

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2016

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/03/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2015 RM'000	CURRENT YEAR TO DATE 31/03/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2015 RM'000
Revenue	14	75,334	30,987	173,340	93,955
Cost of sales		(50,292)	(21,620)	(119,948)	(63,395)
Gross profit		25,042	9,367	53,392	30,560
Other operating income		457	825	748	4,513
Other operating expenses		(16,672)	(8,792)	(36,262)	(24,539)
Profit from operations		8,827	1,400	17,878	10,534
Finance costs, net		34	10	259	5
Share of profit of associates		-	-	-	-
Profit before taxation	14	8,861	1,410	18,137	10,539
Income tax expense	18	(1,762)	(642)	(3,915)	(1,371)
Profit for the financial period		7,099	768	14,222	9,168
Other comprehensive income:					
Foreign currency translation differences		(451)	(11)	2,939	1,890
Total comprehensive income for the financial period		6,648	757	17,161	11,058
Profit attributable to:					
Owners of the Company		5,757	575	10,758	5,586
Non-controlling interests		1,342	193	3,464	3,582
		7,099	768	14,222	9,168
Total comprehensive income attributable to:					
Owners of the Company		5,196	569	12,710	6,664
Non-controlling interests		1,452	188	4,451	4,394
		6,648	757	17,161	11,058
Basic earnings per share (sen)	23	2.25	0.26	4.38	2.48

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015.

The accompanying notes are an integral part of this statement.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED 31 MARCH 2016

	(Unaudited)	(Audited)
Note	AS AT 31/03/2016 RM'000	AS AT 30/6/2015 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	9,581	8,161
Investment properties	2,768	2,848
Other investments	2	2
Investment in jointly controlled entity	1,489	2,695
Intangible assets - others	4	7
Intangible assets - goodwill	28,144	5,912
Deferred tax assets	320	311
	42,308	19,936
CURRENT ASSETS		
Amount owing by jointly controlled entity	27	-
Amount due from associated company	325	-
Inventories	18,953	17,535
Tax recoverable	2,435	2,456
Other receivables	8,288	2,663
Trade receivables	84,544	56,841
Deposits with licensed banks, cash and bank balances	48,711	53,555
	163,283	133,050
TOTAL ASSETS	205,591	152,986
EQUITY AND LIABILITIES		
Equity		
Share capital	77,858	68,604
Treasury shares	(855)	(855)
Reserves	39,018	23,848
Equity attributable to owners of the Company	116,021	91,597
Non-controlling interests	29,816	25,365
Total Equity	145,837	116,962
NON-CURRENT LIABILITIES		
Other payables	2,932	2,501
Provision for end of service benefit	-	210
Long term borrowings	558	337
Deferred tax liabilities	172	163
	3,662	3,211
CURRENT LIABILITIES		
Other payables	25,055	9,710
Trade payables	29,031	20,722
Provision for taxation	1,734	568
Short term borrowings	272	1,813
	56,092	32,813
TOTAL LIABILITIES	59,754	36,024
TOTAL EQUITY AND LIABILITIES	205,591	152,986
NET ASSETS PER SHARE (SEN)	45.3	40.6

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015.

The accompanying notes are an integral part of this statement.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 MARCH 2016

	CURRENT PERIOD TO DATE 31/03/2016 RM'000	PREVIOUS PERIOD TO DATE 31/03/2015 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	18,137	10,539
Adjustments for:		
Non-cash items	3,544	(1,901)
Non-operating items	(259)	(5)
Operating profit before working capital changes	21,422	8,633
Net change in current assets	(34,815)	13,160
Net change in current liabilities	15,098	(792)
Cash generated from operations	1,705	21,001
Interest paid	(342)	(406)
Taxes paid	(2,727)	(1,769)
Net cash (used in)/generated from operating activities	(1,364)	18,826
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in amount owing by/to jointly controlled entity	(352)	1,768
Net cash inflow arising on disposal of a subsidiary	-	192
Net cash outflow from acquisition of subsidiaries	(2,782)	-
Purchase of plant and equipment	(2,561)	(1,191)
Proceeds from disposals of plant and equipment	52	149
Interest received	601	410
Net cash (used in)/generated from investing activities	(5,042)	1,328
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of revolving credit/term loans	(1,321)	(359)
Repayment of hire purchase and lease payables	-	(242)
Proceed from exercise of employee share options	63	-
Dividends paid to non-controlling interest	-	(1,960)
Net cash used in financing activities	(1,258)	(2,561)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,664)	17,593
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	53,555	43,363
Effects of exchange differences	2,820	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	48,711	60,956
Cash and cash equivalents comprise:		
Cash and bank balances	41,200	46,671
Deposits with licensed bank	7,511	14,285
	48,711	60,956

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2016**

	-----[Non - Distributable]-----					Statutory Reserve	Distributable Retained Profits	Total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Reserves	Revaluation Reserves					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2016										
At 1 July 2015	68,604	7,649	(855)	2,863	2,928	307	10,101	91,597	25,365	116,962
Total comprehensive income for the financial period	-	-	-	1,952	-	-	10,758	12,710	4,451	17,161
Contributions by owners of the Company:										
- Shares issued for acquisition of subsidiaries	9,197	2,453	-	-	-	-	-	11,650	-	11,650
- Exercise of employee share options	57	7	-	-	-	-	-	64	-	64
At 31 March 2016	77,858	10,109	(855)	4,815	2,928	307	20,859	116,021	29,816	145,837
31 March 2015										
At 1 July 2014	68,604	7,649	(855)	1,288	-	307	2,020	79,013	27,780	106,793
Total comprehensive income for the financial period	-	-	-	1,078	-	-	5,586	6,664	4,394	11,058
Contributions by and distribution to owners of the Company:										
- Disposal of subsidiary	-	-	-	-	-	-	-	-	23	23
- Dividend	-	-	-	-	-	-	556	556	(1,960)	(1,404)
At 31 March 2015	68,604	7,649	(855)	2,366	-	307	8,162	86,233	30,237	116,470

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2015.

The accompanying notes are an integral part of this statement.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”), MFRS 134: Interim Financial Reporting 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 for the financial year ended 30 June 2015.

These explanatory 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 position and performance of the Group since the financial year ended 30 June 2015.

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs and IC Interpretations have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective, and have yet to be adopted by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations		Effective Date
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue From Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2018

The adoption of the accounting standards, amendments and interpretations set out above is expected to have no material impact on the financial statements of the Group upon their initial application.

2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the financial year ended 30 June 2015 was not subject to any audit qualification.

3. SEASONAL OR CYCLICAL FACTORS

The Group’s business was not affected by any significant seasonal or cyclical factors during the current quarter under review.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

5. CHANGE IN ESTIMATES

There was no change in estimates of amounts reported in the prior financial year that have a material effect in the current quarter.

6. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current quarter under review.

The number of treasury shares held as at 31 March 2016 is as follows:-

	No. of shares	Amount RM
Balance of treasury shares as at 1 July 2015	3,326,800	855,221
Add: Purchase of treasury shares during the period under review	-	-
Balance of treasury shares as at 31 March 2016	3,326,800	855,221

7. DIVIDENDS PAID

There was no dividend paid in the current quarter.

8. SEGMENTAL INFORMATION

The segment information for the current period to-date ended 31 March 2016 is as follows:

	Investment holding RM'000	Facilities Division RM'000	Engineering Division RM'000	Environment Division RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue	-	80,916	50,768	53,807	(12,151)	173,340
Segment (loss)/profit	(1,064)	5,236	3,950	10,016	-	18,138
Segment assets	70,500	64,696	52,988	74,115	(56,708)	205,591



EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

9. CARRYING AMOUNT OF REVALUED ASSETS

Not Applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

There were no material events subsequent to 31 March 2016 to the date of this report that have not been reflected in the financial statements for the current financial period.

11. CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the current quarter.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets as at the date of this report.

13. COMMITMENTS

There were no material commitments which require disclosure in this report except for the following:

	As at 31 March 2016 RM'000	As at 30 June 2015 RM'000
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than 1 year	1,803	669
Later than 1 year and not later than 2 years	1,005	338
Later than 2 years and not later than 5 years	1,458	119
	4,266	1,126

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016**

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

14. PERFORMANCE REVIEW BY SEGMENTS

Revenue	Current quarter ended 31 March 2016 RM'000	Current period to-date ended 31 March 2016 RM'000	Preceding year corresponding period ended 31 March 2015 RM'000	Variance for Period-to- date [Favorable / (adverse)] RM'000
Facilities	25,560	69,756	54,664	15,092
Environment	25,380	53,807	24,580	29,227
Engineering	24,395	49,777	14,711	35,066

Segment profit/(loss)	Current quarter ended 31 March 2016 RM'000	Current period to-date ended 31 March 2016 RM'000	Preceding year corresponding period ended 31 March 2015 RM'000	Variance for period-to- date [Favorable / (adverse)] RM'000
Facilities	2,272	5,487	5,250	237
Environment	4,519	10,016	7,961	2,055
Engineering	2,249	4,060	951	3,109

14.1 Facilities Division

Revenue for the Facilities Division for the current quarter amounted to RM25.5 mil, an improvement over the previous quarter, of RM22.8 mil. This was brought about by the commencement of several new contracts (Hospital Shah Alam Selangor, 'HSAS', Menara Felda), and the rate revision in maintenance work undertaken for the Concession in line with the Renewal of the Concession (executed and announced on 7 March 2016). Year to date (YTD), revenue at RM69.8 mil is higher than last year, at RM54.7 mil. This was largely brought upon by new contracts secured between the two periods and also most recently (from this quarter onwards) the income from HSAS and the Renewed Concession.

Pretax profit for the Division for the quarter amounted to approximately RM2.3 million vs RM1.2 mil in the previous quarter. As mentioned this improvement was due to the rate revision under the Renewed Concession and the new contract for HSAS. For YTD, pretax profit amounted to RM5.5 mil, up from RM5.2 mil last year. This improvement is caused by the new contracts secured and implemented throughout the year.

14.2 Environment Division

Revenue for the Environment Division amounted to RM25.4 mil for the current quarter, vs RM19.4 mil in the previous quarter. This improvement was achieved on the back of good progress in projects undertaken (some catching up on projects previously experiencing slight delays) as well as the delivery and installation of certain big ticket items in projects undertaken. On a YTD basis,



EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

revenue amounted to RM53.8 mil, again a huge increase from last year, of RM24.6 mil. This was brought about by the securing and implementation of several significant projects throughout Malaysia, Singapore and the Middle East.

The Environment Division earned pretax profits of approximately RM4.5 million in the current period to date compared to RM4.4 million in the previous quarter. The profitability did not change much despite the stronger revenue in the quarter under review due to incurrance of higher cost for operating expenses including some provisions undertaken for liquidation (overseas investments) and provision for bad debts. On a YTD basis, the pretax profit in the current YTD vs last year showed a strong improvement, from RM7.9 mil last year to RM10.0 mil currently. This growth was due to the good progress achieved on projects undertaken during the current quarter as well the delivery and installation of several big ticket items as mentioned above.

14.3 Engineering Division

Engineering Division revenue amounted to RM24.4 mil, vs RM17.9 mil in the immediate preceding quarter. This growth is achieved on the strength of strong sales achieved in Singapore, and the continued strong performance of our recently acquired subsidiaries. On a YTD basis, revenue amounted to RM49.8 mil vs RM14.7 mil last year. This was due to the commencement of the air conditioning project business as well as the inclusion of the results of the newly acquired plumbing subsidiaries.

Pretax profit at RM2.2 million for the current quarter was quite comparable to RM1.8 mil reported in the previous quarter, the improvement largely due to improved revenue as stated above. Profit performance continued to be strong in this Division with the commencement of the air conditioning projects undertaken as well as with the inclusion of the results of the newly acquired subsidiaries from October 2015. This is reflected in the improved pretax profits reported in the current YTD vs last YTD.

15. COMMENTARY ON MATERIAL VARIATION IN PROFIT BEFORE TAXATION AGAINST PRECEDING QUARTER

	Current quarter ended 31 March 2016 RM'000	Preceding quarter ended 31 December 2015 RM'000	Variance [Favorable/ (adverse)] RM'000
Profit before taxation	8,861	7,146	1,716

The Group's strong growth continued into the current quarter, where profit before tax amounted to RM8.9 mil, up from RM7.1 mil in the preceding quarter. This improvement was achieved throughout all divisions, and was generally in line with the healthier revenue numbers seen in all divisions. The reasons for the improved revenue numbers throughout the group are explained above.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

16. COMMENTARY ON PROSPECTS

The overall prospects for the entire group remain strong. The cumulative results for YTD to Q3/2016 have already exceeded the full year results for FYE 2015. Profit wise, PBT and PATs are on an improving trend in the current quarter, as well as year on year.

We set out below our analysis of prospects by Divisions:

16.1 Facilities Division

The Concession Agreement (CA) for the renewal of the maintenance concession for the Southern Region (Johor, Malacca, Negeri Sembilan) and Sarawak was signed in early March 2016. This contract is for 10 years, from 1.1.16 to 31.12.25. Initial rate p.a. is set at approximately RM52 mil for the first 5 years, with automatic increase to RM59 mil p.a. from year 6 to 10.

In addition, together with the new CA, we also signed a contract to undertake the Critical Asset Refurbishment Programme, or CARP, over the next ten years. Under this contract, we are to undertake the CARP over various locations, and based on predetermined timing/schedules. Under this CARP we are to be paid RM140 mil over ten years (the renewed concession period), equaling approximately RM1.16 mil monthly.

Also, we currently undertake certain maintenance contracts in the commercial and healthcare segments where these contracts are generally for two or three year periods. We expect these contracts to contribute positively to our future prospects.

16.2 Environment Division

The Environment Division has contracts on hand that will tide it over for the next two financial years (FY17 and FY18). Projects where we experienced project delays in the past have caught up over the last two quarters. Prospects remain good for this Division.

16.3 Engineering Division

Air conditioning project segment

The projects undertaken here have experienced certain delays i.e. in the Xiamen University and in Capital 21 projects. These delays are expected to catch up in the ensuing financial quarters.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

16. COMMENTARY ON PROSPECTS (cont'd.)

Plumbing segment

The acquisitions of Qudotech and DDT were completed in early October 2015. Under the terms of the acquisition, the owners of these two companies provide a profit guarantee of RM3.9 mil profit after tax per year for the 2 financial years ending 30.6.16 and 30.6.17.

In addition, and as previously announced, Qudotech has also secured the KL118 (Warisan Merdeka) project (RM62 mil) and the MAS building refurbishment and construction (RM19 mil). These new contracts (in addition to contracts already on hand) are expected to keep us busy for the next four financial years, until end of 30.6.19 at least.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

18. INCOME TAX EXPENSE

	Current quarter ended 31 March 2016 RM'000	Period to date ended 31 March 2016 RM'000
Income tax expense for the period	(1,762)	(3,915)

The effective tax rate of certain subsidiaries is only slightly lower than the statutory tax rate mainly due to foreign-source income generated from its operations in Abu Dhabi, United Arab Emirates and pioneer status tax incentive enjoyed by certain subsidiaries of the Group during part of the period under review.

19. CORPORATE PROPOSALS

There was no other corporate proposal announced but not completed as at the latest practicable date.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

20. BORROWINGS

	As at 31 March 2016 RM'000	As at 30 June 2015 RM'000
Secured short-term borrowings:		
Term loan	-	-
Revolving credit	-	1,511
Hire purchase payables	272	527
Total short-term borrowings	272	2,038
Secured long-term borrowings:		
Term loan	120	-
Hire purchase payables	438	402
	558	402
Total borrowings	830	2,440

All of the above borrowings are denominated in Ringgit Malaysia.

21. MATERIAL LITIGATION

There is no material litigation which may materially affect the Group for the current quarter under review.

22. PROPOSED DIVIDEND

The Board of Directors has declared the following dividend in respect of the financial year ending 30 June 2016:-

i.	Type	:	Single Tier Special Dividend
ii.	Amount	:	1.5 sen per ordinary share
iii.	Entitlement Date	:	20 June 2016
iv.	Payment Date	:	1 July 2016

This dividend is a special dividend paid to shareholders in view of the renewed long term prospects in the Facilities Division and by extension for the Group.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

23. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group is calculated based on the Group's net profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company as follows:

	Current quarter ended 31 March 2016	Period to date ended 31 March 2016
Profit attributable to owners of the company (RM'000)	5,757	10,758
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	256,199	245,816
Basic earnings per share (sen)	2.25	4.38

There are no shares or other financial instruments in issue which have a dilutive effect on the earnings per share of the Group.

24. REALISED AND UNREALISED PROFITS/LOSSES

	As at 31 March 2016 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:	
- Realised	66,219
- Unrealised	81
	66,300
Total share of retained profit / (accumulated losses) from associated company:	
- Realised	-
- Unrealised	-
Total share of retained profit / (accumulated losses) from jointly controlled entity:	
- Realised	1,489
- Unrealised	-
	67,789
Less: Consolidation adjustments	(46,930)
Total group retained profit / (accumulated losses) as per consolidated accounts	20,859

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2016

25. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit from operations is for the current quarter and period to-date ended 31 March 2016 is stated after charging / (crediting) the following items:

	Current quarter ended 31 March 2016 RM'000	Period to date ended 31 March 2016 RM'000
Interest income	(201)	(601)
Other (income)/expenses	(457)	(748)
Interest expense	167	342
Depreciation and amortisation	712	2,052
Provision for and write off of receivables	3,793	3,812
Provision for and write off of inventories	15	45
(Gain)/loss on disposal of quoted or unquoted investments or properties	2	2
Impairment of assets	-	-
Foreign exchange (gain)/ loss	(354)	(282)
(Gain)/ loss on derivatives	-	-
Fair value adjustment on investment in jointly controlled entity	603	1,206

26. AUTHORISATION FOR ISSUE

This interim financial report has been approved by the Board of Directors of the Company for issuance on 24 May 2016.