

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	CURRENT QUARTER ENDED 30/06/2018 RM'000	COMPARATIVE QUARTER ENDED 30/06/2017 RM'000	3 Months CUMULATIVE TO 30/06/2018 RM'000	3 Months CUMULATIVE TO 30/06/2017 RM'000
CONTINUING OPERATIONS				
Revenue	47,749	N/A	47,749	N/A
Operating Expenses	(43,363)	N/A	(43,363)	N/A
Other Income	103	N/A	103	N/A
Profit/(loss) from Operations	4,489	N/A	4,489	N/A
Finance costs	(456)	N/A	(456)	N/A
Share of results of an associate	-	N/A	-	N/A
Profit/(loss) before tax	4,033	N/A	4,033	N/A
Taxation	(823)	N/A	(823)	N/A
Profit/(loss) after taxation from continuing operations	3,210	N/A	3,210	N/A
DISCONTINUED OPERATIONS				
Profit/(loss) after taxation from discontinued operations	-	N/A	-	N/A
Profit/(loss) after taxation	3,210	N/A	3,210	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income/(expenses) for the year/period	3,210	N/A	3,210	N/A
Net profit/(loss) attributable to :				
Equity holders of the parent	3,210	N/A	3,210	N/A
Minority interests	-	N/A	-	N/A
	3,210	N/A	3,210	N/A
Total comprehensive income/(expenses) attributable to :				
Owners of the Company	3,210	N/A	3,210	N/A
Minority interest	-	N/A	-	N/A
	3,210	N/A	3,210	N/A
Earnings/(Loss) per share (sen)				
(a) Basic				
- continuing operations	4.18	N/A	4.18	N/A
- discontinued operations	-	N/A	-	N/A
(b) Diluted				
- continuing operations	-	N/A	-	N/A
- discontinued operations	-	N/A	-	N/A
Note no. 1 ** - Revenue consists of the following :-				
- continuing operations	47,749	N/A	47,749	N/A
- discontinued operations	-	N/A	-	N/A
	47,749	N/A	47,749	N/A

(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 2018)

MESB BERHAD (337554-D)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	AS AT 30/06/2018 RM'000	AS AT 31/03/2018 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	6,520	6,380
Investment property	2,820	2,836
Intangible asset	25,168	25,168
Deferred Taxation	0	0
Total non-current assets	<u>34,508</u>	<u>34,384</u>
Current Assets		
Inventories	44,730	36,399
Debtors	36,902	28,414
Current tax assets	3,294	3,841
Cash and bank balances	25,719	26,597
	<u>110,645</u>	<u>95,251</u>
Total Assets	<u>145,153</u>	<u>129,635</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent :		
Share capital	51,240	51,240
Reserves	36,450	33,240
Total equity	<u>87,690</u>	<u>84,480</u>
Non-current liabilities		
Long term borrowings	4,358	4,750
Deferred tax liabilities	47	47
	<u>4,405</u>	<u>4,797</u>
Current Liabilities		
Creditors	32,127	17,702
Short-term borrowings	20,931	22,656
Taxation	0	0
	<u>53,058</u>	<u>40,358</u>
Total liabilities	<u>57,463</u>	<u>45,155</u>
Total equity and liabilities	<u>145,153</u>	<u>129,635</u>
Net Assets per share attributable to ordinary equity holders of the parent(RM)		
	<u>1.07</u>	<u>1.03</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 2018)

MESB BERHAD (337554-D)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	<-- Attributable to equity holders of the parent -->				Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Capital Reserve RM'000	
At 1 April 2018 :-	51,240	-	33,240	-	84,480
Profit/(loss) after taxation /Total comprehensive income/(expenses) for the financial year	-	-	3,210	-	3,210
At 31 June 2018	<u>51,240</u>	<u>-</u>	<u>36,450</u>	<u>-</u>	<u>87,690</u>
At 1 April 2017 :-	42,042	-	39,283	-	81,325
Profit/(loss) after taxation /Total comprehensive income/(expenses) for the financial year	-	-	2,115	-	2,115
At 30 June 2017	<u>42,042</u>	<u>-</u>	<u>41,398</u>	<u>-</u>	<u>83,440</u>

(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 2018)

MESB BERHAD (337554-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	3 Months ENDED 30/06/2018 RM'000	12 Months ENDED 31/03/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before taxation	4,033	(5,413)
Adjustments for :-		
Allowance for impairment losses on receivables	-	102
Impairment loss of goodwill	-	-
Depreciation of property, plant and equipments	442	1,783
Depreciation of investment property	16	63
Interest expenses	456	1,585
Written off plant and equipment	12	859
Bad debts written off	-	-
Inventories written down/(back)	(276)	1,861
Gain on disposal of property and equipment	-	4
Net unrealised foreign exchange loss/(gain)	-	(164)
Reversal of compensation revocable arising from acquisition of subsidiary	-	-
Interest income	(99)	(455)
Operating profit before working capital and non-current assets changes	<u>4,584</u>	<u>225</u>
Changes in inventories	(8,055)	7,854
Changes in trade and other receivables	(8,537)	(6,164)
Changes in trade and other payables	14,475	(3,195)
Cash from/(for) operating activities	<u>2,467</u>	<u>(1,280)</u>
Income tax(paid)/ refunded	(276)	(1,353)
Interest paid	(456)	(1,585)
Net cash from/(used in) operating activities	<u>1,735</u>	<u>(4,218)</u>
Cash Flow From Investing Activities		
Compensation received arising from acquisition of subsidiary	-	-
Purchase of property, plant and equipment	(596)	(2,067)
Interest received	99	455
Upliftment/(Placement) of fixed deposits pledged	(336)	(866)
Proceeds from disposal of property, plant and equipment	-	19
Net cash/(used in) from Investing activities	<u>(833)</u>	<u>(2,459)</u>
Net Cash Flow from/(used in) financing activities		
Net drawdown/(repayments) of bank borrowings	<u>(931)</u>	<u>3,133</u>
	<u>(931)</u>	<u>3,133</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(29)	(3,544)
Cash and cash equivalents at beginning of the year	<u>7,867</u>	<u>11,411</u>
Cash and cash equivalents at end of the period	<u>7,838</u>	<u>7,867</u>
Note :		
The Cash & Cash Equivalents comprise of the following :-		
	3 Months ENDED 30/06/2018 RM'000	12 Months ENDED 31/03/2018 RM'000
Deposits with licensed banks	14,229	13,893
Less Pledged deposits	(14,229)	(13,893)
	-	-
Cash and bank balances	11,325	12,540
Highly liquid investments with financial institutions	165	164
Bank Overdraft	(3,652)	(4,837)
	<u>7,838</u>	<u>7,867</u>

(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 2018)

MESB BERHAD (337554-D)
Interim Financial Report for the Financial Period Ended 30 June 2018

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 issued by the Malaysian Accounting Standards Board and applicable disclosure provisions of the Listing Requirements of 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 2018 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

The significant accounting policies and presentation adopted by the Group and the Company for the quarterly financial statements are consistent with those adopted in the Group's and the Company's consolidated audited financial statements for the financial year ended 31 March 2018.

The Group has adopted the following MFRSs and amendments to MFRSs issued by the Malaysian with effective date from 1 January 2018, where applicable:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

A1. ACCOUNTING POLICIES AND METHODS OF COMPUTATION (Cont'd)

The adoption of the above accounting standards, amendments or interpretations did not have material impact to the financial statements of the Company and the Group.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

This standard is not relevant and applicable to the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations, where applicable.

The initial application of the applicable accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

A2. AUDIT REPORT QUALIFICATION

The audit report on the financial statements for the financial year ended 31 March 2018 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 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

	Current Year Quarter 30/06/18 RM'000	Cumulative Year To Date 30/06/18 RM'000
Segment Revenue		
- Investment Holding	11	11
- Retailing	47,812	47,812
Total Revenue	<u>47,823</u>	<u>42,027</u>
Segment Revenue		
- Investment Holding	-	-
- Retailing	(74)	(74)
Inter-Segment Revenue	<u>(74)</u>	<u>(74)</u>
Segment Revenue		
- Investment Holding	11	11
- Retailing	47,738	47,738
External Revenue	<u>47,749</u>	<u>47,749</u>
Segment profit/(Loss)		
- Investment Holding	(28)	(28)
- Retailing	4,517	4,517
	4,489	4,489
Finance costs	(456)	(456)
Consolidated profit/(loss) before taxation and discontinued operation	<u>4,033</u>	<u>4,033</u>

(i) Segment assets - The total of segment assets is measured based on all assets (including goodwill, deferred tax asset and current tax assets) of a segment.

(ii) Segment liabilities - The total of segment liabilities is measured based on all liabilities (including tax liabilities and deferred tax liabilities) of a segment.

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

Other than disclosed below, there were no material events subsequent to the financial period ended 30 June 2018.

On 23 August 2018, the Board of Directors of the Company has approved the change of financial year end of the Company from 31 March to 30 June. Thus, the next set of financial statements of the Company will be made up from 1 April 2018 to 31 June 2019 covering a period of Fifteen (15) months. Thereafter, the financial year end of the Company shall end on 30 June for each subsequent year

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the current financial period ended 30 June 2018.

A12. CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 June 2018 are as follows:-

	As at 30/06/2018 RM'000	As at 30/06/2017 RM'000
Corporate guarantees given to licensed bank for Banking facilities granted to subsidiaries	25,008	26,963

A13. RECURRENT RELATED PARTY TRANSACTIONS

The recurrent related party transactions of the Group for the financial period ended 30 June 2018 are as follows:

Transaction parties	Nature of transaction	As at 30/06/2018 RM'000
MX Too Sdn Bhd	Sale and Purchase of products	1
Roncato Sdn Bhd	Sale of products	109
Branded Platform Sdn Bhd	Sale of products	712

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 2018

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

	Current Year Quarter 30/06/18 RM'000	Cumulative Year To Date 30/06/18 RM'000
Segment Revenue		
- Investment Holding	11	11
- Retailing	47,738	47,738
	<u>47,749</u>	<u>47,749</u>
Segment profit/(Loss)	-	
- Investment Holding	(28)	(28)
- Retailing	4,517	4,517
	<u>4,489</u>	<u>4,489</u>

The Group recorded revenue of RM47.75 million and profit before taxation of RM4.03 million for the 3 month financial periods ended 30 June 2018. The revenue and profit before taxation were mainly generated from the retailing segment.

There is no preceding year's corresponding period comparison due to the change in the financial year end from 31 March to 30 June as disclosed in Note A10 of this announcement.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

The Group recorded a profit before taxation of RM4.03 million for the current quarter, as compared to the loss before taxation of RM3.28 million for the immediate preceding quarter ended 31 March 2018. The growth in profit was mainly due to strong sales in conjunction with the Hari Raya celebrations as well as the effect of tax holiday periods, from 1 June 2018 to 31 August 2018.

B3. COMMENTARY ON PROSPECTS

The prospect of the Group's performance for the next financial periods is remain highly dependent on Malaysia economic performance and consumer confidence level. However, we are optimistic on Malaysia economic growth, with the new government's policy and initiatives, which are expected to boost the economy and decrease inflation.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group.

B5. TAXATION

The taxation charge included the following:

	Current Quarter RM'000	Cumulative Year To Date RM'000
In respect of current period		
- income tax	823	823
- deferred tax	-	-
In respect of prior year		
- income tax	-	-
- deferred tax	-	-
	<u>823</u>	<u>823</u>

The Group's effective tax rate for financial year was lower than the statutory tax rate mainly due to utilisation of unabsorbed tax losses.

B6. CORPORATE PROPOSALS

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.

On 9 October 2017, the Company completed the Proposed Private Placement, following the listing of and quotation for 12,600,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

The status of the utilisation of gross proceeds of RM9.20 million from the Proposed Private Placement at the end of 30 June 2018 are as follow:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Proceeds RM'000	Deviation		Intended Timeframe for utilisation
				RM'000	%	
Working capital	2,498	(2,498)	-	-	-	Within 6 months from the completion of the Proposed Private Placement
Business expansion	6,500	(3,382)	3,118 ⁽ⁱ⁾	-	-	Within 12 months from the completion of the Proposed Private Placement
Expenses related to the disposal	200	(168)	32	32 ⁽ⁱⁱ⁾	16	Within 1 month from the completion of the Proposed Private Placement
Total	9,198	(6,048)	3,150	32		

(i) the balance proceeds is expected to be fully utilized within the intended timeframe.

(ii) the balance of unutilised proceeds will be utilised for working capital.

B7. BORROWINGS AND DEBT SECURITIES

The Group borrowings as at 30 June 2018 as follow:-

	RM'000	RM'000
Short Term		
Hire purchase creditors	81	
Bankers' acceptance	15,164	
Term loans	2,034	
Bank overdraft	<u>3,652</u>	20,931
Long Term		
Hire purchase creditors	200	
Term Loans	<u>4,158</u>	4,358
Total		<u>25,289</u>

Group borrowings include hire purchase, which are classified as secured borrowings. All the Group borrowings are in Malaysian currency.

B8. CHANGES IN MATERIAL LITIGATIONS

The Group is not engaged in any material litigation since the last balance sheet included in the annual audited financial statements up to the date of this report.

B9. DIVIDEND

No dividend has been declared nor recommended for financial period ended 30 June 2018.

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	Cumulative Year to Date
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	3,210	3,210
Weighted average number of ordinary shares (in thousand)	76,722	76,722
Basic earnings/(loss) per share (sen)	4.18	4.18

B11. PROFIT FOR THE PERIOD

	Current Quarter RM'000	Cumulative Year To Date RM'000
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This is arrived at after (charging)/crediting :-

Interest Income	99	99
Other income	4	4
Inventories write back/(write down)	276	276
Interest expenses	(456)	(456)
Depreciation and amortisation	(458)	(458)
Write off plant and equipment	(12)	(12)
	<u>(547)</u>	<u>(547)</u>

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

B12. 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.

