

# GUH HOLDINGS BERHAD (Company No. 4104-W)

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2017 RM '000	PRECEDING YEAR QUARTER 31/12/2016 RM '000	CURRENT YEAR TO DATE 31/12/2017 RM '000	PRECEDING YEAR TO DATE 31/12/2016 RM '000
Revenue	89,904	80,633	356,060	315,120
Operating expenses	(94,718)	(77,588)	(358,089)	(299,747)
Other operating income	3,089	4,446	8,431	7,657
Finance costs	(367)	408	(661)	(17)
Share of (loss)/profit of associates	(57)	403	(131)	203
(Loss)/Profit before tax (Note 17)	(2,149)	8,302	5,610	23,216
Tax expense	(2,695)	(1,326)	(7,359)	(4,342)
(Loss)/Profit for the period/financial year	(4,844)	6,976	(1,749)	18,874
(Loss)/Profit for the period/financial year attributable to:				
Owners of the Company	(4,843)	6,978	(1,744)	18,878
Non-controlling interests	(1)	(2)	(5)	(4)
	(4,844)	6,976	(1,749)	18,874
(Loss)/Earnings per share (sen):				
(a) Basic	(1.77)	2.54	(0.64)	6.88
(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 YEAR ENDED 31 DECEMBER 2017

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31/12/2017 RM '000	PRECEDING YEAR QUARTER 31/12/2016 RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/12/2017 RM '000	PRECEDING YEAR TO DATE 31/12/2016 RM '000
(Loss)/Profit for the period/financial year	(4,844)	6,976	(1,749)	18,874
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Loss on available-for-sale financial assets	(674)	(295)	(454)	(183)
Currency translation differences for foreign operations	(2,996)	6,937	(5,541)	(2,694)
Reclassification adjustments on:				
- Derecognition of available-for-sale financial assets	-	(30)	(170)	(200)
- Impairment of available-for-sale financial assets	675	1	684	345
- Dissolution of foreign operation	-	(4)	-	(4)
Other comprehensive income for the period/financial year	(2,995)	6,609	(5,481)	(2,736)
Total comprehensive income for the period/financial year	(7,839)	13,585	(7,230)	16,138
Total comprehensive income for the period/financial year attributable to:				
Owners of the Company	(7,838)	13,587	(7,225)	16,142
Non-controlling interests	(1)	(2)	(5)	(4)
	(7,839)	13,585	(7,230)	16,138

(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 31 DECEMBER 2017**

	AS AT 31/12/2017 RM '000	AS AT 31/12/2016 RM '000
<b>Non-Current Assets</b>		
Property, Plant and Equipment	156,057	151,386
Investment Properties	18,714	9,432
Goodwill	-	3,348
Investments in Associates	17,358	18,282
Available-for-sale Financial Assets	641	4,458
Land Held for Property Development	166,594	153,942
Deferred Tax Assets	55	973
	<hr/>	<hr/>
	359,419	341,821
<b>Current Assets</b>		
Property Development Costs	60,166	61,501
Accrued Billings	7,761	6,103
Asset Held for Sale	-	400
Amounts Due from Customers for Contract Work	481	1,843
Inventories	66,951	48,869
Trade and Other Receivables	84,553	83,097
Prepayments	1,683	5,450
Current Tax Assets	2,214	3,732
Cash and Cash Equivalents	96,220	110,640
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	320,029	321,635
<b>Current Liabilities</b>		
Trade and Other Payables	99,347	100,674
Loans and Borrowings	25,328	1,144
Amounts Due to Customers for Contract Work	1,378	4,841
Current Tax Liabilities	3,811	3,115
	<hr/>	<hr/>
	129,864	109,774
<b>Net Current Assets</b>	190,165	211,861
<b>Non-Current Liabilities</b>		
Loans and Borrowings	19,913	15,134
Deferred Tax Liabilities	12,099	13,746
	<hr/>	<hr/>
	32,012	28,880
<b>Net Assets</b>	<hr/> <hr/>	<hr/> <hr/>
	517,572	524,802
<b>Equity</b>		
Share Capital	277,992	277,905
Treasury Shares	(4,546)	(18,089)
Reserves	244,124	264,979
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<b>Equity Attributable to Owners of the Company</b>	517,570	524,795
Non-controlling Interests	2	7
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<b>Total Equity</b>	517,572	524,802
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<b>Net Assets per Share Attributable to Owners of the Company (RM)</b>	1.89	1.99

**(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 YEAR ENDED 31 DECEMBER 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
Transfer from share premium upon abolition of par value	87	-	(87)	-	-	-	-	-	-	-	-
Loss on available-for-sale financial assets	-	-	-	-	-	(454)	-	-	(454)	-	(454)
Currency translation differences for foreign operations	-	-	-	-	-	-	(5,541)	-	(5,541)	-	(5,541)
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(170)	-	-	(170)	-	(170)
- Impairment of available-for-sale financial assets	-	-	-	-	-	684	-	-	684	-	684
Other comprehensive income for the financial year	-	-	-	-	-	60	(5,541)	-	(5,481)	-	(5,481)
Loss for the financial year	-	-	-	-	-	-	-	(1,744)	(1,744)	(5)	(1,749)
Total comprehensive income for the financial year	-	-	-	-	-	60	(5,541)	(1,744)	(7,225)	(5)	(7,230)
Distribution of treasury shares as share dividends (representing total transaction with owners)	-	13,543	-	-	-	-	-	(13,543)	-	-	-
Transfer to capital reserve **	-	-	-	66	-	-	-	(66)	-	-	-
At 31/12/2017	277,992	(4,546)	-	12,807	38,929	1	37,937	154,450	517,570	2	517,572
At 01/01/2016	277,905	(18,038)	87	11,537	38,929	(21)	46,176	161,365	517,940	11	517,951
Loss on available-for-sale financial assets	-	-	-	-	-	(183)	-	-	(183)	-	(183)
Currency translation differences for foreign operations	-	-	-	-	-	-	(2,694)	-	(2,694)	-	(2,694)
Reclassification adjustments on:											
- Derecognition of available-for-sale financial assets	-	-	-	-	-	(200)	-	-	(200)	-	(200)
- Impairment of available-for-sale financial assets	-	-	-	-	-	345	-	-	345	-	345
- Dissolution of foreign operation	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Other comprehensive income for the financial year	-	-	-	-	-	(38)	(2,698)	-	(2,736)	-	(2,736)
Profit/(Loss) for the financial year	-	-	-	-	-	-	-	18,878	18,878	(4)	18,874
Total comprehensive income for the financial year	-	-	-	-	-	(38)	(2,698)	18,878	16,142	(4)	16,138
Purchase of own shares	-	(51)	-	-	-	-	-	-	(51)	-	(51)
Interim single tier dividend of 3.5 sen per share	-	-	-	-	-	-	-	(9,236)	(9,236)	-	(9,236)
Total transactions with owners	-	(51)	-	-	-	-	-	(9,236)	(9,287)	-	(9,287)
Transfer to capital reserve **	-	-	-	1,204	-	-	-	(1,204)	-	-	-
At 31/12/2016	277,905	(18,089)	87	12,741	38,929	(59)	43,478	169,803	524,795	7	524,802

\* Retained profits as at 31 December 2017 and 31 December 2016 amounting to RM4,546,000, being the cost of treasury shares and RM18,002,000, 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.

(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 YEAR ENDED 31 DECEMBER 2017**

	CURRENT YEAR TO DATE 31/12/2017 RM '000	PRECEDING YEAR TO DATE 31/12/2016 RM '000
Cash flows from operating activities		
Profit before tax	5,610	23,216
Adjustments for:		
Depreciation	13,935	14,146
Dividend income	(9)	(173)
Gain on derecognition of available-for-sale financial assets	(170)	(200)
Gain on disposal of investment properties	(60)	(131)
Gain on dissolution of subsidiary	-	(4)
Gain on fair value adjustment of investment properties	(2,223)	(1,732)
Impairment loss on available-for-sale financial assets	734	345
Impairment loss on goodwill	3,348	-
Impairment loss on receivables	-	2
Interest expense	661	17
Interest income	(2,786)	(3,100)
Inventories written down	264	757
Loss/(Gain) on disposal of property, plant and equipment	72	(108)
Loss on disposal of land held for property development	-	351
Loss on fair value adjustment of contingent consideration	391	442
Property, plant and equipment written off	-	7
Reversal of impairment loss on receivables	(103)	(47)
Reversal of inventories written down	(184)	(583)
Share of loss/(profit) of associates	131	(203)
Unrealised loss/(gain) on foreign exchange	1,473	(980)
Waiver of debt	(34)	-
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Operating profit before working capital changes	21,050	32,022
Changes in:		
Property development costs	(2,307)	(62,215)
Accrued billings	(1,658)	293
Amounts due from/to customers for contract work	(2,101)	5,422
Inventories	(18,162)	(4,793)
Receivables and prepayments	(3,579)	(1,285)
Payables	2,954	17,654
Cash absorbed by operations	(3,803)	(12,902)
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Tax paid	(6,161)	(8,173)
Tax refunded	721	818
	(5,440)	(7,355)
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Net cash used in operating activities	(9,243)	(20,257)
Cash flows from investing activities		
Acquisition of associate	-	(5,229)
Acquisition of subsidiary, net of cash acquired	-	(3,504)
Additions of investment properties	(11,412)	-
Contingent consideration paid	(3,000)	-
Dividends received	9	173
Interest received	2,786	3,100
Proceeds from disposal of available-for-sale financial assets	3,313	3,831
Proceeds from disposal of investment properties	460	931
Proceeds from disposal of land held for property development	-	48
Proceeds from disposal of property, plant and equipment	204	110
Purchase of available-for-sale financial assets	-	(592)
Purchase of property, plant and equipment	(20,593)	(8,825)
Net cash used in investing activities	(28,233)	(9,957)
Cash flows from financing activities		
Changes in term deposits pledged as security	84	(213)
Dividend paid	-	(9,236)
Drawdown of term loans	14,288	15,800
Increase in short-term loans and borrowings (net)	14,832	-
Interest paid	(1,671)	(619)
Purchase of own shares	-	(51)
Repayment of hire purchase obligations	(164)	(22)
Repayment of term loan	(1,052)	-
Net cash from financing activities	26,317	5,659
Currency translation differences	(3,738)	(1,010)
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Net decrease in cash and cash equivalents	(14,897)	(25,565)
Cash and cash equivalents brought forward	107,685	133,250
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Cash and cash equivalents carried forward	92,788	107,685
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Note:		
Cash and cash equivalents	96,220	110,640
Bank overdraft	(561)	-
Term deposits pledged as security	(2,871)	(2,955)
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	92,788	107,685

**(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 YEAR ENDED 31 DECEMBER 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**

Other than the impairment loss on goodwill of RM 3.3 million, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and year ended 31 December 2017.

**5. Changes in Estimates**

There were no changes in the estimates that have a material effect in the current year quarter and year ended 31 December 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 year ended 31 December 2017.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 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 were 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	285,355	19,379	7,682	1,882	41,405	29,739	385,442
Intersegment revenue	-	(110)	(18)	-	(97)	(29,157)	(29,382)
External revenue	285,355	19,269	7,664	1,882	41,308	582	356,060
Results							
Segment results	10,440	1,089	94	893	(6,526)	(2,374)	3,616
Interest income	2,066	77	10	-	60	573	2,786
Interest expense	(479)	(146)	(4)	-	(20)	(12)	(661)
Share of loss of associates	-	-	-	-	-	(131)	(131)
Profit/(Loss) before tax	12,027	1,020	100	893	(6,486)	(1,944)	5,610
Tax expense	(5,712)	(433)	(3)	(215)	(973)	(23)	(7,359)
Profit/(Loss) for the financial year	6,315	587	97	678	(7,459)	(1,967)	(1,749)
Assets							
Segment assets	312,654	268,489	4,706	22,705	20,005	31,262	659,821
Associates	-	-	-	-	-	17,358	17,358
Income tax assets	225	1,639	28	-	376	1	2,269
Total assets	312,879	270,128	4,734	22,705	20,381	48,621	679,448
Liabilities							
Segment liabilities	54,551	16,767	1,124	110	10,411	17,762	100,725
Loans and borrowings	19,832	24,941	-	-	-	468	45,241
Income tax liabilities	14,141	468	2	136	-	1,163	15,910
Total liabilities	88,524	42,176	1,126	246	10,411	19,393	161,876

**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 YEAR ENDED 31 DECEMBER 2017**

**10. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the year ended 31 December 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 year ended 31 December 2017 are as follow:

	31/12/2017 RM '000
Purchase of goods from other related parties (a)(b)	8,398
Purchase of property, plant and equipment from other related parties (a)(b)	52
Receiving of services from other related parties (b)	895
Renting of premises from other related party (a)	144
Sale of goods to other related party (a)	1,245
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(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 31/12/2017 RM '000	Preceding Year Quarter 31/12/2016 RM '000	Changes RM '000	Current Year To Date 31/12/2017 RM '000	Preceding Year To Date 31/12/2016 RM '000	Changes RM '000
<b>Revenue</b>						
<b>Electronic</b>						
- Manufacture of printed circuit boards	69,613	68,864	749	285,355	264,699	20,656
<b>Property</b>						
- Property development	5,808	3,563	2,245	19,269	14,810	4,459
- Sale of building materials	1,948	1,979	(31)	7,664	7,993	(329)
- Cultivation of oil palm	637	374	263	1,882	1,426	456
<b>Utility</b>						
- Water and wastewater treatment	11,774	5,686	6,088	41,308	25,740	15,568
Unallocated non-operating segments	124	167	(43)	582	452	130
<b>Total</b>	<b>89,904</b>	<b>80,633</b>	<b>9,271</b>	<b>356,060</b>	<b>315,120</b>	<b>40,940</b>
<b>Profit/(Loss) before tax</b>						
<b>Electronic</b>						
- Manufacture of printed circuit boards	1,451	9,378	(7,927)	12,027	28,397	(16,370)
<b>Property</b>						
- Property development	386	1,616	(1,230)	1,020	1,575	(555)
- Sale of building materials	29	(5)	34	100	207	(107)
- Cultivation of oil palm	359	105	254	893	482	411
<b>Utility</b>						
- Water and wastewater treatment	(4,565)	(1,084)	(3,481)	(6,486)	(3,274)	(3,212)
Unallocated non-operating segments	191	(1,708)	1,899	(1,944)	(4,171)	2,227
<b>Total</b>	<b>(2,149)</b>	<b>8,302</b>	<b>(10,451)</b>	<b>5,610</b>	<b>23,216</b>	<b>(17,606)</b>



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. **Review of the Performance (cont'd)**

**a) Current Year Quarter vs Preceding Year Quarter**

The Group recorded a loss before tax of RM 2.1 million for the current year quarter ended 31 December 2017 compared to profit before tax of RM 8.3 million for the preceding year quarter mainly due to impairment loss on goodwill of RM 3.3 million and lower contribution from Electronic Division.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 December 2017 compared to the preceding year quarter is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax reduced to RM 1.5 million from RM 9.4 million mainly due to the rising cost of raw materials and production overheads coupled with unfavourable foreign exchange of RM 4.3 million on weaker USD.

ii) **Property development**

Excluding the gain on fair value adjustment of investment properties of RM 1.6 million in the preceding year quarter, profit before tax of RM 0.4 million was mainly due to liquidated ascertained damages claim of RM 1.0 million offset by higher administrative expenses.

iii) **Sale of building materials**

The profit before tax of RM 0.03 million was mainly due to favourable sales mix.

iv) **Cultivation of oil palm**

Profit before tax increased to RM 0.4 million from RM 0.1 million mainly driven by higher FFB output.

v) **Water and wastewater treatment**

Excluding the impairment loss on goodwill of RM 3.3 million, loss before tax increased to RM 1.2 million from RM 1.1 million mainly due to higher administrative expenses despite improvement in construction progress for water projects.

vi) **Unallocated non-operating segments**

The positive variance in profit before tax of RM 1.9 million was mainly due to gain on fair value adjustment of investment properties of RM 2.1 million.

**b) Current Year To Date vs Preceding Year To Date**

For the year ended 31 December 2017, the Group recorded a lower profit before tax of RM 5.6 million compared to RM 23.2 million for the preceding year mainly due to lower contribution from Electronic and Utility Divisions.

Detailed analysis of the performance of the Group's operating segments for the year ended 31 December 2017 compared to the preceding year is as follows:

i) **Manufacture of printed circuit boards**

Profit before tax reduced to RM 12.0 million from RM 28.4 million mainly attributed to higher cost of raw materials and production overheads coupled with unfavourable foreign exchange of RM 5.0 million on weaker USD.

ii) **Property development**

Excluding the gain on fair value adjustment of investment properties of RM 1.6 million in the preceding year, profit before tax of RM 1.0 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 0.1 million from RM 0.2 million mainly due to lower purchase incentive.

iv) **Cultivation of oil palm**

Profit before tax increased to RM 0.9 million from RM 0.5 million mainly boosted by higher FFB output and average CPO prices.

v) **Water and wastewater treatment**

Excluding the impairment loss on goodwill of RM 3.3 million, loss before tax decreased to RM 3.1 million from RM 3.3 million mainly due to higher percentage of completion for water projects which was partly offset by escalating administrative expenses.

vi) **Unallocated non-operating segments**

Loss before tax reduced to RM 1.9 million from RM 4.2 million mainly due to gain on fair value adjustment of investment properties of RM 2.1 million.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	Current Year Quarter 31/12/2017 RM'000	Immediate Preceding Quarter 30/09/2017 RM'000	Changes RM'000
Revenue	89,904	93,396	(3,492)
(Loss)/Profit Before Tax	(2,149)	3,058	(5,207)

The Group recorded a loss before tax of RM 2.1 million for the current year quarter compared to profit before tax of RM 3.1 million for the immediate preceding quarter mainly due to impairment loss on goodwill of RM 3.3 million coupled with lower contribution from Electronic Division.

**15. Prospects for 2018**

Electronic Division foresees a growth in demand for PCBs in 2018.

Property Division anticipates property sales to remain slow in 2018 in view of the tough property market conditions.

Utility Division expects better earnings on active tendering of new water projects and higher construction progress of existing water projects in 2018.

Overall, the Group expects a challenging year for 2018.

**16. Variance from Profit Forecast and Profit Guarantee**

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

**17. (Loss)/Profit Before Tax**

	Current Year Quarter 31/12/2017 RM'000	Current Year To Date 31/12/2017 RM'000
(Loss)/Profit before tax is arrived at after charging:		
- Interest expense	367	661
- Depreciation	3,024	13,935
- Loss on fair value adjustment of contingent consideration	57	391
- Impairment loss on loans and receivables	-	-
- Impairment loss on goodwill	3,348	3,348
- Inventories written down	41	264
- Inventories written off	-	-
- Impairment loss on available-for-sale financial assets	725	734
- Loss on disposal of property, plant and equipment	-	72
- Property, plant and equipment written off	-	-
- Loss on foreign exchange - realised	1,235	302
- Loss on foreign exchange - unrealised	-	1,473
- Loss on financial instruments at fair value through profit or loss	-	-
- Exceptional items	-	-
and crediting:		
- Interest income	606	2,786
- Dividend income	-	9
- Gain on disposal of property, plant and equipment	1	-
- Gain on disposal of investment properties	-	60
- Gain on derecognition of available-for-sale financial assets	-	170
- Gain on fair value adjustment of investment properties	2,223	2,223
- Gain on foreign exchange - realised	-	-
- Gain on foreign exchange - unrealised	318	-
- Reversal of impairment loss on receivables	5	103
- Reversal of inventories written down	59	184
- Gain on derivatives	-	-
- Waiver of debt	-	34

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FOR THE YEAR ENDED 31 DECEMBER 2017

18. **Taxation**

Taxation comprises:

	Current Year Quarter 31/12/2017 RM '000	Current Year To Date 31/12/2017 RM '000
Current income tax	(1,606)	(4,795)
Withholding tax on dividend income from foreign subsidiary	-	(2,656)
Deferred tax	(719)	462
Real property gains tax	(370)	(370)
	<u>(2,695)</u>	<u>(7,359)</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 31 December 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
<b>Secured</b>						
Bank Overdraft	-	-	-	561	-	561
Term Loans	-	15,554	-	8,440	-	23,994
Hire Purchase Payables	-	609	-	245	-	854
	-	16,163	-	9,246	-	25,409
<b>Unsecured</b>						
Term Loan	-	3,750	-	1,250	-	5,000
Revolving Credit	-	-	-	10,000	-	10,000
Foreign Currency Trust Receipts						
- USD71,520 @ 4.232	-	-	303	-	303	-
- USD404,656 @ 4.089	-	-	1,654	-	1,654	-
Onshore Foreign Currency Loans						
- USD218,400 @ 4.232	-	-	924	-	924	-
- USD396,333 @ 4.089	-	-	1,621	-	1,621	-
Invoice Financing Loan						
- USD78,000 @ 4.232	-	-	330	-	330	-
	-	3,750	4,832	11,250	4,832	15,000
<b>Total</b>	-	19,913	4,832	20,496	4,832	40,409

	As at 31 December 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
<b>Secured</b>						
Term Loan	-	14,748	-	1,052	-	15,800
Hire Purchase Payables	-	386	-	92	-	478
<b>Total</b>	-	15,134	-	1,144	-	16,278

	As at 31 December 2017			As at 31 December 2016		
	Effective Interest Rate As at 31 December 2017 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 31 December 2016 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
	Term Loans	4.63% ~ 5.88%	28,994	-	5.05%	15,800
Revolving Credit	4.38%	-	10,000	-	-	-
Bank Overdraft	5.25%	-	561	-	-	-
Foreign Currency Trust Receipts	2.43% ~ 2.51%	-	1,957	-	-	-
Onshore Foreign Currency Loans	2.85% ~ 3.08%	-	2,545	-	-	-
Invoice Financing Loan	2.42%	-	330	-	-	-
Hire Purchase Payables	4.66% ~ 4.83%	-	854	4.66%	-	478
<b>Total</b>		28,994	16,247		15,800	478
<b>%</b>		64.09%	35.91%		97.06%	2.94%

Compared to the year ended 31 December 2016, the Group obtained additional term loans of RM 13.2 million to finance property development projects and purchase of machineries, revolving credit of RM 10.0 million, foreign currency trust receipts of RM 2.0 million, onshore foreign currency loans of RM 2.5 million, invoice financing loan of RM 0.3 million and bank overdraft of RM 0.6 million for working capital whilst additional hire purchase arrangement of RM 0.4 million was utilised to finance the acquisition of motor vehicle.

The short term foreign currency trust receipts, onshore foreign currency loans and invoice financing loan 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 YEAR ENDED 31 DECEMBER 2017**

**21. Financial Instruments**

**a) Derivatives**

There were no outstanding derivatives as at 31 December 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 year ended 31 December 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**

	31/12/2017 RM '000
Shares quoted in Malaysia - at fair value	641
Unquoted shares - at cost less impairment losses	-
	<u>641</u>

\* Less than RM1,000

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 year ended 31 December 2017.

**22. Material Litigation**

There was no material litigation against the Group as at 31 December 2017.

**23 Loss Per Share**

	Current Year Quarter 31/12/2017	Current Year To Date 31/12/2017
Loss attributable to owners of the Company (RM '000)	<u>(4,843)</u>	<u>(1,744)</u>
Number of ordinary shares in issue at the beginning of the period ('000)	263,810	263,810
Effect of shares dividend ('000)	10,552	10,552
Weighted average number of ordinary shares in issue ('000)	<u>274,362</u>	<u>274,362</u>
Basic loss per share (sen)	<u>(1.77)</u>	<u>(0.64)</u>

Diluted loss per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and year ended 31 December 2017.

**24 Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 26 February 2018.