



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	As at 30-Sept-19 (Unaudited) RM'000	As at 31-Dec-18 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	106,466	103,655
Investment properties	2,522	2,549
Investment in associates	17,051	15,706
Investment securities	5,125	4,793
Intangible assets	1,369	1,364
Deferred tax assets	1,248	1,159
	<u>133,781</u>	<u>129,226</u>
Current assets		
Inventories	187,490	185,511
Trade and other receivables	97,789	95,946
Tax recoverable	223	763
Cash and bank balances	37,002	37,428
	<u>322,504</u>	<u>319,648</u>
TOTAL ASSETS	<u>456,285</u>	<u>448,874</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	107,891	107,859
Treasury shares	(9,332)	(8,821)
Reserves	1,899	(2,520)
Retained earnings	161,846	150,185
Equity attributable to owners of the parent	<u>262,304</u>	<u>246,703</u>
Non-controlling interests	<u>35,602</u>	<u>32,871</u>
Total equity	<u>297,906</u>	<u>279,574</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	15,377	14,404
Deferred tax liabilities	1,120	946
	<u>16,497</u>	<u>15,350</u>
Current liabilities		
Trade and other payables	44,147	47,311
Bank borrowings	94,525	104,745
Tax payable	3,210	1,894
	<u>141,882</u>	<u>153,950</u>
Total liabilities	<u>158,379</u>	<u>169,300</u>
TOTAL EQUITY AND LIABILITIES	<u>456,285</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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
	2019 RM '000	2018 RM '000	2019 RM '000	2018 RM '000
Revenue	73,711	71,832	203,690	203,233
Operating expenses	(62,472)	(61,105)	(175,142)	(173,180)
Other income	65	674	840	1,433
Operating profit	11,304	11,401	29,388	31,486
Interest expense	(1,943)	(2,160)	(6,217)	(6,967)
Interest income	65	68	185	202
Share of results of associates	953	531	3,387	1,401
Profit before tax	10,379	9,840	26,743	26,122
Taxation	(2,949)	(2,993)	(8,340)	(8,362)
Profit for the period	7,430	6,847	18,403	17,760
Profit attributable to:				
Owners of the parent	6,371	6,000	15,102	14,145
Non-controlling interests	1,059	847	3,301	3,615
Profit for the period	7,430	6,847	18,403	17,760
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	4.26	4.58	10.09	11.11
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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
	2019 RM '000	2018 RM '000	2019 RM '000	2018 RM '000
Profit for the period	7,430	6,847	18,403	17,760
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	1,767	(744)	3,257	(4,807)
Fair value movements on available for sale investments	484	242	1,162	(729)
Total comprehensive income for the period	9,681	6,345	22,822	12,224
Total comprehensive income attributable to:				
Owners of the parent	8,622	5,498	19,521	8,609
Non-controlling interests	1,059	847	3,301	3,615
	9,681	6,345	22,822	12,224

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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	Cumulative quarter 9 months ended 30 September	
	2019	2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	26,743	26,122
Adjustments for:		
Non-cash items and non-operating items	6,398	6,724
Operating profit before working capital changes	33,141	32,846
Inventories	(1,979)	(7,178)
Receivables	1,843	5,759
Payables	(3,164)	(8,747)
Cash generated from operating activities	29,841	22,680
Interest paid	(6,217)	(6,967)
Net of tax paid	(6,230)	(5,683)
Net cash from operating activities	17,394	10,030
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	(5)	(51)
Dividend received	2,537	571
Interest received	185	202
Net of changes of investment in subsidiaries and associates	280	(396)
Net of purchase and disposal of investment securities	(332)	(1,063)
Net of purchase and disposal of property, plant and equipment	(3,508)	(2,052)
Net cash used in investing activities	(843)	(2,789)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,031)	(4,127)
Net of repurchase and disposal of treasury shares	(479)	(2,113)
Net changes in bank borrowings	(9,247)	(4,520)
Net cash used in financing activities	(13,757)	(10,760)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,794	(3,519)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	28,177	25,793
Effect of foreign exchange rates changes	3,236	2,103
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	34,207	24,377
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	37,002	31,790
Overdrafts	(2,795)	(7,413)
	34,207	24,377

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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 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	-	(2,113)	-	-	-	-	-	-	(2,113)	-	(2,113)
Conversion of ICULS	27,572	-	(26,333)	-	-	-	-	-	1,239	-	1,239
Warrant expired	-	-	-	(20,946)	20,946	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(3,828)	(3,828)	(299)	(4,127)
Changes in equity	-	-	-	-	-	-	-	-	-	(140)	(140)
Total comprehensive income for the period	-	-	-	-	-	(4,807)	(729)	14,145	8,609	3,615	12,224
Balance as at 30 September 2018	107,859	(8,592)	-	-	892	2,191	(2,862)	147,196	246,684	32,761	279,445
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	-	(755)	-	-	-	-	-	-	(755)	-	(755)
Resold of treasury shares	32	244	-	-	-	-	-	-	276	-	276
Dividend paid	-	-	-	-	-	-	-	(3,441)	(3,441)	(590)	(4,031)
Changes in equity	-	-	-	-	-	-	-	-	-	20	20
Total comprehensive income for the period	-	-	-	-	-	3,257	1,162	15,102	19,521	3,301	22,822
Balance as at 30 September 2019	107,891	(9,332)	-	-	892	5,004	(3,997)	161,846	262,304	35,602	297,906

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 MFRS 11	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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 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 30 September 2019, the Company repurchased of 701,700 own shares and resold of 241,700 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 30 September 2019, a total of 9,161,710 treasury shares, representing 5.77% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM9.332 million.

A7 Dividend paid

A final single tier dividend of 2.3 sen per share amounted RM3.441 million in respect of the financial year ended 31 December 2018 was paid on 11 July 2019.

A8 Material post balance sheet events

There were no material events subsequent to the end of the financial period ended 30 September 2019 as at the date of this report save for on 14 October 2019, Unimech Capital Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary company of the Company had acquired 25,000 shares representing 5% equity interest in Puremech Coating Sdn. Bhd. from Mr. Lim Wei Siong for a cash consideration of RM120,000.

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 2019 save for the followings: -

- i. On 1 March 2019, Unimech Capital Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary company of the Company had 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 THIRD QUARTER ENDED 30 SEPTEMBER 2019

- ii. On 01 July 2019, Unimech Engineering (M) Sdn. Bhd., a wholly owned subsidiary company of the Company had disposed 100,000 shares representing 10% equity interest in Unimech International Sdn. Bhd. to Mr. Koh Sow Woei for a cash consideration of RM300,000.
- iii. On 04 July 2019, an application was made to the Companies Commission of Malaysia to strike off the name of Unimech Polymer Engineering Sdn. Bhd., a 80% owned subsidiary company of Unimech Capital Sdn. Bhd. which in turn is a wholly owned subsidiary company of the Company, under Section 550 of the Companies Act, 2016.

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

No material capital commitments as at 30 September 2019.

A12 Related party transactions

There were no related party transactions for the period ended 30 September 2019.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30-Sept-19 RM'000	Preceding Year Corresponding Quarter 30 Sept-18 RM'000	Changes RM'000 / %	Current Year to Date 30-Sept-19 RM'000	Preceding Year Corresponding Period 30-Sept-18 RM'000	Changes RM'000 / %
Revenue	73,711	71,832	1,879 / 2.6%	203,690	203,233	457 / 0.2%
Profit before tax	10,379	9,840	539 / 5.5%	26,743	26,122	621 / 2.4%

Current quarter

The Group reported a revenue of RM73.711 million for the current quarter ended 30 September 2019 which was RM1.879 million or 2.6% higher as compared to the preceding year corresponding quarter ended 30 September 2018 of RM71.832 million. Higher revenue was reported in current quarter ended 30 September 2019 as compared to preceding year corresponding quarter was due to better demand in core business of valves, instruments and fittings particularly in Indonesia market.

The Group recorded a profit before tax of RM10.379 million for the current quarter which was RM0.539 million or 5.5% higher as compared to the preceding year corresponding quarter of RM9.840 million. The increase in profit before tax was due to higher share of results from associate companies during current quarter.

Financial period-to-date

The Group reported a revenue of RM203.690 million for the financial period ended 30 September 2019, representing RM0.457 million or 0.2% increase as compared to financial period ended 30 September 2018 of RM203.233 million. Higher demand in core business of valves, instruments and fittings have contributed to the increase in revenue which nevertheless have been mitigated by soft demand in electronic business segment thus resulted only a marginal increase in revenue.

The profit before tax improved slightly by 2.4% from RM26.122 million to RM26.743 million was mainly due to higher share of results from associate companies during the period under review.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30-Sept-19 RM'000	Immediate Preceding Quarter 30-June-19 RM'000	Changes RM'000 / %
Revenue	73,711	61,879	11,832 / 19.1%
Profit before tax	10,379	7,959	2,420 / 30.4%

The revenue for the current quarter ended 30 September 2019 increased by 19.1% or RM11.832 million as compared to preceding quarter. The higher revenue was mainly due to higher demand from core business of valves, instruments and fittings in the current quarter. The increase in revenue in core business and higher share of results from associate companies have contributed to a better profit before tax for the 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 period ended 30 September 2019 compared to preceding year corresponding period ended 30 September 2018.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019
B4 Segment information
By business segment as at 30 September 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	162,330	9,764	17,917	13,679	-	203,690
Inter-segment revenue	43,375	3,232	2,272	166	(49,045)	-
Total revenue	205,705	12,996	20,189	13,845	(49,045)	203,690
Segment results	28,014	302	1,332	240	(500)	29,388
Interest expense						(6,217)
Interest income						185
Share of results of associates						3,387
Profit before tax						26,743
Tax expense						(8,340)
Profit after tax						18,403
Non-controlling interests						(3,301)
Profit attributable to owners of the parent for financial period ended 30 September 2019						<u>15,102</u>
Segment assets	538,298	16,287	24,714	98,068	(221,082)	456,285
Segment liabilities	173,832	21,423	11,395	88,120	(136,391)	158,379

By business segment as at 30 September 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	159,783	12,466	18,178	12,806	-	203,233
Inter-segment revenue	37,877	6,568	2,850	140	(47,435)	-
Total revenue	197,660	19,034	21,028	12,946	(47,435)	203,233
Segment results	30,267	864	1,586	(1,131)	(100)	31,486
Interest expense						(6,967)
Interest income						202
Share of results of associates						1,401
Profit before tax						26,122
Tax expense						(8,362)
Profit after tax						17,760
Non-controlling interests						(3,615)
Profit attributable to owners of the parent for financial period ended 30 June 2018						<u>14,145</u>
Segment assets	537,206	17,550	24,517	83,287	(221,641)	440,919
Segment liabilities	185,949	22,792	11,826	80,462	(139,555)	161,474



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

B5 Commentary on prospects for 2019

The Group will remain focused to meet market demand for the valves, instruments and fittings. At the same time, the Group will remain focus and 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.

On 3 September 2019, Kitz Corporation, a renowned valve company in the world which is listed on Tokyo Stock Exchange has acquired 25.1% of the issued and paid-up share capital of the Company. The entry of Kitz Corporation as strategic shareholder shall provide synergy of growth to the Group by utilising the Group's networking and resources with the objectives to increase both companies' market shares in the Asean market. Presently, actions are being carried out to achieve the objectives.

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 30-Sept-19 RM'000	Cumulative quarters 9 months ended 30-Sept-19 RM'000
Current period provision	2,990	8,255
Deferred tax	(41)	85
	<u>2,949</u>	<u>8,340</u>

The effective tax rate for the current quarter and the cumulative quarters 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 THIRD QUARTER ENDED 30 SEPTEMBER 2019
B9 Group borrowings and debt securities
Total borrowings as at 30 September 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
Ringgit Malaysia @ 1.000

Bank overdrafts	-	-	-	2,795	-	2,795
Hire purchases	-	2,062	-	1,340	-	3,402
Revolving credits	-	-	-	37,012	-	37,012
Term loans	-	12,505	-	1,628	-	14,133
Trade lines	-	-	-	13,492	-	13,492
	-	14,567	-	56,267	-	70,834

Singapore Dollar @ 3.0304

Hire purchases	36	109	16	49	52	158
----------------	----	-----	----	----	----	-----

Indonesia Rupiah @ 0.000295

Hire purchases	1,236,540	365	819,536	242	2,056,076	607
Term loans	1,138,450	336	331,247	98	1,469,697	434
Trade lines	-	-	97,000,000	28,615	97,000,000	28,615
	2,374,990	701	98,150,783	28,955	100,525,773	29,656

Total secured	15,377		85,271		100,648	
----------------------	---------------	--	---------------	--	----------------	--

Unsecured
Indonesia Rupiah @ 0.000295

Revolving credits	-	-	21,451,674	6,328	21,451,674	6,328
-------------------	---	---	------------	-------	------------	-------

Thai Baht @ 0.137018

Trade lines	-	-	21,358	2,926	21,358	2,926
Total unsecured	-	-	21,358	9,254	21,358	9,254

Total borrowings	15,377		94,525		109,902	
-------------------------	---------------	--	---------------	--	----------------	--

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019
B9 Group borrowings and debt securities (continue)
Total borrowings as at 30 September 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	-	-	-	7,413	-	7,413
Hire purchases	-	2,579	-	1,634	-	4,213
Revolving credits	-	-	-	34,757	-	34,757
Term loans	-	10,255	-	1,187	-	11,442
Trade lines	-	-	-	17,779	-	17,779
	-	12,834	-	62,770	-	75,604
<i>Singapore Dollar @ 3.0251</i>						
Hire purchases	50	149	16	49	66	198
<i>Indonesia Rupiah @ 0.000278</i>						
Hire purchases	273,251	76	385,028	107	658,279	183
Term loans	1,472,410	409	3,066,541	853	4,538,951	1,262
Trade lines	-	-	101,750,000	28,287	101,750,000	28,287
	1,745,661	485	105,201,569	29,247	106,947,230	29,732
Total secured		13,468		92,066		105,534
Unsecured						
<i>Indonesia Rupiah @ 0.000278</i>						
Revolving credits	-	-	20,502,493	5,700	20,502,493	5,700
<i>Thai Baht @ 0.127921</i>						
Trade lines	-	-	19,521	2,424	19,521	2,424
Total unsecured		-		8,124		8,124
Total borrowings		13,468		100,190		113,658

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 an interim single tier dividend of 1.5 sen per share in respect of the financial year ending 31 December 2019. The proposed dividend payment is amounting to RM2.243 million based on issued and paid-up capital as at 24 November 2019 of 149,500,100 shares (excluding treasury shares held by the Company).



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30-Sept-19	Cumulative quarters 9 months ended 30-Sept-19
Profit for the period (RM’000)	7,430	18,403
Profit attributable to non-controlling interests (RM’000)	(1,059)	(3,301)
Profit attributable to owners of the parent (RM’000)	<u>6,371</u>	<u>15,102</u>
Weighted average number of ordinary shares in issue (’000)	<u>149,606</u>	<u>149,710</u>
Basic EPS (sen)	4.26	10.09

Diluted EPS

The diluted EPS is not presented due to anti-dilutive of the potentials on the ordinary shares.

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 30-Sept-19 RM’000	Cumulative quarter 9 months ended 30-Sept-19 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Bad debts recovered	-	(47)
Allowance for impairment of inventories	750	1,750
Depreciation & amortisation	1,527	4,674
Dividend income	(197)	(2,537)
Gain on disposal of property, plant & equipment	(25)	(46)
(Gain)/Loss on foreign exchange – realised	(127)	147
Interest expense	1,943	6,217
Interest income	(65)	(185)
Loss on disposal of investment securities	369	420
Rental income	<u>(83)</u>	<u>(257)</u>



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

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 30-Sept-19 (Unaudited) RM'000	As at 31-Dec-18 (Audited) RM'000
Neither past due nor impaired	37,523	38,964
<u>Pass due but not impaired</u>		
Less than 30 days	13,022	13,522
31 days to 60 days	10,444	10,845
More than 61 days	10,718	11,130
	<u>34,184</u>	<u>35,497</u>
Impaired	71,707	74,461
	<u>4,395</u>	<u>4,395</u>
	<u><u>76,102</u></u>	<u><u>78,856</u></u>

As at 30 September 2019, trade receivables of RM34.184 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 30 September 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 30 September 2019.

By order of the Board

Dato' Seri Lim Cheah Chooi
Chief Executive Director

Dated this 28th November 2019