

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER 30 SEPTEMBER 2016

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|---|--|--|
| | Current Year Quarter 30.09.2016 (RM'000) | Preceding Year Corresponding Quarter 30.09.2015 (RM'000) | Current Year To date 30.09.2016 (RM'000) | Preceding Year Corresponding Period 30.09.2015 (RM'000) |
| Revenue | 4,182 | 7,247 | 4,182 | 7,247 |
| Cost of sales | (1,449) | (4,480) | (1,449) | (4,480) |
| Gross profit | <u>2,733</u> | <u>2,767</u> | <u>2,733</u> | <u>2,767</u> |
| Other income | 153 | 53 | 153 | 53 |
| Other expenses | (2,174) | (1,764) | (2,174) | (1,764) |
| Operating profit | <u>712</u> | <u>1,056</u> | <u>712</u> | <u>1,056</u> |
| Finance costs | (61) | (99) | (61) | (99) |
| Profit before tax | <u>651</u> | <u>957</u> | <u>651</u> | <u>957</u> |
| Taxation | (373) | (279) | (373) | (279) |
| Profit/(loss) for the period | | | | |
| - From continuing operations | 278 | 678 | 278 | 678 |
| - From discontinued operation | - | (802) | - | (802) |
| Profit for the period | <u>278</u> | <u>(124)</u> | <u>278</u> | <u>(124)</u> |
| Other comprehensive income, net of tax | - | - | - | - |
| Total Comprehensive income/(expenses) for the period | <u>278</u> | <u>(124)</u> | <u>278</u> | <u>(124)</u> |
| Net profit/(loss) attributable to equity holders of the Company | | | | |
| - From continuing operations | 278 | 678 | 278 | 678 |
| - From discontinued operation | - | (802) | - | (802) |
| | <u>278</u> | <u>(124)</u> | <u>278</u> | <u>(124)</u> |
| Non-controlling interest | - | - | - | - |
| | <u>278</u> | <u>(124)</u> | <u>278</u> | <u>(124)</u> |
| Total Comprehensive income/(expenses) attributable to: | | | | |
| Equity holders of the Company | 278 | (124) | 278 | (124) |
| Non-controlling interest | - | - | - | - |
| | <u>278</u> | <u>(124)</u> | <u>278</u> | <u>(124)</u> |
| Basic earnings/(loss) per share attributable to equity holders of the Company (sen) | | | | |
| - From continuing operations | 0.17 | 0.42 | 0.17 | 0.42 |
| - From discontinued operation | - | (0.50) | - | (0.50) |
| | <u>0.17</u> | <u>(0.08)</u> | <u>0.17</u> | <u>(0.08)</u> |
| Diluted earnings/(loss) per share attributable to equity holders of the Company (sen) | | | | |
| - From continuing operations | 0.15 | 0.41 | 0.15 | 0.41 |
| - From discontinued operation | - | (0.48) | - | (0.48) |
| | <u>0.15</u> | <u>(0.07)</u> | <u>0.15</u> | <u>(0.07)</u> |

(The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 th June 2016)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER 30 SEPTEMBER 2016

| | (Unaudited) 30.09.2016 RM'000 | (Audited) 30.06.2016 RM'000 |
|--|-------------------------------------|-----------------------------------|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 1,380 | 3,325 |
| Investment in joint venture | 24,500 | 24,500 |
| | <u>25,880</u> | <u>27,825</u> |
| Current Assets | | |
| Property development cost | 37,975 | 30,609 |
| Inventories | - | 91 |
| Trade receivables | 1,777 | 3,789 |
| Other receivables | 50,851 | 50,049 |
| Other current assets | 905 | - |
| Current tax assets | 478 | 467 |
| Fixed deposit | 2,000 | - |
| Cash and bank balances | 1,310 | 3,798 |
| Assets held for sale | 1,950 | - |
| | <u>97,246</u> | <u>88,803</u> |
| TOTAL ASSETS | <u>123,126</u> | <u>116,628</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share Capital | 80,172 | 80,172 |
| Reserves | | |
| Share premium | 2,221 | 2,221 |
| Other reserves | 6,218 | 6,218 |
| Accumulated losses | (483) | (761) |
| | <u>88,128</u> | <u>87,850</u> |
| Total equity | <u>88,128</u> | <u>87,850</u> |
| Non-current Liabilities | | |
| Borrowings | - | - |
| | <u>-</u> | <u>-</u> |
| Current Liabilities | | |
| Trade payables | 6,590 | 5,676 |
| Other payables | 23,977 | 19,149 |
| Amount due to Directors | 312 | 762 |
| Bank overdraft | 2,910 | 2,195 |
| Provision for taxation | 1,209 | 996 |
| | <u>34,998</u> | <u>28,778</u> |
| Total Liabilities | <u>34,998</u> | <u>28,778</u> |
| TOTAL EQUITY AND LIABILITIES | <u>123,126</u> | <u>116,628</u> |
| Net Assets per share (RM) | 0.55 | 0.55 |

(The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30th June 2016)

YONG TAI BERHAD
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER 30 SEPTEMBER 2016

| | 3 months ended 30.09.2016 (RM'000) | 3 months ended 30.09.2015 (RM'000) |
|---|--|--|
| Cash flows from operating activities | | |
| Net profit before taxation | | |
| From continuing operation | 651 | 957 |
| From discontinuing operation | - | (802) |
| | <u>651</u> | <u>155</u> |
| Adjustments for:- | | |
| Share of results of joint ventures | - | 724 |
| Depreciation of property, plant and equipment | 6 | 333 |
| Interest expenses | 61 | 387 |
| Property, plant and equipment written off | - | 145 |
| Operating profit before changes in working capital | <u>718</u> | <u>1,744</u> |
| Decrease /(increase) in working capital | | |
| Inventories | 91 | (112) |
| Receivables | 1,094 | (28,940) |
| Property development cost | (7,251) | (10,288) |
| Payables | 4,837 | (1,026) |
| Amount due to Directors | (450) | (761) |
| Cash (used in)/generated from operations | <u>(961)</u> | <u>(39,383)</u> |
| Interest paid | (61) | (387) |
| Net Tax paid | <u>(170)</u> | <u>(440)</u> |
| Net cash (used in)/ from operating activities | <u>(1,192)</u> | <u>(40,210)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | <u>(11)</u> | <u>(531)</u> |
| Net cash from /(used in) investing activities | <u>(11)</u> | <u>(531)</u> |
| Cash flows from financing activities | | |
| Repayment of short term loan | - | (104) |
| Repayment of hire purchase creditor | - | (10) |
| Repayment of term loan | - | 8,189 |
| Net cash from/(used in) financing activities | <u>-</u> | <u>8,075</u> |
| Net (decrease)/increase in cash & cash equivalents | (1,203) | (32,666) |
| Cash and cash equivalents at beginning of period | <u>1,603</u> | <u>36,671</u> |
| Cash and cash equivalents at end of period | <u><u>400</u></u> | <u><u>4,005</u></u> |
| Cash and cash equivalents comprise: | | |
| Fixed deposit | 2,000 | - |
| Cash and bank balances | 1,310 | 8,217 |
| Bank overdrafts | <u>(2,910)</u> | <u>(4,212)</u> |
| | <u><u>400</u></u> | <u><u>4,005</u></u> |

(The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30th June 2016)

YONG TAI BERHAD

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FIRST QUARTER 30 SEPTEMBER 2015

| | ← Attributable to equity holders of the Company → | | | | Total (RM'000) | Non-controlling Interest (RM'000) | Total Equity (RM'000) |
|-----------------------------|---|------------------------------|---------------------------------|----------------------------------|-------------------|---|-----------------------------|
| | Share Capital (RM'000) | Share Premium (RM'000) | Warrants reserve (RM'000) | Retained Earnings (RM'000) | | | |
| At 1st July 2015 | 80,172 | 2,221 | 6,218 | (4,428) | 84,183 | - | 84,183 |
| <u>Comprehensive income</u> | | | | | | | |
| Net profit for the period | - | - | - | (124) | (124) | - | (124) |
| At 30 September 2015 | 80,172 | 2,221 | 6,218 | (4,552) | 84,059 | - | 84,059 |

FOR THE FORTH QUARTER 30 JUNE 2016

| | | | | | | | |
|-----------------------------|--------|-------|-------|-------|--------|---|--------|
| At 1st July 2016 | 80,172 | 2,221 | 6,218 | (761) | 87,850 | - | 87,850 |
| <u>Comprehensive income</u> | | | | | | | |
| Net profit for the period | - | - | - | 278 | 278 | - | 278 |
| At 30 September 2016 | 80,172 | 2,221 | 6,218 | (483) | 88,128 | - | 88,128 |

(The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30th June 2016)

YONG TAI BERHAD (311186-T)
SELECTED EXPLANATORY NOTES
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016
PART A –EXPLANATION NOTES TO MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The unaudited interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2016.

A2. Accounting Policies

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Group's annual audited financial statements for the financial year ended 30 June 2016.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

A3. Audit Report

The auditors' report for the annual financial statements of the Group for the financial year ended 30th June 2016 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

During the current quarter under review, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows during the financial period.

A6. Changes in Estimates

There were no changes in estimates of amount reported that have material effect on the results for the current quarter under review.

A7. Debt And Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of either debt or equity securities during the current quarter and financial year to date.

A8. Dividends Paid

There were no dividends paid for the current financial period to date.

A9. Valuation of Property, Plant and Equipment

There has been no valuation taken for the Group's property, plant and equipment for the current quarter under review.

A10. Changes in Composition of the Group

On 15th July 2016, Yong Tai Berhad (“YTB”) has further increased its investment in YTB Impression Sdn Bhd., a subsidiary of the company, from RM2.00 to RM99,998.00 by subscribing 99,998 new ordinary shares of RM1.00 each. The total consideration was arrived at based on RM1.00 per share.

Other than above, there were no other changes in composition of the Group during the financial period under review.

A11. Changes of Contingent Liabilities or Contingent Assets

There were no changes in contingent liability and contingent asset of the Group since the end of the previous financial year 30th June 2016.

A12. Significant Related Party Transaction

There were no significant related party transactions in the current quarter.

A13. Segment Information

| | Property development | Dyeing | Investment holding and Others | Elimination | Total continuing operations | Total discontinued operations | Total group |
|---|-------------------------|--------------|--|----------------|-----------------------------------|-------------------------------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 3 months ended 30.09.2016 | | | | | | | |
| External sales | 4,060 | 122 | - | - | 4,182 | - | 4,182 |
| Inter-segment | - | - | 1,445 | (1,445) | - | - | - |
| Total | 4,060 | 122 | 1,445 | (1,445) | 4,182 | - | 4,182 |
| Results:- | | | | | | | |
| Segmental result | 1,042 | (362) | 32 | - | 712 | - | 712 |
| Unallocated corporate income | | | | | - | - | - |
| Operating profit | | | | | 712 | - | 712 |
| Loss on disposal of subsidiary company | | | | | - | - | - |
| Finance costs | | | | | (61) | - | (61) |
| Share of results of joint ventures | | | | | | - | - |
| Profit before taxation | | | | | 651 | - | 651 |
| Taxation | | | | | (373) | - | (373) |
| Profit/(loss) after taxation | | | | | 278 | - | 278 |
| Non-controlling interest | | | | | - | - | - |
| Profit for the period | | | | | 278 | - | 278 |
| Other information | | | | | | | |
| Segment assets | 94,210 | 16,594 | 12,322 | - | 123,126 | - | 123,126 |
| Unallocated corporate assets | | | | | | | - |
| Total consolidated corporate assets | | | | | | | 123,126 |
| Segment liabilities | 30,391 | 668 | 3,939 | - | 34,998 | - | 34,998 |
| Unallocated corporate liabilities | | | | | | | - |
| Total consolidated corporate liabilities | | | | | | | 34,998 |
| 3 months ended 30.09.2015 | | | | | | | |
| Revenue | | | | | | | |
| External sales | 3,973 | 3,274 | - | - | 7,247 | 2,465 | 9,712 |
| Inter-segment sales | - | - | 30 | (30) | - | - | - |
| Total | 3,973 | 3,274 | 30 | (30) | 7,247 | 2,465 | 9,712 |
| Results:- | | | | | | | |
| Segmental result | (25) | 1,474 | (393) | - | 1,056 | (514) | 542 |
| Unallocated corporate income | | | | | - | - | - |
| Operating profit/(loss) | | | | | 1,056 | (514) | 542 |
| Finance costs | | | | | (99) | (288) | (387) |
| Share of results of joint ventures | | | | | | - | - |
| Profit/(loss) before taxation | | | | | 957 | (802) | 155 |
| Taxation | | | | | (279) | - | (279) |
| Profit/(loss) after taxation | | | | | 678 | (802) | (124) |
| Non-controlling interest | | | | | - | - | - |
| Profit/(loss) for the period | | | | | 678 | (802) | (124) |
| Other information | | | | | | | |
| Segment assets | 87,634 | 20,069 | 22,070 | - | 129,773 | 30,193 | 159,966 |
| Unallocated corporate assets | | | | | | | - |
| Total consolidated corporate assets | | | | | | | 159,966 |
| Segment liabilities | 38,656 | 6,681 | 248 | - | 45,585 | 30,322 | 75,907 |
| Unallocated corporate liabilities | | | | | | | - |
| Total consolidated corporate liabilities | | | | | | | 75,907 |

A14. Subsequent Events

- a) On 5 October 2016, AmInvestment Bank, on behalf of the Board announced that the SC had, vide its letter dated 5 October 2016, approved the application submitted on behalf of Impression Culture in relation to the Proposed MGO Exemption under Paragraph 16.1 of Practice Note 9 of the Code.
- b) On 12 October 2016, AmInvestment Bank, on behalf of the board announced that the Proposed Acquisition of PTSI has been completed and the registration of YTB into PTSI's register of members as its 100% shareholder.
- c) On 24 October 2016, AmInvestment Bank, on behalf of the board announced that the YTB Impression and Admiral City had on 24 October 2016 executed a side letter to extend the period to fulfil the conditions precedent of the Impression Land SPA for another three (3) months until 26 January 2017 (“**SPA Extension**”).

In addition, YTB Impression and the Landowners had on 24 October 2016 executed a side letter to extend the period to fulfil the conditions precedent of the Melaka JDA for another three (3) months until 26 January 2017 (“**JDA Extension**”).

All the other terms and conditions provided in the Impression Land SPA and Melaka JDA is remained in full force and effect.

- d) On 28 October 2016, AmInvestment Bank, on behalf of the board, announced that all the conditions precedent of the Subscription Agreement has been fulfilled in relation to, amongst others, the Proposed Special Issue , refer to the Announcements dated 21July 2016 and 9 September 2016.
- e) On 1 November 2016, AmInvestment Bank, on behalf of the board, announced that the parties to the L&B MOU and Terrawest MOU have mutually agreed to extend the L&B MOU and Terrawest MOU to 2 February 2017. Other than the aforementioned, all other terms stated in the L&B MOU and Terrawest MOU remain unchanged.
- f) AmInvestment Bank , on behalf of the board, announced that the Special Issue of 150,000,000 shares has been completed on the Main Market of Bursa Securities on 15 November 2016.

PART B -ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

The Group's recorded revenue of RM4.182 million during financial period ended 30 September 2016 as compared to RM7.247 million in the preceding year's corresponding period. The decrease in turnover was due to decrease revenue recognition from project property development segment and dyeing segment. The Group currently has one on-going project, namely "The Apple".

The Apple is a mixed development project comprising of inter-alia a sixteen(16)-storey four (4) star hotel known as "Courtyard by Marriott", a thirty-two(32)-storey block of services apartments and the Podium on the development land.

The Company's property development division has recognized the revenue of RM4.182 million in property development segment based on the construction progress for its property development project in Melaka. Currently, the sub-basement slab, ground floor beam construction works is completed. Meanwhile, the super-structure works are in progress. This current project is expected to contribute positively to Group performance in coming financial year.

The Group's profit before taxation was RM0.651 million for the 3 months compared to profit before taxation RM0.957 million in the preceding year's corresponding period. The decrease in profit before tax is mainly arising from the decrease contribution through a joint operation in the property development segment and dyeing segment.

B2. Material Changes in the Quarterly Results as Compared with the Preceding Quartered

For the current quarter, the Group's revenue was RM4.182 million compared to RM4.336 million in the immediate preceding quarter. The profit before taxation of RM0.651 million for the current quarter was lower than the immediate preceding quarter of RM7.675 million mainly due to the gain on disposal of property, plant and equipment amounted RM8.896 million in the immediate preceding quarter.

B3. Current Financial Year Prospect

The Board of Directors is of the opinion that the Group's venture into property development segment will continue its growth and contribute positively to the Group's performance.

The Company expects to further turnaround its financial performances in the immediate term by further growing our property development business segment by continuously seeking for opportunities to acquire more lands with good prospects for its future property development activities. In addition, the Group also will continuously seek joint venture opportunities with other established property developers in Malaysia to develop the Group's credential as a property developer.

B4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

B5. Quoted Securities

- a) There was no purchase or disposal of quoted securities for the current quarter and financial period to date.
- b) There is no investment in quoted securities as at the end of the quarter under review.

B6. Corporate Proposals

- a) On 1 July 2016, Company had entered into a memorandum of understanding (“**MOU**”) with PGCG Assets Holdings Sdn. Bhd. (“PGCG”) in respect of the proposed joint venture to jointly develop approximately 22 hectares of leasehold land located in Puncak Alam held under HS(D) 5460, PT No. 9135, Mukim Ijok, Daerah Kuala Selangor, Selangor (“**Land**”) and construct 1,039 mixed development properties (“**Proposed JV**”). PGCG is the registered owner of the Land. (YTB and PGCG are collectively referred to as the “**Parties**” and respectively a “**Party**” to the MOU).

The MOU is not intended to be a legally binding agreement and is meant only to serve as a statement of intention of YTB and PGCG.

The parties have agreed to negotiate exclusively the detailed terms and conditions of the Proposed JV with the intention of entering into a definitive agreement.

- b) On 20 July 2016, the Company and Impression Culture had entered into an addendum to the Subscription Agreement (“**Addendum**”) to extend the period to fulfil the conditions precedent of the Subscription Agreement for another two (2) months commencing from 4 August 2016 to 3 October 2016 (“**Extension**”).

Other than the Extension, all other terms and conditions provided in the Subscription Agreement shall remain in full force and effect.

- c) On 2nd August 2016, on behalf of the Board, AmInvestment Bank announced that the parties to the L&B MOU and Terrawest MOU have mutually agreed to extend the L&B MOU and Terrawest MOU to 2 November 2016. Other than the aforementioned, all other terms stated in the L&B MOU and Terrawest MOU remain unchanged.
- d) On 3rd August 2016, on behalf of the Board, AmInvestment Bank announced that YTB, PTSI and the respective PTSI Creditors (namely PTS Properties, Mr. Boo Kuang Loon and Apple Impression) had entered into addendums to the Settlement Agreements (“**Addendums**”) to extend the period to fulfil the conditions precedent of the Settlement Agreements for another six (6) months commencing from 4 August 2016 to 3 February 2017 (“**Extension**”).

Corporate Proposals (Cont'd)

The Company has discussion with Impression Melaka and Beijing Impression in relation to an extension to the settlement agreement between YTB, Impression Melaka and Beijing Impression. The relevant announcement will be made in due course.

Other than the Extension, all other terms and conditions provided in the Settlement Agreements shall remain in full force and effect.

- e) On 10 August 2016, the Company has issued circular to shareholders in relation to the (I) Proposed acquisition of Impression Land; (II) Proposed Acquisition of PTSI; (III) Proposed Capitalisation; (IV) Proposed Special Issue; (V) Proposed Bonus Issue of ICPS; (VI) Proposed Placement; (VII) Proposed M&A amendments; (VIII) Proposed Diversification; (IX) Proposed MGO Exemption.
- f) On 2 September 2016, on behalf of the Board, AmInvestment Bank announced that subsequent to the conclusion of YTB's EGM on 1 September 2016, an application in relation to the Proposed MGO Exemption has been submitted to SC on behalf of Impression Culture to seek SC's approval for the Proposed MGO Exemption under Paragraph 16.1 of Practice Note 9 of the Code.
- g) On 9 September 2016, On behalf of the Board, AmInvestment Bank announced that YTB and Impression Culture had entered into a second addendum to the Subscription Agreement ("**Second Addendum**") to extend the period to fulfil the conditions precedent of the Subscription Agreement from 4 October 2016 to 30 October 2016 ("**Extension**").

Other than the Extension, all other terms and conditions provided in the Subscription Agreement shall remain in full force and effect.

- h) On 13 September 2016, The Board of Directors of Yong Tai Berhad had announced that the Disposals for the following properties have been completed in accordance with the terms and conditions of the Sale & Purchase Agreements.

- (i) Disposal of Leasehold Property

- Disposal of a parcel of a leasehold land measuring approximately 51,721 square feet known as HS(D) 12111 PTD 1860, Mukim Linau, District of Batu Pahat, State of Johor together with the factory building erected thereon

- (ii) Disposal of Freehold Property

- Disposal of a parcel of a freehold land measuring approximately 166,078 square feet known as HS(M) 672 Lot 766, Mukim Linau, District of Batu Pahat, State of Johor together with the factory buildings erected thereon

Please refer to Section A14(a) to (f) of Part A for further detail of the status of the proposals above, which is also available on the website of Bursa Malaysia Securities Berhad.

B7. Derivative Financial Instruments

The group did not have any derivative financial instruments as at the end of the reporting period.

B8. Unquoted Investments and/or Investment Properties

Except as disclose below, there were no sales of unquoted investments or investment properties during the financial period under review and financial year.

On 6 September 2016, Yuta Realty Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with a third party for disposal of a piece of freehold land together with a single storey building located at Bandar Penggaram, Daerah Batu Pahat in Johor, for a total consideration of RM2,500,000.

The Sale and Purchase Agreement is yet to be completed. It was classified as “Assets held for sale” as at 30 September 2016 in accordance with MFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

B9. Changes in Material Litigation

There was no pending material litigation as at the end of the financial year up to the date of this announcement.

B10. Taxation

| | Quarter Ended | | Year To date Ended | |
|-----------------------------|---------------|------------|--------------------|------------|
| | 30.09.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Tax comprises:- | | | | |
| a) Malaysia Income Tax | | | | |
| Continuing operations | 373 | 279 | 373 | 279 |
| Discontinued operation | - | - | - | - |
| b) Deferred Tax | - | - | - | - |
| Tax expenses for the period | <u>373</u> | <u>279</u> | <u>373</u> | <u>279</u> |

The effective tax rate for the current quarter and financial year-to-date was higher than the effective statutory tax rate as there is no group’s tax relief and certain expenses are not deductible for tax purposes.

B11. Dividends

The Directors has not recommended any payment of dividends in respect of the financial period ended September 2016.

B12. Group Borrowings

| | As at 30.09.2016 (RM'000) |
|------------------------------|-------------------------------|
| <u>Current (Secured)</u> | |
| Bank overdraft | 2,910 |
| Term loans | - |
| Total | <u>2,910</u> |
| <u>Non-current (Secured)</u> | |
| Term loans | - |
| Hire purchase payable | - |
| Total | <u>-</u> |

All borrowings were secured and denominated in Ringgit Malaysia.

B13. Notes to Statements of Comprehensive Income

| | Current quarter | | Cumulative quarter | |
|--|-----------------|------------|--------------------|------------|
| | 30.09.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before taxation for the period is arrived at after charging /(crediting) the following: | | | | |
| interest expenses | 61 | 387 | 61 | 387 |
| Depreciation of property, plant and equipment | 6 | 333 | 6 | 333 |
| Property , plant and equipment written off | - | 145 | - | 145 |

Other than the above, the items listed under Appendix 9B Note 16 of the listing Requirement of Bursa Malaysia Securities Berhad are not applicable.

B14. Realised and Unrealised Earnings or Losses Disclosure

The (accumulated losses)/unappropriated profits as at 30 September 2016 and 30th June 2016 is analysed as follows:

| | 30.09.2016 | 30.06.2016 |
|--|--------------|--------------|
| | RM'000 | RM'000 |
| Total (accumulated losses)/unappropriated profits of the company and its subsidiaries: | | |
| - Realised loss | (483) | (761) |
| - Unrealised profit | - | - |
| Total group accumulated losses as per consolidated financial statements | <u>(483)</u> | <u>(761)</u> |

B15. Earnings / (Loss) Per Share

a. Basic

Basic earnings/(loss) per share is calculated by dividing net profit/(loss) for the financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

| | Quarter Ended | | Year to dated Ended | |
|--|----------------|----------------|---------------------|----------------|
| | 30.09.2016 | 30.09.2015 | 30.09.2016 | 30.09.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit / (loss) attributable to equity holders of the Company | | | | |
| -from continuing operations | 278 | 678 | 278 | 678 |
| -from discontinued operation | - | (802) | - | (802) |
| | <u>278</u> | <u>(124)</u> | <u>278</u> | <u>(124)</u> |
| | ('000) | ('000) | ('000) | ('000) |
| Weighted average number of shares in issue | <u>160,345</u> | <u>160,345</u> | <u>160,345</u> | <u>160,345</u> |
| Basic earnings/(loss) per share attributable to equity holders of the Company | Sen | Sen | Sen | Sen |
| -from continuing operations | 0.17 | 0.42 | 0.17 | 0.42 |
| -from discontinued operation | - | (0.50) | - | (0.50) |
| | <u>0.17</u> | <u>(0.08)</u> | <u>0.17</u> | <u>(0.08)</u> |

b. Diluted

| | ('000) | ('000) | ('000) | ('000) |
|---|----------------|----------------|----------------|----------------|
| Weighted average number of shares in issue | 160,345 | 160,345 | 160,345 | 160,345 |
| Effect of Warrant | 21,355 | 5,926 | 21,355 | 5,926 |
| Adjusted weighted average number of ordinary shares in issue and issuable | <u>181,700</u> | <u>166,271</u> | <u>181,700</u> | <u>166,271</u> |
| Diluted earnings/ (loss) per share attributable to equity holders of the Company : | Sen | Sen | Sen | Sen |
| -from continuing operations | 0.15 | 0.41 | 0.15 | 0.41 |
| -from discontinued operation | - | (0.48) | - | (0.48) |
| | <u>0.15</u> | <u>(0.07)</u> | <u>0.15</u> | <u>(0.07)</u> |

B16. Authorised For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 November 2016.