

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	CURRENT QUARTER ENDED 30/09/2015 RM'000	COMPARATIVE QUARTER ENDED 30/09/2014 RM'000	6 Months CUMULATIVE TO 30/09/2015 RM'000	6 Months CUMULATIVE TO 30/09/2014 RM'000
CONTINUING OPERATIONS				
Revenue	22,650	21,898	40,277	40,100
Operating Expenses	(22,724)	(20,764)	(41,185)	(39,863)
Other Income	195	306	451	474
Profit/(loss) from Operations	121	1,440	(457)	711
Finance costs	(221)	(112)	(409)	(265)
Share of results of an associate	371	274	794	433
Profit/(loss) before tax	271	1,602	(72)	879
Taxation	(4)	5	(9)	(1)
Profit/(loss) after taxation from continuing operations	267	1,807	(81)	878
DISCONTINUED OPERATIONS				
Profit/(loss) after taxation from discontinued operations	-	(31)	(303)	(47)
Profit/(loss) after taxation	267	1,576	(384)	831
Other comprehensive Income	-	-	-	-
Total comprehensive income/(expenses) for the year/period	267	1,576	(384)	831
Net profit/(loss) attributable to :				
Equity holders of the parent	267	1,591	(270)	854
Minority interests	-	(15)	(114)	(23)
	267	1,576	(384)	831
Total comprehensive income/(expenses) attributable to :				
Owners of the Company	267	1,591	(270)	854
Minority interest	-	(15)	(114)	(23)
	267	1,576	(384)	831
Earnings/(Loss) per share (sen)				
(a) Basic				
- continuing operations	0.64	3.83	(0.19)	2.09
- discontinued operations	-	(0.04)	(0.45)	(0.06)
(b) Diluted				
- continuing operations	-	-	-	-
- discontinued operations	-	-	-	-
Note no. 1 ** - Revenue consists of the following :-				
- continuing operations	22,650	21,898	40,277	40,100
- discontinued operations	-	-	403	-
	22,650	21,898	40,680	40,100

(The above Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

MESB BERHAD (337554-D)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	AS AT 30/09/2015 RM'000	AS AT 31/03/2015 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	8,021	9,166
Investment in associated company	9,723	8,929
Other investments	40	40
Intangible asset	500	500
Goodwill on consolidation	24,668	24,668
Current Assets		
Inventories	29,032	17,323
Debtors	17,444	16,079
Tax Recoverable	196	0
Cash and bank balances	20,911	30,471
	<u>67,583</u>	<u>63,873</u>
Non-current asset classified as held for sale	0	0
Assets of disposal group classified as held for sale	<u>0</u>	<u>0</u>
	<u>67,583</u>	<u>63,873</u>
Total Assets	<u>110,535</u>	<u>107,176</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent :		
Share capital	42,000	42,000
Reserves	40,350	40,620
Capital and Reserves	<u>82,350</u>	<u>82,620</u>
Non-controlling interests	-	133
Total equity	<u>82,350</u>	<u>82,753</u>
Non-current liabilities		
Long term borrowings	2,796	763
Deferred tax liabilities	43	43
	<u>2,839</u>	<u>806</u>
Current Liabilities		
Creditors	7,194	8,528
Short-term borrowings	18,152	14,785
Taxation	0	304
	<u>25,346</u>	<u>23,617</u>
Liabilities of disposal group classified as held for sale	<u>0</u>	<u>0</u>
	<u>25,346</u>	<u>23,617</u>
Total liabilities	<u>28,185</u>	<u>24,423</u>
Total equity and liabilities	<u>110,535</u>	<u>107,176</u>
Net Assets per share attributable to ordinary equity holders of the parent(RM)	<u>1.96</u>	<u>1.97</u>

(The above Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

MESB BERHAD (337554-D)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	← Attributable to equity holders of the parent →					Minority Interests	Total Equity
	Share Capital	Share Premium	Retained Earnings	Capital Reserve	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 April 2015 :-	42,000	5	40,578	37	82,620	133	82,753
Profit/(loss) after taxation /Total comprehensive income/(expenses) for the financial year	-	-	(270)	-	(270)	(114)	(384)
Disposal of a subsidiary						(19)	(19)
At 30 September 2015	42,000	5	40,308	37	82,350	-	82,350
At 1 April 2014 :-	42,000	5	39,328	37	81,370	-	81,370
Profit/(loss) after taxation /Total comprehensive income/(expenses) for the financial year	-	-	854	-	854	(23)	831
At 30 September 2014	42,000	5	40,182	37	82,224	(23)	82,201

(The above Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

MESB BERHAD (337554-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	6 Months ENDED 30/09/2015 RM'000	12 MONTHS ENDED 31/03/2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax from continuing operations	(72)	1,930
Profit/(loss) before tax from discontinued operations	(303)	-
Net profit before taxation	<u>(375)</u>	<u>1,930</u>
Adjustments for :-		
Allowance for impairment losses on receivables	-	-
Allowance for impairment losses on receivables written back	-	(107)
Amortisation of intangible asset	-	-
Bad debts written off	-	738
Depreciation of property, plant and equipments	841	1,734
Interest expenses	409	597
(gain)/loss on foreign exchange	(22)	-
Gain on disposal of a subsidiary	(118)	-
Write off other investment	-	-
Write off equipments	0	200
Inventories written down/(back)	69	147
Gain on disposal of property and equipment	-	(7)
Gain on disposal of non-current asset held for sale	-	-
Interest income	(266)	(583)
Share of profit in an associate	(794)	(1,199)
Operating profit before working capital and non-current assets changes	<u>(256)</u>	<u>3,450</u>
Increase in inventories	(12,588)	(1,739)
Increase/(Decrease) in trade and other receivables	(1,553)	(1,706)
(Increase)/Decrease in trade and other payables	98	4,918
Cash from/(for) operating activities	<u>(14,299)</u>	<u>4,923</u>
Income tax(paid)/ refunded	(509)	(748)
Interest paid	(409)	(597)
Net cash from/(for) operating activities	<u>(15,217)</u>	<u>3,578</u>
Cash Flow From Investing Activities		
Proceeds from issuance of shares to minority interest	-	392
Cash inflow from disposal of a subsidiary	248	-
Purchase of property, plant and equipment	(257)	(2,657)
Interest received	266	583
(Upliftment)/Placement of fixed deposits pledged	805	(430)
Proceeds from disposal of a subsidiary	-	-
Proceed from disposal of non-current asset held for sale	-	-
Proceeds from disposal of property, plant and equipment	-	14
Net cash/(used in) from investing activities	1,062	(2,098)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayments) of bank borrowings	5,771	(2,492)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(8,384)</u>	<u>(1,012)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	20,881	21,693
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>12,297</u>	<u>20,681</u>
Note :		
(1) The Cash & Cash Equivalents comprise of the following :-		
	6 Months ENDED 30/09/2015 RM'000	12 MONTHS ENDED 31/03/2015 RM'000
Deposits with licensed banks	14,850	17,461
Cash and bank balances	6,061	12,639
Bank Overdraft	-	-
	<u>20,911</u>	<u>30,100</u>
Less : Deposit pledged to licensed banks	<u>(8,614)</u>	<u>(9,419)</u>
	<u>12,297</u>	<u>20,681</u>

(The above Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

MESB BERHAD (337554-D)
Interim Financial Report for the Financial Period Ended 30 September 2015

The figures have not been audited.

NOTES TO THE INTERIM FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134”)

A1. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of the 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 31 March 2015, which have been prepared in compliance with Malaysia Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The signification accounting policies and methods of computation adopted for interim financial report are consistent with those adopted for the audited financial statement for the financial year ended 31 March 2015, except for the adoption of the following accounting standards and interpretations (including the consequential amendments) which are effective for the current financial year :-

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	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
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 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and interpretations are not expected to have material impact on the financial statements of the Group except for MFRS 9 and MFRS 15 as explained in the audited financial statements of the Group for the financial year ended 31 March 2015.

A2. AUDIT REPORT QUALIFICATION

The audit report on the financial statements for the financial year ended 31 March 2015 was not subject to any qualification.

A3. SEASONAL OR CYCLICAL FACTORS

The operations of the Group, other than the retailing division, are not subject to any seasonal or cyclical changes. The retail segment will benefit from higher consumer spending during festivals, school holidays and carnival sales.

A4. EXCEPTIONAL OR EXTRAORDINARY ITEMS

There were no items of an exceptional or unusual nature that have affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year to date.

A5. CHANGES IN ESTIMATES OF AMOUNT REPORTED PREVIOUSLY

There were no changes in estimates of amount reported in prior interim periods of the current financial period or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

A6. DEBTS AND EQUITY SECURITIES

There were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

A7. DIVIDENDS PAID

There were no dividends paid during the period under review.

A8. SEGMENTAL INFORMATION

	Individual Quarter		Cumulative Quarters	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Segment Revenue				
- Investment Holding	-	26	-	52
- Retailing	22,650	21,893	40,277	40,090
	22,650	21,919	40,277	40,142
Discontinued Operations	-	-	481	-
Total Revenue	22,650	21,919	40,758	40,142
Segment Revenue				
- Investment Holding	-	(21)	-	(42)
- Retailing	-	-	-	-
	-	(21)	-	(42)
Discontinued Operations	-	-	(78)	-
Inter-Segment Revenue	-	(21)	-	(42)
Segment Revenue				
- Investment Holding	-	5	-	10
- Retailing	22,650	21,893	40,277	40,090
	22,650	21,898	40,277	40,100
Discontinued Operations	-	-	403	-
External Revenue	22,650	21,898	40,680	40,100
Segment Results				
- Investment Holding	(447)	(42)	(467)	(115)
- Retailing	568	1,482	10	826
	121	1,440	(457)	711
Discontinued Operations	-	(31)	(301)	(47)
	121	1,409	(758)	664
Finance costs	(221)	(112)	(411)	(265)
Share of results of an associate	371	274	794	433
Profit (Loss) before taxation	271	1,571	(375)	832
Taxation	(4)	5	(9)	(1)
Profit (Loss) before taxation	267	1,576	(384)	831

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuation of land and buildings had been brought forward without amendment from the previous annual audited report.

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the current period ended 30 September 2015.

A11. CHANGES IN COMPOSITION OF THE GROUP

Other than disclosed below, there were no other material changes in the composition of the Group during the current quarter:-

- (a) On 1 July 2015, the Company had disposed of its entire equity interest in PC Global Trends Sdn. Bhd. to Mr Tan Chin Hooi comprising 408,000 ordinary shares of RM1.00 each and representing 51% of the issued and paid-up share capital in PC Global, for a total consideration of RM138,700;
- (b) Following to the announcement on 23 July 2015, the acquisition by the Company of the entire equity interest in Active Fit Sdn Bhd for a cash consideration of RM19,000,000 has announced deemed completed on 15 October 2015;
- (c) Following to the announcement on 15 July 2015, the disposal of 600,000 ordinary shares of RM1.00 each representing 40% equity shares in PDC Telecommunication Services Sdn. Bhd. for a total cash consideration of RM9,000,000 has announced completed on 28 October 2015.

A12. CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 September 2015 are as follows :-

	As at 30/09/2015 RM'000	As at 30/09/2014 RM'000
Corporate guarantees given to licensed bank for Banking facilities granted to subsidiary.	20,984	5,125

A13. RELATED PARTY TRANSACTIONS

The related party transactions of the Group for the period ended 30 September 2015 are as follows:

Transaction parties	Nature of transaction	As at 30/09/2015 RM'000	As at 30/6/2014 RM'000
MX Too Sdn Bhd	Royalty and Sale of products	1,248	1,346
Roncato Sdn Bhd	Sale of products	1,132	850
Orlando Corporation Sdn Bhd	Sale of products	103	101
Milazo Pte. Ltd.	Royalty	765	689

The above transactions have been entered into in the ordinary course of business and have been established under terms that were mutually agreed between the parties.

MESB BERHAD (337554-D)
Interim Financial Report for the Financial Period Ended 30 September 2015

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

	Individual Quarter		Cumulative Quarters	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Segment Revenue				
- Investment Holding	-	5	-	10
- Retailing	22,650	21,893	40,277	40,090
	<u>22,650</u>	<u>21,898</u>	<u>40,277</u>	<u>40,100</u>
Discontinued Operations	-	-	403	-
	<u>22,650</u>	<u>21,898</u>	<u>40,680</u>	<u>40,100</u>
Segment Results				
- Investment Holding	(447)	(42)	(467)	(115)
- Retailing	568	1,482	10	826
	<u>121</u>	<u>1,440</u>	<u>(457)</u>	<u>711</u>
Discontinued Operations	-	(31)	(301)	(47)
	<u>121</u>	<u>1,409</u>	<u>(758)</u>	<u>664</u>

a) Performance of current quarter against the preceding year's corresponding quarter

In the 2nd quarter of financial year ending 31 March 2016, the Group registered total revenue of RM22.65million from continuing operations, increased 3.43% over the same period ended 30 September 2014. This increase was primarily driven by sales from new men's apparel products and acquisition. Despite the increase in revenue, the Group's profit before tax from continuing operations decreased 83.08% to RM0.27million compared to RM1.60million in the preceding year's corresponding quarter ended 30 September 2014. The decrease was mainly due to the higher operating expenses.

Segment Operating Performance

In the 2nd quarter of financial year ending 31 March 2016, as a result of new men's apparel products and acquisition, retail segment posted higher revenue by 3.43% to RM22.65million compared to the preceding year's corresponding quarter. However, segment profit declined by 61.67 % to RM0.57million compared to the preceding year's corresponding quarter. The declined was mainly attributed to higher operating expenses.

Holding Segment remain low business activities, the segment recorded an increase in segment loss from RM0.04million to RM0.45million. The increase in segment loss was mainly due to higher professional fee incurred in relation to the proposed acquisition and disposal of subsidiaries.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

The revenue from continuing operation increased 28.50% to RM22.65million in the current quarter as compared to RM17.63million in the preceding quarter ended 30 June 2015. This increase mainly due to sales contributed from retailing segment.

The increase in revenue and lower operating expenses reported in retailing segment has resulted the Group's profit before taxation increased to RM0.27million as compared to the loss before taxation of RM0.34 million in the preceding quarter ended 30 June 2015.

B3. COMMENTARY ON PROSPECTS

Despite the weakening of the ringgit, rising costs and weaker consumer sentiment, the Group continues to make progress. The Group will enhance its positioning in the retail apparels industry to capitalise on the future growth of the local retail industry with the acquisition of Active Fit Sdn Bhd.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group.

B5. TAXATION

The taxation charge included the following:

	Current Quarter RM'000	Financial Year to Date RM'000
In respect of current period		
- income tax	4	9
- deferred tax	-	-
In respect of prior year		
- income tax	-	-
- deferred tax	-	-
	<u>4</u>	<u>9</u>

B6. CORPORATE PROPOSALS

Save as disclosed below, there were no outstanding corporate proposals announced but not completed within 7 days from the date of issue of this report.

Following to the announcement on 25 August 2015. The Group wishes update that all the cash proceeds had been fully utilized.

B7. BORROWINGS AND DEBT SECURITIES

The Group borrowings as at 30 September 2015 as follow:-

	RM'000	RM'000
Short Term		
Hire purchase creditors	78	
Bill payable & Revolving credit	11,640	
Term loans	6,434	
Bank overdraft	<u>0</u>	18,152
Long Term		
Hire purchase creditors	111	
Term Loans	<u>2,685</u>	2,796
Total		<u>20,948</u>

The above bank borrowings are secured over certain subsidiaries' properties, corporate guarantee of the Company as well as fixed deposits placed on lien.

B8. CHANGES IN MATERIAL LITIGATIONS

The Group is not engaged in any material litigation at the end of the reporting period.

B9. DIVIDEND

No dividend has been declared nor recommended for the current financial period ended 30 September 2015.

B10. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the parent by the number of ordinary shares in issue as follows :-

	Current Quarter	Financial Year to Date
Net profit/(loss) attributable to ordinary equity holders of the parent (RM'000) :-		
-Continuing operations	267	(81)
-Discontinued operations	-	(189)
	<u>267</u>	<u>(270)</u>
Number of ordinary shares in issue (in thousand)	42,000	42,000
Basic earnings per share (sen) :		
-Continuing operations	0.64	(0.19)
-Discontinued operations	-	(0.45)

B11. DISCLOSURE OF REALISED AND UNREALISED PROFIT

	As at 30.09.15 RM'000	As at 30.09.14 RM'000
Total retained profits of the Company and its subsidiaries :		
- Realised	26,058	29,788
- Unrealised	(43)	(43)
	<u>26,015</u>	<u>29,745</u>
Total share of retained profit from associates		
- Realised	9,471	8,022
- Unrealised	(408)	(518)
	<u>9,063</u>	<u>7,504</u>
	<u>35,078</u>	<u>37,249</u>
Add : Consolidated adjustments	5,230	2,933
The Group's retained profit as per consolidated accounts	<u>40,308</u>	<u>40,182</u>

B12. PROFIT FOR THE PERIOD

	Current Quarter RM'000	Financial Year to Date RM'000
This is arrived at after (charging)/crediting :-		
Interest Income	150	266
Other income	44	66
Gain on disposal of a subsidiary	-	118
Gain/(loss) on disposal of equipment	-	-
Interest expenses	(221)	(409)
Depreciation and amortisation	(400)	(841)
Inventories written down	(29)	(69)
Write off equipment	-	-
	<u>(456)</u>	<u>(869)</u>

Other disclosure items pursuant to Note 16 of the Appendix 9B of the Main Market Listing Requirements are not applicable.

B13. AUTHORISATION FOR ISSUE

The Interim Financial Statement and the accompanying notes were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors.