

**HIAP TECK VENTURE BERHAD**  
**(Company No:421340-U)**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for 3rd quarter from 1 February 2016 to 30 April 2016**

|                                                                      | Individual Quarter   |                                      | Cumulative Quarter   |                                     |
|----------------------------------------------------------------------|----------------------|--------------------------------------|----------------------|-------------------------------------|
|                                                                      | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To-date | Preceding Year Corresponding Period |
|                                                                      | 30/04/2016           | 30/04/2015                           | 30/04/2016           | 30/04/2015                          |
|                                                                      | RM'000               | RM'000                               | RM'000               | RM'000                              |
| <b>Revenue</b>                                                       | 285,053              | 335,045                              | 877,520              | 943,617                             |
| Cost of Sales                                                        | (253,311)            | (302,586)                            | (793,645)            | (860,480)                           |
| Gross Profit                                                         | 31,742               | 32,459                               | 83,875               | 83,137                              |
| Other Income                                                         | 3,503                | 9,217                                | 13,547               | 28,567                              |
| Operating Expenses                                                   | (13,108)             | (15,825)                             | (40,732)             | (46,142)                            |
| Other Expenses                                                       | (4,596)              | (10,093)                             | (3,635)              | (10,562)                            |
| Profit from Operations                                               | 17,541               | 15,758                               | 53,055               | 55,000                              |
| Finance Costs                                                        | (8,166)              | (8,114)                              | (23,406)             | (23,235)                            |
| Share of profit/(loss) of equity accounted investees, net of tax     | 3,166                | (12,473)                             | (72,063)             | (33,555)                            |
| <b>Profit/(Loss) Before Tax</b>                                      | 12,541               | (4,829)                              | (42,414)             | (1,790)                             |
| Income tax                                                           | (2,015)              | (358)                                | (7,455)              | (6,641)                             |
| <b>Profit/(Loss) for the Period</b>                                  | 10,526               | (5,187)                              | (49,869)             | (8,431)                             |
| <b>Other Comprehensive Income</b>                                    |                      |                                      |                      |                                     |
| Net loss on available-for-sale financial assets - fair value changes | (163)                | (31)                                 | (544)                | (174)                               |
| Foreign currency translation                                         | (506)                | 6                                    | (737)                | (83)                                |
|                                                                      | (669)                | (25)                                 | (1,281)              | (257)                               |
| <b>Total Comprehensive Income</b>                                    | 9,857                | (5,212)                              | (51,150)             | (8,688)                             |
| <b>Profit/(Loss) Attributable to:</b>                                |                      |                                      |                      |                                     |
| Owners of the parent                                                 | 10,589               | (5,187)                              | (49,436)             | (8,427)                             |
| Minority Interest                                                    | (63)                 | -                                    | (433)                | (4)                                 |
|                                                                      | 10,526               | (5,187)                              | (49,869)             | (8,431)                             |
| <b>Total Comprehensive Income Attributable to:</b>                   |                      |                                      |                      |                                     |
| Owners of the parent                                                 | 9,920                | (5,212)                              | (50,717)             | (8,684)                             |
| Minority Interest                                                    | (63)                 | -                                    | (433)                | (4)                                 |
|                                                                      | 9,857                | (5,212)                              | (51,150)             | (8,688)                             |
| Loss Per Share (LPS)                                                 |                      |                                      |                      |                                     |
| (a) Basic (sen)                                                      | 1.49                 | (0.73)                               | (6.93)               | (1.19)                              |
| (b) Diluted (sen)                                                    | N/A                  | (0.72)                               | N/A                  | (1.17)                              |

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

**HIAP TECK VENTURE BERHAD**  
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**Condensed Consolidated Statements of Financial Position as at 30 April 2016**

|                                                                         | <b>30/04/2016</b><br><b>(Unaudited)</b> | <b>31/7/2015</b><br><b>(Audited)</b> |
|-------------------------------------------------------------------------|-----------------------------------------|--------------------------------------|
|                                                                         | <b>RM'000</b>                           | <b>RM'000</b>                        |
| <b>ASSETS</b>                                                           |                                         |                                      |
| <b>Non-current assets</b>                                               |                                         |                                      |
| Property, plant and equipment                                           | 260,180                                 | 275,714                              |
| Mining exploration & evaluation asset                                   | 19,415                                  | 18,704                               |
| Investment properties                                                   | 7,516                                   | 7,635                                |
| Investment in jointly controlled entity                                 | 82,316                                  | 154,376                              |
| Investment in associate                                                 | 476                                     | 479                                  |
| Available-for-sale - financial assets                                   | 1,561                                   | 2,106                                |
| Deferred tax assets                                                     | 45                                      | 1,351                                |
| Trade and other receivables (Amount due from jointly controlled entity) | 220,876                                 | 152,336                              |
|                                                                         | <u>592,385</u>                          | <u>612,701</u>                       |
| <b>Current assets</b>                                                   |                                         |                                      |
| Inventories                                                             | 186,942                                 | 293,157                              |
| Trade and other receivables                                             | 608,082                                 | 534,221                              |
| Tax recoverable                                                         | 2,840                                   | 2,109                                |
| Available-for-sale - financial assets                                   | 16,769                                  | 1,234                                |
| Cash and cash equivalents                                               | 93,293                                  | 65,484                               |
|                                                                         | <u>907,926</u>                          | <u>896,205</u>                       |
| <b>Total assets</b>                                                     | <u><b>1,500,311</b></u>                 | <u><b>1,508,906</b></u>              |
| <b>EQUITY AND LIABILITIES</b>                                           |                                         |                                      |
| <b>Equity</b>                                                           |                                         |                                      |
| Share capital                                                           | 359,195                                 | 359,195                              |
| Share premium                                                           | 38,160                                  | 38,160                               |
| Treasury shares                                                         | (7,496)                                 | (7,496)                              |
| Warrant reserve                                                         | 18,459                                  | 18,459                               |
| Foreign reserve                                                         | (877)                                   | (140)                                |
| Share option reserve                                                    | 4,078                                   | 3,742                                |
| Fair value adjustment reserve                                           | (1,048)                                 | (504)                                |
| Equity component of redeemable convertible secured bonds, net of tax    | (353)                                   | (353)                                |
| Retained profits                                                        | 409,511                                 | 461,086                              |
|                                                                         | <u><b>819,629</b></u>                   | <u><b>872,149</b></u>                |
| Minority Interest                                                       | 359                                     | 792                                  |
| <b>Total equity</b>                                                     | <u><b>819,988</b></u>                   | <u><b>872,941</b></u>                |
| <b>Non-current liabilities</b>                                          |                                         |                                      |
| Borrowings                                                              | 137,498                                 | 131,346                              |
| Deferred tax liabilities                                                | 11,506                                  | 11,351                               |
|                                                                         | <u>149,004</u>                          | <u>142,697</u>                       |
| <b>Current liabilities</b>                                              |                                         |                                      |
| Borrowings                                                              | 432,411                                 | 395,380                              |
| Trade and other payables                                                | 98,419                                  | 97,347                               |
| Tax payable                                                             | 489                                     | 541                                  |
|                                                                         | <u>531,319</u>                          | <u>493,268</u>                       |
| <b>Total liabilities</b>                                                | <u><b>680,323</b></u>                   | <u><b>635,965</b></u>                |
| <b>Total equity and liabilities</b>                                     | <u><b>1,500,311</b></u>                 | <u><b>1,508,906</b></u>              |
| Net assets per share attributable to owners of the parent (RM)          | 1.15                                    | 1.22                                 |

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statement.

**HIAP TECK VENTURE BERHAD**  
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**Condensed Consolidated Statements of Cash Flows for the period ended 30 April 2016**

|                                                         | <b>Current<br/>Year<br/>To-date<br/>30/04/2016<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Period<br/>30/04/2015<br/>RM'000</b> |
|---------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------|
| <b><u>Operating Activities</u></b>                      |                                                               |                                                                              |
| (Loss)/Profit Before Tax                                | (42,414)                                                      | (1,790)                                                                      |
| Adjustments for:                                        |                                                               |                                                                              |
| Allowance for doubtful debts                            | -                                                             | 14                                                                           |
| Depreciation of investment property                     | 119                                                           | 119                                                                          |
| Depreciation of property, plant and equipment           | 16,693                                                        | 17,649                                                                       |
| Equity-settled share based payments                     | 336                                                           | 781                                                                          |
| Gain on bargain purchase                                | -                                                             | (71)                                                                         |
| Gain on disposal of property, plant and equipment       | (2,432)                                                       | (1,749)                                                                      |
| Interest expense                                        | 23,406                                                        | 23,235                                                                       |
| Finance income:                                         |                                                               |                                                                              |
| Available-for-sale financial assets                     | (544)                                                         | (1,360)                                                                      |
| Deposits                                                | (1,009)                                                       | (262)                                                                        |
| Jointly controlled entity                               | -                                                             | (14,989)                                                                     |
| Net overdue interest income                             | (302)                                                         | (127)                                                                        |
| Net unrealised foreign exchange loss / (gain)           | 2,348                                                         | (1,448)                                                                      |
| Property, plant and equipment written off               | 95                                                            | 104                                                                          |
| Provision for loss of inventories                       | -                                                             | 8,472                                                                        |
| Share of loss of equity accounted investees, net of tax | 72,063                                                        | 33,555                                                                       |
| Operating profit before changes in working capital      | 68,359                                                        | 62,133                                                                       |
| Net change in current assets                            | 49,977                                                        | (56,905)                                                                     |
| Net change in current liabilities                       | 1,073                                                         | (24,893)                                                                     |
| Cash from / (used in) operations                        | 119,409                                                       | (19,665)                                                                     |
| Interest paid                                           | (19,037)                                                      | (24,126)                                                                     |
| Net overdue interest income received                    | 302                                                           | 127                                                                          |
| Taxes paid, net of taxes refunded                       | (6,775)                                                       | (7,665)                                                                      |
| <b>Net cash from / (used in) operating activities</b>   | <b>93,899</b>                                                 | <b>(51,329)</b>                                                              |
| <b><u>Investing Activities</u></b>                      |                                                               |                                                                              |
| Finance income:                                         |                                                               |                                                                              |
| Available-for-sale financial assets                     | 544                                                           | 1,360                                                                        |
| Deposits                                                | 1,009                                                         | 262                                                                          |
| Jointly controlled entity                               | -                                                             | 14,989                                                                       |
| Investment in available-for-sale financial assets       | (15,535)                                                      | (18,490)                                                                     |
| Investment in share of associate                        | -                                                             | (480)                                                                        |
| Acquisition of subsidiary, net of cash received         | -                                                             | 47                                                                           |
| Proceeds from disposal of property, plant and equipment | 2,954                                                         | 2,254                                                                        |
| Purchase of property, plant and equipment               | (1,509)                                                       | (7,861)                                                                      |
| Additions to mining exploration and evaluation asset    | (711)                                                         | (1,049)                                                                      |
| Advances to jointly controlled entity                   | (97,218)                                                      | (15,312)                                                                     |
| <b>Net cash used in investing activities</b>            | <b>(110,466)</b>                                              | <b>(24,280)</b>                                                              |
| <b><u>Financing Activities</u></b>                      |                                                               |                                                                              |
| Dividends paid                                          | (2,139)                                                       | (4,277)                                                                      |
| Issuance of ordinary shares                             | -                                                             | 217                                                                          |
| Purchase of treasury shares                             | -                                                             | (1)                                                                          |
| Drawdown/(repayment) of borrowings                      | 47,399                                                        | 69,743                                                                       |
| <b>Net cash from financing activities</b>               | <b>45,260</b>                                                 | <b>65,682</b>                                                                |
| Net Change in Cash and Cash Equivalents                 | 28,693                                                        | (9,927)                                                                      |
| Effect of exchange rate changes                         | (884)                                                         | (18)                                                                         |
| Cash and Cash Equivalents at beginning of period        | 65,484                                                        | 56,677                                                                       |
| Cash and Cash Equivalents at end of period              | <b>93,293</b>                                                 | <b>46,732</b>                                                                |

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Changes in Equity for the period ended 30 April 2016

|                                                                                   | ----- Attributable to equity holders of the parent -----> |                              |                            |                              |                              |                                      |                                               |                                                                                         |                               |                 |                                 |                           |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------|-----------------|---------------------------------|---------------------------|
|                                                                                   | ----- Non-distributable -----                             |                              |                            |                              |                              |                                      |                                               | <-Distributable->                                                                       |                               |                 |                                 |                           |
|                                                                                   | Share<br>Capital<br>RM'000                                | Treasury<br>Shares<br>RM'000 | Share<br>Premium<br>RM'000 | Warrant<br>Reserve<br>RM'000 | Foreign<br>Reserve<br>RM'000 | Share<br>Option<br>Reserve<br>RM'000 | Fair Value<br>Adjustment<br>Reserve<br>RM'000 | Equity Component<br>of Redeemable<br>Convertible Secured<br>Bonds, net of tax<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>RM'000 | Minority<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>As at end of current quarter ended 30 April 2016</b>                           |                                                           |                              |                            |                              |                              |                                      |                                               |                                                                                         |                               |                 |                                 |                           |
| Opening balance as at 1 August 2015                                               | 359,195                                                   | (7,496)                      | 38,160                     | 18,459                       | (140)                        | 3,742                                | (504)                                         | (353)                                                                                   | 461,086                       | 872,149         | 792                             | 872,941                   |
| <b>Total comprehensive income</b>                                                 | -                                                         | -                            | -                          | -                            | (737)                        | -                                    | (544)                                         | -                                                                                       | (49,436)                      | (50,717)        | (433)                           | (51,150)                  |
| <b>Transactions with owners</b>                                                   |                                                           |                              |                            |                              |                              |                                      |                                               |                                                                                         |                               |                 |                                 |                           |
| Equity-settled share based payments                                               | -                                                         | -                            | -                          | -                            | -                            | 336                                  | -                                             | -                                                                                       | -                             | 336             | -                               | 336                       |
| Final dividend for the financial year ended 31 July 2015<br>(Single tier of 0.6%) | -                                                         | -                            | -                          | -                            | -                            | -                                    | -                                             | -                                                                                       | (2,139)                       | (2,139)         | -                               | (2,139)                   |
| <b>Transactions with owners</b>                                                   | -                                                         | -                            | -                          | -                            | -                            | 336                                  | -                                             | -                                                                                       | (2,139)                       | (1,803)         | -                               | (1,803)                   |
| <b>Closing balance as at 30 April 2016</b>                                        | <b>359,195</b>                                            | <b>(7,496)</b>               | <b>38,160</b>              | <b>18,459</b>                | <b>(877)</b>                 | <b>4,078</b>                         | <b>(1,048)</b>                                | <b>(353)</b>                                                                            | <b>409,511</b>                | <b>819,629</b>  | <b>359</b>                      | <b>819,988</b>            |
| <b>As at preceding year corresponding quarter ended 30 April 2015</b>             |                                                           |                              |                            |                              |                              |                                      |                                               |                                                                                         |                               |                 |                                 |                           |
| Opening balance as at 1 August 2014                                               | 358,978                                                   | (7,495)                      | 38,143                     | 18,459                       | (107)                        | 2,591                                | (36)                                          | (353)                                                                                   | 542,453                       | 952,633         | -                               | 952,633                   |
| <b>Total comprehensive income</b>                                                 | -                                                         | -                            | -                          | -                            | (83)                         | -                                    | (174)                                         | -                                                                                       | (8,427)                       | (8,684)         | (4)                             | (8,688)                   |
| <b>Transactions with owners</b>                                                   |                                                           |                              |                            |                              |                              |                                      |                                               |                                                                                         |                               |                 |                                 |                           |
| Share options exercised                                                           | 217                                                       | -                            | -                          | -                            | -                            | -                                    | -                                             | -                                                                                       | -                             | 217             | -                               | 217                       |
| Purchase of treasury shares                                                       | -                                                         | (1)                          | -                          | -                            | -                            | -                                    | -                                             | -                                                                                       | -                             | (1)             | -                               | (1)                       |
| Transfer to share premium for share options exercised                             | -                                                         | -                            | 17                         | -                            | -                            | (17)                                 | -                                             | -                                                                                       | -                             | -               | -                               | -                         |
| Equity-settled share based payment                                                | -                                                         | -                            | -                          | -                            | -                            | 781                                  | -                                             | -                                                                                       | -                             | 781             | -                               | 781                       |
| Minority Interest on Acquisition of Subsidiary                                    | -                                                         | -                            | -                          | -                            | -                            | -                                    | -                                             | -                                                                                       | -                             | -               | 509                             | 509                       |
| Final dividend for the financial year ended 31 July 2014<br>(Single tier of 1.2%) | -                                                         | -                            | -                          | -                            | -                            | -                                    | -                                             | -                                                                                       | (4,277)                       | (4,277)         | -                               | (4,277)                   |
| <b>Transactions with owners</b>                                                   | <b>217</b>                                                | <b>(1)</b>                   | <b>17</b>                  | <b>-</b>                     | <b>-</b>                     | <b>764</b>                           | <b>-</b>                                      | <b>-</b>                                                                                | <b>(4,277)</b>                | <b>(3,280)</b>  | <b>509</b>                      | <b>(2,771)</b>            |
| <b>Closing balance as at 30 April 2015</b>                                        | <b>359,195</b>                                            | <b>(7,496)</b>               | <b>38,160</b>              | <b>18,459</b>                | <b>(190)</b>                 | <b>3,355</b>                         | <b>(210)</b>                                  | <b>(353)</b>                                                                            | <b>529,749</b>                | <b>940,669</b>  | <b>505</b>                      | <b>941,174</b>            |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements