


INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	As at 31-Dec-18 (Unaudited) RM'000	As at 31-Dec-17 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	105,274	109,499
Investment properties	304	312
Investment in associates	14,909	14,893
Investment securities	5,229	6,179
Intangible assets	3,941	4,047
Deferred tax assets	1,190	1,153
	<u>130,847</u>	<u>136,083</u>
Current assets		
Inventories	185,136	169,727
Trade and other receivables	99,308	105,510
Tax recoverable	1,186	1,728
Cash and bank balances	36,253	34,045
	<u>321,883</u>	<u>311,010</u>
TOTAL ASSETS	<u>452,730</u>	<u>447,093</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	107,859	80,287
Treasury shares	(8,821)	(6,479)
Irredeemable Convertible Unsecured Loan Stock ("ICULS") equity	-	26,333
Reserves	(2,211)	5,757
Retained earnings	149,691	136,879
Equity attributable to owners of the parent	<u>246,518</u>	<u>242,777</u>
Non-controlling interests	<u>33,365</u>	<u>29,585</u>
Total equity	<u>279,883</u>	<u>272,362</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	13,562	16,036
Deferred tax liabilities	781	674
	<u>14,343</u>	<u>16,710</u>
Current liabilities		
Trade and other payables	49,851	52,968
Bank borrowings	104,089	102,142
ICULS liabilities	-	1,548
Tax payable	4,564	1,363
	<u>158,504</u>	<u>158,021</u>
Total liabilities	<u>172,847</u>	<u>174,731</u>
TOTAL EQUITY AND LIABILITIES	<u>452,730</u>	<u>447,093</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR TWELVE MONTHS ENDED 31 DECEMBER 2018 (UNAUDITED)**

	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
	2018 RM '000	2017 RM '000	2018 RM '000	2017 RM '000
Revenue	73,688	69,930	276,921	246,789
Operating expenses	(63,834)	(64,299)	(237,014)	(220,424)
Other income	656	1,780	2,089	4,372
Operating profit	10,510	7,411	41,996	30,737
Interest expense	(2,625)	(3,051)	(9,592)	(10,745)
Interest income	56	-	258	221
Share of results of associates	297	(351)	1,698	811
Profit before tax	8,238	4,009	34,360	21,024
Taxation	(3,112)	(2,648)	(11,474)	(7,847)
Profit for the period/year	5,126	1,361	22,886	13,177
Profit attributable to:				
Owners of the parent	4,652	1,413	18,797	11,671
Non-controlling interests	474	(52)	4,089	1,506
Profit for the period/year	5,126	1,361	22,886	13,177
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	3.10	1.18	14.12	9.35

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2018 (UNAUDITED)**

	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
	2018 RM '000	2017 RM '000	2018 RM '000	2017 RM '000
Profit for the period/year	5,126	1,361	22,886	13,177
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	(1,567)	(3,877)	(6,374)	(8,586)
Fair value movements on available for sale investments	(865)	(1,498)	(1,594)	(1,664)
Total comprehensive income/(loss) for the period/year	2,694	(4,014)	14,918	2,927
Total comprehensive income/(loss) attributable to:				
Owners of the parent	2,220	(3,962)	10,829	1,421
Non-controlling interests	474	(52)	4,089	1,506
	2,694	(4,014)	14,918	2,927

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR TWELVE MONTHS ENDED 31 DECEMBER 2018 (UNAUDITED)**

	Cumulative quarter 12 months ended 31 December	
	2018 RM'000	2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	34,360	21,024
Adjustments for:		
Non-cash items and non-operating items	7,745	18,581
Operating profit before working capital changes	42,105	39,605
Inventories	(15,409)	7,503
Receivables	6,202	2,016
Payables	(3,117)	1,626
Cash generated from operating activities	29,781	50,750
Interest paid	(9,592)	(10,745)
Net of tax paid	(7,521)	(8,415)
Net cash from operating activities	12,668	31,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	-	(25)
Dividend received	764	309
Interest received	258	227
Net of changes of investment in subsidiaries and associates	1,281	(37)
Net of purchase and disposal of investment securities	(658)	65
Net of purchase and disposal of property, plant and equipment	(2,962)	(9,315)
Net cash used in investing activities	(1,317)	(8,776)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(6,380)	(4,692)
Net of repurchase and disposal of treasury shares	(2,342)	(1,434)
Net changes in bank borrowings	(527)	(11,225)
Net cash used in financing activities	(9,249)	(17,351)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,102	5,463
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	25,794	26,359
Effect of foreign exchange rates changes	2,024	(6,028)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	29,920	25,794
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	36,253	32,045
Overdrafts	(6,333)	(6,251)
	29,920	25,794

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR TWELVE MONTHS ENDED 31 DECEMBER 2018 (UNAUDITED)

	----- Non-Distributable -----						----- Distributable -----					
	----- Attributable to owners of the parent -----											
(RM'000)	Share capital	Share premium	Treasury shares	ICULS equity	Warrant reserve	Capital reserve	Currencies translation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2017	65,026	13,868	(4,797)	26,240	20,946	(20,054)	15,584	(469)	128,990	245,334	28,914	274,248
Transition to non-par value	13,868	(13,868)	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(3,666)	-	-	-	-	-	-	(3,666)	-	(3,666)
Resold of treasury shares	248	-	1,984	-	-	-	-	-	-	2,232	-	2,232
Conversion of ICULS	1,145	-	-	(1,145)	-	-	-	-	-	-	-	-
Transfer from ICULS liabilities	-	-	-	1,238	-	-	-	-	-	1,238	-	1,238
Dividend paid	-	-	-	-	-	-	-	-	(3,782)	(3,782)	(910)	(4,692)
Changes in equity	-	-	-	-	-	-	-	-	-	-	75	75
Total comprehensive income for the year	-	-	-	-	-	-	(8,586)	(1,664)	11,671	1,421	1,506	2,927
Balance as at 31 December 2017	80,287	-	(6,479)	26,333	20,946	(20,054)	6,998	(2,133)	136,879	242,777	29,585	272,362
Balance as at 1 January 2018	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	-	-	(2,342)	-	-	-	-	-	-	(2,342)	-	(2,342)
Conversion of ICULS	27,572	-	-	(26,333)	-	-	-	-	-	1,239	-	1,239
Warrant expired	-	-	-	-	(20,946)	20,946	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(6,081)	(6,081)	(299)	(6,380)
Changes in equity	-	-	-	-	-	-	-	-	96	96	(10)	86
Total comprehensive income for the year	-	-	-	-	-	-	(6,374)	(1,594)	18,797	10,829	4,089	14,918
Balance as at 31 December 2018	107,859	-	(8,821)	-	-	892	624	(3,727)	149,691	246,518	33,365	279,883

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
**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 2017. 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 2017.

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 2017 save for the following new MFRSs and amendments to MFRSs.

Description		Effective dates for financial periods beginning on or after
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
	• Amendments to MFRS 1	1 January 2018
	• Amendments to MFRS128	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and measurement of Share-based payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
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

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	Descriptions	Effective dates for financial periods beginning on or after
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.

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 year-to-date.

A5 Changes in estimates

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

A6 Debt and equity securities

There were no issuances and repayments of debt and equity securities during financial year ended 31 December 2018 save for shares buy back and conversion of ICULS to ordinary share.

At the Annual General Meeting held on 31 May 2018, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial year ended 31 December 2018, the Company repurchased 2,315,900 of its own shares.

As at 31 December 2018, a total of 8,710,710 treasury shares, representing 5.48% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM8.821 million.

During the financial year ended 31 December 2018, 27,572,076 ICULS were converted by the registered ICULS holders to 27,572,076 new ordinary shares.

A7 Dividend paid

A first and final single tier dividend of 3.0 sen per share amounted RM3.828 million in respect of the financial year ended 31 December 2017 was paid on 12 July 2018.

An interim single tier dividend of 1.5 sen per share amounted RM2.253 in respect of the financial year ended 31 December 2018 was paid on 14 December 2018.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018**A8 Material post balance sheet events**

There was no material events subsequent to the end of the financial year ended 31 December 2018 as at the date of this report.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 2018 save for the followings:-

- i. On 04 January 2018, Unimech Capital Sdn. Bhd., a wholly owned subsidiary company of the Company had transferred its 100% owned equity interest in Bells Saga Sdn. Bhd. to M.E.T. Motion Holding Sdn. Bhd., a 51% owned subsidiary company of the Company at its original cost of investment.
- ii. On 19 June 2018, M.E.T. Motion Holding Sdn. Bhd., a 51% owned subsidiary company of the Company together with Unimech Engineering (JB) Sdn. Bhd., a wholly owned subsidiary company of the Company had subscribed for 126,000 and 60,000 ordinary shares representing 63% and 30% of the issued capital in M.E.T. Motion (JB) Sdn. Bhd. for a total consideration of RM126,000 and RM60,000 respectively.
- iii. On 20 August 2018, Unimech Capital Sdn. Bhd., a wholly owned subsidiary company of the Company had disposed off its 60,000 ordinary shares, representing 60% of the total issued share capital in Icontronic Sdn. Bhd. for a total cash consideration of RM1.00 to Mr. Goh Leng Pheow.
- iv. On 06 September 2018, application was made to the Companies Commission of Malaysia to strike off the name of Unimech Bersatu Malaysia Sdn. Bhd., a 49% owned associate company of Unimech Capital Sdn. Bhd. which in turn is a wholly subsidiary company of the Company, under Section 550 of the Companies Act, 2016.
- v. On 13 September 2018, application was made to the Companies Commission of Malaysia to strike off the name of Uni Media Studio Sdn. Bhd., a wholly owned subsidiary company of Unimech Capital Sdn. Bhd. which in turn is a wholly subsidiary company of the Company, under Section 550 of the Companies Act 2016.
- vi. On 27 September 2018, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had acquired 10,000 ordinary shares representing an additional 10% equity interest in Unimech Instruments & Control Sdn. Bhd. from Mr. Tang Kok Chian for a total cash consideration of RM200,000.
- vii. On 08 October 2018, Unimech Engineering (J.B.) Sdn Bhd., a wholly-owned subsidiary of the Company had disposed off 500,100 shares of USD1.00 each representing 50.1% equity interest in Hebei Arita Valve Industries Co. Ltd. to Mr. De Guo Sen for a total cash consideration of RMB2,420,000 (equivalent to RM1,476,200).
- viii. On 19 December 2018, PT Arita Prima Indonesia Tbk, a company listed on Indonesia Stock Exchange, which is a 71.95% indirect subsidiary company of the Company had subscribed 3,300 ordinary shares of IDR1,000,000 each representing 30% of the total issued and paid-up capital of PT Garuda Reksa Teknologi for a total cash consideration of IDR3,300,000,000 only (equivalent to RM990,000).
- ix. On 19 December 2018, PT Arita Prima Indonesia Tbk, a company listed on Indonesia Stock Exchange, which is a 71.95% indirect subsidiary company of the Company had subscribed 9,900 ordinary shares of IDR500,000 each representing 99% of the total issued and paid-up capital of PT Arita Prima Sukses for a total cash consideration of IDR4,950,000,000 only (equivalent to RM1,485,000).
- x. On 20 December 2018, Unimech Engineering (JB) Sdn. Bhd., a wholly owned subsidiary company of the Company had disposed off its 27,455 ordinary shares of THB100.00 each, representing 14.45% equity interest in Unimech Engineering Group (Thailand) Co. Ltd. to Mr. Yew Kok Jin for a total cash consideration of THB4,123,450.00 (equivalent to RM526,976.91).



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- xi. On 21 December 2018, an application was made to the Ministry of Law and Human Rights Indonesia under Section 142 of Limited Liability Company Act 2007 Indonesia to dissolve PT EPC Technology System, a 67% owned subsidiary of PT Arita Prima Indonesia Tbk which in turn is a 71.95% owned indirect subsidiary company of the Company.
- xii. On 26 December 2018, an application was made to the Companies Commission of Malaysia to strike off Arita System Sdn. Bhd., a 60% owned subsidiary of Unimech Capital Sdn. Bhd. and 40% owned associate company of PT Arita Prima Indonesia Tbk , under Section 550 of the Companies Act 2016.

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 2017.

A11 Capital commitments

	31-Dec-18 RM'000
Authorised and not contracted for:	
Property, plant and equipment	5,240

A12 Related party transactions

There were no related party transactions for the year ended 31 December 2018.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
NOTES TO THE INTERIM FINANCIAL REPORT
- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS
B1 Financial review for current quarter and financial year-to-date

	Individual Period			Cumulative Period		
	Current Period Quarter 31-Dec-18 RM'000	Preceding Year Corresponding Quarter 31-Dec-17 RM'000	Changes RM'000 / %	Current Year to Date 31-Dec-18 RM'000	Preceding Year Corresponding Period 31-Dec-17 RM'000	Changes RM'000 / %
Revenue	73,688	69,930	3,758 / 5.4%	276,921	246,789	30,132 / 12.2%
Profit before tax	8,238	4,009	4,229 / 105.5%	34,360	21,024	13,336 / 63.4%

Current quarter

For the current quarter ended 31 December 2018, the Group recorded revenue of RM73.688 million, representing an increase of 5.4% over prior year corresponding quarter's revenue of RM69.930 million. The increase of the revenue was due principally to the increase in demand in the core business. The increase in revenue correspondingly increased the profit before tax by 105.5% to RM8.238 million from RM4.009 million reported in prior year corresponding quarter.

Financial year-to-date

The Group reported revenue of RM276.921 million for the financial year ended 31 December 2018, representing an increase of RM30.132 million or 12.2% as compared to previous financial year ended 31 December 2017 of RM246.789 million. The increase of the revenue was due principally to the increase in demand in the core business particularly in overseas market in Indonesia, Thailand and Vietnam.

In tandem with the increase in revenue, the profit before tax for financial year ended 31 December 2018 improved by 63.4% or RM13.336 million to RM34.360 million as compared to last financial year ended 31 December 2017 of RM21.024 million.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31-Dec-18 RM'000	Immediate Preceding Quarter 30-Sept-18 RM'000	Changes RM'000 / %
Revenue	73,688	71,832	1,856 / 2.6%
Profit before tax	8,238	9,840	(1,602) / (16.3%)

The revenue for the current quarter ended 31 December 2018 increased by 2.6% or RM1.856 million as compared to preceding quarter. The higher revenue was due mainly to higher demand in valves, instruments, fittings segments in the current quarter. Although increase in revenue but the profit before tax decreased by 16.3% during the current quarter was due to impairment in receivables and inventories of approximately RM1.6 million.

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 year ended 31 December 2018 compared to preceding year corresponding year ended 31 December 2017.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
B4 Segment information
By business segment as at 31 December 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	218,548	16,279	25,233	16,861	-	276,921
Inter-segment revenue	50,098	7,669	3,708	169	(61,644)	-
Total revenue	268,646	23,948	28,941	17,030	(61,644)	276,921
Segment results	40,660	1,189	1,588	(1,091)	(350)	41,996
Interest expense						(9,592)
Interest income						258
Share of results of associates						1,698
Profit before tax						34,360
Tax expense						(11,474)
Profit after tax						22,886
Non-controlling interests						(4,089)
Profit attributable to owners of the parent for financial year ended 31 December 2018						<u>18,797</u>
Segment assets	440,236	17,313	23,471	183,339	(211,629)	452,730
Segment liabilities	191,228	22,435	10,704	80,746	(132,266)	172,847

By business segment as at 31 December 2017

	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	187,422	13,837	25,154	20,376	-	246,789
Inter-segment revenue	48,921	1,202	3,613	1,911	(55,647)	-
Total revenue	236,343	15,039	28,767	22,287	(55,647)	246,789
Segment results	32,819	(1,314)	2,011	(1,640)	(1,139)	30,737
Interest expense						(10,745)
Interest income						221
Share of results of associates						811
Profit before tax						21,024
Tax expense						(7,847)
Profit after tax						13,177
Non-controlling interests						(1,506)
Profit attributable to owners of the parent for financial year ended 31 December 2017						<u>11,671</u>
Segment assets	424,886	18,635	23,136	198,853	(218,417)	447,093
Segment liabilities	204,595	25,037	10,994	73,270	(139,165)	174,731

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
B5 Commentary on prospects for 2019

The Group saw improvement in the valves, instruments and fittings industry during the second half of 2018, with firmer demand in our target markets. 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

	Current quarter 3 months ended 31-Dec-18 RM'000	Cumulative quarters 12 months ended 31-Dec-18 RM'000
Current period provision	3,223	11,404
Deferred tax	(111)	70
	3,112	11,474

The effective tax rate for the current quarter and the cumulative quarter are higher than the statutory tax rate were due principally to 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 year under review.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
B9 Group borrowings and debt securities
Total borrowings as at 31 December 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
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	6,333	-	6,333
Hire purchases	-	2,600	-	1,639	-	4,239
Revolving credits	-	-	-	34,616	-	34,616
Term loans	-	10,337	-	1,211	-	11,548
Trade lines	-	-	-	23,232	-	23,232
	-	12,937	-	67,031	-	79,968
<i>Singapore Dollar @ 3.0355</i>						
Hire purchases	44	133	16	49	60	182
<i>Indonesia Rupiah @ 0.000284</i>						
Hire purchases	274,566	78	490,590	139	765,156	217
Term loans	1,459,718	414	1,899,951	540	3,359,669	954
Trade lines	-	-	101,750,000	28,897	101,750,000	28,897
	1,734,284	492	104,140,541	29,576	105,874,825	30,068
Total secured		13,562		96,656		110,218
Unsecured						
<i>Indonesia Rupiah @ 0.000284</i>						
Revolving credits	-	-	18,644,284	5,295	18,644,284	5,295
<i>Thai Baht @ 0.12693</i>						
Trade lines	-	-	16,846	2,138	16,846	2,138
Total unsecured		-		7,433		7,433
Total borrowings		13,562		104,089		117,651

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
Total borrowings as at 31 December 2017

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	6,251	-	6,251
Hire purchases	-	2,926	-	1,553	-	4,479
Revolving credits	-	-	-	31,613	-	31,613
Term loans	-	11,295	-	675	-	11,970
Trade lines	-	-	-	20,414	-	20,414
	-	14,221	-	60,506	-	74,727
<i>Singapore Dollar @ 3.0293</i>						
Hire purchases	62	188	13	41	75	229
Term loans	-	-	21	63	21	63
	62	188	34	104	96	292
<i>Indonesia Rupiah @ 0.000298</i>						
Hire purchases	67,849	20	86,050	26	153,899	46
Term loans	5,394,329	1,607	3,220,382	960	8,614,711	2,567
Trade lines	-	-	106,250,000	31,662	106,250,000	31,662
	5,462,178	1,627	109,556,432	32,648	115,018,610	34,275
Total secured		16,036		93,258		109,294
Unsecured						
<i>Indonesia Rupiah @ 0.000298</i>						
Revolving credits	-	-	21,676,799	6,460	21,676,799	6,460
<i>Thai Baht @ 0.1242</i>						
Trade lines	-	-	19,521	2,424	19,521	2,424
Total unsecured		-		8,884		8,884
Total borrowings		16,036		102,142		118,178

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

The Board of Directors proposed a final single tier dividend of 2.3 sen per share in respect of the financial year ended 31 December 2018. The proposed dividend payment is amounting to RM3.452 million if based on the issued and paid-up capital as at 31 December 2018 of 150,066,800 ordinary shares (excluding treasury shares held by the Company). The proposed dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2018
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.

	Current quarter 3 months ended 31-Dec-18	Cumulative quarters 12 months ended 31-Dec-18
Profit for the period/year (RM’000)	5,126	22,886
Profit attributable to non-controlling interests (RM’000)	(474)	(4,089)
Profit attributable to owners of the parent (RM’000)	<u>4,652</u>	<u>18,797</u>
Weighted average number of ordinary shares in issue (’000)	<u>150,198</u>	<u>133,081</u>
Basic EPS (sen)	3.10	14.12

B14 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

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

	Current quarter 3 months ended 31-Dec-18 RM’000	Cumulative quarter 12 months ended 31-Dec-18 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Bad debts recovered	(37)	(84)
Allowance/(Write back) for diminution in investment securities	(69)	77
Allowance for impairment of inventories	604	3,354
Allowance of impairment in receivables	1,000	1,000
Depreciation & amortization	1,333	6,218
Dividend income	(193)	(764)
Gain on disposal of property, plant & equipment	(145)	(277)
Gain on disposal of investment securities	318	208
Loss on foreign exchange – realised	431	1,353
Interest expense	2,625	9,592
Interest income	(56)	(258)
Property, plant and equipment written off	237	277
Rental income	<u>(278)</u>	<u>(656)</u>



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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:

	As at 31-Dec-18 (Unaudited) RM'000	As at 31-Dec-17 (Audited) RM'000
Neither past due nor impaired	34,653	37,777
<u>Pass due but not impaired</u>		
Less than 30 days	15,458	16,852
31 days to 60 days	11,114	12,116
More than 61 days	9,689	10,562
	<u>36,261</u>	<u>39,530</u>
	70,914	77,307
Impaired	4,965	3,965
	<u>75,879</u>	<u>81,272</u>

As at 31 December 2018, trade receivables of RM36.261 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. Approximately RM1.000 million of impairment in trade receivables was recognised during the financial year ended 31 December 2018.

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 year ended 31 December 2018.

By order of the Board

Dato' Lim Cheah Chooi
Chief Executive Director

Dated this 27th February 2019