

APPASIA BERHAD

Company No. 643683-U

(Incorporated In Malaysia)

QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter <u>31 Dec 2015</u> RM'000	Preceding Year Corresponding Quarter <u>31 Dec 2014</u> RM'000	Current Year To Date <u>31 Dec 2015</u> RM'000	Preceding Year Corresponding Period <u>31 Dec 2014</u> RM'000
Revenue	A9	1,770	2,276	10,096	14,927
Cost of sales		<u>(1,129)</u>	<u>(2,253)</u>	<u>(4,083)</u>	<u>(13,244)</u>
Gross profit		641	23	6,013	1,683
Other income		116	72	651	388
Administrative expenses		<u>(2,762)</u>	<u>(2,526)</u>	<u>(11,683)</u>	<u>(15,337)</u>
Loss from operations		(2,005)	(2,431)	(5,019)	(13,266)
Interest expense		<u>(3)</u>	<u>(1)</u>	<u>(40)</u>	<u>(71)</u>
Loss before taxation		(2,008)	(2,432)	(5,059)	(13,337)
Taxation		<u>(29)</u>	<u>113</u>	<u>(29)</u>	<u>136</u>
Loss after taxation		(2,037)	(2,319)	(5,088)	(13,201)
Other comprehensive income					
Exchange difference arising on translation of foreign operation		(1)	-	(3)	-
Total comprehensive income for the period		<u>(2,038)</u>	<u>(2,319)</u>	<u>(5,091)</u>	<u>(13,201)</u>
Loss after taxation attributable to:					
Equity holders of the parent		<u>(2,037)</u>	<u>(2,319)</u>	<u>(5,088)</u>	<u>(13,201)</u>
Total comprehensive income attributable to:					
Equity holders of the parent		<u>(2,038)</u>	<u>(2,319)</u>	<u>(5,091)</u>	<u>(13,201)</u>
Loss Per Share					
Basic (sen)	B10	(0.73)	(1.71)	(1.82)	(9.73)
Diluted (sen)	B10	(0.67)	(1.71)	(1.55)	(9.73)

Notes:

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

The cumulative quarter for preceding year corresponding period 31 December 2014 is representing 15 months period from 01 October 2013 to 31 December 2014.

APPASIA BERHADCompany No. 643683-U
(Incorporated In Malaysia)**QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2015	31 Dec 2014
	(Unaudited)	(Audited)
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,290	332
Investment properties	1,287	1,328
	<u>2,577</u>	<u>1,660</u>
CURRENT ASSETS		
Inventories	621	-
Trade receivables	517	1,400
Other receivables	1,858	800
Tax recoverable	86	69
Deposits placed with licensed banks	242	308
Cash and bank balances	11,476	2,179
	<u>14,800</u>	<u>4,756</u>
TOTAL ASSETS	<u>17,377</u>	<u>6,416</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	28,112	13,896
Share premium	4,013	4,082
Share-based payment reserve	1,286	-
Foreign currency translation reserve	(3)	-
Warrants reserve	20,982	-
Other reserve	(20,982)	-
Accumulated losses	(18,141)	(13,053)
Total Equity	<u>15,267</u>	<u>4,925</u>
NON-CURRENT LIABILITY		
Finance lease payables	48	75
CURRENT LIABILITIES		
Trade payables	469	548
Other payables	1,558	330
Finance lease payables	35	38
Bank borrowing	-	500
	<u>2,062</u>	<u>1,416</u>
Total Liabilities	<u>2,110</u>	<u>1,491</u>
TOTAL EQUITY AND LIABILITIES	<u>17,377</u>	<u>6,416</u>
Weighted average number of ordinary shares at RM0.10 par each ('000)	279,271	135,695
Net Asset per share (sen)	5.47	3.63

Notes:

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

APPASIA BERHADCompany No. 643683-U
(Incorporated In Malaysia)**QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<----- Non-Distributable ----->

	Share Capital	Share Premium	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Warrants Reserve	Other Reserve	Accumulated (Losses)/Profit	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2015								
As at 1 January 2015	13,896	4,082	-	-	-	-	(13,053)	4,925
Issuance of shares pursuant to: -								
Rights issue	13,895	-	-	-	-	-	-	13,895
Share issuance scheme	321	266	-	-	-	-	-	587
Issuance of warrants	-	-	-	-	20,982	(20,982)	-	-
Shares issuance expenses	-	(567)	-	-	-	-	-	(567)
Share-based payment	-	-	1,518	-	-	-	-	1,518
Exercised of SIS	-	232	(232)	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3)	-	-	(5,088)	(5,091)
As at 31 December 2015	28,112	4,013	1,286	(3)	20,982	(20,982)	(18,141)	15,267
Fifteen (15) months period ended 31 December 2014								
As at 1 October 2013	12,632	4,168	-	-	-	-	148	16,948
Issuance of shares pursuant to: -								
Private placement	1,264	-	-	-	-	-	-	1,264
Shares issuance expenses	-	(86)	-	-	-	-	-	(86)
Total comprehensive income for the period	-	-	-	-	-	-	(13,201)	(13,201)
As at 31 December 2014	13,896	4,082	-	-	-	-	(13,053)	4,925

Notes:

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

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Company No. 643683-U

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QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1 January 2015 to 31 December 2015	Preceding Year Corresponding Period 15 months 1 October 2013 to 31 December 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,059)	(13,337)
Adjustments for:-		
Depreciation of investment properties	41	51
Amortisation of product development expenditure	-	574
Bad debts written off	1	391
Bad debts recovery	(20)	-
Depreciation of property, plant and equipment	390	235
Loss / (Gain) on disposal of property, plant and equipment	11	(33)
Impairment on receivables	-	91
Goodwill written off	414	3,541
Interest expense	40	71
Interest income	(229)	(102)
Inventories written off	-	663
Share-based payment	1,518	-
Unrealised gain on foreign exchange	(85)	(10)
Written off of property, plant and equipment	-	419
Written off of product development expenditure	-	2,525
Operating loss before working capital changes	(2,978)	(4,921)
Changes in working capital		
Inventories	(621)	444
Trade receivables	882	1,192
Other receivables	(1,038)	(326)
Trade payables	(79)	(317)
Other payables	1,228	25
	372	1,018
Cash used in operations	(2,606)	(3,903)
Interest paid	(40)	(71)
Interest income	229	102
Tax paid	(46)	(132)
Foreign exchange translation differences	(3)	-
Net cash used in operating activities	(2,466)	(4,004)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	90	33
Purchase of property, plant and equipment	(1,341)	(275)
Product development expenditure	-	(236)
Cash outflow from acquisition of business	(414)	-
Net cash used in investing activities	(1,665)	(478)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds on issuance of shares capital	14,216	1,526
Premium on issuance of shares capital	266	-
Shares issuance expenses	(567)	(149)
Repayment of bank borrowing	(500)	(500)
Repayment of finance lease payables	(138)	(7)
Net cash generated from financing activities	13,277	670
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	5,308	5,308
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	5,308	5,308
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	242	308
Cash and bank balances	11,476	2,179
	11,718	2,487
Less: Fixed deposits pledged	(242)	(308)
	11,476	2,179

Notes:

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