Unaudited Financial Statements and Related Announcement for the Full Year Ended 31 December 2016

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income	Group		
	2016 RM'000	2015 RM'000	Change %
Continuing Operations			
Revenue	149,013	34,758	329%
Cost of sales	(109,012)	(33,663)	224%
Gross profit	40,001	1,095	3553%
Interest income	25	28	-11%
Other gains	712	995	-28%
Marketing and distribution costs	(646)	(867)	-25%
Administrative expenses	(32,764)	(27,340)	20%
Other losses	(361)	(41,321)	-99%
Finance costs	(3,163)	(2,432)	30%
Share of loss from equity-accounted associates	(262)	(1,465)	-82%
Profit (loss) before tax	3,542	(71,307)	N.M.
Income tax (expense) credit	(3,165)	421	N.M.
Profit (loss) from continuing operations, net of tax	377	(70,886)	N.M.
Discontinued Operation (Precision Business)			
Loss from discontinued operation, net of tax	(21,657)	(1,286)	1584%
Loss for the year, net of tax	(21,280)	(72,172)	-71%
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations, net of tax	483	7,704	N.M.
Reclassification adjustment relating to foreign operations disposed of in the year	(7,186)	-	N.M.
Other comprehensive (loss) income for the year, net of tax	(6,703)	7,704	N.M.
Total comprehensive loss for the year	(27,983)	(64,468)	-57%
Loss attributable to owners of the parent, net of tax	(21,273)	(72,403)	-71%
(Loss) profit attributable to non-controlling interest, net of tax	(7)	231	-103%
Loss, net of tax	(21,280)	(72,172)	-71%
Total comprehensive loss attributable to owners of the parent	(27,985)	(64,699)	-57%
Total comprehensive income attributable to non-controlling interests	2	231	-99%
Total comprehensive loss for the year	(27,983)	(64,468)	-57%

N.M. – Not meaningful

1(a)(ii) Notes to statement of comprehensive income

Profit (Loss) before tax is stated after (charging)/crediting:

	Group		
	2016 RM'000	2015 RM'000	Change %
Continuing Operations			
Depreciation of property, plant and equipment	(4,094)	(3,151)	29.9%
Interest income	25	28	-10.7%
Interest expense	(3,163)	(2,432)	30.1%
Share-based payments	(1,930)	(2,253)	-14.3%
Allowance for impairment on inventories	-	(314)	N.M.
(Allowance) Reversal for impairment of trade receivables	(233)	69	N.M.
Reversal (Allowance) for impairment of other receivables	132	(73)	N.M.
Impairment of goodwill	-	(39,330)	N.M.
Plant and equipment written off	-	(44)	N.M.
Bad debts written off on trade receivables	-	(475)	N.M.
Bad debts written off on other receivables	-	(20)	N.M.
Foreign exchange adjustment net loss	(80)	(363)	-78.0%
Overprovision of tax in respect of prior years	787	923	-14.7%

N.M. - Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group		Company	
	As at 31.12.2016	As at 31.12.2015	As at 31.12.2016	As at 31.12.2015
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,439	22,700	70	109
Available-for-sale financial assets	1,551	1,523	1,551	1,523
Investment in subsidiaries	-	-	393,597	386,308
Investment in associates	4,833	8,565	-	-
Deferred tax assets	1,070	1,345	-	59
Investment properties	5,666	-	-	-
Other assets	2,970	6,282	-	-
Total non-current assets	28,529	40,415	395,218	387,999
Current assets				
Development properties	107,590	108,235	-	-
Inventories	31,197	36,729	-	-
Trade and other receivables	66,374	73,565	29,437	23,324
Other assets	1,968	5,308	154	127
Cash and cash equivalents	15,170	22,484	1,830	3,602
Total current assets	222,299	246,321	31,421	27,053
Total assets	250,828	286,736	426,639	415,052
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	133,052	133,052	369,551	369,551
Accumulated losses	(87,786)	(66,881)	(17,986)	(38,750)
Share option reserve	3,193	1,631	3,193	1,631
Foreign currency translation reserve	2,857	9,569	70,268	62,092
Merger reserve	3,178	3,178	-	-
Equity, attributable to owners of the parent	54,494	80,549	425,026	394,524
Non-controlling interests	367	365	-	-
Total equity	54,861	80,914	425,026	394,524
Non-current liabilities				
Deferred tax liabilities	686	1,253	-	-
Other financial liabilities	34,507	15,684	-	-
Total non-current liabilities	35,193	16,937	-	-
Current liabilities				
Income tax payable	16,319	15,256	-	5
Trade and other payables	88,617	61,132	1,613	20,523
Other liabilities	2,661	4,217	-	-
Progress billings	28,908	77,024	-	-
Other financial liabilities	24,269	31,256	-	-
Total current liabilities	160,774	188,885	1,613	20,528
Total liabilities	195,967	205,822	1,613	20,528
Total equity and liabilities	250,828	286,736	426,639	415,052

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Borrowings and Debt Securities	Group	
	As at 31.12.2016	As at 31.12.2015
	RM'000	RM'000
Amount repayable in one year or less, or on demand		
- secured	24,269	31,256
	24,269	31,256
Amount repayable after one year		
- secured	34,507	15,684
	34,507	15,684

Details of any collateral:

The banking facilities of the Enlarged Group comprised of bank overdraft, term loans, finance leases and trade lines.

The bank overdrafts are covered by: -

1. Pledge of the fixed deposits with licensed banks of certain subsidiaries;
2. Joint and several guarantees of certain directors of the Company;
3. Assignment over the rights, title and interest to the properties held for sale;
4. Corporate guarantees provided by certain subsidiaries of the Company;
5. First party charge and first/second legal charges on some of the subsidiaries' projects land and properties held for sale; and/or
6. Legal charge or deed of assignment and power of attorney over properties held for sale.

The term loans are covered by the following:-

1. Upfront fixed deposit of RM260,000 and interest;
2. Joint and several guarantee by certain directors of the Company;
3. Yearly fixed deposits of RM30,000 to commence 6 months after initial release of facilities;
4. Joint and several guarantee by ex-director of one of the subsidiaries of the Company;
5. Corporate guarantees provided by certain subsidiaries of the Company;
6. First party charge and first/second legal charges on some of the subsidiaries' projects land and properties held for sale and leasehold property;
7. Assignment over the rights, titles and interest to the properties held for sale; and/or
8. Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under the Working Capital Guarantee Scheme (WCGS).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows	2016 RM'000	2015 RM'000
Cash flows from operating activities		
Profit (Loss) before tax from continuing operations	3,542	(71,308)
Loss before tax from discontinued operation	(21,622)	(950)
Loss before tax, total	(18,080)	(72,258)
Adjustments for:		
Depreciation of property, plant and equipment	4,094	4,749
Interest expense	3,163	2,565
Interest income	(25)	(72)
Impairment of goodwill	-	39,330
Waiver of quasi-equity loan to associates	-	3,634
Loss on disposal of plant and equipment	-	127
Plant and equipment written off	-	44
Loss on disposal of discontinued operation	21,657	-
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity on loss of control of subsidiaries	(7,186)	-
Share-based payments	1,930	1,631
Share of loss from equity-accounted associates	262	1,465
Operating cash flows before changes in working capital	5,815	(18,785)
Development properties	647	(58,167)
Inventories	5,917	(4,265)
Trade and other receivables	(21,206)	10,152
Other assets, current	3,369	(1,255)
Trade and other payables	27,170	3,571
Progress billings	(48,115)	54,489
Other liabilities	(1,555)	2,671
Net cash flows used in operations before tax	(27,958)	(11,589)
Income tax paid	(2,411)	(642)
Net cash flows used in operating activities	(30,369)	(12,231)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,589)	(3,191)
Proceeds from sale of property, plant and equipment	524	162
Dividends from associates	3,469	-
Investment properties	(5,666)	-
Other assets, non-current	3,311	3,105
Available-for-sale financial asset	-	(1,523)
Disposal of subsidiaries, net cash disposed of	7,505	-
Interest received	25	72
Net cash flows from (used in) investing activities	6,579	(1,375)
Cash flows from financing activities		
Other payables - directors	(63)	637
Other payables - shareholders	169	-
Proceeds from borrowings	35,882	21,610
Repayment of borrowings	(16,927)	(15,144)
Cash restricted in use	823	(1,976)
Interest paid	(3,163)	(2,565)
Net cash flows from financing activities	16,721	2,562
Net increase (decrease) in cash and cash equivalents	(7,069)	(11,044)
Cash and cash equivalents, statement of cash flows, beginning balance	13,363	22,921
Effect of exchange rate changes on cash and cash equivalents	(261)	1,486
Cash and cash equivalents, statement of cash flows, ending balance	6,033	13,363
Cash and cash equivalents comprised :		
Cash and bank balances	15,170	22,484
Bank overdraft	(7,690)	(6,851)
Cash restricted in use	(1,447)	(2,270)
	6,033	13,363

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Note : The Foreign Exchange Reserve and Merger Reserve are not available for distribution as cash dividends.

Statements of Changes in Equity	Total equity	Attributable to parent	Share capital	(Accumulated losses) Retained earnings	Foreign exchange reserve	Merger reserve	Share option reserve	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Current year:								
Opening balance at 1 January 2016	80,914	80,549	133,052	(66,881)	9,569	3,178	1,631	365
Movement in equity:								
Loss for the year	(21,280)	(21,273)	-	(21,273)	-	-	-	(7)
Other comprehensive income (loss)								
Foreign currency translation	483	474	-	-	474	-	-	9
Reclassification adjustment relating to foreign operations disposed of in the year	(7,186)	(7,186)	-	-	(7,186)	-	-	-
Subtotal	(6,703)	(6,712)	-	-	(6,712)	-	-	9
Others								
Share-based payments	1,930	1,930	-	-	-	-	1,930	-
Share option forfeited	-	-	-	368	-	-	(368)	-
Closing balance at 31 December 2016	54,861	54,494	133,052	(87,786)	2,857	3,178	3,193	367
Previous year:								
Opening balance at 1 January 2015	143,751	143,617	133,052	5,522	1,865	3,178	-	134
Movement in equity:								
(Loss) Profit for the year	(72,172)	(72,403)	-	(72,403)	-	-	-	231
Other comprehensive income (loss)								
Foreign currency translation	7,704	7,704	-	-	7,704	-	-	-
Others								
Share-based payments	1,631	1,631	-	-	-	-	1,631	-
Closing balance at 31 December 2015	80,914	80,549	133,052	(66,881)	9,569	3,178	1,631	365

	Total equity	Share capital	(Accumulated losses) Retained earnings	Foreign exchange reserve	Share option reserve
	RM'000	RM'000	RM'000	RM'000	RM'000
Company					
Current year:					
Opening balance at 1 January 2016	394,524	369,551	(38,750)	62,092	1,631
Movement in equity:					
Profit for the year	20,396	-	20,396	-	-
Other comprehensive income (loss)					
Foreign currency translation	8,176	-	-	8,176	-
Others					
Share-based payments	1,930	-	-	-	1,930
Share option forfeited	-	-	368	-	(368)
Closing balance at 31 December 2016	425,026	369,551	(17,986)	70,268	3,193
Previous year:					
Opening balance at 1 January 2015	361,779	369,551	(17,403)	9,631	-
Movement in equity:					
Loss for the year	(21,347)	-	(21,347)	-	-
Other comprehensive income (loss)					
Foreign currency translation	52,461	-	-	52,461	-
Others					
Share-based payments	1,631	-	-	-	1,631
Closing balance at 31 December 2015	394,524	369,551	(38,750)	62,092	1,631

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There have been no changes in the Company's share capital and treasury shares since the end of the previous period reported on.

As at 31 December 2016 and 31 December 2015, the Company did not hold any treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 Dec 2016	As at 31 Dec 2015
Total number of issued shares excluding treasury shares	200,114,059	200,114,059

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

None.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to its audited financial statements as at 31 December 2015, except for the adoption of Financial Reporting Standards ("FRSs") which are relevant to the Group's operations and took effect from 1 January 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above. The adoption of the new and revised FRSs had no material effect on the Group's accounting policies and had no significant impact on the Group's financial statements.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(a) Based on the weighted average number of ordinary shares on issue;

Earnings Per Share	Group	
	2016	2015
Profit (Loss) attributable to the owners of the parent during the financial year:		
From continuing operations (RM'000)	384	(71,117)
From discontinued operation(RM'000)	(21,657)	(1,286)
Weighted average number of ordinary shares on issue	200,114,059	200,114,059
Basic profit (loss) per share for loss attributable to owners of the parent during the financial year:		
From continuing operations (sens)	0.19	(35.54)
From discontinued operation (sens)	(10.82)	(0.64)

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

Diluted earnings per share is not presented as there is no potential dilutive ordinary share existing during the relevant financial periods presented.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net Asset Value	Group		Company	
	As at 31.12.2016	As at 31.12.2015	As at 31.12.2016	As at 31.12.2015
Net asset value (RM'000)	54,494	80,549	425,026	394,524
Number of issued shares excluding treasury shares	200,114,059	200,114,059	200,114,059	200,114,059
Net asset value per ordinary share (sens)	27.23	40.25	212.39	197.15

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

On 2 June 2016, the Company announced the decision of its board of directors to dispose of one of its wholly-owned subsidiaries, Hisaka International Holdings Pte Ltd ("HIHPL"). HIHPL is the holding company of the Group's precision business division. The proposed disposal of the precision business, which has been underperforming, is consistent with the Group's strategy to re-align its corporate strategy and focus on its core property development business.

The proposed disposal was completed on 16 December 2016. The results of the precision business division was presented separately on the income statement as "Loss from discontinued operation, net of tax".

The property business division was presented under the "Continuing Operation".

(a) Revenue and Profitability from Continuing Operation

The Group's Continuing Operation mainly includes its property business and the holding company.

Revenue from the property development business increased by RM114.2 million or 329% from RM34.8 million in FY2015 to RM149.0 million in FY2016. This was mainly due to the increase in development projects completed and units sold in 2016 from RM15.9 million in FY2015 to RM125.4 million in FY2016. Revenue from the Group's construction business had also increased from RM4.6 million in FY2015 to RM12.7 million in FY2016. The increase was partially offset by a slight decrease in the revenue contribution from the sale of construction materials by RM1.9 million, from RM11.9 million in FY2015 to RM10.0 million in FY2016, as the Group placed lesser emphasis on sales of construction materials this year.

The gross profit margins of the Group for FY2015 and FY2016 were 3.2% and 26.8% respectively. With the increase of better profit yielding sales such as from the development and construction projects in FY2016, the gross profit margin has thus improved comparatively. FY2015 saw lesser projects and higher proportion of revenue from the sale of construction materials which yielded lesser profits.

The Group's marketing and distribution costs in FY2016 and FY2015 are relatively consistent.

The Group's administrative expenses rose by RM5.5million from RM27.3 million in FY2015 to RM32.8 million in FY2016. The comparative increase was due to higher payroll costs in the property development business as more headcounts were hired to strengthen our capacity and capabilities in meeting the demands of increasing property and business development projects. Also, there were additional professional and advisory expenses incurred in 2016 in exploring new business ventures.

Other losses decreased from RM41.3 million in FY2015 to RM0.4 million in FY2016. The substantial other losses incurred in FY2015 was due to a goodwill impairment loss of RM39.3 million arising from an impairment assessment performed on the goodwill of the precision business at the Group level.

The increase in the Group's finance costs between the comparative years were due to increased borrowings in FY2016 as more working capital was required to meet the needs of increasing projects.

The share of result from equity-accounted associates was mainly contributed by the Group's associate, Tiya Development Sdn Bhd, for both FY2015 and FY2016. The share of loss from the associate had reduced substantially this year due to better performance as the associate generated more sales in FY2016.

The continuing operations of the Group recorded a profit before tax of RM3.5 million in FY2016 compared to the loss before tax of RM71.3 million in FY2015. The significant loss in FY2015 was mainly caused by the impairment of goodwill and slower progress in the property development business.

(b) Loss from Discontinued Operation

Discontinued operation refers to the Group's precision business and as the disposal was completed on 16 December 2016, the Group had recognised its result till the date of disposal. The precision business had recorded a loss net of tax of RM1.1 million.

The loss on disposal of the business had amounted to RM21.7 million. This was arrived at based on a total consideration of RM29.3 million (S$9.8 million), the net assets position of the precision business as at the disposal date and a reclassification adjustment of translation reserve relating to the discontinued operation approximately RM7.2 million was recorded.

(c) Group Result in FY2016

Whilst the continuing operations had shown an improvement in its result in FY2016 with a profit before tax of RM3.5 million, the profit was reduced by its tax expense and losses from the discontinued operation of RM21.7 million, leaving the Group with a total loss of RM27.9 million after accounting for translation differences of foreign operations of RM6.7 million.

Statement of Financial Position

Group

Non-current assets of the Group decreased by RM11.9 million from RM40.4 million as at FY2015 to RM28.5 million as at FY2016 due to a net decrease in property, plant and equipment by RM10.3 million largely resulting from the disposal of the precision business during the year; a decrease in other assets by RM3.3 million mainly due to a decrease in advance made to landowner; and a decrease in investment in associates, Tiya Development Sdn Bhd, resulting from a dividend distribution made by the associate in 1Q2016. The decrease was offset by an addition of investment properties under construction of RM5.7 million during the year.

Current assets of the Group decreased by RM24.0 million from RM246.3 million as at FY2015 to RM222.3 million as at FY2016. The overall decrease in current assets was due to the disposal of the precision business. Development properties balance had decreased comparatively mainly due to more projects were completed and sold in FY2016.

The increase in trade and other receivables in FY2016 was mainly due to the increase in sales. Included within the trade and other receivables was also an amount of RM8.7 million (S$2.8 million), representing the 2nd tranche sales consideration from the disposal of the precision business that is still outstanding. Accordingly, the value of the 2nd tranche consideration shall comprise the proceeds from the sale of the precision business's property. For the purpose of the Circular on the disposal, the value of the 2nd tranche consideration based on the valuation report dated in May 2016 was estimated to be approximately RM17.1 million (S$5.5 million). However, in view of the weakened industrial property market, and after weighted references to actual market selling prices, a more realistic amount was recognised to fairly reflect the value of the 2nd tranche consideration. Nevertheless, the amount might be subjected to further adjustments according to market fluctuations.

Total liabilities decreased by RM9.8 million from RM205.8 million as at FY2015 to RM196.0 million as at FY2016 was largely due to the disposal of the precision business this year. The decrease was offset by the increase in the property business's payables and bank borrowings under other financial liabilities as the business had more projects in FY2016 as compared to FY2015.

Company

The movements in trade and other receivables and trade and other payables were mainly due to movements in intercompanies' balances.

Statement of Cash flows

Net cash and cash equivalents held by the Group decreased from RM13.4 million in FY2015 to RM6.0 million in FY2016. The decrease was largely contributed by a net cash outflow from the operating activities amounting to RM23.2 million. The net cash inflow from the investing activities was largely due to the net cash inflow from the disposal of the precision business and a dividend from associate. The positive cash inflow from financing activities was mainly due to increase in borrowings.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement have been previously disclosed.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Following the extraordinary general meeting held on 15 December 2016, whereby the Group's shareholders gave approval for the disposal of the Group's legacy precision business, the Group has completed its Proposed Disposal of Hisaka International Holdings Ltd. with effect from 16 December 2016.

With the disposal of the precision business, the Group has aligned its corporate strategy towards an exclusive focus on its property development business. Overall, the Group adopts a positive outlook for the next 12 months.

Positive Outlook of Sarawak Property Market

Looking into 2017, Sarawak's economic conditions are expected to remain stable as mega-projects such as Sarawak Corridor of Renewable Energy (SCORE), and the development of the Pan-Borneo Highway linking Sarawak and Sabah, as well as growing influx of China investments into Malaysia are expected to stimulate and support economic and employment growth. These developments in turn are expected to fortify the overall housing market in Sarawak.

Supported by a resilient local economy and investments into major projects, property sales in Sarawak are expected to hold up steadily. Adjusted and recovering from a subdued property market brought about by weak currency and loan approvals tightening measures, the Group expects genuine home buyers to bring about an increase in market demand for affordable to mid-range residential properties in 2017.

Furthermore, the recent approval by the Sarawak Planning Authority to increase development density, allowing more houses to be built on every acre of land is also expected to help the Group improve its profit margins.

Corporate Strategy Re-aligned For Business Expansions

In addition to the divestment of the legacy precision business, two key corporate developments recently announced since November 2016 that might impact the Group over the next 12 months include:

- The conditional offtake agreement with MyAngkasa Bina Sdn. Bhd for the sale of all 276 units of strata-titled residential apartments to be erected for phase 3 of the Group's "Airtrollis" property development project, for an aggregate total value of approximately RM90 million;

- Leading Malaysian Co-operative Koperasi Jayadiri Malaysia Berhad, invested RM15 million in the Group's wholly owned subsidiary, Temasek Regal Capital in exchange for the issuance of redeemable preference shares

The Group actively pursues complementary business joint-ventures as our long-term expansion plan to strengthen the Group's position. Evolving into a property builder developer with value creation will be the onward strategic path chosen by the Group starting 2017.

11 Dividend

(a) Current Financial Period Reported On
Any dividend recommended for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend recommended for the corresponding period of the immediately preceding financial year?

Nil

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

15 Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business Segment

For management purposes the Group is organised into the following major strategic operating segments that offer different products and services: (1) Precision business and (2) Property development. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

1. The precision business segment is the mechanical motion components management and the metallic precision manufacturing and mechatronics integration with capabilities in designing, integration and commissioning of systems; and
2. The property development segment is in the business of developing and sale of residential and commercial properties.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Enlarged Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises one major financial indicators: earnings from operations before depreciation, interests and income taxes (called "Recurring EBITDA").

	Precision business ("Discontinued operation")	Property development	Unallocated	Adjustment and Elimination	Total
31 December 2016	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	103,186	149,013	-	(103,186)	149,013
Recurring EBITDA	2,107	20,208	(9,147)	(2,107)	11,061
Depreciation	(2,051)	(4,048)	(46)	2,051	(4,094)
Finance costs	(21)	(2,532)	(631)	21	(3,163)
Loss on disposal of discontinued operation	(21,657)	-	-	21,657	-
Share of loss from equity-accounted associates	-	(262)	-	-	(262)
Profit before tax from continuing operations					3,542
Income tax expense					(3,165)
Profit for the year from continuing operations					377

	Precision business ("Discontinued operation")	Property development	Unallocated	Adjustment and Elimination	Total
31 December 2015	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	85,968	34,758	-	(85,968)	34,758
Recurring EBITDA	781	(40,946)	16,017	(781)	(24,929)
Depreciation	(1,598)	(3,131)	(20)	1,598	(3,151)
Finance costs	(133)	(2,282)	(150)	133	(2,432)
Impairment of goodwill	-	-	(39,330)	-	(39,330)
Share of loss from equity-accounted associates	-	(1,465)	-	-	(1,465)
Loss before tax from continuing operations					(71,307)
Income tax credit					421
Loss for the year from continuing operations					(70,886)

(b) Geographical Segment

	2016	2015
	RM'000	RM'000
Revenue		
Continuing operations		
- Malaysia	149,013	34,758
Discontinued operation		
- Singapore	82,060	15,970
- Malaysia	-	6,624
- The People's Republic of China	21,126	57,756
- Others	-	5,618
	252,199	120,726

During the year, the Group operated in four geographical regions namely Singapore, Malaysia, People's Republic of China and Others.

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The contribution by the precision segment relates mainly to Singapore and the People's Republic of China. Majority of the revenue reported for Malaysia in FY2016 was contributed by the property segment.

18 A breakdown of sales.

BREAKDOWN OF SALES	2016 RM'000	2015 RM'000	% Increase / (Decrease)
(a) Sales reported for first half year - continuing operations	76,181	16,681	356.7%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(20,199)	(4,563)	342.7%
(c) Sales reported for second half year - continuing operations	72,832	18,077	302.9%
(d) Operating (loss) profit after tax before deducting non-controlling interests reported for second half year	(1,081)	(67,609)	-98.4%

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

No dividends were proposed/declared for the year ended 31 December 2016 and 31 December 2015.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Serena Su Chung Wen	43	Sister of substantial shareholder and CEO, Su Chung Jye.	Director of Operations and Human Resources of the Regal Group. Position held since October 2013. She is in charge of the operations and HR matters of the Property division.	Nil
Chai Shao Ping	46	Wife of substantial shareholder and CEO, Su Chung Jye.	Director of certain subsidiaries	Nil

BY ORDER OF THE BOARD

Su Chung Jye
Chairman and Chief Executive Officer

Wong Pak Kiong
Executive Director

1 March 2017