

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2017 RM '000	PRECEDING YEAR QUARTER 30/09/2016 RM '000	CURRENT YEAR TO DATE 30/09/2017 RM '000	PRECEDING YEAR TO DATE 30/09/2016 RM '000
Revenue	93,396	78,248	266,156	234,487
Operating expenses	(90,966)	(73,721)	(263,371)	(222,159)
Other operating income	680	1,139	5,342	3,211
Finance costs	(152)	(211)	(294)	(425)
Share of profit/(loss) of associates	100	(62)	(74)	(200)
Profit before tax (Note 17)	3,058	5,393	7,759	14,914
Tax expense	(594)	(1,175)	(4,664)	(3,016)
Profit for the period	2,464	4,218	3,095	11,898
Profit/(Loss) for the period attributable to:				
Owners of the Company	2,463	4,219	3,099	11,900
Non-controlling interests	1	(1)	(4)	(2)
	2,464	4,218	3,095	11,898
Earnings per share (sen):				
(a) Basic	0.93	1.60	1.17	4.51
(b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2017 RM '000	PRECEDING YEAR QUARTER 30/09/2016 RM '000	CURRENT YEAR TO DATE 30/09/2017 RM '000	PRECEDING YEAR TO DATE 30/09/2016 RM '000
Profit for the period	2,464	4,218	3,095	11,898
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
(Loss)/Gain on available-for-sale financial assets	(117)	881	220	112
Currency translation differences for foreign operations	393	3,469	(2,545)	(9,627)
Reclassification adjustments on:				
- Derecognition of available-for-sale financial assets	-	(64)	(170)	(170)
- Impairment of available-for-sale financial assets	9	-	9	344
- Dissolution of foreign operation	-	-	-	(4)
Other comprehensive income for the period	285	4,286	(2,486)	(9,345)
Total comprehensive income for the period	2,749	8,504	609	2,553
Total comprehensive income for the period attributable to:				
Owners of the Company	2,748	8,505	613	2,555
Non-controlling interests	1	(1)	(4)	(2)
	2,749	8,504	609	2,553

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

	AS AT 30/09/2017 RM '000	AS AT 31/12/2016 RM '000
Non-Current Assets		
Property, Plant and Equipment	147,701	151,386
Investment Properties	18,796	9,432
Goodwill	3,348	3,348
Investments in Associates	17,723	18,282
Available-for-sale Financial Assets	1,365	4,458
Land Held for Property Development	158,270	153,942
Deferred Tax Assets	973	973
	<u>348,176</u>	<u>341,821</u>
Current Assets		
Property Development Costs	62,952	61,501
Accrued Billings	8,121	6,103
Asset Held for Sale	-	400
Amounts Due from Customers for Contract Work	2,108	1,843
Inventories	71,162	48,869
Trade and Other Receivables	86,131	83,097
Prepayments	3,425	5,450
Current Tax Assets	3,095	3,732
Cash and Cash Equivalents	99,039	110,640
	<u>336,033</u>	<u>321,635</u>
Current Liabilities		
Trade and Other Payables	90,820	100,674
Loans and Borrowings	19,037	1,144
Amounts Due to Customers for Contract Work	3,793	4,841
Current Tax Liabilities	2,942	3,115
	<u>116,592</u>	<u>109,774</u>
Net Current Assets	219,441	211,861
Non-Current Liabilities		
Loans and Borrowings	29,774	15,134
Deferred Tax Liabilities	12,432	13,746
	<u>42,206</u>	<u>28,880</u>
Net Assets	<u>525,411</u>	<u>524,802</u>
Equity		
Share Capital	277,992	277,905
Treasury Shares	(18,089)	(18,089)
Reserves	265,505	264,979
Equity Attributable to Owners of the Company	525,408	524,795
Non-controlling Interests	3	7
Total Equity	<u>525,411</u>	<u>524,802</u>
Net Assets per Share Attributable to Owners of the Company (RM)	<u>1.99</u>	<u>1.99</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)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2017

	← Non-Distributable →						Distributable *		Equity attributable to owners of the Company RM '000	Non-controlling interests RM '000	Total equity RM '000
	Share capital RM '000	Treasury shares RM '000	Share premium RM '000	Capital reserve RM '000	Revaluation surplus RM '000	Fair value reserve RM '000	Currency translation reserve RM '000	Retained profits RM '000			
At 01/01/2017	277,905	(18,089)	87	12,741	38,929	(59)	43,478	169,803	524,795	7	524,802
Gain on available-for-sale financial assets	-	-	-	-	-	220	-	-	220	-	220
Currency translation differences for foreign operations	-	-	-	-	-	-	(2,545)	-	(2,545)	-	(2,545)
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(170)	-	-	(170)	-	(170)
- Impairment of available-for-sale financial assets	-	-	-	-	-	9	-	-	9	-	9
Other comprehensive income for the period	-	-	-	-	-	59	(2,545)	-	(2,486)	-	(2,486)
Profit/(Loss) for the period	-	-	-	-	-	-	-	3,099	3,099	(4)	3,095
Total comprehensive income for the period	-	-	-	-	-	59	(2,545)	3,099	613	(4)	609
Transfer to capital reserve **	-	-	-	187	-	-	-	(187)	-	-	-
Upon abolition of par value in compliance with Companies Act, 2016 ***	87	-	(87)	-	-	-	-	-	-	-	-
At 30/09/2017	277,992	(18,089)	-	12,928	38,929	-	40,933	172,715	525,408	3	525,411
At 01/01/2016	277,905	(18,038)	87	11,537	38,929	(21)	46,176	161,365	517,940	11	517,951
Gain on available-for-sale financial assets	-	-	-	-	-	112	-	-	112	-	112
Currency translation differences for foreign operations	-	-	-	-	-	-	(9,627)	-	(9,627)	-	(9,627)
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(170)	-	-	(170)	-	(170)
- Impairment of available-for-sale financial assets	-	-	-	-	-	344	-	-	344	-	344
- Dissolution of foreign operation	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Other comprehensive income for the period	-	-	-	-	-	286	(9,631)	-	(9,345)	-	(9,345)
Profit/(Loss) for the period	-	-	-	-	-	-	-	11,900	11,900	(2)	11,898
Total comprehensive income for the period	-	-	-	-	-	286	(9,631)	11,900	2,555	(2)	2,553
Purchase of own shares	-	(52)	-	-	-	-	-	-	(52)	-	(52)
Interim single tier dividend of 3.5 sen per share	-	-	-	-	-	-	-	(9,236)	(9,236)	-	(9,236)
Total transactions with owners	-	(52)	-	-	-	-	-	(9,236)	(9,288)	-	(9,288)
Transfer to capital reserve **	-	-	-	534	-	-	-	(534)	-	-	-
At 30/09/2016	277,905	(18,090)	87	12,071	38,929	265	36,545	163,495	511,207	9	511,216

* Retained profits as at 30 September 2017 and 30 September 2016 amounting to RM18,089,000, being the cost of treasury shares and RM18,003,000, being the excess of treasury shares over share premium respectively, were considered as non-distributable.

** This represents the amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

*** On 31 January 2017, in accordance with the Companies Act 2016, the concepts of "par value" and "authorised capital" were abolished and on that date, the shares of the Company ceased to have a par value. Consequently, the amount standing in the share premium account of RM87,000 has been transferred to the share capital account.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	CURRENT YEAR TO DATE 30/09/2017 RM '000	PRECEDING YEAR TO DATE 30/09/2016 RM '000
Cash flows from operating activities		
Profit before tax	7,759	14,914
Adjustments for:		
Bad debt written off	-	2
Depreciation	10,911	10,463
Dividend income	(9)	(32)
Fair value loss on contingent consideration	334	-
Gain on derecognition of available-for-sale financial assets	(170)	(170)
Gain on disposal of investment properties	(60)	(131)
Gain on dissolution of subsidiary	-	(4)
Impairment loss on available-for-sale financial assets	9	344
Interest expense	294	425
Interest income	(2,180)	(2,373)
Inventories written down	223	108
Loss/(Gain) on disposal of property, plant and equipment	73	(27)
Property, plant and equipment written off	-	4
Reversal of impairment loss on loans and receivables	(98)	(47)
Reversal of inventories written down	(125)	(187)
Share of loss of associates	74	200
Unrealised loss/(gain) on foreign exchange	1,791	(274)
	<u>18,826</u>	<u>23,215</u>
Operating profit before working capital changes		
Changes in:		
Property development costs	(5,779)	(47,882)
Accrued billings	(2,018)	(1,627)
Amounts due from/to customers for contract work	(1,313)	5,350
Inventories	(22,391)	(2,900)
Receivables and prepayments	(3,178)	3,323
Payables	(6,070)	8,150
Cash absorbed by operations	<u>(21,923)</u>	<u>(12,371)</u>
Tax paid	<u>(5,390)</u>	<u>(7,538)</u>
Tax refunded	<u>144</u>	<u>1,681</u>
	<u>(5,246)</u>	<u>(5,857)</u>
Net cash used in operating activities	(27,169)	(18,228)
Cash flows from investing activities		
Acquisition of associate	<u>(3,000)</u>	<u>(5,229)</u>
Acquisition of subsidiary, net of cash acquired	-	(3,504)
Dividends received	9	32
Interest received	2,180	2,373
Proceeds from disposal of available-for-sale financial assets	3,313	2,967
Proceeds from disposal of property, plant and equipment	151	29
Proceeds from disposal of investment properties	460	931
Purchase of available-for-sale financial assets	-	(592)
Purchase of property, plant and equipment	(7,941)	(5,880)
Purchase of investment property	<u>(9,364)</u>	<u>-</u>
Net cash used in investing activities	(14,192)	(8,873)
Cash flows from financing activities		
Changes in term deposits pledged as security	<u>5</u>	<u>115</u>
Dividend paid	-	(9,236)
Drawdown of term loans	14,288	15,800
Increase in short-term loans and borrowings (net)	17,342	166
Interest paid	(294)	(425)
Purchase of own shares	-	(52)
Repayment of term loan	(263)	-
Repayment of hire purchase obligations	<u>(112)</u>	<u>(8)</u>
Net cash from financing activities	30,966	6,360
Currency translation differences	<u>(1,982)</u>	<u>(5,578)</u>
Net decrease in cash and cash equivalents	(12,377)	(26,319)
Cash and cash equivalents brought forward	<u>107,685</u>	<u>133,250</u>
Cash and cash equivalents carried forward	<u>95,308</u>	<u>106,931</u>
Note:		
Cash and cash equivalents	98,258	109,558
Term deposits pledged as security	(2,950)	(2,627)
	<u>95,308</u>	<u>106,931</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

1. Basis of Preparation

The interim financial report has been prepared in accordance with requirements of FRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the year ended 31 December 2016 except for the adoption of the following Financial Reporting Standards ("FRSs"):

	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 12 <i>Disclosure of Interests in Other Entities</i> (Annual Improvements to FRS Standards 2014 - 2016 Cycle)	1 January 2017

The adoption of the above FRSs did not have any significant impacts on the financial statements of the Group.

In November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework. The issuance was made in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework is a fully IFRS-compliant framework and equivalent to IFRSs.

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including their parents, significant investors and joint venturers ("Transitioning Entities"). As announced by the MASB on 28 October 2015, Transitioning Entities are allowed to defer the adoption of the MFRS Framework to annual periods beginning on or after 1 January 2018.

Being a Transitioning Entity as defined above, the Group and the Company have elected to continue preparing their financial statements in accordance with the FRS Framework and will first present the financial statements in accordance with the MFRS Framework for the financial year ending 31 December 2018.

2. Audit Report

The preceding annual financial statements of the Group were reported on without any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and period ended 30 September 2017.

5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current year quarter and period ended 30 September 2017.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current year quarter and period ended 30 September 2017.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

7. Dividend Paid

On 30 August 2017, the Board of Directors proposed a distribution of one (1) treasury share for every twenty five (25) existing ordinary shares held ("Share Dividend"). The book closure date for the Share Dividend was 19 September 2017. The treasury shares distributed pursuant to the Share Dividend have been credited into the Depositor's securities accounts on 16 October 2017.

8. Segmental Reporting

Analysis by activity	Electronic	Property			Utility	Unallocated Non-Operating Segments RM '000	Group RM '000
	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Sale of Building Materials RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000		
Revenue							
Total revenue	215,742	13,544	5,730	1,245	29,534	4,280	270,075
Intersegment revenue	-	(83)	(14)	-	-	(3,822)	(3,919)
External revenue	215,742	13,461	5,716	1,245	29,534	458	266,156
Results							
Segment results	9,194	609	67	534	(1,954)	(2,503)	5,947
Interest income	1,624	47	8	-	53	448	2,180
Interest expense	(242)	(22)	(4)	-	(20)	(6)	(294)
Share of loss of associates	-	-	-	-	-	(74)	(74)
Profit/(Loss) before tax	10,576	634	71	534	(1,921)	(2,135)	7,759
Tax (expense)/income	(4,260)	(325)	(3)	(133)	-	57	(4,664)
Profit/(Loss) for the period	6,316	309	68	401	(1,921)	(2,078)	3,095
Assets							
Segment assets	308,774	271,695	4,950	22,396	23,658	30,945	662,418
Associates	-	-	-	-	-	17,723	17,723
Income tax assets	2	2,111	28	-	1,926	1	4,068
Total assets	308,776	273,806	4,978	22,396	25,584	48,669	684,209
Liabilities							
Segment liabilities	47,424	20,742	1,306	99	8,975	16,067	94,613
Loans and borrowings	21,212	25,965	-	-	1,130	504	48,811
Income tax liabilities	13,189	932	2	132	-	1,119	15,374
Total liabilities	81,825	47,639	1,308	231	10,105	17,690	158,798

9. Subsequent Material Events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

10. Changes in the Composition of the Group

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

11. Contingent Liabilities or Contingent Assets

The Group has no contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date.

12. Significant Related Party Transactions

Significant transactions with related parties during the period ended 30 September 2017 are as follow:

	30/09/2017 RM '000
Purchase of goods from other related party (a)	6,290
Purchase of property, plant and equipment from other related party (b)	17
Receiving of services from other related parties (b)	682
Renting of premises from other related party (a)	108
Sale of goods to other related party (a)	880

(a) Being companies in which certain directors have substantial financial interests

(b) Being companies in which close family members of certain directors have substantial financial interests

13. Review of the Performance

Operating Segment	Current Year Quarter 30/09/2017 RM '000	Preceding Year Quarter 30/09/2016 RM '000	Changes RM '000	Current Year To Date 30/09/2017 RM '000	Preceding Year To Date 30/09/2016 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	77,460	67,189	10,271	215,742	195,835	19,907
Property						
- Property development	6,606	3,004	3,602	13,461	11,247	2,214
- Sale of building materials	1,802	1,758	44	5,716	6,014	(298)
- Cultivation of oil palm	390	316	74	1,245	1,052	193
Utility						
- Water and wastewater treatment	6,959	5,915	1,044	29,534	20,054	9,480
Unallocated non-operating segments	179	66	113	458	285	173
Total	93,396	78,248	15,148	266,156	234,487	31,669
Profit/(Loss) before tax						
Electronic						
- Manufacture of printed circuit boards	4,077	7,434	(3,357)	10,576	19,019	(8,443)
Property						
- Property development	525	(108)	633	634	(41)	675
- Sale of building materials	35	(22)	57	71	212	(141)
- Cultivation of oil palm	141	99	42	534	377	157
Utility						
- Water and wastewater treatment	(1,197)	(829)	(368)	(1,921)	(2,190)	269
Unallocated non-operating segments	(523)	(1,181)	658	(2,135)	(2,463)	328
Total	3,058	5,393	(2,335)	7,759	14,914	(7,155)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

13. Review of the Performance (cont'd)

a) Current Year Quarter vs Preceding Year Quarter

The Group's profit before tax of RM 3.1 million for the current year quarter ended 30 September 2017 was RM 2.3 million lower than the profit before tax of RM 5.4 million for the preceding year quarter mainly due to lower contribution from Electronic and Utility Divisions which was partly offset by improved contribution from Property Division and share of profit of associates.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 30 September 2017 compared to the preceding year quarter is as follows:

i) Manufacture of printed circuit boards

Profit before tax reduced to RM 4.1 million from RM 7.4 million mainly due to the rising cost of raw materials and production overheads coupled with unfavourable foreign exchange of RM 1.2 million on weaker USD.

ii) Property development

The profit before tax of RM 0.5 million was in line with higher residential property units sold.

iii) Sale of building materials

The profit before tax of RM 0.04 million was mainly due to higher purchase incentive.

iv) Cultivation of oil palm

Profit before tax increased to RM 0.14 million from RM 0.10 million mainly driven by higher FFB output.

v) Water and wastewater treatment

Loss before tax increased to RM 1.2 million from RM 0.8 million mainly due to slower construction progress for higher margin water projects and increase in administrative expenses.

vi) Unallocated non-operating segments

Loss before tax reduced to RM 0.5 million from RM 1.2 million mainly due to favourable foreign exchange of RM0.3 million on weaker USD, positive contribution from associates and excluding the finance cost of RM 0.2 million recorded in the preceding year quarter.

b) Current Year To Date vs Preceding Year To Date

For the period ended 30 September 2017, the Group recorded a lower profit before tax of RM 7.8 million compared to RM 14.9 million for the preceding year to date mainly due to lower contribution from Electronic Division.

Detailed analysis of the performance of the Group's operating segments for the period ended 30 September 2017 compared to the preceding year to date is as follows:

i) Manufacture of printed circuit boards

Profit before tax reduced to RM 10.6 million from RM 19.0 million mainly attributed to higher cost of raw materials and production overheads coupled with unfavourable foreign exchange of RM 0.7 million on weaker USD.

ii) Property development

The profit before tax of RM 0.6 million was mainly contributed by liquidated ascertained damages claim of RM 1.0 million.

iii) Sale of building materials

Profit before tax reduced to RM 0.07 million from RM 0.21 million mainly due to lower purchase incentive and unfavourable sales mix.

iv) Cultivation of oil palm

Profit before tax increased to RM 0.5 million from RM 0.4 million mainly boosted by higher FFB output and average CPO prices.

v) Water and wastewater treatment

Loss before tax reduced to RM 1.9 million from RM 2.2 million in line with higher percentage of completion for water projects but partly offset by higher administrative expenses.

vi) Unallocated non-operating segments

Loss before tax reduced to RM 2.1 million from RM 2.5 million mainly due to lower impairment loss on available-for-sale financial assets of RM 0.3 million.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

14. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	Current Year Quarter 30/09/2017	Immediate Preceding Quarter 30/06/2017	Changes
	RM'000	RM'000	RM'000
Revenue	93,396	90,612	2,784
Profit Before Tax	3,058	1,818	1,240

As compared to the immediate preceding quarter, the Group's profit before tax increased to RM 3.1 million from RM 1.8 million mainly due to improved contribution from Property Division on the back of higher residential property units sold.

15. Prospects for 2017

Electronic Division anticipates a slow down in demand for PCBs in the last quarter of 2017.

Property Division anticipates property sales to remain soft in the last quarter of 2017 amidst stricter lending conditions imposed by the financial institutions.

Utility Division expects positive earnings on higher construction progress for existing water projects in the last quarter of 2017.

Going forward, the Group foresees a tough operating environment in the last quarter of 2017.

16. Variance from Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

17. Profit Before Tax

	Current Year Quarter 30/09/2017 RM'000	Current Year To Date 30/09/2017 RM'000
Profit before tax is arrived at after charging:		
- Interest expense	152	294
- Depreciation	3,673	10,911
- Fair value loss on contingent consideration	70	334
- Impairment loss on loans and receivables	-	-
- Inventories written down	138	223
- Inventories written off	-	-
- Impairment loss on available-for-sale financial assets	9	9
- Loss on disposal of property, plant and equipment	42	73
- Property, plant and equipment written off	-	-
- Loss on foreign exchange - realised	-	-
- Loss on foreign exchange - unrealised	364	1,791
- Loss on financial instruments at fair value through profit or loss	-	-
- Exceptional items	-	-
and crediting:		
- Interest income	700	2,180
- Dividend income	-	9
- Gain on disposal of property, plant and equipment	-	-
- Gain on disposal of investment properties	-	60
- Gain on derecognition of available-for-sale financial assets	-	170
- Gain on foreign exchange - realised	98	933
- Gain on foreign exchange - unrealised	-	-
- Reversal of impairment loss on loans and receivables	-	98
- Reversal of inventories written down	75	125
- Gain on derivatives	-	-

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

18. Taxation

Taxation comprises:

	Current Year Quarter 30/09/2017 RM '000	Current Year To Date 30/09/2017 RM '000
Current income tax	(798)	(3,189)
Withholding tax on dividend income from foreign subsidiary	-	(2,656)
Deferred tax	204	1,181
	<u>(594)</u>	<u>(4,664)</u>

The Group's effective tax rates differ from the statutory tax rate mainly because:

- (i) certain income and expenses which are not taxable and allowable;
- (ii) utilisation of reinvestment allowances by certain subsidiary; and
- (iii) withholding tax on dividend income from foreign subsidiary.

19. Status of Corporate Proposals

There were no corporate proposals as at the date of this announcement.

20. Group Borrowings and Debt Securities

The details of the Group borrowings and debt securities are as follows:

	As at 30 September 2017					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
Secured						
Bank Overdraft	-	-	-	781	-	781
Term Loans	-	28,993	-	789	-	29,782
Hire Purchase Payables	-	781	-	125	-	906
	-	29,774	-	1,695	-	31,469
Unsecured						
Revolving Credit	-	-	-	10,000	-	10,000
Bankers Acceptance	-	-	-	1,130	-	1,130
Foreign Currency Trust Receipts						
- USD240,212 @ 4.2720	-	-	1,026	-	1,026	-
- USD612,077 @ 4.2805	-	-	2,620	-	2,620	-
Onshore Foreign Currency Loans						
- USD600,645 @ 4.2720	-	-	2,566	-	2,566	-
	-	-	6,212	11,130	6,212	11,130
Total	-	29,774	6,212	12,825	6,212	42,599

	As at 30 September 2016					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
Secured						
Term Loan	-	15,800	-	-	-	15,800
Hire Purchase Payables	-	409	-	83	-	492
	-	16,209	-	83	-	16,292
Unsecured						
Bankers Acceptance	-	-	-	166	-	166
Total	-	16,209	-	249	-	16,458

	As at 30 September 2017			As at 30 September 2016		
	Effective Interest Rate As at 30 September 2017 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 30 September 2016 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
	Term Loans	4.63% ~ 5.88%	29,782	-	4.96%	15,800
Revolving Credit	4.38%	-	10,000	-	-	-
Bankers Acceptance	4.87%	-	1,130	4.71%	-	166
Bank Overdraft	5.25%	-	781	-	-	-
Foreign Currency Trust Receipts	2.28% ~ 2.29%	-	3,646	-	-	-
Onshore Foreign Currency Loans	2.69% ~ 2.77%	-	2,566	-	-	-
Hire Purchase Payables	4.66% ~ 4.83%	-	906	4.66%	-	492
Total		29,782	19,029		15,800	658
%		61.01%	38.99%		96.00%	4.00%

Compared to the period ended 30 September 2016, the Group obtained additional term loans of RM 14.0 million to finance property development projects and purchase of machineries, revolving credit of RM 10.0 million, foreign currency trust receipts of RM 3.6 million, onshore foreign currency loans of RM 2.6 million, bankers acceptance of RM 1.0 million and bank overdraft of RM 0.8 million for working capital whilst hire purchase arrangement of RM 0.4 million was utilised to finance the acquisition of motor vehicles.

The short term foreign currency trust receipts which are denominated in foreign currency are not hedged as the Group maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

21. Financial Instruments

a) Derivatives

There were no outstanding derivatives as at 30 September 2017.

b) Gains/(Losses) arising from Fair Value Changes of Financial Liabilities

There were no gains/(losses) arising from fair value changes of financial liabilities for the current year quarter and period ended 30 September 2017.

c) Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

- i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- iii) Level 3 - unobservable inputs for the asset or liability.

The fair value measurement of financial instruments at the end of the reporting period are as follows:

i) Available-for-sale financial assets

	30/09/2017 RM '000
Shares quoted in Malaysia - at fair value	1,315
Unquoted shares - at cost less impairment losses	50
	<u>1,365</u>

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of unquoted investments cannot be reliably measured due to the lack of quoted prices in active markets for identical instruments. In addition, the variability in the range of reasonable fair value measurements is expected to be significant and the probabilities of the various estimates within the range cannot be reasonably assessed.

ii) Other financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

There were no transfers between Level 1 and Level 2 during the period ended 30 September 2017.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

22. Breakdown of Realised and Unrealised Profits or Losses of the Group

The breakdown of the retained profits of the Group as at 30 September 2017, into realised and unrealised profits, pursuant to the directive of Bursa Malaysia Securities Berhad, is as follows:

	As at 30/09/2017 RM'000	As at 31/12/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	266,039	259,720
- Unrealised	1,367	3,614
	267,406	263,334
Total share of retained profits of associates:		
- Realised	4,883	4,957
- Unrealised	-	-
	272,289	268,291
Consolidation adjustments and eliminations	(99,574)	(98,488)
Total retained profits as per statement of financial position	172,715	169,803

The segregation of realised and unrealised profits or losses is based on Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", issued by the Malaysian Institute of Accountants on 20 December 2010.

23. Material Litigation

There was no material litigation against the Group as at 30 September 2017.

24. Earnings Per Share

	Current Year Quarter 30/09/2017	Current Year To Date 30/09/2017
Profit attributable to owners of the Company (RM '000)	2,463	3,099
Number of ordinary shares in issue at the beginning of the period ('000)	263,810	263,810
Effect of shares purchased ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	263,810	263,810
Basic earnings per share (sen)	0.93	1.17

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and period ended 30 September 2017.

25. Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report on 21 November 2017.