



**SPRITZER BHD.**  
**(Company No. 265348-V)**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<b>Quarter ended 31.12.2017 RM'000</b>	<b>Year ended 31.12.2017 RM'000</b>
Revenue	79,445	313,849
Other gains and losses	1,313	912
Cost of sales and other operating expenses	(71,491)	(278,460)
Finance costs	(226)	(1,029)
Profit before tax	<u>9,041</u>	<u>35,272</u>
Income tax expense	(1,738)	(9,794)
Profit for the period	<u><u>7,303</u></u>	<u><u>25,478</u></u>
<b>Profit attributable to owners of the Company</b>	<u><u>7,303</u></u>	<u><u>25,478</u></u>
<b>Earnings per share</b>		
Basic and diluted (sen)	<u><u>3.95</u></u>	<u><u>13.83</u></u>

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2016 and the accompanying notes to the Interim Financial Report.



**SPRITZER BHD.**  
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**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<b>Quarter ended 31.12.2017 RM'000</b>	<b>Year ended 31.12.2017 RM'000</b>
Profit for the period	7,303	25,478
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign entities	(7)	(44)
<b>Total comprehensive income attributable to owners of the Company</b>	<u>7,296</u>	<u>25,434</u>

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2016 and the accompanying notes to the Interim Financial Report.



**SPRITZER BHD.**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	AS AT 31.12.2017 RM'000	AUDITED AS AT 31.12.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	222,418	221,262
Investment properties	5,170	4,354
Goodwill on consolidation	40	40
Other intangible asset	129	-
	<u>227,757</u>	<u>225,656</u>
<b>Current assets</b>		
Other investments	110,977	24,212
Inventories	32,117	36,562
Trade and other receivables	63,698	58,790
Current tax assets	1,198	217
Other assets	4,494	3,480
Fixed deposit, cash and bank balances	17,307	18,580
	<u>229,791</u>	<u>141,841</u>
<b>TOTAL ASSETS</b>	<u>457,548</u>	<u>367,497</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	216,571	89,787
Treasury shares	(14)	(14)
Share premium	-	56,423
Equity-settled employee benefits reserve	-	1,345
Translation reserve	(78)	(34)
Retained earnings	159,992	140,748
<b>TOTAL EQUITY</b>	<u>376,471</u>	<u>288,255</u>
<b>Non-current liabilities</b>		
Borrowings	5,673	9,572
Deferred tax liabilities	18,600	17,840
	<u>24,273</u>	<u>27,412</u>
<b>Current liabilities</b>		
Trade and other payables	27,393	25,195
Borrowings	6,939	10,482
Current tax liabilities	2,764	3,210
Other liabilities	19,708	12,943
	<u>56,804</u>	<u>51,830</u>
<b>TOTAL LIABILITIES</b>	<u>81,077</u>	<u>79,242</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>457,548</u>	<u>367,497</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.7930</u>	<u>1.6054</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2016 and the accompanying notes to the Interim Financial Report.



SPRITZER BHD.  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Share Capital RM'000	Treasury Shares RM'000	-----Non-distributable Reserves----- Equity-settled Employee Benefits Reserve RM'000	Translation Reserve RM'000	Share Premium RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
<b>Balance as of 1 January 2017</b>	89,787	(14)	1,345	(34)	56,423	140,748	288,255
Profit for the year	-	-	-	-	-	25,478	25,478
Other comprehensive income	-	-	-	(44)	-	-	(44)
Total comprehensive income for the year	-	-	-	(44)	-	25,478	25,434
Expenses relating to issuance of ESOS	-	-	-	-	(1)	-	(1)
Recognition of share-based payments	-	-	(156)	-	-	156	-
Exercise of ESOS	5,984	-	(1,189)	-	565	-	5,360
Issuance of shares on Private Placement	63,813	-	-	-	-	-	63,813
Payment of dividend	-	-	-	-	-	(6,390)	(6,390)
Transition in accordance with Companies Act 2016*	56,987	-	-	-	(56,987)	-	-
<b>Balance as of 31 December 2017</b>	<b>216,571</b>	<b>(14)</b>	<b>-</b>	<b>(78)</b>	<b>-</b>	<b>159,992</b>	<b>376,471</b>

\* With the Companies Act 2016 ("New Act") which came into effect on 31 January 2017, the credit standing in the Company's share premium account of RM56,987,152 now becomes part of the share capital of the Company. Pursuant to Section 618(3) of the New Act, the Company has 24 months from the commencement of the New Act to utilise this credit.

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2016 and the accompanying notes to the Interim Financial Report.



**SPRITZER BHD.**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<b>Year ended 31.12.2017 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>	
Profit for the year	25,478
Adjustments for:	
Depreciation of property, plant and equipment	14,047
Income tax expense	9,794
Finance costs	1,029
Interest income	(276)
Investment revenue	(1,584)
Other non-cash items	1,291
Operating profit before changes in working capital	<u>49,779</u>
<b>Changes in working capital</b>	
Increase in current assets	(2,176)
Increase in current liabilities	8,919
<b>Cash generated from operations</b>	<u>56,522</u>
Interest received	276
Tax paid	(10,823)
Tax refunded	362
<b>Net cash from operating activities</b>	<u>46,337</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>	
Investment revenue received	96
Proceeds from disposal of property, plant and equipment	266
Proceeds from disposal of other investments	12,600
Purchase of property, plant and equipment	(14,165)
Placement of other investments	(98,200)
Deposit paid for purchase of property, plant and equipment	(2,338)
Purchase of intangible asset	(133)
<b>Net cash used in investing activities</b>	<u>(101,874)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>	
Finance cost paid	(1,029)
Dividend paid	(6,390)
Expenses relating to issuance of ESOS paid	(1)
Proceeds from issue of shares	69,173
Repayment of borrowings	(7,442)
<b>Net cash from financing activities</b>	<u>54,311</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,226)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	18,559
Effect on exchange rate changes on balance of cash held in foreign currencies	(47)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<u>17,286</u>
Cash and cash equivalents at end of the year comprise the following:	
Fixed deposits, cash and bank balances	17,307
Less : fixed deposit pledged	(21)
	<u>17,286</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2016 and the accompanying notes to the Interim Financial Report.



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## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting", International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2016.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim financial report are consistent with those applied in the Group's audited financial statements for the financial period ended 31 December 2016 except for the adoption of the Amendments for MFRSs effective for annual periods beginning on or after 1 January 2017.

#### Adoption of Amendments and Annual Improvements to Standards

The Group has adopted the following Amendments to MFRSs, with a date of initial application of 1 January 2017:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle

The application of the above Amendments to MFRSs has no material impact on the disclosure and on the amounts recognised in the financial statements of the Group.

#### Standards in issue but not yet effective

The Group has not elected for early adoption of the relevant new and revised MFRSs and Amendments to MFRSs which have been issued but not yet effective at the date of authorisation for issue of the interim financial report. The Group will be applying the following new accounting standards on their effective dates:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)*
MFRS 15	Revenue from Contracts with Customers (and related Clarifications)*
MFRS 16	Leases**

\* Effective for annual periods beginning on or after 1 January 2018

\*\* Effective for annual periods beginning on or after 1 January 2019

The directors have performed a review of the new accounting requirements of MFRS 9 and MFRS 15 and determined that there will be no material impact on the Group's financial statements other than additional enhanced disclosures and certain changes to recognition and measurement policies set out below:

- (i) Change in the timing of revenue recognition for certain long-term contracts
- (ii) Change in the basis of recognising impairment losses for financial assets

The directors have performed a preliminary review of the new accounting requirements of MFRS 16 and determined that there will be no material impact on the Group's financial statements other than change in accounting treatment for operating leases as a lessee.

### 3. CHANGE IN FINANCIAL YEAR END

The Company and the Group have changed financial year end from 31 May to 31 December with effect from 1 June 2016. Therefore, the prior accounting period for preparation of statutory financial statements is a 7-month period from 1 June 2016 to 31 December 2016 whereas the current financial year is from 1 January to 31 December 2017. As a result of the change in financial year end, no comparative figures have been disclosed in the interim financial statements except for the Condensed Consolidated Statement of Financial Position.

### 4. AUDITORS' REPORT ON PRECEDING PERIOD FINANCIAL STATEMENTS

The auditors' report on the financial statements for the preceding financial period ended 31 December 2016 was unmodified and did not contain material uncertainty related to going concern.

## 5. SEASONAL AND CYCLICAL FACTORS

The operations of the Group are generally not materially affected by any seasonal nor cyclical factors. However, festive periods and hot weather do affect positively the demand of bottled water products.

## 6. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material items of an unusual nature and amount for the current quarter and financial year ended 31 December 2017 other than as disclosed in Note 16 to the interim financial report.

## 7. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the estimates used in the current financial period compared to those used in the previous financial period which have a material effect in the current quarter and financial year ended 31 December 2017.

## 8. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

During the current quarter and financial year ended 31 December 2017, the Company issued 27,387,225 ordinary shares for cash at a subscription price of RM2.33 per ordinary shares, arising from a private placement.

During the financial year ended 31 December 2017, the Company also issued 3,032,500 ordinary shares for cash arising from the exercise of employees' share options, whereby 49,000 shares were issued at a subscription price of RM0.75 per ordinary share, 153,000 shares were issued at a subscription price of RM0.91 per ordinary share, 568,000 shares were issued at a subscription price of RM1.56 per ordinary share and 2,262,500 shares were issued at a subscription price of RM1.90 per ordinary share. During the same period, 364,500 unexercised share options lapsed upon the expiration of Company's Employees' Share Option Scheme on 8 March 2017.

The total number of ordinary shares issued during the financial year is 30,419,725 and the Company's ordinary shares in issue, net of treasury shares as at 31 December 2017 is 209,968,727.

As at 31 December 2017, the total shares held as treasury shares remained at 24,000 shares as none of the treasury shares were resold or cancelled during the current quarter and financial year.

There were no repayment of debt and equity securities and share buy-backs for the current quarter and financial year-to-date ended 31 December 2017.

## 9. DIVIDEND PAID

On 23 June 2017, the Company paid a first and final dividend of 3.5 sen per share, under the single tier system, amounting to RM6,390,352 in respect of the previous financial period ended 31 December 2016.

## 10. SEGMENTAL REPORTING

The analysis of the Group business segments for the current quarter and financial year ended 31 December 2017 are as follows:-

Quarter ended 31 December 2017	Manufacturing RM'000	Trading RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>					
External revenue	75,529	3,764	152	-	79,445
Inter-segment revenue	18,522	725	5,555	(24,802)	-
Total revenue	94,051	4,489	5,707	(24,802)	79,445
<u>Results</u>					
Segment results	10,961	(2,660)	5,605	(5,502)	8,404
Finance costs					(226)
Investment revenue					863
Profit before tax					9,041
Income tax expense					(1,738)
Profit for the period					7,303

<b>Year ended 31 December 2017</b>	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>					
External revenue	298,189	15,167	493	-	313,849
Inter-segment revenue	71,542	737	5,661	(77,940)	-
<b>Total revenue</b>	<b>369,731</b>	<b>15,904</b>	<b>6,154</b>	<b>(77,940)</b>	<b>313,849</b>
<b>Results</b>					
Segment results	44,880	(9,646)	6,383	(6,900)	34,717
Finance costs					(1,029)
Investment revenue					1,584
Profit before tax					35,272
Income tax expense					(9,794)
<b>Profit for the period</b>					<b>25,478</b>
<b>As at 31 December 2017</b>					
<b>Assets</b>					
Segment assets	351,552	3,771	257,981	(156,954)	456,350
Unallocated segment assets					1,198
<b>Consolidated total assets</b>					<b>457,548</b>
<b>Liabilities</b>					
Segment liabilities	99,621	4,070	1,289	(45,267)	59,713
Unallocated segment liabilities					21,364
<b>Consolidated total liabilities</b>					<b>81,077</b>

The Group's China operations is included in the trading business segment.

#### 11. CARRYING AMOUNT AND ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment losses.

Details of the Group's acquisition of property, plant and equipment are as follows:

	<b>Quarter ended 31.12.2017 RM'000</b>	<b>Year ended 31.12.2017 RM'000</b>
Total purchase of property, plant and equipment	2,468	15,542
Purchased by cash	1,091	14,165

#### 12. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter ended 31 December 2017 up to the date of this report.

#### 13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter and financial year-to-date ended 31 December 2017.

#### 14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities and assets as at the date of this report.



## 15. CAPITAL COMMITMENTS

Capital commitments that are not provided for in the interim financial statements as at 31 December 2017 are as follows:

	<u>RM'000</u>
<i>Property, plant and equipment:</i>	
Approved and contracted for	<u>1,204</u>

## 16. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Profit before tax is arrived at after crediting/(charging):

	<u>Quarter ended 31.12.2017 RM'000</u>	<u>Year ended 31.12.2017 RM'000</u>
Interest income	105	276
Interest expense	(148)	(641)
Investment revenue	863	1,584
Depreciation of property, plant and equipment	(3,638)	(14,047)
Amortisation of intangible asset	(4)	(4)
Allowance for and write off of receivables	-	(16)
Allowance for and write off of inventories	(176)	(2,101)
Gain on disposal of quoted/unquoted investments or properties	7	19
(Loss)/Gain on disposal of property, plant and equipment	(4)	88
Property, plant and equipment written off	(10)	(155)
Impairment of assets	-	-
Loss on foreign exchange	(531)	(489)
Gain/(Loss) on derivatives	-	-
Exceptional items:		
- Fair value adjustments of investment properties	816	816
- Fair value adjustments of quoted investments	(4)	(17)
- Reversal of donation earmarked in prior year	925	925

## 17. REVIEW OF PERFORMANCE

The Group recorded a revenue of RM79.4 million and profit before tax of RM9.0 million during the current quarter ended 31 December 2017. The Group has revalued its investment properties at fair value as of 31 December 2017 and as a result recognising a gain of RM815,740 to the profit or loss account. During the current quarter, the Group also earned RM862,729 investment income from short term investment in money market funds where it has placed its excess funds received from issuance of shares arising from ESOS and Private Placement.

For the financial year ended 31 December 2017, the Group recorded a revenue of RM313.8 million and profit before tax of RM35.3 million. During the year, the Group experienced lower than expected sales volume due to the prevailing soft market sentiment locally resulting in distributors not able to meet sales targets set, while sales in China market is also below expectation due stiff competition and product acceptance factors. Costs of sales, in particular the cost of raw materials such as PET resin and employee benefit expenses have continued to rise during the year and the Group continue to incur significant selling and distribution costs for market exploration, product advertising and promotion, both locally and in China. The Group also made a write off of inventories of RM1.7 million which were in China due to flood damage and goods returned by customers.

During the current quarter ended 31 December 2017, the Group's manufacturing segment contributed RM75.5 million revenue whereas its trading segment contributed RM3.8 million revenue, representing 95.1% and 4.8% respectively, of the Group's current quarter revenue of RM79.4 million. The Group's manufacturing segment result for the quarter is RM11.0 million, whereas its trading segment incurred unfavourable results of RM2.7 million, the factors which contributed to the unfavourable results are high operating costs, below expected sales as a result of stiff competition, cold winter weather as well as the Group's lack of presence in China being a first-time entrant into the market in 2016.

During the financial year ended 31 December 2017, the Group's manufacturing segment contributed RM298.2 million revenue and its trading segment contributed RM15.2 million revenue, representing 95.0% and 4.8% respectively, of the Group's revenue of RM313.8 million. The segment results of the Group's manufacturing segment is RM44.9 million whereas the trading segment has an unfavourable results of RM9.6 million. The factors which contributed to the unfavourable results are as explained in the preceding paragraph.

## 18. MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

	Quarter ended 31.12.2017 RM'000	Quarter ended 30.9.2017 RM'000	Changes %
Revenue	79,445	83,237	-5%
Other gains and losses	1,313	(120)	1194%
Cost of sales and other operating expenses	(71,491)	(71,305)	0%
Profit before tax	9,041	11,513	-21%
Profit attributable to owners of the Company	7,303	8,032	-9%

The Group recorded a revenue of RM79.4 million during the current quarter ended 31 December 2017 representing a 5% decrease compared to RM83.2 million revenue recorded in the preceding quarter. Revenue decreased mainly due to last quarter sales volume was higher than normal because of KUALA LUMPUR 2017 SEA Games and ASEAN Para Games ("KUALA LUMPUR 2017"). Cost of sales and other operating expenses for the current quarter is RM71.5 million, which is quite consistent with the RM71.3 million incurred in the preceding quarter. The increase in other gains and losses consist mainly of fair value gain in investment properties and investment income received from short term investment as mentioned in Note 17. Profit before tax for the current quarter compared to the preceding quarter has decreased 21.0% from RM11.5 million to RM9.0 million mainly due to decrease in sales volume and increase in raw material cost.

## 19. FUTURE PROSPECTS

The Group expects the market conditions to remain challenging with keen competition from the many drinking water brands in the market. The consumer sentiments are expected to remain relatively soft. The Group is also expecting the input and operating costs to remain high in year 2018.

We will continue with our marketing and sales efforts so as to improve our sales of bottled water in Guangzhou, China and in Malaysia. We will commence the construction of an automated warehouse in our Taiping mineral water plant in 2018 to improve our operational efficiency. With our comprehensive range of quality bottled water products catering to the various market segments, we remain confident that the sales of our bottled water products will be sustainable in the domestic market. We are also taking firm steps to improve our business operations in China.

With our integrated and efficient manufacturing process, coupled with our strong brand equity and our dominant position in the Malaysian bottled water industry, the directors are cautiously optimistic that the Group will be able to generate satisfactory results in the financial year ending 31 December 2018.

## 20. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

Not applicable.

## 21. INCOME TAX EXPENSE

	Quarter ended 31.12.2017 RM'000	Year ended 31.12.2017 RM'000
Income tax		
- current period	2,099	9,049
- prior period	(17)	(15)
Deferred tax		
- current period	(708)	396
- prior year	364	364
	<u>1,738</u>	<u>9,794</u>

The effective tax rate for the financial year ended 31 December 2017 is higher than the statutory income tax rate of 24% mainly due to certain expenses are not allowable for tax purposes and unutilised tax losses of certain subsidiaries not recognised as deferred tax assets.

## 22. CORPORATE PROPOSAL AND STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

### Private Placement of 27,387,225 new ordinary shares in Spritzer Bhd

On 21 September 2017, the Company entered into a subscription agreement with Tasik Puncak Holdings Ltd (as general partner for Tasik Puncak Holdings, L.P., the subscriber for the Placement Shares) for a proposed private placement of 27,387,225 Placement Shares, representing 15% of the issued shares of the Company (excluding 24,000 treasury shares), at an issue price of RM2.33 per Placement Share.

The Company has obtained approval from Bursa Malaysia Securities Berhad ("Bursa Securities") on 12 October 2017 for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement, subject to shareholders' approval and certain conditions, which were subsequently met. The shareholders have approved the Proposed Private Placement in the Company's Extraordinary General Meeting held on 13 November 2017.

The Private Placement has been completed following the listing of and quotation for 27,387,225 Placement Shares on the Main Market of Bursa Securities on 22 November 2017. The Company's issued share capital upon completion of the above corporate proposal (excluding 24,000 treasury shares) is RM216,556,823 comprising 209,968,727 ordinary shares.

The status of utilisation of proceeds raised from the Private Placement is as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Intended timeframe utilisation	for Deviation (RM'000)	Deviation (%)
(i) Construction of an automated warehouse	45,000	-	November 2020	-	0%
(ii) Working capital	18,613	-	November 2019	-	0%
(iii) Expenses in relation to the Private Placement	200	19	December 2017	181	91%
Total	<u>63,813</u>	<u>19</u>			

Payments for expenses in relation to the Private Placement are made subsequent to 31 December 2017.

There were no outstanding corporate proposals as at the date of this report.

## 23. GROUP BORROWINGS

The Group's borrowings as at 31 December 2017 are as follows:-

	RM'000
<i>Current portion (repayable in the next 12 months)</i>	
- Unsecured	
Term loans	3,751
Banker's acceptances	800
Revolving credit	2,217
- Secured	
Hire purchase	171
	6,939
<i>Non-current portion (repayment after next 12 months)</i>	
- Unsecured	
Term loans	5,584
- Secured	
Hire purchase	89
	5,673
	<u>12,612</u>

All outstanding borrowings are denominated in Ringgit Malaysia except for a revolving credit loan of RM1,716,700 which is denominated in Chinese Renminbi.

Group borrowings are on fixed interest rates. The average effective interest rates per annum applicable on the borrowings during the financial year are as follows:

Term loans	4.30% - 4.53%
Banker's acceptances	3.28% - 4.09%
Revolving credit	4.45% - 5.60%
Bank overdraft	<u>7.15% - 7.85%</u>

## 24. MATERIAL LITIGATION

There were no material litigation involving the Group as at the date of this report.

## 25. DIVIDEND

The Directors have proposed a first and final dividend of 5.5 sen per ordinary share, under the single tier system, in respect of the current financial year ended 31 December 2017. This first and final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. The date of the Annual General Meeting and the date of book closure for the said dividend will be announced in due course.

## 26. EARNINGS PER SHARE ("EPS")

Basic and diluted earnings per ordinary share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares in issue during the period.

	<b>Quarter ended 31.12.2017</b>	<b>Year ended 31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	7,303	25,478
<b>Basic and diluted earnings per share</b>		
	<b>'000</b>	<b>'000</b>
Number of shares (excluding treasury shares) in issue at beginning of the period	182,582	179,549
Add: Weighted average number of shares issued during the period	2,282	4,710
Weighted average number of shares in issue during the period (basic)	<u>184,864</u>	<u>184,259</u>
Basic and diluted EPS (sen)	<u>3.95</u>	<u>13.83</u>

## 27. TRADE AND OTHER RECEIVABLES

	<b>As at 31.12.2017 RM'000</b>
Trade receivables	
- Non-related parties	18,357
- Related parties	44,282
	<u>62,639</u>
Allowance for doubtful debts	(16)
	<u>62,623</u>
Other receivables	1,075
	<u>63,698</u>

The credit terms of trade receivables granted to related parties and non-related parties are the same, with credit period ranging from 30 - 120 days.

Ageing of trade receivables which are past due but not impaired as at 31 December 2017 is as follows:

	<b>Non-related parties RM'000</b>	<b>Related parties RM'000</b>
31 - 60 days	203	-
61 - 90 days	250	-
91 - 120 days	546	-
More than 120 days	369	2,943
	<u>1,368</u>	<u>2,943</u>

## 28. RELATED PARTY DISCLOSURE

Related party transactions of the Group have been entered into in the normal course of business and are carried out on normal commercial terms.

Details of the significant related party transactions are as follows:

	Quarter ended 31.12.2017 RM'000	Year-to-date 31.12.2017 RM'000
<i>*Yee Lee Corporation Bhd Group of Companies</i>		
Sales	37,693	150,789
Purchases	1,442	5,261
Others	6	30
<i>Cactus Marketing Sdn Bhd</i>		
Sales	1,920	8,068
Rental of premise received	24	94
<i>Yee Lee Oils &amp; Foodstuff (Singapore) Pte Ltd</i>		
Sales	1,155	4,612
<i>Unipon Enterprise Sdn Bhd</i>		
Purchases	206	551
<i>Multibase Systems Sdn Bhd</i>		
Corporate secretarial fees paid	6	25
<i>Unikampar Credit And Leasing Sdn Bhd</i>		
Hire purchase interest paid	4	20
<i>Cranberry (M) Sdn Bhd</i>		
Rental of premises received	6	23

*\*Yee Lee Corporation Bhd Group of Companies includes the following:*

- Yee Lee Edible Oils Sdn Bhd
- Yee Lee Trading Co Sdn Bhd
- South East Asia Paper Products Sdn Bhd
- Yee Lee Marketing Sdn Bhd

## 29. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2018.