



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	<b>As at 30-Jun-19 (Unaudited) RM'000</b>	<b>As at 31-Dec-18 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	106,476	103,655
Investment properties	2,531	2,549
Investment in associates	16,106	15,706
Investment securities	5,178	4,793
Intangible assets	1,376	1,364
Deferred tax assets	1,217	1,159
	<u>132,884</u>	<u>129,226</u>
<b>Current assets</b>		
Inventories	190,009	185,511
Trade and other receivables	92,471	95,946
Tax recoverable	444	763
Cash and bank balances	39,764	37,428
	<u>322,688</u>	<u>319,648</u>
<b>TOTAL ASSETS</b>	<u>455,572</u>	<u>448,874</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	107,891	107,859
Treasury shares	(9,332)	(8,821)
Reserves	(352)	(2,520)
Retained earnings	158,916	150,185
<b>Equity attributable to owners of the parent</b>	<u>257,123</u>	<u>246,703</u>
<b>Non-controlling interests</b>	34,963	32,871
<b>Total equity</b>	<u>292,086</u>	<u>279,574</u>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Bank borrowings	15,501	14,404
Deferred tax liabilities	1,072	946
	<u>16,573</u>	<u>15,350</u>
<b>Current liabilities</b>		
Trade and other payables	49,460	47,311
Bank borrowings	95,339	104,745
Tax payable	2,114	1,894
	<u>146,913</u>	<u>153,950</u>
<b>Total liabilities</b>	<u>163,486</u>	<u>169,300</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>455,572</u>	<u>448,874</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2019 RM '000	2018 RM '000	2019 RM '000	2018 RM '000
<b>Revenue</b>	61,879	63,466	129,979	131,401
Operating expenses	(53,954)	(53,317)	(112,670)	(112,075)
Other income	588	315	775	759
<b>Operating profit</b>	8,513	10,464	18,084	20,085
Interest expense	(2,569)	(2,755)	(4,274)	(4,807)
Interest income	58	68	120	134
Share of results of associates	1,957	400	2,434	870
<b>Profit before tax</b>	7,959	8,177	16,364	16,282
Taxation	(2,238)	(2,334)	(5,391)	(5,369)
<b>Profit for the period</b>	5,721	5,843	10,973	10,913
<b>Profit attributable to:</b>				
Owners of the parent	4,638	4,176	8,731	8,145
Non-controlling interests	1,083	1,667	2,242	2,768
<b>Profit for the period</b>	5,721	5,843	10,973	10,913
<b>Earnings per share (“EPS”) attributable to owners of the parent (sen):</b>				
Basic EPS	3.10	3.30	5.83	6.49
Diluted EPS	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2019 RM '000	2018 RM '000	2019 RM '000	2018 RM '000
Profit for the period	5,721	5,843	10,973	10,913
<b>Other comprehensive income/(expenses), net of tax:</b>				
Currency translation differences arising from consolidation	1,735	196	1,490	(4,089)
Fair value movements on available for sale investments	(562)	(330)	678	(971)
<b>Total comprehensive income/(loss) for the period/year</b>	<b>6,894</b>	<b>5,708</b>	<b>13,141</b>	<b>5,853</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	5,811	4,041	10,899	3,085
Non-controlling interests	1,583	1,667	2,242	2,768
	<b>6,894</b>	<b>5,708</b>	<b>13,141</b>	<b>5,853</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)**

	Cumulative quarter 6 months ended 30 June	
	2019 RM'000	2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	16,364	16,282
Adjustments for:		
Non-cash items and non-operating items	6,195	7,929
Operating profit before working capital changes	22,559	24,211
Inventories	(4,498)	99
Receivables	3,475	8,487
Payables	2,149	(13,001)
Cash generated from operating activities	23,685	19,796
Interest paid	(4,274)	(4,807)
Net of tax paid	(4,595)	(2,702)
<b>Net cash from operating activities</b>	<b>14,816</b>	<b>12,287</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional of intangible assets	(12)	(41)
Dividend received	2,340	117
Interest received	120	134
Issue of shares to non-controlling interest	20	-
Net of purchase and disposal of investment securities	(385)	(765)
Net of purchase and disposal of property, plant and equipment	(2,553)	(1,689)
<b>Net cash used in investing activities</b>	<b>(470)</b>	<b>(2,244)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(170)	(63)
Net of repurchase and disposal of treasury shares	(479)	(1,286)
Net changes in bank borrowings	(8,309)	(9,525)
<b>Net cash used in financing activities</b>	<b>(8,958)</b>	<b>(10,874)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,388</b>	<b>(831)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>28,177</b>	<b>25,793</b>
Effect of foreign exchange rates changes	(903)	2,366
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>32,662</b>	<b>27,328</b>
<b>CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:</b>		
Cash and bank balances	39,764	34,789
Overdrafts	(7,102)	(7,461)
	<b>32,662</b>	<b>27,328</b>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)**

	----- Non-Distributable -----						----- Distributable -----				
	----- Attributable to owners of the parent -----										
(RM'000)	Share capital	Treasury shares	ICULS equity	Warrant reserve	Capital reserve	Currencies translation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as at 1 January 2018</b>	80,287	(6,479)	26,333	20,946	(20,054)	6,998	(2,133)	136,879	242,777	29,585	272,362
Purchase of treasury shares	-	(1,286)	-	-	-	-	-	-	(1,286)	-	(1,286)
Conversion of ICULS	4,035	-	(4,035)	-	-	-	-	-	-	-	-
Transfer from ICULS liabilities	-	-	620	-	-	-	-	-	620	-	620
Dividend paid	-	-	-	-	-	-	-	-	-	(63)	(63)
Total comprehensive income for the period	-	-	-	-	-	(4,089)	(971)	8,145	3,085	2,768	5,853
<b>Balance as at 30 June 2018</b>	<b>84,322</b>	<b>(7,765)</b>	<b>22,918</b>	<b>20,946</b>	<b>(20,054)</b>	<b>2,909</b>	<b>(3,104)</b>	<b>145,024</b>	<b>245,196</b>	<b>32,290</b>	<b>277,486</b>
<b>Balance as at 1 January 2019</b>	107,859	(8,821)	-	-	892	1,747	(5,159)	150,185	246,703	32,871	279,574
Purchase of treasury shares	-	(755)	-	-	-	-	-	-	(755)	-	(755)
Resold of treasury shares	32	244	-	-	-	-	-	-	276	-	276
Changes in equity	-	-	-	-	-	-	-	-	-	20	20
Dividend paid	-	-	-	-	-	-	-	-	-	(170)	(170)
Total comprehensive income for the period	-	-	-	-	-	1,490	678	8,731	10,899	2,242	13,141
<b>Balance as at 30 June 2019</b>	<b>107,891</b>	<b>(9,332)</b>	<b>-</b>	<b>-</b>	<b>892</b>	<b>3,237</b>	<b>(4,481)</b>	<b>158,916</b>	<b>257,123</b>	<b>34,963</b>	<b>292,086</b>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
**NOTES TO THE INTERIM FINANCIAL REPORT**
**- SELECTED EXPLANATORY NOTES UNDER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 – INTERIM FINANCIAL REPORTING**
**A1 Basis of preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2018.

**A2 Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2018 save for the following new MFRSs and amendments to MFRSs.

	<b>Description</b>	<b>Effective dates for financial periods beginning on or after</b>
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayments Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement	1 January 2019
Annual Improvements to MFRSs 2015 – 2017 Cycle:		
	• Amendments to MFRS 3	1 January 2019
	• Amendments to MFRS11	1 January 2019
	• Amendments to MFRS 112	1 January 2019
	• Amendments to MFRS 123	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

\* Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

The Group and the Company intend to adopt the above MFRSs when they become effective.

The adoption of the above standards and interpretations do not have material impact to the financial statements of the Group upon their initial application.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019****A3 Seasonal or cyclical factors**

The Group performance is not materially affected by seasonal or cyclical factors.

**A4 Unusual items due to their nature, size or incidence**

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

**A5 Changes in estimates**

There were no changes in estimates that have material effect in the current quarter and financial period-to-date results.

**A6 Debt and equity securities**

There were no issuances and repayments of debt and equity securities during financial period ended 30 June 2019 save for shares buy back and resold of treasury shares.

At the Annual General Meeting held on 30 May 2019, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 30 June 2019, the Company repurchased of 701,700 own shares and resold of 241,700 own shares. The details of resold shares are as follows:-

	<b>RM'000</b>
Disposal value	276
Cost of shares	<u>(244)</u>
Gain on disposal	<u>32</u>

As at 30 June 2019, a total of 9,161,710 treasury shares, representing 5.77% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM9.332 million.

**A7 Dividend paid**

A final single tier dividend of 2.3 sen per share amounted RM3.441 million in respect of the financial year ended 31 December 2018 was paid on 11 July 2019.

**A8 Material post balance sheet events**

There was no material events subsequent to the end of the financial year ended 30 June 2019 as at the date of this report save for the followings:-

- i. On 01 July 2019, Unimech Engineering (M) Sdn. Bhd., a wholly owned subsidiary company of the Company had disposed 100,000 shares representing 10% equity interest in Unimech International Sdn. Bhd. to Mr. Koh Sow Woei for a cash consideration of RM300,000.
- ii. On 04 July 2019, an application was made to the Companies Commission of Malaysia to strike off the name of Unimech Polymer Engineering Sdn. Bhd., a 80% owned subsidiary company of Unimech Capital Sdn. Bhd. which in turn is a wholly owned subsidiary company of the Company, under Section 550 of the Companies Act, 2016.



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**A9 Changes in the composition of the Group**

There were no changes in the composition of the Group during the financial year ended 30 June 2019 save for on 1 March 2019, Unimech Capital Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary company of the Company had subscribed for an additional 79,999 ordinary shares out of 99,999 ordinary shares allotted by UCSB's subsidiary company namely Valtrox Sanitary Equipment Sdn. Bhd. for a total amount of RM79,999. Mr. Law Wei Cheng subscribed for the remaining 20,000 ordinary shares for a total amount of RM20,000.

**A10 Changes in contingent liabilities or contingent assets**

There were no material changes in the contingent liabilities for the Group since the last financial year ended 31 December 2018.

**A11 Capital commitments**

No material capital commitments as at 30 June 2019.

**A12 Related party transactions**

There were no related party transactions for the period ended 30 June 2019.



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
**NOTES TO THE INTERIM FINANCIAL REPORT**
**- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS**
**B1 Financial review for current quarter and financial period-to-date**

	Individual Period			Cumulative Period		
	Current Period Quarter 30-Jun-19 RM'000	Preceding Year Corresponding Quarter 30-Jun-18 RM'000	Changes RM'000 / %	Current Year to Date 30-Jun-19 RM'000	Preceding Year Corresponding Period 30-Jun-18 RM'000	Changes RM'000 / %
Revenue	61,879	63,466	(1,587) / (2.5%)	129,979	131,401	(1,422) / (1.1%)
Profit before tax	7,959	8,177	(218) / (2.7%)	16,364	16,282	82 / 0.5%

Current quarter

The Group reported a revenue of RM61.879 million for the current quarter ended 30 June 2019 which was RM1.587 million or 2.5% lower as compared to the preceding year corresponding quarter ended 30 June 2018 of RM63.466 million. Lower revenue was reported in current quarter ended 30 June 2019 as compared to preceding year corresponding quarter was due to soft demand in core business of valves, instruments and fittings.

The Group recorded a profit before tax of RM7.959 million for the current quarter which was RM0.218 million or 2.7% lower as compared to the preceding year corresponding quarter of RM8.177 million. The decrease in profit before tax was in line with the decrease in revenue and has been mitigated by higher share of results from associate companies during current quarter.

Financial period-to-date

The Group reported a revenue of RM129.979 million for the financial period ended 30 June 2019, representing RM1.422 million or 1.1% decrease compared to financial period ended 30 June 2018 of RM131.401 million. Lower revenue reported was due to decrease of the revenue in the electronic and pump business segments. .

Although the revenue was lower for the financial period ended 30 June 2019 but profit before tax improved slightly by 0.5% from RM16.282 million to RM16.364 million was due to higher share of results from associate companies during the period reported.

**B2 Financial review for current quarter compared with immediate preceding quarter**

	Current Quarter 30-Jun-19 RM'000	Immediate Preceding Quarter 31-Mar-19 RM'000	Changes RM'000 / %
Revenue	61,879	68,100	(6,221) / (9.1%)
Profit before tax	7,959	8,405	(446) / (5.3%)

The revenue for the current quarter ended 30 June 2019 decreased by 9.1% or RM6.221 million as compared to preceding quarter. The lower revenue was due mainly to soft demand from core business in the current quarter. The decrease in revenue caused a lower profit before tax which nevertheless has been mitigated by higher share of results from associate companies during the current quarter.

**B3 Overall review of group's financial performance**

No material change of the major components of the statement of profit and loss and other comprehensive income, statement of financial position as well as statement of cash flow reported by the Group for the period ended 30 June 2019 compared to preceding year corresponding period ended 30 June 2018.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
**B4 Segment information**

By business segment as at 30 June 2019

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	103,689	5,719	11,604	8,967	-	129,979
Inter-segment revenue	27,790	1,727	1,544	115	(31,176)	-
<b>Total revenue</b>	<b>131,479</b>	<b>7,446</b>	<b>13,148</b>	<b>9,082</b>	<b>(31,176)</b>	<b>129,979</b>
<b>Segment results</b>	17,008	(4)	676	904	(500)	18,084
Interest expense						(4,274)
Interest income						120
Share of results of associates						2,434
Profit before tax						16,364
Tax expense						(5,391)
Profit after tax						10,973
Non-controlling interests						(2,242)
Profit attributable to owners of the parent for financial period ended 30 June 2019						<u>8,731</u>
Segment assets	535,766	16,675	23,881	97,190	(217,940)	455,572
Segment liabilities	178,186	22,182	10,463	87,341	(134,686)	163,486

By business segment as at 30 June 2018

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	103,497	6,471	12,491	8,942	-	131,401
Inter-segment revenue	26,262	4,240	2,058	59	(32,619)	-
<b>Total revenue</b>	<b>129,759</b>	<b>10,711</b>	<b>14,549</b>	<b>9,001</b>	<b>(32,619)</b>	<b>131,401</b>
<b>Segment results</b>	21,518	527	855	(1,565)	(1,250)	20,085
Interest expense						(4,807)
Interest income						134
Share of results of associates						870
Profit before tax						16,282
Tax expense						(5,369)
Profit after tax						10,913
Non-controlling interests						(2,768)
Profit attributable to owners of the parent for financial period ended 30 June 2018						<u>8,145</u>
Segment assets	536,142	17,451	23,096	83,789	(225,741)	434,737
Segment liabilities	187,897	23,240	10,358	80,353	(144,597)	157,251

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
**B5 Commentary on prospects for 2019**

The Group will remain focused to meet market demand for our valves, instruments and fittings. At the same time, the Group will remain focus and continue with its competitive strategies to strengthen and grow further on its own brands to enhance its market positioning and concentrate on improving its operations efficiency to further enhance its competitiveness.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group shall report a better performance for the financial year ending 31 December 2019.

**B6 Profit forecast**

Not applicable as no profit forecast was published.

**B7 Income tax expense**

	<b>Current quarter 3 months ended 30-Jun-19 RM'000</b>	<b>Cumulative quarters 6 months ended 30-Jun-19 RM'000</b>
Current period provision	2,179	5,265
Deferred tax	59	126
	2,238	5,391

The effective tax rate for the current quarter and the cumulative quarter are higher than the statutory tax rate were due to non tax allowable expenses and losses of certain subsidiary companies cannot be used to offset against profit of other companies in the Group.

**B8 Status of corporate proposals and status of utilisation of proceeds raised**

There was no corporate proposal being carried out during the period under review.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
**B9 Group borrowings and debt securities**
**Total borrowings as at 30 June 2019**

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
<b>Secured</b>						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	7,102	-	7,102
Hire purchases	-	2,353	-	1,260	-	3,613
Revolving credits	-	-	-	37,151	-	37,151
Term loans	-	12,448	-	1,606	-	14,054
Trade lines	-	-	-	13,318	-	13,318
	-	14,801	-	60,437	-	75,238
<i>Singapore Dollar @ 3.0563</i>						
Hire purchases	39	120	16	50	55	170
<i>Indonesia Rupiah @ 0.000290</i>						
Hire purchases	776,012	225	599,227	174	1,375,239	399
Term loans	1,223,290	355	1,229,068	356	2,452,358	711
Trade lines	-	-	96,000,000	27,840	96,000,000	27,840
	1,999,302	580	97,828,295	28,370	99,827,597	28,950
<b>Total secured</b>		<b>15,501</b>		<b>88,857</b>		<b>104,358</b>
<b>Unsecured</b>						
<i>Indonesia Rupiah @ 0.000290</i>						
Revolving credits	-	-	17,476,900	5,068	17,476,900	5,068
<i>Thai Baht @ 0.134773</i>						
Trade lines	-	-	10,492	1,414	10,492	1,414
<b>Total unsecured</b>		<b>-</b>		<b>6,482</b>		<b>6,482</b>
<b>Total borrowings</b>		<b>15,501</b>		<b>95,339</b>		<b>110,840</b>

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
**B9 Group borrowings and debt securities (continue)**

Total borrowings as at 30 June 2018

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
<b>Secured</b>						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	7,461	-	7,461
Hire purchases	-	2,264	-	1,316	-	3,580
Revolving credits	-	-	-	34,752	-	34,752
Term loans	-	10,430	-	1,152	-	11,582
Trade lines	-	-	-	16,691	-	16,691
	-	12,694	-	61,372	-	74,066
<i>Singapore Dollar @ 2.9625</i>						
Hire purchases	53	160	16	49	69	209
<i>Indonesia Rupiah @ 0.000282</i>						
Hire purchases	257,267	73	482,145	136	739,412	209
Term loans	2,264,433	639	3,617,522	1,020	5,881,955	1,659
Trade lines	-	-	101,750,000	28,694	101,750,000	28,694
	2,521,700	712	105,849,667	29,850	108,371,367	30,562
<b>Total secured</b>		<b>13,566</b>		<b>91,271</b>		<b>104,837</b>
<b>Unsecured</b>						
<i>Indonesia Rupiah @ 0.000282</i>						
Revolving credits	-	-	22,506,250	6,347	22,506,250	6,347
<i>Thai Baht @ 0.121868</i>						
Trade lines	-	-	16,028	1,953	16,028	1,953
<b>Total unsecured</b>		<b>-</b>		<b>8,300</b>		<b>8,300</b>
<b>Total borrowings</b>		<b>13,566</b>		<b>99,571</b>		<b>113,137</b>

**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at the date of this report.

**B11 Changes in material litigation**

The Group is not engaged in any material litigation as at the date of this report.

**B12 Dividend**

No interim dividend has been declared for the financial period ended 30 June 2019.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**
**B13 Earnings per share (“EPS”)**
**Basic EPS**

The basic EPS had been calculated by dividing the Group’s profit for the year attributable to owner of the parent by the weighted average number of shares in issue.

	<b>Current quarter 3 months ended 30-Jun-19</b>	<b>Cumulative quarters 6 months ended 30-Jun-19</b>
Profit for the period (RM’000)	5,721	10,973
Profit attributable to non-controlling interests (RM’000)	(1,083)	(2,242)
<b>Profit attributable to owners of the parent (RM’000)</b>	<u>4,638</u>	<u>8,731</u>
<b>Weighted average number of ordinary shares in issue (’000)</b>	<u>149,616</u>	<u>149,763</u>
<b>Basic EPS (sen)</b>	3.10	5.83

**Diluted EPS**

The diluted EPS is not presented due to anti-dilutive of the potentials on the ordinary shares.

**B14 Auditors’ report on preceding annual financial statements**

The auditors’ report of the annual financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

**B15 Notes to Condensed Consolidated Income Statements on Other Income/Expenses**

	<b>Current quarter 3 months ended 30-Jun-19 RM’000</b>	<b>Cumulative quarter 6 months ended 30-Jun-19 RM’000</b>
<b>Profit before tax is arrived at after charging/(crediting):-</b>		
Bad debts recovered	(23)	(47)
Allowance for impairment of inventories	750	1,000
Depreciation & amortisation	1,619	3,147
Dividend income	(2,334)	(2,340)
Gain on disposal of property, plant & equipment	-	(21)
(Gain)/Loss on disposal of investment securities	(29)	51
Loss on foreign exchange – realised	233	274
Interest expense	2,569	4,274
Interest income	(58)	(120)
Rental income	<u>(59)</u>	<u>(174)</u>



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

**B16 Foreign Exchange Exposure**

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar, Chinese Renmimbi, and Euro. The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply nature hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the Management.

**B17 Trade Receivables**

- i. Trade receivables are non-interest bearing and are generally on 30 days to 120 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- ii. Analysis of the trade receivables ageing is as follow:

	<b>As at 30-Jun-19 (Unaudited) RM'000</b>	<b>As at 31-Dec-18 (Audited) RM'000</b>
Neither past due nor impaired	34,055	38,964
<u>Pass due but not impaired</u>		
Less than 30 days	11,818	13,522
31 days to 60 days	9,479	10,845
More than 61 days	9,728	11,130
	<u>31,025</u>	<u>35,497</u>
	65,080	74,461
Impaired	4,395	4,395
	<u>69,475</u>	<u>78,856</u>

As at 30 June 2019, trade receivables of RM31.025 million were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default. The management is in an opinion that all the trade receivables are collectible. Thus, no further impairment is required.

- iii. No material of impairment in trade receivables was recognised during the financial period ended 30 June 2019.

**B18 Impairment of Assets**

No material impairment of assets recognised as a loss in the statement of profit and loss and other comprehensive income for the financial period ended 30 June 2019.

By order of the Board

Dato' Lim Cheah Chooi  
Chief Executive Director

**Dated this 22<sup>nd</sup> August 2019**