

CABNET HOLDINGS BERHAD (1121987-D)*(Incorporated In Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾**
(THE FIGURES HAVE NOT BEEN AUDITED)

	As at 31.03.2017 Unaudited RM'000	As at 31.12.2016 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	5,200	4,956
Investment property	550	550
Goodwill	99	99
	<u>5,849</u>	<u>5,605</u>
Current Assets		
Inventories	3,186	3,545
Amount owing by customers on contract	10,780	9,359
Trade receivables	9,852	12,843
Other receivables, deposits and prepayments	2,001	1,337
Fixed deposits with licensed banks	3,023	2,400
Cash and bank balances	6,285	5,951
	<u>35,127</u>	<u>35,435</u>
TOTAL ASSETS	<u>40,976</u>	<u>41,040</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	10,900	10,900
Reserves	18,394	16,693
Total Equity	<u>29,294</u>	<u>27,593</u>
Non-Current Liabilities		
Long-term borrowings	2,127	2,145
Deferred tax liabilities	11	11
	<u>2,138</u>	<u>2,156</u>
Current Liabilities		
Amount owing to customers on contract	-	309
Trade payables	4,507	7,192
Other payables and accruals	803	476
Short-term borrowings	3,031	2,489
Bank overdrafts	990	670
Tax payables	213	155
	<u>9,544</u>	<u>11,291</u>
Total Liabilities	<u>11,682</u>	<u>13,447</u>
TOTAL EQUITY AND LIABILITIES	<u>40,976</u>	<u>41,040</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM) ⁽²⁾	<u>0.2688</u>	<u>0.2531</u>

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 April 2017 and the accompanying explanatory notes attached to this interim financial report.

(2) Based on the Company's issued share capital of 109,000,000 ordinary shares in the Company ("**Cabinet Shares**" or "**Shares**") as at 31 March 2017.

CABNET HOLDINGS BERHAD (1121987-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2017 ⁽¹⁾**

	-- INDIVIDUAL QUARTER --		-- CUMULATIVE QUARTERS --	
	CURRENT YEAR QUARTER 31.03.2017 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2016 RM'000 (Unaudited) ⁽²⁾	CURRENT YEAR QUARTER 31.03.2017 RM'000 (Unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2016 RM'000 (Unaudited) ⁽²⁾
Revenue	11,504	N/A	11,504	N/A
Cost of sales	(8,195)	N/A	(8,195)	N/A
Gross profit	3,309	N/A	3,309	N/A
Other operating income	102	N/A	102	N/A
Selling and administrative expenses	(1,535)	N/A	(1,535)	N/A
Other operating expenses	-	N/A	-	N/A
Results from operating activities	1,876	N/A	1,876	N/A
Finance costs	(78)	N/A	(78)	N/A
Profit/ (loss) before tax	1,798	N/A	1,798	N/A
Taxation	(97)	N/A	(97)	N/A
Profit/ total comprehensive income for the period	1,701	N/A	1,701	N/A
Profit/ total comprehensive income attributable to:				
Owners of the Company	1,701	N/A	1,701	N/A
Non-controlling interests	-	N/A	-	N/A
	1,701	N/A	1,701	N/A
Earnings per share ("EPS") ^{(3)/(4)} :				
Basic and diluted EPS (sen)	1.56	N/A	1.56	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 April 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). There are no comparative figures for the preceding year quarter/year-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Based on the issued share capital of 109,000,000 Cabnet Shares as at 31 March 2017. The diluted EPS of the Group for the quarter and year-to-date ended 31 March 2017 is equivalent to the basic EPS as the Group does not have potential dilutive instruments issued or to be issued as at the end of the reporting period.
- (4) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares for the financial period.

N/A - Not applicable

CABNET HOLDINGS BERHAD (1121987-D)*(Incorporated in Malaysia)***NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2017**

The following amounts have been charged/ (credited) in arriving at profit before tax:

	-- INDIVIDUAL QUARTER --		-- CUMULATIVE QUARTERS --	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING PERIOD
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation	115	N/A	115	N/A
Gain on disposal of plant and equipment	(40)	N/A	(40)	N/A
Interest expenses	78	N/A	78	N/A
Interest income	(30)	N/A	(30)	N/A
Reversal of impairment loss on trade receivables	(1)	N/A	(1)	N/A
Rental income	(3)	N/A	(3)	N/A

Save as disclosed above and in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, other disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable to the Group.

CABNET HOLDINGS BERHAD (1121987-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2017 (1)(2)
(The figures have not been audited)

	<u>Non-distributable</u>		<u>Distributable</u>	Attributable to the Owners of the Company RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Retained profits RM'000		
Balance at 01.01.2017	10,900	5,603	11,090	27,593	27,593
Profit/ Total comprehensive income for the period	-	-	1,701	1,701	1,701
Balance at 31.03.2017	10,900	5,603	12,791	29,294	29,294

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 April 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter/ year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

CABNET HOLDINGS BERHAD (1121987-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2017 (1)
(The figures have not been audited)

	3 months ended	3 months ended
	31.03.2017	31.03.2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)(2)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,798	N/A
Adjustments for :		
Depreciation	115	N/A
Gain on disposal of plant and equipment	(40)	N/A
Reversal of impairment loss on trade receivables	(1)	N/A
Interest income	(30)	N/A
Interest expense	78	N/A
Listing expenses	23	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	1,943	N/A
Decrease in inventories	359	N/A
Increase in amount owing by customers on contract	(1,421)	N/A
Decrease in trade and other receivables	2,327	N/A
Decrease in trade other payables	(2,358)	N/A
Decrease in amount owing to customers on contract	(309)	N/A
	<hr/>	<hr/>
Cash flows from operations	541	N/A
Tax paid	(37)	N/A
Interest paid	(78)	N/A
	<hr/>	<hr/>
Net cash from operating activities	426	N/A
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	30	N/A
Purchase of property, plant and equipment	(270)	N/A
Proceeds from disposal of plant and equipment	40	N/A
	<hr/>	<hr/>
Net cash for investing activities	(200)	N/A
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Listing expenses	(23)	N/A
Placement of fixed deposits pledged to banks	(13)	N/A
Placement of fixed deposits with maturity above 3 months	(610)	N/A
Net repayment of term loan	(4)	N/A
Net drawdown of bankers' acceptance	551	N/A
Net repayment of hire loans	(113)	N/A
	<hr/>	<hr/>
Net cash for financing activities	(212)	N/A
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	14	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,281	N/A
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<hr/> <hr/>	<hr/> <hr/>
	5,295	N/A
	<hr/> <hr/>	<hr/> <hr/>
	As at	As at
	31.03.2017	31.12.2016
	RM'000	RM'000
	(Unaudited)	(Audited)
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	6,285	5,951
Bank overdrafts	(990)	(670)
	<hr/>	<hr/>
	5,295	5,281
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Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 April 2017 and the accompanying explanatory notes attached to this interim financial report.

(2) This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

CABNET HOLDINGS BERHAD (1121987-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A1 Basis of Preparation

This condensed consolidated interim financial statement (“Condensed Report”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

This is the first interim financial report on consolidated results for the first quarter ended 31 March 2017 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The Condensed Report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Group dated 28 April 2017 and the accompanying explanatory notes attached to this Condensed Report.

A2 Significant Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Group dated 28 April 2017, except for the adoption of the following during the current financial period:

MFRS, Amendments to MFRS and IC Interpretation		Effective for annual periods beginning on or after
Amendments to MFRS 107	Statement of Cash Flows – Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements 2014-2016 Cycle)	1 January 2017

The adoption of the above pronouncements did not have any material financial impact to the Group.

The Group has not early adopted any new or revised standards, amendments or IC Interpretations which are applicable to the Group that have been issued by the MASB but are not yet effective for the Group’s current financial year ending 31 December 2017.

A3 Auditors’ Report of preceding annual financial statements

The preceding year’s audited financial statements of the Group did not contain any qualification.

CABNET HOLDINGS BERHAD (1121987-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A4 Seasonal or Cyclical Factors Affecting Operations

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5 Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 31 March 2017.

A6 Material Changes in Estimates

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

A7 Changes in Debt and Equity Securities

There were no issuance and repayment of debt securities, share buyback, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 March 2017.

A8 Dividends Paid

No dividend has been paid during the financial period ended 31 March 2017.

A9 Segmental Reporting

(i) Operating Segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely building management solutions which comprise structured cabling, extra low voltage (“ELV”) systems and information technology services as a complimentary offering to building management solutions.

(ii) Geographical Segment

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

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CABNET HOLDINGS BERHAD (1121987-D)
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NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A10 Material Events Subsequent to the end of the Reporting Period

On 28 April 2017, the Company issued its Prospectus and undertook a public issue of 21,000,000 new Shares at an issue price of RM0.56 per Share, representing approximately 16.15% of the enlarged issued share capital of RM22,660,000 comprising 130,000,000 Shares (“enlarged issued share capital”), allotted in the following manner:

- 7,000,000 new Shares available for application by the Malaysian public;
- 4,000,000 new Shares available for application by the eligible directors, key management personnel, employees and persons who have contributed to the success of the Group; and
- 10,000,000 new Shares available for application by way of private placement to selected investors.

Upon completion of public issue, the Company is expected to be admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital shall be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group in current financial quarter and financial period under review.

A12 Contingent Liabilities and Contingent Assets

As at 31 March 2017, save as disclosed below, the Group has no pending material contingent liabilities that, upon becoming enforceable, may have a material impact on our financial performance and or position.

	As at 31 March 2017
	RM’000
Guarantees given to third parties in relation to contracts and trade performance	1,205

The guarantees are tender bonds (on submission of tender) and performance bond (upon award of contracts). To date, our Group has not experienced any enforcement of guarantees arising from non-performance of projects.

The Group has no contingent assets as at 31 March 2017.

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CABNET HOLDINGS BERHAD (1121987-D)
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NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORT

A13 Capital Commitment

The Group has no material capital commitments as at 31 March 2017.

A14 Significant related party transactions

There were no significant related party transactions in the current financial quarter and financial period under review.

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CABNET HOLDINGS BERHAD (1121987-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of Performance

For the first quarter ended 31 March 2017, the Group achieved consolidated revenue of RM11.50 million. The Group's revenue was derived from provision of building management solutions which mainly comprised ELV systems and structured cabling works. The Group recorded a profit after tax of RM1.70 million for the current quarter under review.

Comparison to preceding year corresponding quarter

This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

B2 Material Changes in Profit before Taxation for the Current Quarter with Immediate Preceding Quarter

This is the first interim financial report announced in compliance with the Listing Requirements. There are no comparative figures for the immediate preceding quarter as no interim financial report was prepared for the comparative financial period concerned.

B3 Prospects Commentary

As disclosed in the Prospectus of the Company dated 28 April 2017, the Group intends to focus on the following business strategies for the future growth and expansion of its business:

- (i) To increase and strengthen its market presence in Johor, while pursuing more opportunities for more projects outside Johor;
- (ii) To strengthen its ELV systems segment with the introduction of its integrated security solutions software, known as Cabnet Integrated Security Solutions; and
- (iii) To offer video monitoring solutions in collaboration with NetPosa Technologies (Hong Kong) Limited.

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 December 2017 will remain favourable.

B4 Variance of Actual Profit from Forecast Profit & Shortfall on Profit Guarantee

There is no profit forecast prepared for public release and no profit guarantee provided by the Group for the current financial period.

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CABNET HOLDINGS BERHAD (1121987-D)
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NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5 Taxation

	Quarter ended 31.03.2017	Year-to-date 31.03.2017
	RM'000	RM'000
Income tax:		
- current period	97	97
Tax expense	97	97

The effective tax rate for the current quarter and year-to-date of 5.4% is lower than the statutory tax rate of 24.0% mainly due to tax incentive enjoyed by one of the subsidiary company, i.e. full tax exemption on statutory income derived from its ELV systems and structured cabling works segments.

B6 Status of Corporate Proposals

Save as disclosed in note A10, there were no other corporate proposals announced by the Company as at the date of issue of this quarterly report:

Status of Utilisation of Proceeds from the Initial Public Offering (“IPO”)

The gross proceeds arising from the Public Issue (details of which have been disclosed under Note A10) of RM11.76 million is intended to be utilised in the manner set out below:

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended time frame for Utilisation from the date of listing
Working capital - Purchase of equipment for projects	5,260	-	Within 24 months
R&D expenditure	500	-	Within 24 months
Repayment of bank borrowings	3,000	-	Within 4 months
Estimated listing expenses	3,000	-	Within 1 month
Total	11,760	-	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 April 2017.

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

CABNET HOLDINGS BERHAD (1121987-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7 Group Borrowings and Debt Securities

As at 31 March 2017, our Group's total outstanding borrowings, all of which are interest-bearing, were as follows:

	RM'000
(a) Short-term debt	
<u>Secured and guaranteed</u>	
Bank overdrafts	990
Bankers' acceptance	2,802
Hire purchase payables	215
Term loans	14
Total short-term debt	4,021
(b) Long-term debt	
<u>Secured and guaranteed</u>	
Hire purchase payables	463
Term loans	1,664
	2,127
Total loans and borrowings	6,148

All the above borrowings are denominated in Ringgit Malaysia.

B8 Changes in Material Litigation

There were no pending material litigations as at 12 May 2017 being a date not earlier than 7 days from the date of this quarterly report.

B9 Dividends

No dividend is recommended for the current quarter.

B10 Earnings/ (loss) per Share

The basic and diluted earnings per share are calculated as follows:

	Quarter ended 31.03.2017	Year-to-date 31.03.2017
Profit for the period attributable to ordinary equity holders of the company (RM'000)	1,701	1,701
Weighted average number of ordinary shares in issue ('000)	109,000	109,000
Basic and diluted earnings per share (sen)	1.56	1.56

CABNET HOLDINGS BERHAD (1121987-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11 Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group into realised and unrealised profits is as follows:

	As at 31.03.2017 (Unaudited)	As at 31.12.2016 (Audited)
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	21,538	19,837
- Unrealised	(11)	(11)
	21,527	19,826
Less: Consolidation adjustments	(8,736)	(8,736)
Total group retained profits	12,791	11,090

B12 Authorised for issue

The interim financial statements were authorised by the Board of Directors in accordance with the resolution of the Directors on 18 May 2017.

By Order of the Board,

Woo Min Fong (MAICSA 0532413)
 Santhi A/P Saminathan (MIA 37094)
 Company Secretaries
 Johor Bahru
 Date: 18 May 2017
 c.c. Securities Commission