



**IRE-TEX CORPORATION BERHAD**

**(576121 - A)**

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED  
31 DECEMBER 2016**

**IRE-TEX CORPORATION BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31/12/16</b>	<b>31/12/15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	46,486	47,378
Investment properties	22,600	31,150
Other investment	549	549
Goodwill on consolidation	-	3,411
Asset held for sale	8,800	-
Deferred tax assets	163	230
<b>Total non-current assets</b>	<u>78,598</u>	<u>82,718</u>
<b>Current assets</b>		
Inventories	6,945	12,361
Trade receivables	35,099	41,055
Other receivables	2,939	13,809
Tax recoverable	963	1,184
Fixed deposits placed with licensed banks	2,912	3,023
Cash and bank balances	2,855	6,169
<b>Total current assets</b>	<u>51,713</u>	<u>77,601</u>
<b>TOTAL ASSETS</b>	<u>130,311</u>	<u>160,319</u>
<b>EQUITY</b>		
Share capital	53,697	53,194
Reserves	(6,168)	22,075
Equity attributable to owners of the parent	<u>47,529</u>	<u>75,269</u>
Non-controlling interests	1,294	1,034
<b>Total equity</b>	<u>48,823</u>	<u>76,303</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	15,599	17,631
Other payables	674	643
Deferred tax liabilities	1,169	1,489
<b>Total non-current liabilities</b>	<u>17,442</u>	<u>19,763</u>
<b>Current liabilities</b>		
Trade payables	23,679	22,038
Other payables	15,791	10,975
Loans and borrowings	24,466	31,145
Provision for taxation	110	95
<b>Total current liabilities</b>	<u>64,046</u>	<u>64,253</u>
<b>Total liabilities</b>	<u>81,488</u>	<u>84,016</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>130,311</u>	<u>160,319</u>
Net assets per share (RM)	0.36	0.57

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2015.

**IRE-TEX CORPORATION BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31/12/16 RM'000	3 months ended 31/12/15 RM'000	12 months ended 31/12/16 RM'000	12 months ended 31/12/15 RM'000
<b>Revenue</b>	32,082	36,613	133,633	131,881
Cost of sales	(28,073)	(30,921)	(118,429)	(113,835)
<b>Gross profit</b>	4,009	5,692	15,204	18,046
Other income	1,000	4,811	1,701	5,872
Distribution expenses	(1,470)	(2,006)	(7,735)	(7,965)
Administrative expenses	(20,668)	(5,825)	(34,052)	(22,234)
<b>(Loss)/Profit from operation</b>	(17,129)	2,672	(24,882)	(6,281)
Finance income	15	110	89	328
Finance costs	(541)	(579)	(2,248)	(2,507)
<b>Net finance costs</b>	(526)	(469)	(2,159)	(2,179)
<b>(Loss)/Profit before tax</b>	(17,655)	2,203	(27,041)	(8,460)
Taxation	(278)	(328)	(388)	(927)
<b>(Loss)/Profit for the period/year</b>	(17,933)	1,875	(27,429)	(9,387)
<b>Items that are or may be classified subsequently to profit or loss</b>				
Exchange translation differences for foreign operations	(3)	127	(59)	398
<b>Total comprehensive (loss)/profit for the period/year</b>	(17,936)	2,002	(27,488)	(8,989)
<b>(Loss)/Profit for the period attributable to:</b>				
Owners of the parent	(17,902)	664	(27,685)	(10,420)
Non-controlling interests	(31)	1,211	256	1,033
	(17,933)	1,875	(27,429)	(9,387)
<b>Total comprehensive (loss)/profit attributable to:</b>				
Owners of the parent	(17,905)	791	(27,744)	(10,022)
Non-controlling interests	(31)	1,211	256	1,033
	(17,936)	2,002	(27,488)	(8,989)
<b>(Loss)/earnings per share</b>				
Basic earnings per share (sen)	(13.34)	0.50	(20.62)	(7.84)
Diluted earnings per share (sen)	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2015.

**IRE-TEX CORPORATION BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	← Attributable to owners of the parent →						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Equity components of ICULS RM'000	<i>Non-distributable</i>		Foreign currency translation reserve RM'000	Accumulated losses RM'000			
	Share premium RM'000	Warrant reserve RM'000							
At 1 January 2016	53,194	21,319	5,393	9,960	414	(15,011)	75,269	1,034	76,303
Loss for the financial year	-	-	-	-	-	(27,685)	(27,685)	256	(27,429)
Other comprehensive loss for the financial period:									
Foreign exchange translation reserve	-	-	-	-	(59)	-	(59)		(59)
Transactions with owners:									
Conversion of ICULS	503	(516)	46	-	-	-	33		33
Acquisition of equity interest in subsidiary company	-	-	-	-	-	(29)	(29)	4	(25)
At 31 December 2016	<u>53,697</u>	<u>20,803</u>	<u>5,439</u>	<u>9,960</u>	<u>355</u>	<u>(42,725)</u>	<u>47,529</u>	<u>1,294</u>	<u>48,823</u>
At 1 January 2015	52,723	21,803	5,350	9,960	16	(4,591)	85,261	1	85,262
Loss for the financial year	-	-	-	-	-	(10,420)	(10,420)	1,033	(9,387)
Other comprehensive income for the financial period:									
Foreign exchange translation reserve	-	-	-	-	398	-	398	-	398
Transactions with owners:									
Conversion of ICULS	471	(484)	43	-	-	-	30	-	30
At 31 December 2015	<u>53,194</u>	<u>21,319</u>	<u>5,393</u>	<u>9,960</u>	<u>414</u>	<u>(15,011)</u>	<u>75,269</u>	<u>1,034</u>	<u>76,303</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2015.

**IRE-TEX CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

	<b>Current Year To Date 31/12/16 RM'000</b>	<b>Corresponding Year To Date 31/12/15 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(27,041)	(8,460)
Adjustments for:		
Bad debts written off	-	16
Change in fair value of investment properties	(450)	(3,682)
Depreciation of property, plant and equipment	3,817	4,281
Loss on disposal of property, plant and equipment	500	417
Impairment loss on fixed asset	-	2,031
Impairment loss on receivable	-	765
Impairment loss on goodwill	3,411	-
Finance cost	2,139	2,507
Finance income	(89)	(328)
Property, plant and equipment written off	194	147
Property, plant and equipment written down	13,987	-
Inventories written-off	48	209
Inventories written down	46	1,905
Reversal of impairment loss on trade receivables	-	(577)
Unrealised gain on foreign exchange	(176)	(25)
Operating loss before changes in working capital	(3,614)	(794)
Changes in working capital:		
Receivables	16,953	(3,374)
Inventories	5,322	(3,245)
Payables	(9,780)	8,238
Cash generated from operations	8,881	825
Interest paid	(2,139)	(2,507)
Tax paid	(405)	(966)
Net cash generated from/(used in) operating activities	6,337	(2,648)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Withdrawal of pledged fixed deposits	340	-
Interest received	-	252
Proceeds from disposal of property, plant and equipment	711	1,133
Acquisition of property, plant and equipment	(1,012)	(9,895)
Acquisition of subsidiaries companies	(25)	-
Acquisition of investment properties	-	(150)
Net cash generated/(used in) investing activities	14	(8,660)
Balance carried forward	6,351	(11,308)

	<b>Current Year To Date RM'000</b>	<b>Corresponding Year To Date RM'000</b>
Balance brought forward	6,351	(11,308)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment)/proceed from bankers acceptance	(6,820)	2,578
Conversion of ICULS	33	-
Payment of finance lease liabilities	(1,077)	(1,130)
Proceed from term loans	-	4,454
Repayment of term loans	(1,771)	(2,618)
Net cash (used in)/generated from financing activities	(9,635)	3,284
Effects of exchange translation differences on cash and cash equivalents	(5)	397
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(3,289)</u>	<u>(7,627)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	2,769	10,396
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>(520)</u></u>	<u><u>2,769</u></u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the end of the financial period comprise:		
Fixed deposits with licensed bank	2,912	3,023
Cash and bank balances	2,855	6,169
Bank overdrafts	(3,515)	(3,400)
	<u>2,252</u>	<u>5,792</u>
Less: Fixed deposit pledged with licensed banks	(2,772)	(3,023)
	<u><u>(520)</u></u>	<u><u>2,769</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2015.

**IRE-TEX CORPORATION BERHAD**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR  
QUARTER ENDED 31 DECEMBER 2016**

**1. ACCOUNTING POLICIES**

The interim financial statements is unaudited and has 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 Listing Requirements of Bursa Securities Malaysia Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2015. These explanation notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial performance and performance of the Group since the financial year ended 31 December 2015.

The Group had adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2016. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statement of the Group.

**2. BASIS OF PREPARATION**

**Standards issued but not yet effective**

At the date of authorisation of the Condensed Report, the following standards were issued but not yet effective and have not been adopted by the Group:

		Effective dates for financial periods beginning on or after
MFRS 14	Regulatory Deferrral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle		1 January 2016

Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities : Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

### **3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report of the preceding annual financial statements was not qualified.

### **4. SEASONAL OR CYCLICAL FACTORS**

The Group's operations are not subject to any seasonal or cyclical factors.

### **5. UNUSUAL ITEMS**

There was an impairment loss of RM14.0 million on capital work-in-progress were recognised in profit or loss.

### **6. CHANGE IN ESTIMATES**

There were no major changes in estimates that have had material effect on the current quarter results.

### **7. DEBTS AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resales and repayments of debts and equity securities for the period under review, except:

- i) The conversion of 10,053,000 units of five (5)-Year, 1%, Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of nominal value of RM0.075 each to 1,256,625 units of ordinary shares of nominal value RM0.40 each.

### **8. DIVIDEND PAID**

There was no dividend paid for the financial period under review.



## 9. SEGMENTAL INFORMATION

The segmental information for the 12 months ended is as follows:

	<b>Manufacturing</b>	<b>Trading</b>	<b>Automation</b>	<b>Investment Holding</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
External revenue	130,027	256	3,322	28	-	133,633
Inter-segment revenue	30,761	1,250	-	1,218	-	33,229
Segment revenue	<u>160,788</u>	<u>1,506</u>	<u>3,322</u>	<u>1,246</u>	<u>-</u>	<u>166,862</u>
<b>Results</b>						
Operating loss	(10,358)	(2,640)	(1,755)	(10,104)	(25)	(24,882)
Net finance cost	(1,336)	(745)	(14)	(64)	-	(2,159)
Income tax expense	(610)	(85)	-	307	-	(388)
Loss after tax	<u>(12,304)</u>	<u>(3,470)</u>	<u>(1,769)</u>	<u>(9,861)</u>	<u>(25)</u>	<u>(27,429)</u>

## 10. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

On 30<sup>th</sup> December 2016, the company announce that the decision to abort the multiple proposals due to the Board is currently reviewing alternative funding options for the Company. Such withdrawal is not expected to have any financial impact on the Company in terms of its earnings per share and net asset per share.

## 11. VALUATION OF INVESTMENT PROPERTY

The increased in fair value of investment property has been recognised in the profit and loss during the financial period.

## 12. CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in the composition of the Group for the financial period under review.

## 13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets for the financial period under review.

#### 14. CHANGES IN MATERIAL LITIGATION

*Ire-Tex Corporation Berhad (“Ire-Tex” or “the Company”) – Writ of Summons and Statement of Claim by Ire-Tex against Teh Eng Huat (“First Defendant”) and Khoo Hun Sniah (“Second Defendant”) in the High Court of Malaya at Penang (Civil Suit No.: 22NCVC-166-10/2015)*

On 19 September 2016, the Board of Directors of Ire-Tex announced that:

- i) During the hearing, the Judge acknowledged that he had received the Attachments from the Company’s solicitors. However, after perusing the Attachments, the Judge was unable to decide whether the Attachments are relevant and necessary to be produced to the Defendants in view that he does not know the full facts of the case at this juncture.
- ii) Therefore, the Judge had directed the Defendants to inspect the Attachments in Court and to prepare the submissions to set out the reasons why each and every document in the Attachments are relevant and necessary to the current Court proceedings (“Defendants’ Submissions”).
- iii) Nonetheless, the Company’s solicitors were not agreeable to this and raised an objection on the basis that allowing the Defendants to inspect the Attachments would go against the principles of a Discovery Application, as the Defendants are now allowed to peruse the Attachments without proving that these Attachments are relevant and necessary. However, the Judge was of the view that the Defendants’ Submissions are required to enable him to deliver his decision on the Discovery Application correctly.
- iv) The Judge then directed as follows:-
  - the Defendants are to inspect the Attachments in Court in the presence of the Company’s solicitors on a date to be agreed between the parties;
  - after inspecting the Attachments, the Defendants are to prepare the Defendant’s Submissions to be filed in Court; and

The Court directed all parties to exhaust their affidavits by the end of year 2016.

The Court had fixed for the hearing of the summary judgment applications on 20 January 2017.

*Ire-Tex Corporation Berhad (“Ire-Tex” or “the Company”) -Writ of Summons and Statement of Claim by Zoomic Technology (M) Sdn. Bhd. (“ZTSB”), a wholly-owned subsidiary of Ire-Tex against Teh Eng Huat in the High Court of Malaya at Penang*

On 26 September 2016, the Board of Directors of Ire-Tex announced that:

**i) Details of the default or circumstances leading to the filing of Writ of Summons and Statement of Claim.**

The filing of the Writ of Summons and Statement of Claim is a result of the Defendant who was a director of ZTSB (primarily responsible for the financial management of ZTSB), who owed the following duties to ZTSB:-

- (a) the Defendant was reposed with trust and confidence and consequently owed a duty of good faith to ZTSB;

- (b) the Defendant was further subject to fiduciary duties with attendant obligations to exercise his powers for a proper purpose and in good faith in the interest of ZTSB; and
- (c) the Defendant was subject to further wider duties under law to ZTSB to, amongst others, account to ZTSB, including that set out under Section 132 of the Companies Act, 1965 read together with Part X of the Contracts Act, 1950.

In November 2014, the Defendant caused ZTSB to make payment to him of a sum of RM3 million. In a subsequent review of the financial affairs of ZTSB, ZTSB is unable to reconcile the payment of the said sum of RM3 million to the Defendant having regard to, among others, that ZTSB had previously issued 5,900,000 new ordinary shares of RM1.00 each to the Defendant (including one other minority shareholder in the Plaintiff) in satisfaction of all advances previously made by the Defendant to satisfy amounts owing to Malaysian Debt Ventures Berhad.

The Defendant was at all material times reposed with trust and confidence at the material time such that ZTSB had not intended to allow the Defendant to gratuitously retain the RM3 million and the Defendant must make compensation to ZTSB pursuant to section 71 of the Contracts Act 1950 or otherwise in law. Pursuant to Section 11 of the Civil Law Act 1956 and Order 42, Rule 12 of the Rules of Court 2012 and the inherent jurisdiction of this court, ZTSB also claims compensation and/or damages including interest on the said sum of RM3 million from 11 November 2014 until satisfaction.

**ii) The financial and operational impact of the Writ of Summons and Statement of Claim on Ire-Tex and its subsidiaries (“the Group”).**

The Writ of Summons and Statement of Claim are not expected to have any material financial and operational impact on the Group.

**iii) The expected losses, if any arising from the Writ of Summons and Statement of Claim.**

The Company is not expected to incur any further losses arising from the Writ of Summons and Statement of Claim.

The Court directed the Defendant to prepare defence by 5 December 2016.

The Court had fixed a case management to be held on 20 December 2016.

## **15. LISTING REQUIREMENT**

The auditor have performed limited review on this report solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and qualified conclusion was issue.

## 16. REVIEW OF GROUP PERFORMANCE

- a) Comparison with corresponding quarter in the previous year

	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>			
- Manufacturing	32,042	34,100	(2,058)
- Trading	40	224	(184)
- Automation	-	2,289	(2,289)
<b>Total</b>	<u>32,082</u>	<u>36,613</u>	(4,531)
<b>Profit/(Loss) Before Tax</b>			
- Manufacturing	(12,626)	2,830	(15,456)
- Trading	(877)	(633)	(244)
- Automation	440	2,650	(2,210)
- Investment Holding	(4,583)	(2,643)	(1,940)
- Others	(9)	-	(9)
<b>Total</b>	<u>(17,655)</u>	<u>2,204</u>	(19,859)

The Group's revenue for the current quarter had reduced by RM4.5 million or 12% to RM32.1 million as compared to RM36.7 million in the corresponding quarter in the previous year. The reduced of revenue in current quarter was mainly due to reduced revenue in manufacturing division and no revenue generated from automation division during current quarter.

The Group recorded a loss before tax of RM17.7 million in the current quarter as compare to profit before tax of RM2.2 million in the corresponding quarter in the previous year. The result was mainly due to written down of machineries under construction amounting of RM14.0 million and impairment loss on goodwill of RM3.4 million during current quarter.

For manufacturing division, the revenue for the current quarter decreased by RM2.1 million to RM32.0 million as compared to RM34.1 million in the corresponding quarter in the previous year due to decreased demand from the electrical industry. The division recorded a loss before taxation RM12.6 million in current quarter compare to profit before taxation of RM2.8 million in corresponding quarter in previous year. The loss was mainly due to written down of machineries under construction amounting of RM14.0 million during current quarter.

For trading division, revenue for the current quarter recorded at less than RM0.1 million as compared to RM0.2 million in the corresponding quarter in the previous year. The loss for trading division had increased from RM0.6 million to RM0.9 million due to higher administrative cost.

For automation division, there is no revenue recorded due to no project completed during current quarter. The division recorded a profit before taxation of RM0.4 million in the current quarter due to restated of inventory record.

For the investment holding division, the loss for the current quarter recorded by RM4.6 million compared to RM2.6 million in the corresponding quarter in the previous year mainly due to impairment loss on goodwill.

For the others division, there is no revenue generated at the moment, therefore the results of loss before taxation is mainly due to administration cost.

b) Comparison with preceding quarter

	<b>Q4 2016</b>	<b>Q3 2016</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>			
- Manufacturing	32,042	32,593	(551)
- Trading	40	75	(35)
<b>Total</b>	<u>32,082</u>	<u>32,668</u>	(586)
<b>Profit/(Loss) Before Tax</b>			
- Manufacturing	(12,626)	1,014	(13,640)
- Trading	(877)	(842)	(35)
- Automation	440	(1,293)	1,733
- Investment Holding	(4,583)	(1,840)	(2,743)
- Others	(9)	(12)	3
<b>Total</b>	<u>(17,655)</u>	<u>(2,973)</u>	(14,682)

The Group's revenue for the current quarter had decreased by RM0.6 million to RM32.1 million as compared to RM32.7 million in the preceding quarter. The reduced of revenue in current quarter was mainly due to reduced revenue in manufacturing division.

The Group recorded a loss before tax of RM17.7 million in the current quarter as compare to loss before tax of RM3.0 million in the preceding quarter. The result was mainly due to written down of machineries under construction amounting of RM14.0 million and impairment loss on goodwill of RM3.4 million during current quarter.

For manufacturing division, the revenue for the current quarter slightly decreased by RM0.6 million to RM32.0 million as compared to RM32.6 million in the preceding quarter. The division recorded a loss before taxation of RM12.6 million in the current quarter as compared to profit before taxation of RM1.0 million in the preceding quarter. The result was mainly due to written down of machineries under construction during current quarter.

For trading division, the revenue maintained at approximately RM0.1 million both for current and preceding quarter. The loss before taxation maintained at RM0.9 million as compared to preceding quarter mainly due to sustained of fixed expenses.

For automation division, there is no revenue recorded both current and preceding quarter. The division recorded a profit before taxation of RM0.4 million as compared to loss before taxation of RM1.3 million in the preceding quarter due to reduce in administrative cost and restated of inventory record amounted RM0.5 million.

For the investment holding division, the loss for the current quarter recorded at RM4.6 million as compare to RM1.8 million in preceding quarter mainly due to impairment loss on goodwill.

For the others division, there is no revenue generated at the moment, therefore the results of loss before taxation is mainly due to administration cost.

## 17. PROSPECT FOR THE FINANCIAL YEAR

The manufacturing division of the will remain competitive and expect to have similar revenue as per year 2016.

Barring unforeseen circumstances, the prospect of the Group for the financial year is remaining optimistic.

## 18. PROFIT FORECAST OR PROFIT GUANRANTEE

This is not applicable to the Group.

## 19. TAXATION

	<b>Current Quarter RM'000</b>	<b>Current Year To-date RM'000</b>
Taxation based on results for the quarter:		
Current financial period	278	388

## 20. LOANS AND BORROWINGS

The Group loans and borrowings as at the end of the reporting quarters are as follows:

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
Term loan	4,598	13,533	18,131
Overdraft	3,515	-	3,515
Banker's acceptance	15,241	-	15,241
Hire purchase	1,112	1,386	2,498
<b>Unsecured</b>			
ICULS – liability component	-	680	680
<b>Total</b>	<u>24,466</u>	<u>15,599</u>	<u>40,065</u>

## 21. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities by the Group in the current quarter under review.

## 22. DIVIDEND PAYABLE

The Company did not declare any dividends for the period under review.

## 23. EARNINGS PER SHARE

### (a) Basic

	<b>Individual Period 3 months ended 31/12/16</b>	<b>Individual Period 3 months ended 31/12/15</b>	<b>Cumulative Period 12 months ended 31/12/16</b>	<b>Cumulative Period 12 months ended 31/12/15</b>
(Loss)/profit attributable to owners of the parent (RM'000)	(17,902)	664	(27,685)	(10,420)
Weighted average number of ordinary shares in issue ('000)	134,241	132,985	134,241	132,985
(Loss)/earnings per share (sen)	(13.34)	0.50	(20.62)	(7.84)

### (b) Diluted

The Group has no dilution in loss per ordinary share as the potential ordinary shares are anti-dilutive.

## 24. REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised accumulated losses of the Group is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) and prepared in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants.

	<b>Group 31/12/2016 RM'000</b>	<b>Group 31/12/2015 RM'000</b>
Total accumulated losses of the Company and its subsidiaries companies:		
- Realised	(53,625)	(19,224)
- Unrealised	(1,222)	255
	<u>(54,847)</u>	<u>(18,969)</u>
Less: Consolidation adjustments	12,122	3,958
Total accumulated losses	<u>(42,725)</u>	<u>(15,011)</u>

This disclosure is based on the format prescribed by Bursa Securities and is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.