(Company No. 638899-K)

Quarterly report on consolidated results for the Second Quarter ended 30 June 2017. The figures have not been audited. (Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30/06/2017 RM'000As at 30/06/2017 RM'000As at 30/06/2017 RM'000Non-current assets372,721367,042Intangible assets391543Investment in associate502,775502,345Goodwill on consolidation1,4081,408Total non-current assets877,295871,338Current assets127,979152,789Inventories127,979152,789Current assets77,23682,706Current assets77,23682,706Cash and cash equivalents77,23682,706Assets classified as held for sale-2,357Total current assets540,798517,554Total assets1,418,0931,388,892Equity Share capital197,66096,077Reserves575,696652,419Total non-current liabilities220,595250,307Loans and borrowings277,008144,388Deferred tax liabilities2,7462,665Total current liabilities2,7462,665Total and other payables2,7462,665Total current liabilities424,142390,089Total liabilities1,418,0931,388,892Net assets per share attributable to equity holders of the Company (Sen)402,47389,53	UNAUDITED CONSOLIDATED STATEMENT OF FINA	NCIAL POSITION	
Property, plant and equipment Investment in associate 372,721 367,042 Intangible assets 391 543 Investment in associate 502,775 502,345 Goodwill on consolidation 1,408 1,408 Total non-current assets 877,295 871,338 Current assets 127,979 152,789 Inventories 127,979 152,789 Trade and other receivables 2,566 2,973 Current tassets 540,798 517,554 Total current assets 540,798 517,554 Total assets 1,418,093 1,388,892 Equity 138,892 1,388,892 Share capital 197,660 96,077 Reserves 575,696 652,419 Total non-current liabilities 220,595 250,307 Loans and borrowings 189,273 218,214 Deferred tax liabilities 277,008 257,272 Trade and other payables 277,008 257,272 Current tax payables 2,746 2,565 Total current liabilities 644,737 640,396			. ,
Intangible assets 391 543 Investment in associate 502,775 502,345 Goodwill on consolidation 1,408 1,408 Total non-current assets 877,295 871,338 Current assets 127,979 152,789 Inventories 2,566 2,973 Current assets 77,233 82,706 Current assets 540,798 517,554 Total current assets 540,798 517,554 Total assets 1,418,093 1,388,892 Equity Share capital 197,660 96,077 Reserves 575,696 652,419 31,322 Total non-current liabilities 220,595 250,307 Liabilities 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 27,46 2,565 Total current liabilities 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 2,746 2,565 <			
Investment in associate 502,775 502,345 Goodwill on consolidation 1,408 1,408 Total non-current assets 877,295 871,338 Current assets 127,979 152,789 Inventories 127,979 333,020 Current assets 2,566 2,973 Current assets 77,233 82,706 Cash and cash equivalents 77,233 82,706 Assets classified as held for sale - 2,357 Total current assets 540,798 517,554 Total assets 1,418,093 1,388,892 Equity 1,388,892 96,077 Reserves 575,696 652,419 Total assets 1,418,093 1,388,892 Liabilities 189,273 218,214 Loans and borrowings 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 2,746 2,565 Total current liabilities 424,142 390,089 Total current liabilities			
Goodwill on consolidation 1,408 1,408 1,408 Total non-current assets 877,295 871,338 Current assets 127,979 152,789 Inventories 127,979 152,789 Current tax assets 2,566 2,973 Current tax assets 77,233 82,706 Assets classified as held for sale - 2,357 Total current assets 540,798 517,554 Total assets 1,418,093 1,388,892 Equity Share capital 197,660 96,077 Reserves 575,696 652,419 32,093 Total non-current liabilities 189,273 218,214 Loans and borrowings 189,273 218,214 Deferred tax liabilities 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 2,766 2,565 Total current liabilities 424,142 390,089 Total current liabilities 424,142 390,089 Total liabilities 1,388,	•		
Total non-current assets877,295871,338Current assets127,979152,789Inventories127,979152,789Tade and other receivables2,5662,973Cash and cash equivalents2,5662,973Assets classified as held for sale-2,357Total current assets540,798517,554Total assets1,418,0931,388,892EquityShare capital197,66096,077Reserves575,696652,419Total non-current liabilities220,595250,307Loans and borrowings220,595250,307Loans and borrowings277,008144,388Deferred tax liabilities220,595250,307Loans and borrowings277,008257,272Trade and other payables244,142390,089Total liabilities424,142390,089Total liabilities1,418,0931,388,892Net assets per share attributable to equity1,388,892			
Current assets 127,979 152,789 Inventories 333,020 276,729 Current tax assets 2,566 2,973 Cash and cash equivalents 77,233 82,706 Assets classified as held for sale 77,233 82,705 Total current assets 540,798 517,554 Total assets 1,418,093 1,388,892 Equity 197,660 96,077 Reserves 575,696 652,419 Total assets 1,97,660 96,077 Reserves 773,356 748,496 Liabilities 189,273 218,214 Loans and borrowings 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 2,746 2,565 Total current liabilities 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 2,746 2,565 Total current liabilities 424,142 390,089 Total liabilities 644,737 640,396 Total equity and liabilities 1,418,093<		1,400	1,406
Inventories127,979152,789Trade and other receivables2,5662,973Current tax assets2,5662,973Cash and cash equivalents77,23382,706Assets classified as held for sale-2,357Total current assets540,798517,554Total current assets1,418,0931,388,892Equity197,66096,077Reserves773,356748,496Liabilities197,66096,077Loans and borrowings189,273218,214Deferred tax liabilities220,595250,307Loans and borrowings277,008257,272Trade and other payables2,7462,565Total current liabilities424,142390,089Total current liabilities644,737640,396Total equity and liabilities1,418,0931,388,892	Total non-current assets	877,295	871,338
Trade and other receivables 333,020 276,729 Current tax assets 2,566 2,973 Cash and cash equivalents 77,233 82,706 Assets classified as held for sale - 2,357 Total current assets 540,798 517,554 Total current assets 1,418,093 1,388,892 Equity 197,660 96,077 Reserves 575,696 652,419 Total non-current liabilities 189,273 218,214 Loans and borrowings 189,273 218,214 Deferred tax liabilities 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 2,746 2,565 Current tax payables 2,746 2,565 Total current liabilities 424,142 390,089 Total equity and liabilities 1,418,093 1,388,892 Net assets per share attributable to equity 1,388,892 1,388,892	Current assets		
Current tax assets 2,566 2,973 Cash and cash equivalents 77,233 82,706 Assets classified as held for sale 2,357 Total current assets 540,798 517,554 Total current assets 1,418,093 1,388,892 Equity 1,418,093 1,388,892 Share capital 197,660 96,077 Reserves 575,696 652,419 Total nor-current liabilities 189,273 218,214 Liabilities 220,595 250,307 Loans and borrowings 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 2,746 2,565 Total current liabilities 424,142 390,089 Total lubilities 644,737 640,396 Total equity and liabilities 1,418,093 1,388,892 Net assets per share attributable to equity 1,388,892 1,388,892		127,979	
Cash and cash equivalents 77,233 82,706 Assets classified as held for sale - 2,357 Total current assets 540,798 517,554 Total assets 1,418,093 1,388,892 Equity 197,660 96,077 Share capital 197,660 96,077 Reserves 773,356 748,496 Liabilities 189,273 218,214 Loans and borrowings 189,273 218,214 Deferred tax liabilities 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 144,388 130,252 Current tax payables 2,746 2,565 Total current liabilities 424,142 390,089 Total liabilities 644,737 640,396 Total equity and liabilities 1,418,093 1,388,892 Net assets per share attributable to equity 1,388,892			
Assets classified as held for sale2,357Total current assets540,798Total current assets540,798Total assets1,418,093Equity Share capital Reserves197,660Share capital Deferred tax liabilities197,660Liabilities 			
Total current assets 540,798 517,554 Total assets 1,418,093 1,388,892 Equity 197,660 96,077 Reserves 575,696 652,419 Total non-current liabilities 189,273 218,214 Loans and borrowings 189,273 218,214 Deferred tax liabilities 220,595 250,307 Loans and borrowings 277,008 257,272 Trade and other payables 144,388 130,252 Current tax payables 2,746 2,565 Total current liabilities 424,142 390,089 Total liabilities 644,737 640,396 Total equity and liabilities 1,418,093 1,388,892 Net assets per share attributable to equity 1 1,388,892	•	77,233	
Total assets1,418,0931,388,892Equity Share capital Reserves197,660 575,69696,077 652,419Liabilities Loans and borrowings Deferred tax liabilities189,273 31,322218,214 32,093Total non-current liabilities220,595 250,307257,272 250,307Loans and borrowings Tade and other payables Current tax payables277,008 424,142257,272 2565Total current liabilities2277,008 424,142130,252 2,565Total liabilities424,142 390,089390,089 30,089Total liabilities1,418,093 31,388,892Net assets per share attributable to equity1,418,093 31,388,892	Assets classified as held for sale	-	2,357
Equity Share capital Reserves197,660 575,69696,077 652,419Liabilities Loans and borrowings Deferred tax liabilities189,273 31,322218,214 32,093Total non-current liabilities220,595250,307Loans and borrowings Deferred tax liabilities220,595250,307Loans and borrowings Trade and other payables Current tax payables277,008 444,388257,272 2,565Total current liabilities424,142390,089Total liabilities644,737640,396Total liabilities1,418,0931,388,892Net assets per share attributable to equity	Total current assets	540,798	517,554
Share capital Reserves197,660 575,69696,077 652,419Liabilities Loans and borrowings Deferred tax liabilities189,273 31,322218,214 32,093Total non-current liabilities220,595250,307Loans and borrowings Trade and other payables Current tax payables277,008 144,388 2,746257,272 2,565Total current liabilities424,142390,089Total liabilities644,737640,396Total liabilities1,418,0931,388,892Net assets per share attributable to equity	Total assets	1,418,093	1,388,892
Share capital Reserves197,660 575,69696,077 652,419Liabilities Loans and borrowings Deferred tax liabilities189,273 31,322218,214 32,093Total non-current liabilities220,595250,307Loans and borrowings Trade and other payables Current tax payables277,008 144,388 2,746257,272 2,565Total current liabilities424,142390,089Total liabilities644,737640,396Total liabilities1,418,0931,388,892Net assets per share attributable to equity	Equity		
Reserves575,696652,419T73,356748,496Liabilities189,273Loans and borrowings189,273Deferred tax liabilities31,322Total non-current liabilities220,595Loans and borrowings277,008Loans and borrowings277,008Trade and other payables144,388Current tax payables2,746Current liabilities424,142390,089Total current liabilities644,737Cotal equity and liabilities1,418,093Net assets per share attributable to equity		197,660	96,077
Liabilities189,273 31,322218,214 32,093Deferred tax liabilities31,322250,307Total non-current liabilities220,595250,307Loans and borrowings Trade and other payables Current tax payables277,008 144,388 2,746257,272 2,565Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity	•		
Loans and borrowings Deferred tax liabilities189,273 31,322218,214 32,093Total non-current liabilities220,595250,307Loans and borrowings Trade and other payables Current tax payables277,008 144,388 2,746257,272 2,565Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity		773,356	748,496
Deferred tax liabilities31,32232,093Total non-current liabilities220,595250,307Loans and borrowings Trade and other payables277,008 144,388257,272 130,252Current tax payables2,7462,565Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity	Liabilities		
Total non-current liabilities220,595250,307Loans and borrowings Trade and other payables277,008 144,388 2,746257,272 2,565Current tax payables2,7462,565Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity	-		
Loans and borrowings Trade and other payables277,008 144,388 2,746257,272 2,565Current tax payables2,7462,565Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity	Deferred tax liabilities	31,322	32,093
Trade and other payables144,388130,252Current tax payables2,7462,565Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity	Total non-current liabilities	220,595	250,307
Trade and other payables144,388130,252Current tax payables2,7462,565Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity	Loans and borrowings	277,008	257,272
Total current liabilities424,142390,089Total liabilities644,737640,396Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity-	Trade and other payables		130,252
Total liabilities644,737Total equity and liabilities1,418,0931,388,892Net assets per share attributable to equity	Current tax payables	2,746	2,565
Total equity and liabilities 1,418,093 1,388,892 Net assets per share attributable to equity - -	Total current liabilities	424,142	390,089
Net assets per share attributable to equity	Total liabilities	644,737	640,396
	Total equity and liabilities	1,418,093	1,388,892
	Net assets per share attributable to equity	-	-
		402.47	389.53

NOTE:

(Company No. 638899-K)

Quarterly report on consolidated results for the Second Quarter ended 30 June 2017. The figures have not been audited.

(Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Individual quarter Preceding			Cumulative quarter			
	Current quarter	year corresponding		Current year-to-date			
	ended 30/06/2017	quarter ended 30/06/2016	Changes	ended 30/06/2017	ended 30/06/2016	Changes	
	RM'000	RM'000	%	RM'000	RM'000	%	
Continuing Operations							
Revenue	276,350	242,045	14%	537,313	446,936	20%	
Cost of sales	(247,958)	(209,426)		(477,250)	(386,494)		
Gross profit	28,392	32,619	(13%)	60,063	60,442	(1%)	
Other income/(expenses)	868	1,991		(173)	184		
Sales and distribution expenses	(2,677)	(3,006)		(6,740)	(5,090)		
Administrative expenses	(7,122)	(6,744)		(14,583)	(13,178)		
Profit from operations	19,461	24,860	(22%)	38,567	42,358	(9%)	
Interest income	202	159		439	328		
Finance costs	(5,322)	(5,187)		(10,770)	(10,709)		
Net finance cost	(5,120)	(5,028)		(10,331)	(10,381)		
Share of profit of equity- accounted investees, net of tax	4,799	12,770		10,692	16,501		
Profit before tax	19,140	32,602	(41%)	38,928	48,478	(20%)	
Tax expense	(4,142)	(5,607)		(8,852)	(10,530)		
Profit for the period	14,998	26,995	(44%)	30,076	37,948	(21%)	

(Company No. 638899-K)

Quarterly report on consolidated results for the Second Quarter ended 30 June 2017. The figures have not been audited.

(Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

	Current quarter ended 30/06/2017 RM'000	Preceding year corresponding quarter ended 30/06/2016 RM'000	Changes %	Current year-to-date ended 30/06/2017 RM'000	Preceding year-to-date ended 30/06/2016 RM'000	Changes %
Profit for the period	14,998	26,995	(44%)	30,076	37,948	(21%)
Other comprehensive income Foreign currency translation differences for :						
 Foreign operations A subsidiary with functional currency other than 	(542)	732		(799)	(1,214)	
Ringgit Malaysia - Share of other	-	7,426		-	(10,926)	
income/(loss) of associate	(3,093)	(586)		(4,417)	(4,891)	
Total comprehensive income for the period attributable to the						
Owners of the Company	11,363	34,567	(67%)	24,860	20,917	19%
Earnings per share						
Basic (Sen)	7.81	14.05		15.65	19.75	
Diluted (Sen)	NA	NA	1	NA	NA	

NOTE:

(Company No. 638899-K)

Quarterly report on consolidated results for the Second Quarter ended 30 June 2017. The figures have not been audited. (Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	y 00
RM'000RM'00	00
Current period ended 30 June 2017Balance at 1 January 201796,077101,583(75,441)52,886573,391748,Comprehensive income for the period30,07630,Profit for the period30,07630,Currency translation differences of foreign operations(799)-(100,000)	
Comprehensive income for the period - - - 30,076 30, Profit for the period - - - 30,076 30, Currency translation differences of foreign operations - - - (799) - (196
Profit for the period30,07630,Currency translation differences of foreign operations(799)(
Currency translation differences of foreign operations (799) - (
	076 799)
Effect of change in functional currency of a subsidiary (32,729) 32,729	-
	17)
Transfer in accordance with Section 618(2) of the Companies Act, 2016 (Note 1)101,583(101,583)	
Total comprehensive income for the period 101,583 (101,583) - (37,945) 62,805 24,	60
Balance at 30 June 2017 197,660 - (75,441) 14,941 636,196 773,	56
Preceding year corresponding period ended 30 June 2016 Balance at 1 January 2016 96,077 101,583 (75,441) 44,635 494,704 661,	558
Comprehensive income for the period	
	948
Currency translation differences of foreign operations (1,214) - (1, Foreign currency translation differences for a subsidiary with functional currency other	214)
than Ringgit Malaysia (10,926) - (10,	,
Share of currency translation differences of associate(4,891)-(4,	391)
Total comprehensive income for the period - - - (17,031) 37,948 20,)17
Balance at 30 June 2016 96,077 101,583 (75,441) 27,604 532,652 682,	75

Note¹

In accordance with Section 618 of Companies Act, 2016, any amount standing to the credit of the share premium account has become part of the Company's share capital. The Company has twenty-four months upon the commencement of Companies Act, 2016 on 31 January 2017 to utilise the credit.

NOTE:

(Company No. 638899-K)

Quarterly report on consolidated results for the Second Quarter ended 30 June 2017. The figures have not been audited.

(Financial year ending 31 December 2017)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

UNAUDITED CONSOLIDATED STATEMENT OF CASH F	LOWS	
	Current	Preceding
	year-to-date ended	year-to-date ended
	30/06/2017	30/06/2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	38,928	48,478
Adjustments:	(o ==o	40 700
Interest expense	10,770	10,709
Interest income	(439)	(328)
Property, plant and equipment written off	-	26
Impairment loss on receivables	283	596
Amortisation of intangible assets	152	85
Depreciation of property, plant and equipment	11,316	10,973
Unrealised (gain)/loss on forward exchange contracts	(103)	(128)
(Gain)/Loss on disposal of property, plant and equipment	(2,415)	(4)
Share of profit of equity-accounted investee, net of tax	(10,692)	(16,501)
Operating profit before changes in working capital	47,800	53,906
Inventories	24,683	43,602
Trade and other receivables	(57,447)	22,086
Trade and other payables	15,052	6,211
Cash generated from operations	30,088	125,805
Tax paid	(9,104)	(8,726)
Net cash from operating activities	20,984	117,079
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	6,529	6
Acquisition of property, plant and equipment	(19,109)	(11,440)
Dividend received	5,845	2,923
Interest received	439	328
Net cash used in investing activities	(6,296)	(8,183)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(10,770)	(10,709)
Net movement in borrowings	(9,203)	(80,226)
Pledged deposits for bank borrowings	(131)	(119)
Net cash flows generated from financing activities	(20,104)	(91,054)
Net increase in cash and cash equivalent	(5,416)	17,842
Effects of changes in foreign currency rates	(187)	1,328
Cash and cash equivalent brought forward	75,421	52,122
Cash and cash equivalent carried forward	69,818	71,292
Comprises :		
Cash and bank balances	55,018	57,111
Short term deposits with licensed banks (excluding deposits pledged)	14,800	14,181
(excluding deposits piedged)		
	<u> </u>	71,292

The above excluded short term deposits placed with a licensed bank of RM7,415,000 (2016 : RM7,168,000) pledged for bank borrowings.

NOTE:

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparations

The Interim Financial Statements are unaudited and have been prepared in compliance with the requirements of MFRS 134 - Interim Financial Reporting and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These interim financial statements include only condensed financial statements and should be read in conjunction with the annual financial statements for the financial year ended 31 December 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the financial position and performance of the Group since the financial year ended 31 December 2016.

Change in functional currency

The functional currency of a subsidiary has been changed from United States Dollar ("USD") to Ringgit Malaysia ("RM") since 1 January 2017 to reflect the current and prospective economic substance of the underlying transactions and circumstances of the subsidiary as the subsidiary's sale and purchase transactions as well as its settlement of debts to suppliers and/or by customers are mainly denominated in RM.

Following the assessment, the effect of the change in functional currency to RM was applied prospectively in the subsidiary's financial statements. The subsidiary translated all opening balances into the RM functional currency using the exchange rate at the beginning of the year.

2. Significant Accounting Policies

The accounting policies adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016.

The Group adopted (where applicable) the following accounting standards, amendments and interpretations which are applicable to the Group that have been issued by the Malaysian Accounting Standards Board ("MASB") effective from 1 January 2017.

Amendments to MFRS 12	Disclosure	of	Interests	in	Other	Entities	(Annual
	Improveme	nts te	o MFRS Sta	anda	ards 201	4 - 2016 (Cycle)
Amendments to MFRS 107	Statement of	of Ca	sh Flows -	Disc	closure I	nitiative	
Amendments to MFRS 112	Income Tax Unrealised		•	on o	f Deferr	ed Tax A	ssets for

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

2. Significant Accounting Policies (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (2014)					
MFRS 15	Revenue from Contracts with Customers					
Clarifications to MFRS 15	Revenue from Contracts with Customers					
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration					
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)**					
Amendments to MFRS 2	Share-based Payment - Classification and Measurement of Share-based Payment Transactions**					
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts**					
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014 - 2016 Cycle)					
Amendments to MFRS 140	Investment Property - Transfers of Investment Property**					

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

Amendments to MFRS 16 Leases

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

** - Not applicable to the Group.

The Group plan to apply the abovementioned accounting standards, amendments and interpretations in the respective years when they become effective.

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impacts to the Group other than MFRS 15, *Revenue from Contracts with Customers*, MFRS 9, *Financial Instruments* and MFRS 16, *Leases*, which the Group are currently assessing the financial impact that may arise from the adoption.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

3. Auditors' report

The auditors' report dated 17 March 2017 on the financial statements for the financial year ended 31 December 2016 was not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The operations of the Group are not subject to seasonal or cyclical fluctuations except that certain products are subject to seasonal demand where higher sales will be recorded a few months before major festive seasons such as Ramadan and Chinese New Year but lower sales in the first quarter of every financial year.

5. Unusual Items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

6. Investment in associate

	At 30/06/2017 RM'000	At 31/12/2016 RM'000
Share of net assets in associate	502,775	502,345
Market value	429,627	428,165

7. Changes in Estimates

There were no major changes in estimates of amounts which may have a material effect on the current quarter under review.

8. Issues, repurchases and repayments of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares during the current quarter under review.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

9. Dividend paid

A first and final single-tier dividend of 4 sen per share for the financial year ended 31 December 2016 was paid on 21 July 2017.

10. Segment information

The Group organised its activities principally into 3 reportable business segments :

- a) Manufacture of metal and lithographed tin cans, plastic jerry cans, flexible packaging and rigid packaging (collectively, "General Cans");
- b) Manufacturing, packaging and distribution of dairy and non-dairy products ("Food Products");
- c) International Trading; and
- d) Property and investment holding ("Others")

Segment revenue and results for the financial period ended 30 June 2017 are as follows :

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

10. Segment information (cont'd)

-			Year-to-	-date ende	d 30/06/2017		
	General Cans	Food Products	International Trading	Others	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Revenue</i> External sales Inter-segment sales	234,833 7,594	343,989 -	52,122 -	10,419 5,845	641,363 13,439	(104,050) (13,439)	537,313 -
	242,427	343,989	52,122	16,264	654,802	(117,489)	537,313
Results Segment results	14,864	24,909	969	8,588	49,330	(10,763)	38,567
Interest income Financial expenses Share of profit after	889 (2,902)	261 (2,511)	-	289 (6,357)	1,439 (11,770)	(1,000) 1,000	439 (10,770)
tax of associate	-	-	-	10,692	10,692	-	10,692
Profit before taxation	12,851	22,659	969	13,212	49,691	(117,489)	38,928
Assets							
Segment assets Unallocated assets	468,541 -	479,636 -	23,827	535,239 -	1,507,243 2,566	(91,716) -	1,415,527 2,566
Total assets	468,541	479,636	23,827	535,239	1,509,809	(91,716)	1,418,093
<i>Liabilities</i> Segment liabilities Unallocated liabilities	228,439 -	225,937 -	16,427 -	233,774 -	704,577 33,954	(93,908) 114	610,669 34,068
Total liabilities	228,439	225,937	16,427	233,774	738,531	(93,794)	644,737
	Preceding Year-to-date ended 30/06/2016						
			Preceding Ye	ear-to-date	ended 30/06/	/2016	
	General Cans	Food Products	Preceding Ye International Trading	ear-to-date Others	Total	/2016 Elimination	Consolidated
			International				Consolidated RM'000
<i>Revenue</i> External sales Inter-segment sales	Cans	Products	International Trading	Others	Total	Elimination	
External sales	Cans RM'000 178,790	Products RM'000 303,451	International Trading RM'000 30,071	Others RM'000 452	Total RM'000 512,764	Elimination RM'000 (65,828)	RM'000
External sales	Cans RM'000 178,790 5,732	Products RM'000 303,451	International Trading RM'000 30,071	Others RM'000 452 2,923	Total RM'000 512,764 8,655	Elimination RM'000 (65,828) (8,655)	RM'000 446,936
External sales Inter-segment sales Results Segment results Interest income Finance expenses	Cans RM'000 178,790 5,732 184,522	Products RM'000 303,451 - 303,451	International Trading RM'000 30,071 - - 30,071	Others RM'000 452 2,923 3,375	Total RM'000 512,764 8,655 521,419	Elimination RM'000 (65,828) (8,655) (74,483)	RM'000 446,936 - 446,936
External sales Inter-segment sales Results Segment results Interest income	Cans RM'000 178,790 5,732 184,522 6,646 635	Products RM'000 303,451 - 303,451 36,892 173	International Trading RM'000 30,071 - 30,071 - 184 -	Others RM'000 452 2,923 3,375 (3,075) 280	Total RM'000 512,764 8,655 521,419 40,647 1,088	Elimination RM'000 (65,828) (8,655) (74,483) 1,711 (760)	RM'000 446,936 - 446,936 42,358 328
External sales Inter-segment sales Results Segment results Interest income Finance expenses Share of profit after	Cans RM'000 178,790 5,732 184,522 6,646 635	Products RM'000 303,451 - 303,451 36,892 173	International Trading RM'000 30,071 - - - - - - - - - - - - - - - - - - -	Others RM'000 452 2,923 3,375 (3,075) 280 (7,116)	Total RM'000 512,764 8,655 521,419 40,647 1,088 (11,469)	Elimination RM'000 (65,828) (8,655) (74,483) 1,711 (760)	RM'000 446,936 - 446,936 42,358 328 (10,709)
External sales Inter-segment sales Results Segment results Interest income Finance expenses Share of profit after tax of associate Profit before	Cans RM'000 178,790 5,732 184,522 6,646 635 (2,800) -	Products RM'000 303,451 - 303,451 36,892 173 (1,553) -	International Trading RM'000 30,071 - - - - - - - - - - - - - - - - - - -	Others RM'000 452 2,923 3,375 (3,075) 280 (7,116) 16,501	Total RM'000 512,764 8,655 521,419 40,647 1,088 (11,469) 16,501	Elimination RM'000 (65,828) (8,655) (74,483) 1,711 (760) 760 -	RM'000 446,936 - 446,936 42,358 328 (10,709) 16,501
External sales Inter-segment sales Results Segment results Interest income Finance expenses Share of profit after tax of associate Profit before taxation Assets Segment assets	Cans RM'000 178,790 5,732 184,522 6,646 635 (2,800) - 4,481	Products RM'000 303,451 - 303,451 36,892 173 (1,553) - 35,512	International Trading RM'000 30,071 - - - 184 - - - 184	Others RM'000 452 2,923 3,375 (3,075) 280 (7,116) 16,501 6,590	Total RM'000 512,764 8,655 521,419 40,647 1,088 (11,469) 16,501 46,767 1,367,881	Elimination RM'000 (65,828) (8,655) (74,483) 1,711 (760) 760 - 1,711 (83,949) -	RM'000 446,936 - 446,936 42,358 328 (10,709) 16,501 48,478 1,283,932
External sales Inter-segment sales Results Segment results Interest income Finance expenses Share of profit after tax of associate Profit before taxation Assets Segment assets Unallocated assets	Cans RM'000 178,790 5,732 184,522 6,646 635 (2,800) - 4,481 410,366 -	Products RM'000 303,451 - 303,451 36,892 173 (1,553) - 35,512 440,758 -	International Trading RM'000 30,071 - 30,071 - 184 - - 184 18,215 -	Others RM'000 452 2,923 3,375 (3,075) 280 (7,116) 16,501 6,590 498,542 -	Total RM'000 512,764 8,655 521,419 40,647 1,088 (11,469) 16,501 46,767 1,367,881 1,041	Elimination RM'000 (65,828) (8,655) (74,483) 1,711 (760) 760 - 1,711 (83,949) -	RM'000 446,936 - 446,936 42,358 328 (10,709) 16,501 48,478 1,283,932 1,041
External sales Inter-segment sales Results Segment results Interest income Finance expenses Share of profit after tax of associate Profit before taxation Assets Segment assets Unallocated assets Total assets Liabilities Segment liabilities	Cans RM'000 178,790 5,732 184,522 6,646 635 (2,800) - 4,481 410,366 - 410,366	Products RM'000 303,451 - 303,451 36,892 173 (1,553) - 35,512 440,758 - 440,758	International Trading RM'000 30,071 - - - - - - - - - - - - - - - - - - -	Others RM'000 452 2,923 3,375 (3,075) 280 (7,116) 16,501 6,590 498,542 - 498,542	Total RM'000 512,764 8,655 521,419 40,647 1,088 (11,469) 16,501 46,767 1,367,881 1,041 1,368,922 660,313	Elimination RM'000 (65,828) (8,655) (74,483) 1,711 (760) 760 - 1,711 (83,949) - 83,949 (86,576)	RM'000 446,936 - - 446,936 42,358 328 (10,709) 16,501 48,478 1,283,932 1,041 1,284,973 573,737

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

11. Valuation of property, plant and equipment

The Group did not carry out any revaluation exercise during the quarter under review.

12. Material subsequent events

As at 28 August 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), there were no material events subsequent to the end of the balance sheet date which may have an impact on the consolidated financial statements of the Group.

13. Changes in the Group composition

There were no changes in the Group composition during the quarter under review.

14. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or assets for the Group as at 30 June 2017.

As at 28 August 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), no material contingent liabilities or contingent assets have arisen since the end of the financial period.

15. Capital commitment

As at 30 June 2017, the Group has the following capital commitment :

RM'000

Approved and contracted for

8,623

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

16. Related party disclosures

The Group has related party relationship with the following:

- i) associate company and its subsidiaries ("associated company")
- ii) a company in which a Director has substantial financial interests ("related party")

Related party transactions have been entered into the normal course of business under trade terms. The significant related party transactions of the Group are as follows:

	Current Year-to-date 30/06/2017 RM'000
Sales of goods to associated companies	641
Sales of machinery and moulds to associated companies	<u>1,203</u>
Purchases of goods from a related party	389
Purchases of goods from associated companies	17,916

17. Authorisation for issue

This interim financial report was authorised for issue by the Board of Directors ("Board") in accordance with a resolution of Directors passed at the Board Meeting held on 30 August 2017.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

PART B: REQUIREMENTS OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of performance

(a) Current quarter ended 30 June 2017 ("Q2, 2017") compared with previous corresponding quarter ended 30 June 2016 ("Q2, 2016")

The Group's revenue increased from RM242.0 million in Q2, 2016 to RM276.3 million in Q2, 2017. Profit before taxation and profit after taxation decreased from RM32.6 million and RM27.0 million in Q2, 2016 to RM19.1 million and RM15.0 million respectively in Q2, 2017.

General Cans division

The General Cans division generated total operating revenue of RM130.7 million in Q2, 2017, an increase of 35.0% from RM96.8 million in Q2, 2016 mainly due to active customers engagement activities for Tin Cans segment and Jerry Cans segment. In tandem with the increase in revenue, profit before taxation of the division for Q2, 2017 improved due to higher sales and better production efficiency.

Food Products division

Revenue of Food Products division increased by 2.9% from RM170.2 million in Q2, 2016 to RM175.2 million in Q2, 2017 attributable to effective execution of sales plan. Profit before taxation for Q2, 2017, however, dropped to RM10.4 million mainly due to higher raw material cost.

International Trading division

Revenue of International Trading division increased by RM12.2 million to RM27.5 million in Q2, 2017 due to increase in sales implementation of customers engagement activities for both milk products and resin. In tandem with the increased revenue, profit before taxation of this division increased by RM0.3 million compared to Q2, 2016.

Investment in associate

Associated company, Kian Joo Can Factory Berhad ("KJCF") contributed RM4.8 million net profit to the Group in Q2, 2017, a decrease of RM8.0 million compared with Q2, 2016 mainly due to higher material and production cost.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

1. Review of performance (cont'd.)

(b) Current year-to-date ended 30 June 2017 ("YTD Q2, 2017") compared with previous year-to-date ended 30 June 2016 ("YTD Q2, 2016")

The Group's revenue increased from RM446.9 million in YTD Q2, 2016 to RM537.3 million in YTD Q2, 2017. Profit before taxation and profit after taxation decreased from RM48.5 million and RM37.9 million in YTD Q2, 2016 to RM38.9 million and RM30.1 million respectively in YTD Q2, 2017.

General Cans division

The Revenue of General Cans division for YTD Q2, 2017 was RM242.4 million, an increase of RM57.9 million compared to YTD Q2 2016, mainly due to active customers engagement activities for Tin Cans segment and Jerry Cans segment. Profit before taxation for YTD Q2, 2017 of RM12.9 million was higher than YTD Q2, 2016 by RM8.4 million mainly due to higher sales.

Food Products division

Revenue of Food Products division increased by 13.4% to RM344.0 million for YTD Q2, 2017 compared to YTD Q2, 2016 mainly due to effective execution of sales plan. Profit before taxation declined by RM12.9 million to RM22.7 million compared to YTD Q2, 2016 mainly due to higher raw material cost as well as higher distribution expenses, financial expenses and unfavourable foreign exchange.

International Trading division

Revenue of International Trading division increased by RM22.1 million to RM52.1 million in YTD Q2, 2017 due to increase in sales for both milk products and resin. In tandem, profit before taxation of this division increased by RM0.8 million compared to YTD Q2, 2016.

Investment in associate

The share of equity results of the associate, KJCF, decreased by RM5.8 million to RM10.7 million compared to YTD Q2, 2016 mainly due to higher direct materials and production cost as well as lower gain on derivative financial instruments.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

2. Variation of results against immediate preceding quarter ended 31 March 2017 ("Q1, 2017")

	Current Quarter 30/06/2017 RM'000	Immediate Preceding Quarter 31/03/2017 RM'000	Changes RM'000
Revenue	276,350	260,963	15,387
Operating Profit	19,461	19,106	355
Profit Before Interest and Taxation	24,260	24,999	(739)
Profit Before Taxation	19,140	19,788	(648)
Profit After Taxation / Profit Attributable to			
Owners of the Company	14,998	15,078	(80)

Revenue in current quarter under review increased by RM15.4 million from RM261.0 million in Q1, 2017 to RM276.3 million in Q2, 2017 due to growth in sales demand by all divisions.

Profit before taxation decreased by RM0.6 million compared to Q1, 2017 mainly due to sales mix and higher material cost offset by lower sales and distribution expenses.

General Cans division

Revenue of General Cans division increased from RM111.7 million in Q1, 2017 to RM130.7 million in Q2, 2017 mainly due to active customers engagement activities in Tin Cans segment and Jerry Cans segment. Profit before taxation increased by RM3.2 million compared to the last quarter attributable mainly to higher sales and better production efficiency.

Food Products division

Revenue from Food Products division increased from RM168.8 million in Q1, 2017 to RM175.2 million in Q2, 2017 due to sales growth in all dairy products. Profit before taxation was lowered by RM1.9 million compared to Q1, 2017 mainly due to product mix and higher raw material cost offset against lower sales and distribution expenses.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

2. Variation of results against immediate preceding quarter ended 31 March 2017 ("Q1, 2017") (cont'd)

International Trading division

International Trading division recorded an increase in turnover of RM2.9 million from RM24.6 million in Q1, 2017 to RM27.5 million in Q2, 2017. Profit before taxation decreased marginally from RM0.6 million to RM0.4 million in Q2, 2017.

Investment in associate

Investment in associate, KJCF, contributed a profit (net of tax) of RM4.8 million in Q2, 2017 compared to RM5.9 million in Q1, 2017 mainly due to higher material, operating and finance costs.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

3. Prospects

The Management expects the Group's operating environment to remain challenging and competitive due to high direct material and production costs. Nevertheless the Management is optimistic in managing the challenges and continue to strive to improve productivity and operational efficiency and to negotiate with its customers to absorb part of the cost increase.

4. Profit forecast/profit guarantee

The Group did not publish any profit forecast nor provide any profit guarantee.

5. Tax expense

	Current Quarter ended 30/06/2017 RM'000	Preceding year corresponding quarter ended 30/06/2016 RM'000	Current year-to-date ended 30/06/2017 RM'000	Preceding year-to-date ended 30/06/2016 RM'000
Current tax expense				
- Current year	5,814	6,801	9,628	11,299
- Prior year	(8)	(113)	(8)	(177)
Deferred tax expense	(1,664)	(1,081)	(768)	(592)
	4,142	5,607	8,852	10,530

The effective tax rate of the Group was lower than the statutory tax rate due to share of results from associate what has been accounted net of tax.

6. Status of Corporate Proposals

There were no corporate proposals announced which have not been completed as at 28 August 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

7. Group borrowings and debts securities

Group borrowings as at 30 June 2017 are as follows :

Term loans 47,140 41, Bankers acceptances 21,169 10, 068,991 52, Unsecured		As at 30/06/2017 RM'000	As at 31/12/2016 RM'000
Secured Finance leases 682 Term loans 47,140 41,1 Bankers acceptances 21,169 10, 0 68,991 52, Unsecured 68,991 52, Unsecured 5,654 5, Term loans 10,951 12, Bankers acceptances 141,327 70, Revolving credits 33,000 15, 259,923 156, 15, Non-current Secured 125,943 156, Finance leases 1,259 1, Term loans 155,848 179, Unsecured Term loans 33,425 38, 189,273 218, Total borrowings in RM 449,196 374, Berrowings denominated in USD 248, 17, Current Secured 5 17, 17, 17, Secured Bills receivable financing - 17, 17, Unsecured - 17, 17, 17, Secured <th>Borrowings denominated in RM</th> <th></th> <th></th>	Borrowings denominated in RM		
Finance leases 682 Term loans 47,140 41, Bankers acceptances 21,169 10, 0 68,991 52, Unsecured 68,991 52, Unsecured 10,951 12, Bankers acceptances 141,327 70, Revolving credits 33,000 15, 259,923 156, Non-current 259,923 156, Secured 1,259 1, Finance leases 1,259 1, Term loans 155,848 179, Unsecured 155,848 179, Term loans 33,425 38, 189,273 218, 154,589 Total borrowings in RM 449,196 374, Borrowings denominated in USD - - Current - - - Secured - - - Bills receivable financing - - - Foreign curr			
Term loans 47,140 41, Bankers acceptances 21,169 10, 068,991 52, Unsecured Bills receivable financing 5,654 5, Term loans 10,951 12, Bankers acceptances 141,327 70, Revolving credits 33,000 15, Z59,923 156, Non-current 259,923 156, Secured 1,259 1, Finance leases 1,259 1, Term loans 155,848 179, Unsecured 155,848 179, Unsecured 33,425 38, Total borrowings in RM 449,196 374, Borrowings denominated in USD 218, 174, Current Secured 3 17, Bills receivable financing - 17, Unsecured - 17, 17, Unsecured - 17, 17, Unsecured - 17, 17,			
Bankers acceptances 21,169 10, 68,991 Unsecured Bills receivable financing 5,654 5,7 Bills receivable financing 5,654 5,7 Term loans 10,951 12,7 Bankers acceptances 141,327 70,7 Revolving credits 33,000 15,7 Non-current 259,923 156,7 Secured 1,259 1,7 Finance leases 1,259 1,7 Term loans 154,589 178,7 Unsecured 155,848 179,7 Unsecured 155,848 179,7 Unsecured 33,425 38,7 Total borrowings in RM 449,196 374,4 Borrowings denominated in USD 19,73 218,7 Current Secured 17,7 17,7 Bills receivable financing - 17,7 Foreign currencies trade loans - 17,7 Unsecured - 17,938 80,7 Revolving credits 2,147 2,147 <td></td> <td></td> <td>713</td>			713
0 68,991 52, Unsecured Bills receivable financing 5,654 5, Term loans 10,951 12, Bankers acceptances 141,327 70, Revolving credits 33,000 15, 259,923 156, Non-current 259,923 156, Secured 1,259 1, Finance leases 1,259 1, Term loans 154,589 178, Unsecured 155,848 179, Unsecured 155,848 179, Unsecured 189,273 218, Total borrowings in RM 449,196 374, Borrowings denominated in USD 15 17, Current Secured 17, 17, Bills receivable financing 17, 17, Unsecured 17, 17, 17, Quescured 14,938 80, 14,938 80,			41,227
Unsecured 5,654 5,7 Term loans 10,951 12,7 Bankers acceptances 141,327 70,7 Revolving credits 33,000 15,7 Non-current 259,923 156,6 Secured 1,259 1,7 Finance leases 1,259 1,7 Term loans 155,848 179,7 Unsecured 155,848 179,7 Unsecured 33,425 38, Term loans 33,425 38, 189,273 218, 189,273 218, Total borrowings in RM 449,196 374,4 Borrowings denominated in USD 2 17, Current Secured 118 17, Bills receivable financing - 17, 17, Unsecured - 17, 17, Foreign currencies trade loans - 17, 17,	Bankers acceptances	21,169	10,360
Bills receivable financing 5,654 5,7 Term loans 10,951 12,7 Bankers acceptances 141,327 70,7 Revolving credits 33,000 15,1 Non-current 259,923 156,1 Secured 1,259 1,7 Finance leases 1,259 1,7 Term loans 154,589 178,1 Unsecured 155,848 179,1 Unsecured 189,273 218,1 Total borrowings in RM 449,196 374,4 Borrowings denominated in USD 2 17,0 Current Secured 181lls receivable financing - 17,0 Bills receivable financing - 17,0 17,0 Unsecured - 17,0 17,0 Revolving credits 2,147 2,147 2,147		68,991	52,300
Term loans 10,951 12,1 Bankers acceptances 141,327 70,1 Revolving credits 33,000 15,1 Non-current 259,923 156,1 Secured 1,259 1,1 Finance leases 1,259 1,1 Term loans 154,589 178,1 Unsecured 155,848 179,1 Unsecured 33,425 38,1 Total borrowings in RM 449,196 374,4 Borrowings denominated in USD 218,1 Current Secured - Bills receivable financing - - Foreign currencies trade loans - 17,1 Unsecured - 17,1 -	Unsecured		
Bankers acceptances 141,327 70,3 Revolving credits 33,000 15,1 259,923 156,1 Non-current 259,923 156,1 Secured 1,259 1,1 Finance leases 1,259 1,1 Term loans 154,589 178,1 Unsecured 155,848 179,1 Total borrowings in RM 33,425 38,1 Borrowings denominated in USD 218,1 Current Secured - Bills receivable financing - - Foreign currencies trade loans - 17, Unsecured - - - Foreign currencies trade loans - 17, Unsecured - - - Foreign currencies trade loans - 17, Unsecured - - 14,938 Foreign currencies trade loans - 14,938 Revolving credits 2,147 2,147	Bills receivable financing	5,654	5,329
Revolving credits 33,000 15,1 259,923 156,2 Non-current Secured Finance leases 1,259 1,3 Term loans 154,589 178, Unsecured 155,848 179, Unsecured 189,273 218, Total borrowings in RM 449,196 374, Borrowings denominated in USD Current Secured Bills receivable financing - - Foreign currencies trade loans - 17, Unsecured - - - Foreign currencies trade loans 14,938 80, Revolving credits 2,147 2,	Term loans	10,951	12,927
Non-current Secured Finance leases1,2591,3Term loans154,589178,Term loans155,848179,Unsecured Term loans33,42538,189,273218,218,Total borrowings in RM449,196374,Borrowings denominated in USD Current Secured Bills receivable financing Foreign currencies trade loans-0Unsecured Foreign currencies trade loans-17,0Unsecured Foreign currencies trade loans14,93880,Revolving credits2,1472,2,	Bankers acceptances	141,327	70,879
Non-currentSecuredFinance leases1,259Term loans154,589178,155,848179,UnsecuredTerm loans33,42538,189,273218,189,273218,Total borrowings in RM449,196Borrowings denominated in USDCurrentSecuredBills receivable financingForeign currencies trade loansForeign currencies trade loans14,93880,Revolving credits2,1472,	Revolving credits	33,000	15,000
Secured Finance leases Term loans 1,259 1,259 1,3 154,589 178, 155,848 179, Unsecured Term loans 33,425 38, <u>189,273</u> 218, <u>189,273</u> 218, Total borrowings in RM <u>449,196</u> <u>374,4</u> Borrowings denominated in USD Current Secured Bills receivable financing Foreign currencies trade loans Revolving credits <u>14,938</u> 80, Revolving credits <u>2,147</u> 2,		259,923	156,435
Finance leases1,2591,7Term loans154,589178,Unsecured155,848179,Unsecured33,42538,Term loans33,42538,189,273218,Total borrowings in RM449,196374,Borrowings denominated in USD449,196374,CurrentSecured-17,Unsecured-17,17,Unsecured-14,93880,Revolving credits2,1472,	Non-current		
Term loans154,589178,Insecured155,848179,Unsecured33,42538,Term loans33,42538,189,273218,Total borrowings in RM449,196374,Borrowings denominated in USD449,196374,CurrentSecured-0Bills receivable financing-0Foreign currencies trade loans-17,Unsecured-14,93880,Revolving credits2,1472,	Secured		
Unsecured Term loans 33,425 38, 189,273 218, Total borrowings in RM 449,196 374, Borrowings denominated in USD Current Secured Bills receivable financing - 0 Foreign currencies trade loans - 17, Unsecured Foreign currencies trade loans 14,938 80, Revolving credits 2,147 2,	Finance leases	1,259	1,580
Unsecured Term loans 33,425 38, 189,273 218, 189,273 218, 189,273 218, 189,273 218, 449,196 374, Borrowings denominated in USD Current Secured Bills receivable financing - 0 Foreign currencies trade loans - 17, Unsecured Foreign currencies trade loans 14,938 80, Revolving credits 2,147 2,	Term loans	154,589	178,159
Term loans33,42538,189,273218,189,273218,218,449,196374,0Borrowings denominated in USD449,196374,0CurrentSecured-Bills receivable financingForeign currencies trade loans-17,0Unsecured-14,93880,0Revolving credits2,1472,0		155,848	179,739
Total borrowings in RM189,273218,3Borrowings denominated in USD Current Secured Bills receivable financing Foreign currencies trade loansUnsecured Foreign currencies trade loans-17,3Unsecured Foreign currencies trade loans14,93880,4Revolving credits2,1472,5			
Total borrowings in RM449,196374,4Borrowings denominated in USD Current Secured Bills receivable financing Foreign currencies trade loans-0Unsecured Foreign currencies trade loans-17,5Unsecured Revolving credits14,93880,62,1472,5	Term loans	33,425	38,475
Borrowings denominated in USD Current Secured Bills receivable financing - 0 Foreign currencies trade loans - 17, Unsecured Foreign currencies trade loans 14,938 80, Revolving credits 2,147 2,0		189,273	218,214
Current Secured Bills receivable financing Foreign currencies trade loans Foreign currencies trade loans Proreign currencies trade loans 14,938 Revolving credits	Total borrowings in RM	449,196	374,649
Bills receivable financing-Foreign currencies trade loans-UnsecuredForeign currencies trade loans14,938Revolving credits2,147	Current		
Foreign currencies trade loans-17,Unsecured-14,93880,Foreign currencies trade loans14,93880,Revolving credits2,1472,		_	639
Foreign currencies trade loans14,93880,Revolving credits2,1472,	-	-	17,185
Revolving credits 2,147 2,	Unsecured		
Revolving credits 2,147 2,	Foreign currencies trade loans	14,938	80,097
Total borrowings in USD 17,085 100,			2,916
	Total borrowings in USD	17,085	100,837
Total Group borrowings466,281475,4	Total Group borrowings	466,281	475,486

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

7. Group borrowings and debts securities (cont'd)

The interest rates for the borrowings are as follows:

	As at 30/06/2017 %	As at 30/06/2016 %
Term loans:		
- Fixed	3.05 - 4.77	3.05 - 4.77
- Floating	4.11 - 5.71	4.71 - 5.71
Trade facilities	1.82 - 4.23	2.34 - 4.03
Finance leases	2.34 - 3.25	2.34 - 3.25
Bills receivable financing	-	1.68 - 1.71
Revolving credits	3.32 - 4.45	2.83 - 4.41

There are no major changes in the Group total borrowings and certain amount of the Group borrowings denominated in USD were hedged.

8. Retained Earnings

	As at 30/06/2017 RM'000	As at 31/12/2016 RM'000
Total retained earnings of Company		
- Realised	445,172	419,671
- Unrealised	15,875	(17,742)
	461,047	401,929
Total share of retained earnings in associate		
- Realised	229,233	226,436
- Unrealised	74,758	66,863
Add: Consolidated adjustments	(128,842)	(121,837)
Total Group retained earnings as per Consolidated		
Accounts	636,196	573,391

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

9. Profit before taxation

The profit before taxation is stated after charging/(crediting) :

	Current Quarter ended 30/06/2017 RM'000	Preceding year corresponding quarter ended 30/06/2016 RM'000	Current year-to-date ended 30/06/2017 RM'000	Preceding year-to-date ended 30/06/2016 RM'000
Interest income	(202)	(159)	(439)	(328)
Other expenses/(income)	(2,402)	(689)	(2,383)	(1,548)
Interest expense	5,322	5,187	10,770	10,709
Depreciation and				
amortisation	5,965	5,544	11,468	11,058
Property, plant and				
equipment written off	-	26	-	26
(Gain)/Loss on disposal				
of plant and equipment	(2,316)	-	(2,415)	(4)
(Gain)/Loss on foreign				
exchange	3,948	(2,219)	4,977	1,962
(Gain)/Loss on derivative				
financial instruments	(98)	891	(6)	(620)
Other expenses/(income) Interest expense Depreciation and amortisation Property, plant and equipment written off (Gain)/Loss on disposal of plant and equipment (Gain)/Loss on foreign exchange (Gain)/Loss on derivative	(2,402) 5,322 5,965 (2,316) 3,948	(689) 5,187 5,544 26 - (2,219)	(2,383) 10,770 11,468 - (2,415) 4,977	(1,548 10,709 11,058 26 (4 1,962

10. Changes in material litigation

There was no pending material litigation as at 28 August 2017 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Dividend

No interim dividend has been proposed for the current quarter under review.

(Company No. 638899-K)

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS SECOND QUARTER ENDED 30 JUNE 2017

12. Earnings per share

The basic earnings per share are computed as follows :

	Current Quarter ended 30/06/2017	Preceding year corresponding quarter ended 30/06/2016	Current year-to-date ended 30/06/2017	Preceding year-to-date ended 30/06/2016
Net profit attributable to shareholders of the company (RM'000)	14,998	26,995	30,076	37,948
Weighted average number of ordinary shares in issue ('000)	192,153	192,153	192,153	192,153
Basic Earnings per ordinary share (Sen)	7.81	14.05	15.65	19.75

Dated : 30 August 2017 Petaling Jaya, Selangor Darul Ehsan