

# FEDERAL FURNITURE HOLDINGS (M) BERHAD

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016

These figures have not been audited and should be read in conjunction with the latest audited financial statements

|  | INDIVIDUAL QUARTER                                    |  | CUMULATIVE PERIOD                                     |   |
|--|---|--|---|---|
|  | CURRENT<br>YEAR<br>QUARTER<br><br>30/6/2016<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>30/6/2015<br>RM'000 | CURRENT<br>YEAR<br>TO DATE<br><br>30/6/2016<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>PERIOD<br>30/6/2015<br>RM'000 |
| 1. Revenue   | 24,463  | 21,922   | 51,545  | 40,642  |
| Investment income  | -   | -  | -   | -   |
| Other income including<br>interest income  | 64  | 183  | 126   | 292   |
| Operating expenses   | (22,464)  | (20,011)   | (47,371)  | (37,300)  |
| 2. (a) Profit/(Loss) from operations before<br>interest on borrowings,<br>depreciation and amortisation,<br>income tax and minority interest | 2,063   | 2,094  | 4,300   | 3,634   |
| (b) Interest on borrowings   | (171)   | (149)  | (325)   | (242)   |
| (c) Depreciation and amortisation  | (459)   | (374)  | (910)   | (720)   |
| (d) Profit/(Loss) from operations after<br>interest on borrowings, depreciation<br>and amortisation  | 1,433   | 1,571  | 3,065   | 2,672   |
| (e) Share of profit/(loss) in<br>associated companies  | -   | -  | -   | -   |
| (f) Profit/(Loss) before taxation  | 1,433   | 1,571  | 3,065   | 2,672   |
| (g) Income tax expenses  | (370)   | (613)  | (780)   | (878)   |
| 3. Profit/(Loss) for the period  | 1,063   | 958  | 2,285   | 1,794   |
| Other comprehensive income, net of tax   | -   | -  | -   | -   |
| 4. Total comprehensive income for the period   | 1,063   | 958  | 2,285   | 1,794   |
| 5. Profit/(Loss) for the period attributable to:-  |   |  |   |   |
| (i) Owners of the parent   | 1,057   | 920  | 2,198   | 1,733   |
| (ii) Non-controlling interest  | 6   | 38   | 87  | 61  |
|  | 1,063   | 958  | 2,285   | 1,794   |
| 6. Total comprehensive income attributable to:-  |   |  |   |   |
| (i) Owners of the parent   | 1,057   | 920  | 2,198   | 1,733   |
| (ii) Non-controlling interest  | 6   | 38   | 87  | 61  |
|  | 1,063   | 958  | 2,285   | 1,794   |
| 7. (a) Earnings per share based on<br>5(i) above after deducting any<br>provision for preference<br>dividends, if any:-                      |   |  |   |   |
| (i) Basic based on 82,695,900 ordinary<br>shares - (sen)   | 1.27  | 1.11   | 2.63  | 2.10  |
| (ii) Fully diluted - (sen)   | 0.93  | 0.81   | 1.92  | 1.52  |
| 8. Net assets per share (RM)   |   |  | 0.5689  | 0.4963  |

**FEDERAL FURNITURE HOLDINGS (M) BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

These figures have not been audited and should be read in conjunction with the latest audited financial statements

|   | <b>AS AT<br/>END OF<br/>CURRENT<br/>QUARTER<br/>30/6/2016</b> | <b>AS AT<br/>PRECEDING<br/>FINANCIAL<br/>YEAR END<br/>31/12/2015</b> |
|---|---|--|
|   | <b>RM'000</b>   | <b>RM'000</b>  |
| <b>ASSETS</b>   |   |  |
| <b>Non-current assets</b>                                       |   |  |
| Property, plant and equipment                                   | 31,714  | 32,341   |
| Investment properties   | 54  | 54   |
| Deferred tax assets   | 258   | 258  |
|   | <u>32,026</u>   | <u>32,653</u>  |
| <b>Current assets</b>   |   |  |
| Inventories   | 4,256   | 5,849  |
| Trade receivables   | 34,104  | 30,806   |
| Other receivables   | 1,558   | 1,938  |
| Tax assets  | -   | 1  |
| Fixed deposits with licensed banks                              | 1,655   | 1,637  |
| Cash and bank balances  | 6,298   | 6,237  |
|   | <u>47,871</u>   | <u>46,468</u>  |
| <b>TOTAL ASSETS</b>   | <u>79,897</u>   | <u>79,121</u>  |
| <b>EQUITY AND LIABILITIES</b>                                   |   |  |
| <b>Equity attributable to equity holders<br/>of the Company</b> |   |  |
| Share capital   | 42,665  | 41,348   |
| Reserves  | 4,758   | 3,411  |
| Equity attributable to owners of the parent                     | <u>47,423</u>   | <u>44,759</u>  |
| Non-controlling interest  | 1,125   | 1,038  |
| <b>Total equity</b>   | <u>48,548</u>   | <u>45,797</u>  |
| <b>Non-current liabilities</b>                                  |   |  |
| Borrowings  | 4,014   | 4,646  |
| Deferred tax liabilities  | 3,570   | 2,890  |
|   | <u>7,584</u>  | <u>7,536</u>   |
| <b>Current liabilities</b>                                      |   |  |
| Trade payables  | 8,316   | 9,769  |
| Other payables  | 8,285   | 10,564   |
| Borrowings  | 6,484   | 4,720  |
| Provision for taxation  | 680   | 735  |
|   | <u>23,765</u>   | <u>25,788</u>  |
| <b>Total liabilities</b>  | <u>31,349</u>   | <u>33,324</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <u>79,897</u>   | <u>79,121</u>  |

**FEDERAL FURNITURE HOLDINGS (M) BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

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|                            | <-----Attributable to owners of the parent-----> |                            |                                  |  |                                 | Total<br>RM'000 | Non-controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|----------------------------|--|----------------------------|----------------------------------|--|---------------------------------|-----------------|---------------------------------------|---------------------------|
|                            | Share<br>Capital<br>RM'000                       | Share<br>premium<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Foreign<br>exchange<br>reserve<br>RM'000 | Accumulated<br>losses<br>RM'000 |                 |                                       |                           |
| At 1 January 2015          | 41,348   | 3,441                      | 6,666                            | 16                                       | (13,166)                        | 38,305          | 944                                   | 39,249                    |
| Total comprehensive income | -  | -                          | 86                               | -  | 6,368                           | 6,454           | 94                                    | 6,548                     |
| AS AT 31 DECEMBER 2015     | <u>41,348</u>                                    | <u>3,441</u>               | <u>6,752</u>                     | <u>16</u>                                | <u>(6,798)</u>                  | <u>44,759</u>   | <u>1,038</u>                          | <u>45,797</u>             |
| At 1 January 2016          | 41,348   | 3,441                      | 6,752                            | 16                                       | (6,798)                         | 44,759          | 1,038                                 | 45,797                    |
| Increase in share capital  | 1,317  | -                          | -                                | -  | -                               | 1,317           | -                                     | 1,317                     |
| Dividend                   | -  | -                          | -                                | -  | (851)                           | (851)           | -                                     | (851)                     |
| Total comprehensive income | -  | -                          | -                                | -  | 2,198                           | 2,198           | 87                                    | 2,285                     |
| AS AT 30 JUNE 2016         | <u>42,665</u>                                    | <u>3,441</u>               | <u>6,752</u>                     | <u>16</u>                                | <u>(5,451)</u>                  | <u>47,423</u>   | <u>1,125</u>                          | <u>48,548</u>             |

**FEDERAL FURNITURE HOLDINGS (M) BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2016**

These figures have not been audited and should be read in conjunction with the latest audited financial statements

|   | Unaudited<br>30/06/2016<br>RM'000 | Audited<br>31/12/2015<br>RM'000 |
|---|-----------------------------------|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                                   |                                 |
| Profit/(Loss) before taxation                               | 3,065                             | 9,189                           |
| Adjustments for:  |                                   |                                 |
| Bad debts written off                                       | -                                 | 88                              |
| Deposits written off  | -                                 | -                               |
| Depreciation of investment properties                       | 1                                 | 2                               |
| Depreciation of property, plant and equipment               | 909                               | 1,549                           |
| Impairment losses on receivables                            | -                                 | 116                             |
| Impairment losses on inventories                            | -                                 | 102                             |
| Interest expense  | 325                               | 514                             |
| Interest income   | (27)                              | -                               |
| Property, plant and equipment written off                   | -                                 | -                               |
| Loss/(Gain) on disposal of property, plant and equipment    | -                                 | (23)                            |
| Waiver of debts   | -                                 | -                               |
| Unrealised loss/(gain) on foreign exchange                  | -                                 | -                               |
| Operating (loss)/profit before working capital changes      | <u>4,273</u>                      | <u>11,537</u>                   |
| Changes in working capital:                                 |                                   |                                 |
| Inventories   | 1,593                             | (1,114)                         |
| Receivables   | (2,919)                           | (434)                           |
| Payables  | <u>(3,732)</u>                    | <u>4,504</u>                    |
| Cash (used in)/generated from operations                    | (785)                             | 14,493                          |
| Income tax paid   | <u>(154)</u>                      | <u>(263)</u>                    |
| Net cash (used in)/generated from operating activities      | <u>(939)</u>                      | <u>14,230</u>                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                                   |                                 |
| Proceeds from disposal of property, plant and equipment     | -                                 | 23                              |
| Purchase of property, plant and equipment                   | (282)                             | (6,912)                         |
| Interest received   | 27                                | -                               |
| Net cash (used in)/generated from investing activities      | <u>(255)</u>                      | <u>(6,889)</u>                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                                   |                                 |
| Interest paid   | (325)                             | (514)                           |
| Dividend paid   | (851)                             | -                               |
| Fixed deposit held as security value                        | (17)                              | (61)                            |
| Loans (repaid)/raised                                       | (202)                             | (220)                           |
| Proceed from issuance of ordinary shares                    | 1,317                             | -                               |
| Repayment of hire purchase and lease payables               | <u>(298)</u>                      | <u>(411)</u>                    |
| Net cash generated from/(used in) financing activities      | <u>(376)</u>                      | <u>(1,206)</u>                  |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>(1,570)</b>                    | <b>6,135</b>                    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>       | <b><u>5,145</u></b>               | <b><u>(990)</u></b>             |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>             | <b><u>3,575</u></b>               | <b><u>5,145</u></b>             |
| Cash and cash equivalents comprised of :                    |                                   |                                 |
| Fixed deposit with licensed banks                           | 1,655                             | 1,637                           |
| Cash and bank balances                                      | 6,298                             | 6,236                           |
| Bank Overdrafts   | (2,722)                           | (1,091)                         |
| Pledged fixed deposits                                      | <u>(1,656)</u>                    | <u>(1,637)</u>                  |
|   | <u>3,575</u>                      | <u>5,145</u>                    |