

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 31 Aug 2016**

| | AS AT 31 Aug 2016 RM '000 | AS AT 31 Aug 2015 RM '000 |
|--|------------------------------|------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, Plant and Equipment | 35,125 | 34,643 |
| Investment properties | 12,103 | 11,060 |
| Other investment | 42,694 | 37,757 |
| Trade Receivables | 794 | - |
| | <u>90,716</u> | <u>83,460</u> |
| Current Assets | | |
| Stocks | 41,955 | 32,134 |
| Trade receivables | 85,047 | 78,078 |
| Other receivables, Deposit and Prepayments | 2,179 | 1,169 |
| Tax recoverable | 641 | 1,886 |
| GST Receivables | 1,230 | 1,282 |
| Deposit with licensed banks | 7,014 | 15,427 |
| Cash and bank balances | 814 | 686 |
| | <u>138,880</u> | <u>130,662</u> |
| TOTAL ASSETS | <u>229,596</u> | <u>214,122</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 44,775 | 44,775 |
| Share premium | 30,570 | 30,570 |
| Retained profits | 43,493 | 31,488 |
| Total equity | <u>118,838</u> | <u>106,833</u> |
| Non-current Liabilities | | |
| Bank borrowings - Long term | 9,973 | 6,402 |
| Deferred taxation | 1,210 | 1,654 |
| | <u>11,183</u> | <u>8,056</u> |
| Current Liabilities | | |
| Trade payables | 53,864 | 56,654 |
| Other payables | 2,595 | 2,196 |
| Bank borrowings - short term | 32,469 | 36,278 |
| Bank overdraft | 10,647 | 2,687 |
| Tax payable | - | 1,418 |
| | <u>99,575</u> | <u>99,233</u> |
| Total Liabilities | <u>110,758</u> | <u>107,289</u> |
| TOTAL EQUITY AND LIABILITIES | <u>229,596</u> | <u>214,122</u> |
| Net Assets Per Share (RM) | - | - |
| | 2.65 | 2.39 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 Aug 2015)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 Aug 2016

| | ← Attributable to equity holders of the Company → | | | | |
|--------------------------------------|---|----------------------------|-----------------------|---------------------|-------------|
| | <u>Non-distributable</u> | <u>Distributable</u> | | <u>Total equity</u> | |
| <u>Share capital</u> | <u>Share premium</u> | <u>Accumulated profits</u> | <u>Total reserves</u> | | |
| RM | RM | RM | RM | RM | |
| 4th quarter ended 31 Aug 2016 | | | | | |
| Balance at 1 Sep 2015 | 44,775,000 | 30,569,833 | 31,488,260 | 62,058,093 | 106,833,093 |
| Total comprehensive income | - | - | 12,004,734 | 12,004,734 | 12,004,734 |
| Balance at 31 Aug 2016 | 44,775,000 | 30,569,833 | 43,492,994 | 74,062,827 | 118,837,827 |

| | ← Attributable to equity holders of the Company → | | | | |
|--------------------------------------|---|----------------------------|-----------------------|---------------------|-------------|
| | <u>Non-distributable</u> | <u>Distributable</u> | | <u>Total equity</u> | |
| <u>Share capital</u> | <u>Share premium</u> | <u>Accumulated profits</u> | <u>Total reserves</u> | | |
| RM | RM | RM | RM | RM | |
| 4th quarter ended 31 Aug 2015 | | | | | |
| Balance at 1 Sep 2014 | 44,775,000 | 30,569,833 | 29,121,499 | 59,691,332 | 104,466,332 |
| Total comprehensive loss | - | - | 2,366,761 | 2,366,761 | 2,366,761 |
| Balance at 31 Aug 2015 | 44,775,000 | 30,569,833 | 31,488,260 | 62,058,093 | 106,833,093 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 Aug 2015)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 31 Aug 2016

| | 12 months ended | |
|--|-----------------|----------------|
| | 31/8/2016 | 31/8/2015 |
| | <u>RM'000s</u> | <u>RM'000s</u> |
| Cash flows from operating activities | | |
| Profit before taxation | 12,952 | 4,403 |
| Adjustments for:- | | |
| Fair value through profit and loss on other investments | (4,937) | 15,393 |
| Fair value gain on investment properties | (235) | (498) |
| Depreciation of property, plant and equipment | 3,652 | 4,066 |
| Allowance for impairment - receivables | 716 | 1,910 |
| Reversal of allowance for impairment - receivables | (64) | (42) |
| Bad Debts written off | - | 110 |
| Interest expenses | 3,116 | 2,728 |
| Dividend income | (674) | (633) |
| Interest income | (405) | (189) |
| Unrealised foreign exchange loss/(gain) | 2,211 | (3,182) |
| Operating profit before changes in working capital | <u>16,332</u> | <u>24,066</u> |
| Changes in working capital: | | |
| Net change in inventories | (9,821) | 1,256 |
| Net change in receivables | (12,392) | (37,118) |
| Net change in payables | <u>(2,391)</u> | <u>28,205</u> |
| Cash (used in)/generated from operating activities | <u>(8,272)</u> | <u>16,409</u> |
| Net income tax paid | (1,564) | (1,386) |
| Interest paid | (3,116) | (2,728) |
| Net cash flows (used in)/generated from operating activities | <u>(12,952)</u> | <u>12,295</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (4,134) | (956) |
| Dividend received | 674 | 633 |
| Interest received | 405 | 189 |
| Placement of deposit which are pledged with a licensed bank | (126) | (34) |
| Net cash flows used in investing activities | <u>(3,181)</u> | <u>(168)</u> |
| Cash flows from financing activities | | |
| Drawdown/(repayment) of term loan | 3,571 | (2,441) |
| Repayment/drawdown of short term borrowings | <u>(3,809)</u> | <u>1,721</u> |
| Net cash flows generated from/(used in) financing activities | <u>(238)</u> | <u>(720)</u> |
| Net (decrease)/increase in cash and cash equivalents | (16,371) | 11,407 |
| Cash and cash equivalents at the beginning of financial period | <u>12,243</u> | <u>836</u> |
| Cash and cash equivalents at end of financial period | <u>(4,128)</u> | <u>12,243</u> |
| Cash and cash equivalent comprise the following:- | | |
| Bank and cash balances | 814 | 686 |
| Deposits with licensed banks | 7,014 | 15,427 |
| Bank overdraft | <u>(10,647)</u> | <u>(2,687)</u> |
| | <u>(2,819)</u> | <u>13,426</u> |
| Deposit pledged with licensed bank | <u>(1,309)</u> | <u>(1,183)</u> |
| | <u>(4,128)</u> | <u>12,243</u> |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 Aug 2015)

A - NOTES TO THE INTERIM FINANCIAL REPORT PURSUANT TO MFRS 134

1. Basis of preparation

The consolidated interim financial statements (Condensed Report) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 Aug 2015.

2. Significant Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 Aug 2015 except for the adoption of new FRSs and amendments that are mandatory for the Group of the annual periods beginning 1 January 2016:

Effective for annual periods beginning on or after 1 January 2016

| | |
|---|--|
| Amendments to MFRS 5 | Annual improvements to MFRSs 2012-2014 cycle |
| Amendments to MFRS 7 | Annual improvements to MFRSs 2012-2014 cycle |
| Amendments to MFRS 10 MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception |
| Amendments to MFRS 11 | Accounting for Acquisition of interests in Joint Operations |
| Amendments to MFRS 14 | Regulatory Deferral Accounts |
| Amendments to MFRS 101 | Disclosure Initiatives |
| Amendments to MFRS 116 and MFRS 138 | Financial Instruments: Clarification of Acceptable Methods of Depreciation and Amortisation |
| Amendments to MFRS 127 | Equity Method in Separate Financial Statements |

The adoption of these new FRSs and amendments does not have a material impact on the interim financial information of the Group

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards, Amendments and Annual Improvements to Standards were issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group:

Effective for annual periods beginning on or after 1 January 2017

| | |
|------------------------|--|
| Amendments to MFRS 107 | Statement of Cash Flows - Disclosure Initiative |
| Amendments to MFRS 112 | Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses |

Effective for annual periods beginning on or after 1 January 2018

| | |
|---------|---|
| MFRS 9 | Financial Instruments (IFRS 9 as issued by IASB in July 2014) |
| MFRS 15 | Revenue from Contracts with Customers |

Effective for annual periods beginning on or after 1 January 2019

| | |
|---------|--------|
| MFRS 16 | Leases |
|---------|--------|

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of the annual financial statement for the financial year ended 31 August 2015 was not subject to any qualification.

4. Seasonal or Cyclical Factors

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

5. Exceptional Items

Exceptional items for current year quarter:

There is a decrease in fair value of quoted investments totaling RM0.581 million for the current quarter. This represents a decrease in market value of our quoted securities held during the current quarter.

6. Changes in Estimates of Amounts Previously Reported

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that may have a material effects on the current interim period.

7. Issuance or Repayment of Debt and Equity Securities

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period under review.

8. Dividends Paid

There were no dividend paid for the current quarter under review.

9. Segmental Reporting

The activity of the Group comprises principally the manufacturing and distribution of prestressed spun concrete piles and poles and is conducted predominantly in Malaysia.

Geographical information:

Revenue information based on geographical location of customers' country of incorporation are as follows:

| | As at Current Financial Quarter Ended 31/8/2016 RM'000 | As at Preceding Corresponding Financial Quarter Ended 31/8/2015 RM'000 |
|----------|--|---|
| Malaysia | 50,336 | 35,210 |
| Others | 8,287 | 27,298 |
| | <u>58,623</u> | <u>62,508</u> |

10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 August 2015.

11. Subsequent Material Events

There were no material events subsequent to the end of the period under review which require disclosure or adjustments to the quarterly financial statements.

12. Changes in Composition/Group

There were no material changes in the composition of the Group for the financial period under review including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations.

13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as at the date of issue of this report.

14. Review of Performance

The Group's revenue decreased by 6.2% compared to the preceding year's corresponding quarter. The decrease in sales volume is due to less deliveries to overseas projects in this quarter.

The effect of the decrease in the fair value of quoted investment of RM0.581 million compared with decrease of RM4.356 million in the preceding year's corresponding quarter, represents the change in the market price of the quoted investments.

The Group recorded a decrease in gross profit of RM0.547 million compared to the preceding year's corresponding quarter. This difference has been attributed to lower deliveries during the current quarter.

15. Comparisons with Preceding Quarter's Results

The revenue of RM58.6 million for the quarter ended 31 Aug 2016 was 57.8% higher than registered in the preceding quarter.

16. Current Year Prospects

The current year prospects is dependent on our on going order book and potential orders from new projects in Malaysia and regionally. Our raw materials which comprises cement, steel bars, sand and aggregate will have an impact on our selling price and viability of the Company.

17. Variance from Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the financial period under review.

18. Taxation

| | As at end of Current Financial Period Ended 31/8/2016 RM'000 | As at Preceding Financial Year End 31/8/2015 RM'000 |
|----------------------------------|--|--|
| <u>Malaysian Taxation</u> | | |
| Income tax | | |
| - Current year | 2,140 | 1,425 |
| - Prior year over provision | (749) | (7) |
| - Deferred tax | (444) | 618 |
| | <u>947</u> | <u>2,036</u> |

The effective tax rate on the Group's profit is lower than the statutory tax rate due to unutilised tax brought forward from previous years available utilisation this year.

19. Corporate Proposals

There was no corporate proposal being carried out during the period under review.

20. Group Borrowings and Debts Securities

| | As at Financial Period Ended 31/8/2016 RM'000 | As at Preceding Financial Year End 31/8/2015 RM'000 |
|----------------------------------|--|--|
| a) <u>Long Term Borrowings:-</u> | | |
| Term loan - secured | 9,540 | 6,029 |
| Hire purchase - secured | 433 | 373 |
| | <u>9,973</u> | <u>6,402</u> |
| <u>Short Term Borrowings:-</u> | | |
| Term loan - secured | 1,854 | 2,484 |
| Revolving credit - secured | 5,000 | 6,600 |
| Hire purchase - secured | 615 | 727 |
| Bankers' Acceptance - secured | 20,272 | 21,467 |
| Bankers' Acceptance - unsecured | 4,728 | 5,000 |
| Bank overdrafts - secured | 10,647 | 2,976 |
| Bank overdrafts - unsecured | | 773 |
| | <u>43,116</u> | <u>40,027</u> |
| TOTAL BORROWINGS | <u><u>53,089</u></u> | <u><u>46,429</u></u> |

b) No borrowings in foreign currency.

21. Material Litigation

There is no material litigation as at the date of issuance of this quarterly report against the Group.

22. Proposed Dividend

The Board of Directors has not recommended any dividend for the financial quarter under review.

23. Earnings/(Losses) per share

The basic earnings per share is calculated by dividing the Group's profit/(loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:-

| | Current Year Quarter 31/8/2016 | Preceding Year Corresponding Quarter 31/8/2015 | Current Year To Date 31/8/2016 | Preceding Year Corresponding Quarter To Date 31/8/2015 |
|---|--------------------------------------|---|-----------------------------------|---|
| Profit attributable to equity holders of the Company (RM'000) | 2,096 | 4,446 | 12,005 | 2,367 |
| Weighted average number of ordinary shares in issue ('000) | 44,775 | 44,775 | 44,775 | 44,775 |
| Basic Earnings per share (sen) | 4.68 | 9.93 | 26.81 | 5.29 |

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial period-to-date.

24. **Realised and Unrealised Profits Disclosure**

The retained profits as at 31 Aug 2016 and 31 Aug 2015 are analysed as follows:-

| | As at end of Current Quarter 31/8/2016 RM'000 | As at Preceding Financial Year End 31/8/2015 RM'000 |
|--|--|--|
| The retained profits of the Company and the subsidiaries:- | | |
| - Realised | 39,873 | 32,805 |
| - Unrealised | 3,620 | (1,317) |
| Total group retained profits as per consolidated accounts | <u>43,493</u> | <u>31,488</u> |

25. **Notes to the Statement of Comprehensive Income**

Included in the statement of comprehensive income for the current quarter and financial year-to-date, are as follows:-

| | Current Quarter 31/8/2016 RM'000 | Current year-to-date 31/8/2016 RM'000 |
|---|--|---|
| a) Interest income | (77) | (405) |
| b) Interest expense | 470 | 3,116 |
| c) Depreciation and amortization | 196 | 3,652 |
| d) Allowance for impairment - receivables | 716 | 716 |
| e) Reversal of allowance for impairment - receivables | (64) | (64) |
| f) Realised foreign exchange gain | (471) | (3,688) |
| g) Unrealised foreign exchange loss | 2,211 | 2,211 |
| h) Fair value gain on investment properties | (235) | (235) |
| i) Rental income | (66) | (265) |
| j) Dividend Income | - | (674) |

By Order of the Board