

## Interim Financial Statements for the Third Quarter Ended 30 September 2016

## Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

for the Third Quarter Ended 30 September 2016

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/09/2016</u> RM'000	Preceding Year Corresponding Quarter <u>30/09/2015</u> RM'000	Current Year To-Date <u>30/09/2016</u> RM'000	Preceding Year Corresponding Period <u>30/09/2015</u> RM'000
Revenue	105,352	133,294	357,695	435,622
Operating expenses	(108,253)	(134,205)	(361,477)	(436,819)
Other operating income	4,274	1,460	7,940	11,577
Profit from operations	1,373	549	4,158	10,380
Finance costs	(1,321)	(1,491)	(3,993)	(4,372)
Profit before taxation	52	(942)	165	6,008
Taxation	(436)	(289)	(1,777)	(2,000)
<b>(Loss)/Profit after taxation</b>	<b>(384)</b>	<b>(1,231)</b>	<b>(1,612)</b>	<b>4,008</b>
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Available-for-sale financial assets	2	9	(20)	29
Currency translation differences	17	92	1	137
Other comprehensive income, net of tax	19	101	(19)	166
<b>Total comprehensive (expense)/income</b>	<b>(365)</b>	<b>(1,130)</b>	<b>(1,631)</b>	<b>4,174</b>
(Loss)/Profit for the period attributable to:				
Owners of the parent	(445)	(1,492)	(1,893)	2,148
Non-controlling interests	61	261	281	1,860
	<b>(384)</b>	<b>(1,231)</b>	<b>(1,612)</b>	<b>4,008</b>
Total comprehensive (expense)/income for the period attributable to:				
Owners of the parent	(425)	(1,391)	(1,912)	2,314
Non-controlling interests	60	261	281	1,860
	<b>(365)</b>	<b>(1,130)</b>	<b>(1,631)</b>	<b>4,174</b>
Earnings per share attributable to owners of the parent				
- Basic (sen)	(0.61)	(2.06)	(2.61)	2.96
- Diluted, sen	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

## Interim Financial Statements for the Third Quarter Ended 30 September 2016

## Condensed Consolidated Statements of Financial Position as at 30 September 2016

	AS AT END OF CURRENT QUARTER <u>30/09/2016</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2015</u> Audited RM'000
<b>Non-current Assets</b>		
Property, plant and equipment	40,001	39,778
Investment properties	54,622	54,622
Land held for property development	7,178	7,178
Investments in associated companies	7	7
Other investments	738	758
Goodwill	99	99
Deferred tax assets	237	244
	<u>102,882</u>	<u>102,686</u>
<b>Current Assets</b>		
Development Expenditure	13,437	15,638
Inventories	20,125	20,980
Trade and other receivables	218,845	210,600
Taxation recoverable	1,641	988
Short term investments	759	759
Cash and cash equivalents	10,879	19,714
	<u>265,686</u>	<u>268,679</u>
<b>Current Liabilities</b>		
Trade and other payables	97,136	93,787
Overdraft and short term borrowings	91,170	93,989
Taxation	55	697
	<u>188,361</u>	<u>188,473</u>
<b>NET CURRENT ASSETS</b>	<u>77,325</u>	<u>80,206</u>
	<u>180,207</u>	<u>182,892</u>
<b>FINANCED BY:</b>		
<b>Total Equity</b>		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	86,312	90,399
Equity attributable to owners of the parent	162,238	166,325
Non-controlling interests	8,341	8,060
	<u>170,579</u>	<u>174,385</u>
<b>Non-current Liabilities</b>		
Term Financing/Loan	7,007	6,199
Other deferred liabilities	1,282	998
Deferred tax liabilities	1,339	1,310
	<u>9,628</u>	<u>8,507</u>
	<u>180,207</u>	<u>182,892</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

## Interim Financial Statements for the Third Quarter Ended 30 September 2016

## Condensed Consolidated Statements of Changes in Equity for the Third Quarter Ended 30 September 2016

(Unaudited)

	← Attributable to Owners of the Parent →				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable Share Capital RM'000	Share Premium RM'000	→ Other Reserves RM'000	Distributable Retained Profits RM'000			
9 months ended 30 September 2016							
At 1 January 2016	72,469	3,457	786	89,613	166,325	8,060	174,385
Profit after taxation for the financial period	-	-	-	(1,893)	(1,893)	281	(1,612)
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(20)	-	(20)	-	(20)
- Foreign currency translation	-	-	1	-	1	-	1
Total comprehensive income for the financial period	-	-	(19)	(1,893)	(1,912)	281	(1,631)
Dividends paid to owners of the Parent	-	-	-	(2,175)	(2,175)	-	(2,175)
At end of the financial period	72,469	3,457	767	85,545	162,238	8,341	170,579
9 months ended 30 September 2015							
At 1 January 2015	72,469	3,457	556	87,827	164,309	6,291	170,600
Profit after taxation for the financial period	-	-	-	2,148	2,148	1,860	4,008
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	29	-	29	-	29
- Foreign currency translation	-	-	137	-	137	-	137
Total comprehensive income for the financial period	-	-	166	2,148	2,314	1,860	4,174
Disposal of subsidiaries	-	-	-	-	-	(187)	(187)
At end of the financial period	72,469	3,457	722	89,975	166,623	7,964	174,587

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

**Interim Financial Statements for the Third Quarter Ended 30 September 2016**

**Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2016**  
(Unaudited)

	1.1.2016 to <u>30.9.2016</u> RM'000	1.1.2015 to <u>30.9.2015</u> RM'000
Cash flows for operating activities		
Profit before taxation	165	6,008
Adjustments for:-		
Non-cash items	1,631	(1,020)
Non-operating items	<u>(486)</u>	<u>(573)</u>
Operating profit before working capital changes	1,310	4,415
Net change in current assets	(5,690)	(8,693)
Net change in current liabilities	<u>3,238</u>	<u>1,326</u>
Cash flows from operations	(1,142)	(2,952)
Taxation paid	<u>(3,037)</u>	<u>(2,614)</u>
Net cash for operating activities	<u>(4,179)</u>	<u>(5,566)</u>
Cash flows from investing activities		
Equity investments	1	2,434
Other investments	<u>16</u>	<u>6,128</u>
Net cash from investing activities	<u>17</u>	<u>8,562</u>
Cash flows for financing activities		
Deposits pledged with a licensed bank	(603)	(340)
Dividends paid	(2,174)	-
Term financing-i/loan	2,188	(8,557)
Hire purchase financing	(488)	(546)
Short term bank borrowings	<u>(6,184)</u>	<u>7,347</u>
Net cash for financing activities	<u>(7,261)</u>	<u>(2,096)</u>
Net decrease in cash and cash equivalents	(11,423)	900
Cash and cash equivalents at beginning of financial period	3,580	(1,200)
Cash and cash equivalents at end of financial period	<u>(7,843)</u>	<u>(300)</u>
Cash and cash equivalent at the end of the financial period comprise of:		
	<u>30.9.2016</u> RM'000	<u>30.9.2015</u> RM'000
Cash and bank balances	10,035	16,791
Bank overdrafts	<u>(17,878)</u>	<u>(17,091)</u>
	<u>(7,843)</u>	<u>(300)</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

**A EXPLANATORY NOTES AS PER FRS 134**

**A1. Accounting Policies**

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements for the year ended 31 December 2015.

The accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent annual financial statements except for the adoption of the following accounting standards and amendments issued by the Malaysian Accounting Standards Board (“MASB”) effective for the Group’s current financial period. The adoption of these standards and amendments has no material impacts on the financial statements of the Group upon their initial application.

- FRS 14 Regulatory Deferral Accounts
- Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities – Applying the Consolidation Exception
- Amendments to FRS 101: Presentation of Financial Statements – Disclosure Initiative
- Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements
- Annual Improvements to FRSS 2012 – 2014 Cycle

The Group has not applied in advance the following accounting standards and consequential amendments that have been issued by the MASB but are not yet effective for the Group’s current financial period:

- FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
- Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 107 : Disclosure Initiative
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial statements of the Group upon their initial application.

**A2. Audit Report**

The audit report of the most recent annual financial statements was not subject to any qualification.

**A3. Seasonal Or Cyclical Factors**

There is no major seasonality or cyclicity in the Group's operations.

**A4. Unusual Items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current interim period.

**A5. Changes In Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

**A6. Debt And Equity Securities**

There were no share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current interim period.

**A7. Payment Of Dividend**

A first and final single tier dividend of 3.0 sen per share on the ordinary shares amounting to RM2,174,085 in respect of the financial year ended 31 December 2015 was paid on 12 August 2016.

**A8. Segmental Reporting**

As at 30 September 2016

	Trading	Contract	Manufacture	Property Development	Property and Investment Holding	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	312,060	40,041	13	5,354	227	-	357,695
Profit/(Loss) from Operations	1,595	1,609	(111)	984	109	(28)	4,158
Finance costs							(3,993)
Profit before taxation							165
Income tax expenses							(1,777)
Loss after taxation							(1,612)

**A9. Property, Plant And Equipment**

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment losses and is not depreciated.

**A10. Material Subsequent Events**

There are no material events subsequent to the end of the current interim period that have not been reflected in these interim financial statements.

**A11. Changes In Composition Of The Group**

There were no changes in the composition of the Group for the current interim period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

**A12. Contingent Liabilities**

There are no material changes in contingent liabilities and contingent assets since the last annual balance sheet date.

**B. ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS****B1. Review Of Performance**

The Group recorded a turnover of RM358 million with a marginal pre-tax profit of RM165,000 for the financial period ended 30 September 2016. Compared to the corresponding period of last year, turnover and pre-tax profit declined by 18% and 97% respectively. The drop in pre-tax profit was mainly due to lower turnover and higher operating expenses.

**B2. Comparison With Preceding Quarter's Result**

In the quarter under review, the Group posted a turnover of RM105 million, a decrease of 21% compared to the preceding quarter turnover of RM133 million. Average gross profit has improved but the pre-tax profit remained subdued at RM52,000 due to lower sales turnover and higher operating expenses.

**B3. Current Year Prospects**

Barring any unforeseen circumstances the Group expects its operations to remain stable.

**B4. Variances From Profit Forecast And Profit Guarantee**

The Company did not make a profit forecast and therefore comments on variances with forecast profit are not applicable.

**B5. Taxation**

Taxation comprises the following:

	Individual Quarter <u>30/09/2016</u> RM'000	Cumulative Quarter <u>30/09/2016</u> RM'000
Malaysian income tax:		
Current year tax	382	1,718
Deferred taxation	29	35
Prior years	25	24
Total income tax expense	<u>436</u>	<u>1,777</u>



**B6. Sale Of Investments And Properties**

There is no material gain or loss from disposal of investments or properties for the period under review.

**B7. Purchase Or Disposal Of Quoted Securities**

- a) There is no purchase or disposal of quoted securities for the current interim period.
- b) Total investments in quoted shares as at 30 June 2016 are as below:

	<u>RM'000</u>
(i) At cost	2,699
(ii) At carrying value	270
(iii) At market value	270

**B8. Status Of Corporate Proposals**

On 4 June 2015, the Company announced that it proposed to undertake a Private Placement of up to 7,246,950 new ordinary shares of RM1.00 each in the Company representing up to 10.0% of the issued and paid up share capital of the Company ("Proposed Private Placement"). Bursa Malaysia Securities Berhad ("Bursa Securities") had on 15 June 2015 approved the listing and quotation of up to 7,246,950 Placement Shares to be issued pursuant to the Proposed Private Placement subject to certain conditions ("Private Placement").

On 30 November 2015, the Company applied to Bursa Securities for an extension of time to implement the Private Placement and Bursa Securities, vide its letter dated 9 December 2015, approved the application for an extension of time for another six (6) months from 15 December 2015 until 14 June 2016 for the Company to complete the Private Placement.

The Company applied for another extension of time to implement the Private Placement on 31 May 2016 and Bursa Securities on 7 June 2016 further grant the Company an extension of time for another six (6) months from 15 June 2016 until 14 December 2016 to complete the Private Placement.

As to date, the Private Placement has not been completed.

**B9. Group Borrowings And Debt Securities**

The Group borrowings and debt securities which are denominated in Ringgit Malaysia as at 30 September 2016 are as below:

	<u>RM'000</u>
Secured	22,311
Unsecured	<u>68,859</u>
Total short term borrowings	91,170
Secured long term borrowings	<u>7,007</u>
Total borrowings	<u><u>98,177</u></u>

**B10. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at the date of this report.

**B11. Material Litigation**

There is no pending material litigation as at the date of this report.

**B12. Dividend**

No dividend has been recommended by the Board of Directors.

**B13. Earnings Per Share**

The basic earnings per share for the financial period have been calculated by dividing the Group's earnings by the weighted average number of ordinary shares issued.

	Individual Quarter		Cumulative Quarter	
	<u>30/09/2016</u>	<u>30/09/2015</u>	<u>30/09/2016</u>	<u>30/09/2015</u>
(Loss)/Profit attributable to owners of the parent (RM'000)	(445)	(1,492)	(1,893)	2,148
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	(0.61)	(2.06)	(2.61)	2.96

**B14. Realised and Unrealised Profits Disclosures**

The breakdown of the retained profits of the Group as at the end of the reporting period into realised and unrealised profits/(losses) are as below:

	As at <u>30/09/2016</u>	As at <u>31/12/2015</u>
	RM'000	RM'000
Total retained profits		
- realised	59,511	63,396
- unrealised	<u>26,076</u>	<u>26,259</u>
	85,587	89,655
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	<u>-</u>	<u>-</u>
	<u>85,545</u>	<u>89,613</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

29 November 2016