



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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	Quarter ended			Year-to-date ended		
	31.3.2018 RM'000	31.3.2017 RM'000	Change	31.3.2018 RM'000	31.3.2017 RM'000	Change
Revenue	82,547	72,624	14%	82,547	72,624	14%
Other gains and losses	749	(206)	464%	749	(206)	464%
Cost of sales and other operating expenses	(73,602)	(65,063)	13%	(73,602)	(65,063)	13%
Finance costs	(218)	(263)	-17%	(218)	(263)	-17%
Profit before tax	<u>9,476</u>	<u>7,092</u>	34%	<u>9,476</u>	<u>7,092</u>	34%
Tax expense	(2,693)	(2,078)	30%	(2,693)	(2,078)	30%
Profit for the period	<u><u>6,783</u></u>	<u><u>5,014</u></u>	35%	<u><u>6,783</u></u>	<u><u>5,014</u></u>	35%
<b>Profit attributable to owners of the Company</b>	<u><u>6,783</u></u>	<u><u>5,014</u></u>	35%	<u><u>6,783</u></u>	<u><u>5,014</u></u>	35%
<b>Earnings per share</b>						
Basic and diluted (sen)	<u><u>3.23</u></u>	<u><u>2.76</u></u>	17%	<u><u>3.23</u></u>	<u><u>2.76</u></u>	17%

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying notes to the Interim Financial Report.



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	Quarter ended		Year-to-date ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period	6,783	5,014	6,783	5,014
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign entities	17	(31)	17	(31)
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u>6,800</u>	<u>4,983</u>	<u>6,800</u>	<u>4,983</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying notes to the Interim Financial Report.



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	AS AT 31.3.2018 RM'000	AUDITED AS AT 31.12.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	222,390	222,418
Investment properties	5,170	5,170
Goodwill on consolidation	40	40
Other intangible asset	123	129
	<u>227,723</u>	<u>227,757</u>
<b>Current assets</b>		
Other investments	112,070	110,977
Inventories	30,733	32,117
Trade and other receivables	67,348	63,698
Current tax assets	1,406	1,198
Other assets	3,603	4,494
Fixed deposit, cash and bank balances	18,641	17,307
	<u>233,801</u>	<u>229,791</u>
<b>TOTAL ASSETS</b>	<u>461,524</u>	<u>457,548</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	216,571	216,571
Treasury shares	(14)	(14)
Translation reserve	(61)	(78)
Retained earnings	166,775	159,992
<b>TOTAL EQUITY</b>	<u>383,271</u>	<u>376,471</u>
<b>Non-current liabilities</b>		
Borrowings	4,826	5,673
Deferred tax liabilities	18,915	18,600
	<u>23,741</u>	<u>24,273</u>
<b>Current liabilities</b>		
Trade and other payables	27,039	27,393
Borrowings	8,411	6,939
Current tax liabilities	2,368	2,764
Other liabilities	16,694	19,708
	<u>54,512</u>	<u>56,804</u>
<b>TOTAL LIABILITIES</b>	<u>78,253</u>	<u>81,077</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>461,524</u>	<u>457,548</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.8254</u>	<u>1.7930</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying notes to the Interim Financial Report.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	Share Capital RM'000	Treasury Shares RM'000	-----Non-distributable Reserves-----		Share Premium RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
			Equity-settled Employee Benefits Reserve RM'000	Translation Reserve RM'000			
<b>Balance as of 1 January 2018</b>	216,571	(14)	-	(78)	-	159,992	376,471
Profit for the period	-	-	-	-	-	6,783	6,783
Other comprehensive income	-	-	-	17	-	-	17
Total comprehensive income for the period	-	-	-	17	-	6,783	6,800
<b>Balance as of 31 March 2018</b>	<b>216,571</b>	<b>(14)</b>	<b>-</b>	<b>(61)</b>	<b>-</b>	<b>166,775</b>	<b>383,271</b>
<b>Balance as of 1 January 2017</b>	89,787	(14)	1,345	(34)	56,423	140,748	288,255
Profit for the period	-	-	-	-	-	5,014	5,014
Other comprehensive loss	-	-	-	(31)	-	-	(31)
Total comprehensive (loss)/income for the period	-	-	-	(31)	-	5,014	4,983
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
<b>Balance as of 31 March 2017</b>	<b>95,771</b>	<b>(14)</b>	<b>-</b>	<b>(65)</b>	<b>56,987</b>	<b>145,918</b>	<b>298,597</b>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying notes to the Interim Financial Report.



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

	<b>Year-to-date ended</b>	
	<b>31.3.2018</b>	<b>31.3.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit for the period	6,783	5,014
Adjustments for:		
Depreciation of property, plant and equipment	3,628	3,346
Adjustments for:		
Tax expense recognised in profit or loss	2,693	2,078
Finance costs	218	263
Interest income	(43)	(33)
Investment revenue	(644)	(239)
Other non-cash items	(15)	811
	<u>12,620</u>	<u>11,240</u>
<b>Movements in working capital</b>		
Increase in current assets	(2,570)	(754)
Decrease in current liabilities	(5,159)	(7,512)
<b>Cash generated from operations</b>	<u>4,891</u>	<u>2,974</u>
Interest received	43	33
Income tax paid	(2,982)	(2,167)
<b>Net cash from operating activities</b>	<u>1,952</u>	<u>840</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Investment revenue received	24	24
Proceeds from disposal of property, plant and equipment	17	125
Proceeds from disposal of other investments	7,960	2,500
Purchase of property, plant and equipment	(968)	(1,546)
Placement of other investments	(8,100)	(3,100)
<b>Net cash used in investing activities</b>	<u>(1,067)</u>	<u>(1,997)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Finance cost paid	(218)	(263)
Expenses relating to issuance of ESOS paid	-	(1)
Proceeds from borrowings	1,932	-
Proceeds from issue of shares	-	5,360
Repayment of borrowings	(1,307)	(5,296)
<b>Net cash from/(used in) financing activities</b>	<u>407</u>	<u>(200)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,292	(1,357)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	17,286	18,559
Effect on exchange rate changes on balance of cash held in foreign currencies	42	(56)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>18,620</u>	<u>17,146</u>
Cash and cash equivalents at end of the period comprise the following:		
Fixed deposits, cash and bank balances	18,641	17,167
Less : fixed deposit pledged	(21)	(21)
	<u>18,620</u>	<u>17,146</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 year ended 31 December 2017.

### **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 year ended 31 December 2017 except for the adoption of MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2018.

#### **Adoption of MFRSs and Amendments to MFRSs**

The Group has adopted the following MFRSs and Amendments to MFRSs, with a date of initial application of 1 January 2018:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers (and related Clarifications)
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle

The application of the above MFRSs and Amendments to MFRSs has no material impact on the amounts reported and disclosures made in the financial statements.

#### **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 16	Leases*
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle*
IC Interpretation 23	Uncertainty over Income Tax Payments*

\* Effective for annual periods beginning on or after 1 January 2019, which earlier application permitted.

The directors have assessed and determined that the application of MFRS 16 in the future will not have a material impact on the amounts reported and disclosures made in the Group's financial statements based on the analysis of lease commitments that the Group currently entered into.

### **3. AUDITORS' REPORT ON PRECEDING YEAR FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the preceding financial year ended 31 December 2017 was unmodified and did not contain material uncertainty related to going concern.

### **4. 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.

### **5. 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-to-date ended 31 March 2018.

## 6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in the estimates used in the current financial year compared to those used in the previous financial year which have a material effect in the current quarter and financial year-to-date ended 31 March 2018.

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

There were no issuance, no repayment of debt and equity securities and share buy-backs for the current quarter and financial year-to-date ended 31 March 2018.

The total number of the Company's ordinary shares in issue, net of treasury shares as at 31 March 2018 is 209,968,727.

As at 31 March 2018, 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-to-date.

## 8. DIVIDEND PAID

No dividend was paid during the current quarter and financial year-to-date ended 31 March 2018.

## 9. SEGMENTAL REPORTING

The analysis of the Group business segments for the current quarter and financial year-to-date ended 31 March 2018 are as follows:-

<b>Quarter and year-to-date ended 31 March 2018</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	78,542	3,915	90	-	82,547
Inter-segment revenue	21,031	4	40	(21,075)	-
Total revenue	99,573	3,919	130	(21,075)	82,547
<b>Results</b>					
Segment results	9,988	(767)	141	(312)	9,050
Finance costs					(218)
Investment revenue					644
Profit before tax					9,476
Income tax expense					(2,693)
Profit for the period					6,783
<b>As at 31 March 2018</b>					
<b>Assets</b>					
Segment assets	358,626	5,235	258,565	(162,308)	460,118
Unallocated segment assets					1,406
Consolidated total assets					461,524
<b>Liabilities</b>					
Segment liabilities	100,045	6,362	1,305	(50,742)	56,970
Unallocated segment liabilities					21,283
Consolidated total liabilities					78,253

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

## 10. 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:

	Quarter ended 31.3.2018 RM'000	Year-to-date ended 31.3.2018 RM'000
Total purchase of property, plant and equipment	3,648	3,648
Purchased by cash	968	968

## 11. MATERIAL SUBSEQUENT EVENTS

On 12 April 2018, a subsidiary, Chuan Sin Sdn Bhd has issued a Letter of Award to Swisslog Malaysia Sdn Bhd for the provision and execution of the works of a high-bay warehouse with automated storage and retrieval system ("ASRS") for a total consideration of RM29,890,000. The Main Contract is still under negotiation as at the date of this report.

There were no other material events subsequent to the end of the current quarter ended 31 March 2018 up to the date of this report.

## 12. 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 March 2018.

## 13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

## 14. CAPITAL COMMITMENTS

Capital commitments that are not provided for in the interim financial statements as at 31 March 2018 are as follows:

	RM'000
<i>Property, plant and equipment:</i>	
Authorised but not contracted for	3,138
Approved and contracted for	594
	<u>3,732</u>

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

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

	Quarter ended 31.3.2018 RM'000	Year-to-date ended 31.3.2018 RM'000
Interest income	43	43
Interest expense	(137)	(137)
Investment revenue	644	644
Depreciation of property, plant and equipment	(3,628)	(3,628)
Amortisation of intangible asset	(6)	(6)
Allowance for and write off of receivables	(16)	(16)
Allowance for and write off of inventories	(33)	(33)
Gain on disposal of quoted/unquoted investments or properties	-	-
Gain on disposal of property, plant and equipment	13	13
Property, plant and equipment written off	(43)	(43)
Impairment of assets	-	-
Loss on foreign exchange	(226)	(226)
Gain/(Loss) on derivatives	-	-
Fair value adjustments of investment properties	-	-
Fair value adjustments of quoted investments	8	8



## 16. REVIEW OF PERFORMANCE

### Revenue

The revenue of the Group consists of the following:

	Quarter and year-to-date ended		
	31.3.2018	31.3.2017	Change
	RM'000	RM'000	
Sale of bottled water and related products	73,882	64,456	15%
Sale of plastic packaging materials	8,575	8,065	6%
Income from mini golf operation	90	103	-13%
Total revenue	82,547	72,624	14%

Analysis of revenue by segment is as follows:

	Quarter and year-to-date ended		
	31.3.2018	31.3.2017	Change
	RM'000	RM'000	
Manufacturing	78,542	68,477	15%
Trading	3,915	4,044	-3%
Others	90	103	-13%
Total revenue	82,547	72,624	14%

The Group recorded a revenue of RM82.5 million during the current quarter and financial year-to-date ended 31 March 2018, which see a 14% increase from the RM72.6 million recorded in the same period in 2017. The increase in revenue is due to increase in sales volume and average selling prices. Sales volume increased due to strong demand for bottled water as a result of hot weather and water rationing in Selangor coupled with successful sales campaign carried out during this period. Average selling prices in the current quarter and financial year-to-date is higher because of new bottled water selling prices introduced after the first quarter of the previous year to cover escalating raw materials and other operating costs.

During the current quarter and financial year-to-date ended 31 March 2018, the Group's revenue from manufacturing segment of RM78.5 million represents an increase of 15% from RM68.5 million in the same period previous year. Revenue from trading segment declined slightly from RM4.0 million to RM3.9 million in the current period ended 31 March 2018. The increase in manufacturing revenue is mainly due to the increase in sales volume and average selling prices of bottled water.

### Other gains and losses

Included in other gains and losses are the following:

	Quarter and year-to-date ended		
	31.3.2018	31.3.2017	Change
	RM'000	RM'000	
Investment revenue	644	239	169%
Allowance for and write off of inventories	(33)	(804)	-96%
(Loss)/Gain on foreign exchange	(226)	77	-394%

The increase in investment revenue of 169% is due to placement of unutilised proceeds received from the issuance of shares on Private Placement which was completed in November 2017 in short term money market funds.

The decrease of 96% in allowance for and write off of inventories is mainly due to slow moving inventories returned by customers in China written off in the prior year quarter ended 31 March 2017. There is no such write off required in the current quarter and financial year-to-date ended 31 March 2018.

(Loss)/Gain on foreign exchange comprises realised and unrealised foreign currencies exchange differences arising from trade transactions.

## Cost of sales and other operating expenses

	Quarter and year-to-date ended		
	31.3.2018	31.3.2017	Change
	RM'000	RM'000	
Cost of sales	52,251	45,040	16%
Other operating expenses	21,351	20,023	7%
	<u>73,602</u>	<u>65,063</u>	13%

The increase in cost of sales of 16% is in line with the increase in sales volume and also due to increase in manufacturing input costs especially raw materials and staff costs. Other operating expenses increased moderately by 7% due to better overall cost control and lower advertising and promotion cost in China.

## Profit before tax and segment results

Analysis of results by segment is as follows:

	Quarter and year-to-date ended		
	31.3.2018	31.3.2017	Change
	RM'000	RM'000	
Manufacturing	9,988	10,219	-2%
Trading	(767)	(2,826)	-73%
Others	141	234	-40%
Eliminations	(312)	(511)	
Segment results	<u>9,050</u>	<u>7,116</u>	27%
Profit before tax	<u>9,476</u>	<u>7,092</u>	34%

The Group recorded a profit before tax of RM9.5 million during the current quarter and financial year-to-date ended 31 March 2018, increased 34% from the RM7.1 million recorded in the same period last year, despite the increase in costs. The increase in profit is mainly contributed by increased in sales volume and the stabilisation and control of the selling and distribution costs for market exploration, product advertising and promotion in China market as well as the implementation of cost control measures to manage overhead costs in China operations.

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

	Quarter ended		Change
	31.3.2018	31.12.2017	
	RM'000	RM'000	
Revenue	82,547	79,445	4%
Profit before tax	<u>9,476</u>	<u>9,041</u>	5%

The Group recorded a profit before tax of RM9.5 million during the current quarter ended 31 March 2018, increased 5% from the RM9.0 million recorded in the immediate preceding quarter ended 31 December 2017. The increase in profit is mainly contributed by increased in sales volume.

## 18. FUTURE PROSPECTS

The Group expects the market conditions to remain challenging with keen competition from the many bottled water brands in the market. The Group is expecting significantly higher input and operating costs in year 2018. However, the consumer sentiment has improved gradually and may improve further following the reduction of the Goods and Services Tax rate of 6% to 0% effective from 1 June 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 are hopeful 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 hopeful that the Group will be able to generate satisfactory results in the financial year ending 31 December 2018.

## 19. VARIANCE BETWEEN FORECAST AND ACTUAL PROFIT

Not applicable.

## 20. TAX EXPENSE

	Quarter ended 31.3.2018 RM'000	Year-to-date ended 31.3.2018 RM'000
Income tax		
- current period	2,378	2,378
Deferred tax		
- current period	117	117
- prior year	198	198
	<u>2,693</u>	<u>2,693</u>

The effective tax rate for the current quarter and financial year-to-date ended 31 March 2018 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.

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

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

As at 31 March 2018, the status of utilisation of proceeds raised from the Private Placement which was completed on 22 November 2017 is as follows:

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Intended timeframe for utilisation	Deviation (RM'000)	Deviation (%)
(i) Construction of an automated warehouse ("ASRS project")	45,000	-	November 2020	-	0%
(ii) Working capital	18,613	5,360	November 2019	-	0%
(iii) Expenses in relation to the Private Placement	200	107	December 2017	93	47%
Total	<u>63,813</u>	<u>5,467</u>			

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

## 22. GROUP BORROWINGS

The Group's borrowings as at 31 March 2018 are as follows:-

	RM'000
<i>Current portion (repayable in the next 12 months)</i>	
- Unsecured	
Term loans	3,589
Banker's acceptances	1,500
Revolving credit	3,148
- Secured	
Hire purchase	174
	<u>8,411</u>
<i>Non-current portion (repayment after next 12 months)</i>	
- Unsecured	
Term loans	4,781
- Secured	
Hire purchase	45
	<u>4,826</u>
	<u>13,237</u>

All outstanding borrowings are denominated in Ringgit Malaysia except for a revolving credit loan of RM3,148,280 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 current quarter and financial year-to-date ended 31 March 2018 are as follows:

Term loans	4.33% - 5.02%
Banker's acceptances	3.28% - 3.75%
Revolving credit	<u>4.45% - 4.66%</u>

## 23. MATERIAL LITIGATION

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

## 24. 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 previous financial year ended 31 December 2017. The dividend will be paid on 22 June 2018 and has not been included as a liability in the financial statements.

## 25. 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.

	Quarter ended 31.3.2018	Year-to-date ended 31.3.2018
	RM'000	RM'000
Profit attributable to owners of the Company	6,783	6,783
<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	209,969	209,969
Add: Weighted average number of shares issued during the period	-	-
Weighted average number of shares in issue during the period (basic)	209,969	209,969
Basic and diluted EPS (sen)	3.23	3.23

## 26. TRADE AND OTHER RECEIVABLES

	As at 31.3.2018 RM'000
Trade receivables	
- Non-related parties	18,412
- Related parties	48,651
	<u>67,063</u>
Allowance for doubtful debts	(32)
	<u>67,031</u>
Other receivables	317
	<u>67,348</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 March 2018 is as follows:

	<b>Non-related parties RM'000</b>	<b>Related parties RM'000</b>
31 - 60 days	207	-
61 - 90 days	147	7
91 - 120 days	570	-
More than 120 days	643	1,222
	<u>1,567</u>	<u>1,229</u>

## 27. 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 during the period are as follows:

	<b>Quarter ended 31.3.2018 RM'000</b>	<b>Year-to-date ended 31.3.2018 RM'000</b>
<i>*Yee Lee Corporation Bhd Group of Companies</i>		
Sales	40,149	40,149
Purchases	1,349	1,349
Others	15	15
<i>Cactus Marketing Sdn Bhd</i>		
Sales	2,171	2,171
Rental of premise received	23	23
<i>Yee Lee Oils &amp; Foodstuff (Singapore) Pte Ltd</i>		
Sales	926	926
<i>Unipon Enterprise Sdn Bhd</i>		
Purchases	70	70
<i>Multibase Systems Sdn Bhd</i>		
Corporate secretarial fees paid	6	6
<i>Unikampar Credit And Leasing Sdn Bhd</i>		
Hire purchase interest paid	4	4

*\*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

## 28. 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 30 May 2018.