


INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	As at 30-Jun-17 (Unaudited) RM'000	As at 31-Dec-16 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	110,380	112,856
Investment in associates	14,892	14,435
Investment securities	4,419	7,502
Intangible assets	7,453	7,457
Deferred tax assets	963	1,123
	<u>138,107</u>	<u>143,373</u>
Current assets		
Inventories	166,678	169,661
Trade and other receivables	100,614	104,022
Tax recoverable	524	815
Cash and bank balances	34,783	32,695
	<u>302,599</u>	<u>307,193</u>
TOTAL ASSETS	<u>440,706</u>	<u>450,566</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	65,590	65,026
Share premium	14,639	13,868
Treasury shares	(5,183)	(4,797)
Irredeemable Convertible Unsecured Loan Stock ("ICULS") equity	25,732	26,240
Other reserves	11,951	16,007
Retained earnings	136,119	128,990
Total equity attributable to owners of the parent	<u>248,848</u>	<u>245,334</u>
Non-controlling interests	<u>29,767</u>	<u>28,914</u>
Total equity	<u>278,615</u>	<u>274,248</u>
Non-current liabilities		
ICULS liability	2,322	3,096
Bank borrowings	14,398	17,619
Deferred tax liabilities	620	408
	<u>17,340</u>	<u>21,123</u>
Current liabilities		
Trade and other payables	41,203	50,466
Bank borrowings	101,778	103,297
Tax payable	1,770	1,432
	<u>144,751</u>	<u>155,195</u>
Total liabilities	<u>162,091</u>	<u>176,318</u>
TOTAL EQUITY AND LIABILITIES	<u>440,706</u>	<u>450,566</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2017 RM '000	2016 RM '000	2017 RM '000	2016 RM '000
Revenue	59,869	59,849	116,832	116,338
Operating expenses	(52,745)	(51,070)	(102,523)	(99,059)
Other income	1,313	107	2,387	513
Operating profit	8,437	8,886	16,696	17,792
Interest expense	(2,873)	(2,731)	(5,349)	(5,870)
Interest income	80	61	167	119
Share of results of associates	430	335	516	430
Profit before tax	6,074	6,551	12,030	12,471
Tax expense	(1,608)	(1,568)	(3,865)	(3,433)
Profit for the period	4,466	4,983	8,165	9,038
Profit attributable to:				
Owners of the parent	4,096	4,607	7,129	7,925
Non-controlling interests	370	376	1,036	1,113
Profit for the period	4,466	4,983	8,165	9,038
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	3.27	3.86	5.71	6.64
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 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2017 RM '000	2016 RM '000	2017 RM '000	2016 RM '000
Profit for the period	4,466	4,983	8,165	9,038
Other comprehensive income / (expenses), net of tax:				
Currency translation differences arising from consolidation	(2,885)	2,485	(2,713)	(3,260)
Fair value movements on available for sale investments	(209)	91	(1,343)	(261)
Total comprehensive income for the period	1,372	7,559	4,109	5,517
Total comprehensive income attributable to:				
Owners of the parent	1,002	7,183	3,073	4,404
Non-controlling interests	370	376	1,036	1,113
	1,372	7,559	4,109	5,517

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)**

	Cumulative quarter 6 months ended 30 June	
	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,030	12,471
Adjustments for:		
Non-cash items and non-operating items	7,299	6,897
Operating profit before working capital changes	19,329	19,368
Inventories	1,983	(1,206)
Receivables	3,408	14,521
Payables	(9,263)	(10,244)
Cash generated from operating activities	15,457	22,439
Interest paid	(5,349)	(5,870)
Net of tax paid	(3,033)	(3,003)
Net cash from operating activities	7,075	13,566
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	-	(32)
Dividend received	46	5
Interest received	167	119
Net of purchase and disposal of investment securities	2,187	(2,941)
Net of purchase and disposal of property, plant and equipment	(3,392)	(2,760)
Net cash used in investing activities	(992)	(5,609)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(183)	(485)
Net of repurchase and disposal of treasury shares	(179)	435
Net changes in bank borrowings	(4,066)	(3,494)
Net cash used in financing activities	(4,428)	(3,544)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,655	4,413
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	26,039	26,022
Effect of foreign exchange rates changes	2,421	1,375
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	30,115	31,810
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	34,783	33,805
Overdrafts	(4,668)	(1,995)
	30,115	31,810

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	----- Non-Distributable -----						----- Distributable -----					Non-controlling interests	Total equity
	----- Attributable to owners of the parent -----						Exchange fluctuation reserve	Fair value reserve	Retained earnings	Total			
(RM'000)	Share capital	Share premium	Treasury shares	ICULS equity	Warrant reserve	Capital reserve							
Balance as at 1 January 2016	64,281	12,852	(8,960)	26,491	20,946	(20,054)	10,404	368	132,178	238,506	26,928	265,434	
Purchase of treasury shares	-	-	(668)	-	-	-	-	-	-	(668)	-	(668)	
Resold of treasury shares	-	271	832	-	-	-	-	-	-	1,103	-	1,103	
Transfer from ICULS liability	-	-	-	620	-	-	-	-	-	620	-	620	
Changes in equity	-	-	-	-	-	-	-	-	-	-	54	54	
Dividend paid	-	-	-	-	-	-	-	-	-	-	(485)	(485)	
Total comprehensive income for the period	-	-	-	-	-	-	(3,260)	(261)	7,925	4,404	1,113	5,517	
Balance as at 30 June 2016	64,281	13,123	(8,796)	27,111	20,946	(20,054)	7,144	107	140,103	243,965	27,610	271,575	
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	
Purchase of treasury shares	-	-	(1,642)	-	-	-	-	-	-	(1,642)	-	(1,642)	
Resold of treasury shares	-	207	1,256	-	-	-	-	-	-	1,463	-	1,463	
Conversion of ICULS	564	564	-	(1,128)	-	-	-	-	-	-	-	-	
Transfer from ICULS liability	-	-	-	620	-	-	-	-	-	620	-	620	
Dividend paid	-	-	-	-	-	-	-	-	-	-	(183)	(183)	
Total comprehensive income for the period	-	-	-	-	-	-	(2,713)	(1,343)	7,129	3,073	1,036	4,109	
Balance as at 30 June 2017	65,590	14,639	(5,183)	25,732	20,946	(20,054)	12,871	(1,812)	136,119	248,848	29,767	278,615	

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
**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 2016. 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 2016.

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 2016 save for the following new MFRSs and amendments to MFRSs.

MFRS	Description	Effective dates for financial periods beginning on or after
Amendment to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
•	Amendments to MFRS 12	1 January 2017
•	Amendments to MFRS 1	1 January 2017
•	Amendments to MFRS128	1 January 2017
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
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 2017**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 2017 save for shares buy back, resold of own shares and conversion of ICULS to ordinary share.

At the Annual General Meeting held on 24 May 2017, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 30 June 2017, the Company repurchased of 1,515,000 own shares and resold of 1,250,000 own shares. The details of resold shares are as follows:-

	RM'000
Disposal value	1,463
Cost of shares	<u>(1,256)</u>
Gain on disposal	<u>207</u>

As at 30 June 2017, a total of 5,140,410 treasury shares, representing 3.92% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM5.183 million.

During the financial period ended 30 June 2017, 1,129,600 ICULS were converted by the registered ICULS holders to 1,129,600 new ordinary shares.

A7 Dividend paid

A first and final single tier dividend of 3.0 sen per share amounted RM3.782 million in respect of the financial year ended 31 December 2016 was paid on 13 July 2017.

A8 Material post balance sheet events

There was no material events subsequent to the end of the financial period ended 30 June 2017 as at the date of this report save for the followings:-

- i. On 13 July 2017, Unimech Capital Sdn. Bhd., a wholly owned subsidiary company of the Company had incorporated a new subsidiary company in Malaysia namely Valtrox Sanitary Equipment Sdn. Bhd. under the Companies Act 2016.
- ii. On 9 August 2017, Unimech Worldwide (Shanghai) Sdn. Bhd., a wholly owned subsidiary of the Company had subscribed 61 shares which representing 61.0% equity interest in Super Scene Limited for a cash consideration of HKD61.00 only.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

- iii. On 10 August 2017, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had acquired 100,200 ordinary shares representing 50.1% of the paid-up share capital of Huemech Industries Sdn. Bhd. from Mr. Lim Ka Waat, for a cash consideration of RM83,867 only.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 June 2017.

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 2016.

A11 Capital commitments

There were no material capital commitments as at 30 June 2017.

A12 Related party transactions

There were no related party transactions for the period ended 30 June 2017.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
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 Year Quarter 30 June 17 RM'000	Preceding Year Corresponding Quarter 30 June 16 RM'000	Changes RM'000 / %	Current Year to Date 30 June 17 RM'000	Preceding Year Corresponding Period 30 June 16 RM'000	Changes RM'000 / %
Revenue	59,869	59,849	20 / -	116,832	116,338	494 / 0.4%
Profit before tax	6,074	6,551	(447) / (7.3%)	12,030	12,471	(441) / (3.5%)

Current quarter

The Group reported revenue of RM59.869 million for the current quarter ended 30 June 2017 as compared to the preceding year corresponding quarter ended 30 June 2016 of RM59.849 million.

The Group recorded a profit before tax of RM6.074 million for the current quarter which was RM0.477 million or 7.3% lower as compared to the preceding year corresponding quarter of RM6.551 million. The decrease in profit before tax was due mainly to the allowance for the impairment of inventories amounted RM1.352 million.

Financial period-to-date

There is no significant change in revenue and profit before tax was reported by the Group for the financial period ended 30 June 2017. The Group reported revenue of RM116.832 million for the financial period ended 30 June 2017, representing an increase of RM0.494 million or 0.4% as compared to previous financial period ended 30 June 2016 of RM116.338 million. However, the profit before tax for financial period ended 30 June 2017 decreased by RM0.441 million or 3.5% to RM12.030 million as compared to previous financial period ended 30 June 2016 of RM12.471 million.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30 June 17 RM'000	Immediate Preceding Quarter 31 March 17 RM'000	Changes RM'000 / %
Revenue	59,869	56,963	2,906 / 5.1%
Profit before tax	6,074	5,956	118 / 2.0%

The revenue for the current quarter ended 30 June 2017 increased by 5.1% or RM2.906 million as compared to preceding quarter. Increase in revenue was due mainly to the increase demand in valves, instruments and fittings segment. The profit before tax increased by 2.0% or RM0.118 million as compared to preceding quarter ended 31 March 2017 which was in line with the increase in revenue.

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 2017 compared to preceding year corresponding period ended 30 June 2016.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
B4 Segment information

By business segment as at 30 June 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	86,306	7,028	12,685	10,813	-	116,832
Inter-segment revenue	24,408	3,482	1,650	50	(29,590)	-
Total revenue	110,714	10,510	14,335	10,863	(29,590)	116,832
Segment results	16,647	(716)	1,429	874	(800)	17,434
Unallocated expenses						(738)
Interest expense						(5,349)
Interest income						167
Share of results of associates						516
Profit before tax						12,030
Tax expense						(3,865)
Profit after tax						8,165
Non-controlling interests						(1,036)
Profit attributable to owners of the parent for financial period ended 30 June 2017						<u>7,129</u>
Segment assets	532,265	19,889	22,483	90,913	(224,844)	440,706
Segment liabilities	187,722	25,236	9,913	87,373	(148,153)	162,091

By business segment as at 30 June 2016

	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	87,465	5,102	13,523	10,248	-	116,338
Inter-segment revenue	28,491	1,533	1,665	91	(31,780)	-
Total revenue	115,956	6,635	15,188	10,339	(31,780)	116,338
Segment results	18,280	(1,093)	1,878	871	(1,200)	18,736
Unallocated expenses						(944)
Interest expense						(5,870)
Interest income						119
Share of results of associates						430
Profit before tax						12,471
Tax expense						(3,433)
Profit after tax						9,038
Non-controlling interests						(1,113)
Profit attributable to owners of the parent for financial period ended 30 June 2016						<u>7,925</u>
Segment assets	523,709	24,137	23,716	85,921	(206,864)	450,619
Segment liabilities	209,318	25,553	11,765	78,499	(146,091)	179,044

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
B5 Commentary on prospects for 2017

The year 2017 will likely remain challenging as there is still uncertainty which is the greatest threat to the world economy at the present with the escalation of costs due to inflation and fluctuation of exchange rates. Although the global economic conditions are expected to be still challenging, it is envisioned that the economy will continue to grow, albeit at a moderate pace. The Group's core business is not expected to be significantly adversely affected barring a drastic change in global economic conditions. The Group will continue with its competitive strategy of developing further on its own brands to enhance its market position. In addition, the Group will concentrate on improving the efficiency in operations to achieve the competitive edge in the market.

Taking into consideration the abovementioned factors and subject to the global economic conditions, the Board of Directors is of the view that the Group is optimistic of reporting a better performance and growth in the financial year ending 31 December 2017.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

	Current quarter 3 months ended 30-Jun-17 RM'000	Cumulative quarters 6 months ended 30-Jun-17 RM'000
Current period provision	1,242	3,653
Deferred tax	366	212
	1,608	3,865

The effective tax rate for 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 and not deductible expenses.

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 2017
B9 Group borrowings and debt securities
Total borrowings as at 30 June 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	-	-	-	4,668	-	4,668
Hire purchases	-	2,045	-	2,075	-	4,120
Revolving credits	-	-	-	30,463	-	30,463
Term loans	-	10,037	-	1,270	-	11,307
Trade lines	-	-	-	20,924	-	20,924
	-	12,082	-	59,400	-	71,482
<i>Singapore Dollar @ 3.119</i>						
Hire purchases	-	-	16	51	16	51
Term loans	-	-	87	271	87	271
	-	-	103	322	103	322
<i>Indonesia Rupiah @ 0.000322</i>						
Hire purchases	-	-	157,746	51	157,746	51
Term loans	7,193,609	2,316	279,407	90	7,437,016	2,406
Trade lines	-	-	103,507,935	33,330	103,507,935	33,330
	7,193,609	2,316	103,945,088	33,471	111,102,697	35,787
<i>Chinese Renminbi @ 0.6322</i>						
Hire purchases	-	-	83	52	83	52
Total secured		14,398		93,245		107,643
Unsecured						
<i>Indonesia Rupiah @ 0.000322</i>						
Revolving credits	-	-	16,648,750	5,361	16,648,750	5,361
<i>Thai Baht @ 0.1264</i>						
Trade lines	-	-	25,104	3,172	25,104	3,172
Total unsecured		-		8,533		8,533
Total borrowings		14,398		101,778		116,176

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
Total borrowings as at 30 June 2016

	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	-	-	-	1,995	-	1,995
Hire purchases	-	2,008	-	2,311	-	4,319
Revolving credits	-	-	-	46,191	-	46,191
Term loans	-	10,800	-	1,047	-	11,847
Trade lines	-	-	-	12,737	-	12,737
	-	12,808	-	64,281	-	77,089
<i>Singapore Dollar @ 2.898</i>						
Hire purchases	-	-	26	76	26	76
Term loans	123	355	79	228	202	583
	123	355	105	304	228	659
<i>Indonesia Rupiah @ 0.000305</i>						
Hire purchases	306,866	94	649,531	198	956,397	292
Term loans	11,072,131	3,377	1,038,616	354	12,110,747	3,731
Trade lines	-	-	36,163,934	11,030	36,163,934	11,030
	11,378,997	3,471	37,852,081	11,582	49,231,078	15,053
<i>Chinese Renminbi @ 0.6030</i>						
Hire purchases	-	-	557	336	557	336
Total secured		16,634		76,503		93,137
Unsecured						
<i>Indonesia Rupiah @ 0.000305</i>						
Revolving credits	-	-	93,500,000	28,517	93,500,000	28,517
<i>Thai Baht @ 0.1147</i>						
Trade lines	-	-	26,573	3,048	26,573	3,048
Total unsecured		-		31,565		31,565
Total borrowings		16,634		108,068		124,702

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 2017.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
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 30-Jun-17	Cumulative quarters 6 months ended 30-Jun-17
Profit for the period (RM’000)	4,466	8,165
Profit attributable to non-controlling interests (RM’000)	(370)	(1,036)
Profit attributable to owners of the parent (RM’000)	<u>4,096</u>	<u>7,129</u>
Weighted average number of ordinary shares in issue (’000)	<u>125,120</u>	<u>124,841</u>
Basic EPS (sen)	3.27	5.71

Diluted EPS

The diluted EPS is not calculated due to anti-dilutive effect as exercise price of the Warrants was higher than the market price of the ordinary shares as at 30 June 2017.

B14 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

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

	Current quarter 3 months ended 30-Jun-17 RM’000	Cumulative quarter 6 months ended 30-Jun-17 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Allowance for diminution in investment securities	46	110
Allowance for impairment of inventories	1,352	1,352
Bad debts recovered	(2)	(16)
Depreciation & amortization	1,880	3,742
Dividend income	-	46
Gain on disposal of investment securities	(177)	(380)
Gain on disposal of property, plant & equipment	(155)	(257)
(Gain)/Loss on foreign exchange – realised	68	(329)
Interest expense	2,873	5,349
Interest income	(80)	(167)
Rental income	<u>42</u>	<u>51</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017
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 90 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 30-Jun-17 (Unaudited) RM'000	As at 31-Dec-16 (Audited) RM'000
Neither past due nor impaired	34,924	39,678
<u>Pass due but not impaired</u>		
Less than 30 days	14,823	16,841
31 days to 60 days	10,302	11,704
More than 61 days	10,008	11,370
	<u>35,133</u>	<u>39,915</u>
	70,057	79,593
Impaired	4,605	4,605
	<u>74,662</u>	<u>84,198</u>

As at 30 June 2017, trade receivables of RM35,133 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 provision and write-off of trade receivables during the financial period ended 30 June 2017.

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 2017.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

B19 Breakdown of Realised and Unrealised Profits/Losses

	As at 30-Jun-17 (Unaudited) RM'000	As at 31-Dec-16 (Audited) RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	183,123	174,547
- Unrealised	(14,222)	(13,712)
Total share of retained profits from associate companies:		
- Realised	6,780	6,264
- Unrealised	-	-
	<hr/>	<hr/>
	175,681	167,099
Less: Consolidation Adjustments	(39,562)	(38,109)
Total group retained profits as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	136,119	128,990

By order of the Board

Dato' Lim Cheah Chooi
Chief Executive Director

Dated this 29th August 2017