



METRONIC GLOBAL BERHAD

(Company No. : 632068-V)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30 SEPTEMBER 2015

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	Individual quarter		Cumulative quarter	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM	RM	RM	RM
Continuing operations				
Revenue	10,825,480	8,954,938	28,500,280	24,331,832
Cost of sales	(8,902,989)	(6,149,454)	(22,803,438)	(15,561,330)
Gross profit	1,922,491	2,805,484	5,696,842	8,770,502
Other income	2,161,150	36,716	10,078,849	110,683
Administration expenses	(291,210)	(471,573)	(1,880,842)	(1,380,619)
Other operating expenses	(3,826,937)	(2,194,474)	(12,646,509)	(6,744,254)
Profit from operations	(34,506)	176,153	1,248,340	756,312
Finance costs	(64,397)	(56,935)	(219,518)	(200,946)
Profit before taxation	(98,903)	119,218	1,028,822	555,366
Income tax expense	-	(5,607)	(617,800)	(5,607)
Profit / (Loss) for the period from				
- continuing operations	(98,903)	113,611	411,022	549,759
- discontinued operations	21,125	-	72,981	-
Net profit for the period	(77,778)	113,611	484,003	549,759
Net profit attributable to:				
Owners of the parent	(77,778)	113,611	484,003	549,759
Non-controlling interests	-	-	-	-
	(77,778)	113,611	484,003	549,759
Basic earning / (loss) per share attributable to equity holders of the Company (sen):				
- continuing operations	(0.01)	0.02	0.06	0.08
- discontinued operations	0.00	-	0.01	-

The interim consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Individual quarter		Cumulative quarter	
	30.09.2015 RM	30.09.2014 RM	30.09.2015 RM	30.09.2014 RM
Net profit from:				
- continuing operations	(98,903)	113,611	411,022	549,759
- discontinued operations	21,125	-	72,981	-
Net profit for the period	<u>(77,778)</u>	<u>113,611</u>	<u>484,003</u>	<u>549,759</u>
Other comprehensive income / (expense)				
Financial assets, available-for-sale assets				
- fair value changes	(1,614,072)	(465,811)	-	575,757
Foreign currency translation	(187,249)	1,013,290	695,044	960,562
Other comprehensive income/(expense) for the period, net of tax	<u>(1,801,321)</u>	<u>547,479</u>	<u>695,044</u>	<u>1,536,319</u>
Total comprehensive income/(expense) for the period, net of tax	<u><u>(1,879,099)</u></u>	<u><u>661,090</u></u>	<u><u>1,179,047</u></u>	<u><u>2,086,078</u></u>
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(1,879,099)	661,090	1,179,047	2,086,078
Non-controlling interests	-	-	-	-
	<u><u>(1,879,099)</u></u>	<u><u>661,090</u></u>	<u><u>1,179,047</u></u>	<u><u>2,086,078</u></u>

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD (632068-V)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	As at 30.09.2015 RM	(Audited) As at 31.12.2014 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	33,652,355	23,217,462
Investment properties	367,896	357,869
Available-for-sale financial assets	14,745,219	15,122,070
Other investments	94,000	94,000
Deferred tax assets	6,863,823	7,438,823
	<u>55,723,293</u>	<u>46,230,224</u>
CURRENT ASSETS		
Inventories	5,523,166	3,859,545
Trade receivables	8,421,883	7,374,465
Other receivables	2,370,442	3,296,530
Tax recoverable	155,850	34,261
Short term deposits	4,643,852	4,945,951
Cash and bank balances	1,334,874	1,674,048
Asset of disposal company classified as held for sale	3,924,816	3,731,588
	<u>26,374,883</u>	<u>24,916,388</u>
TOTAL ASSETS	<u>82,098,176</u>	<u>71,146,612</u>
EQUITY AND LIABILITIES		
Share capital	75,839,750	69,839,750
Revaluation reserve	13,113,034	13,113,034
Foreign currency translation reserve	902,176	207,132
Accumulated losses	(35,553,231)	(36,037,234)
Equity attributable to owners of the parent	<u>54,301,729</u>	<u>47,122,682</u>
Non-controlling interests	-	-
TOTAL EQUITY	<u>54,301,729</u>	<u>47,122,682</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	<u>294,436</u>	<u>316,338</u>
CURRENT LIABILITIES		
Trade payables	1,373,374	5,858,623
Other payables	18,973,823	10,650,841
Loans and borrowings	5,223,893	5,612,504
	<u>25,571,090</u>	<u>22,121,968</u>
Liabilities of disposal company classified as held for sale	1,930,921	1,585,624
TOTAL LIABILITIES	<u>27,796,447</u>	<u>24,023,930</u>
TOTAL EQUITY AND LIABILITIES	<u>82,098,176</u>	<u>71,146,612</u>
NET ASSET PER SHARE	0.07	0.07

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	← Attributable to owners of the parent →							
	← Non-distributable reserve →			Distributable reserve				
	Share capital RM	Revaluation reserve RM	Foreign currency translation reserve RM	Available- for-sale reserve RM	Accumulated losses RM	Total RM	Non- controlling interests RM	Total equity RM
As at 1 January 2014	67,090,690	13,113,034	876,133	314,823	(37,278,306)	44,116,374	-	44,116,374
Total comprehensive income/(expense)	-	-	(669,001)	(314,823)	1,241,072	257,248	-	257,248
Allotment of shares during the year	2,749,060	-	-	-	-	2,749,060	-	2,749,060
Disposal of subsidiary	-	-	-	-	-	-	-	-
As at 31 December 2014	<u>69,839,750</u>	<u>13,113,034</u>	<u>207,132</u>	<u>-</u>	<u>(36,037,234)</u>	<u>47,122,682</u>	<u>-</u>	<u>47,122,682</u>
As at 1 January 2015	69,839,750	13,113,034	207,132	-	(36,037,234)	47,122,682	-	47,122,682
Total comprehensive income	-	-	695,044	-	484,003	1,179,047	-	1,179,047
Allotment of shares during the year	6,000,000	-	-	-	-	6,000,000	-	6,000,000
As at 30 September 2015	<u>75,839,750</u>	<u>13,113,034</u>	<u>902,176</u>	<u>-</u>	<u>(35,553,231)</u>	<u>54,301,729</u>	<u>-</u>	<u>54,301,729</u>

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	30.09.2015	(Audited) 31.12.2014
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
Continuing operations	1,028,822	1,856,192
Profit from assets held for sale	119,585	(45,478)
Adjustments for:		
Loss /(Profit) on disposal of available for sale ("AFS") financial assets	242,641	(869,614)
Impairment loss on investment	2,423,678	-
Impairment loss / (reversal) on trade receivables	1,273,529	(363,836)
Gain on unrealised foreign exchange	(75,714)	(4,212)
Gain on disposal of plant and equipment	-	(2,738)
Gain on disposal of subsidiary company	-	(425,097)
Depreciation of property, plant and equipment and investment properties	435,603	535,933
Finance costs	219,518	260,100
Interest income	(145,280)	(187,758)
Operating profit before working capital changes	<u>5,522,382</u>	<u>753,492</u>
Changes in working capital:		
Inventories	(1,663,621)	(2,080,917)
Receivables	3,570,700	7,815,750
Payables	<u>(1,605,342)</u>	<u>(9,974,980)</u>
Net cash generated from/(used in) operations	5,824,119	(3,486,655)
Taxes paid, net of refund	(72,225)	(104,791)
Interests paid	(219,518)	(260,100)
Interests received	145,280	187,758
Net cash generated from/(used in) operating activities	<u>5,677,656</u>	<u>(3,663,788)</u>

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	30.09.2015	(Audited) 31.12.2014
	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchased of AFS assets	(4,751,019)	(18,925,704)
Purchased of property, plant and equipment	(10,870,496)	(150,074)
Proceeds from disposal of AFS assets	3,846,877	18,103,916
Proceeds from disposal of property, plant and equipment	-	41,680
Net cash outflow from disposal of subsidiary company	-	(85)
Net cash used in from investing activities	<u>(11,774,638)</u>	<u>(930,267)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Withdrawal of fixed deposits under lien with licensed financial institutions	302,099	109,601
(Repayment) / Drawdown of bankers' acceptances and trust receipts	(1,034,231)	140,789
Proceeds from allotment of shares	6,000,000	2,749,060
Repayment of obligation under finance leases and hire purchase	(26,534)	(111,320)
Net cash generated from financing activities	<u>5,241,334</u>	<u>2,888,130</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(855,648)	(1,705,925)
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	661,727	(669,001)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY 2015	(790,463)	1,584,463
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2015	<u>(984,384)</u>	<u>(790,463)</u>
Cash and cash equivalents at the balance sheet date comprise the following:		
Cash and bank balances	1,334,874	1,674,048
Bank overdraft (Note 21)	(2,319,258)	(2,464,511)
	<u>(984,384)</u>	<u>(790,463)</u>

The condensed consolidated income statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30
SEPTEMBER 2015 PURSUANT TO MFRS 134**

1. Basis of Preparation

This unaudited condensed consolidated interim financial statements ("Condensed Report"), has been prepared in accordance with the reporting requirement as set out in Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached herein for a better understanding of changes in financial position and performance of the Group.

2. Significant Accounting Policies

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2014, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2015.

2.1 Adoption of Amendments and Annual Improvements to Standards

The Group has adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2015.

Amendments to MFRS 119 Employee Benefits - Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010 - 2012 Cycle
Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

2.2 Standards issued but not yet effective

Effective for financial periods beginning on or after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 9 Financial Instruments : Classification and Measurement

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Restrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9, will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

2.2 Standards issued but not yet effective (Cont'd)

MFRS 15 Revenue from Contracts with Customers

The objective of MFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. It provides 5-step guidance for entity to recognise its revenue that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

3. Assets classified as held for sale and disposal and disposal of subsidiary

On 29 August 2014, The Company has signed a Share Purchase Agreement to dispose of its 89%-owned subsidiary, Metronic Engineering Private Limited ("MEPL") for a consideration of INR9,840,000. The disposal is pending completion. As such, MEPL has been classified as Assets held for sales and discontinued operations. The results of assets held for sale and discontinued operations are as follows:

	Cumulative quarter	
	30/9/2015	30/9/2014
	RM	RM
Revenue	1,490,648	253,959
Cost of sale	(992,574)	(201,251)
Other Income	39,894	-
Expenses	(392,261)	(48,733)
Interest expenses	(26,122)	(3,975)
Profit/(Loss) before tax from assets held for sale	119,585	-
Income tax expense	(46,604)	-
Profit/(Loss) after tax from assets held for sale	72,981	-

Included in assets classified as held for sale in the Group Statements of Financial Position as at 30 September 2015 are :

	30/9/2015	Audited
	RM	31/12/2014
		RM
Property, plant and equipment	2,781	4,093
Deferred tax assets	10,234	23,543
Inventories	1,214,270	10,338
Trade receivables	1,484,074	3,175,803
Other receivables	685,211	517,811
Tax Recoverable	156,684	-
Cash & Bank Balances	371,562	-
Assets classified as held for sale	3,924,816	3,731,588

	30/9/2015	Audited
	RM	31/12/2014
		RM
Trade payables	1,193,514	1,382,226
Other payables	502,885	57,061
Loan and borrowings	216,590	146,337
Provision for Taxation	17,932	-
Liabilities classified as held for sale	1,930,921	1,585,624

4. Seasonality or cyclicity of interim operations

The Group's interim operation are not materially affected by seasonal or cyclical factors during the financial period under review.

5. 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 during the current financial quarter under review.

6. Material changes in estimates

There were no changes in estimates that have had any material effect on the result for the current financial quarter and financial period under review.

7. Debt and equity securities

There were no issuances, repurchases and repayments of debt securities during the financial quarter and financial period under review.

8. Dividends

No dividend was paid during the current financial quarter and previous corresponding quarter.

9. Segmental information

Analysis by segments is as follow:-

By geographical segments:

	Individual quarter		Cumulative quarter	
	30.09.2015 RM	30.09.2014 RM	30.09.2015 RM	30.09.2014 RM
Segment revenue				
Malaysia	10,825,480	8,894,722	28,500,280	24,077,873
Overseas	-	60,216	-	253,959
Total revenue	10,825,480	8,954,938	28,500,280	24,331,832
Inter-segment elimination	-	-	-	-
Continued operations	10,825,480	8,954,938	28,500,280	24,331,832
Discontinued operation	1,148,647	-	1,490,648	-
Inter-segment elimination	-	-	-	-
External customers	11,974,127	8,954,938	29,990,928	24,331,832

Results

Operating results

Malaysia	(87,978)	(238,222)	2,688,623	559,125
Overseas	53,472	414,375	(1,440,283)	197,187
	(34,506)	176,153	1,248,340	756,312
Finance costs	(64,397)	(56,935)	(219,518)	(200,946)
Profit/(loss) before tax	(98,903)	119,218	1,028,822	555,366
- Continued operation				
(Loss)/profit before tax				
- Discontinued operation	67,729	-	119,585	-
Profit/(Loss) before tax	(31,174)	119,218	1,148,407	555,366

By business segments:

	Individual quarter		Cumulative quarter	
	30.09.2015 RM	30.09.2014 RM	30.09.2015 RM	30.09.2014 RM
Segment revenue				
Engineering	10,825,480	8,954,938	28,500,280	24,331,832
ICT support services	-	-	-	-
Investment holding	-	-	-	-
Total revenue	10,825,480	8,954,938	28,500,280	24,331,832
Inter-segment elimination	-	-	-	-
Continued operations	10,825,480	8,954,938	28,500,280	24,331,832
Discontinued operation	1,148,647	-	1,490,648	-
Inter-segment elimination	-	-	-	-
External customers	11,974,127	8,954,938	29,990,928	24,331,832

Results

Operating results				
Engineering	98,669	528,421	3,757,548	931,730
Investment holding	(133,175)	(352,268)	(2,509,208)	(175,418)
Share of profit of associate	-	-	-	-
	(34,506)	176,153	1,248,340	756,312
Finance costs	(64,397)	(56,935)	(219,518)	(200,946)
Profit/(Loss) before tax				
- Continued operations	(98,903)	119,218	1,028,822	555,366
(Loss)/profit before tax				
- Discontinued operation	67,729	-	119,585	-
Profit/(Loss) before tax	(31,174)	119,218	1,148,407	555,366

10. Material subsequent events

Other than those disclosed in Note 3 and Note 20, there were no material subsequent events during the period ended 30 September 2015.

11. Changes in the composition of the Group

Other than those disclosed in Note 3, there were no changes in the composition of the Group during the period ended 30 September 2015.

12. Contingent liabilities

Contingent liabilities of the Group as at the latest practicable date are as follows:

	RM
(a) Secured :	
Performance and financial guarantees issued by the banks to third parties	<u>6,268,134</u>
(b) Unsecured	RM
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	<u>50,500,000</u>
Corporate guarantees given to performance for project granted to subsidiaries	<u>43,042,826</u>

13. Capital commitments

There were no capital commitments during the current quarter under review.

14. Significant related party transactions

There were no significant related party transactions for the current quarter under review.

METRONIC GLOBAL BERHAD (632068-V)

(Incorporated in Malaysia)

**ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD****15. Performance review****Continuing operations****Quarter Ended 30 September 2015**

The Group recorded revenue of RM10.8 million for the current quarter under review, which is RM1.9 million or 21.3% higher than the corresponding quarter of RM8.9 million in the previous financial year mainly due to increase in revenue from Engineering Division.

The Group posted loss before taxation of RM0.1 million, representing a decrease of RM0.22 million compared to the profit before tax of RM0.12 million for the corresponding quarter in the previous year.

Period Ended 30 September 2015

The Group recorded revenue of RM28.5 million for the current period ended, which is RM4.2 million or 17% higher than the corresponding period of RM24.3 million in the previous financial year due to increase in revenue from Engineering Division.

The Group posted profit before taxation of RM1.03 million, representing an increase of RM0.48 million compared to the profit before tax of RM0.55 million for the corresponding quarter in the previous year.

16. Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter**Continuing operations**

	Individual quarter	
	30.09.2015	30.06.2015
	RM	RM
Revenue	10,825,480	9,720,592
(Loss) / Profit before taxation	(98,903)	464,877

The loss before taxation for the current quarter is lower by RM0.56 million. This is mainly due to the impairment on quoted investment of RM1.01 million in the current quarter.

17. Current year prospects

The Group is aware of the challenges ahead for the Engineering Division in view of the intense competition and current economic situation. In addition to the recent diversification to property segment, which is now at the infant stage, the Group will continue to explore other new opportunities in order to build up a strong order book. Nevertheless, the Group will continue taking various measures to enhance its operational efficiency and effective cost management in order to improve the performance of the Group.

The Group also undertake to rationalize its available asset and investments towards optimising returns.

18. Profit forecast or profit guarantee

Not applicable as no profit forecast was published by the Group.

19. Taxation

	Individual quarter		Cumulative quarter	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM	RM	RM	RM
Income tax expense:				
Malaysian income tax	-	-	(42,800)	-
Deferred Tax				
- Relating to origination and reversal of temporary differences	-	(5,607)	(575,000)	(5,607)
	<u>-</u>	<u>(5,607)</u>	<u>(617,800)</u>	<u>(5,607)</u>

Income tax expense is recognized in each interim period based on the best estimate of the income tax payable for the full financial year. The effective income tax rate for the current period year to date was higher than statutory tax rate, principally due to certain expenses are not allowed for tax deductions.

20. Status of Corporate Proposals

- a) On 29 August 2014, The Company has signed a Share Purchase Agreement to dispose of its 70%-owned subsidiary, Metronic Engineering Private Limited ("MEPL") for a consideration of INR9,840,000. The disposal is pending completion.
- b) On 30 December 2014, M One Country Development Sdn Bhd ("MOCD") signed an agreement to acquire 2 pieces of land for a total purchase consideration of RM9,800,000 to be satisfied via the issuance of RM6,000,000 worth of new ordinary shares of RM0.10 each in the Company, cash payment of RM1.98 million and delivery of 3 shophouses completed on the land to the vendor.

The shares were issued on 25 June 2015 upon approval of shareholders being obtained on 23 June 2015 in an Extraordinary general meeting held. The purchase consideration has been settled in full.

- c) On 13 April 2015, Metronic Integrated System Sdn Bhd ("MISSB"), a wholly owned subsidiary, signed a joint venture agreement with UMK Business Ventures Sdn Bhd, a wholly owned subsidiary of University Malaysia Kelantan to form a joint venture company (JVC) with an initial paid up share capital of RM500,000 with 70%-owned by MISSB. The objective of the JVC is to submit application to the Government of Malaysia for a 100MW solar power plant in Kelantan.

On 21 August 2015, the said joint venture agreement was terminated as mutually agreed by both parties. On this day also, MISSB entered into a joint venture project with Halimuza Corporation Sdn Bhd ("HCSB") for submission of tender to the Government of Malaysia for the 100MW solar farm project in Kelantan. For this purpose, MISSB and HCSB had procured a company limited by shares known as Bonanza Partners Sdn Bhd ("BPSB"), or the JV Company, to negotiate for and conclude a contract for the execution of the project. BPSB shall have an estimate issued and paid up capital of RM1,000,000 divided into 1,000,000 ordinary shares of RM1.00 each while the shareholding structure shall be 70% owned by MISSB and 30% owned by HCSB.

21. Borrowings

	30.09.2015
	RM
Current	
Secured borrowings	
Bank overdraft	2,319,258
Bankers' acceptances	2,882,033
Hire purchase	22,602
	<u>5,223,893</u>
Non - Current	
Secured borrowings	
Hire purchase	294,436
Total	<u>5,518,329</u>

All loans and borrowings are denominated in Ringgit Malaysia ("RM").

22. Proposed Dividend

There was no dividend proposed in the current quarter and the previous corresponding quarter.

23. Earnings per share

	Individual quarter		Cumulative quarter	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM	RM	RM	RM
Profit / (Loss) attributable to ordinary equity owners of the parent				
- Continuing operations	(98,903)	113,611	411,022	549,759
- Discontinued operations	21,125	-	72,981	-
	<u>(77,778)</u>	<u>113,611</u>	<u>484,003</u>	<u>549,759</u>
Weighted average number of ordinary shares in issue	699,992,021	685,402,599	699,992,021	685,402,599
Basic earnings per share (sen)				
- Continuing operations	(0.01)	0.02	0.06	0.08
- Discontinued operations	0.00	-	0.01	-
	<u>(0.01)</u>	<u>0.02</u>	<u>0.07</u>	<u>0.08</u>

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and which may dilute its basic earnings per share

24. Profit/(Loss) for the period

	Individual quarter		Cumulative quarter	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
After charging/(crediting):	RM	RM	RM	RM
Depreciation of property, plant and equipment	154,168	185,329	435,603	403,070
Loss / (Gain) on foreign exchange				
- realised	223,522	1,178	246,319	70,591
- unrealised	21,152	122	(75,714)	(563)
Loss / (Gain) on disposal of available-for-sale financial asset	481,210	(7,495)	242,641	(848,398)
Impairment loss on investment				
- Quoted shares	1,014,788	158,798	1,014,788	158,798
- Unquoted shares	(944,100)	-	1,408,890	-
Impairment loss on trade receivables	-	-	1,273,529	-
Interest expense	64,397	56,935	219,518	200,946
Interest income	(71,029)	(36,432)	(145,280)	(110,683)
Loss/(Gain) on disposal of property, plant and equipment	-	9	-	(801,281)

25. Audit Report

The auditors' report on Group's financial statements for the year ended 31 December 2014 was not qualified.

26. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 November 2015.

27. Disclosure of Realised and Unrealised losses

The breakdown of the accumulated loss of the Group as at reporting date, into realised and unrealised loss, is as follows:

	30.09.2015	30.09.2014
	RM	RM
Total accumulated losses		
- Realised	(29,351,747)	(31,407,936)
- Unrealised	2,590,639	768,388
	<u>(26,761,108)</u>	<u>(30,639,548)</u>
Less: Consolidation adjustments	(8,792,123)	(6,088,999)
Accumulated loss as per consolidated accounts	<u>(35,553,231)</u>	<u>(36,728,547)</u>