

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2016

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DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2016**

RM'000	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	QUARTER ENDED	QUARTER ENDED	YEAR-TO-DATE ENDED	YEAR-TO-DATE ENDED
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	Unaudited	Unaudited	Unaudited	Unaudited
Continuing operations				
Revenue	139,247	128,772	407,363	446,574
Cost of sales	(108,673)	(96,773)	(320,016)	(341,230)
Gross profit	30,574	31,999	87,347	105,344
Other operating income	396	578	1,700	1,664
Selling and distribution costs	(5,660)	(6,385)	(19,349)	(21,460)
Administrative expenses	(11,251)	(12,170)	(34,964)	(37,760)
Other operating (losses) / gains	(3,587)	3,098	777	3,457
Operating profit	10,472	17,120	35,511	51,245
Finance costs	(1,295)	(1,822)	(4,139)	(5,794)
Share of results of a joint venture (net of tax)	185	175	493	788
Share of results of associates (net of tax)	(116)	726	198	5,982
Profit before tax	9,246	16,199	32,063	52,221
Income tax expense	(5,539)	(3,640)	(11,605)	(11,054)
Profit from continuing operations	3,707	12,559	20,458	41,167
Discontinued operation				
Profit from discontinued operation (net of tax)	0	0	0	1,041
Profit for the period	3,707	12,559	20,458	42,208
Other comprehensive income				
Currency translation differences	44	987	(152)	1,471
Total comprehensive income for the period	3,751	13,546	20,306	43,679
Profit attributable to:				
- Equity holders of the Company	3,346	9,056	16,634	34,372
- Non-controlling interests	361	3,503	3,824	7,836
	3,707	12,559	20,458	42,208
Total comprehensive income attributable to:				
- Equity holders of the Company	3,320	9,356	16,615	34,839
- Non-controlling interests	431	4,190	3,691	8,840
	3,751	13,546	20,306	43,679
Earnings per share (EPS) attributable to equity holders of the Company (sen)				
- Basic EPS				
- From continuing operations	0.84	2.26	4.16	8.33
- From discontinued operation	0.00	0.00	0.00	0.26
	<u>0.84</u>	<u>2.26</u>	<u>4.16</u>	<u>8.59</u>
- Diluted EPS				
- From continuing operations	0.83	2.25	4.10	8.29
- From discontinued operation	0.00	0.00	0.00	0.26
	<u>0.83</u>	<u>2.25</u>	<u>4.10</u>	<u>8.55</u>

The above unaudited condensed interim consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

RM'000	As at 30/09/2016	As at 31/12/2015
	Unaudited	Audited
ASSETS		
Property, plant and equipment	204,546	226,786
Investment properties	847	865
Intangible assets	2,654	3,091
Associates	44,688	44,750
Joint venture	27,515	27,022
Deferred tax assets	2,560	6,306
Non-current Assets	282,810	308,820
Inventories	21,117	20,440
Amounts due from an associate	14	1,616
Amounts due from a joint venture	138	177
Trade receivables	123,570	175,467
Deferred cost	6,195	9,226
Other receivables, deposits and prepayments	13,849	18,651
Tax recoverable	6,083	3,657
Restricted cash	10,979	10,882
Cash and cash equivalents	118,199	123,830
Current Assets	300,144	363,946
TOTAL ASSETS	582,954	672,766
EQUITY AND LIABILITIES		
Share capital	200,000	200,000
Equity - share based payment	540	206
Retained earnings	142,889	145,255
Merger deficit	(50,000)	(50,000)
Foreign currency translation	(2,755)	(2,736)
Equity attributable to equity holders of the Company	290,674	292,725
Non-controlling interests	28,327	26,262
Total Equity	319,001	318,987
Borrowings	61,499	79,960
Deferred tax liabilities	21,282	18,662
Non-current Liabilities	82,781	98,622
Trade payables	88,769	144,471
Deferred revenue	10,641	8,883
Other payables and accruals	18,543	33,272
Amounts due to an associate	7,234	7,517
Amounts due to a joint venture	120	299
Dividend payable	299	343
Taxation	0	2,946
Borrowings	55,566	57,426
Current Liabilities	181,172	255,157
Total Liabilities	263,953	353,779
TOTAL EQUITY AND LIABILITIES	582,954	672,766

The above unaudited condensed interim consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2016

	← Issued and fully paid ordinary shares of RM0.50 each		Attributable to equity holders of the Company				Non-controlling interests	Total equity	
			-----Non-distributable-----		Distributable				
	Number of shares '000	Nominal value RM'000	Share based payment RM'000	Foreign currency translation RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2015	400,000	200,000	0	(3,050)	(50,000)	127,843	274,793	30,129	304,922
Profit for the financial period	0	0	0	0	0	34,372	34,372	7,836	42,208
Other comprehensive income for the period	0	0	0	467	0	0	467	1,004	1,471
Total comprehensive income for the period	0	0	0	467	0	34,372	34,839	8,840	43,679
Share based payment	0	0	144	0	0	0	144	0	144
Dividend	0	0	0	0	0	(28,000)	(28,000)	(11,088)	(39,088)
Change in ownership interest in a subsidiary	0	0	0	0	0	4	4	(3,173)	(3,169)
At 30 September 2015	<u>400,000</u>	<u>200,000</u>	<u>144</u>	<u>(2,583)</u>	<u>(50,000)</u>	<u>134,219</u>	<u>281,780</u>	<u>24,708</u>	<u>306,488</u>
At 1 January 2016	400,000	200,000	206	(2,736)	(50,000)	145,255	292,725	26,262	318,987
Profit for the financial period	0	0	0	0	0	16,634	16,634	3,824	20,458
Other comprehensive income for the period	0	0	0	(19)	0	0	(19)	(133)	(152)
Total comprehensive income for the period	0	0	0	(19)	0	16,634	16,615	3,691	20,306
Share based payment	0	0	334	0	0	0	334	0	334
Dividend	0	0	0	0	0	(19,000)	(19,000)	(1,626)	(20,626)
At 30 September 2016	<u>400,000</u>	<u>200,000</u>	<u>540</u>	<u>(2,755)</u>	<u>(50,000)</u>	<u>142,889</u>	<u>290,674</u>	<u>28,327</u>	<u>319,001</u>

The above unaudited condensed interim consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2016

RM'000	YEAR-TO-DATE ENDED	
	30/09/2016	30/09/2015
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	20,458	42,208
<u>Adjustments for:</u>		
Impairment for doubtful debts:		
Trade receivables		
- impairment made	281	576
- write back of impairment	(3)	(301)
Other receivables		
- write back of impairment	(2,418)	0
Allowance for slow moving inventories:		
- write back of allowance	(78)	(32)
Amortisation of intangible assets	825	660
Financial guarantee receivables	(14)	(11)
Depreciation:		
- property, plant and equipment	24,561	20,993
- investment properties	18	17
Bad debts written off:		
- trade receivables	12	105
- other receivables	60	0
Provision for liquidated damages		
- provision made	295	2
Gain on disposals of property, plant and equipment	(93)	(162)
Write-off:		
- inventories	115	0
Interest income	(1,123)	(859)
Finance cost	4,139	5,822
Share based payment expense	334	144
Share of results of associates	(198)	(5,982)
Share of results of a joint venture	(493)	(788)
Tax expense	11,605	11,032
Unrealised foreign exchange gains	(1,921)	(6,512)
Gain from sale of discontinued operation	0	(1,127)
Operating profit before working capital changes	56,362	65,785
<u>Changes in working capital</u>		
Inventories	(714)	5,958
Amounts due from a joint venture	(141)	0
Trade receivables	53,940	58,601
Deferred costs	3,031	5,679
Other receivables, deposits and prepayments	7,317	(3,320)
Trade payables	(55,384)	(37,175)
Other payables and accruals	(14,398)	(19,518)
Deferred revenue	1,758	(3,524)
Cash generated from operations	51,771	72,486
Tax paid	(10,671)	(12,129)
Tax refunded	60	252
Interest paid	(4,020)	(5,705)
Net cash generated from operating activities	37,140	54,904

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UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2016 (CONTINUED)

RM'000	YEAR-TO-DATE ENDED	
	30/09/2016	30/09/2015
	Unaudited	Unaudited
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,112	857
Property, plant and equipment		
- Purchases	(3,332)	(24,296)
- Proceeds from disposals	394	493
Purchases of intangible assets	(388)	(531)
Dividend received from associates	1,600	4,332
Amounts due from an associate	2	(7)
Amounts due from a joint venture	180	(447)
Amounts due to an associate	(283)	7,691
Amounts due to a joint venture	(179)	419
Net cash used in investing activities	(894)	(11,489)
CASH FLOWS FROM FINANCING ACTIVITIES		
Revolving credit		
- Drawn down	1,150	7,500
- Repayment	(3,000)	(6,000)
Loans against import		
- Drawn down	2,073	6,083
- Repayment	(2,073)	(4,077)
Term loan		
- Repayment	(18,450)	(12,450)
Repayment of hire purchase under finance lease	(21)	(25)
Acquisition of non-controlling interest	0	(3,169)
Dividends paid to:		
- Shareholders	(18,942)	(27,774)
- Non-controlling interest	(1,728)	(10,145)
Increase in restricted cash	(97)	(10,205)
Net cash used in financing activities	(41,088)	(60,262)
Net decrease in cash and cash equivalents	(4,842)	(16,847)
Foreign currency translation	(789)	5,262
Disposal of discontinued operation	0	(5,878)
Cash and cash equivalents at beginning of the period	123,830	80,717
Cash and cash equivalents at end of period	118,199	63,254
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits	94,462	41,645
Cash and bank balances	34,716	32,537
	129,178	74,182
Restricted cash	(10,979)	(10,928)
Cash and cash equivalents at end of period	118,199	63,254

The above consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.