


INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

| | As at 31-Mar-19 (Unaudited) RM'000 | As at 31-Dec-18 (Audited) RM'000 |
|--|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 103,535 | 103,655 |
| Investment properties | 2,540 | 2,549 |
| Investment in associates | 16,084 | 15,706 |
| Investment securities | 5,178 | 4,793 |
| Intangible assets | 1,382 | 1,364 |
| Deferred tax assets | 1,185 | 1,159 |
| | <u>129,904</u> | <u>129,226</u> |
| Current assets | | |
| Inventories | 187,637 | 185,511 |
| Trade and other receivables | 87,915 | 95,946 |
| Tax recoverable | 582 | 763 |
| Cash and bank balances | 39,421 | 37,428 |
| | <u>315,555</u> | <u>319,648</u> |
| TOTAL ASSETS | <u>445,459</u> | <u>448,874</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 107,891 | 107,859 |
| Treasury shares | (9,321) | (8,821) |
| Reserves | (1,525) | (2,520) |
| Retained earnings | 154,278 | 150,185 |
| Equity attributable to owners of the parent | <u>251,323</u> | <u>246,703</u> |
| Non-controlling interests | 34,050 | 32,871 |
| Total equity | <u>285,373</u> | <u>279,574</u> |
| Liabilities | | |
| Non-Current Liabilities | | |
| Bank borrowings | 13,421 | 14,404 |
| Deferred tax liabilities | 1,039 | 946 |
| | <u>14,460</u> | <u>15,350</u> |
| Current liabilities | | |
| Trade and other payables | 44,912 | 47,311 |
| Bank borrowings | 98,180 | 104,745 |
| Tax payable | 2,534 | 1,894 |
| | <u>145,626</u> | <u>153,950</u> |
| Total liabilities | <u>160,086</u> | <u>169,300</u> |
| TOTAL EQUITY AND LIABILITIES | <u>445,459</u> | <u>448,874</u> |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

| | Current quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|---|---|-----------------|--|-----------------|
| | 2019 RM '000 | 2018 RM '000 | 2019 RM '000 | 2018 RM '000 |
| Revenue | 68,100 | 67,935 | 68,100 | 67,935 |
| Operating expenses | (58,716) | (58,758) | (58,716) | (58,758) |
| Other income | 187 | 444 | 187 | 444 |
| Operating profit | 9,571 | 9,621 | 9,571 | 9,621 |
| Interest expense | (1,705) | (2,052) | (1,705) | (2,052) |
| Interest income | 62 | 66 | 62 | 66 |
| Share of results of associates | 477 | 470 | 477 | 470 |
| Profit before tax | 8,405 | 8,105 | 8,405 | 8,105 |
| Taxation | (3,153) | (3,035) | (3,153) | (3,035) |
| Profit for the period | 5,252 | 5,070 | 5,252 | 5,070 |
| Profit attributable to: | | | | |
| Owners of the parent | 4,093 | 3,969 | 4,093 | 3,969 |
| Non-controlling interests | 1,159 | 1,101 | 1,159 | 1,101 |
| Profit for the period | 5,252 | 5,070 | 5,252 | 5,070 |
| Earnings per share (“EPS”) attributable to owners of the parent (sen): | | | | |
| Basic EPS | 2.73 | 3.19 | 2.73 | 3.19 |
| 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 2018 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

| | Current quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|--|--|-------------------------|---|-------------------------|
| | 2019 RM '000 | 2018 RM '000 | 2019 RM '000 | 2018 RM '000 |
| Profit for the period | 5,252 | 5,070 | 5,252 | 5,070 |
| Other comprehensive income/(expenses), net of tax: | | | | |
| Currency translation differences arising from consolidation | (245) | (4,285) | (245) | (4,285) |
| Fair value movements on available for sale investments | 1,240 | (641) | 1,240 | (641) |
| Total comprehensive income/(loss) for the period/year | 6,247 | 144 | 6,247 | 144 |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of the parent | 5,088 | (957) | 5,088 | (957) |
| Non-controlling interests | 1,159 | 1,101 | 1,159 | 1,101 |
| | 6,247 | 144 | 6,247 | 144 |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

| | Cumulative quarter 3 months ended 31 March | |
|---|--|----------------|
| | 2019 RM'000 | 2018 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 8,405 | 8,105 |
| Adjustments for: | | |
| Non-cash items and non-operating items | 2,498 | 187 |
| Operating profit before working capital changes | 10,903 | 8,292 |
| Inventories | (2,126) | 2,723 |
| Receivables | 8,031 | 696 |
| Payables | (2,399) | (5,240) |
| Cash generated from operating activities | 14,409 | 6,471 |
| Interest paid | (1,705) | (2,052) |
| Net of tax paid | (2,130) | (712) |
| Net cash from operating activities | 10,574 | 3,707 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additional of intangible assets | (18) | 25 |
| Dividend received | 6 | 8 |
| Interest received | 62 | 66 |
| Issue of shares to non-controlling interest | 20 | - |
| Net of purchase and disposal of investment securities | 273 | (636) |
| Net of purchase and disposal of property, plant and equipment | (815) | (895) |
| Net cash used in investing activities | (472) | (1,432) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net of repurchase and disposal of treasury shares | (468) | (1,157) |
| Net changes in bank borrowings | (7,548) | (3,151) |
| Net cash used in financing activities | (8,016) | (4,308) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 2,086 | (2,033) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | 28,177 | 25,793 |
| Effect of foreign exchange rates changes | 3,460 | 2,386 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | 33,723 | 26,146 |
| CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING: | | |
| Cash and bank balances | 39,421 | 33,429 |
| Overdrafts | (5,698) | (7,283) |
| | 33,723 | 26,146 |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

| | ----- Non-Distributable ----- | | | | | ----- Distributable ----- | | | | | |
|---|--|-----------------|---------------|-----------------|-----------------|--------------------------------|--------------------|-------------------|----------------|---------------------------|----------------|
| | ----- Attributable to owners of the parent ----- | | | | | | | | | | |
| (RM'000) | Share capital | Treasury shares | ICULS equity | Warrant reserve | Capital reserve | Currencies translation reserve | Fair value reserve | Retained earnings | Total | Non-controlling interests | Total equity |
| Balance as at 1 January 2018 | 80,287 | (6,479) | 26,333 | 20,946 | (20,054) | 6,998 | (2,133) | 136,879 | 242,777 | 29,585 | 272,362 |
| Purchase of treasury shares | - | (1,157) | - | - | - | - | - | - | (1,157) | - | (1,157) |
| Conversion of ICULS | 649 | - | (649) | - | - | - | - | - | - | - | - |
| Transfer from ICULS liabilities | - | - | 620 | - | - | - | - | - | 620 | - | 620 |
| Total comprehensive income for the period | - | - | - | - | - | (4,285) | (641) | 3,969 | (957) | 1,101 | 144 |
| Balance as at 31 March 2018 | 80,936 | (7,636) | 26,304 | 20,946 | (20,054) | 2,713 | (2,774) | 140,848 | 241,283 | 30,686 | 271,969 |
| Balance as at 1 January 2019 | 107,859 | (8,821) | - | - | 892 | 1,747 | (5,159) | 150,185 | 246,703 | 32,871 | 279,574 |
| Purchase of treasury shares | - | (744) | - | - | - | - | - | - | (744) | - | (744) |
| Resold of treasury shares | 32 | 244 | - | - | - | - | - | - | 276 | - | 276 |
| Changes in equity | - | - | - | - | - | - | - | - | - | 20 | 20 |
| Total comprehensive income for the period | - | - | - | - | - | (245) | 1,240 | 4,093 | 5,088 | 1,159 | 6,247 |
| Balance as at 31 March 2019 | 107,891 | (9,321) | - | - | 892 | 1,502 | (3,919) | 154,278 | 251,323 | 34,050 | 285,373 |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
**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 2018. 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 2018.

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 2018 save for the following new MFRSs and amendments to MFRSs.

| | Description | Effective dates for financial periods beginning on or after |
|--|---|--|
| MFRS 16 | Leases | 1 January 2019 |
| IC Interpretation 23 | Uncertainty over Income Tax Treatments | 1 January 2019 |
| Amendments to MFRS 9 | Prepayments Features with Negative Compensation | 1 January 2019 |
| Amendments to MFRS 128 | Long-term interests in Associates and Joint Ventures | 1 January 2019 |
| Amendments to MFRS 119 | Plan Amendments, Curtailment or Settlement | 1 January 2019 |
| Annual Improvements to MFRSs 2015 – 2017 Cycle: | | |
| | • Amendments to MFRS 3 | 1 January 2019 |
| | • Amendments to MFRS11 | 1 January 2019 |
| | • Amendments to MFRS 112 | 1 January 2019 |
| | • Amendments to MFRS 123 | 1 January 2019 |
| Amendments to References to the Conceptual Framework in MFRS Standards | | |
| Amendments to MFRS 3 | Definition of a Business | 1 January 2020 |
| Amendments to MFRS 101 and MFRS 108 | Definition of Material | 1 January 2020 |
| MFRS 17 | Insurance Contracts | 1 January 2021 |
| 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 FIRST QUARTER ENDED 31 MARCH 2019

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 31 March 2019 save for shares buy back and resold of treasury shares.

At the Annual General Meeting held on 30 May 2019, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 31 March 2019, the Company repurchased of 691,700 own shares and resold of 241,000 own shares. The details of resold shares are as follows:-

| | RM'000 |
|------------------|---------------|
| Disposal value | 276 |
| Cost of shares | <u>(244)</u> |
| Gain on disposal | <u>32</u> |

As at 31 March 2019, a total of 9,152,410 treasury shares, representing 5.76% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM9.321 million.

A7 Dividend paid

No dividend had been paid under the financial period under review.

A8 Material post balance sheet events

There was no material events subsequent to the end of the financial period ended 31 March 2019 as at the date of this report.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2019 save for on 1 March 2019, Unimech Capital Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary company of the Company subscribed for an additional 79,999 ordinary shares out of 99,999 ordinary shares allotted by UCSB's subsidiary company namely Valtrox Sanitary Equipment Sdn. Bhd. for a total amount of RM79,999. Mr. Law Wei Cheng subscribed for the remaining 20,000 ordinary shares for a total amount of RM20,000.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 2018.

A11 Capital commitments

| | 31-Mar-19 RM'000 |
|---|-----------------------------------|
| Authorised and not contracted for: | |
| Property, plant and equipment | 5,240 |

A12 Related party transactions

There were no related party transactions for the period ended 31 March 2019.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
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 Period Quarter 31-Mar-19 RM'000 | Preceding Year Corresponding Quarter 31-Mar-18 RM'000 | Changes RM'000 / % | Current Year to Date 31-Mar-19 RM'000 | Preceding Year Corresponding Period 31-Mar-18 RM'000 | Changes RM'000 / % |
| Revenue | 68,100 | 67,935 | 165 / 0.2% | 68,100 | 67,935 | 165 / 0.2% |
| Profit before tax | 8,405 | 8,105 | 300 / 3.7% | 8,405 | 8,105 | 300 / 3.7% |

Current quarter and Financial period-to-date

The Group recorded a revenue of RM68.100 million for the current quarter ended 31 March 2019, a marginal improvement of 0.2% over prior year corresponding quarter's revenue of RM67.935 million. The increase in the revenue of the core business segments have been set-off by the decrease in revenue of all others business segments. Lower finance costs incurred has contributed to the increase in profit before tax by 3.7% to RM8.405 million from RM8.105 million reported in prior year corresponding quarter.

B2 Financial review for current quarter compared with immediate preceding quarter

| | Current Quarter 31-Mar-19 RM'000 | Immediate Preceding Quarter 31-Dec-18 RM'000 | Changes RM'000 / % |
|-------------------|--|---|-----------------------|
| Revenue | 68,100 | 70,355 | (2,255) / (3.2%) |
| Profit before tax | 8,405 | 7,950 | 455 / 5.7% |

The revenue for the current quarter ended 31 March 2019 decreased by 3.2% or RM2.255 million as compared to preceding quarter. The lower revenue was due mainly to lower demand on the first quarter as a result of long festival holidays during the quarter under review. Although decrease in revenue but the profit before tax improved by 5.7% or RM0.455 million was mainly due to the decrease in finance costs incurred during current quarter.

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 year ended 31 March 2019 compared to preceding year corresponding year ended 31 March 2018.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
B4 Segment information
By business segment as at 31 March 2019

| | 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 | 55,741 | 2,939 | 5,170 | 4,250 | - | 68,100 |
| Inter-segment revenue | 11,052 | 804 | 789 | 34 | (12,679) | - |
| Total revenue | 66,793 | 3,743 | 5,959 | 4,284 | (12,679) | 68,100 |
| Segment results | 9,854 | 224 | 150 | (7) | (650) | 9,571 |
| Interest expense | | | | | | (1,705) |
| Interest income | | | | | | 62 |
| Share of results of associates | | | | | | 477 |
| Profit before tax | | | | | | 8,405 |
| Tax expense | | | | | | (3,153) |
| Profit after tax | | | | | | 5,252 |
| Non-controlling interests | | | | | | (1,159) |
| Profit attributable to owners of the parent for financial period ended 31 March 2019 | | | | | | <u>4,093</u> |
| Segment assets | 527,376 | 16,969 | 23,380 | 95,683 | (217,949) | 445,459 |
| Segment liabilities | 176,917 | 22,035 | 10,306 | 86,862 | (136,034) | 160,086 |

By business segment as at 31 March 2018

| | 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 | 52,503 | 3,964 | 6,975 | 4,493 | - | 67,935 |
| Inter-segment revenue | 15,928 | 1,671 | 1,184 | 26 | (18,809) | - |
| Total revenue | 68,431 | 5,635 | 8,159 | 4,519 | (18,809) | 67,935 |
| Segment results | 9,848 | 91 | 418 | 14 | (750) | 9,621 |
| Interest expense | | | | | | (2,052) |
| Interest income | | | | | | 66 |
| Share of results of associates | | | | | | 470 |
| Profit before tax | | | | | | 8,105 |
| Tax expense | | | | | | (3,035) |
| Profit after tax | | | | | | 5,070 |
| Non-controlling interests | | | | | | (1,101) |
| Profit attributable to owners of the parent for financial period ended 31 March 2018 | | | | | | <u>3,969</u> |
| Segment assets | 431,170 | 17,769 | 23,511 | 185,985 | (219,436) | 438,999 |
| Segment liabilities | 189,352 | 24,073 | 11,056 | 80,808 | (138,259) | 167,030 |



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

B5 Commentary on prospects for 2019

The Group will remain focused to meet market demand for our valves, instruments and fittings. At the same time, the Group will continue with its competitive strategies to strengthen and grow further on its own brands to enhance its market positioning and concentrate on improving its operations efficiency to further enhance its competitiveness.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group shall report a better performance for the financial year ending 31 December 2019.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

| | Current quarter 3 months ended 31-Mar-19 RM'000 | Cumulative quarters 3 months ended 31-Mar-19 RM'000 |
|--------------------------|--|--|
| Current period provision | 3,086 | 3,086 |
| Deferred tax | <u>67</u> | <u>67</u> |
| | <u>3,153</u> | <u>3,153</u> |

The effective tax rate for the current quarter and the cumulative quarter are higher than the statutory tax rate were due to non tax allowable expenses and 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 FIRST QUARTER ENDED 31 MARCH 2019
B9 Group borrowings and debt securities
Total borrowings as at 31 March 2019

| | Long term | | Short term | | Total borrowings | |
|------------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Foreign Currencies '000 | Ringgit Malaysia '000 | Foreign Currencies '000 | Ringgit Malaysia '000 | Foreign Currencies '000 | Ringgit Malaysia '000 |
| Secured | | | | | | |
| <i>Ringgit Malaysia @ 1.000</i> | | | | | | |
| Bank overdrafts | - | - | - | 5,698 | - | 5,698 |
| Hire purchases | - | 2,637 | - | 1,316 | - | 3,953 |
| Revolving credits | - | - | - | 34,755 | - | 34,755 |
| Term loans | - | 10,145 | - | 1,212 | - | 11,357 |
| Trade lines | - | - | - | 18,413 | - | 18,413 |
| | - | 12,782 | - | 61,394 | - | 74,176 |
| <i>Singapore Dollar @ 3.0142</i> | | | | | | |
| Hire purchases | 43 | 129 | 16 | 49 | 59 | 178 |
| <i>Indonesia Rupiah @ 0.000287</i> | | | | | | |
| Hire purchases | 469,962 | 135 | 394,363 | 113 | 864,325 | 248 |
| Term loans | 1,307,056 | 375 | 1,265,265 | 363 | 2,572,321 | 738 |
| Trade lines | - | - | 100,750,000 | 28,915 | 100,750,000 | 28,915 |
| | 1,777,018 | 510 | 102,409,628 | 29,391 | 104,186,646 | 29,901 |
| Total secured | | 13,421 | | 90,834 | | 104,255 |
| Unsecured | | | | | | |
| <i>Indonesia Rupiah @ 0.000287</i> | | | | | | |
| Revolving credits | - | - | 16,380,600 | 4,701 | 16,380,600 | 4,701 |
| <i>Thai Baht @ 0.128661</i> | | | | | | |
| Trade lines | - | - | 20,846 | 2,645 | 20,846 | 2,645 |
| Total unsecured | | - | | 7,346 | | 7,346 |
| Total borrowings | | 13,421 | | 98,180 | | 111,601 |

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
Total borrowings as at 31 March 2018

| | Long term | | Short term | | Total borrowings | |
|------------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Foreign Currencies '000 | Ringgit Malaysia '000 | Foreign Currencies '000 | Ringgit Malaysia '000 | Foreign Currencies '000 | Ringgit Malaysia '000 |
| Secured | | | | | | |
| <i>Ringgit Malaysia @ 1.000</i> | | | | | | |
| Bank overdrafts | - | - | - | 7,283 | - | 7,283 |
| Hire purchases | - | 2,426 | - | 1,718 | - | 4,144 |
| Revolving credits | - | - | - | 34,800 | - | 34,800 |
| Term loans | - | 10,565 | - | 1,153 | - | 11,718 |
| Trade lines | - | - | - | 15,919 | - | 15,919 |
| | - | 12,991 | - | 60,873 | - | 73,864 |
| <i>Singapore Dollar @ 2.9494</i> | | | | | | |
| Hire purchases | 56 | 170 | 16 | 49 | 72 | 219 |
| <i>Indonesia Rupiah @ 0.000281</i> | | | | | | |
| Hire purchases | 118,574 | 33 | 143,262 | 40 | 261,836 | 73 |
| Term loans | 2,574,756 | 723 | 4,648,976 | 1,306 | 7,223,732 | 2,029 |
| Trade lines | - | - | 103,750,000 | 29,154 | 103,750,000 | 29,154 |
| | 2,693,330 | 756 | 108,542,238 | 30,500 | 111,235,568 | 31,256 |
| Total secured | | 13,917 | | 91,422 | | 105,339 |
| Unsecured | | | | | | |
| <i>Indonesia Rupiah @ 0.000281</i> | | | | | | |
| Revolving credits | - | - | 23,385,200 | 6,571 | 23,385,200 | 6,571 |
| <i>Thai Baht @ 0.124156</i> | | | | | | |
| Trade lines | - | - | 25,166 | 3,117 | 25,166 | 3,117 |
| Total unsecured | | - | | 9,688 | | 9,688 |
| Total borrowings | | 13,917 | | 101,110 | | 115,027 |

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

The Board of Directors proposed a final single tier dividend of 2.3 sen per share in respect of the financial year ended 31 December 2018. The proposed dividend payment is amounting to RM3.452 million if based on the issued and paid-up capital as at 31 December 2018 of 150,066,800 ordinary shares (excluding treasury shares held by the Company). The proposed dividend is approved by the shareholders at the Twenty-Second Annual General Meeting.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019
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.

| | Current quarter 3 months ended 31-Mar-19 | Cumulative quarters 3 months ended 31-Mar-19 |
|---|---|---|
| Profit for the period (RM’000) | 5,252 | 5,252 |
| Profit attributable to non-controlling interests (RM’000) | (1,159) | (1,159) |
| Profit attributable to owners of the parent (RM’000) | <u>4,093</u> | <u>4,093</u> |
| Weighted average number of ordinary shares in issue (’000) | <u>149,922</u> | <u>149,922</u> |
| Basic EPS (sen) | 2.73 | 2.73 |

Diluted EPS

Not applicable.

B14 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

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

| | Current quarter 3 months ended 31-Mar-19 RM’000 | Cumulative quarter 3 months ended 31-Mar-19 RM’000 |
|---|--|---|
| Profit before tax is arrived at after charging/(crediting):- | | |
| Bad debts recovered | (24) | (24) |
| Allowance for impairment of inventories | 250 | 250 |
| Depreciation & amortisation | 1,528 | 1,528 |
| Dividend income | (6) | (6) |
| Gain on disposal of property, plant & equipment | (21) | (21) |
| Loss on disposal of investment securities | 80 | 80 |
| Loss on foreign exchange – realised | 41 | 41 |
| Interest expense | 1,705 | 1,705 |
| Interest income | (62) | (62) |
| Rental income | <u>(115)</u> | <u>(115)</u> |



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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 120 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:

| | As at 31-Mar-19 (Unaudited) RM'000 | As at 31-Dec-18 (Audited) RM'000 |
|----------------------------------|---|---|
| Neither past due nor impaired | 31,350 | 38,964 |
| <u>Pass due but not impaired</u> | | |
| Less than 30 days | 10,880 | 13,522 |
| 31 days to 60 days | 8,726 | 10,845 |
| More than 61 days | 8,955 | 11,130 |
| | <u>28,561</u> | <u>35,497</u> |
| Impaired | 59,911 | 74,461 |
| | <u>4,395</u> | <u>4,395</u> |
| | <u>64,306</u> | <u>78,856</u> |

As at 31 March 2019, trade receivables of RM28.561 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 of impairment in trade receivables was recognised during the financial period ended 31 March 2019.

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 31 March 2019.

By order of the Board

Dato' Lim Cheah Chooi
Chief Executive Director

Dated this 30th May 2019