


INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	As at 30-Jun-18 (Unaudited) RM'000	As at 31-Dec-17 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	105,312	109,499
Investment properties	309	312
Investment in associates	15,695	14,893
Investment securities	6,289	6,179
Intangible assets	4,088	4,047
Deferred tax assets	1,110	1,153
	<u>132,803</u>	<u>136,083</u>
Current assets		
Inventories	169,628	169,727
Trade and other receivables	97,023	105,510
Tax recoverable	494	1,728
Cash and bank balances	34,789	34,045
	<u>301,934</u>	<u>311,010</u>
TOTAL ASSETS	<u>434,737</u>	<u>447,093</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	84,322	80,287
Treasury shares	(7,765)	(6,479)
Irredeemable Convertible Unsecured Loan Stock ("ICULS") equity	22,918	26,333
Reserves	697	5,757
Retained earnings	145,024	136,879
Equity attributable to owners of the parent	<u>245,196</u>	<u>242,777</u>
Non-controlling interests	<u>32,290</u>	<u>29,585</u>
Total equity	<u>277,486</u>	<u>272,362</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	13,566	16,036
Deferred tax liabilities	655	674
	<u>14,221</u>	<u>16,710</u>
Current liabilities		
Trade and other payables	39,967	52,968
Bank borrowings	99,571	102,142
ICULS liabilities	774	1,548
Tax payable	2,718	1,363
	<u>143,030</u>	<u>158,021</u>
Total liabilities	<u>157,251</u>	<u>174,731</u>
TOTAL EQUITY AND LIABILITIES	<u>434,737</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 SECOND QUARTER ENDED 30 JUNE 2018

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR SIX MONTHS ENDED 30 JUNE 2018 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2018 RM '000	2017 RM '000	2018 RM '000	2017 RM '000
Revenue	63,466	59,869	131,401	116,832
Operating expenses	(53,317)	(52,745)	(112,075)	(102,523)
Other income	315	1,313	759	2,387
Operating profit	10,464	8,437	20,085	16,696
Interest expense	(2,755)	(2,873)	(4,807)	(5,349)
Interest income	68	80	134	167
Share of results of associates	400	430	870	516
Profit before tax	8,177	6,074	16,282	12,030
Taxation	(2,334)	(1,608)	(5,369)	(3,865)
Profit for the period	5,843	4,466	10,913	8,165
Profit attributable to:				
Owners of the parent	4,176	4,096	8,145	7,129
Non-controlling interests	1,667	370	2,768	1,036
Profit for the period	5,843	4,466	10,913	8,165
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	3.30	3.27	6.49	5.71
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 2017 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2018 RM '000	2017 RM '000	2018 RM '000	2017 RM '000
Profit for the period	5,843	4,466	10,913	8,165
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	222	(2,885)	(4,063)	(2,713)
Fair value movements on available for sale investments	(330)	(209)	(971)	(1,343)
Total comprehensive income for the period	5,735	1,372	5,879	4,109
Total comprehensive income attributable to:				
Owners of the parent	4,068	1,002	3,111	3,073
Non-controlling interests	1,667	370	2,768	1,036
	5,735	1,372	5,879	4,109

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 SECOND QUARTER ENDED 30 JUNE 2018

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED 30 JUNE 2018 (UNAUDITED)**

	Cumulative quarter 6 months ended 30 June	
	2018 RM'000	2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,282	12,030
Adjustments for:		
Non-cash items and non-operating items	7,929	7,299
Operating profit before working capital changes	24,211	19,329
Inventories	99	1,983
Receivables	8,487	3,408
Payables	(13,001)	(9,263)
Cash generated from operating activities	19,796	15,457
Interest paid	(4,807)	(5,349)
Net of tax paid	(2,702)	(3,033)
Net cash from operating activities	12,287	7,075
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	(41)	-
Dividend received	117	46
Interest received	134	167
Net of purchase and disposal of investment securities	(765)	2,187
Net of purchase and disposal of property, plant and equipment	(1,689)	(3,392)
Net cash used in investing activities	(2,244)	(992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(63)	(183)
Net of repurchase and disposal of treasury shares	(1,286)	(179)
Net changes in bank borrowings	(9,525)	(4,066)
Net cash used in financing activities	(10,874)	(4,428)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(831)	1,655
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	25,793	26,039
Effect of foreign exchange rates changes	2,366	2,421
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	27,328	30,115
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	34,789	34,783
Overdrafts	(7,461)	(4,668)
	27,328	30,115

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 SECOND QUARTER ENDED 30 JUNE 2018

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 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
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 liabilities	-	-	-	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
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	-	-	(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
Balance as at 30 June 2018	84,322	-	(7,765)	22,918	20,946	(20,054)	2,909	(3,104)	145,024	245,196	32,290	277,486

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 SECOND QUARTER ENDED 30 JUNE 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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

	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 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 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 period 30 June 2018, the Company repurchased 1,273,000 of its own shares.

As at 30 June 2018, a total of 7,658,810 treasury shares, representing 5.66% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM7.765 million.

During the financial year period 30 June 2018, 4,034,973 ICULS were converted by the registered ICULS holders to 4,034,973 new ordinary shares.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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.

A8 Material post balance sheet events

There was no material events subsequent to the end of the financial period ended 30 June 2018 as at the date of this report save for 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.

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 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.

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

	30-June-18
	RM'000
Authorised and not contracted for:	
Property, plant and equipment	5,481

A12 Related party transactions

There were no related party transactions for the period ended 30 June 2018.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
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 June 18 RM'000	Preceding Year Corresponding Quarter 30 June 17 RM'000	Changes RM'000 / %	Current Period to Date 30 June 18 RM'000	Preceding Year Corresponding Period 30 June 17 RM'000	Changes RM'000 / %
Revenue	63,466	59,869	3,597 / 6.0%	131,401	116,832	14,569 / 12.5%
Profit before tax	8,177	6,074	2,103 / 34.6%	16,282	12,030	4,252 / 35.3%

Current quarter

For the current quarter ended 30 June 2018, the Group recorded revenue of RM63.466 million, representing an increase of 6.0% over prior year corresponding quarter's revenue of RM59.869 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 34.6% to RM8.177 million from RM6.074 million reported in prior year corresponding quarter.

Financial period-to-date

The Group reported revenue of RM131.401 million for the financial period ended 30 June 2018, representing an increase of RM14.569 million or 12.5% as compared to previous financial period ended 30 June 2017 of RM116.832 million. The increase of the revenue was due principally to the increase in demand in the core business particularly in overseas market in Indonesia, Australia, Thailand and Vietnam.

In tandem with the increase in revenue coupled with lower expenses, the profit before tax for financial period ended 30 June 2018 improved by 35.3% to RM16.282 million as compared to last financial period ended 30 June 2017 of RM12.030 million.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30 June 18 RM'000	Immediate Preceding Quarter 31 March 18 RM'000	Changes RM'000 / %
Revenue	63,466	67,935	(4,469) / (6.6%)
Profit before tax	8,177	8,105	72 / 0.9%

The revenue for the current quarter ended 30 June 2018 decreased by 6.6% as compared to preceding quarter. The lower revenue was due mainly to lower demand in valves, instruments, fittings and pumps segments in the current quarter. However, no significant changes in profit before tax even though decrease in revenue was due mainly to lower expenses incurred 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 2018 compared to preceding year corresponding period ended 30 June 2017.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
B4 Segment information

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)	-
Total revenue	129,759	10,711	14,549	9,001	(32,619)	131,401
Segment results	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

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	15,909	(716)	1,429	874	(800)	16,696
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 year 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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
B5 Commentary on prospects for 2018

The year 2018 will likely remain challenging as there is remain uncertainty which is the greatest threat to the world economy at the present with escalation of costs due to inflation, volatility of global steel price and fluctuation of exchange rates. Although the global economic conditions are challenging, it is still expected to continue growing, albeit at a moderate pace. Barring a drastic change in the global economic conditions, the Group's core business is not expected to be significantly affected. 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.

Taking into consideration the abovementioned factors and subject to the global economic conditions, the Board of Directors is cautiously optimistic that the Group will report a satisfactory performance and growth for the financial year ending 31 December 2018.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

	Current quarter 3 months ended 30-June-18 RM'000	Cumulative quarters 6 months ended 30-June-18 RM'000
Current period provision	2,372	5,388
Deferred tax	(38)	(19)
	2,334	5,369

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 period under review.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
B9 Group borrowings and debt securities
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
Secured						
<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
Total secured		13,566		91,271		104,837
Unsecured						
<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
Total unsecured		-		8,300		8,300
Total borrowings		13,566		99,571		113,137

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018
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	-	3,400
Hire purchases	-	2,045	-	2,075	-	4,120
Revolving credits	-	-	-	30,463	-	32,747
Term loans	-	10,037	-	1,270	-	11,253
Trade lines	-	-	-	20,924	-	20,687
	-	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

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 2018.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30-Jun-18	Cumulative quarters 6 months ended 30-Jun-18
Profit for the period (RM’000)	5,843	10,913
Profit attributable to non-controlling interests (RM’000)	(1,667)	(2,768)
Profit attributable to owners of the parent (RM’000)	<u>4,176</u>	<u>8,145</u>
Weighted average number of ordinary shares in issue (’000)	<u>126,417</u>	<u>125,463</u>
Basic EPS (sen)	3.30	6.49

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 2018.

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 30-Jun-18 RM’000	Cumulative quarter 6 months ended 30-Jun-18 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Bad debts recovered	(41)	(41)
Allowance for impairment of inventories	1,500	2,250
Depreciation & amortization	1,588	3,282
Dividend income	(42)	(50)
Gain on disposal of investment securities	(1)	(83)
Gain on disposal of property, plant & equipment	-	(40)
Loss on foreign exchange – realised	414	831
Interest expense	2,755	2,807
Interest income	(68)	(134)
Property, plant and equipment written off	-	40
Rental income	(126)	(252)
Write back of allowance for diminution in investment securities	<u>20</u>	<u>(22)</u>



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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 30-Jun-18 (Unaudited) RM'000	As at 31-Dec-17 (Audited) RM'000
Neither past due nor impaired	34,104	37,777
<u>Pass due but not impaired</u>		
Less than 30 days	15,213	16,852
31 days to 60 days	10,938	12,116
More than 61 days	9,535	10,562
	<u>35,686</u>	<u>39,530</u>
	69,790	77,307
Impaired	3,965	3,965
	<u>73,755</u>	<u>81,272</u>

As at 30 June 2018, trade receivables of RM35.686 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 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 period ended 30 June 2018.

By order of the Board

Dato' Lim Cheah Chooi
Chief Executive Director

Dated this 29th August 2018