RALCO CORPORATION BERHAD (333101-V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For 12 months ended 31 December 2016 - unaudited

	INDIVIDU CURRENT QUARTER 31/12/2016 RM'000	AL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 31/12/2015 RM'000	CUMULAT CURRENT PERIOD 31/12/2016 RM'000	IVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000
Gross revenue	24,427	24,486	88,099	96,911
Cost of sales	(21,731)	(21,776)	(80,024)	(85,718)
Gross profit	2,696	2,710	8,075	11,193
Other operating income	244	332	316	793
Selling & Distribution expenses	(1,608)	(1,549)	(3,225)	(3,703)
Administrative and general expenses	(2,097)	(1,154)	(6,876)	(5,316)
Results from operating activities	(765)	339	(1,710)	2,967
Finance costs	(136)	(125)	(514)	(548)
(Loss)/Profit before tax	(901)	214	(2,224)	2,419
Tax expense	7	78	(7)	44
(Loss)/Profit for the period	(894)	292	(2,231)	2,463
Foreign currency translation difference for foreign operation		-		
Hedge of net investment	-	-	-	-
Cashflow hedge	-	-	-	-
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	(894)	292	(2,231)	2,463
Attributable to:				
Equity holders of the parent	(894)	292	(2,231)	2,463
Minority interests	•		_	
Profit/(Loss) for the period	(894)	292	(2,231)	2,463
Comprehensive income attributable to :		- Partial		
Equity holders of the parent	-	-	-	-
Minority interests	-		_	
Total comprehensive income for the period	-	-	_	-
Basic earnings per share (sen)	(2.13)	0.70	(5.31)	5.87

RALCO CORPORATION BERHAD (333101-V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

The figures have not been audited. AS AT AS AT 31/12/2016 31/12/2015 UNAUDITED AUDITED RM'000 RM'000 **ASSETS** Non-Current Assets Property, plant and equipment 25,710 24,749 Prepaid Lease Payment 3,084 3,109 28,794 27,858 **Current Assets** Inventories 11,581 13,793 Trade and other receivables 21,410 22,176 Tax recoverable 92 53 Cash and bank balances 3,413 3,266 36,496 39,288 **TOTAL ASSETS** 65,290 67,146 **EQUITY AND LIABILITIES** Equity Attributable to Equity Holders of The Parent Share capital 41,981 41,981 Right Issue - warrants 407 407 Unappropriated profit / (loss) (6,169)(3,938)**Total Equity** 36,219 38,450 Minority Interest 36,219 38,450 Non-Current Liabilities Term loan 236 Hire Purchase 1,775 1,176 Deferred Tax 1,526 1,526 3,301 2,938 **Current Liabilities** Trade and other payables 16,478 19,394 Bill payable 8,126 3,395 Hire Purchase 930 1,048 Term loan 236 1,921 25,770 25,758 **Total Liabilities** 29,071 28,696 **TOTAL EQUITY AND LIABILITIES** 65,290 67,146 Net assets per share attributable to ordinary equity holders of the parent (RM) 0.86 0.92

(The condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

RALCO CORPORATION BERHAD (333101-V) (Incorporated in Malaysia)

<u>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016</u> The figures have not been audited.

	Attribu	Attributable to equity holders of the parent					
	Share capital	Treasury Share	, ,		d Total	Minority interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015 Resale of Treasury Shares Right Issue - Warrant 2009/2019	41,981		407	(6,401)	35,987 - -	-	35,987
Net profit for the period Loss on disposal of treasury shares Other comprehensive income				2,463	2,463		2,463
Total comprehensive income				2,463	2,463		2,463
At 31 December 2015	41,981 ======	======	407	(3,938)	38,450	-	38,450
At 1 January 2016 Resale of treasury shares Right Issue - Warrant 2009/2019	41,981	:	407	(3,938)	38,450	•	38,450
Net profit for the period Other comprehensive income Loss on disposal of treasury shares				(2,231)	(2,231) - -		-2,231 - -
Total comprehensive income	-	-	-	(2,231)	(2,231)		-2,231
At 31 December 2016	41,981	0	407	(6,169)	36,219	-	36,219

(The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

RALCO CORPORATION BERHAD (333101-V)

(Incorporated in Malaysia)

<u>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2016</u> The figures have not been audited.

Closs) Profit before tax		CURRENT YEAR TO DATE 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000
Adjustment for: Depreciation and amortisation of property, plant and equipment Impairment loss on trade receivables no longer required Impairment loss on trade receivables Gain on disposal of property, plant and equipment Interest expenses Interest expenses Interest income Unrealised gain on foreign exchange Operating profit before changes in working capital Decrease/(Increase) in inventories Decrease/(Increase) in inventories Decrease/(Increase) in inventories Decrease/(Increase) in trade & other receivables Decrease/(Increase) in trade & other payables Decrease/(In	(Loss)/Profit before tax	(2,224)	2.419
Impairment loss on trade receivables 386 3	Adjustment for:	(-,)	2,>
Impairment loss on trade receivables Gain on disposal of property, plant and equipment - (131) 1.54 548 548 1.54 548 1.55		3,572	3,546
Gain on disposal of property, plant and equipment 131 181 184 548 184			(17)
Interest expenses		386	(=)
Interest income		12	(131)
Unrealised gain on foreign exchange		514	548
Operating profit before changes in working capital 2,236 6,307 Changes in working capital 2,212 (4,853) Decrease/(Increase) in inventories 380 (716) Decrease/Increase in trade & other receivables 380 (716) (Decrease)/Increase in trade & other payables (2,916) 3,530 Cash generated from operations 1,912 4,268 Interest received 12 4 Interest paid (514) (548) Tax paid (46) (70) Nct cash generated from operating activities 1,364 3,654 Cash Flows from Investing Activities: 4,508 (1,414) Proceed from disposal of PPE - 131 Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: 481 (1,022) Net repayment of receivable finance - (613) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities<		(12)	(4)
Changes in working capital 2,212 (4,853) Decrease/(Increase) in inventories 2,212 (4,853) Decrease/(Increase) in trade & other receivables 380 (716) (Decrease)/Increase in trade & other payables (2,916) 3,530 Cash generated from operations 1,912 4,268 Interest received 12 4 Interest paid (514) (548) Tax paid (46) (70) Net cash generated from operating activities 3,654 Cash Flows from Investing Activities: "The purchase of property, plant & equipment (4,508) (1,414) Proceed from disposal of PPE - 131 Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: ** (4,508) (1,283) Cash Flows from Financing Activities: ** (4,508) (1,283) Cash Flows from Financing Activities: ** (4,508) (1,283) Net cash generated from/(used in) of inancing activities 481 (1,022) Net drawdown/(repayment) of hire purchase instalments	Unrealised gain on foreign exchange	-	(54)
Decrease/(Increase) in inventories 2,212 (4,853) Decrease/(Increase) in trade & other receivables 380 (716) (Decrease)/Increase in trade & other payables (2,916) 3,530 Cash generated from operations 1,912 4,268 Interest received 12 4 Interest paid (514) (548) Tax paid (46) (700) Net cash generated from operating activities 1,364 3,654 Cash Flows from Investing Activities: *** *** 1,414 Proceed from disposal of PPE - 131 *** Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: *** 481 (1,022) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of receivable finance - (613) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204)	Operating profit before changes in working capital	2,236	6,307
Decrease/(Increase) in inventories 2,212 (4,853) Decrease/(Increase) in trade & other receivables 380 (716) (Decrease)/Increase in trade & other payables (2,916) 3,530 Cash generated from operations 1,912 4,268 Interest received 12 4 Interest paid (514) (548) Tax paid (46) (700) Net cash generated from operating activities 1,364 3,654 Cash Flows from Investing Activities: *** *** 1,414 Proceed from disposal of PPE - 131 *** Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: *** 481 (1,022) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of receivable finance - (613) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204)	Changes in working capital		
Decrease/(Increase) in trade & other receivables (2,916) 3,530 (716) (Decrease)/Increase in trade & other payables (2,916) 3,530 (2,916) 3,5		2.212	(4.853)
Clearcase)/Increase in trade & other payables (2,916) 3,530 Cash generated from operations Increst received 12 4,268 Interest received 12 4 Interest paid (514) (548) Tax paid (46) (70) Net cash generated from operating activities 3,654 Cash Flows from Investing Activities:		A	
Interest received 12 4 Interest paid (514) (548) Tax paid (46) (70) Net cash generated from operating activities 1,364 3,654 Cash Flows from Investing Activities: *** *** Purchase of property, plant & equipment (4,508) (1,414) Proceed from disposal of PPE - 131 Net cash used in investing activities *** (4,508) (1,283) Cash Flows from Financing Activities: *** (4,508) (1,283) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of receivable finance - (613) Net drawdown/(repayment) from bills payable 4,731 (166) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,413 3,266 Represented by: *** - -	(Decrease)/Increase in trade & other payables		
Interest received 12 4 Interest paid (514) (548) Tax paid (46) (70) Net cash generated from operating activities 1,364 3,654 Cash Flows from Investing Activities: *** *** Purchase of property, plant & equipment (4,508) (1,414) Proceed from disposal of PPE - 131 Net cash used in investing activities *** (4,508) (1,283) Cash Flows from Financing Activities: *** (4,508) (1,283) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of receivable finance - (613) Net drawdown/(repayment) from bills payable 4,731 (166) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,413 3,266 Represented by: *** - -	Cash generated from operations	1 012	1 268
Interest paid (514) (548) Tax paid (46) (70) Net cash generated from operating activities 1,364 3,654 Cash Flows from Investing Activities: *** *** Purchase of property, plant & equipment (4,508) (1,414) Proceed from disposal of PPE - 131 Net cash used in investing activities *** (4,508) (1,283) Cash Flows from Financing Activities: *** (613) (1,223) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) (613) (1,241) (1,222) (1,241) (1,222) (1,241) (1,222) (1,241) (1,222) (1,223) (1,222) (1,222) (1,222) (1,222) (1,222) (1,222) (1,222) (1,241) (1,222) (1,242) <td></td> <td></td> <td></td>			
Tax paid (46) (70) Net cash generated from operating activities 1,364 3,654 Cash Flows from Investing Activities: \$\text{Purchase of property, plant & equipment}\$ (4,508) (1,414) \$\text{Proceed from disposal of PPE}\$ 131 Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: \$\text{Net drawdown/(repayment) of hire purchase instalments}\$ 481 (1,022) \$\text{Net repayment of receivable finance}\$ 613 Net drawdown/(repayment) from bills payable 4,731 (166) \$\text{Net repayment of term loan}\$ (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) \$\text{Q1,504}\$ NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,266 (4,470) CASH AND CASH EQUIVALENTS CARRIED FORWARD 3,413 (3,266) Represented by: FIXED DEPOSIT - CASH AND BANK BALANCES 3,413 (3,266)			
Cash Flows from Investing Activities: (4,508) (1,414) Purchase of property, plant & equipment (4,508) (1,414) Proceed from disposal of PPE - 131 Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: 8 (4,508) (1,283) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) (613) (613) (613) (1,281) (1,661) (1,921) (1,774) (1,774) (1,774) (1,921) (1,774) (1,774) (1,774) (1,774) (1,204) (1,204) (2,3575) (2,3575) (3,575) (3,575) (3,575) (3,575) (3,575) (3,575) (4,508) (4,508) (1,204) (4,508) (1,204) (4,508) (1,204) (4,508) (1,204) (4,508) (1,204) (4,508) (1,204) (4,508) (1,204) (4,508) (1,204) (4,508) (4,508) (1,202) (4,508) (4,508) (4,508) (1,202) (4,508) (1,202) (4,508) (1,202) (4,508) (1,202) (4,508) (1,202) (4,508) (1,202)	STATE OF THE STATE		
Purchase of property, plant & equipment (4,508) (1,414) Proceed from disposal of PPE - 131 Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: *** *** Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of receivable finance - (613) Net drawdown/(repayment) from bills payable 4,731 (166) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,266 4,470 CASH AND CASH EQUIVALENTS CARRIED FORWARD 3,413 3,266 Represented by: - - - FIXED DEPOSIT - - - CASH AND BANK BALANCES 3,413 3,266	Net cash generated from operating activities	1,364	3,654
Proceed from disposal of PPE - 131 Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: 8 481 (1,022) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of receivable finance - (613) Net drawdown/(repayment) from bills payable 4,731 (166) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,266 4,470 CASH AND CASH EQUIVALENTS CARRIED FORWARD 3,413 3,266 Represented by: - - - FIXED DEPOSIT - - - CASH AND BANK BALANCES 3,413 3,266	Cash Flows from Investing Activities:		
Proceed from disposal of PPE - 131 Net cash used in investing activities (4,508) (1,283) Cash Flows from Financing Activities: - (813) Net drawdown/(repayment) of hire purchase instalments 481 (1,022) Net repayment of receivable finance - (613) Net drawdown/(repayment) from bills payable 4,731 (166) Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,266 4,470 CASH AND CASH EQUIVALENTS CARRIED FORWARD 3,413 3,266 Represented by: - - - FIXED DEPOSIT - - - CASH AND BANK BALANCES 3,413 3,266		(4,508)	(1,414)
Cash Flows from Financing Activities: Net drawdown/(repayment) of hire purchase instalments Net repayment of receivable finance Net repayment of receivable finance Net drawdown/(repayment) from bills payable Net repayment of term loan Net cash generated from/(used in) financing activities Net cash generated from/(used in) financing activities NET CHANGES IN CASH AND CASH EQUIVALENTS NET CHANGES IN CASH AND CASH EQUIVALENTS 147 CASH AND CASH EQUIVALENTS BROUGHT FORWARD Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,413 3,266	Proceed from disposal of PPE		
Net drawdown/(repayment) of hire purchase instalments Net repayment of receivable finance Net drawdown/(repayment) from bills payable Net repayment of term loan Net cash generated from/(used in) financing activities Net cash generated from/(used in) financing activities NET CHANGES IN CASH AND CASH EQUIVALENTS 147 CASH AND CASH EQUIVALENTS BROUGHT FORWARD CASH AND CASH EQUIVALENTS CARRIED FORWARD Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,266 1,022) 1,002) 1,003) 1,006) 1,007) 1,006) 1,007	Net cash used in investing activities	(4,508)	(1,283)
Net repayment of receivable finance Net drawdown/(repayment) from bills payable Net repayment of term loan Net cash generated from/(used in) financing activities Net cash generated from/(used in) financing activities NET CHANGES IN CASH AND CASH EQUIVALENTS 147 CASH AND CASH EQUIVALENTS BROUGHT FORWARD CASH AND CASH EQUIVALENTS CARRIED FORWARD Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,413 3,266	Cash Flows from Financing Activities:		
Net repayment of receivable finance Net drawdown/(repayment) from bills payable Net repayment of term loan Net cash generated from/(used in) financing activities Net cash generated from/(used in) financing activities NET CHANGES IN CASH AND CASH EQUIVALENTS NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD A 3,266 Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,413 3,266	Net drawdown/(repayment) of hire purchase instalments	481	(1,022)
Net repayment of term loan (1,921) (1,774) Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,266 4,470 CASH AND CASH EQUIVALENTS CARRIED FORWARD 3,413 3,266 Represented by: FIXED DEPOSIT			
Net cash generated from/(used in) financing activities 3,291 (3,575) NET CHANGES IN CASH AND CASH EQUIVALENTS 147 (1,204) CASH AND CASH EQUIVALENTS BROUGHT FORWARD 3,266 4,470 CASH AND CASH EQUIVALENTS CARRIED FORWARD Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,413 3,266		4,731	(166)
NET CHANGES IN CASH AND CASH EQUIVALENTS 147 CASH AND CASH EQUIVALENTS BROUGHT FORWARD CASH AND CASH EQUIVALENTS CARRIED FORWARD Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 147 (1,204) 3,266 4,470	Net repayment of term loan	(1,921)	(1,774)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD CASH AND CASH EQUIVALENTS CARRIED FORWARD Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,266 4,470 3,266 4,470 3,266 3,413 3,266	Net cash generated from/(used in) financing activities	3,291	(3,575)
CASH AND CASH EQUIVALENTS CARRIED FORWARD Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,413 3,266 3,413 3,266	NET CHANGES IN CASH AND CASH EQUIVALENTS	147	(1,204)
Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,413 3,266	CASH AND CASH EQUIVALENTS BROUGHT FORWARD	3,266	4,470
Represented by: FIXED DEPOSIT CASH AND BANK BALANCES 3,413 3,266	CASH AND CASH EQUIVALENTS CARRIED FORWARD	3,413	3,266
CASH AND BANK BALANCES 3,413 3,266	Represented by:		
3,113		•	-
3,413 3,266	CASH AND BANK BALANCES		
		3,413	3,266

(The condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)