

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31.12.2015 RM'000	Group As at 31.12.2014 RM'000
ASSETS		
Property, plant and equipment	12,455	16,654
Interest in jointly controlled entities and associates	2	-
Goodwill	4,161	-
Long Term Receivables	2,679	2,969
	19,297	19,623
Current assets		
Property Development Cost	53,937	-
Inventories	1,763	2,494
Trade and other receivables	49,165	58,242
Tax recoverable	3,164	922
Fixed deposits with licensed banks	20,671	18,924
Cash and Bank Balances	907	1,710
	129,607	82,292
TOTAL ASSETS	148,904	101,915
EQUITY AND LIABILITIES		
Share capital	45,930	45,126
Reserve	4,175	4,228
Retained profits	27,850	22,758
Total capital and reserves attributable to equity holders of the parent	77,955	72,112
Non-controlling interest	181	232
Total equity	78,136	72,344
Non-current liabilities		
Borrowings	4,581	4,106
Deferred tax liabilities	5,712	25
Long Term Payables	3,146	2,932
Total non-current liabilities	13,439	7,063
Current liabilities		
Trade and other payables	55,212	20,214
Borrowings	2,117	2,294
Total current liabilities	57,329	22,508
Total liabilities	70,768	29,571
TOTAL EQUITY AND LIABILITIES	148,904	101,915
Net Assets Per Share (RM)	0.85	0.80

The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	18,131	15,844	60,021	43,757
Operating expenses	(18,979)	(15,843)	(64,857)	(48,665)
Other income	1,274	312	11,012	1,527
Finance costs	(192)	103	(746)	(470)
Profit/(Loss) before taxation	235	416	5,431	(3,851)
Taxation	(425)	63	(472)	49
Profit/(Loss) for the period	(190)	479	4,959	(3,802)
Comprehensive Income/(loss) :				
Translation of foreign operations	(7)	64	49	37
Total comprehensive Profit/(loss) for the period	(197)	543	5,008	(3,765)
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	(152)	374	4,991	(3,881)
Non controlling interests	(38)	105	(32)	79
	(190)	479	4,959	(3,802)
Total comprehensive profit/(loss) attributable to:				
Equity holders of the parent	(158)	438	5,040	(3,844)
Non controlling interests	(38)	105	(32)	79
	(196)	543	5,008	(3,765)
Earning per share				
- basic (sen)	(0.17)	0.42	5.45	(4.35)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit / (Loss) before taxation	5,430	(3,852)
Adjustments for non-cash and non operating items	(7,744)	1,781
Net change in inventories and receivables	1,908	10,202
Net change in payables	9,576	(1,266)
Interest paid	(295)	(270)
Taxation paid	(1,858)	(324)
Net cash in/(out)flow for operating activities	7,017	6,271
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	137	1,804
Purchase of property, plant and equipment	(1,074)	(3,953)
Acquisition Of Investment Properties / Land for Development	(820)	-
Proceed from disposal of investment in subsidiaries	37,225	2
Acquisition of investment in subsidiary company	(44,264)	-
(Increase)/Decrease in fixed deposits pledged to bank	(1,060)	(74)
Interest received	597	463
Net cash outflow for investing activities	(9,259)	(1,758)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares	804	504
Drawdown of borrowings	995	659
Repayment of borrowings	(225)	(1,424)
Net cash in/(out)flow for financing activities	1,574	(261)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(668)	4,252
Opening cash and cash equivalents	18,178	13,919
Effect of exchange rate changes	49	7
Closing cash and cash equivalents	17,559	18,178

The above Condensed Consolidated Cash flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other Reserve / Defisit	Share Option Reserve	Retained profits	Sub-total	Non-controlling interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 31.12.2013 / 01.01.2014	44,622	3,175	771	202	26,681	75,452	39	75,491
Profit/(Loss) after taxation for the financial year	-	-	-	-	(3,881)	(3,881)	79	(3,802)
Other comprehensive income for the financial year, net of tax: - Foreign currency translation	-	-	37	-	-	37	-	37
Total comprehensive income for the financial year	-	-	37	-	(3,881)	(3,844)	79	(3,765)
Contribution by and distribution to owners of the Company:								
Share option exercised	504	55	-	(55)	-	504	-	504
Reclassification	-	-	-	114	-	114	-	114
Share option cancelled	-	-	-	(72)	72	-	-	-
Change in ownership interests in subsidiary that do not result in loss of control	-	-	-	-	(114)	(114)	114	-
Total transactions with owners of the Company	504	55	-	(13)	(42)	504	114	618
Balance as at 31.12.2014 / 01.01.2015	45,126	3,230	808	189	22,758	72,111	232	72,343
Profit/(Loss) after taxation for the financial year	-	-	-	-	4,991	4,991	(39)	4,951
Exercise of Employee's Share Options ("ESOS")	804	-	-	-	-	804	-	804
Disposal of shares in subsidiary	-	-	-	-	-	-	(11)	(11)
Cancellation of Option Reserve	-	88	-	(189)	101	-	-	-
Foreign currency translation	-	-	49	-	-	49	-	49
Total comprehensive income for the financial year	804	88	49	(189)	5,092	5,843	(50)	5,793
Balance as at 31.12.2015	45,930	3,318	857	(0)	27,850	77,954	182	78,136

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia 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 year ended 31 December 2014.

- a) During the current financial period, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 cycle
Annual Improvements to MFRSs 2011-2013 cycle

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

- b) The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 : Presentation of Financial Statements - 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 (2011) : Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A2. Auditors' Report

The auditors' report of the preceding annual financial statements for the financial year ended 31 December 2014 was not subject to any audit qualification.

A3. Seasonal/Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual and extraordinary items for the financial year under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial years which have a material effect in the financial year under review.

A6. Debt or Equity Securities

During the current financial year, the issued and paid up share capital was increased from RM45,126,200 to RM45,929,950 by the allotment of 1,607,500 new ordinary shares of RM0.50 each pertaining to the exercise of 1,607,500 share options under the Employees' Share Option Scheme

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial year under review.

A7. Dividend Paid

There was no dividend paid during the current quarter.

A8. Segmental Reporting

Segmental information for the financial period ended 31 December 2015 :-

	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Geosynthetic Engineering	Construction and M&E	Lighting	Others	Elimination	Consolidation
Sales						
External Sales	37,574	3,628	9,334	9,485	-	60,021
Inter-segment Sales	-	-	-	77	(77)	-
Total	<u>37,574</u>	<u>3,628</u>	<u>9,334</u>	<u>9,562</u>	<u>(77)</u>	<u>60,021</u>
Results						
Finance Cost	12	(451)	(202)	6,818		6,177
Taxation						(746)
Profit/(Loss) for financial Period						<u>(472)</u>
						<u>4,959</u>

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward from the preceding annual financial statements less accumulated depreciation and impairment losses.

A10. Material Subsequent Events

There were no material events subsequent to the current quarter ended 31 December 2015 up to the date of this announcement which is likely to substantially affect the results of the operations of the Group.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A11. Changes in Composition of the Group

There were no other changes in the composition of the Group for the current quarter and financial period ended 31 December 2015 other than as disclosed below:

Emas Kiara Industries Bhd (EKIB), has on 15 October 2015 disposed 600,000 ordinary shares of RM1.00 each representing 100% equity interest in Noblecorp Engineering Sdn Bhd for a cash consideration of RM1.00 and settlement of RM475,567.25 outstanding shareholder advances. Following the disposal Noblecorp Engineering Sdn Bhd ceased to be a subsidiary of EKIB.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM19.65 million to licensed banks for banking facilities granted to certain subsidiary companies. Consequently, the Company is contingently liable for the amount of banking facilities utilized by these subsidiary companies totalling RM11.67 million as at 31 December 2015.

A13. Capital Commitments

	RM'000
Approved and contracted for	<u>2,904</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B1. Review of Performance (Quarter 4, 2015 vs. Quarter 4, 2014)

For the current quarter under review, the Group posted an operating revenue of RM 18.13 million, an increase of 14.43% over the preceding year's corresponding quarter, mainly due to higher revenue registered from the Development and Construction Divisions. The revenue generated from the Geosynthetic Division remain stable while the Lighting Division registered a decrease in revenue of 63.37% or RM 3.89 million as the division secured fewer contracts compared to the preceding year's corresponding quarter.

The Group's pre-tax profit for the current quarter stood at RM 0.24 million, a decrease of 43.47% as compared to the corresponding quarter of the preceding year. Contribution for the current quarter were lower for Geosynthetic due to fewer infrastructure project being implemented while the Lighting division incurred higher costs due to unfavorable currency exchange rates.

B2. Comparison with Preceding Quarter's Results (Quarter 4, 2015 vs. Quarter 3, 2015)

During the current quarter, the Group achieved an operating revenue of RM 18.13 million, an increase of 47.0% over the immediate preceding quarter, mainly contributed by an increase in revenue from the group's Development and Construction Division amounting to RM 5.13 million and RM 1.68 million respectively. The Geosynthetic and Lighting Division posted a decrease in revenue of RM 0.68 million and RM 0.30 million respectively. However, the group's operating pre-tax profit was RM 0.24 million, a decrease of 96.4% over the immediate preceding quarter which had included a gain from the disposal of subsidiaries amounting to RM 8.55 million.

B3. Prospects

The completed acquisition of MB Max Sdn Bhd which has an ongoing development property development project comprising 273 units of service apartments known as Pinnacle Tower in Johor Bahru is expected to contribute to the Group's performance. This is in line with the diversification plan of the Group.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended	Year Ended
	31.12.2015	31.12.2014
	RM '000	RM '000
Current Year Tax		
- in Malaysia	479	18
In respect of prior year		
- (Over) / Under Provision of Income Tax	(7)	(67)
	<u>472</u>	<u>(49)</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B6. Status of Corporate Proposals

Save for below there were no corporate proposals announced by the Group but not completed as at the announcement date.

Kim Feng Capital Sdn Bhd ("offeror") had through Kenanga Investment Sdn Bhd had made an unconditional take-over offer to acquire all the remaining ordinary shares of RM0.50 each in Emas Kiara Industries Berhad not already held by the offeror and persons acting in concert with it at cash offer price of RM0.80 for each offer share. In compliance with the requirement under Section 15(1) of the Code, the Board had on 27 January 2016 appointed MainStreet as the independent adviser to advise the Non-Interested Directors and Holders on the fairness and reasonableness of the Offer. The Independent Advise Circular was depatched out to shareholder on 15 February 2016. The closing date for the acceptance is on 26 February 2016, 5pm.

B7. Borrowings

The Group's borrowings as at 31 December 2015 were as follows:

	As at 31.12.2015 RM'000
Secured	
Short Term - Hire purchase	245
Short Term - Term Loan	395
Bank Overdraft	1,477
	<u>2,117</u>
Long Term Loan	4,246
Long Term - Hire Purchase	335
	<u>4,581</u>
Total	<u><u>6,699</u></u>

B8. Material Litigation

The Group does not have any material litigation subsequent to the disposal of its wholly owned subsidiary Emas Kiara Sdn Bhd which has several pending legal suits.

B9. Dividend

The Board does not recommend any dividend for the financial quarter under review.

B10. Earnings Per Share

Basic profit/(loss) per share of the Group is calculated by dividing the net profit/(loss) for the financial period by the weighted average number of shares in issue during the period.

	<u>3 months ended</u>		<u>Year to date ended</u>	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit/(loss) attributable to equity holders of the parent (RM'000)	(152)	374	4,991	(3,881)
Weighted average number of shares in issue ('000)	91,590	89,245	91,590	89,245
Basic earnings/(loss) per ordinary share (sen)	(0.17)	0.42	5.45	(4.35)

* The Company does not have convertible securities at the end of the reporting periods and therefore, there is no diluted earning per ordinary share in the Company.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B 11. Retained Profit

The breakdown of retained profit of the Group as at reporting date, into realised and unrealised is as follows:

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits/(accumulated losses)		
- Realised	1,468	(11,114)
- Unrealised	-	(5)
	<u>1,468</u>	<u>(11,119)</u>
Less : Consolidation adjustments	<u>26,382</u>	<u>33,877</u>
Total retained profits as per consolidated accounts	<u>27,850</u>	<u>22,758</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B 12. Profit for the year

	3 month ended 31.12.2015 RM ' 000	Year to date 31.12.2015 RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	162	597
Other Income	17	129
Interest Expenses	(84)	(295)
Depreciation and amortisation	(134)	(516)
Net (provision) for doubtful debts	(143)	(157)
Net (provision) /recovery for inventories	(184)	(98)
Gain on disposal of Property, Plant and Equipments	-	-
Gain on disposal of Investment in Subsidiaries	30	8,576
Foreign exchange (loss)	118	104

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.