on derivative financial instrument	-	39	(63)	63
Depreciation of property, plant and equipment	899	671	3,351	2,953
(Gain)/Loss on disposal of property, plant and equipment	35	-	(6)	(1)
(Gain)/Loss on disposal of quoted securities	(120)	-	(841)	(263)
(Gain)/Loss on foreign exchange – Unrealized	(1,510)	(226)	(1,509)	(459)
(Gain)/Loss on other investment – unrealized	194	-	(239)	-
Government grant income	(28)	-	(97)	(23)
Interest income	(46)	(72)	(170)	(234)
Interest expenses	115	(164)	600	714
Property, plant and equipment written off	-	400	-	400
Staff cost – SIS	-	-	9,083	-

Other than as disclosed above, the Group does not have other material items (such as provision for and write-off of inventories, impairment of assets and exception items) that are recognized as profit/(loss) in the Statement of Comprehensive Income.

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**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2015**

**B12. (LOSS) / EARNINGS PER SHARE**

(i) Basic (loss) / earnings per share

The basic (loss) / earnings per share was calculated by dividing the net (loss) / profit for the current financial quarter and the current financial year to date by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to date	
	31 Dec 2015 RM	31 Dec 2014 RM	31 Dec 2015 RM	31 Dec 2014 RM
Net (loss) / profit attributable to owners of the Company (RM'000)	(3,429)	1,028	(19,100)	6,324
Weighted average number of ordinary shares in issue ('000)	1,143,845	1,129,832	1,089,495	959,457
Basic (loss) / earnings per share (sen)	(0.30)	0.09	(1.75)	0.66

(ii) Diluted (loss) / earnings per share

The diluted (loss) / earnings per share was calculated by dividing the net (loss) / profit for the current financial quarter and year to date by the weighted average number of ordinary shares based on the assumption that the warrants issued are fully exercised and converted into ordinary shares.

	Current Quarter Ended		Year to date	
	31 Dec 2015 RM	31 Dec 2014 RM	31 Dec 2015 RM	31 Dec 2014 RM
Net (loss) / profit attributable to owners of the Company (RM'000)	(3,429)	1,028	(19,100)	6,324
Weighted average number of ordinary shares in issue ('000)	1,361,349	1,186,193	1,361,349	1,041,572
Diluted (loss) / earnings per share (sen)	N/A(*)	0.08	N/A(*)	0.61

Note:

\* The fully diluted (loss)/earnings per share is not applicable as the effects on the assumed exercise of the warrants is anti-dilutive.

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