



KIM TECK CHEONG CONSOLIDATED BERHAD
(Company No: 1113927-H)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1ST) QUARTER ENDED 30 SEPTEMBER 2015**

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income⁽¹⁾

	Note	Individual Quarter 3 months period ended		Cumulative Quarter 3 months period ended	
		30 September 2015 RM'000	30 September 2014 ⁽²⁾ RM'000	30 September 2015 RM'000	30 September 2014 ⁽²⁾ RM'000
Revenue		78,647	N/A	78,647	N/A
Cost of sales		(67,724)	N/A	(67,724)	N/A
Gross profit		10,923	N/A	10,923	N/A
Other income		3,043	N/A	3,043	N/A
Administrative expenses		(4,155)	N/A	(4,155)	N/A
Selling and distribution expenses		(5,035)	N/A	(5,035)	N/A
Other operating expenses		(292)	N/A	(292)	N/A
Operating profit		4,484	N/A	4,484	N/A
Finance costs		(1,435)	N/A	(1,435)	N/A
Profit before taxation		3,049	N/A	3,049	N/A
Income tax expenses		(555)	N/A	(555)	N/A
Net profit for the period		2,494	N/A	2,494	N/A
Profit attributable to:					
Owners of the Company		2,481	N/A	2,481	N/A
Non-controlling interest		13	N/A	13	N/A
		2,494	N/A	2,494	N/A
Earnings per share attributable to Owners of the Company					
- Basic (sen)	B10	0.67	N/A	0.67	N/A
- Diluted (sen)	B10	0.47	N/A	0.47	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the financial year ended ("FYE") 30 June 2015 as disclosed in the Prospectus of the Company dated 28 October 2015 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

N/A – Not applicable

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

Unaudited Condensed Consolidated Statement of Financial Position⁽¹⁾

	As at 30 September 2015 RM'000	As at 30 September 2014 ⁽²⁾ RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	59,788	N/A
Goodwill on consolidation	4,315	N/A
Intangible asset	296	N/A
	<u>64,399</u>	<u>N/A</u>
Current Assets		
Inventories	60,504	N/A
Trade and other receivables	74,462	N/A
Tax recoverable	545	N/A
Cash and bank balances	6,222	N/A
Total Current Assets	<u>141,733</u>	<u>N/A</u>
Total Assets	<u>206,132</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	36,828	N/A
Share premium	18,414	N/A
Redeemable convertible preference shares	24,002	N/A
Revaluation reserve	12,041	N/A
Reserve arising from reverse acquisition	(47,963)	N/A
Retained earnings	29,390	N/A
Shareholders' funds	<u>72,712</u>	<u>N/A</u>
Non-controlling interest	801	N/A
Total Equity	<u>73,513</u>	<u>N/A</u>
Non-current Liabilities		
Hire purchase payables	3,424	N/A
Borrowings	11,684	N/A
Deferred tax liabilities	1,788	N/A
Total Non-current Liabilities	<u>16,896</u>	<u>N/A</u>
Current Liabilities		
Trade payables and other payables	21,373	N/A
Hire purchase payables	882	N/A
Borrowings	92,766	N/A
Current tax liabilities	702	N/A
Total Current Liabilities	<u>115,723</u>	<u>N/A</u>
Total Liabilities	<u>132,619</u>	<u>N/A</u>
Total Equity and Liabilities	<u>206,132</u>	<u>N/A</u>
Number of ordinary shares of RM0.10 each ('000)	368,277	N/A
Net Assets per ordinary share (RM) ⁽³⁾	0.20	N/A

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

Unaudited Condensed Consolidated Statement of Financial Position⁽¹⁾ (Cont'd)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the FYE 30 June 2015 as disclosed in the Prospectus of the Company dated 28 October 2015 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (3) Based on the issued share capital of 368,277,000 after the completion of the acquisition of subsidiary companies as disclosed in Note A11 but prior to the Public Issue as detailed in Note A10.

N/A – Not applicable

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

Unaudited Condensed Consolidated Statement of Changes in Equity⁽¹⁾

	Attributable to Equity Owners of the Company					Distributable			
	Share Capital RM'000	Redeemable Convertible Preference Shares RM'000	Non-Distributable			Retained Earnings RM'000	Sub-total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
Share Premium RM'000			Revaluation Reserve RM'000	Reserve arising from Reverse Acquisition RM'000					
Current period-to-date ended 30 September 2015									
As at 1 July 2015	(3)	-	-	-	-	(664)	(664)	-	(664)
Transaction with owners Arising from the acquisition of subsidiary companies	36,828	24,002	18,414	12,094	(47,963)	27,520	70,895	788	71,683
Total comprehensive income for the period	-	-	-	-	-	2,481	2,481	13	2,494
Amortisation and depreciation transfer for leasehold land and building	-	-	-	(53)	-	53	-	-	-
Balance as at 30 September 2015	36,828	24,002	18,414	12,041	(47,963)	29,390	72,712	801	73,513

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for FYE 30 June 2015 as disclosed in the Prospectus of the Company dated 28 October 2015 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (3) RM2.00

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

Unaudited Condensed Consolidated Statement of Cash Flows⁽¹⁾

	Current Period Ended 30 September 2015 RM'000	Corresponding Period Ended 30 September 2014 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,049	N/A
<u>Adjustments for:</u>		
Amortisation and depreciation of property, plant and equipment	693	N/A
Amortisation of intangible asset	20	N/A
Interest income	(10)	N/A
Interest expenses	1,435	N/A
Gain on disposal of property, plant and equipment	*	N/A
Gain on bargain purchase arising from the acquisition of subsidiary companies	(2,852)	N/A
Inventories written off	292	N/A
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,627	N/A
<u>Changes in working capital:</u>		
Inventories	(5,558)	N/A
Receivables	(14,165)	N/A
Payables	(34,585)	N/A
Cash used in operating activities	(51,681)	N/A
Interests received	10	N/A
Interests paid	(302)	N/A
Tax paid, net of refund	(614)	N/A
NET OPERATING CASH FLOWS	(52,587)	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(158)	N/A
Proceeds from the disposal of property, plant and equipment	1	N/A
Net cash and cash equivalents acquired from the acquisition of subsidiary companies	1,114	N/A
NET INVESTING CASH FLOWS	957	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(1,133)	N/A
Drawdown of term loans	1,460	N/A
Repayment of term loans	(176)	N/A
Drawdown of bankers' acceptance	102,433	N/A
Repayments of bankers' acceptance	(72,464)	N/A
Repayment of hire purchase payables	(198)	N/A
NET FINANCING CASH FLOWS	29,922	N/A
NET CHANGE IN CASH AND CASH EQUIVALENTS	(21,708)	N/A
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	13,673	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	(8,035)	N/A
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,222	N/A
Less: Bank overdrafts	(14,257)	N/A
	(8,035)	N/A

* RM193

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

Unaudited Condensed Consolidated Statement of Cash Flows⁽¹⁾ (Cont'd)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the FYE 30 June 2015 as disclosed in the Prospectus of the Company dated 28 October 2015 and the accompanying explanatory notes as attached to this interim financial report.
- (2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

N/A – Not applicable

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 30 September 2015

A1 Basic of Preparation

The interim financial report of Kim Teck Cheong Consolidated Berhad (“**KTC Consolidated**” or the “**Company**”) and its subsidiaries (the “**Group**”) are unaudited and has been prepared in accordance with MFRS 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”), paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

Pursuant to the Acquisitions as disclosed in Note A11, the directors of KTC Consolidated have made a significant judgment that the acquisition of Kim Teck Cheong Sdn Bhd (“**KTC Sdn Bhd**”) has been accounted for as a reverse acquisition using the purchase method of accounting under *MFRS 3 Business Combination* as in substance KTC Sdn Bhd, is the accounting acquirer. Under the reverse acquisition accounting, although legally KTC Consolidated is regarded as the legal parent and KTC Sdn Bhd is regarded as the legal subsidiary company, KTC Sdn Bhd should be identified as the acquirer in accordance with MFRS 3 as it has the power to govern the financial and operating policies of KTC Consolidated so as to obtain benefits from its activities. Accordingly, the unaudited condensed consolidated financial statements of the Group represent a continuation of the financial statements of KTC Sdn Bhd (the legal subsidiary company and the acquirer for accounting purposes). Under the reverse acquisition accounting:

- (i) the assets and liabilities of the accounting acquirer, KTC Sdn Bhd, are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- (ii) the retained earnings and other equity balances of KTC Sdn Bhd immediately before the business combination are those of the Group; and
- (iii) the equity structure, however, reflects the equity structure of KTC Consolidated, including the equity instruments issued to effect the acquisition of KTC Sdn Bhd with the difference between the issued equity of KTC Consolidated and the issued equity of KTC Sdn Bhd recorded under the equity component as reserve arising from the reverse acquisition.

The detailed implications of the above accounting treatment are as follows:

- (a) Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income represents the profit or loss and other comprehensive income of the Group after reflecting the effects of the Acquisitions during the current financial period.

- (b) Unaudited Condensed Consolidated Statement of Financial Position

The unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2015 represents the financial position of the Group after reflecting the effects of the Acquisitions during the current financial period.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 30 September 2015 (cont'd)

(c) Unaudited Condensed Consolidated Statement of Changes in Equity

The unaudited Condensed Consolidated Statement of Changes in Equity for the current financial quarter ended 30 September 2015 comprises:

- the equity balances of KTC Sdn Bhd at the beginning of the financial year.
- the transactions for the current financial quarter for the three (3) months from 1 July 2015 to 30 September 2015.
- the equity balances of the Group at the end of the current financial quarter.

(d) Unaudited Condensed Consolidated Statement of Cash Flows

- the cash and cash equivalents of KTC Sdn Bhd at the beginning of the financial year.
- the transactions for the current financial quarter for the three (3) months from 1 July 2015 to 30 September 2015.
- the cash and cash equivalent balances of the Group at the end of the current financial quarter.

This interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the FYE 30 June 2015 as disclosed in the Prospectus of the Company dated 28 October 2015.

A2 Significant Accounting Policies

The significant accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the FYE 30 June 2015 as disclosed in the Accountants' Report in the Prospectus of the Company dated 28 October 2015.

A3 Auditors' Report

There was no qualification on the audited financial statements of the Group for the FYE 30 June 2015.

A4 Seasonal or Cyclical Factors

The Group does not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial quarter under review and current year-to-date.

A5 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 and current year-to-date under review.

A6 Material Changes in Estimates

There were no changes in estimates that had a material effect in the current financial quarter under review.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 30 September 2015 (cont'd)**A7 Debts and Equity Securities**

Saved as disclosed in Note A11, there were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter and current year-to-date under review.

A8 Dividend Paid

No dividend was paid during the financial quarter under review.

A9 Segmental Information**(a) Revenue by Business Activities**

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 September 2015 RM'000	30 September 2014 ⁽¹⁾ RM'000	30 September 2015 RM'000	30 September 2014 ⁽¹⁾ RM'000
Distribution of third party brands of consumer packaged goods	75,135	N/A	75,135	N/A
Distribution of own brands of consumer packaged goods	1,944	N/A	1,944	N/A
Manufacturing of bakery products	1,568	N/A	1,568	N/A
Total	<u>78,647</u>	<u>N/A</u>	<u>78,647</u>	<u>N/A</u>

(b) Revenue by Geographical Market

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30 September 2015 RM'000	30 September 2014 ⁽¹⁾ RM'000	30 September 2015 RM'000	30 September 2014 ⁽¹⁾ RM'000
<u>East Malaysia</u>				
Sabah	70,485	N/A	70,485	N/A
Sarawak	4,429	N/A	4,429	N/A
Labuan	3,733	N/A	3,733	N/A
Total	<u>78,647</u>	<u>N/A</u>	<u>78,647</u>	<u>N/A</u>

Note:

- (1) Comparative figures for the preceding financial period are not presented as this is the first interim financial report for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 30 September 2015 (Cont'd)

A10 Material Events Subsequent to the end of the Current Quarter

In conjunction with the Company's listing on the ACE Market of Bursa Securities, on 28 October 2015, the Company issued its Prospectus for its initial public offering ("**IPO**") entailing the public issue of 142,000,000 new ordinary shares of RM0.10 each in KTC Consolidated at an issue price of RM0.15 per share ("**Public Issue**") allocated in the following manner:

- 34,000,000 new ordinary shares for application by the public;
- 16,255,000 new ordinary shares for application by eligible employees and persons who have contributed to the success of the Group; and
- 91,745,000 new ordinary shares for placement to selected investors.

Upon completion of the Public Issue, the issued and paid up share capital of the Company will increase to RM75,029,558 comprising 510,277,000 ordinary shares and 24,001,858 redeemable convertible preference shares ("**RCPS**").

Pursuant thereto, the Company's entire enlarged issued and paid-up share capital is expected to be listed and quoted on the ACE Market of Bursa Securities on 25 November 2015.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 30 September 2015 (Cont'd)

A11 Changes in the Composition of the Group

KTC Consolidated entered into a conditional share sale agreement dated 3 December 2014 with Kim Teck Cheong Holdings Sdn Bhd to acquire the following:

Subsidiaries	Shareholding to be acquired %	No. of ordinary shares of RM1.00 each to be acquired	Purchase consideration RM	Satisfied via	
				Shares issued @ RM0.10 per Share	RCPS issued @ RM1.00 per RCPS
AMDA Marketing (Sabah) Sdn Bhd	100	1,000,000	4,041,409	24,467,680	1,594,641
Creamos (Malaysia) Sdn Bhd	100	500,000	59,438	359,850	23,453
Kim Teck Cheong Brands Sdn Bhd	100	2	139,829	846,560	55,173
Kim Teck Cheong Distribution Sdn Bhd	100	1,000,000	5,797,687	35,100,610	2,287,626
Kim Teck Cheong (Sarawak) Sdn Bhd	80	40,000	3,038,700	18,397,030	1,198,997
Kim Teck Cheong Sdn Bhd	100	600,000	36,768,480	222,605,350	14,507,945
Kim Teck Cheong (Tawau) Sdn Bhd	100	500,000	10,984,013	66,499,900	4,334,023
		Total	60,829,556	368,276,980	24,001,858

(Collectively hereinafter referred to as "Acquisitions")

The Acquisitions were completed on 1 July 2015, resulting in the issued and paid-up share capital increasing from 20 ordinary shares to 368,277,000 ordinary shares and 24,001,858 RCPS.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

A Explanatory Notes to the Unaudited Interim Financial Report for the period ended 30 September 2015 (Cont'd)
A12 Contingent Liabilities or Contingent Assets

Saved as disclosed below, there were no other material contingent liabilities as at the end of the current financial quarter and up to the date of this report.

	As at 30 September 2015 RM'000
Bank guarantees granted to suppliers for supply of goods to the Group	12,320
Total	12,320

A13 Capital Commitments

Saved as disclosed below, there were no other material capital commitments as at the end of the current financial quarter and up to the date of this report.

	As at 30 September 2015 RM'000
Approved and/or contracted for:	
- Acquisition of distribution business in Brunei	1,542
Total	1,542

A14 Significant Related Party Transactions

There were no significant related party transactions as at the end of the current financial quarter under review.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

B Additional Information Required by the Listing Requirements

B1 Review of Performance

The Group recorded revenue of RM78.65 million and profit before taxation of RM3.05 million for the first quarter ended 30 September 2015.

The Group's main revenue stream is derived from the distribution of third party brands of consumer packaged goods ("CPG"), which represented RM75.14 million or 95.54% of the total Group's revenue for first quarter ended 30 September 2015.

This is followed by the distribution of own brands of CPG, which accounted for RM1.94 million or 2.47% of the total Group's revenue for first quarter ended 30 September 2015.

A small proportion of the Group's business is the manufacturing of bakery products, which accounted for RM1.57 million or 1.99% of the total Group's revenue for first quarter ended 30 September 2015.

Included in the administrative expenses was amounts totaling RM1.55 million of one-off professional fees in relation to the listing on the ACE Market of Bursa Securities.

Included in the other income was amounts totaling RM2.85 million of gain on bargain purchase arising from the acquisition of subsidiary companies.

No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B2 Comparative with Preceding Quarter's Results

No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B3 Prospects

As disclosed in the Prospectus of the Company dated 28 October 2015, the Group has in place a series of future business plans that are focused in expanding its distribution and manufacturing operations which are in the following areas:

- (i) Establish a new distribution centre in Brunei;
- (ii) Acquisition of warehousing facilities in Sarawak;
- (iii) Construction of new warehousing facility in Kota Kinabalu, Sabah;
- (iv) Expansion of own brands of CPG;
- (v) New markets for manufactured bakery products;
- (vi) Expansion of manufacturing facility and new bakery products in Sabah; and
- (vii) Setting-up a new manufacturing facility for bakery products in Sarawak.

Barring any unforeseen circumstances, the Board of Directors of the Company is optimistic about the Group's performance for the financial year ending 30 June 2016.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

B Additional Information Required by the Listing Requirements (Cont'd)
B4 Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

B5 Taxation

	Current Quarter 30 September 2015 RM'000	Cumulative Quarter 30 September 2015 RM'000
Current tax expenses	566	566
Deferred tax expenses	(11)	(11)
	555	555
Effective tax rate	18.20%	18.20%

The Group's effective tax rate for the current financial quarter and current year-to-date is lower than statutory tax rate of 24% mainly due to the gain on bargain purchase arising from the acquisition of subsidiary companies.

Income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit for the fiscal year.

B6 Status of Corporate Proposals

Saved as disclosed below, there are no other proposals announced but not completed as at the date of this report.

(i) IPO

The details of the IPO exercise is as disclosed in Note A10 of this report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

B Additional Information Required by the Listing Requirements (Cont'd)**(ii) Utilisation of proceeds from the IPO**

The gross proceeds from the IPO amounting to RM21.30 million is intended to be utilised in the following manner:

Purposes		RM'000	%	Estimated Timeframe for use (from the listing date)
(i)	Acquisition of warehousing facilities including land and building, in Sibu, Miri and Kuching	9,000	42.26	Within 24 months
(ii)	Construction of new warehousing facility in Kota Kinabalu, Sabah	2,000	9.39	Within 18 months
(iii)	Purchase of equipment for the following:			
	(a) new warehousing facility in Kota Kinabalu, Sabah	1,000	4.69	Within 18 months
	(b) three (3) production lines for bakery products in Sabah	1,000	4.69	Within 12 months
	(c) a production line for bakery products in Sarawak	1,000	4.69	Within 12 months
(iv)	Working capital	4,700	22.07	Within 12 months
(v)	Estimated listing expenses	2,600	12.21	Upon Listing
Total gross proceeds		21,300	100.00	

As at the date of this report, the IPO is pending completion and hence there were no utilisation of proceeds.

B7 Group's Borrowings and Debts Securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Unsecured</u>			
Bankers' acceptance	77,590	-	77,590
Bank overdraft	14,222	-	14,222
	<u>91,812</u>	<u>-</u>	<u>91,812</u>
<u>Secured</u>			
Bankers' acceptance	94	-	94
Bank overdraft	35	-	35
Term loans	825	11,684	12,509
Hire purchase payables	882	3,424	4,306
	<u>1,836</u>	<u>15,108</u>	<u>16,944</u>
Total	<u>93,648</u>	<u>15,108</u>	<u>108,756</u>

All the Group's borrowings are dominated in Ringgit Malaysia.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015
B Additional Information Required by the Listing Requirements (Cont'd)
B8 Off Balance Sheet Financial Instruments

There is no off balance sheet financial instruments as at the date of this report.

B9 Material Litigation

As at date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board of Directors is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B10 Earnings Per Share ("EPS")

The basic and diluted EPS for the current quarter and financial year-to-date are computed as follows:

	Current Quarter ended		Year-to-date ended	
	30 September 2015 RM'000	30 September 2014 ⁽⁵⁾ RM'000	30 September 2015 RM'000	30 September 2014 ⁽⁵⁾ RM'000
Profit attributable to ordinary equity owners of the Company	2,481	N/A	2,481	N/A
Weighted average number of ordinary shares of RM0.10 each in issue('000)				
- number of ordinary shares in issue since 30 June 2015	(1)	N/A	(1)	N/A
- new ordinary shares issued on 1 July 2015 pursuant to the Acquisitions as disclosed in Note A11	368,277 ⁽²⁾	N/A	368,277 ⁽²⁾	N/A
	<u>368,277</u>	<u>N/A</u>	<u>368,277</u>	<u>N/A</u>
Basic EPS (sen)	<u>0.67⁽³⁾</u>	<u>N/A</u>	<u>0.67⁽³⁾</u>	<u>N/A</u>
Diluted EPS (sen)	<u>0.47⁽⁴⁾</u>	<u>N/A</u>	<u>0.47⁽⁴⁾</u>	<u>N/A</u>

Notes:

- (1) 20 ordinary shares.
- (2) The weighted average number of ordinary shares is based on the issued and paid-up share capital after the completion of the Acquisitions as disclosed in Note A11 but prior to the Public Issue as detailed in Note A10.
- (3) The basic EPS is computed based on the profit attributable to the owners of the Company divided by the number of ordinary shares in issue after the Acquisitions as disclosed in Note A11 but prior to the Public Issue as detailed in Note A10.
- (4) The diluted EPS is computed based on the profit attributable to the owners of the Company divided by the number of ordinary shares in issue after the Acquisitions as disclosed in Note A11 but prior to the Public Issue as detailed in Note A10 and assume the full conversion of the RCPS into 160,012,387 ordinary shares.
- (5) No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015
B Additional Information Required by the Listing Requirements (Cont'd)
B11 Dividends

No dividends has been declared or proposed for the current financial quarter under review.

B12 Disclosure of Realised and Unrealised Profits / (Losses)

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

The realised and unrealised retained earnings of the Group as at 30 September 2015 are analysed as follows:

	As at 30 September 2015 RM'000	As at 30 September 2014 ⁽¹⁾ RM'000
The retained earnings of the Company and its subsidiaries:		
- Realised	29,390	N/A
- Unrealised	-	N/A
Total Group retained earnings as per unaudited condensed financial statements	29,390	N/A

Note:

- (1) No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B13 Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Current Quarter ended		Year-to-date	
	30 September 2015 RM'000	30 September 2014 ⁽¹⁾ RM'000	30 September 2015 RM'000	30 September 2014 ⁽¹⁾ RM'000
Profit before taxation is arrived at after charging:				
Amortisation and depreciation of property, plant and equipment	693	N/A	693	N/A
Amortisation of intangible asset	20	N/A	20	N/A
Inventories written off	292	N/A	292	N/A
Finance costs	1,435	N/A	1,435	N/A
Rental expenses	294	N/A	294	N/A
After crediting:				
Gain on bargain purchase arising from the acquisition of subsidiary companies	(2,852)	N/A	(2,852)	N/A
Interest income	(10)	N/A	(10)	N/A

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

B Additional Information Required by the Listing Requirements (*Cont'd*)

Note:

- (1) No comparative figures for the preceding quarter and preceding year are available as this is the first interim financial report on the consolidated results for the first quarter ended 30 September 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

B14 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors of the Company in accordance with a resolution of the directors on 23 November 2015.

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