

1 UTOPIA BERHAD

(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the Second (2nd) Quarter Ended 30 September 2015****(The figures have not been audited)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30.09.2015 RM'000	Preceding Year Corresponding Quarter Ended 31.05.2014 RM'000	Current Year-to-date Ended 30.09.2015 RM'000	Preceding 16 Months Period To-Date 31.05.2014 RM'000
Revenue	52,636	119,455	88,751	247,698
Cost of sales	(52,582)	(115,659)	(88,233)	(239,157)
Gross profit	54	3,796	518	8,541
Other operating income	844	1,200	1,557	3,844
Research and development cost	-	(23)	-	(47)
Distribution costs	(60)	(32)	(97)	(54)
Administrative and other expenses	(7,938)	(6,306)	(13,726)	(13,319)
Loss from operations	(7,100)	(1,365)	(11,748)	(1,035)
Finance costs	(175)	(450)	(395)	(878)
Loss before taxation	(7,275)	(1,815)	(12,143)	(1,913)
Taxation	413	113	795	(29)
Loss for the period	(6,862)	(1,702)	(11,348)	(1,942)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(6,862)	(1,702)	(11,348)	(1,942)
Loss attributable to:				
Owners of the Company	(6,862)	(1,702)	(11,348)	(1,921)
Minority interest	-	-	-	(21)
	(6,862)	(1,702)	(11,348)	(1,942)
Total comprehensive income attributable to:				
Owners of the Company	(6,862)	(1,702)	(11,348)	(1,921)
Non-controlling interests	-	-	-	(21)
	(6,862)	(1,702)	(11,348)	(1,942)
Earnings per share for loss attributable to the owners of the Company (sen):-				
Basic earnings per share (sen)	(0.01)	(0.19)	(0.01)	(0.21)
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

1 UTOPIA BERHAD

(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 30 September 2015**

	(Unaudited) As at 30.09.2015 RM'000	(Audited) As at 31.03.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	37,273	41,806
Intangible assets	6,461	7,790
Goodwill arising from consolidation	5,619	5,619
Investment properties	3,270	4,472
Deferred tax assets	426	223
	53,049	59,910
Current assets		
Inventories	4,071	4,107
Receivables, deposits and prepayments	55,930	78,716
Current tax assets	1,627	1,684
Cash and cash equivalents	10,604	18,013
	72,232	102,520
TOTAL ASSETS	125,281	162,430
EQUITY AND LIABILITIES		
Share capital	98,918	98,918
Share premium	4,842	4,842
Warrant reserve	8,401	8,401
Other reserves	305	305
Retained profits	(18,651)	(7,303)
Equity attributable to owners of the Company	93,815	105,163
Minority interest	(4)	(4)
TOTAL EQUITY	93,811	105,159
Non-current liabilities		
Deferred tax liabilities	1,211	1,859
Borrowings	1,686	1,804
	2,897	3,663
Current liabilities		
Trade and other payables	14,741	32,553
Borrowings	13,761	20,998
Current tax liabilities	71	57
	28,573	53,608
TOTAL LIABILITIES	31,470	57,271
TOTAL EQUITY AND LIABILITIES	125,281	162,430
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.13	0.12

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

1 UTOPIA BERHAD

(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the Second (2nd) Quarter Ended 30 September 2015****(The figures have not been audited)**

	Attributable to owners of the Company					Non-controlling interests	Total Equity
	Share Capital	Share Premium	Retained Earnings	Warrant Reserve	Other Reserve		
At 1 April 2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	98,918	4,842	(7,303)	8,401	305	(4)	105,159
Total comprehensive income for the financial period	-	-	(11,348)	-	-	-	(11,348)
At 30 September 2015	98,918	4,842	(18,651)	8,401	305	(4)	93,811

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

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(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the Second (2nd) Quarter Ended 30 September 2015****(The figures have not been audited)**

	Attributable to owners of the Company					Non-controlling interests	Total Equity
	Share Capital	Share Premium	Retained Earnings	Warrant Reserve	Other Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 December 2013	73,746	5,512	5,856	8,401	-	10,578	104,093
Issuance of shares arising from acquisition of subsidiaries	25,172	-	-	-	-	-	25,172
Corporate exercises expenses relating to acquisition of subsidiaries and private placement	-	(670)	-	-	-	-	(670)
Acquisition of additional interest from non-controlling interest	-	-	-	-	305	(10,557)	(10,252)
Total comprehensive income for the financial period	-	-	(13,159)	-	-	(25)	(13,184)
At 31 March 2015	98,918	4,842	(7,303)	8,401	305	(4)	105,159

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

1 UTOPIA BERHAD

(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**CONDENSED CONSOLIDATED CASH FLOW STATEMENT****For the Second (2nd) Quarter Ended 30 September 2015**

(The figures have not been audited)

	Cumulative quarter	
	Current	Preceding
	Year-to-date	Year-to-date
	RM'000	RM'000
Cash flow from operating activities		
Loss before taxation	(12,143)	(13,567)
Adjustments for:-		
Amortisation of intangibles	1,805	3,722
Bad debts written off	8	329
Depreciation of property, plant and equipment	4,325	5,435
Depreciation of investment properties	43	109
Gain on disposal of property, plant and equipment	(183)	(17)
Impairment loss on other receivables	-	40
Intangible assets written off	-	1
Inventories written off	4	522
Negative goodwill written off	-	(1,415)
Loss on disposal of property, plant and equipment	4	-
Reversal of impairment loss on trade receivables	-	35
Property, plant and equipment written off	1,541	372
Interest expense	396	2,147
Interest income	(108)	(364)
Unrealized gain on foreign exchange	(47)	(26)
Operating loss before working capital changes	(4,355)	(2,677)
Inventories	32	297
Receivables, deposits and prepayments	22,847	44,296
Payables and accruals	(17,879)	(20,292)
	645	21,624
Interest paid on bankers acceptance	(355)	(2,147)
Tax paid	298	(826)
Tax refund	(283)	-
Net cash flows from operating activities	305	18,651
Cash flows from investing activities		
Interest received	107	364
Proceeds from disposal of property, plant and equipment	183	114
Acquisition of subsidiaries	-	(10,251)
Net cash outflow from acquisition of subsidiary company	-	(2,770)
Purchase of property, plant and equipment (Note a)	(655)	(19,580)
Purchase of intangible assets	-	(109)
Purchase of investment properties	-	(1,506)
Net cash flows used in investing activities	(365)	(33,738)

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

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(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**CONDENSED CONSOLIDATED CASH FLOW STATEMENT****For the Second (2nd) Quarter Ended 30 September 2015****(The figures have not been audited)**

	Cumulative quarter	
	Current	Preceding
	Year-to-date	Year-to-date
	RM'000	RM'000
Cash flows from financing activities		
Interest paid on hire purchase and term loans	(41)	-
Changes in fixed deposits with licensed banks	1,750	5,044
Issuance of share capital	-	25,172
Repayment of hire purchase payables	(152)	(798)
Net repayment of bankers acceptance	(7,005)	(8,093)
Share issuance expenses	-	(670)
Net repayment of term loans	(448)	(6,417)
Net cash flows (used in) / from financing activities	<u>(5,896)</u>	<u>14,238</u>
Net decrease in cash and cash equivalents	(5,956)	(849)
Cash and cash equivalents at the beginning of the financial year	13,477	14,326
Effect of foreign exchange rate changes	47	-
Cash and cash equivalents at the ending of the financial year (Note b)	<u>7,568</u>	<u>13,477</u>
 (a) Purchase of property, plant and equipment:		
- financed by hire purchase arrangements	-	-
- financed by cash	-	19,795
	<u>655</u>	<u>19,795</u>
 (b) Analysis of cash and cash equivalents:		
Fixed deposits with licensed banks	1,119	1,108
Short-term funds	2,478	4,228
Cash and bank balances	7,007	12,677
	<u>10,604</u>	<u>18,013</u>
Less: Bank overdraft	(558)	(308)
	<u>10,046</u>	<u>17,705</u>
Less: Fixed deposit pledged to a licensed bank	(2,478)	(4,228)
	<u>7,568</u>	<u>13,477</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial period ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

1 UTOPIA BERHAD

(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my

Part A – Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134- Interim Financial Reporting

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Ace Market.

The interim financial statements should be read in conjunction with the audited financial statements of 1 Utopia Berhad (“Utopia” or “Company”) on a consolidated basis with its subsidiaries (“Utopia Group” or “Group”) for the financial period ended 31 March 2015 and the explanatory notes attached to the interim financial statements, which provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial period ended 31 March 2015.

2. Changes In Accounting Policies

The accounting policies and methods of computation used in the preparation of the quarterly financial statements are consistent with those applied in the latest audited annual financial statements for the financial period ended 31 March 2015.

The significant accounting policies adopted are consistent with those of the audited financial statements financial period ended 31 March 2015.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements of the Group for the financial period ended 31 March 2015 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group is subjected to the cyclical effects of the global and Malaysian technology industry.

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

6. Material Changes in Estimates

There were no changes in estimates of amounts which have a material effect for the current quarter results under review.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and other repayments of debt and equity securities during the current quarter.

8. Dividends Paid

No dividend has been paid during the current quarter.

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(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**Part A – Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134- Interim Financial Reporting (Continued)****9. Segmental Information**

Sales revenue by division to external parties for the quarter ended 30 September 2015 are as follows:-

	<u>Hydraulic</u>	<u>ICT</u>	<u>Other Operating Segment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
External Sales	1,640	50,237	759	52,636
Gross Profit	916	(1,093)	231	54
Profit / (loss) before taxation	156	(6,014)	(1,417)	(7,275)

Sales revenue by division to external parties for the quarter ended 30 May 2014 are as follows:-

	<u>Hydraulic</u>	<u>ICT</u>	<u>Other Operating Segment</u>	<u>Consolidated</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
External Sales	1,602	116,736	1,117	119,455
Gross Profit	848	2,376	572	3,796
Profit / (loss) before taxation	94	(1,294)	(615)	(1,815)

10. Valuation of Property, Plant and Equipment

The Group did not revalue any of its assets from the previous audited financial statements for the financial period ended 31 March 2015.

11. Contingent Assets or Liabilities

Details of contingent liabilities as at 20 November 2015 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Corporate guarantees extended to financial institutions for banking facilities granted to subsidiary companies and suppliers	28,500	32,870

There are no contingent assets since the last annual balance sheet as at 31 March 2015.

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(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my

Part A – Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134- Interim Financial Reporting (Continued)

12. Capital Commitments

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

13. Material Events Subsequent to the End of the Interim Reporting Period

There were no material events subsequent to the end of the current quarter under review up to 20 November 2015, being the latest practicable date not earlier than seven (7) days from the date of issue of this quarterly report.

1 UTOPIA BERHAD

(Company No. 679361-D)

Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)****1. Review of Performance****Current Year Quarter versus Preceding Year Corresponding Quarter**

For the current quarter ended 30 September (“Q2 2015”), the Group recorded revenue of RM52.6 million as compared to the revenue for the preceding period's corresponding quarter 31 May 2014 (“Q2 2014”) of RM119.5 million. The decrease was mainly due to lower revenue recorded for the sales of notebooks and smartphones.

Current Year-to-Date versus Preceding Year-to-Date

The Group recorded a lower gross profit margin of 0.10% for Q2 2015 as compared to 3.71% in the preceding period. The decrease was mainly due to the lower margin derived from the ICT business.

2. Variation of Results against Preceding Quarter

	Quarter ended		Variance	
	30.09.2015 RM'000	30.06.2015 RM'000	RM'000	%
Revenue	52,636	36,160	16,476	45.6%
Loss before tax (LBT)	(7,275)	(4,868)	(12,413)	(2.55%)

The increase in revenue and increase in LBT was mainly due to higher revenue recorded for the sales of notebooks and smartphones but at a lower margin. This was mainly attributed to lower demand in Malaysia's PC market in the previous quarter.

3. Commentary on Prospects

The Group believes that the Malaysian retail sector will face a challenging year ahead in 2016 in view of the anticipated reduction in consumer spending.

4. Actual Profit against Profit Forecast

There was no profit forecast or guarantee made public for the financial period under review.

5. Income Tax Expense

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2015 RM'000	31.05.2014 RM'000	30.09.2015 RM'000	31.05.2014 RM'000
Current tax	36	87	56	64
Deferred tax	(449)	(201)	(851)	(35)
Tax expense	(413)	(113)	(795)	29

The effective tax rate of the Group for the current quarter under review is lower than the statutory tax rate of 25% mainly due to losses incurred for one of its subsidiary.

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Tel No: 04-5082000 Fax No: 04-5082002 Email: sales@tejari.com.my**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)****6. Sales of Unquoted Investments and Properties**

There were no disposals of unquoted investment and properties during the current quarter under review.

7. Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter under review. The Group did not hold any investments in quoted securities as at 30 September 2015.

8. Utilisation of proceeds from Private Placement

The gross proceeds from Private Placement of RM8,992,540 have been be utilized in the following manner:-

Description	Proposed Utilization RM'000	Utilization as at 30 June 2015 RM'000	Intended timeframe for utilization
Electronic commerce business	4,000	2,000	Within 24 months
Advertising and promotion for branding exercise	1,000	1,000	Within 12 months
Working capital	3,893	3,893	Within 12 months
Estimated expenses	100	100	Within 2 weeks
Total	8,993	6,993	

Date of completion of Private Placement is 25 March 2014.

9. Borrowings and Debt Securities

The Group's borrowings as at 30 September 2015 are as follows:-

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
<u>Secured</u>			
Banker's acceptance	12,938	-	12,938
Bank overdraft	558	-	558
Hire purchase	232	908	1,140
Term loan	33	778	811
Total	13,761	1,686	15,447

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

The banker's acceptance are secured by fixed deposits of a subsidiary company and jointly and severally guaranteed by all the directors of the subsidiary company.

The hire purchases are secured by the assets of the Group under hire purchase arrangements.

The term loans are secured and covered by the fixed deposit with licensed bank.

The Group's borrowings and other facilities are denoted in local currency. The Group does not have any foreign borrowings and debt securities as at 30 September 2015.

10. Derivative Financial Instruments

There were no derivative financial instruments as at 20 November 2015 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

11. Changes in Material Litigation

Since the last annual balance sheet date, there was no pending material litigation at 20 November 2015 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report).

12. Dividend

No dividend has been proposed for the financial period under review.

13. Basic earnings per Share

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

14. Basic earnings per Share (continued)

	Current Quarter Ended		Cumulative Quarter Ended	
	30.09.2015	31.05.2014	30.09.2015	31.05.2014
	RM'000	RM'000	RM'000	RM'000
Loss for the quarter	(6,862)	(1,702)	(11,348)	(1,942)
Weighted average number of ordinary shares of RM0.10 in issue	989,180	908,247	989,180	908,247
Basic earnings per share (sen)	(0.01)	(0.19)	(0.01)	(0.21)

The fully diluted earnings per share is not disclosed as the effects on the assumed exercise of the share options under Warrants is anti-dilutive.

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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad (Continued)

15. Disclosure of Realised and Unrealised Profits or Accumulated losses

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Ace Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Malaysian Institute of Accountants further issued guidance on the disclosure and the format required.

The breakdown of the (accumulated losses)/retained profits of the Group as at 31 March 2015, into realised and unrealised (accumulated losses)/profits, pursuant to the directive, is as follows:

	As at 30.09.2015 RM'000	As at 31.03.2015 RM'000
Total (accumulated losses) retained profits of the Group:		
- Realised	(18,651)	(7,303)
- Unrealised	(785)	(1,636)
	<u>(19,436)</u>	<u>(8,939)</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

16. Authorisation for Issue

These unaudited interim financial statements were authorised for release by the Company in accordance with a resolution of the Directors dated 25 November 2015.