

ADVANCED PACKAGING TECHNOLOGY (M) BHD (82982-K)
(INCORPORATED IN MALAYSIA)
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31.03.2017

	Unaudited as at 31.03.2017 RM'000	Audited as at 31.12.2016 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	7,948	8,226
Other investments	5,000	5,000
Total non current assets	<u>12,948</u>	<u>13,226</u>
Current assets		
Inventories	5,209	4,751
Trade receivables	4,661	6,101
Non trade receivables, deposits and prepayments	1,276	1,424
Deposits with licenced banks	10,000	10,000
Cash and cash equivalents	3,665	3,814
Total current assets	<u>24,811</u>	<u>26,090</u>
TOTAL ASSETS	<u><u>37,759</u></u>	<u><u>39,316</u></u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to equity owners of the parent		
Share capital	20,504	20,504
Treasury shares	(1,096)	(1,096)
Reserves	12,034	11,875
Total equity	<u>31,442</u>	<u>31,283</u>
Non-current liabilities		
Deferred taxation	550	611
Provision for staff gratuity	2,291	2,273
Total non-current liabilities	<u>2,841</u>	<u>2,884</u>
Current Liabilities		
Trade payables	2,165	2,398
Amount due to directors	297	237
Non trade payables and accruals	963	1,211
Dividend payable	-	1,147
Tax payable	51	156
Total current liabilities	<u>3,476</u>	<u>5,149</u>
TOTAL LIABILITIES	<u>6,317</u>	<u>8,033</u>
TOTAL EQUITY AND LIABILITIES	<u><u>37,759</u></u>	<u><u>39,316</u></u>
Net assets per share (RM)	1.65	1.64

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Reports for the year ended 31.12.2016 and the accompanying explanatory notes attached to the interim financial statements)

ADVANCED PACKAGING TECHNOLOGY (M) BHD (82982-K)
(INCORPORATED IN MALAYSIA)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31.03.2017
(The figures for the period ended 31.03.2017 have not been audited)

	Share capital RM'000	Treasury shares RM'000	Retained profits RM'000	Total RM'000
Balance as at 01.01.2016	20,504	(1,092)	11,288	30,700
Purchase of treasury shares	-	(4)	-	(4)
Profit and other comprehensive income for the period	-	-	2,880	2,880
Dividends	-	-	(2,293)	(2,293)
Balance as at 31.12.2016	20,504	(1,096)	11,875	31,283
Profit and other comprehensive income for the period	-	-	159	159
Balance as at 31.03.2017	20,504	(1,096)	12,034	31,442
Balance as at 01.01.2015	20,504	(1,083)	10,791	30,212
Purchase of treasury shares	-	(9)	-	(9)
Profit and other comprehensive income for the period	-	-	2,790	2,790
Dividends	-	-	(2,293)	(2,293)
Balance as at 31.12.2015	20,504	(1,092)	11,288	30,700
Purchase of treasury shares	-	(4)	-	(4)
Profit and other comprehensive income for the period	-	-	738	738
Balance as at 31.03.2016	20,504	(1,096)	12,026	31,434

(The Condensed Statement Of Changes In Equity should be read in conjunction with the Annual Financial Reports for the year ended 31.12.2016 and the explanatory notes attached to the interim financial statements)

ADVANCED PACKAGING TECHNOLOGY (M) BHD (82982-K)
(INCORPORATED IN MALAYSIA)
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31.03.2017
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 31.03.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2016 RM'000	CURRENT YEAR TO DATE 31.03.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2016 RM'000
Revenue	5,063	7,043	5,063	7,043
Other income	69	139	69	139
Changes in inventories of finished goods and work-in-progress	(268)	(12)	(268)	(12)
Raw materials and consumables used	(2,770)	(4,118)	(2,770)	(4,118)
Employee benefits expense (inclusive of Directors' remuneration)	(946)	(1,028)	(946)	(1,028)
Depreciation	(310)	(310)	(310)	(310)
Inventory written off/ written down	-	(16)	-	(16)
Foreign Exchange -realised	30	39	30	39
Foreign Exchange -unrealised	(18)	(1)	(18)	(1)
Other expenses	(735)	(790)	(735)	(790)
Operating profits	115	946	115	946
Interest income /Profit from Islamic fixed return investment received	90	95	90	95
Profit before tax	205	1,041	205	1,041
Income tax expense	(46)	(303)	(46)	(303)
Net Profit and other comprehensive income for the period	159	738	159	738
Profit and other comprehensive income for the period attributable to:				
Owners of the parent	159	738	159	738
Basic earnings per share (sen)	0.83	3.86	0.83	3.86

Note: there was no transaction on items like interest expense, impairment of asset, provision for and write off of trade receivable, gain or loss on disposal of quoted or unquoted investments or properties, gain/(loss) on derivatives and exceptional items for this current quarter and financial year to date.

(The Condensed Statement Of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Financial Reports for the year ended 31.12.2016 and the accompanying notes attached to the interim financial statements)

ADVANCED PACKAGING TECHNOLOGY (M) BHD (82982-K)
(INCORPORATED IN MALAYSIA)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31.03.2017

	Unaudited 31.03.2017 RM'000	Unaudited 31.03.2016 RM'000
Cash flows from operating activities		
Receipt from customers	6,883	7,269
Payment to suppliers and employees	(5,249)	(4,373)
Payment of other operating expenses	(599)	(645)
Payment of income tax	(213)	(300)
Other receipts	16	35
Unrealised exchange loss	(18)	(1)
Net cash from operating activities	820	1,985
Cash flows from investing activities		
Acquisition of property, plant and equipment	(31)	(53)
Interest income /Profit from Islamic fixed return investment received	170	173
Investment income received	38	40
Net cash from investing activities	177	160
Cash flows from financing activities		
Dividend paid	(1,146)	(1,147)
Purchase of treasury shares	-	(4)
Net cash used in financing activities	(1,146)	(1,151)
Net (decrease)/Increase in cash and cash equivalents	(149)	994
Cash and cash equivalents at beginning of period	13,814	13,072
Cash and cash equivalents at end of the period	13,665	14,066
Cash and cash equivalents at the end of the financial period comprise of the following:		
Cash and bank balances	3,665	4,066
Deposits with licensed banks	10,000	10,000
	13,665	14,066

(The Condensed Statement Of Cash Flows should be read in conjunction with the Annual Financial Reports for the year ended 31.12.2016 and the accompanying notes attached to the interim financial statements)

Quarterly Report On Results For The First Quarter Ended 31 March 2017

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A1 Accounting Policies and Method of Computation

The quarterly financial report is unaudited and has been prepared in accordance with MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standard Board and part A of Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with the audited financial statements for the year ended 31 December 2016.

The Company's financial statements have been prepared under the historical cost convention other than as disclosed in the notes to the quarterly report and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 2016 in Malaysia.

The accompanying financial statements have been prepared assuming that the Company will continue as going concern which contemplates the realization of assets and settlement of liabilities in the normal course of business.

The significant accounting policies adopted by the Company in this report are consistent with those used in the Audited Financial Statements of the Company for the financial year ended 31 December 2016.

(a) Standards issued and effective

On 1 January 2016, the Company has also adopted the following new and amended MFRS and IC Interpretations which are mandatory for annual financial periods beginning on or after 1 January 2016.

Description	Effective for annual periods beginning on or after
• Annual improvements to MFRSs 2012-2014 cycle	
- MRFS 5, Non-Current Assets Held for sales and Discontinued Operations	1 January 2016
- MFRS 7, Financial Instruments : Disclosure	1 January 2016
- MFRS 119, Employee Benefits	1 January 2016
- MFRS 134, Interim Financial Reporting	1 January 2016
• MFRS 14, Regulator Deferral Accounts	1 January 2016
• Amendments to MFRS 11, Joint Arrangement: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
• Amendments to MRFS 101 Presentation of Financial Statements: Disclosure Initiative	1 January 2016
• Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendments to MFRS 116: Property, Plant and Equipment and MFRS 141 Agriculture: Bearer plants	1 January 2016
• Amendments to MFRS 127, Consolidated and Separate Financial Statements : Equity Method in Separate Financial Statements	1 January 2016
• Amendment to MFRS 10, Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investment in Associates and Joint ventures: Investments Entities-Applying the Consolidation Exception	1 January 2016

Quarterly Report On Results For The First Quarter Ended 31 March 2017

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A1 Accounting Policies and Method of Computation (continued)

(a) Standards issued and effective(continue)

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> • Amendments to MFRS 138 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation 	1 January 2016

The Directors expect that the adoption of the new and amended MFRS and IC Interpretation above will have no impact on the financial statements of the Company.

(b) Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> • Amendments to MFRS 1, Annual Improvements to MFRS standard 2014-2016 cycle 	1 January 2018
<ul style="list-style-type: none"> • Amendments to MFRS 2, Classification and Measurement of Share-based Payment Transactions 	1 January 2018
<ul style="list-style-type: none"> • Amendments to MFRS 4, Insurance Contract-Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts 	1 January 2018
<ul style="list-style-type: none"> • MFRS 9, Financial Instruments 	1 January 2018
<ul style="list-style-type: none"> • Amendments to MFRS 12, Disclosure on Interests in Other Entities 	1 January 2017
<ul style="list-style-type: none"> • MFRS 15, Revenue from Contract with Customers 	1 January 2018
<ul style="list-style-type: none"> • Clarifications to MFRS 15, Revenue from Contract with Customer 	1 January 2018
<ul style="list-style-type: none"> • MFRS 16, Leases 	1 January 2019
<ul style="list-style-type: none"> • Amendment to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate: Sales or Contribution of Assets Between an investor and its Associate or Joint Venture 	Deferred
<ul style="list-style-type: none"> • Amendment to MFRS 107, Statement of Cash Flow Disclosure Initiative 	1 January 2017
<ul style="list-style-type: none"> • Amendment to MFRS 112, Recognition of Deferred Tax Assets for Unrealised Losses 	1 January 2017
<ul style="list-style-type: none"> • Amendments to MFRS 128, Investments in Associates and Joint Venture (Annual Improvements to MFRS Standards 2014-2016) 	1 January 2018
<ul style="list-style-type: none"> • Amendments to MFRS 140, Transfer of Investment property 	1 January 2018

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statement of the company except as mentioned below:

Quarterly Report On Results For The First Quarter Ended 31 March 2017

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(b) Standards issued but not yet effective (continued)

MFRS 9, Financial Instruments

MFRS 9 replace the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised costs. It is expected that the Company's investment in unquoted shares will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change in accounting policy. The Company is currently assessing the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretations 13, Customer Loyalty Programmes, IC Interpretations 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue- Barter Transactions Involving Advertising Services. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Company is currently assessing the financial impact of adopting MFRS 15.

A2 Audit Report

The auditors' report of the Company's preceding annual financial statements was not qualified.

A3 Seasonal or Cyclical Factors

The business operations of the Company during the financial quarter under review were not materially affected by any seasonal or cyclical factors.

A4 Exceptional /Extraordinary Items

There were no exceptional /extraordinary items for the financial period under review.

A5 Changes in Estimates

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

A6 Debts and Equity Securities

During the current quarter under review, the Company did not purchase any shares under the share buyback scheme. Shares purchased as at 31 March 2017 totalling 1,392,016 ordinary shares were held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and stated at cost.

Quarterly Report On Results For The First Quarter Ended 31 March 2017

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A7 Dividend Paid

Quarters	Type of dividend	Gross dividend per share	Amount of net dividend (RM)	Date of payment
Quarters ended 31/03/2017	Interim Dividend for the financial year ended 31 December 2016	6.00% single tier	1,146,734.04	17 January 2017
Preceding year's quarters ended 31/03/2016	Interim Dividend for the financial year ended 31 December 2015	6.00% single tier	1,146,854	21 January 2016

A8 Segment Information

There was no segmental reporting as the Company is currently involved primarily in a single line product.

A9 Revaluation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the quarter.

A10 Material Events Subsequent to the end of the Reporting Period

There was no material event subsequent to the end of the reporting period.

A11 Changes in the Composition of the Company

There was no change in the composition of the Company during the quarter.

A12 Contingent Liabilities

Bank guarantee given by financial institution to third party amounting to RM 203,718.

A13 Capital Commitments

Capital commitment not provided in the financial statements as of 31 March 2017.

Property, Plant and Equipment
- Authorised and contracted for RM4,414,000

A14 Fair Value of Financial Instruments

In respect of the financial instrument classified under current assets and current liabilities, the carrying amount approximate fair value due to the relatively short term nature of these financial instruments.

The aggregate fair value and the carrying amounts of the financial assets carried on the reporting date are as below:

Quarterly Report On Results For The First Quarter Ended 31 March 2017

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	As at 31/03/2017		As at 31/12/2016	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Available-for-sale</u>	RM	RM	RM	RM
Other investment	5,000,000	5,000,000	5,000,000	5,000,000

The fair value of other investment is equivalent to its carrying value.

A15 Disclosure of Derivatives

The Company does not have any outstanding derivatives as at the end of the reporting quarter.

A16 Gain/(Loss) Arising From Fair Value Changes Of Financial Liabilities

There is no gain/(loss) arising from fair value changes of financial liabilities for the quarter ended 31 March 2017.

Quarterly Report On Results For The First Quarter Ended 31 March 2017

NOTES

B1 Review of Performance

A turnover of 5.063 million was recorded for the quarter ended 31 March 2017 which was RM 1.345 million or 20.99 % lower than the preceding quarter's turnover of RM6.408 million. Lower sales turnover was due mainly to slow down of orders received from major customers and disruption in production operation. Net profit before tax for the quarter under review was RM0.205 million compared to RM0.585 million recorded in the preceding quarter ended 31 December 2016 which showed a decrease of 64.96%. The decrease in profit in the current quarter against the last quarter was contributed mainly by the huge decrease in sales revenue and higher raw material cost.

Turnover of RM5.063 million achieved for the period ended 31 March 2017 was RM1.98 million or 28.11 % lower than the turnover of RM7.043 million in the preceding year's corresponding quarter. Net profit before tax for the quarter under review was RM0.205 million compared with RM1.041 million achieved in the preceding year's corresponding quarter which showed a decrease of 80.31% contributed mainly by lower sales revenue and higher raw material cost. Net profit after tax of RM0.159 million was achieved in the current period against RM0.738 million of the preceding year's quarter.

B2 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

There was a material change in the Company's net profit before taxation and net profit after tax for the quarter ended 31 March 2017 when compare to that of the preceding year. The details of and reasons for the changes are disclosed under B1 and B5 of the notes.

B3 Prospects for the Current Financial Year

Fluctuation in crude oil price, uncertainties in the global economy and market sentiment and competition coupled by ringgit fluctuation are the key concerns of the Company for the current year which may affect sales turnover and profitability.

B4 Variance of Actual Profit from Forecast Profit

This is not applicable.

B5 Taxation

Details of taxation are as follows: -

	Current Year Quarter 31/03/2017 RM'000	Current Year To Date 31/03/2017 RM'000
Current taxation	107	107
Over provision of tax	-	-
Deferred taxation	(61)	(61)
	<u>46</u>	<u>46</u>

The effective tax rate is lower than the statutory tax rate for the quarter ended 31 March 2017 due to utilisation of deferred tax during the quarter.

Quarterly Report On Results For The First Quarter Ended 31 March 2017

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B6 Profits /(Loss) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and /or properties for the financial quarter under review.

B7 Purchases or Disposals of Quoted Securities

There were no purchases and/or disposals of quoted securities for the financial period under review.

B8 Status of Corporate Proposals

There was no corporate proposal announced during the quarter.

B9 Borrowings and Debt Securities

There was no borrowing and debt security at the end of this quarter.

B10 Off Balance Sheet Financial Instruments

The Company does not have any financial instruments with off balance sheet risk as at the date of issue of this quarterly report.

B11 Material Litigation

There was no material litigation during the financial quarter ended 31 March 2017.

B12 Dividend

There was no dividend being declared during the quarter ended 31 March 2017.

B13 Earnings per Share

The basic earning per share is calculated by dividing the Company's profit after tax attributable to ordinary shareholders for the current quarter and cumulative quarter to 31 March 2017 by the weighted average number of shares in issue of the Company at the end of the quarter.

	Current year's quarter	Cumulative quarters
Profit for the period (RM'000)	159	159
Weighted average number of ordinary shares in issue('000)	19,112	19,112
Basic earning per share(sen)	0.83	0.83

Quarterly Report On Results For The First Quarter Ended 31 March 2017

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B14 Disclosure of realised and unrealised profits/losses

The breakdown of retained profit of the Company as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive given by Bursa Malaysia Securities Berhad (“Bursa Malaysia”), is as follows:

	As at 31/03/2017	As at 31/12/2016
	RM'000	RM'000
Realised	11,502	11,279
Unrealised		
-Forex exchange –loss	(18)	(15)
-Deferred tax	550	611
Total retained profits as per condensed accounts	12,034	11,875

This disclosure is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia and is not made for any other purpose.

By Order of the Board
Leong Shiak Wan
Company Secretary
Dated: 30 May 2017