

**ES CERAMICS TECHNOLOGY BHD**  
**Company No. 627117-P**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MAY 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31-May-15	CORRESPONDING QUARTER ENDED 31-May-14	CURRENT YEAR TO DATE ENDED 31-May-15	CORRESPONDING YEAR TO DATE ENDED 31-May-14
	RM	RM	RM	RM
<b>Revenue</b>	<u>6,025,434</u>	<u>6,185,254</u>	<u>24,951,096</u>	<u>24,672,574</u>
<b>Operating profit</b>	1,860,661	1,456,448	7,139,934	4,799,562
Finance costs	(5,030)	(38,391)	(27,616)	(317,276)
Depreciation and amortisation	(354,266)	(430,125)	(1,575,251)	(1,746,086)
Interest income	62,255	14,009	161,078	48,995
<b>Profit before taxation</b>	<u>1,563,620</u>	<u>1,001,941</u>	<u>5,698,145</u>	<u>2,785,195</u>
Taxation	(22,527)	(81,403)	(106,590)	(164,144)
<b>Profit for the period</b>	<u>1,541,093</u>	<u>920,538</u>	<u>5,591,555</u>	<u>2,621,051</u>
<b>Other comprehensive income :</b>				
Foreign exchange translation difference	(1,616,160)	(547,162)	223,998	(489,471)
Transfer of ESOS reserve for ESOS exercise and/or Warrant reserve for warrant lapsed	-	487,287	-	487,134
<b>Total comprehensive income for the period</b>	<u>(75,067)</u>	<u>860,663</u>	<u>5,815,553</u>	<u>2,618,714</u>
<b>Profit Attributable to :</b>				
Equity holders of the parent	1,541,093	920,538	5,591,555	2,621,051
Non-Controlling Interest	-	-	-	-
	<u>1,541,093</u>	<u>920,538</u>	<u>5,591,555</u>	<u>2,621,051</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	(75,067)	860,663	5,815,553	2,618,714
Non-Controlling Interest	-	-	-	-
	<u>(75,067)</u>	<u>860,663</u>	<u>5,815,553</u>	<u>2,618,714</u>
Earnings per share (sen)				
- Basic	<u>0.8</u>	<u>0.5</u>	<u>2.8</u>	<u>1.5</u>
- Diluted	<u>0.8</u>	<u>N/A</u>	<u>2.8</u>	<u>N/A</u>

*(The condensed consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2014)*

**ES CERAMICS TECHNOLOGY BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2015**

	<b>AS AT 31-May-15 (UNAUDITED)</b>	<b>AS AT 31-May-14 (AUDITED)</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	13,204,667	14,460,619
Intangible Assets	1,255,635	1,307,763
	<u>14,460,302</u>	<u>15,768,382</u>
<b>Current Assets</b>		
Inventories	1,643,017	1,432,578
Trade & Other Receivables	7,291,499	6,834,606
Current Tax Asset	5,244	23,491
Cash and Cash Equivalents	13,762,508	4,137,498
	<u>22,702,268</u>	<u>12,428,173</u>
<b>TOTAL ASSETS</b>	<u><u>37,162,570</u></u>	<u><u>28,196,555</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	19,704,980	16,982,660
Share Premium	1,646,256	1,685
Capital Reserve	1,031,083	1,442,648
Exchange Reserve	976,099	752,101
Retained Profit	9,597,947	4,006,392
	<u>32,956,365</u>	<u>23,185,486</u>
<b>Non-controlling interest</b>	-	-
<b>TOTAL EQUITY</b>	<u><u>32,956,365</u></u>	<u><u>23,185,486</u></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Hire Purchase Payables	269,865	360,780
Term Loan	-	7,014
Deferred Taxation	353,000	353,000
	<u>622,865</u>	<u>720,794</u>
<b>Current Liabilities</b>		
Trade and Other Payables	3,485,343	4,052,682
Hire Purchase Payables	90,924	101,639
Term Loan	7,073	135,954
Current Tax Payable	-	-
	<u>3,583,340</u>	<u>4,290,275</u>
<b>TOTAL LIABILITIES</b>	<u><u>4,206,205</u></u>	<u><u>5,011,069</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>37,162,570</u></u>	<u><u>28,196,555</u></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<u><u>17</u></u>	<u><u>14</u></u>

*(The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2014)*

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Owners of the Parent					Total RM	Total Equity RM
	Share Capital RM	Share Premium RM	Capital Reserve RM	Exchange Reserve RM	Retained Profits RM		
Balance at 1 Jun 2014	16,982,660	1,685	1,442,648	752,101	4,006,392	23,185,486	23,185,486
Issue of Shares	2,722,320	686,657				3,408,977	3,408,977
Total comprehensive income for the period		957,914	(411,565)	223,998	5,591,555	6,361,902	6,361,902
Balance at 31 May 2015	19,704,980	1,646,256	1,031,083	976,099	9,597,947	32,956,365	32,956,365

For the Corresponding Quarter Ended 31 May 2014

	Attributable to Owners of the Parent					Total RM	Total Equity RM
	Share Capital RM	Share Premium RM	Capital Reserve RM	Exchange Reserve RM	Retained Profits RM		
Balance at 1 Jun 2013	16,978,800	-	1,714,755	1,241,572	898,207	20,833,334	20,833,334
Issue of Shares	3,860	372				4,232	4,232
Total comprehensive income for the period		1,313	(272,107)	(489,471)	3,108,185	2,347,920	2,347,920
Balance at 31 May 2014	16,982,660	1,685	1,442,648	752,101	4,006,392	23,185,486	23,185,486

(The condensed consolidated Statement of changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2014)

**TES CERAMICS TECHNOLOGY BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MAY 2015**

	<b>CURRENT QUARTER ENDED 31-May-15</b>	<b>PRECEDING YEAR QUARTER ENDED 31-May-14</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	5,698,145	2,785,195
Adjustments for :-		
Depreciation, amortisation and impairment losses	1,575,251	1,711,876
Interest income and expenses	(133,462)	268,095
Other non-cash items	803,749	980,610
Operating profit before changes in working capital	<u>7,943,683</u>	<u>5,745,776</u>
Changes in working capital:		
Net change in inventories	(124,990)	220,166
Net change in receivables	(456,893)	(997,873)
Net change in payables	(562,626)	1,999,658
Cash flow from operations	<u>6,799,174</u>	<u>6,967,727</u>
Finance costs	(27,616)	(317,090)
Income tax refunded/(paid)	(131,364)	378,856
<b>Net cash flows from operating activities</b>	<u>6,640,194</u>	<u>7,029,493</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(557,913)	(176,965)
Interest income	161,078	48,995
Proceeds from disposal of property, plant and equipment	184,356	26,343
<b>Net cash used in investing activities</b>	<u>(212,479)</u>	<u>(101,627)</u>
<b>Cash flows from financing activities</b>		
Drawdown / (Repayment) of bank borrowings	-	(3,816,675)
Drawdown / (Repayment) of term loan	(135,895)	(3,682,465)
Issuance of shares pursuant to exercise of share options	3,408,976	4,232
Drawdown / (Repayment) of hire purchase	(101,630)	(117,756)
<b>Net cash flows from financing activities</b>	<u>3,171,451</u>	<u>(7,612,664)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	9,599,166	(684,798)
<b>Cash and cash equivalents at beginning of the year</b>	4,137,498	4,897,424
<b>Effect of changes in foreign exchange rates</b>	25,844	(75,128)
<b>Cash and cash equivalents at end of period</b>	<u>13,762,508</u>	<u>4,137,498</u>

*(The condensed consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2014)*

**ES CERAMICS TECHNOLOGY BHD** (Company No. 627117-P)  
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**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MAY 2015**

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**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING  
STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial reports are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 (“MFRS 134”) “Interim Financial Reporting” and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE”).

The interim financial report should be read in conjunction with the latest audited financial statements of ES Ceramics Technology Bhd (“ESCTB” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 May 2014.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 May 2014, except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”):

**MFRSs/IC Interpretations**

MFRS 9 (2009) Financial Instruments	)
MFRS 9 (2010) Financial Instruments	) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	) announced ) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	) )
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014

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Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

The adoption and application of the amendments to MFRSs and IC Interpretations are expected to have no significant impact on the financial statements of the Group.

**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditor's report on the financial statements of ESCTB for the financial year ended 31 May 2014 was not subject to any audit qualification.

**A3. Seasonal or Cyclical Factors**

The results of the Group were not materially affected by any seasonal or cyclical factors during the current quarter under review.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter under review.

**A5. Material Changes in Estimates**

There were no changes in estimates that have a material effect on the current quarter's results.

**A6. Debts and Equity Securities**

There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

**A7. Dividend paid**

There were no dividends paid for the current quarter under review.

**A8. Segmental Information**

The Group operates mainly in Malaysia and Thailand. As the Group is predominantly in the business operation of hand formers, no segment reporting by business segment is prepared.

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**NOTES TO THE INTERIM FINANCIAL REPORT  
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**A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

**A10. Material Events Subsequent To the End of the Quarter**

There are no material events subsequent to the current quarter that have not been reflected in this quarterly report.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial quarter.

**A12. Contingent Assets or Liabilities**

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

**A13. Capital Commitments**

There were no material capital commitments for the current quarter under review.

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**B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

	4QFY2015 RM'000	4QFY2014 RM'000	Variance %	12MQFY2015 RM'000	12MQFY2014 RM'000	Variance %
Revenue	6,025	6,185	(2.58)	24,951	24,673	1.13
EBITDA	1,923	1,470	30.77	7,301	4,849	50.58
PBT	1,564	1,002	56.06	5,698	2,785	>100
PAT	1,541	921	67.41	5,592	2,621	>100

For the current quarter ended 31 May 2015, the Group recorded revenue of RM6.03 million, represents a decrease of 2.58% as compared to revenue of RM6.19 million for the corresponding quarter of the preceding year.

Despite the decrease in turnover, the Group achieved a profit before taxation of approximately RM1.56 million for the current quarter. This represents an increase of 56.06% from the profit before taxation of approximately RM1.0 million registered in the corresponding quarter of the preceding year. The increase came from improvement in the operations performance as well as better products mix.

For the twelve (12) months period ended 31 May 2015, the Group generated total revenue of approximately RM24.95 million which represents a slightly increase of approximately 1.13% as compared to RM24.67 million achieved in the corresponding period of the preceding year.

For the same period, the Group achieved a profit before tax of approximately RM5.70 million which represents an increase of more than 100% as compared to a profit before tax of approximately RM2.79 million registered in the corresponding period of the preceding year. This was mainly due to cost control efficiency and improvement in production processes as mentioned above.

**B2. Comparison with Preceding Quarter's Results**

	<b>Current Quarter 31.05.2015 RM</b>	<b>Immediate preceding Quarter 28.02.2015 RM</b>	<b>Changes %</b>
Revenue	6,025,434	5,657,350	6.51
EBITDA	1,922,916	1,972,808	(2.53)
Profit before tax	1,563,620	1,545,736	(1.16)



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**NOTES TO THE INTERIM FINANCIAL REPORT  
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Revenue registered in the current quarter of RM6.03 million represents an increase of 6.51% as compared to the revenue of RM5.66 million recorded in the immediate preceding quarter.

The Group's current quarter profit before taxation of approximately RM1.56 million has decreased by 1.16% as compared in the immediate preceding quarter.

**B3. Commentary on Prospect for the Current Financial Year**

The continued escalation of production cost due to increase in various essential cost components such as wages and also introduction of goods and services tax (GST) effective from 1 April 2015 coupled with fluctuation in exchange rates may pose challenges to the group's operations as well as its profitability. Nevertheless, we are focusing our efforts in reducing wastage and improving cost efficiency during production in order to reduce inefficiencies in the group's operations.

The management shall continue to explore opportunities to enhance and improve the performance of the Group and is confident that barring any unforeseen circumstances the Group expects to achieve a favourable performance in the coming year.

**B4. Variance of Actual and Forecast Profit**

The Group has not provided any profit forecast and therefore no variance information is available for presentation.

**B5. Taxation**

	<b>Current quarter 31.05.2015</b>	<b>Current year to date 31.05.2015</b>
	<b>RM</b>	<b>RM</b>
Current year	22,527	106,590
Deferred taxation	-	-

The effective tax rate of the Group's current tax charge for the period was lower than the statutory tax rate mainly due to tax incentives enjoyed by subsidiary companies.

**B6. Status of Corporate Proposals**

There was no corporate proposal announced but not completed as at the date of this report.

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**B7. Borrowings and Debt Securities**

The Group's borrowings as at 31 May 2015 are as follows:

	At end of current quarter 31 May 2015 (RM)		
	Short term Borrowings	Long term borrowings	Total Borrowings
<b>Secured:</b>			
Hire Purchase	90,924	269,865	360,789
Term Loan	7,073	-	7,073
	97,997	269,865	367,862

**B8. Derivative Financial Instruments**

The Group does not have any derivative financial instruments as at the date of this report.

**B9. Material Litigation**

The Company and its subsidiaries are not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries as at the date of this announcement.

**B10. Dividend**

No interim dividend has been declared for the current quarter under review.

**B11. Disclosure of Realised and Unrealised Profits/(Losses)**

The breakdown of the retained earnings of the Group as of 31 May 2015 into realised and unrealised profits or losses, pursuant to the Listing Requirements of Bursa Securities, is as follows:

Total group retained profits/(accumulated losses) of the Company and its subsidiaries	Current Quarter 31.05.15 RM'000
- Realised	10,956
- Unrealised	-
Less: Consolidation adjustments	(1,358)
Total group retained profits/(accumulated losses) as per consolidated accounts	9,598

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**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MAY 2015**

**B12. Earnings Per Share**

	Current Quarter Ended 31.05.15	Current Year To Date 31.05.15
Net profit attributable to owner of the Company (RM'000)	1,541	5,592
Weighted average number of ordinary shares in issue ('000)	197,050	197,050
Basic earnings per share (sen)	0.8	2.8

	Current Quarter Ended 31.05.15	Current Year To Date 31.05.15
Net profit attributable to equity holders of the Parent (RM'000)	1,541	5,592
Weighted average number of ordinary shares in issue ('000)	197,050	197,050
Effects of dilutive : share option ('000)	4,233	4,233
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	201,283	201,283
Diluted earnings per share (sen)	0.8	2.8

**B13. Profit Before Taxation**

	Current Quarter 31.05.15 RM'000	Current Year To Date 31.05.15 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Interest income	62	161
Other income including investment income	-	-
Interest expense	5	28
Depreciation and amortization	354	1,575
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain/(loss)	538	358
Gain/(loss) on derivatives	-	-
Exceptional items	-	-