

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.09.2016 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2015 RM'000	Unaudited Current year to date 9 Months 30.09.2016 RM'000	Unaudited Preceding year to date 9 Months 30.09.2015 RM'000
Revenue	167,194	110,894	407,458	425,716
Cost of sales	(149,117)	(110,425)	(334,038)	(360,388)
Gross profit	18,077	469	73,420	65,328
Other income	902	11,345	2,806	21,251
Administrative and other expenses	(12,037)	(25,935)	(50,487)	(68,479)
Finance costs	(4,441)	(3,709)	(12,102)	(10,983)
Profit/(Loss) before taxation	2,501	(17,830)	13,637	7,117
Income tax expense	(552)	2,384	(3,225)	(2,827)
Profit/(Loss) after taxation	1,949	(15,446)	10,412	4,290
Other comprehensive income				
Foreign currency translation	(7,529)	(44,074)	10,509	(65,912)
Other comprehensive income for the period	(7,529)	(44,074)	10,509	(65,912)
Total comprehensive (expenses)/income	(5,580)	(59,520)	20,921	(61,622)
Profit/(Loss) after tax attributable to:				
- Owners of the Company	1,967	(15,440)	10,450	4,316
- Non-controlling interests	(18)	(6)	(38)	(26)
	1,949	(15,446)	10,412	4,290
Total comprehensive (expenses)/income attributable to:				
- Owners of the Company	(5,561)	(59,518)	20,959	(61,603)
- Non-controlling interests	(19)	(2)	(38)	(19)
	(5,580)	(59,520)	20,921	(61,622)
Basic weighted average no. of ordinary shares ('000)	824,830	804,857	824,830	804,857
Earnings per share (sen):				
- Basic	0.24	(1.92)	1.27	0.54
- Diluted	0.23	(1.87)	1.23	0.52

N1 : The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 ("FYE 2015") and the accompanying explanatory notes attached to these interim financial statements.

BARAKAH OFFSHORE PETROLEUM BERHAD
(980542-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2016**

	Unaudited As at 30.09.2016 RM'000	Audited As at 31.12.2015 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	307,101	299,795
CURRENT ASSETS		
Inventories	5,661	-
Trade receivables	112,805	112,062
Other receivables, deposits and prepayment	10,186	44,336
Current tax assets	47,752	32,689
Short-term investments	1,261	2,451
Fixed deposits with licensed banks	110,542	133,408
Cash and bank balances	34,941	49,979
	<u>323,148</u>	<u>374,925</u>
TOTAL ASSETS	<u>630,249</u>	<u>674,720</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	165,015	164,879
Share premium	64,061	64,014
Merger deficit	(71,909)	(71,909)
Employees' share option reserve	7,075	5,350
Redeemable convertible unsecured loan stocks ("RCULS")	615	653
Foreign exchange translation reserves	(69,344)	(79,853)
Retained profits	240,137	229,687
	<u>335,650</u>	<u>312,821</u>
Equity attributable to owners of the Company	335,650	312,821
Non-controlling interest	(41)	(3)
TOTAL EQUITY	<u>335,609</u>	<u>312,818</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	125	167
Long-term borrowings	192,212	188,250
RCULS	1,745	1,704
	<u>194,082</u>	<u>190,121</u>
CURRENT LIABILITIES		
Trade payables	35,505	88,867
Other payables and accruals	10,336	11,141
Current tax liabilities	16	81
Short-term borrowings	39,521	70,841
Bank overdrafts	15,180	851
	<u>100,558</u>	<u>171,781</u>
TOTAL LIABILITIES	<u>294,640</u>	<u>361,902</u>
TOTAL EQUITY AND LIABILITIES	<u>630,249</u>	<u>674,720</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 2015 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD
(3RD) QUARTER ENDED 30 SEPTEMBER 2016

	Unaudited Current year to date 9 Months 30.09.2016 RM'000	Unaudited Preceding year to date 9 Months 30.09.2015 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	13,637	7,117
Adjustments for:-		
Depreciation of property, plant and equipment	16,036	15,207
Interest expense	11,986	10,689
Interest income	(2,453)	(2,842)
Unrealised loss/(gain) on foreign exchange	41	(17,399)
Share-based payments	1,739	4,847
Property, plant and equipment written off	496	864
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Operating profit before working capital changes	41,482	18,483
Increase in inventories	(5,661)	-
Decrease in trade and other receivables	33,413	87,677
Increase in trade and other payables	(54,177)	(28,701)
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CASH FROM OPERATIONS	15,057	77,459
Interest paid	(11,848)	(10,441)
Interest received	2,453	2,842
Income tax paid	(18,386)	(24,066)
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NET CASH (FOR)/FROM OPERATING ACTIVITIES	(12,724)	45,794
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(23,411)	(10,931)
Placement of deposits pledged	(19,194)	(24,481)
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NET CASH FOR INVESTING ACTIVITIES	(42,605)	(35,412)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Repayment of hire purchase obligations	(280)	(267)
Drawdown of trust receipts	172,691	88,381
Repayment of term loans	(19,152)	(15,540)
Repayment of trust receipts	(173,725)	(138,315)
Proceeds from exercise of employees' share options	25	159
Dividends paid to owners of the Company	-	(16,378)
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NET CASH FOR FINANCING ACTIVITIES	(20,441)	(81,960)
NET DECREASE OF CASH AND CASH EQUIVALENTS	(75,770)	(71,578)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	3,153	2,019
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	99,084	169,953
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CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	26,467	100,394
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD
(3RD) QUARTER ENDED 30 SEPTEMBER 2016 (CONT'D)

	Unaudited Current year to date 9 Months 30.09.2016 RM'000	Unaudited Preceding year to date 9 Months 30.09.2015 RM'000
Cash and cash equivalents comprise the following:		
- Short-term investments	1,261	10,098
- Fixed deposits placed with licensed banks	110,542	123,149
- Cash and bank balances	34,941	71,085
- Bank overdrafts	(15,180)	(5,046)
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	131,564	199,286
Less: Deposits pledged to licensed banks	(105,097)	(98,892)
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	26,467	100,394
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N1 : *The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 2015 and the accompanying explanatory notes attached to these interim financial statements.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

	----- Attributable to owners of the Company -----						Retained Profits RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	-----Non-distributable-----			Distributable						
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	RCULS RM'000	Foreign Exchange Translation Reserve RM'000				
Balance as at 01.01.2016 (Audited)	164,879	64,014	(71,909)	5,350	653	(79,853)	229,687	312,821	(3)	312,818
Profit after taxation	-	-	-	-	-	-	10,450	10,450	(38)	10,412
Other comprehensive expenses for the financial period, net of taxation:										
- Foreign currency translation	-	-	-	-	-	10,509	-	10,509	-	10,509
Total comprehensive income	-	-	-	-	-	10,509	10,450	20,959	(38)	20,921
Contributions by owners of the Company:										
Issuance of shares pursuant to:										
- Conversion of RCULS	130	14	-	-	(38)	-	-	106	-	106
- Employees' share option exercised	6	33	-	(14)	-	-	-	25	-	25
Employees' share options - Granted	-	-	-	1,739	-	-	-	1,739	-	1,739
Total transactions with owners	136	47	-	1,725	(38)	-	-	1,870	-	1,870
Balance as at 30.09.2016	165,015	64,061	(71,909)	7,075	615	(69,344)	240,137	335,650	(41)	335,609

**BARAKAH OFFSHORE PETROLEUM BERHAD
(980542-H)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016
(CONT'D)**

	----- Attributable to owners of the Company -----									
	-----Non-distributable-----					Distributable				
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	RCULS RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
Balance as at 01.01.2015 (Audited)	152,667	62,684	(71,909)	603	4,145	(23,493)	227,216	351,913	44	351,957
Profit after taxation	-	-	-	-	-	-	4,316	4,316	(26)	4,290
Other comprehensive expenses for the financial period, net of taxation:										
- Foreign currency translation	-	-	-	-	-	(65,919)	-	(65,919)	7	(65,912)
Total comprehensive income	-	-	-	-	-	(65,919)	4,316	(61,603)	(19)	(61,622)
Contributions by owners of the Company:										
Issuance of shares pursuant to:										
- Conversion of RCULS	11,930	447	-	-	(3,426)	-	-	8,951	-	8,951
- Employees' share option exercised	39	213	-	(93)	-	-	-	159	-	159
Employees' share options										
- Granted	-	-	-	4,847	-	-	-	4,847	-	4,847
Dividends	-	-	-	-	-	-	(16,378)	(16,378)	-	(16,378)
Total transactions with owners	11,969	660	-	4,754	(3,426)	-	(16,378)	(2,421)	-	(2,421)
Balance as at 30.09.2015	164,636	63,344	(71,909)	5,357	719	(89,412)	215,154	287,889	25	287,914

N1 : The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 2015 and the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A1. Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in accordance with the MFRS 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”).

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2015.

During the current financial period, the Company and its subsidiary companies (“Group”) have adopted the following new accounting standards and interpretations (including the consequential amendments):-

- Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements
- Annual Improvements to MFRSs 2012 - 2014 Cycle

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date to MFRS 15	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 107: Statement of Cash Flows - Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

A2. Auditors’ Report of preceding annual financial statements

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2015 was not subject to any qualification.

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A3. Seasonal or cyclical factors

The Group’s operations were not significantly affected by any seasonal or cyclical factor during the current quarter and financial year-to-date.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year-to-date.

A5. Material changes in estimates

There were no material changes in estimates in the current quarter and current financial year-to-date.

A6. Debt and equity securities

There were no issuances, cancellation, repurchase, resale or repayment of debt or equity securities in the current quarter except for the following:-

- Share Capital

	Ordinary share of RM0.20 each No. of shares (‘000)	RM’000
Share capital – issued and fully paid up as at 01.07.2016	824,866	164,973
Conversion of RCULS	207	42
Share capital as at 30.09.2016	825,073	165,015

A7. Dividends paid

There were no dividends paid or declared for the current quarter and financial year-to-date.

A8. Segmental information

No segmental information is provided as the Group is primarily involved in the oil and gas industry (one business segment) and the Group’s activities are primarily predominantly in Malaysia. The overseas segment account for less than 10% of the consolidated revenue and assets.

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A9. Revenue

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 30.09.2016 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2015 RM'000	Unaudited Current year to date 9 Months 30.09.2016 RM'000	Unaudited Preceding year to date 9 Months 30.09.2015 RM'000
Pipeline and commissioning services; and	18,861	57,412	96,114	215,089
Installation and construction services	148,333	53,482	311,344	210,627
	167,194	110,894	407,458	425,716

A10. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current quarter and financial year-to-date.

A11. Capital commitments

	As at 30.09.2016 RM'000
Property, plant and equipment:-	
Approved and contracted for	<u>3,837</u>

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date except for the following:-

• Acquisition of 51% shares in PBJV Macfeam Sdn. Bhd. (“PBJV Macfeam”)

On 1 November 2016, the Company announced that PBJV Group Sdn. Bhd. (“PBJV”), a wholly-owned subsidiary of the Company, had subscribed for 50,999 new ordinary shares of RM1.00 each in PBJV Macfeam. PBJV Macfeam is a joint venture company incorporated pursuant to a joint venture agreement dated 9 June 2016 entered with Macfeam Sdn. Bhd. (“Macfeam”) for a total cash consideration of RM50,999.00 (“Acquisition”). Simultaneously, PBJV had also acquired one (1) ordinary share in PBJV Macfeam for a consideration of RM1.00 (“Transfer”). Upon completion of the Acquisition and Transfer, PBJV holds 51,000 ordinary shares of RM1.00 each representing 51% of the total issued and paid up capital of PBJV Macfeam.

PBJV Macfeam was incorporated as a private limited company in Malaysia on 23 June 2016. The current authorised share capital of PBJV Macfeam is RM1 million comprising 1 million ordinary shares of RM1.00 each. The issued and paid up share capital of PBJV Macfeam is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid up share capital of PBJV Macfeam shall be held by PBJV and Macfeam respectively in the ratio of 51:49.

The principal activity of PBJV Macfeam is to provide procurement, construction and commissioning (“PCC”) of pressurized piping system, to develop, built and to do any other work relating to infrastructure, civil and engineering works and to undertake, execute all kinds of services and activities which are related or conveniently carried on in connection with the oil and gas industry. PBJV Macfeam was set-up by the parties mainly as the vehicle to execute the contract secured from PRPC Utilities and Facilities Sdn Bhd for the Procurement, Construction and Commissioning of Underground Pressurised Non-Metallic Piping – Firewater Network for the East Side of Utilities, Interconnecting, Offsite (“UIO”) Facilities in PETRONAS Refinery and Petrochemical Integrated Development Project, widely known as RAPID, which was announced on 25 May 2016.

The Acquisition does not have any material effect on the net assets, earnings and gearing of the Group.

PBJV Macfeam is not expected to have any material effect on the Group’s earnings or net assets for the financial year to date.

A13. Contingent liabilities and contingent assets

The contingent liabilities of the Group comprise of the following:-

	As at 30.09.2016 RM’000
<u>Unsecured</u>	
Bank guarantees extended to clients	90,463

There are no contingent assets as at the date of this report.

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A14. Material events subsequent to the end of the quarter

There are no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

A15. Significant related party transactions

	---Individual Quarter---		---Cumulative Quarter---	
	Unaudited Current year quarter 3 Months 30.09.2016 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2015 RM'000	Unaudited Current year to date 9 Months 30.09.2016 RM'000	Unaudited Preceding year to date 9 Months 30.09.2015 RM'000
Company in which certain Directors have interest				
Purchases	573	195	2,283	1,924
Donations *	150	150	450	450

* As part of the Group’s Corporate Social Responsibility program, monthly donations are made to an orphanage home managed by Yayasan Amal Kasih Harmoni (“YAKH”) known as Rumah Kasih Harmoni, which is located in Paya Jaras, Selangor and currently houses 101 children from preschool to secondary school.

The donation is a related party transaction (“RPT”) by virtue of:

- i) Common directorships held by Nik Hamdan bin Daud in the Company and YAKH. Nik Hamdan bin Daud is also a major shareholder of the Company; and
- ii) Haniza binti Jaffar, a director of YAKH who is also a key management of the Group.

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B1. Review of performance

During the current financial period ended 30 September 2016, the Group generated a total revenue of RM407.46 million with RM167.19 million generated during the current quarter. This is an increase of 50.77% compared to the corresponding quarter of the preceding year. Profit before taxation ("PBT") for the current financial period ended 30 September 2016 amounted to RM13.64 million, which is an increase of 91.61% compared to that recorded in the corresponding financial period ended 30 September 2015. The increase in revenue was mainly due to higher revenue generated from transportation and installation activities while the increase in PBT was as a result of the cost reduction exercise that was implemented since the beginning of the current financial year.

Pipeline and commissioning services ("PCS")

PCS saw a decrease of 67.15% in the revenue generated in the current quarter of RM18.86 million, compared with RM57.41 million from the corresponding quarter of the preceding year. This was due to the continuing lower number of work order received for pipeline services and hook-up commissioning activities.

Installation and construction services ("ICS")

During the current quarter ended 30 September 2016, ICS contributed 88.72% to the overall total revenue generated of RM167.19 million, which is an increase of 177.35% from the corresponding quarter of the preceding year. The increase in revenue was mainly due to the higher certification of work done for the transportation and installation works.

B2. Comparison with immediate preceding quarter's results

The Group reported a higher revenue of RM167.19 million in the current quarter ended 30 September 2016 compared with the immediate preceding quarter of RM136.93 million. The PBT however saw a decrease from RM9.48 million in the immediate preceding quarter to RM2.50 million in the current quarter. The increase in revenue was mainly due to the higher certification of work done from the transportation and installation works and from the procurement, construction and commissioning ("PCC") activities. The decrease in PBT was as a result of set-up and mobilisation cost incurred in the current quarter for the new PCC project which commence in the current quarter, whereas the billings for this project is expected only in the subsequent quarters.

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B3. Commentary on prospects

The market condition for the industry remain tough in the immediate future resulting from continued depressed oil prices. The industry also see more intense competition that results in lower prices and margins for services.

Nevertheless, the Board believes that the Group would remain resilient with the continuous new work orders secured to date. Simultaneously, the Group is also actively tendering and bidding for new projects both in the local and international market.

The Group's strategic focus remains on improving operational efficiency while pursuing new business opportunities to enhance its revenue base.

B4. Variance of actual profit from forecast profit

The Group has not announced or disclosed any profit forecast or profit guarantee in any public documents.

B5. Profit before taxation

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.09.2016 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2015 RM'000	Unaudited Current year to date 9 Months 30.09.2016 RM'000	Unaudited Preceding year to date 9 Months 30.09.2015 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Interest income	(713)	(849)	(2,453)	(2,842)
Interest expense	4,494	3,599	11,986	10,689
Depreciation of property, plant and equipment	5,325	5,156	16,036	15,207
Realised (gain)/loss on foreign exchange	456	1,458	2,344	3,820
Unrealised (gain)/loss on foreign exchange	(4,210)	(10,003)	41	(17,399)
Share-based payments	-	1,035	1,739	4,847
Property, plant and equipment written off	496	557	496	864
	<u>496</u>	<u>557</u>	<u>496</u>	<u>864</u>

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B6. Income tax expense

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.09.2016 RM'000	Unaudited Preceding year quarter 3 Months 30.09.2015 RM'000	Unaudited Current year to date 9 Months 30.09.2016 RM'000	Unaudited Preceding year to date 9 Months 30.09.2015 RM'000
Current tax:				
- for the current period	504	9,023	3,201	14,283
- overprovision in the previous financial year	58	(11,394)	58	(11,394)
	<u>562</u>	<u>(2,371)</u>	<u>3,259</u>	<u>2,889</u>
Deferred tax expense				
- for the current period	(10)	(13)	(34)	(62)
	<u>(10)</u>	<u>(13)</u>	<u>(34)</u>	<u>(62)</u>
	<u>552</u>	<u>(2,384)</u>	<u>3,225</u>	<u>2,827</u>

The effective tax rate for the financial period ended 30 September 2016 approximate the statutory tax rate of 24%.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

B8. Group borrowings

Total Group borrowings as at 30 September 2016 were as follows:-

Unaudited	Short term	Long term	As at
	Secured RM'000	Secured RM'000	30.09.2016 Total RM'000
Term loans	5,504	191,151	196,655
Hire purchase	95	1,061	1,156
Trust receipt	33,922	-	33,922
Bank overdrafts	15,180	-	15,180
	<u>54,701</u>	<u>192,212</u>	<u>246,913</u>

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B8. Group borrowings (Cont'd)

Included in the borrowings is a foreign borrowing as follows:-

Unaudited	Short term	Long term	As at
	Secured	Secured	30.09.2016
	RM'000	RM'000	Total
			RM'000
United States Dollar	5,348	189,374	194,722

B9. Material litigation

There were no material litigations pending as at the date of this announcement.

B10. Dividends

No dividend was declared or recommended for payment by the Company for the current quarter under review.

B11. Earnings per share

(a) Basic earnings per share

The basic earnings per share for the current quarter and for the financial year-to-date is computed by dividing the profit after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue for the financial period.

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.09.2016	Unaudited Preceding year quarter 3 Months 30.09.2015	Unaudited Current year to date 9 Months 30.09.2016	Unaudited Preceding year to date 9 Months 30.09.2015
Profit/(Loss) attributable to the owners of the Company (RM'000)	1,967	(15,440)	10,450	4,316
Weighted average number of ordinary shares in issue ('000)	824,830	804,857	824,830	804,857
Basic earnings per share (sen)	0.24	(1.92)	1.27	0.54

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B11. Earnings per share (Cont'd)

(b) Diluted earnings per share

The diluted earnings per share for the current quarter and for the financial year-to-date is arrived at by adjusting for the dilutive effects of all potential ordinary shares, such as the share options granted to employees and the RCULS issued, on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for the financial period.

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	Unaudited Current year quarter 3 Months 30.09.2016	Unaudited Preceding year quarter 3 Months 30.09.2015	Unaudited Current year to date 9 Months 30.09.2016	Unaudited Preceding year to date 9 Months 30.09.2015
Profit/(Loss) attributable to the owners of the Company (RM'000)	1,967	(15,440)	10,450	4,316
Weighted average number of ordinary shares in issue ('000) (Basic)	824,830	804,857	824,830	804,857
Effect of assumed exercise of share options granted ('000)	17,061	6,808	17,061	6,808
Effect of conversion of RCULS ('000)	10,713	12,512	10,713	12,512
	852,604	824,177	852,604	824,177
Diluted earnings per share (sen)	0.23	(1.87)	1.23	0.52

QUARTERLY REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2016

B: ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA (PURSUANT TO PARA 9.22 AND PART A OF APPENDIX 9B)

B12. Disclosure of realised and unrealised profits/(loss)

The breakdown of the retained profits of the Group as at the current financial quarter and the preceding financial year into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	Unaudited	Audited
	As at	As at
	30.09.2016	31.12.2015
	RM'000	RM'000
Total retained profits of the Group		
- Realised	254,508	227,946
- Unrealised	(166)	19,237
	<hr/>	<hr/>
	254,342	247,183
Add: Consolidated adjustments	(14,205)	(17,496)
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	240,137	229,687
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