

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017**

	<b>As at 30-Sept-17 (Unaudited) RM'000</b>	<b>As at 31-Dec-16 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	109,626	112,856
Investment in associates	15,213	14,435
Investment securities	5,677	7,502
Intangible assets	7,452	7,457
Deferred tax assets	794	1,123
	<u>138,762</u>	<u>143,373</u>
<b>Current assets</b>		
Inventories	167,944	169,661
Trade and other receivables	100,331	104,022
Tax recoverable	409	815
Cash and bank balances	31,507	32,695
	<u>300,191</u>	<u>307,193</u>
<b>TOTAL ASSETS</b>	<u>438,953</u>	<u>450,566</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	66,154	65,026
Share premium	13,868	13,868
Treasury shares	(5,780)	(4,797)
Irredeemable Convertible Unsecured Loan Stock ("ICULS") equity	26,349	26,240
Other reserves	11,132	16,007
Retained earnings	135,673	128,990
<b>Total equity attributable to owners of the parent</b>	<u>247,396</u>	<u>245,334</u>
<b>Non-controlling interests</b>	29,732	28,914
<b>Total equity</b>	<u>277,128</u>	<u>274,248</u>
<b>Non-current liabilities</b>		
ICULS liability	1,548	3,096
Bank borrowings	14,480	17,619
Deferred tax liabilities	656	408
	<u>16,684</u>	<u>21,123</u>
<b>Current liabilities</b>		
Trade and other payables	44,549	50,466
Bank borrowings	99,897	103,297
Tax payable	695	1,432
	<u>145,141</u>	<u>155,195</u>
<b>Total liabilities</b>	<u>161,825</u>	<u>176,318</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>438,953</u>	<u>450,566</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
	2017 RM '000	2016 RM '000	2017 RM '000	2016 RM '000
<b>Revenue</b>	60,027	59,667	176,859	176,005
Operating expenses	(53,632)	(53,165)	(156,155)	(152,224)
Other income	205	373	2,592	886
<b>Operating profit</b>	6,600	6,875	23,296	24,667
Interest expense	(2,345)	(3,280)	(7,694)	(9,150)
Interest income	84	66	251	185
Share of results of associates	646	126	1,162	556
<b>Profit before tax</b>	4,985	3,787	17,015	16,258
Tax expense	(1,334)	(1,015)	(5,199)	(4,448)
<b>Profit for the period</b>	3,651	2,772	11,816	11,810
<b>Profit attributable to:</b>				
Owners of the parent	3,129	2,388	10,258	10,313
Non-controlling interests	522	384	1,558	1,497
<b>Profit for the period</b>	3,651	2,772	11,816	11,810
<b>Earnings per share (“EPS”) attributable to owners of the parent (sen):</b>				
Basic EPS	2.49	2.00	8.20	8.64
Diluted EPS	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
	2017 RM '000	2016 RM '000	2017 RM '000	2016 RM '000
Profit for the period	3,651	2,772	11,816	11,810
<b>Other comprehensive income / (expenses), net of tax:</b>				
Currency translation differences arising from consolidation	(1,996)	2,814	(4,709)	(446)
Fair value movements on available for sale investments	1,177	102	(166)	(159)
<b>Total comprehensive income for the period</b>	<b>2,832</b>	<b>5,688</b>	<b>6,941</b>	<b>11,205</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	2,310	5,304	5,383	9,708
Non-controlling interests	522	384	1,558	1,497
	<b>2,832</b>	<b>5,688</b>	<b>6,941</b>	<b>11,205</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	<b>Cumulative quarter 9 months ended 30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	17,015	16,258
Adjustments for:		
Non-cash items and non-operating items	8,060	12,325
Operating profit before working capital changes	<u>25,075</u>	<u>28,583</u>
Inventories	1,717	300
Receivables	3,691	19,793
Payables	(5,917)	(13,159)
Cash generated from operating activities	<u>24,566</u>	<u>35,517</u>
Interest paid	(7,549)	(9,150)
Net of tax paid	(5,276)	(5,543)
<b>Net cash from operating activities</b>	<b><u>11,741</u></b>	<b><u>20,824</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional of intangible assets	-	(139)
Additional investment in subsidiaries and associates	(84)	(444)
Dividend received	182	45
Interest received	251	185
Net of purchase and disposal of investment securities	2,871	(2,616)
Net of purchase and disposal of property, plant and equipment	(4,583)	(4,022)
<b>Net cash used in investing activities</b>	<b><u>(1,363)</u></b>	<b><u>(6,991)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(4,606)	(5,102)
Net of repurchase and disposal of treasury shares	(776)	406
Net changes in bank borrowings	(5,969)	(9,971)
<b>Net cash used in financing activities</b>	<b><u>(11,351)</u></b>	<b><u>(14,667)</u></b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(973)</b>	<b>(834)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>26,359</b>	<b>26,022</b>
Effect of foreign exchange rates changes	1,215	1,733
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b><u>26,601</u></b>	<b><u>26,921</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:</b>		
Cash and bank balances	31,507	30,097
Overdrafts	(4,906)	(3,176)
	<b><u>26,601</u></b>	<b><u>26,921</u></b>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)**

	----- Non-Distributable -----							----- Distributable -----				
	----- Attributable to owners of the parent -----											
(RM'000)	Share capital	Share premium	Treasury shares	ICULS equity	Warrant reserve	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as at 1 January 2016</b>	64,281	12,852	(8,960)	26,491	20,946	(20,054)	10,404	368	132,178	238,506	26,928	265,434
Purchase of treasury shares	-	-	(697)	-	-	-	-	-	-	(697)	-	(697)
Resold of treasury shares	-	271	832	-	-	-	-	-	-	1,103	-	1,103
Conversion of ICULS	262	262	-	(524)	-	-	-	-	-	-	-	-
Transfer from ICULS liability	-	-	-	1,240	-	-	-	-	-	1,240	-	1,240
Changes in equity	-	-	-	-	-	-	-	-	-	-	(1,935)	(1,935)
Dividend paid	-	-	-	-	-	-	-	-	(4,172)	(4,172)	(930)	(5,102)
Total comprehensive income for the period	-	-	-	-	-	-	(446)	(159)	10,313	9,708	1,497	11,205
<b>Balance as at 30 September 2016</b>	64,543	13,385	(8,825)	27,207	20,946	(20,054)	9,958	209	138,319	245,688	25,560	271,248
<b>Balance as at 1 January 2017</b>	65,026	13,868	(4,797)	26,240	20,946	(20,054)	15,584	(469)	128,990	245,334	28,914	274,248
Purchase of treasury shares	-	-	(2,239)	-	-	-	-	-	-	(2,239)	-	(2,239)
Resold of treasury shares	-	-	1,256	-	-	-	-	-	207	1,463	-	1,463
Conversion of ICULS	1,128	-	-	(1,128)	-	-	-	-	-	-	-	-
Transfer from ICULS liability	-	-	-	1,237	-	-	-	-	-	1,237	-	1,237
Dividend paid	-	-	-	-	-	-	-	-	(3,782)	(3,782)	(824)	(4,606)
Changes in equity	-	-	-	-	-	-	-	-	-	-	84	84
Total comprehensive income for the period	-	-	-	-	-	-	(4,709)	(166)	10,258	5,383	1,558	6,941
<b>Balance as at 30 September 2017</b>	66,154	13,868	(5,780)	26,349	20,946	(20,054)	10,875	(635)	135,673	247,396	29,732	277,128

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**NOTES TO THE INTERIM FINANCIAL REPORT  
- SELECTED EXPLANATORY NOTES UNDER MALAYSIAN FINANCIAL REPORTING STANDARD  
("MFRS") 134 – INTERIM FINANCIAL REPORTING**
**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

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

**A2 Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2016 save for the following new MFRSs and amendments to MFRSs.

<b>MFRS</b>	<b>Description</b>	<b>Effective dates for financial periods beginning on or after</b>
Amendment to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
•	Amendments to MFRS 12	1 January 2017
•	Amendments to MFRS 1	1 January 2017
•	Amendments to MFRS128	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and measurement of Share-based payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

\* Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

The Group and the Company intend to adopt the above MFRSs when they become effective.

The adoption of the above standards and interpretations do not have material impact to the financial statements of the Group upon their initial application.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017****A3 Seasonal or cyclical factors**

The Group performance is not materially affected by seasonal or cyclical factors.

**A4 Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial period-to-date.

**A5 Changes in estimates**

There were no changes in estimates that have material effect in the current quarter and financial period-to-date results.

**A6 Debt and equity securities**

There were no issuances and repayments of debt and equity securities during financial period ended 30 September 2017 save for shares buy back, resold of own shares and conversion of ICULS to ordinary share.

At the Annual General Meeting held on 24 May 2017, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 30 September 2017, the Company repurchased of 2,083,200 own shares and resold of 1,250,000 own shares. The details of resold shares are as follows:-

	<b>RM'000</b>
Disposal value	1,463
Cost of shares	<u>(1,256)</u>
Gain on disposal	<u>207</u>

As at 30 September 2017, a total of 5,708,610 treasury shares, representing 4.35% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM5.780 million.

During the financial period ended 30 September 2017, 1,129,600 ICULS were converted by the registered ICULS holders to 1,129,600 new ordinary shares.

**A7 Dividend paid**

A first and final single tier dividend of 3.0 sen per share amounted RM3.782 million in respect of the financial year ended 31 December 2016 was paid on 13 July 2017.

**A8 Material post balance sheet events**

There was no material events subsequent to the end of the financial period ended 30 September 2017 as at the date of this report save for on 17 October 2017, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had acquired 40,000 ordinary shares with a total cash consideration of RM120,000 which representing 40% of the total issued and paid-up capital of United Intertrade Sdn. Bhd. from Cik Aminah Binti Mohd Tahir.



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**A9 Changes in the composition of the Group**

There were no changes in the composition of the Group during the financial period ended 30 September 2017 save for the following:-

- i. On 13 July 2017, Unimech Capital Sdn. Bhd., a wholly owned subsidiary company of the Company had incorporated a new subsidiary company in Malaysia namely Valtrox Sanitary Equipment Sdn. Bhd. under the Companies Act 2016.
- ii. On 9 August 2017, Unimech Worldwide (Shanghai) Sdn. Bhd., a wholly owned subsidiary of the Company had subscribed 61 shares which representing 61.0% equity interest in Super Scene Limited for a cash consideration of HKD61.00 only.
- iii. On 10 August 2017, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had acquired 100,200 ordinary shares representing 50.1% of the paid-up share capital of Huemech Industries Sdn. Bhd. from Mr. Lim Ka Waat, for a cash consideration of RM83,867 only.

**A10 Changes in contingent liabilities or contingent assets**

There were no material changes in the contingent liabilities for the Group since the last financial year ended 31 December 2016.

**A11 Capital commitments**

There were no material capital commitments as at 30 September 2017.

**A12 Related party transactions**

There were no related party transactions for the period ended 30 September 2017.



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**NOTES TO THE INTERIM FINANCIAL REPORT**
**- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS**
**B1 Financial review for current quarter and financial period to date**

	Individual Period			Cumulative Period		
	Current Year Quarter 30 Sept 17 RM'000	Preceding Year Corresponding Quarter 30 Sept 16 RM'000	Changes RM'000 / %	Current Year to Date 30 Sept 17 RM'000	Preceding Year Corresponding Period 30 Sept 16 RM'000	Changes RM'000 / %
Revenue	60,027	59,667	360 / 0.6%	176,859	176,005	854 / 0.5%
Profit before tax	4,985	3,787	1,198 / 31.6%	17,015	16,258	757 / 4.7%

Current quarter

The Group reported revenue of RM60.027 million for the current quarter ended 30 September 2017 as compared to the preceding year corresponding quarter ended 30 September 2016 of RM59.667 million representing 0.6% increase.

The Group recorded a profit before tax of RM4.985 million for the current quarter which was RM1.198 million or 31.6% higher as compared to the preceding year corresponding quarter of RM3.787 million. The increase in profit before tax was due mainly to lower operating expenses and finance costs in current quarter.

Financial period-to-date

There is no significant change in revenue and profit before tax was reported by the Group for the financial period ended 30 September 2017. The Group reported revenue of RM176.859 million for the financial period ended 30 September 2017, representing an increase of RM0.854 million or 0.5% as compared to previous financial period ended 30 September 2016 of RM176.005 million. The profit before tax for financial period ended 30 September 2017 increased by RM0.757 million or 4.7% to RM17.015 million as compared to previous financial period ended 30 September 2016 of RM16.258 million.

**B2 Financial review for current quarter compared with immediate preceding quarter**

	Current Quarter 30 September 17 RM'000	Immediate Preceding Quarter 30 June 17 RM'000	Changes RM'000 / %
Revenue	60,027	59,869	158 / 0.3%
Profit before tax	4,985	6,074	(1,089) / (18%)

No significant change in the revenue for the current quarter ended 30 September 2017 as compared to preceding quarter. The profit before tax decreased by 18% or RM1.089 million as compared to preceding quarter ended 30 June 2017. The decrease in profit before tax was due the drop in profit margin in certain business segments.

**B3 Overall review of group's financial performance**

No material change of the major components of the statement of profit and loss and other comprehensive income, statement of financial position as well as statement of cash flow reported by the Group for the period ended 30 September 2017 compared to preceding year corresponding period ended 30 September 2016.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B4 Segment information**

By business segment as at 30 September 2017

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	131,078	10,289	19,214	16,278	-	176,859
Inter-segment revenue	36,450	4,506	2,871	65	(43,892)	-
<b>Total revenue</b>	<b>167,528</b>	<b>14,795</b>	<b>22,085</b>	<b>16,343</b>	<b>(43,892)</b>	<b>176,859</b>
<b>Segment results</b>	<b>24,107</b>	<b>(1,388)</b>	<b>2,069</b>	<b>1,345</b>	<b>(1,700)</b>	<b>24,433</b>
Unallocated expenses						(1,137)
Interest expense						(7,694)
Interest income						251
Share of results of associates						1,162
Profit before tax						17,015
Tax expense						(5,199)
Profit after tax						11,816
Non-controlling interests						(1,558)
Profit attributable to owners of the parent for financial period ended 30 September 2017						<u>10,258</u>
Segment assets	529,519	19,144	23,011	92,245	(224,966)	438,953
Segment liabilities	187,134	25,136	10,681	88,503	(149,629)	161,825

By business segment as at 30 September 2016

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	133,634	7,554	20,119	14,698	-	176,005
Inter-segment revenue	36,348	2,695	2,254	95	(41,392)	-
<b>Total revenue</b>	<b>169,982</b>	<b>10,249</b>	<b>22,373</b>	<b>14,793</b>	<b>(41,392)</b>	<b>176,005</b>
<b>Segment results</b>	<b>26,146</b>	<b>(1,632)</b>	<b>2,395</b>	<b>1,098</b>	<b>(2,000)</b>	<b>26,007</b>
Unallocated expenses						(1,340)
Interest expense						(9,150)
Interest income						185
Share of results of associates						556
Profit before tax						16,258
Tax expense						(4,448)
Profit after tax						11,810
Non-controlling interests						(1,497)
Profit attributable to owners of the parent for financial period ended 30 September 2016						<u>10,313</u>
Segment assets	522,529	24,464	23,344	80,783	(209,511)	441,609
Segment liabilities	204,314	29,497	11,682	73,013	(148,145)	170,361

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B5 Commentary on prospects for 2017**

The year 2017 will likely remain challenging as there is still uncertainty which is the greatest threat to the world economy at the present with the escalation of costs due to inflation and fluctuation of exchange rates. Although the global economic conditions are expected to be still challenging, it is envisioned that the economy will continue to grow, albeit at a moderate pace. The Group's core business is not expected to be significantly adversely affected barring a drastic change in global economic conditions. The Group will continue with its competitive strategy of developing further on its own brands to enhance its market position. In addition, the Group will concentrate on improving the efficiency in operations to achieve the competitive edge in the market.

Taking into consideration the abovementioned factors and subject to the global economic conditions, the Board of Directors is of the view that the Group is optimistic of reporting a better performance and growth in the financial year ending 31 December 2017.

**B6 Profit forecast**

Not applicable as no profit forecast was published.

**B7 Income tax expense**

	<b>Current quarter 3 months ended 30-Sept-17 RM'000</b>	<b>Cumulative quarters 9 months ended 30-Sept-17 RM'000</b>
Current period provision	1,298	4,951
Deferred tax	36	248
	1,334	5,199

The effective tax rate for the current quarter and the cumulative quarter are higher than the statutory tax rate were due principally to losses of certain subsidiary companies cannot be used to offset against profit of other companies in the Group.

**B8 Status of corporate proposals and status of utilisation of proceeds raised**

There was no corporate proposal being carried out during the period under review.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B9 Group borrowings and debt securities**
**Total borrowings as at 30 September 2017**

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
<b>Secured</b>						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	4,906	-	4,906
Hire purchases	-	2,471	-	2,263	-	4,734
Revolving credits	-	-	-	29,955	-	29,955
Term loans	-	9,637	-	1,269	-	10,906
Trade lines	-	-	-	19,573	-	19,573
	-	12,108	-	57,966	-	70,074
<i>Singapore Dollar @ 3.1083</i>						
Hire purchases	63	196	16	50	79	246
Term loans	-	-	52	161	52	161
	63	196	68	211	131	407
<i>Indonesia Rupiah @ 0.000313</i>						
Hire purchases	-	-	56,836	18	56,836	18
Term loans	6,951,374	2,176	678,217	212	7,629,591	2,388
Trade lines	-	-	108,625,000	34,000	108,625,000	34,000
	6,951,374	2,176	109,360,053	34,230	116,311,427	36,406
<i>Chinese Renminbi @ 0.6353</i>						
Hire purchases	-	-	8	5	8	5
<b>Total secured</b>		<b>14,480</b>		<b>92,412</b>		<b>106,892</b>
<b>Unsecured</b>						
<i>Indonesia Rupiah @ 0.000313</i>						
Revolving credits	-	-	14,916,602	4,669	14,916,602	4,669
<i>Thai Baht @ 0.126574</i>						
Trade lines	-	-	22,246	2,816	22,246	2,816
<b>Total unsecured</b>		<b>-</b>		<b>7,485</b>		<b>7,485</b>
<b>Total borrowings</b>		<b>14,480</b>		<b>99,897</b>		<b>114,377</b>

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**Total borrowings as at 30 September 2016**

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
<b>Secured</b>						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	3,175	-	3,175
Hire purchases	-	1,987	-	2,318	-	4,305
Revolving credits	-	-	-	33,751	-	33,751
Term loans	-	10,548	-	1,081	-	11,629
Trade lines	-	-	-	19,603	-	19,603
	-	12,535	-	59,928	-	72,463
<i>Singapore Dollar @ 3.0293</i>						
Hire purchases	77	233	16	48	93	281
Term loans	93	282	79	239	172	521
	170	515	95	287	265	802
<i>Indonesia Rupiah @ 0.000305</i>						
Hire purchases	306,937	97	384,901	117	691,838	214
Term loans	10,929,511	3,333	554,916	169	11,484,427	3,502
Trade lines	-	-	24,153,993	7,367	24,153,993	7,367
	11,236,448	3,430	25,093,810	7,653	36,330,258	11,083
<i>Chinese Renminbi @ 0.6200</i>						
Hire purchases	-	-	411	255	411	255
<b>Total secured</b>		<b>16,480</b>		<b>68,123</b>		<b>84,603</b>
<b>Unsecured</b>						
<i>Indonesia Rupiah @ 0.000305</i>						
Revolving credits	-	-	110,005,000	33,565	110,005,000	33,565
<i>Thai Baht @ 0.119316</i>						
Trade lines	-	-	25,525	3,046	25,525	3,046
<b>Total unsecured</b>		<b>-</b>		<b>36,611</b>		<b>36,611</b>
<b>Total borrowings</b>		<b>16,480</b>		<b>104,734</b>		<b>121,214</b>

**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at the date of this report.

**B11 Changes in material litigation**

The Group is not engaged in any material litigation as at the date of this report.

**B12 Dividend**

No interim dividend has been declared for the financial period ended 30 September 2017.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B13 Earnings per share (“EPS”)**
**Basic EPS**

The basic EPS had been calculated by dividing the Group’s profit for the year attributable to owner of the parent by the weighted average number of shares in issue.

	<b>Current quarter 3 months ended 30-Sept-17</b>	<b>Cumulative quarters 9 months ended 30-Sept-17</b>
Profit for the period (RM’000)	3,651	11,816
Profit attributable to non-controlling interests (RM’000)	(522)	(1,558)
<b>Profit attributable to owners of the parent (RM’000)</b>	<u>3,129</u>	<u>10,258</u>
<b>Weighted average number of ordinary shares in issue (’000)</b>	<u>125,781</u>	<u>125,158</u>
<b>Basic EPS (sen)</b>	2.49	8.20

**Diluted EPS**

The diluted EPS is not calculated due to anti-dilutive effect as exercise price of the Warrants was higher than the market price of the ordinary shares as at 30 September 2017.

**B14 Auditors’ report on preceding annual financial statements**

The auditors’ report of the annual financial statements for the financial year ended 31 December 2016 was not subject to any qualification.

**B15 Notes to Condensed Consolidated Income Statements on Other Income/Expenses**

	<b>Current quarter 3 months ended 30-Sept-17 RM’000</b>	<b>Cumulative quarter 9 months ended 30-Sept-17 RM’000</b>
<b>Profit before tax is arrived at after charging/(crediting):-</b>		
Allowance for diminution in investment securities	4	114
Allowance for impairment of inventories	500	1,852
Bad debts recovered	(12)	(28)
Depreciation & amortization	1,762	5,504
Dividend income	136	182
Gain on disposal of investment securities	(82)	(462)
Gain on disposal of property, plant & equipment	(4)	(261)
Loss on foreign exchange – realised	588	259
Interest expense	2,345	7,694
Interest income	(84)	(251)
Property, plant and equipment written off	11	11
Rental income	231	282

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**B16 Foreign Exchange Exposure**

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar, Chinese Renmimbi, and Euro. The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply nature hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the Management.

**B17 Trade Receivables**

- i. Trade receivables are non-interest bearing and are generally on 30 days to 90 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- ii. Analysis of the trade receivables ageing is as follow:

	<b>As at 30-Sept-17 (Unaudited) RM'000</b>	<b>As at 31-Dec-16 (Audited) RM'000</b>
Neither past due nor impaired	35,516	39,678
<u>Pass due but not impaired</u>		
Less than 30 days	15,074	16,841
31 days to 60 days	10,477	11,704
More than 61 days	10,177	11,370
	<u>35,728</u>	<u>39,915</u>
	71,244	79,593
Impaired	4,605	4,605
	<u>75,849</u>	<u>84,198</u>

As at 30 September 2017, trade receivables of RM35.728 million were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default. The management is in an opinion that all the trade receivables are collectible. Thus, no further impairment is required.

- iii. No material provision and write-off of trade receivables during the financial period ended 30 September 2017.

**B18 Impairment of Assets**

No material impairment of assets recognised as a loss in the statement of profit and loss and other comprehensive income for the financial period ended 30 September 2017.



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**B19 Breakdown of Realised and Unrealised Profits/Losses**

	<b>As at 30-Sept-17 (Unaudited) RM'000</b>	<b>As at 31-Dec-16 (Audited) RM'000</b>
<b>Total retained profits/(accumulated losses) of the Company and its subsidiaries:</b>		
- Realised	180,831	174,547
- Unrealised	(14,254)	(13,712)
<b>Total share of retained profits from associate companies:</b>		
- Realised	7,426	6,264
- Unrealised	-	-
	<hr/>	<hr/>
	174,003	167,099
Less: Consolidation Adjustments	(38,330)	(38,109)
<b>Total group retained profits as per consolidated accounts</b>	<hr/> <hr/>	<hr/> <hr/>
	135,673	128,990

By order of the Board

Dato' Lim Cheah Chooi  
Chief Executive Director

**Dated this 28<sup>th</sup> November 2017**