

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE QUARTER ENDED 31 DECEMBER 2016**  
(The figures have not been audited)

	QUARTER ENDED		THREE QUARTER ENDED	
	31-Dec-16 RM'000 Unaudited	31-Dec-15 RM'000 Unaudited	31-Dec-16 RM'000 Unaudited	31-Dec-15 RM'000 Unaudited
Revenue	21,153	20,135	52,498	55,876
Cost of sales	(10,437)	(8,589)	(24,678)	(26,272)
Gross profit	10,716	11,546	27,820	29,604
Other operating income	156	(114)	1,525	1,392
Other operating expenses	(10,268)	(9,069)	(25,378)	(25,295)
Finance costs	(24)	(369)	(292)	(840)
<b>Profit before tax from continuing operations</b>	<b>580</b>	<b>1,994</b>	<b>3,675</b>	<b>4,861</b>
Tax expense	(260)	313	(625)	(894)
<b>Profit after tax from continuing operations</b>	<b>320</b>	<b>2,307</b>	<b>3,050</b>	<b>3,967</b>
<u>Discontinued operation</u>				
Loss from discontinued operation, net of tax	(553)	(1,012)	(1,537)	(2,590)
<b>(Loss)/Profit for the financial period</b>	<b>(233)</b>	<b>1,295</b>	<b>1,513</b>	<b>1,377</b>
<b>Other comprehensive income, net of tax</b>				
- Item that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations, net of tax	647	1,699	836	317
<b>Other comprehensive income for the financial period, net of tax</b>	<b>647</b>	<b>1,699</b>	<b>836</b>	<b>317</b>
<b>Total comprehensive income for the financial period</b>	<b>414</b>	<b>2,994</b>	<b>2,349</b>	<b>1,694</b>
<b>(Loss)/Profit attributable to:-</b>				
Owners of the parent	(233)	1,295	1,471	1,378
Non-controlling interest	-	(1)	42	(1)
<b>(Loss)/Profit for the financial period</b>	<b>(233)</b>	<b>1,294</b>	<b>1,513</b>	<b>1,377</b>
<b>Total comprehensive income/(loss) attributable to:-</b>				
Owners of the parent	414	2,994	2,307	1,695
Non-controlling interest	-	-	42	(1)
<b>Total comprehensive income for the financial period</b>	<b>414</b>	<b>2,994</b>	<b>2,349</b>	<b>1,694</b>
EPS attributable to owners of the parent (sen)				
- Basic and diluted				
Continuing operations	0.02	0.17	0.22	0.29
Discontinued operation	(0.04)	(0.07)	(0.11)	(0.19)
	<b>(0.02)</b>	<b>0.10</b>	<b>0.11</b>	<b>0.10</b>

(The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial information and the audited financial statements for the financial year ended 31 March 2016.)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	<b>As at 31.12.2016 RM'000 Unaudited</b>	<b>As at 31.03.2016 RM'000 Audited</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	4,973	5,457
Goodwill	5,738	5,738
Deferred tax assets	3,838	3,653
Trade receivables	9,384	6,077
	<u>23,933</u>	<u>20,925</u>
<b>Current Assets</b>		
Inventories	2,493	3,694
Trade receivables	16,274	19,595
Other receivables, deposits and prepayments	9,956	10,531
Amounts owing by related companies	4,632	8,505
Current tax assets	4,465	3,698
Cash and bank balances	14,517	16,877
	<u>52,337</u>	<u>62,900</u>
<b>TOTAL ASSETS</b>	<u>76,270</u>	<u>83,825</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	135,588	135,588
Reverse acquisition reserve	(115,767)	(115,767)
Exchange translation reserve	(661)	(1,497)
Retained earnings	26,331	24,860
	<u>45,491</u>	<u>43,184</u>
<b>Non-controlling interest</b>	<u>118</u>	<u>76</u>
<b>TOTAL EQUITY</b>	<u>45,609</u>	<u>43,260</u>
<b>Non-Current Liabilities</b>		
Borrowings	316	529
Provision for post-employment benefits	1,006	495
Amounts owing to ultimate holding company	1,925	-
Amount owing to holding company	494	-
Deferred tax liabilities	473	192
	<u>4,214</u>	<u>1,216</u>
<b>Current Liabilities</b>		
Trade payables	5,184	5,309
Other payables, deposits and accruals	9,471	12,527
Amounts owing to ultimate holding company	5,761	5,058
Amount owing to holding company	3,251	3,617
Amounts owing to related companies	1,374	2,127
Borrowings	1,406	10,711
	<u>26,447</u>	<u>39,349</u>
<b>TOTAL LIABILITIES</b>	<u>30,661</u>	<u>40,565</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>76,270</u>	<u>83,825</u>
<b>Net assets per share (sen)</b>	<u>3.36</u>	<u>3.18</u>

*(The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial information and the audited financial statements for the financial year ended 31 March 2016.)*



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE QUARTER ENDED 31 DECEMBER 2016**

	<----- Attributable to owners of the Parent ----->						Non-controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->			<-Distributable ->		Total RM'000		
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000				
<b>Unaudited</b>								
<b><u>Nine Months Financial Period Ended 31 December 2016</u></b>								
Balance as at 1 April 2016	135,588	(115,767)	(1,497)	24,860	43,184	76	43,260	
Profit for the financial period	-	-	-	1,471	1,471	42	1,513	
Foreign currency translation differences for foreign operations, net of tax	-	-	836	-	836	-	836	
Total comprehensive income for the financial period	-	-	836	1,471	2,307	42	2,349	
Balance as at 31 December 2016	135,588	(115,767)	(661)	26,331	45,491	118	45,609	

	<----- Attributable to owners of the Parent ----->						Non-controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->			<-Distributable ->		Total RM'000		
	Share capital RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000				
<b>Unaudited</b>								
<b><u>Nine Months Financial Period Ended 31 December 2015</u></b>								
Balance as at 1 April 2015	135,588	(115,767)	(226)	23,457	43,052	78	43,130	
Profit/(Loss) for the financial period	-	-	-	1,378	1,378	(1)	1,377	
Foreign currency translation differences for foreign operations, net of tax	-	-	317	-	317	-	317	
Total comprehensive (loss) / income for the financial period	-	-	317	1,378	1,695	(1)	1,694	
Balance as at 31 December 2015	135,588	(115,767)	91	24,835	44,747	77	44,824	

*(The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial information and the audited financial statements for the financial year ended 31 March 2016.)*



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE QUARTER ENDED 31 DECEMBER 2016**

	<b>FOR THE THREE QUARTER ENDED</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	3,675	4,861
Loss before tax from discontinued operation	(1,537)	(2,590)
Profit before tax	<u>2,138</u>	<u>2,271</u>
Adjustment for non-cash items:		
Bad debts recovered	-	(4)
Depreciation of property, plant and equipment	1,172	395
Fair value adjustments on non-current trade receivables	596	-
Fair value gain on amount owing to immediate holding company	(36)	-
Fair value gain on amount owing to ultimate holding company	(135)	-
Impairment losses on trade receivables	348	668
Interest income	(329)	(126)
Interest expense	292	786
Inventories written off	-	924
Property, plant & equipment written off	31	-
Reversal of impairment losses on trade receivables	(100)	(870)
Net movement for post-employment benefits	249	-
Net unrealised gain on foreign exchange	(293)	(28)
	<u>3,933</u>	<u>4,016</u>
Operating profit before working capital changes	3,933	4,016
Net changes in assets	2,628	(4,562)
Net changes in liabilities	(4,297)	(8,429)
	<u>2,264</u>	<u>(8,975)</u>
Cash generated from / (used in) operations	2,264	(8,975)
Tax paid	(1,289)	(2,136)
Tax refunded	406	159
Net cash from / (used in) operating activities	<u>1,381</u>	<u>(10,952)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances from ultimate holding company	2,763	2,886
Advances from immediate holding company	164	-
Repayment from related companies	3,122	1,261
Purchase of property, plant and equipment	(636)	(58)
Withdrawal/(Placement) of fixed deposits pledged to bank	3,612	(1,463)
Interest received	329	125
Net cash from investing activities	<u>9,354</u>	<u>2,751</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of borrowings	-	(144)
Repayment of hire purchase payables	(233)	-
Interest paid	(292)	(786)
Net cash used in financing activities	<u>(525)</u>	<u>(930)</u>
Net change in cash and cash equivalents	10,210	(9,131)
Cash and cash equivalents at beginning of financial period	(7,223)	(3,581)
Effect of foreign exchange on opening balance	336	(164)
Cash and cash equivalents at end of financial period	<u>3,323</u>	<u>(12,876)</u>

*(The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated interim financial information and the audited financial statements for the financial year ended 31 March 2016.)*

**PART A: Notes to the Condensed Consolidated Interim Financial Information**

**1 Basis of preparation**

The condensed consolidated interim financial information has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated interim financial information should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016. The explanatory notes attached to this condensed consolidated interim financial information provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2016.

**2 Significant Accounting Policies**

The Group has applied the same accounting policies and method of computation in the condensed consolidated interim financial information as in the 31 March 2016 annual financial statements except for those that relate to new standards and amendments effective for the first time for the periods beginning on (or after) 1 January 2016, and will be adopted in the 2017 financial statements. None of the new standards and amendments that are effective for the first time for periods beginning on (or after) 1 January 2016 however have a material effect on the Group.

**(a) New MFRSs adopted during the current financial period**

The Group adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the current financial period:

Title	Effective Date
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs <i>Annual Improvements to 2012 - 2014 Cycle</i>	1 January 2016

**(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2017**

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board

Title	Effective Date
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its</i>	Deferred

**3 Qualification of independent auditors' report on preceding annual audited financial statements**

The auditors' report on the financial statements for the financial year ended 31 March 2016 was an unqualified opinion.

**4 Seasonal and cyclical factors**

The business of the Group was not affected by any seasonal and cyclical factors during the quarter ended 31 December 2016.

**5 Unusual items due to their nature, size or incidence**

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter ended 31 December 2016.

**6 Material changes in estimates**

There were no material changes in estimates during the quarter ended 31 December 2016.

**7 Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter ended 31 December 2016.

**8 Dividends paid**

There was no dividends paid during the quarter ended 31 December 2016.

**PART A: Notes to the Condensed Consolidated Interim Financial Information**

**9 Segmental information**

The Group's reportable segments were identified as follows: -

- Business Performance Services - Provision of business performance improvement related services
- Trading & Distribution Services - Distribution and reselling of hardware and software and related services
- Digital & Infrastructure Services - Provision of a comprehensive range of tele/data communication, networking solutions and related services

The others segment comprises operations related to investment holding activities and subsidiaries that have ceased operations and remained inactive.

<b>Business Segments</b>	<b>Business Performance Services RM'000</b>	<b>Trading &amp; Distribution Services RM'000</b>	<b>Digital &amp; Infrastructure Services RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidation RM'000</b>
<b>Unaudited Three Quarters Ended-31-12-2016</b>						
External sales	34,033	62	18,403	-	-	52,498
Inter segment sales	-	2	3,290	1,000	(4,292)	-
<b>Total Sales</b>	<b>34,033</b>	<b>64</b>	<b>21,693</b>	<b>1,000</b>	<b>(4,292)</b>	<b>52,498</b>
Segment results	2,031	(118)	1,742	2,728	(2,745)	3,638
Finance costs	(27)	-	(126)	(139)	-	(292)
Interest Income	34	-	295	-	-	329
Profit/(Loss) before tax from continuing operations	2,038	(118)	1,911	2,589	(2,745)	3,675
Taxation						(625)
Profit for the period from continuing operations						3,050
<b>Discontinued operation</b>						
Loss from discontinued operation, net of tax	(1,537)					(1,537)
Profit for the period						1,513
Segment assets	30,289	363	86,986	112,259	(153,627)	76,270
<b>Unaudited Three Quarters Ended-31-12-2015</b>						
External sales	25,811	962	29,103	-	-	55,876
Inter segment sales	-	-	8,402	-	(8,402)	-
<b>Total Sales</b>	<b>25,811</b>	<b>962</b>	<b>37,505</b>	<b>-</b>	<b>(8,402)</b>	<b>55,876</b>
Segment results	1,696	(186)	7,108	(3,097)	-	5,521
Finance costs	(51)	(3)	(392)	(340)	-	(786)
Interest Income	25	-	101	-	-	126
Profit/(Loss) before tax from continuing operations	1,670	(189)	6,817	(3,437)	-	4,861
Taxation						(894)
Profit for the period from continuing operations						3,967
<b>Discontinued operation</b>						
Loss from discontinued operation, net of tax	(2,590)					(2,590)
Profit for the period						1,377
Segment assets	18,565	321	56,020	8,080	-	82,986

**PART A: Notes to the Condensed Consolidated Interim Financial Information**

**10 Related Party Disclosures**

Significant related party transactions are as follows:-

	QUARTER ENDED		THREE QUARTER ENDED	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	RM'000	RM'000	RM'000	RM'000
Sale of goods and services to related companies	1,113	3,169	5,372	8,899
Purchase of goods and services from related companies	49	28	100	64
Corporate secretarial services fees paid/ payable to a related company	27	25	42	39
Management fees to ultimate holding company	120	120	360	360

**11 Carrying amount of revalued assets**

There were no changes to the valuation of property, plant and equipment during the quarter ended 31 December 2016.

**12 Subsequent events**

There were no material events/subsequent to the end of the quarter ended 31 December 2016.

**13 Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter ended 31 December 2016.

**14 Discontinued operation**

On 24 November 2016, the Board of Directors decided to close down business operation of ISS Consulting (S) Pte Ltd because it had struggled to convert business prospects and pipeline into order book as it continued to operate amid challenging market conditions which undermined its ability to secure and deliver new projects competitively. Additionally, the Singapore operations had been experiencing attrition of existing customers to its competitors thus compounding to Management's decision to consider the discontinuation of the operations.. The segment was not a discontinued operation as at 31 December 2015 and the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operation.

Loss attributable to the discontinued operation was as follows:

**Results of discontinued operation**

	QUARTER ENDED		THREE QUARTER ENDED	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	RM'000	RM'000	RM'000	RM'000
Revenue	778	502	2,308	1,731
Cost of Sales	(414)	(302)	(1,308)	(991)
Gross Profit	364	200	1,000	740
Other operating income	31	21	55	136
Other operating expenses	(948)	(1,233)	(2,592)	(3,466)
Finance costs	-	-	-	-
Loss before taxation	(553)	(1,012)	(1,537)	(2,590)
Taxation	-	-	-	-
Loss after taxation	(553)	(1,012)	(1,537)	(2,590)

**Breakdown of assets and liabilities**

	As at 31-Dec-16
	RM'000
Trade receivables	55
Other receivables, deposits and prepayments	84
Amounts owing by related companies	6,104
Cash and bank balances	395
	<u>6,638</u>
Trade payables	
Other payables, deposits and accruals	(335)
Amounts owing to ultimate holding company	(3,663)
Amounts owing to penultimate holding company	(2,164)
Amount owing to immediate holding company	(2,772)
Amounts owing to related companies	(2,317)
	<u>(11,251)</u>

**15 Changes in contingent liabilities or contingent assets**

Corporate and bank guarantee granted for the quarter ended 31 December 2016 are as follows:-

	RM'000
Corporate guarantee given to financial institution for facilities granted to subsidiaries	<u>16,100</u>

**16 Capital commitments**

No capital commitments for purchase of property, plant & equipment not provided for on the condensed interim financial information.

**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE THREE QUARTER ENDED 31 DECEMBER 2016**

**1 Detailed analysis of performance**

The Group recorded RM21.93 million of revenue in the current quarter under review, a increase by RM1.29 million from RM20.64 million in the corresponding quarter of the preceding financial year.

The detailed breakdown of revenue by operating segments of the Group are as follows: -

	QUARTER ENDED			THREE QUARTER ENDED		
	31-Dec-16 RM'000	31-Dec-15 RM'000	Variance %	31-Dec-16 RM'000	31-Dec-15 RM'000	Variance %
Business Performance Services	14,778	9,470	56.1	34,033	25,811	31.9
Trading & Distribution Services	2	-	-	64	962	(93.3)
Digital & Infrastructure Services	7,027	15,789	(55.5)	21,693	37,505	(42.2)
Others	-	-	-	1,000	-	-
	<u>21,807</u>	<u>25,259</u>	<u>(13.7)</u>	<u>56,790</u>	<u>64,278</u>	<u>(11.6)</u>
Less : Inter Segment Revenue	(654)	(5,124)		(4,292)	(8,402)	
External Revenue from continuing operations	21,153	20,135	5.1	52,498	55,876	(6.0)
Revenue from discontinued operation	778	502	55.0	2,308	1,732	33.3
Total Group Revenue	<u>21,931</u>	<u>20,637</u>		<u>54,806</u>	<u>57,608</u>	

**Continuing Operations**

The increase in revenue of the Business Performance Services segment by RM5.31 million was due to more projects compared to the corresponding quarter of the preceding financial year.

The Trading & Distribution Services segment revenue was lower due to low orders intakes and fulfilments during the quarter under review.

Digital & Infrastructure Services segment recorded a decrease in revenue by RM8.76 million during the quarter under review compared to the corresponding quarter of the immediate preceding financial year because of order fulfillment from new projects during the corresponding quarter.

**Discontinued Operation**

Higher revenue of the Business Performance Services segment by RM0.27 million was due to higher billing compared to the corresponding quarter of the preceding financial year.

The detailed breakdown of profit before tax by business segments of the Group are as follows: -

	QUARTER ENDED			THREE QUARTER ENDED		
	31-Dec-16 RM'000	31-Dec-15 RM'000	Variance %	31-Dec-16 RM'000	31-Dec-15 RM'000	Variance %
Business Performance Services	202	714	(71.7)	2,038	1,670	22.0
Trading & Distribution Services	(15)	(194)	92.3	(118)	(189)	37.6
Digital & Infrastructure Services	912	5,326	(82.9)	1,911	6,817	(72.0)
Others	(519)	(3,852)	86.5	(156)	(3,437)	95.5
Profit before tax from continuing operations	580	1,994	(70.9)	3,675	4,861	(24.4)
Loss before tax from discontinued operation	(553)	(1,012)	45.4	(1,537)	(2,590)	40.7
Profit before tax	<u>27</u>	<u>982</u>		<u>2,138</u>	<u>2,271</u>	

**Continuing Operations**

For the quarter under review, the Group's profit before tax was lower by RM1.41 million compared to the corresponding quarter of the immediate preceding year mainly due to lower order fulfilments in Digital and Infrastructure Services segment and increase in employee benefits of the Group which was mainly attributable to higher headcount arising from capacity expansion by ISS Consulting (Thailand) and lower GP margin in Business Performance Services.

**Discontinued Operation**

Under the discontinued operation, the Business Performance Service segment recorded higher revenue and GP margin which resulted in a lower loss of RM0.55 million compared to the corresponding quarter of the immediate preceding year.

**2 Variation of results against preceding quarter**

	3 months ended 31.12.2016 RM'000	3 months ended 30.09.2016 RM'000
Revenue		
Continuing Operations	21,153	18,428
Discontinued Operation	778	519
	<u>21,931</u>	<u>18,947</u>
Profit / (loss) before tax		
Continuing Operations	580	1,730
Discontinued Operation	(553)	(341)
	<u>27</u>	<u>1,389</u>

**Continuing Operations**

The Group's revenue for the quarter was higher by RM2.73 million compared to the immediate preceding quarter due to higher revenue from the Business Performance Services segments. However, the Group's profit before tax decreased by RM1.15 million for the current quarter under review as compared to the immediate preceding quarter's profit before tax at RM0.58 million due to increase in employee benefits and lower GP margin in ISS Consulting (Thailand).

**Discontinued Operation**

Loss for the quarter was lower by RM0.21 million compared to the to the immediate preceding quarter due to higher revenue and better GP margin.

**3 Prospects**

While the Group's financial performance is expected to benefit from the discontinuation of the Singapore operations, the Board is mindful of the challenging business environment and is cautious of the Group's financial performance for the remaining quarter of the current financial year



**PART B: EXPLANTORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE THREE QUARTER ENDED 31 DECEMBER 2016**

**4 Profit forecast**

Not applicable.

**5 Tax expense**

	QUARTER ENDED		THREE QUARTER ENDED	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
<b>Continuing Operations</b>				
Current tax expense				
- Malaysian taxation	(57)	(359)	71	469
- Foreign taxation	(139)	143	274	334
(Over)/Under provision in prior year				
- Malaysian taxation	-	(100)	-	(93)
- Foreign taxation	-	3	-	184
Deferred tax	456	-	280	-
	<u>260</u>	<u>(313)</u>	<u>625</u>	<u>894</u>

The Group's effective tax rate for the current financial period is disproportionate to the statutory tax rate due to unabsorbed capital allowances and unutilised tax losses carried forward of a subsidiary.

**6 Status of corporate proposals**

There were no corporate proposals announced or outstanding as at reporting date.

**7 Borrowings and debts securities**

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

	RM'000
Short term bank borrowings - secured	
- Denominated in Ringgit Malaysia	283
- Denominated in Thai Baht	1,123
Long term bank borrowings - secured	
- Denominated in Ringgit Malaysia	316
- Denominated in Thai Baht	-
	<u>1,722</u>

The Group has not issued any debt securities as at the reporting date.

**8 Realised and Unrealised Profits**

The retained earnings/(accumulated losses) as at the end of the reporting date can be analysed as follows:

	As at 31.12.2016 RM'000	As at 31.03.2016 RM'000
Total retained earning/(accumulated losses) of the Group: -		
- Realised	(40,431)	(42,995)
- Unrealised	3,227	2,533
	<u>(37,204)</u>	<u>(40,462)</u>
Consolidation adjustments	63,535	65,322
Total retained earnings as per consolidated financial statements	<u>26,331</u>	<u>24,860</u>

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants ("MIA Guidance") and directive of Bursa Malaysia Securities Berhad.

**PART B: EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE THREE QUARTER ENDED 31 DECEMBER 2016**

**9 Changes in material litigation**

There was no material litigation against the Group as at reporting date.

**10 Dividends**

No dividends have been recommended during the quarter ended 31 December 2016.

**11 Earning per ordinary share**

(a) Basic earning per ordinary share

Basic earning per ordinary share for the financial period under review is calculated based on the Group's profit after tax and non-controlling interests divided by the weighted average ("WA") number of ordinary shares in issue during the financial period.

	QUARTER ENDED		THREE QUARTER ENDED	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Profit after tax and non-controlling interests (RM'000)				
Continuing Operations	320	2,307	3,050	3,967
Discontinued Operation	(553)	(1,012)	(1,537)	(2,590)
	<u>(233)</u>	<u>1,295</u>	<u>1,513</u>	<u>1,377</u>
WA number of ordinary shares in issue ('000)	1,355,877	1,355,877	1,355,877	1,355,877
Basic profit per ordinary share (sen)				
Continuing Operations	0.02	0.17	0.22	0.29
Discontinued Operation	(0.04)	(0.07)	(0.11)	(0.19)
	<u>(0.02)</u>	<u>0.10</u>	<u>0.11</u>	<u>0.10</u>

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted earnings per share has not been presented.

**12 Profit before tax**

	QUARTER ENDED		THREE QUARTER ENDED	
	31-Dec-16 RM'000	31-Dec-15 RM'000	31-Dec-16 RM'000	31-Dec-15 RM'000
Profit before tax is arrived at after charging: -				
Bad debts written off	-	-	-	-
Depreciation of property, plant and equipment	425	131	1,172	395
Fair value loss on long term trade receivables	-	-	596	-
Impairment losses on trade receivables	-	48	348	668
Interest expenses	24	353	292	786
Inventories written off	-	311	-	924
Loss on disposal of property, plant and equipment	-	-	-	-
Realised loss on foreign currency transactions	24	953	69	1,942
Unrealised loss on foreign currency transactions	-	709	-	69
And crediting: -				
Bad debts recovered	-	-	-	4
Fair value gain on:				
-amount owing to immediate holding company	-	-	36	-
-amount owing to ultimate holding company	-	-	134	-
Waiver of loan from related company	-	-	646	-
Interest income	97	43	329	125
Reversal of impairment losses on trade receivables	100	164	100	870
Realised gain on foreign currency transactions	-	-	88	28
Unrealised gain on foreign currency translation	81	-	293	346