

Interim Financial Statements for the Fourth Quarter Ended 31 December 2016

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

for the Fourth Quarter Ended 31 December 2016

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31-12-2016</u> RM'000	Preceding Year Corresponding Quarter <u>31-12-2015</u> RM'000	Current Year To-Date <u>31-12-2016</u> RM'000	Preceding Year Corresponding Period <u>31-12-2015</u> RM'000
Revenue	113,267	121,071	470,962	556,693
Operating expenses	(117,409)	(125,956)	(478,885)	(562,776)
Other operating income	4,136	6,670	12,076	18,247
Profit from operations	(6)	1,785	4,153	12,164
Finance costs	(1,402)	(1,486)	(5,395)	(5,858)
(Loss)/Profit before taxation	(1,408)	299	(1,242)	6,306
Taxation	(405)	(564)	(2,182)	(2,564)
(Loss)/Profit after taxation	(1,813)	(265)	(3,424)	3,742
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Available-for-sale financial assets	(39)	80	(59)	109
Currency translation differences	32	(17)	33	121
Other comprehensive income, net of tax	(7)	63	(26)	230
Total comprehensive (expense)/income	(1,820)	(202)	(3,450)	3,972
(Loss)/Profit for the period attributable to:				
Owners of the parent	(1,831)	(361)	(3,723)	1,786
Non-controlling interests	18	96	299	1,956
	(1,813)	(265)	(3,424)	3,742
Total comprehensive (expense)/income for the period attributable to:				
Owners of the parent	(1,838)	(298)	(3,749)	2,016
Non-controlling interests	18	96	299	1,956
	(1,820)	(202)	(3,450)	3,972
Earnings per share attributable to owners of the parent				
- Basic (sen)	(2.53)	(0.50)	(5.14)	2.46
- 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 Fourth Quarter Ended 31 December 2016

Condensed Consolidated Statements of Financial Position as at 31 December 2016

	AS AT END OF CURRENT QUARTER <u>31-12-2016</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31-12-2015</u> Audited RM'000
Non-current Assets		
Property, plant and equipment	41,026	39,778
Investment properties	57,951	54,622
Land held for property development	7,178	7,178
Investments in associated companies	7	7
Other investments	700	758
Goodwill	99	99
Deferred tax assets	222	244
	<u>107,183</u>	<u>102,686</u>
Current Assets		
Development Expenditure	-	15,638
Inventories	34,244	20,980
Trade and other receivables	209,664	210,600
Taxation recoverable	2,011	988
Short term investments	-	759
Cash and cash equivalents	12,479	19,714
	<u>258,572</u>	<u>268,679</u>
Current Liabilities		
Trade and other payables	93,599	93,787
Overdraft and short term borrowings	81,368	93,989
Taxation	49	697
	<u>175,016</u>	<u>188,473</u>
NET CURRENT ASSETS	<u>83,556</u>	<u>80,206</u>
	<u>190,739</u>	<u>182,892</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	84,476	90,399
Equity attributable to owners of the parent	160,402	166,325
Non-controlling interests	8,359	8,060
	<u>168,761</u>	<u>174,385</u>
Non-current Liabilities		
Term Financing/Loan	19,379	6,199
Other deferred liabilities	1,169	998
Deferred tax liabilities	1,430	1,310
	<u>21,978</u>	<u>8,507</u>
	<u>190,739</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 Fourth Quarter Ended 31 December 2016

Condensed Consolidated Statements of Changes in Equity for the Fourth Quarter Ended 31 December 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			
12 months ended 31 December 2016							
At 1 January 2016	72,469	3,457	786	89,613	166,325	8,060	174,385
Loss after taxation for the financial period	-	-	-	(3,723)	(3,723)	299	(3,424)
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(59)	-	(59)	-	(59)
- Foreign currency translation	-	-	33	-	33	-	33
Total comprehensive expense for the financial period	-	-	(26)	(3,723)	(3,749)	299	(3,450)
Dividends paid to owners of the Parent	-	-	-	(2,174)	(2,174)	-	(2,174)
At end of the financial period	72,469	3,457	760	83,716	160,402	8,359	168,761
12 months ended 31 December 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	-	-	-	1,786	1,786	1,956	3,742
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	109	-	109	-	109
- Foreign currency translation	-	-	121	-	121	-	121
Total comprehensive income for the financial period	-	-	230	1,786	2,016	1,956	3,972
Disposal of subsidiaries	-	-	-	-	-	(187)	(187)
At end of the financial period	72,469	3,457	786	89,613	166,325	8,060	174,385

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 Fourth Quarter Ended 31 December 2016

Condensed Consolidated Statements of Cash Flows for the Fourth Quarter Ended 31 December 2016
(Unaudited)

	1.1.2016 to <u>31.12.2016</u> RM'000	1.1.2015 to <u>31.12.2015</u> RM'000
Cash flows for operating activities		
Profit before taxation	(1,242)	6,306
Adjustments for:-		
Non-cash items	(198)	(2,636)
Non-operating items	<u>(681)</u>	<u>(832)</u>
Operating profit before working capital changes	(2,121)	2,838
Net change in current assets	2,956	6,403
Net change in current liabilities	<u>(271)</u>	<u>(11,987)</u>
Cash flows from operations	564	(2,746)
Taxation paid	<u>(3,712)</u>	<u>(3,091)</u>
Net cash for operating activities	<u>(3,148)</u>	<u>(5,837)</u>
Cash flows from investing activities		
Equity investments	815	2,434
Other investments	<u>(2,653)</u>	<u>17,152</u>
Net cash from investing activities	<u>(1,838)</u>	<u>19,586</u>
Cash flows for financing activities		
Deposits pledged with a licensed bank	(1,393)	(340)
Dividends paid	(2,174)	-
Term financing-i/loan	18,155	(9,842)
Hire purchase financing	(634)	(844)
Short term bank borrowings	<u>(17,759)</u>	<u>2,056</u>
Net cash for financing activities	<u>(3,805)</u>	<u>(8,970)</u>
Net decrease in cash and cash equivalents	(8,791)	4,779
Cash and cash equivalents at beginning of financial period	3,580	(1,199)
Cash and cash equivalents at end of financial period	<u>(5,211)</u>	<u>3,580</u>
Cash and cash equivalent at the end of the financial period comprise of:		
	<u>31.12.2016</u> RM'000	<u>31.12.2015</u> RM'000
Cash and bank balances	10,845	19,473
Bank overdrafts	<u>(16,056)</u>	<u>(15,893)</u>
	<u>(5,211)</u>	<u>3,580</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. There was no payment of dividend for the quarter under review.

A8. Segmental Reporting

As at 31 December 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	413,481	51,331	13	5,805	332	-	470,962
Profit/(Loss) from Operations	426	1,818	(365)	274	2,051	(51)	4,153
Finance costs							(5,395)
Loss before taxation							(1,242)
Income tax expenses							(2,182)
Loss after taxation							(3,424)

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 RM471 million for the financial year ended 31 December 2016, lower than previous year by 15.4%. Coupled with rising operating expenses and higher allowance for impairment losses on trade receivables, the Group posted a pre-tax loss of RM1.2 million.

B2. Comparison With Preceding Quarter's Result

In the quarter under review, the Group recorded a turnover of RM113 million, higher by 7.5% against the preceding quarter's RM105 million. Decrease gross profit margin and higher allowance for impairment losses on trade receivables had however caused the Group to turned in a quarterly pre-tax loss of RM1.4 million against the marginal pre-tax profit of RM51,000 in the previous quarter.

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>31/12/2016</u> RM'000	Cumulative Quarter <u>31/12/2016</u> RM'000
Malaysian income tax:		
Current year tax	266	1,984
Deferred taxation	106	141
Prior years	33	57
Total income tax expense	<u>405</u>	<u>2,182</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 31 December 2016 are as below:

	<u>RM'000</u>
(i) At cost	2,699
(ii) At carrying value	231
(iii) At market value	231

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.

The Company further applied to Bursa Securities on 30 November 2016 to extend another six (6) months from 15 December 2016 until 14 June 2017 to complete the Private Placement and Bursa Securities on 19 January 2017 approved the application accordingly.

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 31 December 2016 are as below:

	<u>RM'000</u>
Secured	22,918
Unsecured	<u>58,450</u>
Total short term borrowings	81,368
Secured long term borrowings	<u>19,379</u>
Total borrowings	<u><u>100,747</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>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
(Loss)/Profit attributable to owners of the parent (RM'000)	(1,831)	(361)	(3,723)	1,786
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	(2.53)	(0.50)	(5.14)	2.46

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>31/12/2016</u>	As at <u>31/12/2015</u>
	RM'000	RM'000
Total retained profits		
- realised	55,520	63,396
- unrealised	<u>28,238</u>	<u>26,259</u>
	83,758	89,655
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	<u>-</u>	<u>-</u>
	<u>83,716</u>	<u>89,613</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

24 February 2017