

**KUMPULAN POWERNET BERHAD**

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statements of Financial Position  
as at 30 June 2018**

	<b>(Unaudited) 30-06-2018 RM'000</b>	<b>(Audited) 30-06-2017 RM'000 (Restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,521	14,613
Investment properties	8,272	8,842
Investment in subsidiaries	-	-
	<hr/>	<hr/>
<b>Total non-current assets</b>	21,793	23,455
<b>Current assets</b>		
Inventories	8,836	9,287
Trade receivables	458	250
Other receivables, deposits and prepayments	406	311
Tax recoverable	-	191
Deposits placed with licensed banks	309	100
Cash and bank balances	4,176	565
	<hr/>	<hr/>
<b>Total current assets</b>	14,185	10,704
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	35,978	34,159
<hr/>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	28,994	16,913
Retained earnings/ (Accumulated losses)	(9,746)	(4,787)
Reserves	4,805	4,909
	<hr/>	<hr/>
<b>Total equity attributable to owners of the parent</b>	24,053	17,035
Non-controlling interests	(390)	(402)
	<hr/>	<hr/>
<b>Total equity</b>	23,663	16,633
	<hr/>	<hr/>

**KUMPULAN POWERNET BERHAD**

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statements of Financial Position  
as at 30 June 2018 (continued)**

	<b>(Unaudited) 30-06-2018 RM'000</b>	<b>(Audited) 30-06-2017 RM'000 (Restated)</b>
<b>Non-current liabilities</b>		
Deferred taxation	576	576
Borrowings	2,616	3,229
<b>Total non-current liabilities</b>	<hr/> 3,192	<hr/> 3,805
<b>Current liabilities</b>		
Trade payables	598	285
Other payables and accruals	1,643	7,661
Provision for tax	8	-
Amount due to a director	5,294	5,312
Borrowings	1,580	463
<b>Total current liabilities</b>	<hr/> 9,123	<hr/> 13,721
<b>Total liabilities</b>	<hr/> 12,315	<hr/> 17,526
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> 35,978	<hr/> 34,159
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.32	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 12 months period ended as at 30 June 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	1,280	1,311	5,725	3,924
Cost of sales	(1,893)	(3,315)	(6,942)	(4,195)
<b>Gross loss</b>	(613)	(2,004)	(1,217)	(271)
Other operating income	155	119	215	327
Distribution expenses	(228)	(162)	(638)	(513)
Administrative expenses	(762)	(1,316)	(3,080)	(3,405)
Other operating expenses	-	(304)	(43)	(3,238)
<b>Operating loss</b>	(1,448)	(3,667)	(4,763)	(7,100)
Finance costs	(60)	(37)	(193)	(151)
<b>Loss before tax</b>	(1,508)	(3,704)	(4,956)	(7,251)
Taxation	113	69	(1)	33
<b>Net loss for the financial year</b>	(1,395)	(3,635)	(4,957)	(7,218)
<b>Other comprehensive (expenses)/income, net of tax:</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation		(41)	(104)	145
<b>Total comprehensive loss for the financial year</b>	(1,395)	(3,676)	(5,061)	(7,073)

**KUMPULAN POWERNET BERHAD**

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statements of Comprehensive Income  
for the 12 months period ended as at 30 June 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	RM'000	RM'000	RM'000	RM'000
<b>Loss attributable to:</b>				
Owners of the parent	(1,395)	(3,729)	(4,959)	(7,187)
Non-controlling interests	-	94	2	(31)
	<u>(1,395)</u>	<u>(3,635)</u>	<u>(4,957)</u>	<u>(7,218)</u>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent	(1,395)	(3,635)	(5,063)	(7,042)
Non-controlling interests	-	(41)	2	(31)
	<u>(1,395)</u>	<u>(3,676)</u>	<u>(5,061)</u>	<u>(7,073)</u>
<b>Loss per ordinary share attributable to owners of the parent (sen)</b>				
- basic	(1.83)	(6.61)	(6.51)	(12.75)
- diluted	(1.83)	(6.61)	(6.51)	(12.75)

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 12 months period ended 30 June 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			
<b>As at 1 July 2017</b>	16,913	4,912	(3)	(4,787)	17,035	(402)	16,633
<b>Issuance of shares</b>	12,081	-	-	-	12,081	-	12,081
<b>Acquisition of subsidiaries</b>	-	-	-	-	-	10	10
<b>Net loss for the year</b>	-	-	-	(4,959)	(4,959)	2	(4,957)
Foreign currency translation	-	-	(104)	-	(104)	-	(104)
<b>Total comprehensive loss for the financial year</b>	-	-	(104)	(4,959)	(5,063)	2	(5,061)
<b>As at 30 June 2018</b>	<b>28,994</b>	<b>4,912</b>	<b>(107)</b>	<b>(9,746)</b>	<b>24,053</b>	<b>(390)</b>	<b>23,663</b>
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)
<b>Transaction with owners</b>							
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
<b>As at 30 June 2017</b>	<b>16,913</b>	<b>4,912</b>	<b>(3)</b>	<b>(4,787)</b>	<b>17,035</b>	<b>(402)</b>	<b>16,633</b>

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 12 months period ended 30 June 2018**

	<b>CUMULATIVE QUARTER</b>	
	<b>12 months ended</b>	
	<b>30/6/18</b>	<b>30/6/17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Loss before taxation	(4,956)	(7,251)
Adjustments for :-		
Depreciation for property, plant and equipment	986	1,588
Depreciation for investment property	160	146
Reversal of impairment on trade receivables	(28)	(34)
(Gain)/Loss on disposal of property, plant and equipments	(76)	237
Property, plant and equipments written off	9	-
Loss on liquidation of a subsidiary company	43	-
Tax recoverable/ tax expense written off	268	-
Unrealised loss in foreign exchange	-	-
Write off of inventories	72	(869)
Interest income	(74)	(2)
Interest expense	193	151
<b>Operating loss before changes in working capital</b>	<b>(3,403)</b>	<b>(3,156)</b>
<b>Changes in working capital</b>		
Inventories	379	(6,418)
Receivables	479	486
Payables	(6,344)	6,789
<b>Net cash flows used in operation</b>	<b>(8,889)</b>	<b>(2,299)</b>
Tax paid	(135)	-
Tax refund	66	-
Interest paid	-	(2)
Interest received	74	2
<b>Net cash used in operating activities</b>	<b>(8,884)</b>	<b>(2,299)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(25)	(23)
Proceeds from disposal of property, plant and equipment	198	165
Acquisition of subsidiaries	10	-
Proceed from disposal of non-current assets held for sale	-	763
<b>Net cash used in investing activities</b>	<b>183</b>	<b>905</b>
<b>Cash flow from financing activities</b>		
Interest paid	(193)	(149)
Proceed from issuance of share	12,092	-
Advances received from directors	(18)	1,272
Drawdown/(Repayment) of term loan	663	(334)
<b>Net cash from financing activities</b>	<b>12,544</b>	<b>789</b>
<b>Net change in cash and cash equivalents</b>	<b>3,843</b>	<b>(605)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>665</b>	<b>1,110</b>
<b>Effect of currency translation differences</b>	<b>(15)</b>	<b>160</b>
	<b>650</b>	<b>1,270</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>4,493</b>	<b>665</b>
<b>Cash and cash equivalents at the end of the financial year comprises the following :-</b>		
Cash and bank balance	4,176	565
Short term deposits	309	100
	<b>4,485</b>	<b>665</b>

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 30 JUNE 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:

<u>New MFRSs</u>		<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
<u>Amendments/Improvements to MFRSs</u>		
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 12 months ended 30 June 2018 are as follows:-

	<b>Revenue</b>	<b>Inter-segment Sales</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property	-	-	-
Investment	519	-	519
Manufacturing & Others	5,206	-	5,206
Consolidation	5,725	-	5,725
	<b>Profit / (Loss)</b>	<b>Total assets</b>	<b>Total liabilities</b>
	<b>before taxation</b>	<b>employed</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property	(9)	7,924	7,187
Investment	(313)	8,549	7,859
Manufacturing & Others	(4,634)	31,309	9,089
	(4,956)	47,782	24,135
Elimination of inter-segment	-	(11,804)	(11,820)
Consolidation	(4,956)	35,978	12,315

**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**

On 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.

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").

**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 30 June 2018 is as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter  01/04/18 - 30/06/18 (RM'000)	Preceding Year Corresponding Quarter  01/04/17 - 30/06/17 (RM'000)	12 months Ended  30/06/18 (RM'000)	12 months Ended  30/06/17 (RM'000)
Revenue	1,280	1,311	5,725	3,924
Profit/(Loss) before taxation	(1,508)	(3,704)	(4,956)	(7,251)
Profit/(Loss) after taxation (before non-controlling interest)	(1,395)	(3,635)	(4,957)	(7,218)
Profit/(Loss) after taxation (after non-controlling interest)	(1,395)	(3,729)	(4,959)	(7,187)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter  01/04/18 - 30/06/18 (RM'000)	Preceding Year Corresponding Quarter  01/04/17 - 30/06/17 (RM'000)	12 months Ended  30/06/18 (RM'000)	12 months Ended  30/06/17 (RM'000)
Revenue				
- Property	-	-	-	-
- Investment	85	524	519	1,156
- Manufacturing & Others	1,195	787	5,206	2,768
	1,280	1,311	5,725	3,924

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter  01/04/18 - 30/06/18 (RM'000)	Preceding Year Corresponding Quarter  01/04/17 - 30/06/17 (RM'000)	12 months Ended  30/06/18 (RM'000)	12 months Ended  30/06/17 (RM'000)
Profit/(Loss) before taxation				
- Property	(8)	-	(9)	(8)
- Investment	(272)	173	(313)	571
- Manufacturing & Others	(1,228)	(3,877)	(4,634)	(7,814)
	(1,508)	(3,704)	(4,956)	(7,251)

**B1. Review of performance (continued)**Revenue

Revenue for the quarter decreased by 2.36% to RM1.280 million as compared to RM1.311 million in the corresponding quarter of the preceding year.

During the quarter, the Investment segment registered a revenue of RM0.085 million, a decreased of 83.78% as compared to RM0.524 million in the corresponding quarter of the preceding year. The manufacturing segment recorded a revenue of RM1.195 million, increased by 51.84% compared to RM0.787 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 decreased to RM1.508 million compared to RM3.704 million in the corresponding quarter of preceding year. The lower losses were due lower impairment costs incurred for manufacturing segments during the corresponding quarter of the preceding year and lower investment income from investment segment compared to corresponding quarter of preceding year.

The Group losses decreased by RM2.295 million to RM1.508 million or decreased 59.29% compared to RM3.704 million in the corresponding quarter of preceding year. Investment segment made a loss of RM0.272 million compared to a profit of RM0.173 million in corresponding quarter of preceding year is due to the lower demand and higher costs incurred for students hostel. Manufacturing segment losses reduced by RM2.649 million to RM1.228 million compared to RM3.877 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 30 June 2018 against immediate preceding quarter is as follows:-

	<b>Current Quarter 01/04/18 - 30/06/18 (RM'000)</b>	<b>Preceding Quarter 01/01/18 - 31/03/18 (RM'000)</b>
Revenue	1,280	1,439
Profit/(Loss) before taxation	(1,508)	(1,181)
Profit/(Loss) after taxation (before non-controlling interest)	(1,395)	(1,309)
Profit/(Loss) after taxation (after non-controlling interest)	(1,395)	(1,309)

	<b>Current Quarter 01/04/18 - 30/06/18 (RM'000)</b>	<b>Preceding Quarter 01/01/18 - 31/03/18 (RM'000)</b>
Revenue		
- Property	-	-
- Investment	85	184
- Manufacturing & Others	1,195	1,255
	1,280	1,439
Elimination of inter-segment	-	-
Consolidation	1,280	1,439

**B2. Variation of results against preceding quarter (continued)**

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

	<b>Current Quarter 01/04/18 - 30/06/18</b>	<b>Preceding Quarter 01/01/18 - 31/03/18</b>
Profit/ (Loss) before taxation		
- Property	(8)	2
- Investment	(272)	28
- Manufacturing	(1,698)	(1,211)
	(1,978)	(1,181)
Elimination of inter-segment	470	-
Consolidation	(1,508)	(1,181)

During the quarter, the revenue of the Group decreased by 11.05% to RM1.280 million as compared to preceding quarter of RM1.439 million. There were no property revenue as Sentul Project open to sell in financial year 2018. Investment segment decreased by RM0.099 million to RM0.085 million compared to RM0.184 million in last quarter. Manufacturing segment recorded revenue of RM1.195 million a decreased of RM0.159 million from RM1.255 million during the quarter mainly due to lower demand of the products.

The property segment losses is due to the administrative expenses during the quarter. The investment segment recorded a loss of RM0.272 million compared to RM0.028 million gain in the preceding quarter mainly due to the lower revenue during this quarter. The manufacturing segment recorded higher losses of RM1.698 million as compared to losses of RM1.211 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**

	<b>Individual Quarter 3 months ended 30/06/18 (RM'000)</b>	<b>Cumulative Quarter 12 months ended 30/06/18 (RM'000)</b>
Current tax expense	113	(1)
Deferred tax expense	-	-
Total	<u>113</u>	<u>(1)</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 liabilities**Term Loan (Secured)

Long Term loan	2,616
Short Term loan	1,580
	<u>4,196</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 August 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**

	<b>Individual Quarter 3 months ended 30/06/18 (RM'000)</b>	<b>Cumulative Quarter 12 months ended 30/06/18 (RM'000)</b>
(a) interest income	54	74
(b) other income including investment income	101	141
(c) interest expense	(60)	(193)
(d) depreciation and amortization	(193)	(1,146)
(e) (provision) for / reversal of and write off of receivables	-	28
(f) provision for and write off of inventories	-	(72)
(g) Loss on liquidation of subsidiary company	-	43
(h) impairment of assets	-	9
(i) Realised (loss)/gain on foreign exchange	(117)	(144)
(j) gain or loss on derivatives and	-	-
(k) exceptional items (with details)	-	-

By Order of the Board

Wong Youn Kim  
Company Secretary  
Date: 30 August 2018