

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	CURRENT QUARTER ENDED 30/06/2015 RM'000	COMPARATIVE QUARTER ENDED 30/06/2014 RM'000	3 Months CUMULATIVE TO 30/06/2015 RM'000	3 Months CUMULATIVE TO 30/06/2014 RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	17,627	18,202	17,627	18,202
Operating Expenses	(18,461)	(19,099)	(18,461)	(19,099)
Other income	256	168	256	168
Profit/(loss) from Operations	(578)	(729)	(578)	(729)
Finance costs	(188)	(153)	(188)	(153)
Share of results of an associate	423	159	423	159
Profit/(loss) before tax	(343)	(723)	(343)	(723)
Taxation	(5)	(6)	(5)	(6)
Profit/(loss) after taxation from continuing operations	(348)	(729)	(348)	(729)
<b>DISCONTINUED OPERATIONS</b>				
Profit/(loss) after taxation from discontinued operations	(303)	(16)	(303)	(16)
Profit/(loss) after taxation	(651)	(745)	(651)	(745)
Other comprehensive income	-	-	-	-
Total comprehensive income/(expenses) for the year/period	(651)	(745)	(651)	(745)
Net profit/(loss) attributable to :				
Equity holders of the parent	(537)	(737)	(537)	(737)
Minority interests	(114)	(8)	(114)	(8)
	(651)	(745)	(651)	(745)
Total comprehensive income attributable to :				
Owners of the Company	(537)	(737)	(537)	(737)
Minority interest	(114)	(8)	(114)	(8)
	(651)	(745)	(651)	(745)
Earnings/(Loss) per share (sen)				
(a) Basic				
- continuing operations	(0.83)	(1.72)	(0.83)	(1.72)
- discontinued operations	(0.45)	(0.02)	(0.45)	(0.02)
(b) Diluted				
- continuing operations	-	-	-	-
- discontinued operations	-	-	-	-
Note no. 1 ** - Revenue consists of the following :-				
- continuing operations	17,627	18,202	17,627	18,202
- discontinued operations	403	-	403	-
	18,030	18,202	18,030	18,202

(The above Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	AS AT 30/06/2015 RM'000	AS AT 31/03/2015 RM'000
<b>ASSETS</b>		
Non-current assets		
Property, plant & equipment	8,258	9,166
Investment in associated company	9,352	8,929
Other investments	40	40
Intangible asset	500	500
Goodwill on consolidation	24,668	24,668
Current Assets		
Inventories	18,359	17,323
Debtors	13,330	16,079
Tax Recoverable	0	0
Cash and bank balances	24,834	30,471
	<u>56,523</u>	<u>63,873</u>
Non-current asset classified as held for sale	0	0
Assets of disposal group classified as held for sale	<u>0</u>	<u>0</u>
	<u>56,523</u>	<u>63,873</u>
<b>Total Assets</b>	<u>99,341</u>	<u>107,176</u>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders of the parent :		
Share capital	42,000	42,000
Reserves	<u>40,083</u>	<u>40,620</u>
Capital and Reserves	82,083	82,620
Non-controlling interests	-	133
<b>Total equity</b>	<u>82,083</u>	<u>82,753</u>
Non-current liabilities		
Long term borrowings	619	763
Deferred tax liabilities	<u>43</u>	<u>43</u>
	<u>662</u>	<u>806</u>
Current Liabilities		
Creditors	8,362	8,528
Short-term borrowings	8,180	14,785
Taxation	<u>54</u>	<u>304</u>
	16,596	23,617
Liabilities of disposal group classified as held for sale	<u>0</u>	<u>0</u>
	<u>16,596</u>	<u>23,617</u>
<b>Total liabilities</b>	<u>17,258</u>	<u>24,423</u>
<b>Total equity and liabilities</b>	<u>99,341</u>	<u>107,176</u>
Net Assets per share attributable to ordinary equity holders of the parent(RM)	<u>1.95</u>	<u>1.97</u>

(The above Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

MESB BERHAD (337554-D)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	Attributable to equity holders of the parent					Minority	Total
	Share Capital	Share Premium	Retained Earnings	Capital Reserve	Total	Interests	Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2015 :-	42,000	5	40,578	37	82,620	133	82,753
Profit/(loss) after taxation /Total comprehensive income/(expenses) for the financial year	-	-	(537)	-	(537)	(114)	(651)
Disposal of a subsidiary						(19)	(19)
At 30 June 2015	42,000	5	40,041	37	82,083	-	82,083
At 1 April 2014 :-	42,000	5	39,328	37	81,370	-	81,370
Profit/(loss) after taxation /Total comprehensive income/(expenses) for the financial year	-	-	(737)	-	(737)	(8)	(745)
At 30 June 2014	42,000	5	38,591	37	80,633	(8)	80,625

(The above Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

MESB BERHAD (337554-D)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	<b>3 Months ENDED 30/06/2015 RM'000</b>	<b>12 MONTHS ENDED 31/03/2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax from continuing operations	(343)	1,930
Profit/(loss) before tax from discontinued operations	(303)	-
Net profit before taxation	(646)	1,930
Adjustments for :-		
Allowance for impairment losses on receivables	-	-
Allowance for impairment losses on receivables written back	-	(107)
Amortisation of intangible asset	-	-
Bad debts written off	-	738
Depreciation of property, plant and equipments	441	1,734
Interest expenses	188	597
(gain)/loss on foreign exchange	-	-
Gain on disposal of a subsidiary	(118)	-
Write off other investment	-	-
Write off equipments	-	200
Inventories written down/(back)	40	147
Gain on disposal of property and equipment	-	(7)
Gain on disposal of non-current asset held for sale	-	-
Interest income	(116)	(583)
Share of profit in an associate	(423)	(1,199)
Operating profit before working capital and non-current assets changes	(634)	3,450
Increase in Inventories	(1,886)	(1,739)
Increase/(Decrease) in trade and other receivables	2,539	(1,706)
(Increase)/Decrease in trade and other payables	1,267	4,918
Cash from/(for) operating activities	1,288	4,923
Income tax( paid)/ refunded	(255)	(748)
Interest paid	(188)	(597)
Net cash from/(for) operating activities	843	3,578
<b>Cash Flow From Investing Activities</b>		
Proceeds from issuance of shares to minority interest	-	392
Cash inflow from disposal of a subsidiary	248	-
Purchase of property, plant and equipment	(94)	(2,657)
Interest received	116	583
(Upliftment)/Placement of fixed deposits pledged	(53)	(430)
Proceeds from disposal of a subsidiary	-	-
Proceed from disposal of non-current asset held for sale	-	-
Proceeds from disposal of property, plant and equipment	-	14
Net cash/(used in) from investing activities	217	(2,098)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown/( repayments) of bank borrowings	(6,378)	(2,492)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,318)	(1,012)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	20,681	21,693
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15,363	20,681
<b>Note :</b>		
<b>(1) The Cash &amp; Cash Equivalents comprise of the following :-</b>		
	<b>3 Months ENDED 30/06/2015 RM'000</b>	<b>12 MONTHS ENDED 31/03/2015 RM'000</b>
Deposits with licensed banks	17,562	17,461
Cash and bank balances	7,272	12,639
Bank Overdraft	-	-
	24,834	30,100
Less : Deposit pledged to licensed banks	(9,471)	(9,419)
	15,363	20,681

(The above Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015)

**MESB BERHAD (337554-D)**  
**Interim Financial Report for the Financial Period Ended 30 June 2015**

The figures have not been audited.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134’)**

**A1. ACCOUNTING POLICIES AND METHODS OF COMPUTATION**

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2015, which have been prepared in compliance with Malaysia Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The signification accounting policies and methods of computation adopted for interim financial report are consistent with those adopted for the audited financial statement for the financial year ended 31 March 2015, except for the adoption of the following accounting standards and interpretations (including the consequential amendments) which are effective for the current financial year :-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and interpretations are not expected to have material impact on the financial statements of the Group except for MFRS 9 and MFRS 15 as explained in the audited financial statements of the Group for the financial year ended 31 March 2015.

**A2. AUDIT REPORT QUALIFICATION**

The audit report on the financial statements for the financial year ended 31 March 2015 was not subject to any qualification.

**A3. SEASONAL OR CYCLICAL FACTORS**

The operations of the Group, other than the retailing division, are not subject to any seasonal or cyclical changes. The retail segment will benefit from higher consumer spending during festivals, school holidays and carnival sales.

**A4. EXCEPTIONAL OR EXTRAORDINARY ITEMS**

There were no items of an exceptional or unusual nature that have affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year to date.

**A5. CHANGES IN ESTIMATES OF AMOUNT REPORTED PREVIOUSLY**

There were no changes in estimates of amount reported in prior interim periods of the current financial period or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

**A6. DEBTS AND EQUITY SECURITIES**

There were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

**A7. DIVIDENDS PAID**

There were no dividends paid during the period under review.

## A8. SEGMENTAL INFORMATION

	Individual Quarter		Cumulative Quarters	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
- Investment Holding	-	26	-	26
- Retailing	17,627	18,197	17,627	18,197
	17,627	18,223	17,627	18,223
<b>Discontinued Operations</b>	481	-	481	-
<b>Total Revenue</b>	18,108	18,223	18,108	18,223

<b>Segment Revenue</b>				
- Investment Holding	-	(21)	-	(21)
- Retailing	-	-	-	-
	-	(21)	-	(21)
<b>Discontinued Operations</b>	(78)	-	(78)	-
<b>Inter-Segment Revenue</b>	(78)	(21)	(78)	(21)

<b>Segment Revenue</b>				
- Investment Holding	-	5	-	5
- Retailing	17,627	18,197	17,627	18,197
	17,627	18,202	17,627	18,202
<b>Discontinued Operations</b>	403	-	403	-
<b>External Revenue</b>	18,030	18,202	18,030	18,202

<b>Segment Results</b>				
- Investment Holding	(20)	(73)	(20)	(73)
- Retailing	(558)	(656)	(558)	(656)
	(578)	(729)	(578)	(729)
<b>Discontinued Operations</b>	(301)	(16)	(301)	(16)
	(879)	(745)	(879)	(745)
Finance costs	(191)	(153)	(191)	(153)
Share of results of an associate	424	159	424	159
Profit (Loss) before taxation	(646)	(739)	(646)	(739)
Taxation	(5)	(6)	(5)	(6)
Profit (Loss) before taxation	(651)	(745)	(651)	(745)

## A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuation of land and buildings had been brought forward without amendment from the previous annual audited report.

## A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the current period ended 30 June 2015

#### A11. CHANGES IN COMPOSITION OF THE GROUP

Other than disclosed below, there were no other material changes in the composition of the Group during the current quarter:-

- (a) On 1 July 2015, the Company had disposed of its entire equity interest in PC Global Trends Sdn. Bhd. to Mr Tan Chin Hooi comprising 408,000 ordinary shares of RM1.00 each and representing 51% of the issued and paid-up share capital in PC Global, for a total consideration of RM138,700.

#### A12. CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 June 2015 are as follows :-

	As at 30/06/2015 RM'000	As at 30/6/2014 RM'000
Corporate guarantees given to licensed bank for Banking facilities granted to subsidiary.	8,407	6,716

#### A13. RELATED PARTY TRANSACTIONS

The related party transactions of the Group for the period ended 30 June 2015 are as follows:

Transaction parties	Nature of transaction	As at 30/6/2015 RM'000	As at 30/6/2014 RM'000
MX Too Sdn Bhd	Royalty and Sale of products	576	616
Roncato Sdn Bhd	Sale of products	421	391
Orlando Corporation Sdn Bhd	Sale of products	46	56
Milazo Pte. Ltd.	Royalty	357	55

The above transactions have been entered into in the ordinary course of business and have been established under terms that were mutually agreed between the parties.



**MESB BERHAD (337554-D)**  
**Interim Financial Report for the Financial Period Ended 30 June 2015**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. PERFORMANCE REVIEW**

	Individual Quarter		Cumulative Quarters	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
- Investment Holding	-	5	-	5
- Retailing	17,627	18,197	17,627	18,197
	17,627	18,202	17,627	18,202
<b>Discontinued Operations</b>	403	-	403	-
	18,030	18,202	18,030	18,202
<b>Segment Results</b>				
- Investment Holding	(20)	(73)	(20)	(73)
- Retailing	(558)	(656)	(558)	(656)
	(578)	(729)	(578)	(729)
<b>Discontinued Operations</b>	(301)	(16)	(301)	(16)
	(879)	(745)	(879)	(745)

For the current quarter under review, Group's revenue from its continuing operation decreased by 3.16% to RM17.63 million as compared to RM18.20 million in the same last year quarter ended 30 June 2014, mainly due to the impact from a slowdown in spending by local consumers.

Nevertheless, Group's loss before taxation from its continuing operation decreased by 54.05% to RM 0.34million as compared to RM0.74million in the same last year quarter ended 30 June 2014. The decrease in loss was mainly contributed from the gain on disposal of a subsidiary.

Segment Operating Performance

Retail segment revenue decreased by 3.13% to RM17.63 million in the current quarter from RM18.20 million in the preceding year's corresponding quarter. However, segment loss declined by 14.94 % to RM0.56 million in the current quarter from RM0.66 million in the preceding year's corresponding quarter. The declined in segment loss was mainly attributed to lower operating costs.

Holding Segment loss decreased by 72.60% to RM0.02 as compared to RM0.07 million in the same last year quarter ended 30 June 2014, mainly contributed from the gain on disposal of a subsidiary.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

The revenue from continuing operation declined 26.49% to RM17.63 million in the current quarter as compared to RM23.98 million in the preceding quarter mainly due to the lower sales reported in retailing segment. This affected by the persistent uncertainty in the market post the Goods and Services Tax (GST) implementation.

Correspondingly, the Group's reported a loss before taxation of RM0.35 million in the current quarter ended 30 June 2015 as compared to a loss before taxation of RM0.11 million in the preceding quarter ended 31 March 2015.

### B3. COMMENTARY ON PROSPECTS

Rising in costs of living, uncertainty with the implementation of GST and weakening ringgit. These factors of change are set to impact the Group's business negatively for the financial year ending 31 March 2016.

### B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group.

### B5. TAXATION

The taxation charge included the following:

	Current Quarter RM'000	Financial Year to Date RM'000
In respect of current period		
- income tax	5	5
- deferred tax	-	-
In respect of prior year		
- income tax	-	-
- deferred tax	-	-
	<u>5</u>	<u>5</u>

### B6. CORPORATE PROPOSALS

- a) Save as disclosed below, there were no outstanding corporate proposals announced but not completed within 7 days from the date of issue of this report.
  - (i) On 15 July 2015, the Company had entered into the Share Sale Agreement with Trillion Reward Sdn. Bhd. to dispose of the entire stake of 600,000 ordinary shares of RM1.00 each ("Sale Shares"), representing 40% equity shares in PDC Telecommunication Services Sdn. Bhd. for a total cash consideration of RM9,000,000.00 .
  - (ii) On 23 July 2015, the Company had entered into the Share Sale Agreement with Siow Sea Nen, Chen Mui Yong and Liew Kee Wah to acquire of the entire shares in Active Fit Sdn. Bhd. for a total cash consideration of RM19,000,000.
- (b) On 27 May 2014, the Company had announced to propose extension of time of 24 months until 20 June 2016 for the balance of utilised proceeds of RM5.87million arising from disposal of 275,000 ordinary shares of RM1.00 each representing 55% equity interest in Dynamic Communication Link Sdn Bhd ("DCLSB") to Touch Mindcape Sdn Bhd for a total cash consideration of RM15,000,000 .

The status of the utilisation of proceeds as at 30 June 2015:-

	Proposed Utilisation	Actual Utilisation	Balance Proceeds	Deviation		Extended Timeframe for utilisation	Explanations
	RM'000	RM'000	RM'000	RM'000	%		
Working capital	4,700	(4,700)	-	-	-	Within 24 months until 20 June 2016	(a)
Future investments	10,000	(4,208)	5,792	-	-	Within 24 months until 20 June 2016	(b)
Expenses related to the disposal	300	(634)	(334)	(334)	111	Within 24 months until 20 June 2016	(c)
	15,000	(9,542)	5,458				

(a) The balance proceeds is expected to be fully utilized within the extended timeframe of 24 months as announced on 27 May 2014.

(b) After funding the shortfall of item (c), the balance of unutilised proceeds has placed into short term deposit until such relevant investment has been identified.

(c) The shortfall of the expenses was funded through item(b).

#### B7. BORROWINGS AND DEBT SECURITIES

The Group borrowings as at 30 June 2015 as follow:-

	RM'000	RM'000
Short Term		
Hire purchase creditors	185	
Bill payable & Revolving credit	7,618	
Term loans	377	8,180
Long Term		
Hire purchase creditors	206	
Term Loans	413	619
Total		8,799

The above bank borrowings are secured over certain subsidiaries' properties, corporate guarantee of the Company as well as fixed deposits placed on lien.

#### B8. CHANGES IN MATERIAL LITIGATIONS

The Group is not engaged in any material litigation at the end of the reporting period.

#### B9. DIVIDEND

No dividend has been declared nor recommended for the current financial year ended 30 June 2015.

**B10. EARNINGS PER SHARE**

The basic earnings per share is arrived at by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the parent by the number of ordinary shares in issue as follows :-

	Current Quarter	Financial Year to Date
Net profit/(loss) attributable to ordinary equity holders of the parent (RM'000) :-		
-Continuing operations	(348)	(348)
-Discontinued operations	(189)	(189)
	(537)	(537)
Number of ordinary shares in issue (in thousand)	42,000	42,000
Basic earnings per share (sen) :		
-Continuing operations	(0.83)	(0.83)
-Discontinued operations	(0.45)	(0.45)

**B11. DISCLOSURE OF REALISED AND UNREALISED PROFIT**

	As at 30.06.15 RM'000	As at 30.06.14 RM'000
Total retained profits of the Company and its subsidiaries :		
- Realised	26,533	28,761
- Unrealised	(43)	(43)
	26,490	28,718
Total share of retained profit from associates		
- Realised	9,100	7,747
- Unrealised	(408)	(518)
	8,692	7,229
	35,182	35,947
Add : Consolidated adjustments	4,859	2,636
The Group's retained profit as per consolidated accounts	40,041	38,583

**B12. PROFIT FOR THE PERIOD**

	Current Quarter RM'000	Financial Year to Date RM'000
This is arrived at after (charging)/crediting :-		
Interest Income	116	116
Other income	22	22
Gain on disposal of a subsidiary	118	118
Gain/(loss) on disposal of equipment	-	-
Interest expenses	(188)	(188)
Depreciation and amortisation	(441)	(441)
Write off equipment	(40)	(40)
	<u>(413)</u>	<u>(413)</u>

Other disclosure items pursuant to Note 16 of the Appendix 9B of the Main Market Listing Requirements are not applicable.

**B13. AUTHORISATION FOR ISSUE**

The Interim Financial Statement and the accompanying notes were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors.