



RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2017

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 30.06.2017	Quarter ended 30.06.2016	Year to date ended 30.06.2017	Year to date ended 30.06.2016
		RM'000	RM'000	RM'000	RM'000
Revenue		61,661	59,960	124,134	114,602
Cost of sales		(46,235)	(43,006)	(90,110)	(81,990)
Gross profit		15,426	16,954	34,024	32,612
Other operating income	15	3,132	4,382	6,218	6,514
Operating expenses	15	(15,208)	(11,121)	(27,978)	(22,661)
Finance costs		(418)	(296)	(722)	(575)
Profit before tax		2,932	9,919	11,542	15,890
Tax expense	21	(400)	(1,306)	(1,639)	(1,802)
Net profit for the period		2,532	8,613	9,903	14,088
Other comprehensive income / (loss)					
Foreign currency translations		554	(454)	640	(2,438)
Total comprehensive income for the period		3,086	8,159	10,543	11,650
Profit attributable to owners of the parent		2,532	8,613	9,903	14,088
Total comprehensive income attributable to owners of the parent		3,086	8,159	10,543	11,650
Earnings per share attributable to owners of the parent	27				
Basic (sen)		3.37	11.46	13.18	18.74
Diluted (sen)		N.A.	N.A.	N.A.	N.A.

(The Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2016)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 30.06.2017 RM'000	As at 31.12.2016 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		313,981	310,439
Investment properties		16,500	16,500
Available-for-sale financial assets		130	130
		330,611	327,069
Current Assets			
Inventories		43,305	43,979
Trade receivables		45,295	44,440
Other receivables, deposits & prepayments		17,209	12,671
Current tax assets		531	1,004
Cash and bank balances		41,575	24,172
		147,915	126,266
Total Assets		478,526	453,335
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		75,157	75,157
Reserves			
<u>Non-Distributable:</u>			
Share premium		4,210	4,210
Revaluation reserve		60,983	60,983
Exchange translation reserve		(1,025)	(1,665)
Available-for-sale reserve		47	47
<u>Distributable:</u>			
Retained earnings		243,508	233,605
		307,723	297,180
Total Equity		382,880	372,337
Non-Current Liabilities			
Borrowings (interest bearing)	23	4,302	-
Employment benefit obligation		55	48
Deferred tax liabilities		27,770	28,018
		32,127	28,066
Current Liabilities			
Trade payables		9,959	9,118
Other payables & accruals		7,380	8,217
Borrowings (interest bearing)	23	46,083	35,213
Current tax liabilities		97	384
		63,519	52,932
Total Liabilities		95,646	80,998
Total Equity and Liabilities		478,526	453,335
Net assets per share attributable to owners of the parent (RM)		5.09	4.95

(The Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2016)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year to date ended 30.06.2017 RM'000	Year to date ended 30.06.2016 RM'000
Cash Flows From Operating Activities		
Profit before tax	11,542	15,890
Adjustments for:-		
Amortisation and depreciation	14,219	12,828
Bad debts written off	-	3
Impairment losses on trade receivables	35	101
Interest income	(93)	(66)
Interest expense	722	575
Inventories written down	101	162
Net gain on disposal of property, plant and equipment	(156)	(292)
Property, plant and equipment written off	5	6
Provision for employment benefit obligation	9	13
Reversal of impairment losses on trade receivables	(22)	(34)
Unrealised loss / (gain) on foreign exchange differences	3,631	(927)
Operating profit before changes in working capital	29,993	28,259
Net change in current assets	(6,877)	3,518
Net change in current liabilities	534	(5,862)
Tax paid	(1,703)	(1,294)
Net cash generated from operating activities	21,947	24,621
Cash Flows From Investing Activities		
Interest received	93	66
Proceeds from disposal of property, plant and equipment	231	303
Purchase of property, plant and equipment	(18,719)	(17,748)
Net cash used in investing activities	(18,395)	(17,379)
Cash Flows From Financing Activities		
Interest paid	(722)	(575)
Net drawdown of bank borrowings	15,285	6,739
Repayment of hire purchase	-	(8)
Net cash generated from financing activities	14,563	6,156

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date ended 30.06.2017 RM'000	Year to date ended 30.06.2016 RM'000
Net increase in cash and cash equivalents	18,115	13,398
Effects of exchange rate fluctuations on cash & cash equivalents	(712)	(658)
Cash and cash equivalents at beginning of the financial period	24,172	23,669
Cash and cash equivalents at end of the financial period	41,575	36,409
Cash and cash equivalents comprise of:		
Cash and bank balances	41,572	36,408
Short term placements	3	1
	41,575	36,409

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Non-distributable					Distributable	
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Available for sale reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total Equity RM'000
As at 1 January 2016	75,157	4,210	36,550	47	2,198	211,885	330,047
Profit for the financial period	-	-	-	-	-	14,088	14,088
Foreign currency translations	-	-	-	-	(2,438)	-	(2,438)
Total comprehensive (loss) / income	-	-	-	-	(2,438)	14,088	11,650
As at 30 June 2016	75,157	4,210	36,550	47	(240)	225,973	341,697
As at 1 January 2017	75,157	4,210	60,983	47	(1,665)	233,605	372,337
Profit for the financial period	-	-	-	-	-	9,903	9,903
Foreign currency translations	-	-	-	-	640	-	640
Total comprehensive income	-	-	-	-	640	9,903	10,543
As at 30 June 2017	75,157	4,210	60,983	47	(1,025)	243,508	382,880

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

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134, INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2016.

The significant accounting policies and methods of computation applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2016.

2 Adoption of Malaysian Financial Reporting Standards

The significant accounting policies applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2016, except for the effects of newly issued Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) applied during the current financial period:-

Title	Effective date
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiatives</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017

The Group has not adopted the following Standards of MFRS and IC Int. Framework that have been issued but not yet effective:

Title	Effective date
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfer of Investment Property</i>	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019

3 Qualified audit report

The financial statements for the financial year ended 31 December 2016 was not qualified.

4 Seasonal or cyclical factors

The Group's operation is not significantly affected by seasonal or cyclical factors.

5 Unusual items

Other than those stated in the notes, there are no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

6 Changes in estimates

There is no significant change in estimates of amounts reported in prior interim periods of the current or previous financial year.

7 Debt and equity securities

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

8 Dividends paid

There were no dividends paid during the quarter under review.

9 Segmental information

By Business Segment	Quarter ended		Year to date ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Trading	33,290	31,515	67,325	60,935
- Manufacturing	28,371	28,445	56,809	53,667
Total Segment Revenue	61,661	59,960	124,134	114,602
<u>Segment Profit/(Loss) Before Tax</u>				
- Trading	(1,120)	296	(1,083)	(44)
- Manufacturing	4,603	10,121	13,706	16,899
- Investment	(133)	(202)	(359)	(390)
Total Segment Profit	3,350	10,215	12,264	16,465

9 Segmental information (continued)

By Geographical Segment	Quarter ended		Year to date ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	29,114	28,895	58,334	55,184
- Asean	10,139	10,271	21,856	18,408
- Non-Asean	22,408	20,794	43,944	41,010
Total Segment Revenue	61,661	59,960	124,134	114,602
<u>Segment Capital Expenditure</u>				
- Malaysia	7,332	7,643	18,691	17,647
- Asean	18	54	27	98
- Non-Asean	-	3	1	3
Total Segment Capital Expenditure	7,350	7,700	18,719	17,748

By Geographical Segment	As at 30.06.2017	As at 31.12.2016
	RM'000	RM'000
<u>Segment Non-Current Assets</u>		
- Malaysia	305,267	300,286
- Asean	25,223	26,639
- Non-Asean	121	144
Total Segment Non-Current Assets	330,611	327,069

Included in the measure of segment profit are:

	Trading RM'000	Manufacturing RM'000	Investment RM'000	Total RM'000
Depreciation and amortisation	(1,584)	(12,635)	-	(14,219)

Reconciliation of reportable segment profit or loss to the Group's corresponding amount is as follows:

Profit for the financial period	RM'000
Total profit for reportable segments	12,264
Finance costs	(722)
Profit before tax	11,542
Income tax expense	(1,639)
Net profit for the financial period	9,903

10 Valuation of Property, Plant and Equipment and Investment Properties

The valuation of land and buildings has been brought forward, without any amendment to the previous annual financial statements.

11 Subsequent events

In the opinion of the Directors, there are no material subsequent events to be disclosed as at the date of this report.

12 Changes in the composition of the Group

There are no changes in the composition of the Group in the current quarter under review.

13 Changes in contingent liabilities

The contingent liabilities of the Group were as follows:

	As at 30.06.2017 RM'000	As at 31.12.2016 RM'000
Corporate guarantees given to banks and vendors for credit facilities granted to subsidiaries	54,124	41,541

14 Capital commitments

	As at 30.06.2017 RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	26,657
Approved but not contracted for	21,563

15 Comparative figures

The following comparative amounts have been restated to conform to the current financial period's presentation, which pertains to realised and unrealised foreign exchange gain or loss:

For the quarter ended 30.06.2016

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Consolidated Statements of Profit or Loss and Other Comprehensive Income			
Other operating income	2,600	1,782	4,382
Operating expenses	(9,339)	(1,782)	(11,121)

For year to date ended 30.06.2016

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Consolidated Statements of Profit or Loss and Other Comprehensive Income			
Other operating income	6,378	136	6,514
Operating expenses	(22,525)	(136)	(22,661)

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

16 Review of performance

Comparison of current quarter under review with corresponding quarter of preceding year

The Group recorded RM1.7 million or 2.8% increase in revenue from RM60.0 million in the corresponding quarter of preceding year (“2Q 2016”) to RM61.7 million in the current quarter under review (“2Q 2017”). The increase in revenue was mainly attributed to higher demand in overseas market.

However, Profit Before Tax (“PBT”) decreased by RM7.0 million or 70.7% from RM9.9 million in 2Q 2016 to RM2.9 million in 2Q 2017. PBT was lower mainly due to higher manufacturing and raw material costs, higher operating expenses and unfavourable impact from foreign exchange rates in the current quarter under review.

Comparison of current YTD period with corresponding YTD period of preceding year

The Group recorded RM9.5 million or 8.3% increase in revenue from RM114.6 million in YTD 2Q 2016 to RM124.1 million in YTD 2Q 2017. The increase in revenue was mainly attributed to higher demand in both local and overseas markets as well as favourable impact from foreign exchange rates.

However, PBT decreased by RM4.4 million or 27.7% from RM15.9 million in YTD 2Q 2016 to RM11.5 million in YTD 2Q 2017. This was mainly due to higher manufacturing and raw material costs, higher operating expenses and unfavourable impact from foreign exchange rates in the current YTD period under review.

17 Segmental performance review

Trading segment

Comparison of current quarter under review with corresponding quarter of preceding year

Revenue for the trading segment increased by RM1.8 million or 5.7% from RM31.5 million in 2Q 2016 to RM33.3 million in 2Q 2017. The increase in revenue was mainly attributed to higher demand in overseas market.

However, the segment recorded a loss of RM1.1 million in 2Q 2017 compared to a profit of RM0.3 million in 2Q 2016. The decline in profit was mainly due to unfavourable impact from foreign exchange rates in the current quarter under review.

Comparison of current YTD period with corresponding YTD period of preceding year

Revenue for the trading segment increased by RM6.4 million or 10.5% from RM60.9 million in YTD 2Q 2016 to RM67.3 million in YTD 2Q 2017, mainly attributed to higher demand in the local and overseas markets.

However, the segment recorded a loss of RM1.1 million in YTD 2Q 2017 compared to a minor loss of RM44,000 in YTD 2Q 2016, mainly due to higher operating expenses and unfavourable impact from foreign exchange rates in the current YTD period under review.

17 Segmental performance review (continued)

Manufacturing segment

Comparison of current quarter under review with corresponding quarter of preceding year

Manufacturing segment recorded revenue of RM28.4 million in 2Q 2017, only marginally lower by 0.3% compared to 2Q 2016.

Profit for the segment decreased by RM5.5 million or 54.5% from RM10.1 million in 2Q 2016 to RM4.6 million in 2Q 2017. This was mainly due to higher manufacturing and raw material costs, higher operating expenses and unfavourable impact from foreign exchange rates in the current quarter under review.

Comparison of current YTD period with corresponding YTD period of preceding year

Revenue for the manufacturing segment increased by RM3.1 million or 5.8% from RM53.7 million in YTD 2Q 2016 to RM56.8 million in YTD 2Q 2017. The increase was mainly due to higher demand in the overseas market and favourable impact from foreign exchange rate.

However, profit for the segment decreased by RM3.2 million or 18.9% from RM16.9 million in YTD 2Q 2016 to RM13.7 million in YTD 2Q 2017. The decline in profit was mainly due to higher manufacturing and raw material costs, higher operating expenses and unfavourable impact from foreign exchange rates in the current YTD period under review.

18 Variation of results against preceding quarter

Compared to the preceding quarter (“1Q 2017”), revenue decreased by RM0.8 million or 1.3% from RM62.5 million in 1Q 2017 to RM61.7 million in 2Q 2017.

PBT had declined by RM5.7 million or 66.3% from RM8.6 million in 1Q 2017 to RM2.9 million in 2Q 2017. This was mainly due to higher manufacturing and raw material costs, higher operating expenses and unfavourable impact from foreign exchange rates in the current quarter under review.

19 Future Prospects

Amid a challenging operating environment where profit margins are impacted by rising raw material costs, the Group will continue to focus on driving business growth through expanding its product range and market expansion as well as further strengthening its cost efficiency programs.

20 Profit forecast

There was no revenue or profit forecast announced by the Group.

21 Tax expense

	Quarter ended 30.06.2017 RM'000	Year to date ended 30.06.2017 RM'000
Tax expense	733	1,889
Deferred tax liabilities	(333)	(250)
	<u>400</u>	<u>1,639</u>

The effective tax rate of the Group for the current quarter and year to date under review was lower than the statutory tax rate mainly attributed to the utilisation of Reinvestment Allowance and Investment Tax Allowance as well as the reversal of deferred tax liabilities due to timing differences.

22 Status of corporate proposal

There were no corporate proposals announced but not completed as at the date of this report.

23 Group borrowings and debt securities

	As at 30.06.2017 RM'000	As at 31.12.2016 RM'000
Current liabilities		
<i>Unsecured:-</i>		
Bankers' acceptance	41,781	32,000
Revolving Credit	4,302	-
Term loans	-	3,213
Sub-total	<u>46,083</u>	<u>35,213</u>
Non-current liabilities		
<i>Unsecured:-</i>		
Revolving Credit	4,302	-
Sub-total	<u>4,302</u>	<u>-</u>
Total borrowings	<u>50,385</u>	<u>35,213</u>
Total borrowings		
Bankers' acceptances	41,781	32,000
Revolving Credit	8,604	-
Term loans	-	3,213
	<u>50,385</u>	<u>35,213</u>

The currency exposure profile of borrowings is as follows:

	As at 30.06.2017 RM'000	As at 31.12.2016 RM'000
Ringgit Malaysia	37,550	32,304
US Dollar	12,835	2,909
	<u>50,385</u>	<u>35,213</u>

24 Changes in fair value of financial instruments

The carrying amounts of the financial instruments of the Group as at reporting date approximate their fair values due to relatively short term maturity of these financial instruments.

25 Material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at the date of this report.

26 Dividend

The Board of Directors has not recommended any interim dividend for the financial quarter ended 30 June 2017.

27 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended 30.06.2017</u>	<u>Quarter ended 30.06.2016</u>	<u>Year to date ended 30.06.2017</u>	<u>Year to date ended 30.06.2016</u>
Net profit attributable to owners of the parent (RM'000)	2,532	8,613	9,903	14,088
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	75,157	75,157	75,157	75,157
Basic earnings per share (sen)	3.37	11.46	13.18	18.74

28 Realised and unrealised profits or losses disclosure

The determination of Realised and Unrealised Profits or Losses is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and at the directive of Bursa Malaysia Securities Berhad:

	As at 30.06.2017 RM'000	As at 31.12.2016 RM'000
Total retained earnings before consolidated adjustments		
- Realised	341,135	333,547
- Unrealised	(14,465)	(17,563)
	326,670	315,984
Less: Consolidated adjustments	(83,162)	(82,379)
Total Group retained earnings as per consolidated financial statements	243,508	233,605

29 Profit before tax

	Quarter ended 30.06.2017 RM'000	Year to date ended 30.06.2017 RM'000
Profit before tax is arrived at after charging / (crediting):		
Depreciation of property, plant and equipment	7,185	14,219
Gain on disposal of property, plant and equipment	(32)	(156)
Gain on foreign exchange:		
- Realised	(235)	(666)
Impairment losses on trade receivables	8	35
Interest expense	418	722
Interest income	(61)	(93)
Inventories written down	152	101
Loss on foreign exchange:		
- Unrealised	2,733	3,631
Property, plant and equipment written off	2	5
Provision for employment benefit obligation	5	9
Rental income from investment properties	(190)	(370)
Reversal of impairment loss on trade receivables	(9)	(22)

By Order of the Board

TAI YIT CHAN
CHOONG LEE WAH
Secretaries

Selangor
27 July 2017