



INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	As at 31-Dec-19 (Unaudited) RM'000	As at 31-Dec-18 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	115,092	103,655
Investment properties	2,364	2,549
Investment in associates	18,078	15,706
Investment securities	5,299	4,793
Intangible assets	346	1,364
Deferred tax assets	1,465	1,159
	<u>142,644</u>	<u>129,226</u>
Current assets		
Inventories	187,213	185,511
Trade and other receivables	98,363	95,946
Tax recoverable	114	763
Cash and bank balances	38,850	37,428
	<u>324,540</u>	<u>319,648</u>
TOTAL ASSETS	<u>467,184</u>	<u>448,874</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	107,891	107,859
Treasury shares	(9,611)	(8,821)
Reserves	1,954	(2,520)
Retained earnings	166,454	150,185
Equity attributable to owners of the parent	<u>266,688</u>	<u>246,703</u>
Non-controlling interests	38,496	32,871
Total equity	<u>305,184</u>	<u>279,574</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	19,390	14,404
Deferred tax liabilities	1,306	946
	<u>20,696</u>	<u>15,350</u>
Current liabilities		
Trade and other payables	42,743	47,311
Bank borrowings	93,467	104,745
Tax payable	5,094	1,894
	<u>141,304</u>	<u>153,950</u>
Total liabilities	<u>162,000</u>	<u>169,300</u>
TOTAL EQUITY AND LIABILITIES	<u>467,184</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 FORTH QUARTER ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR TWELVE MONTHS ENDED 31 DECEMBER 2019 (UNAUDITED)

	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
	2019 RM '000	2018 RM '000	2019 RM '000	2018 RM '000
Revenue	72,355	70,354	276,045	273,587
Operating expenses	(59,799)	(63,575)	(234,941)	(236,755)
Other income	234	3,573	1,074	5,006
Operating profit	12,790	10,352	42,178	41,838
Interest expense	(2,715)	(2,737)	(8,932)	(9,704)
Interest income	99	46	284	248
Share of results of associates	1,022	289	4,409	1,690
Profit before tax	11,196	7,950	37,939	34,072
Taxation	(3,573)	(2,377)	(11,913)	(10,739)
Profit for the period/year	7,623	5,573	26,026	23,333
Profit attributable to:				
Owners of the parent	6,850	5,396	21,952	19,541
Non-controlling interests	773	177	4,074	3,792
Profit for the period/year	7,623	5,573	26,026	23,333
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	4.58	1.91	14.69	13.02
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 FORTH QUARTER ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2019 (UNAUDITED)

	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
	2019 RM '000	2018 RM '000	2019 RM '000	2018 RM '000
Profit for the period/year	7,623	5,573	26,026	23,333
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	(359)	(444)	2,898	(5,251)
Fair value movements on available for sale investments	414	(2,297)	1,576	(3,026)
Total comprehensive income for the period/year	7,678	2,832	30,500	15,056
Total comprehensive income attributable to:				
Owners of the parent	6,905	2,655	26,426	11,264
Non-controlling interests	773	177	4,074	3,792
	7,678	2,832	30,500	15,056

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 FORTH QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR TWELVE MONTHS ENDED 31 DECEMBER 2019 (UNAUDITED)**

	Cumulative quarter 12 months ended 31 December	
	2019 RM'000	2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	37,939	34,072
Adjustments for:		
Non-cash items and non-operating items	15,138	21,181
Operating profit before working capital changes	53,077	55,253
Inventories	(1,702)	(15,708)
Receivables	(2,417)	5,699
Payables	(4,568)	(7,154)
Cash generated from operating activities	44,390	38,090
Interest paid	(8,932)	(9,704)
Net of tax paid	(7,658)	(9,310)
Net cash from operating activities	27,800	19,076
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	-	(70)
Dividend received	74	185
Interest received	284	347
Net of changes of investment in subsidiaries and associates	1,946	1,025
Net of purchase and disposal of investment securities	506	(1,165)
Net of purchase and disposal of property, plant and equipment	(13,671)	(3,736)
Net cash used in investing activities	(10,861)	(3,414)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(6,078)	(6,443)
Net of repurchase and disposal of treasury shares	(758)	(2,342)
Net changes in bank borrowings	(6,292)	(2,842)
Net cash used in financing activities	(13,128)	(11,627)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,811	4,035
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	28,177	25,793
Effect of foreign exchange rates changes	2,297	(1,651)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	34,285	28,177
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	38,850	35,428
Overdrafts	(4,565)	(7,251)
	34,285	28,177

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 FORTH QUARTER ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR TWELVE MONTHS ENDED 31 DECEMBER 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
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
Effectuated of adopting MFRS 9	-	-	-	-	-	-	-	(266)	(266)	-	(266)
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)	(362)	(6,443)
Changes in equity	-	-	-	-	-	-	-	112	112	(144)	(32)
Total comprehensive income for the year	-	-	-	-	-	(5,251)	(3,026)	19,541	11,264	3,792	15,056
Balance as at 31 December 2018	107,859	(8,821)	-	-	892	1,747	(5,159)	150,185	246,703	32,871	279,574
Balance as at 1 January 2019	107,859	(8,821)	-	-	892	1,747	(5,159)	150,185	246,703	32,871	279,574
Purchase of treasury shares	-	(1,034)	-	-	-	-	-	-	(1,034)	-	(1,034)
Resold of treasury shares	32	244	-	-	-	-	-	-	276	-	276
Dividend paid	-	-	-	-	-	-	-	(5,683)	(5,683)	(395)	(6,078)
Changes in equity	-	-	-	-	-	-	-	-	-	1,946	1,946
Total comprehensive income for the year	-	-	-	-	-	2,898	1,576	21,952	26,426	4,074	30,500
Balance as at 31 December 2019	107,891	(9,611)	-	-	892	4,645	(3,583)	166,454	266,688	38,496	305,184

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 FORTH QUARTER ENDED 31 DECEMBER 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.

Description		Effective dates for financial periods beginning on or after
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 MFRS 11	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 FORTH QUARTER ENDED 31 DECEMBER 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 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 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 year ended 31 December 2019, the Company repurchased of 927,200 own shares and resold of 241,000 own shares. The details of resold shares are as follows:-

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

As at 31 December 2019, a total of 9,387,910 treasury shares, representing 5.91% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM9.611 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.

An interim single tier dividend of 1.5 sen per share amounted RM2.243 million in respect of the financial year ended 31 December 2019 was paid on 30 December 2019.

A8 Material post balance sheet events

There were no material events subsequent to the end of the financial year ended 31 December 2019 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 2019 save for the followings: -

- i. 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.



INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019

- ii. 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.
- iii. 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.
- iv. On 14 October 2019, Unimech Capital Sdn. Bhd., a wholly-owned subsidiary company of the Company had acquired 25,000 shares representing 5% equity interest in Puremech Coating Sdn. Bhd. from Mr. Lim Wei Siong for a cash consideration of RM120,000.

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 31 December 2019.

A12 Related party transactions

There were no related party transactions for the year ended 31 December 2019.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019
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 31-Dec-19 RM'000	Preceding Year Corresponding Quarter 31 Dec-18 RM'000	Changes RM'000 / %	Current Year to Date 31-Dec-19 RM'000	Preceding Year Corresponding Period 31-Dec-18 RM'000	Changes RM'000 / %
Revenue	72,355	70,354	2,001 / 2.8%	276,045	273,587	2,458 / 0.9%
Profit before tax	11,196	7,950	3,246 / 40.8%	37,939	34,072	3,867 / 11.3%

Current quarter

The Group reported a revenue of RM72.355 million for the current quarter ended 31 December 2019 which was RM2.001 million or 2.8% higher as compared to the preceding year corresponding quarter ended 31 December 2018 of RM70.354 million. Higher revenue was reported in current quarter ended 31 December 2019 as compared to preceding year corresponding quarter was due to better demand in core business of valves, instruments and fittings particularly in Indonesia and Thailand market.

The Group recorded a profit before tax of RM11.196 million for the current quarter which was RM3.246 million or 40.8% higher as compared to the preceding year corresponding quarter of RM7.950 million. The increase in profit before tax was due to increase in revenue coupled with higher share of results from associate companies during current quarter.

Financial year-to-date

The Group reported a revenue of RM276.045 million for the financial year ended 31 December 2019, representing RM2.458 million or 0.9% increase as compared to financial year ended 31 December 2018 of RM273.587 million. Higher demand in core business of valves, instruments and fittings have contributed to the increase in revenue which nevertheless have been mitigated by soft demand in electronic business segment thus resulted only a marginal increase in revenue.

The profit before tax improved by 11.3% from RM34.072 million to RM37.939 million was mainly due to higher share of results from associate companies during the year under review.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31-Dec-19 RM'000	Immediate Preceding Quarter 30-Sept-19 RM'000	Changes RM'000 / %
Revenue	72,355	73,711	(1,356) / (1.8%)
Profit before tax	11,196	10,379	817 / 7.9%

The revenue for the current quarter ended 31 December 2019 decreased by 1.8% or RM1.356 million as compared to preceding quarter. The lower revenue was mainly due to soft demand from core business of valves, instruments and fittings in the current quarter. The increase in profit before tax was due to higher share of results from associate companies.

B3 Overall review of group's financial performance

No material changes 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 2019 compared to preceding year corresponding year ended 31 December 2018.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019
B4 Segment information
By business segment as at 31 December 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	218,762	12,848	25,428	19,007	-	276,045
Inter-segment revenue	57,903	4,198	3,426	181	(65,708)	-
Total revenue	276,665	17,046	28,854	19,188	(65,708)	276,045
Segment results	45,761	(77)	2,167	927	(6,600)	42,178
Interest expense						(8,932)
Interest income						284
Share of results of associates						4,409
Profit before tax						37,939
Tax expense						(11,913)
Profit after tax						26,026
Non-controlling interests						(4,074)
Profit attributable to owners of the parent for financial year ended 31 December 2019						<u>21,952</u>
Segment assets	537,291	16,360	29,221	99,452	(215,140)	467,184
Segment liabilities	170,146	21,548	15,216	88,262	(133,172)	162,000

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	214,309	16,348	25,873	17,057	-	273,587
Inter-segment revenue	68,085	1,152	3,730	169	(73,136)	-
Total revenue	282,394	17,500	29,603	17,226	(73,136)	273,587
Segment results	45,820	1,300	1,688	(7)	(6,963)	41,838
Interest expense						(9,704)
Interest income						248
Share of results of associates						1,690
Profit before tax						34,072
Tax expense						(10,739)
Profit after tax						23,333
Non-controlling interests						(3,792)
Profit attributable to owners of the parent for financial year ended 31 December 2018						<u>19,541</u>
Segment assets	544,574	17,192	23,785	83,754	(220,431)	448,874
Segment liabilities	194,523	22,449	10,821	81,329	(139,822)	169,300



INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019

B5 Commentary on prospects for 2020

The Group will remain focused to meet market demand for the 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.

On 3 September 2019, KITZ Corporation (“KC”), a renowned valve company in the world which is listed on Tokyo Stock Exchange has acquired 25.1% of the issued and paid-up share capital of the Company. The entry of KC as strategic shareholder shall provide synergy of growth to the Group by utilising the Group’s networking and resources with the objectives to increase both companies’ market shares in the Asean market. Presently, actions are being carried out to achieve the objectives.

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 2020.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

	Current quarter 3 months ended 31-Dec-19 RM’000	Cumulative quarters 12 months ended 31-Dec-19 RM’000
Current period provision	3,604	11,859
Deferred tax	(31)	54
	<u>3,573</u>	<u>11,913</u>

The effective tax rate for the current quarter and the cumulative quarters are higher than the statutory tax rate was 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 year under review.



INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019

B9 Group borrowings and debt securities

Total borrowings as at 31 December 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
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	4,565	-	4,565
Hire purchases	-	1,969	-	1,370	-	3,339
Revolving credits	-	-	-	29,765	-	29,765
Term loans	-	16,490	-	1,851	-	18,341
Trade lines	-	-	-	16,839	-	16,839
	-	18,459	-	54,390	-	72,849
<i>Singapore Dollar @ 3.0412</i>						
Hire purchases	33	99	16	49	49	148
<i>Indonesia Rupiah @ 0.000295</i>						
Hire purchases	1,769,877	522	1,441,107	425	3,210,984	947
Term loans	1,051,249	310	337,400	99	1,388,649	409
Revolving credits	-	-	108,100,000	31,890	108,100,000	31,890
	2,821,126	832	109,878,507	32,414	112,699,633	33,246
Total secured		19,390		86,853		106,243
Unsecured						
<i>Indonesia Rupiah @ 0.000295</i>						
Revolving credits	-	-	12,510,909	3,691	12,510,909	3,691
<i>Thai Baht @ 0.136844</i>						
Trade lines	-	-	21,358	2,923	21,358	2,923
Total unsecured		-		6,614		6,614
Total borrowings		19,390		93,467		112,857

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2019
B9 Group borrowings and debt securities (continue)
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	-	-	-	7,251	-	7,251
Hire purchases	-	2,916	-	1,326	-	4,242
Revolving credits	-	-	-	29,248	-	29,248
Term loans	-	10,904	-	716	-	11,620
Trade lines	-	-	-	23,233	-	23,233
	-	13,820	-	61,774	-	75,594
<i>Singapore Dollar @ 3.0355</i>						
Hire purchases	49	148	14	41	63	189
<i>Indonesia Rupiah @ 0.000288</i>						
Hire purchases	244,208	70	520,949	150	765,157	220
Term loans	1,269,445	366	208,839	602	1,478,284	968
Revolving credits	-	-	120,400,000	34,672	120,400,000	34,672
	1,513,635	436	121,129,788	35,424	122,643,441	35,860
Total secured		14,404		97,239		111,643
Unsecured						
<i>Indonesia Rupiah @ 0.000288</i>						
Revolving credits	-	-	18,700,000	5,368	18,700,000	5,368
<i>Thai Baht @ 0.12693</i>						
Trade lines	-	-	16,844	2,138	16,844	2,138
Total unsecured		-		7,506		7,506
Total borrowings		14,404		106,362		119,149

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 3.0 sen per share in respect of the financial year ended 31 December 2019. The proposed dividend payment is amounting to RM4.481 million if based on the issued and paid-up capital as at 31 December 2019 of 149,380,900 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 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.

	Current quarter 3 months ended 31-Dec-19	Cumulative quarters 12 months ended 31-Dec-19
Profit for the period/year (RM’000)	7,623	26,026
Profit attributable to non-controlling interests (RM’000)	(773)	(4,074)
Profit attributable to owners of the parent (RM’000)	<u>6,850</u>	<u>21,952</u>
Weighted average number of ordinary shares in issue (’000)	<u>149,496</u>	<u>149,444</u>
Basic EPS (sen)	4.58	14.69

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

	Current quarter 3 months ended 31-Dec-19 RM’000	Cumulative quarter 12 months ended 31-Dec-19 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Bad debts recovered	(215)	(262)
Allowance for impairment of inventories	1,800	3,550
Depreciation & amortisation	1,895	6,569
Dividend income	-	(185)
Gain on disposal of property, plant & equipment	-	(46)
Gain on foreign exchange – realised	(814)	(667)
Interest expense	2,715	8,932
Interest income	(99)	(284)
Loss on disposal of investment securities	101	521
Rental income	<u>(103)</u>	<u>(360)</u>

**INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 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:

	As at 31-Dec-19 (Unaudited) RM'000	As at 31-Dec-18 (Audited) RM'000
Neither past due nor impaired	37,931	38,964
<u>Pass due but not impaired</u>		
Less than 30 days	13,163	13,522
31 days to 60 days	10,557	10,845
More than 61 days	10,835	11,130
	<u>34,555</u>	<u>35,497</u>
	72,486	74,461
Impaired	4,395	4,395
	<u>76,881</u>	<u>78,856</u>

As at 31 December 2019, trade receivables of RM34.555 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 year ended 31 December 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 year ended 31 December 2019.

By order of the Board

Dato' Seri Lim Cheah Chooi
Chief Executive Director

Dated this 27 February 2020