

STONE MASTER CORPORATION BERHAD

(Company No. 498639-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 MARCH 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (3 months to 31.3.2016)	Preceding Year Corresponding (3 months to 31.3.2015)	Current Year To Date (6 months to 31.3.2016)	Preceding Year Corresponding (6 months to 31.3.2015)
	RM'000	RM'000	RM'000	RM'000
Revenue	16,182	21,390	39,659	43,713
Operating expenses	(20,482)	(21,565)	(43,676)	(44,242)
Other operating income	220	61	355	101
Profit / (Loss) from Operations	(4,080)	(114)	(3,662)	(428)
Finance Costs	(426)	(517)	(996)	(1,060)
Profit / (Loss) before taxation	(4,506)	(631)	(4,658)	(1,488)
Taxation	(16)	(21)	(320)	(82)
Profit / (Loss) for the period	(4,522)	(652)	(4,978)	(1,570)
Other Comprehensive Income :-	-	-	-	-
Total Comprehensive Loss	(4,522)	(652)	(4,978)	(1,570)
Profit / (Loss) attributable to :				
Equity holders of the company	(4,522)	(652)	(4,978)	(1,570)
Non-Controlling Interests	-	-	-	-
	(4,522)	(652)	(4,978)	(1,570)
Total Comprehensive Loss attributable to :				
Equity holders of the company	(4,522)	(652)	(4,978)	(1,570)
Non-Controlling Interests	-	-	-	-
	(4,522)	(652)	(4,978)	(1,570)
Earnings per share (sen) :				
- Basic	(5.03)	(1.41)	(5.54)	(3.40)
- Diluted	N/A	N/A	N/A	N/A

Note :

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015

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INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER ENDED 31 MARCH 2016

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 MARCH 2016

ASSETS	Note	AS AT CURRENT QUARTER 31.3.2016 RM'000	AS AT PRECEEDING YEAR CORRESPONDING QUARTER (6 months to 31.3.2015) RM'000
Non-Current Assets			
Property, Plant & Equipment		21,992	22,345
Investment Properties		4,135	3,975
Other Investments		28	28
		26,155	26,348
Current Assets			
Inventories		5,118	5,870
Trade Receivables		20,544	24,165
Non Refundable Deposits	2	11,590	-
Other Receivables		872	797
Cash and bank balances		2,231	417
		40,355	31,249
TOTAL ASSETS		66,510	57,597
EQUITY AND LIABILITIES			
Share Capital		22,476	11,550
Reserves		(10,246)	38
Equity attributable to equity holders of the Company		12,230	11,588
Non-Controlling Interest		-	-
Total Equity		12,230	11,588
Non-Current Liabilities			
Long term borrowings		4,554	14,195
Deferred Taxation		2,078	1,978
		6,632	16,173
Current Liabilities			
Short term borrowings		14,847	11,771
Trade Payables		7,820	12,934
Loan Creditors	3	18,000	-
Advance from director	4	2,800	-
Other payable and accruals		3,633	4,523
Taxation		548	608
		47,648	29,836
Total Liabilities		54,280	46,009
TOTAL EQUITY AND LIABILITIES		66,510	57,597
		-	-
Net assets per share (sen)		13.60	25.08

Note :

1) The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015

2) Non refundable deposits of RM11.590 million was paid in February 2016

3) Loan creditors of RM18 million from Starfield Capital Sdn Bhd is interest free loan.

4) Advance of RM2.8 million from director is provided by Dato' Eii Ching Siew @ Yii Ching Siew at no interest charge.

The following amendment has been made to the balance sheet as follow:-

	Previous report	Amended report
	Balance sheet as at 31.3.2016 (RM'000)	Balance sheet as at as at 31.3.2016 (RM'000)
Note		
Non-Current Assets		
Agency Rights	1	3,050,000
		-
Current Assets		
Non Refundable Deposits	2	11,590
Non-Current Liabilities		
Other Trade Creditors	3	3,038,410
		-
Current Liabilities		
Trade Payables	4(a)	25,820
		7,800
Other payables and accruals	4(b)	6,433
		3,633
Loan Creditors	5(a)	18,000
Advance from director	5(b)	2,800

Explanation Note:-

- 1) Reversal of the accounting entry of Agency Right of RM3,050,000,000-00
- 2) The initial entry for the payment of RM11,590,000-00 was set off with Other Trade Payables in the Non-current Liabilities which is now reclassified to Current Assets.
- 3) The above reversal and reclassification of items 1 and 2, lead to abortion the entry of Other Trade Payables of RM3,038,410,000-00.
- 4 (a) & (b) Reclassification of RM18,000,000-00 from Trade Payables to Loan Creditors
- 5 (a) & (b) Reclassification of RM2,800,000-00 from Other Payables and Accruals to Advance from director.

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INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 MARCH 2016

		2016	2015
		6 months ended	6 months ended
		31.3.2016	31.3.2015
	<i>Note</i>	RM'000	RM'000
Operating activities			
Profit/(Loss) before taxation		(4,658)	(1,488)
Adjustments for non-cash flow :-			
Non-cash items		393	444
Non-operating items		<u>(6,887)</u>	<u>(374)</u>
Operating profit / (loss) before changes in working capital		(11,152)	(1,418)
Changes in working capital :			
Net change in current assets	3	(7,292)	472
Net change in current liabilities		<u>(3,799)</u>	<u>336</u>
Net Cash Flow from operating activities		<u>(22,243)</u>	<u>(610)</u>
Investing Activities			
Equity Investment		-	-
Purchases of Property, Plant & Equipment		(408)	-
Proceeds from Sale of Property, Plant & Equipment		72	-
Net Cash Flow from investing activities		<u>(336)</u>	<u>-</u>
Financing Activities			
Proceeds from issuance of shares		12,363	-
Loan Creditors	4	18,000	-
Advance from director		595	-
Bank & Other borrowings		(7,735)	(3,080)
Debts securities issued		-	-
Net Cash Flow from financing activities		<u>23,223</u>	<u>(3,080)</u>
Net Change in Cash & Cash Equivalents		644	(3,690)
Cash and cash equivalents at beginning of period		(2,450)	1,240
Cash and cash equivalents at end of period		<u>(1,806)</u>	<u>(2,450)</u>
Cash and cash equivalents comprise :			
Cash and bank balances		1,467	417
Fixed Deposit		764	-
Bank Overdraft		<u>(4,037)</u>	<u>(2,867)</u>
		<u>(1,806)</u>	<u>(2,450)</u>

Note :

- 1) The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015.
- 2) This cash flow report is to supersede the previous cash flow report as the period from reporting has been change from "3 months ended 31.3.2016 to 6 months ended 31/3/2016".
- 3) The net change of Current Asset has included a sum of RM11.590 million related to non refundable deposits.
- 4) Loan Creditors related to loan of RM18 million received from Starfield Capital Sdn Bhd in January 2016

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INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER ENDED 31 MARCH 2016

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 MARCH 2016

	← Attributable to Equity Holders of the Company →						Distributable
	Non-Distributable						
	Share Capital	Share Premium	Revaluation Reserve	Warrant Reserve	Fair Value Reserve	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months period							
Ended 31 MARCH 2016							
Balance as at 01/10/2015	22,476	2,048	4,224	2,622	13	(14,175)	17,208
Total comprehensive income for the period	-	-	-	-	-	(4,978)	(4,978)
Transfer within reserves	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	-
Realisation of revaluation reserve	-	-	-	-	-	-	-
Balance as at end of the period ended 31/3/2016	<u>22,476</u>	<u>2,048</u>	<u>4,224</u>	<u>2,622</u>	<u>13</u>	<u>(19,153)</u>	<u>12,230</u>
Ended 31 MARCH 2015							
Balance as at 01/10/2014	23,100	611	4,160	-	13	(14,726)	13,158
Total comprehensive income for the period	-	-	-	-	-	(1,570)	(1,570)
Capital Reduction	(11,550)	-	-	-	-	11,550	-
Amortization of revaluation reserve	-	-	(38)	-	-	38	-
Balance as at end of the period ended 31/3/2015	<u>11,550</u>	<u>611</u>	<u>4,122</u>	<u>-</u>	<u>13</u>	<u>(4,708)</u>	<u>11,588</u>

Note :

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015.

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INTERIM FINANCIAL STATEMENT FOR THE SECOND QUARTER ENDED 31 MARCH 2016

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ADDITIONAL INFORMATION

for the period ended 31 MARCH 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (3 months to 31.3.2016)	Preceding Year Corresponding Quarter (3 months to 31.3.2015)	Current Year To Date (6 months to 31.3.2016)	Preceding Year Corresponding (6 months to 31.3.2015)
	RM'000	RM'000	RM'000	RM'000
Gross Interest Income	<u>150</u>	<u>0</u>	<u>150</u>	<u>0</u>
Gross Interest Expenses	<u>406</u>	<u>517</u>	<u>971</u>	<u>1,060</u>

Note :

The Condensed Consolidated Additional Information should be read in conjunction with the Annual Financial Report for the year ended 30 September 2015