

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statements of Financial Position
as at 31 March 2018**

	Note	(Unaudited) 31-03-2018 RM'000	(Audited) 30-06-2017 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	5	13,792	14,613
Investment properties	6	8,487	8,842
Investment in subsidiaries	7	-	-
Total non-current assets		22,279	23,455
Current assets			
Inventories	8	9,304	9,287
Trade receivables	9	751	250
Other receivables, deposits and prepayments	10	403	311
Amount due from subsidiaries	11	-	-
Investment securities	12		
Tax recoverable		191	191
Deposits placed with licensed banks		100	100
Cash and bank balances		4,579	565
		15,328	10,704
Non-current asset held for sale	13	-	-
Total current assets		15,328	10,704
TOTAL ASSETS		37,607	34,159
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	14	29,005	16,913
Retained earnings/ (Accumulated losses)	15	(8,461)	(4,787)
Reserves	15	4,912	4,909
Total equity attributable to owners of the parent		25,456	17,035
Non-controlling interests		(402)	(402)
Total equity		25,054	16,633

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statements of Financial Position
as at 31 March 2018 (continued)**

	Note	(Unaudited) 31-03-2018 RM'000	(Audited) 30-06-2017 RM'000 (Restated)
Non-current liabilities			
Borrowings	13	-	-
Deferred taxation	16	576	576
Borrowings	20	2,800	3,229
		<hr/>	<hr/>
Total non-current liabilities		3,376	3,805
Current liabilities			
Trade payables	17	1,409	285
Other payables and accruals	18	595	7,661
Provision for tax		7	-
Amount due to subsidiaries	11	-	-
Amount due to a director	19	5,592	5,312
Borrowings	20	1,574	463
		<hr/>	<hr/>
Total current liabilities		9,177	13,721
		<hr/>	<hr/>
Total liabilities		12,553	17,526
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		37,607	34,159
		<hr/>	<hr/>
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.33	0.30

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2017.

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statements of Comprehensive Income
for the 9 months period ended as at 31 March 2018**

	Note	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
		31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Revenue	21	1,439	975	4,445	2,613
Cost of sales		(1,806)	(1,191)	(5,049)	(3,166)
Gross loss		(367)	(216)	(604)	(553)
Other operating income		18	22	60	185
Distribution expenses		(136)	(170)	(410)	(351)
Administrative expenses		(610)	(732)	(2,292)	(2,399)
Other operating expenses		-	-	(43)	-
Operating loss	22	(1,095)	(1,096)	(3,289)	(3,118)
Finance costs	23	(67)	(33)	(133)	(114)
Loss before tax		(1,162)	(1,129)	(3,422)	(3,232)
Taxation	24	(128)	(19)	(114)	(105)
Net loss for the financial year		(1,290)	(1,148)	(3,536)	(3,337)
Other comprehensive (expenses)/income, net of tax:					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation		(19)	3	(26)	32
Items that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment		-	-	-	-
Total comprehensive loss for the financial year		(1,309)	(1,145)	(3,562)	(3,305)

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statements of Comprehensive Income
for the 9 months period ended as at 31 March 2018**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		9 months ended	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
		RM'000	RM'000	RM'000	RM'000
Loss attributable to:					
Owners of the parent		(1,290)	(1,141)	(3,536)	(3,317)
Non-controlling interests		-	(7)	-	(20)
		<u>(1,290)</u>	<u>(1,148)</u>	<u>(3,536)</u>	<u>(3,337)</u>
Total comprehensive loss attributable to:					
Owners of the parent		(1,309)	(1,138)	(3,562)	(3,285)
Non-controlling interests		-	(7)	-	(20)
		<u>(1,309)</u>	<u>(1,145)</u>	<u>(3,562)</u>	<u>(3,305)</u>
Loss per ordinary share attributable to owners of the parent (sen)					
- basic	25	(1.69)	(2.02)	(4.64)	(5.88)
- diluted	25	(1.69)	(2.02)	(4.64)	(5.88)

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2017.

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

Unaudited Condensed Consolidated Statements of Changes of Equity for the 9 months period ended 31 March 2018

	← Non-distributable →				Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Asset Revaluation Reserves RM'000	Translation Reserve RM'000	Accumulated (Losses)/ profit RM'000			
As at 1 July 2017	16,913	4,912	(3)	(4,787)	17,035	(402)	16,633
Issuance of shares	12,092	-	-	-	12,092	-	12,092
Net loss for the year	-	-	-	(3,562)	(3,562)	-	(3,562)
Foreign currency translation	-	-	(109)	-	(109)	-	(109)
Total comprehensive loss for the financial year	-	-	(109)	(3,562)	(3,671)	-	(3,671)
As at 31 March 2018	29,005	4,912	(112)	(8,349)	25,456	(402)	25,054
As at 1 July 2016	16,913	4,957	(148)	2,429	24,151	(477)	23,674
Net loss for the financial period	-	-	-	(7,187)	(7,187)	(31)	(7,218)
Foreign currency translation	-	-	145	-	145	-	145
Total comprehensive loss for the financial period	-	-	145	(7,187)	(7,042)	(31)	(7,073)
Transaction with owners							
Transfer to retained earning	-	(45)	-	77	32	-	32
Acquisition of additional interest in subsidiary	-	-	-	(106)	(106)	106	-
Total transaction with owners	-	(45)	-	(29)	(74)	106	32
As at 30 June 2017	16,913	4,912	(3)	(4,787)	17,035	(402)	16,633

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2017.

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

Unaudited Condensed Consolidated Statements of Comprehensive Income for the 9 months period ended 31 March 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/3/18	31/3/17	31/3/18	31/3/17
	RM'000	RM'000	RM'000	RM'000
Net loss for the financial period/year	(1,309)	(1,145)	(3,562)	(3,305)
Other comprehensive income:				
Translation of foreign operations	(38)	363	(109)	257
Other comprehensive income for the financial period/year	(38)	363	(109)	257
Total comprehensive loss for the financial period/year	<u>(1,347)</u>	<u>(782)</u>	<u>(3,671)</u>	<u>(3,048)</u>
Attributable to:				
Owners of the parent	(1,347)	(776)	(3,671)	(3,035)
Non-Controlling Interests	-	(6)	-	(13)
Total comprehensive loss for the period/year	<u>(1,347)</u>	<u>(782)</u>	<u>(3,671)</u>	<u>(3,048)</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 June 2017.

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

Unaudited Condensed Consolidated Statements of Cash Flow for the 6 months period ended 31 March 2018

	CUMULATIVE QUARTER	
	9 months ended	
	31/3/18	31/3/17
	RM'000	RM'000
Cash flow from operating activities		
Loss before taxation	(3,448)	(3,200)
Adjustments for :-		
Depreciation for property, plant and equipment	832	1,194
Depreciation for investment property	121	-
Reversal of impairment on trade receivables	(28)	-
Gain on disposal of property, plant and equipments	-	(116)
Property, plant and equipments written off	9	-
Loss on liquidation of a subsidiary company	43	-
Write off of inventories	72	-
Interest income	(20)	(1)
Interest expense	133	114
Operating loss before changes in working capital	<u>(2,286)</u>	<u>(2,009)</u>
Changes in working capital		
Inventories	(89)	185
Receivables	(810)	325
Payables	(5,695)	190
Net cash flows used in operation	<u>(8,880)</u>	<u>(1,309)</u>
Tax paid	(136)	(105)
Tax refund	23	-
Interest paid	-	(2)
Interest received	20	1
Net cash used in operating activities	<u>(8,973)</u>	<u>(1,415)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(20)	(21)
Proceeds from disposal of property, plant and equipment	-	707
Net cash used in investing activities	<u>(20)</u>	<u>686</u>
Cash flow from financing activities		
Interest paid	(132)	(112)
Proceed from issuance of share	12,092	-
Advances from a director	280	802
Drawdown/(Repayment) of term loan	776	(316)
Net cash from financing activities	<u>13,016</u>	<u>374</u>
Net change in cash and cash equivalents	<u>4,023</u>	<u>(355)</u>
Cash and cash equivalents at beginning of financial period	665	1,110
Effect of currency translation differences	(9)	5
	<u>656</u>	<u>1,115</u>
Cash and cash equivalents at end of financial year	<u>4,679</u>	<u>760</u>
Cash and cash equivalents at the end of the financial year comprises the following :-		
Cash and bank balance	4,579	660
Short term deposits	100	100
	<u>4,679</u>	<u>760</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 June 2017.

KUPMULAN POWERNET BERHAD

(Company No. 419227-X)

NOTES TO UNAUDITED CONSOLIDATED QUARTERLY RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

A. Explanatory notes to interim financial reports

A1. Basis of preparation

The interim report is unaudited and has been prepared in compliance with the requirement of MFRS 134 and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2017 and accompanying explanatory notes attached to the interim financial report.

A2. Adoption of Standards, Amendments and Annual Improvements to Standards

(a) Application of new or revised standards

The Group and the Company have adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

Amendments/Improvements to MFRSs

MFRS 12	Disclosure of Interest in Other Entities
MFRS 107	Statement of Cash Flows
MFRS 112	Income Taxes

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies.

(b) New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

New MFRSs

		<u>Effective Date</u>
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021

Amendments/Improvements to MFRSs

MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
MFRS 15	Clarifications to MFRS 15	1 January 2018
MFRS 140	Transfers of Investment Property	1 January 2018
MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019

A2. Adoption of Standards, Amendments and Annual Improvements to Standards (continued)

(b) New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

Amendments/Improvements to MFRSs

MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. Due to the complexity of these new MFRSs and amendments/improvements to MFRSs, the financial effects of their adoption are currently still being assessed by the Group and the Company.

Except as otherwise indicated below, the adoption of the above new standards, amendments and interpretation are not expect to have significant impact on the financial statements of the Group and of the Company.

MFRS 9 Financial Instruments

Key requirements of MFRS 9:-

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

Impairment

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

A2. Adoption of Standards, Amendments and Annual Improvements to Standards (continued)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

A3. Audit report of preceding annual financial statements

The audited statements for the financial year ended 30 June 2016 were not subjected to any qualifications.

A4. Seasonal or cyclical factors

The demands for the Group's products are not subject to seasonal or cyclical factors during the current financial quarter under review.

A5. Unusual items

There were no items affecting the assets, liabilities, equity, net income, or cash flow that were unusual because of their nature, size, or incidence during the current financial quarter under review.

A6. Material changes in accounting estimates

There were no changes in the estimates of amount reported in prior financial period that had a material effect in the current financial quarter under review.

A7. Issuance, cancellations, repurchase, resale and repayments of debts and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debts and equity securities during the current financial quarter under review.

A8. Dividend

No interim or final dividends were declared or paid during the current financial quarter under review.

A9. Segmental information

Segmental analysis of the results, assets employed and liabilities for the 9 months ended 31 March 2018 are as follows:-

	Revenue	Inter-segment Sales	Total
	RM'000	RM'000	RM'000
Property	-	-	-
Investment	434	-	434
Manufacturing & Others	4,011	-	4,011
Consolidation	4,445	-	4,445
	Profit / (Loss) before taxation	Total assets employed	Total liabilities
	RM'000	RM'000	RM'000
Property	(1)	7,903	7,177
Investment	(41)	8,890	8,049
Manufacturing & Others	(2,936)	32,665	9,174
	(2,978)	49,458	24,400
Elimination of inter-segment	(470)	(11,851)	(11,847)
Consolidation	(3,448)	37,607	12,553

A10. Valuation of property, plant and equipment

The valuation of plant, property and equipment have been brought forward without amendments from the financial statements for the quarter under review.

A11. Material events subsequent to the end of the financial period

There were no material events subsequent to the end of financial period that has not been reflected in the financial statements for the period under review.

A12. Change in composition of the Group

In the current quarter ended 30 September 2017, Powernet Products (UK) Limited ("PPUK"), a wholly-owned subsidiary of Hypergize Link Sdn Bhd which in turn, a wholly-owned subsidiary of Kumpulan Powernet Berhad ("KPB"), had been strike off on 24 August 2017.

A13. Changes in contingent liabilities and contingent assets

There were no contingent liability and contingent assets which become enforceable may have a material effect on the net assets, profits or financial position of the Group for the current financial period to date.

B. Additional information required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B1. Review of performance

A comparison of the results of current quarter ended 31 March 2018 is as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 01/01/18 - 31/03/18 (RM'000)	Preceding Year Corresponding Quarter 01/01/17 - 31/03/17 (RM'000)	9 months Ended 31/03/18 (RM'000)	9 months Ended 31/03/17 (RM'000)
Revenue	1,439	975	4,445	2,613
Profit/(Loss) before taxation	(1,181)	(1,126)	(3,448)	(3,200)
Profit/(Loss) after taxation (before non-controlling interest)	(1,309)	(1,145)	(3,562)	(3,305)
Profit/(Loss) after taxation (after non-controlling interest)	(1,309)	(1,138)	(3,562)	(3,285)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 01/01/18 - 31/03/18 (RM'000)	Preceding Year Corresponding Quarter 01/01/17 - 31/03/17 (RM'000)	9 months Ended 31/03/18 (RM'000)	9 months Ended 31/03/17 (RM'000)
Revenue				
- Property	-	-	-	-
- Investment	184	317	434	632
- Manufacturing & Others	1,255	658	4,011	1,981
	1,439	975	4,445	2,613

An analysis of the above results based on the operating segments are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 01/01/18 - 31/03/18 (RM'000)	Preceding Year Corresponding Quarter 01/01/17 - 31/03/17 (RM'000)	9 months Ended 31/03/18 (RM'000)	9 months Ended 31/03/17 (RM'000)
Profit/(Loss) before taxation				
- Property	2	(10)	(1)	(8)
- Investment	28	192	(41)	398
- Manufacturing & Others	(1,211)	(1,308)	(3,406)	(3,590)
	(1,181)	(1,126)	(3,448)	(3,200)

B1. Review of performance (continued)Revenue

Revenue for the quarter increased by 47.59% to RM1.439 million as compared to RM0.975 million in the corresponding quarter of the preceding year.

During the quarter, the Investment segment registered a revenue of RM0.184 million, a decreased of 41.96% as compared to RM0.317 million in the corresponding quarter of the preceding year. The manufacturing segment recorded a revenue of RM1.255 million, increased by 90.73% compared to RM0.658 million in the corresponding quarter of the preceding year. The decreased in revenue for the investment segment was due to the lower demand of the rooms. The increased in the manufacturing segment was attributable to higher demand of our textile products.

Profit / (Loss) before taxation

The Group's losses before taxation for the quarter was increased to RM1.181 million compared to RM1.126 million in the corresponding quarter of preceding year. The higher losses was due to the higher costs incurred for manufacturing segments and lower investment income from investment segment compared to corresponding quarter of preceding year.

The Group losses increased by RM0.055 million to RM1.181 million or increased 4.88% compared to RM1.126 million in the corresponding quarter of preceding year. Investment segment made a profit of RM0.028 million compared to a profit of RM0.192 million in corresponding quarter of preceding year is due to the lower demand for students hostel. Manufacturing segment losses reduced by RM0.97 million to RM1.211 million compared to RM1.308 million in the corresponding quarter of preceding year mainly due to higher revenue incurred compare to corresponding quarter of preceding year.

B2. Variation of results against preceding quarter

A comparison of the results of the current quarter ended 31 March 2018 against immediate preceding quarter is as follows:-

	Current Quarter 01/01/18 - 31/03/18 (RM'000)	Preceding Quarter 01/10/17 - 31/12/17 (RM'000)
Revenue	1,439	1,685
Profit/(Loss) before taxation	(1,181)	(1,281)
Profit/(Loss) after taxation (before non-controlling interest)	(1,309)	(1,281)
Profit/(Loss) after taxation (after non-controlling interest)	(1,309)	(1,281)

	Current Quarter 01/01/18 - 31/03/18 (RM'000)	Preceding Quarter 01/10/17 - 31/12/17 (RM'000)
Revenue		
- Property	-	-
- Investment	184	143
- Manufacturing & Others	1,255	1,542
	1,439	1,685
Elimination of inter-segment	-	-
Consolidation	1,439	1,685

B2. Variation of results against preceding quarter (continued)

Below is the analysis of the results based on the operating segments of the Group:

	Current Quarter 01/01/18 - 31/03/18	Preceding Quarter 01/10/17 - 31/12/17
Profit/ (Loss) before taxation		
- Property	2	(1)
- Investment	28	(9)
- Manufacturing	(1,211)	(801)
	(1,181)	(811)
Elimination of inter-segment	-	(470)
Consolidation	(1,181)	(1,281)

During the quarter, the revenue of the Group decreased by 14.6% to RM1.439 million as compared to preceding quarter of RM1.685 million. There were no property revenue as Sentul Project open to sell in September 2017. Investment segment increased by RM0.041 million to RM0.184 million compared to RM0.143 million in last quarter. Manufacturing segment recorded revenue of RM1.255 million a decreased of RM0.287 million from RM1.542 million during the quarter mainly due to lower demand of the products.

The property segment gain is due to the interest received during the quarter. The investment segment recorded a gain of RM0.028 million compared to RM0.009 million losses in the preceding quarter mainly due to the lower costs incurred during this quarter. The manufacturing segment recorded higher losses of RM1.211 million as compared to losses of RM0.801 million in the preceding quarter mainly due to higher costs incurred during this quarter.

B3. Prospects

We are optimistic with the general outlook for the upcoming year.

Efforts to push sales is starting to yield results. Quarter-on-quarter revenue increased almost 80%. With such encouraging performance, the Group is hoping to build on the momentum and continue to put in more effort in marketing for even better results going forward.

Sentul joint venture property development project between KPB and Majlis Bekas Wakil Rakyat (MUBARAK) title transfer was completed on 21 July 2017. The Group has commenced the marketing of the development to prospective buyers.

On 28 November 2017, the Company entered into a Memorandum of Understanding (“MOU”) with MyAngkasa Bina Sdn Bhd to collaborate and develop 30,000 units of Affordable Home Project.

On 10 January 2018, the Company proposed to acquire 5,100 ordinary shares of the issued share capital each in CBG Capital Sdn Bhd (“CBG Capital”) and CBG Builder Sdn Bhd (“CBG Builder”) representing 51% equity interest (“the Acquisitions”) and cash consideration of RM5,100.00 respectively each (“the Purchase Consideration”).

B4. Profit forecast

Not applicable as no profit forecast and no profit guarantee was published.

B5. Taxation

	Individual Quarter 3 months ended 31/03/18 (RM'000)	Cumulative Quarter 9 months ended 31/03/18 (RM'000)
Current tax expense	(128)	(114)
Deferred tax expense	-	-
Total	<u>(128)</u>	<u>(114)</u>

B6. Status of corporate proposals

As at 28 November 2017, KPB announced that the Company had entered into a Memorandum of Understanding (“MOU”) with MyAngkasa Bina Sdn Bhd to collaborate and develop 30,000 units of Affordable Home Project.

As at 5 December 2017, KPB announced that a total of 6,922,000 Placement Shares were placed out to third party investors in 3 tranches and completed, raising total gross proceeds of RM5,537,600.00.

As at 10 January 2018, the Company proposed to acquire 5,100 ordinary shares of the issued share capital each in CBG Capital Sdn Bhd (“CBG Capital”) and CBG Builder Sdn Bhd (“CBG Builder”) representing 51% equity interest (“the Acquisitions”) and cash consideration of RM5,100.00 respectively each (“the Purchase Consideration”).

B7. Current liabilitiesTerm Loan (Secured)

Long Term loan	2,800
Short Term loan	1,574
	<u>4,374</u>

B8. Financial instruments

a) Derivatives

The Group does not have any outstanding derivatives as at the date of this report.

b) Gain/Loss arising from fair value changes in financial liabilities

There were no gain/loss arising from fair value changes in financial liabilities for the current financial period.

B9. Changes in material litigation

There were no material litigation pending since the last financial year ended 30 June 2017 up to 31 May 2018.

B10. Dividends

The Board does not recommend any dividend for the current period under review.

B11. Earnings / (loss) per share

The calculation of basic earnings / (loss) per share for the current quarter under review is based on the net loss attributable to owners of parent of RM3.562 million over the number of ordinary shares in issue during the current period of 76,149,941.

B12. Disclosure pursuant to appendix 9B of main market listing requirement

	Individual Quarter 3 months ended 31/03/18 (RM'000)	Cumulative Quarter 9 months ended 31/03/18 (RM'000)
(a) interest income	15	20
(b) other income including investment income	3	40
(c) interest expense	(67)	(133)
(d) depreciation and amortization	(289)	(953)
(e) (provision) for / reversal of and write off of receivables	-	28
(f) provision for and write off of inventories	(72)	(72)
(g) Loss on liquidation of subsidiary company	-	43
(h) impairment of assets	-	9
(i) Realised (loss)/gain on foreign exchange	(21)	(27)
(j) gain or loss on derivatives and	-	-
(k) exceptional items (with details)	-	-

By Order of the Board

Wong Youn Kim
Company Secretary
Date: 21 May 2018