

*Condensed Consolidated Statement of Profit or Loss and Comprehensive Income  
For the Nine Months Ended 30 September 2016 - Unaudited*

|   | 3 months ended |              | 9 months ended |              |
|---|----------------|--------------|----------------|--------------|
|   | 30.9.2016      | 30.9.2015    | 30.9.2016      | 30.9.2015    |
|   | RM             | RM           | RM             | RM           |
| <b>Revenue</b>  | 47,315,491     | 43,208,529   | 144,330,099    | 124,841,242  |
| Cost of sales   | (24,213,126)   | (22,275,108) | (76,461,331)   | (67,418,188) |
| <b>Gross profit</b>                                       | 23,102,365     | 20,933,421   | 67,868,768     | 57,423,054   |
| Other income #  | 494,224        | 4,798,735    | 1,282,870      | 7,184,157    |
| Selling & distribution expenses                           | (6,510,906)    | (7,734,540)  | (24,618,489)   | (22,974,584) |
| Administrative expenses *                                 | (2,835,182)    | (2,977,323)  | (12,291,072)   | (9,004,529)  |
| Finance costs   | (138,174)      | (101,305)    | (348,644)      | (272,174)    |
| <b>Profit before tax</b>                                  | 14,112,327     | 14,918,988   | 31,893,433     | 32,355,924   |
| Income tax expense  | (1,864,541)    | (2,561,850)  | (6,105,133)    | (7,177,909)  |
| <b>Profit for the period</b>                              | 12,247,786     | 12,357,138   | 25,788,300     | 25,178,015   |
| <b>Other comprehensive income, net of tax</b>             |                |              |                |              |
| Exchange differences on translation of foreign operations | 1,505,439      | 7,233,671    | (2,507,787)    | 10,502,022   |
| <b>Other comprehensive income, net of tax</b>             | 1,505,439      | 7,233,671    | (2,507,787)    | 10,502,022   |
| <b>Total comprehensive income for the period</b>          | 13,753,225     | 19,590,809   | 23,280,513     | 35,680,037   |
| <b>Profit attributable to:</b>                            |                |              |                |              |
| Owners of the company                                     | 12,247,786     | 12,261,449   | 25,788,300     | 25,085,033   |
| Non-controlling interest                                  | -              | 95,689       | -              | 92,982       |
| <b>Profit for the period</b>                              | 12,247,786     | 12,357,138   | 25,788,300     | 25,178,015   |
| <b>Total comprehensive income attributable to:</b>        |                |              |                |              |
| Owners of the company                                     | 13,753,225     | 19,495,120   | 23,280,513     | 35,587,055   |
| Non-controlling interest                                  | -              | 95,689       | -              | 92,982       |
| <b>Total comprehensive income for the period</b>          | 13,753,225     | 19,590,809   | 23,280,513     | 35,680,037   |
| <b>Earning per share</b>                                  |                |              |                |              |
| Basic (Sen)   | 5.06           | 6.39         | 10.65          | 13.07        |
| Diluted (Sen)   | 5.06           | 5.37         | 10.65          | 10.98        |

# Inclusive of RM6.5 million of foreign currency gain in nine months period ended 30 September 2015.

\* Inclusive of RM0.9 million of foreign currency loss in nine months period ended 30 September 2016.

The Condensed Consolidated Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2016 - Unaudited**

|   | <b>unaudited</b>   | <b>audited</b>     |
|---|--------------------|--------------------|
|   | <b>30.9.2016</b>   | <b>31.12.2015</b>  |
|   | <b>RM</b>          | <b>RM</b>          |
| <b>ASSETS</b>   |                    |                    |
| <b>Non-current assets</b>   |                    |                    |
| Property, plant and equipment   | 189,776,854        | 152,519,023        |
| Investment properties   | 2,603,965          | 2,681,166          |
| Prepaid lease payments  | 3,205,197          | 3,483,319          |
| Deferred tax assets   | 437,963            | 188,382            |
|   | <u>196,023,979</u> | <u>158,871,890</u> |
| <b>Current assets</b>   |                    |                    |
| Other investments   | 1,270,132          | 1,615,649          |
| Inventories   | 11,260,917         | 9,392,505          |
| Current tax assets  | -                  | 1,671,029          |
| Trade and other receivables   | 45,047,835         | 38,819,755         |
| Prepayments   | 325,452            | 157,535            |
| Cash and cash equivalents   | 92,668,399         | 63,018,086         |
|   | <u>150,572,735</u> | <u>114,674,559</u> |
| <b>Total assets</b>   | <u>346,596,714</u> | <u>273,546,449</u> |
| <b>EQUITY AND LIABILITIES</b>   |                    |                    |
| <b>Equity</b>   |                    |                    |
| Share capital   | 134,819,910        | 104,838,773        |
| Reserves  | 155,271,786        | 111,966,850        |
| <b>Total equity attributable to owners of the Company</b>                     | <u>290,091,696</u> | <u>216,805,623</u> |
| <b>Liabilities</b>  |                    |                    |
| <b>Non-current liabilities</b>  |                    |                    |
| Loans and borrowings  | 21,131,259         | 25,357,511         |
| Deferred tax liabilities  | 172,911            | 58,536             |
|   | <u>21,304,170</u>  | <u>25,416,047</u>  |
| <b>Current liabilities</b>  |                    |                    |
| Loan and borrowings   | 3,622,502          | 1,074,334          |
| Trade and other payables  | 31,185,921         | 27,934,446         |
| Current tax liabilities   | 392,425            | 2,315,999          |
|   | <u>35,200,849</u>  | <u>31,324,779</u>  |
| <b>Total liabilities</b>  | <u>56,505,018</u>  | <u>56,740,826</u>  |
| <b>Total equity and liabilities</b>   | <u>346,596,714</u> | <u>273,546,449</u> |
| <b>Net assets per share attributable to equity holders of the parent (RM)</b> | <u>1.08</u>        | <u>1.03</u>        |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

*Condensed Consolidated Statement of Changes in Equity*  
*For the Nine Months Ended 30 September 2016 - Unaudited*

|  | <-----Attributable to owners of the Company-----> |                        |                              |                           |             |                          |             |
|--|---|------------------------|------------------------------|---------------------------|-------------|--------------------------|-------------|
|  | <----Non-distributable---->                       |                        |                              | Distributable             |             | Non-Controlling Interest |             |
|  | Share<br>Capital<br>RM                            | Share<br>Premium<br>RM | Translation<br>Reserve<br>RM | Retained<br>Profits<br>RM | Total<br>RM | RM                       | RM          |
| <b>At 1 January 2015</b>                           | 91,174,546  | -                      | 5,317,723                    | 57,932,328                | 154,424,597 | (5,160)                  | 154,419,437 |
| Net profit for the financial year                  | -   | -                      | -                            | 32,034,520                | 32,034,520  | -                        | 32,034,520  |
| Other comprehensive income for the financial year  | -   | -                      | 8,588,181                    | -                         | 8,588,181   | -                        | 8,588,181   |
| Total comprehensive income for the financial year  | -   | -                      | 8,588,181                    | 32,034,520                | 40,622,701  | -                        | 40,622,701  |
| Contributions by and distributions to owners       |   |                        |                              |                           |             |                          |             |
| -issuance of shares pursuant to warrant conversion | 13,664,227  | 11,751,235             | -                            | -                         | 25,415,462  | -                        | 25,415,462  |
| -dividends to owners of the Company                | -   | -                      | -                            | (3,657,137)               | (3,657,137) | -                        | (3,657,137) |
| Changes in ownership interests in a subsidiary     | -   | -                      | -                            | -                         | -           | 5,160                    | 5,160       |
| <b>At 31 December 2015/1 January 2016</b>          | 104,838,773                                       | 11,751,235             | 13,905,904                   | 86,309,711                | 216,805,623 | -                        | 216,805,623 |
| Net profit for the period                          | -   | -                      | -                            | 25,788,300                | 25,788,300  | -                        | 25,788,300  |
| Other comprehensive income for the period          | -   | -                      | (2,507,787)                  | -                         | (2,507,787) | -                        | (2,507,787) |
| Total comprehensive income for the period          | -   | -                      | (2,507,787)                  | 25,788,300                | 23,280,513  | -                        | 23,280,513  |
| Contributions by and distributions to owners       |   |                        |                              |                           |             |                          |             |
| -issuance of shares pursuant to warrant conversion | 29,981,137  | 25,783,778             | -                            | -                         | 55,764,915  | -                        | 55,764,915  |
| -dividends to owners of the Company                | -   | -                      | -                            | (5,759,355)               | (5,759,355) | -                        | (5,759,355) |
| <b>At 30 September 2016</b>                        | 134,819,910                                       | 37,535,013             | 11,398,117                   | 106,338,656               | 290,091,696 | -                        | 290,091,696 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

*Condensed Consolidated Statement of Cash Flows*  
*For the Nine Months Ended 30 September 2016 - Unaudited*

|   | <b>9 months ended</b> |                     |
|---|-----------------------|---------------------|
|   | <b>30.9.2016</b>      | <b>30.9.2015</b>    |
|   | <b>RM</b>             | <b>RM</b>           |
| <b>Cash flows from operating activities</b>             |                       |                     |
| Profit before tax                                       | 31,893,433            | 32,355,924          |
| Adjustments for:  |                       |                     |
| Depreciation and amortisation                           | 4,902,321             | 4,964,172           |
| Loss/(gain) on disposal of plant and equipment          | 16,877                | (10,503)            |
| Interest expense  | 24,669                | 69,053              |
| Interest income   | (700,829)             | (267,437)           |
| Unrealised foreign exchange differences                 | (439,863)             | 5,290,880           |
| Net impairment loss on financial assets                 | 358,400               | 179,200             |
| <i>Operating profit before working capital changes</i>  | <u>36,055,008</u>     | <u>42,581,289</u>   |
| Changes in working capital:                             |                       |                     |
| Inventories   | (1,868,412)           | 1,938,077           |
| Trade and other receivables                             | (6,228,080)           | (20,577,974)        |
| Trade and other payables                                | 3,251,468             | 7,458,122           |
| <i>Cash generated from operations</i>                   | <u>31,209,984</u>     | <u>31,399,514</u>   |
| Income tax paid   | (6,589,965)           | (3,318,258)         |
| Income tax refund                                       | 132,039               | 631,605             |
| <b>Net cash generated from operating activities</b>     | <u>24,752,058</u>     | <u>28,712,861</u>   |
| <b>Cash flows from investing activities</b>             |                       |                     |
| Interest received                                       | 700,829               | 267,437             |
| Changes in investment in unit trust                     | 12,882                | 4,951,362           |
| Increase in pledge deposits placed with a licensed bank | (1,189,700)           | -                   |
| Proceeds from disposal of plant and equipment           | 267,050               | 61,988              |
| Purchase of property, plant and equipment               | (44,262,298)          | (45,208,586)        |
| <b>Net cash used in investing activities</b>            | <u>(44,471,237)</u>   | <u>(39,927,799)</u> |
| <b>Cash flows from financing activities</b>             |                       |                     |
| Dividend paid   | (5,759,355)           | (3,657,137)         |
| Interest paid   | (24,669)              | (69,053)            |
| Proceeds from issuance of share                         | 55,764,916            | 19,834,831          |
| Repayment of borrowings                                 | (1,678,084)           | (760,459)           |
| <b>Net cash generated from financing activities</b>     | <u>48,302,808</u>     | <u>15,348,182</u>   |
| <b>Net increase in cash and cash equivalents</b>        | 28,583,629            | 4,133,244           |
| <b>Effect of changes in foreign exchange rate</b>       | (123,016)             | (1,740,725)         |
| <b>Cash and cash equivalents at beginning of period</b> | <u>63,018,086</u>     | <u>37,032,486</u>   |
| <b>Cash and cash equivalents at end of period</b>       | <u>91,478,699</u>     | <u>39,425,005</u>   |

**Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:**

|                        | <b>9 months ended</b> |                   |
|------------------------|-----------------------|-------------------|
|                        | <b>30.9.2016</b>      | <b>30.9.2015</b>  |
|                        | <b>RM</b>             | <b>RM</b>         |
| Deposits               | 39,908,165            | 13,147,887        |
| Less: Pledged deposits | (1,189,700)           | -                 |
|                        | <u>38,718,465</u>     | <u>13,147,887</u> |
| Cas and bank balances  | 52,760,234            | 26,277,118        |
|                        | <u>91,478,699</u>     | <u>39,425,005</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**KAWAN FOOD BERHAD (640445-V)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**1 Accounting policies and basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015. The 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 2015.

The significant accounting policies and methods adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2015.

The Group had adopted the new and revised Malaysian Financial Reporting Standards ("MFRS") and IC Interpretations that became mandatory for the current reporting period. The adoption of the new and revised MFRSs and IC interpretations did not have any significant impact on the interim financial statements upon their initial application.

**2 Qualification of financial statements**

The financial statements of the Company and its subsidiaries for the financial year ended 31 December 2015 were not qualified.

**3 Seasonal or cyclical factors**

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review except for warrant conversion under Note 6.

**5 Changes in estimates**

There were no changes in estimates that have had material effect in the current quarter results.

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**6 Debt and equity securities**

During the current quarter under review, the Company issued 30,607,140 new ordinary shares through warrant conversion. The warrant expired on 28 July 2016.

Except for the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities by the Company during the current quarter under review.

**7 Dividend proposed, declared and paid**

An interim single tier dividend of 2.5 sen per ordinary share totalling RM5,759,355 in respect of the financial year ending 31 December 2016 has been paid on 22 April 2016.

**8 Segmental information**

The Group's business segments comprise mainly the manufacturing and sale of frozen food products.

Business segmental information therefore has not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, depreciation and amortisation, and non-cash expenses are mainly confined to one business segment.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

|               | 3 months ended |             | Year-to-date ended |             |
|---------------|----------------|-------------|--------------------|-------------|
|               | 30 Sep 2016    | 30 Sep 2015 | 30 Sep 2016        | 30 Sep 2015 |
|               | RM'000         | RM'000      | RM'000             | RM'000      |
| Malaysia      | 16,850         | 15,188      | 52,707             | 46,537      |
| Rest of Asia  | 7,046          | 7,198       | 22,437             | 19,248      |
| Europe        | 2,940          | 3,072       | 11,890             | 13,018      |
| North America | 17,549         | 15,044      | 49,039             | 39,913      |
| Oceania       | 2,869          | 2,706       | 7,941              | 5,904       |
| Africa        | 61             | -           | 316                | 221         |
| Consolidated  | 47,315         | 43,208      | 144,330            | 124,841     |

**9 Valuation of property, plant and equipment**

No revaluation of property, plant and equipment were undertaken during the current quarter under review.

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**10 Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the current quarter under review.

**11 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter under review.

**12 Capital commitments**

The capital commitments of the Group as at 30 September 2016 is as follows:

|                                      |               |
|--------------------------------------|---------------|
|                                      | RM'000        |
| <b>Property, plant and equipment</b> |               |
| Contracted but not provided for      | <u>49,024</u> |

**13 Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements**

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special matter No.1, determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

Realised and unrealised profits or losses

|   | As at<br>30 Sep 2016<br>RM'000 | As at<br>31 Dec 2015<br>RM'000 |
|---|--------------------------------|--------------------------------|
| - Realised  | 148,207                        | 115,298                        |
| - Unrealised  | (6,321)                        | 325                            |
|   | <u>141,886</u>                 | <u>115,623</u>                 |
| Total share of post acquisition reserve of jointly controlled entity - realised | (100)                          | (100)                          |
|   | <u>141,786</u>                 | <u>115,523</u>                 |
| Consolidation adjustments   | (35,447)                       | (29,213)                       |
| Total Group retained profits as per consolidated accounts                       | <u>106,339</u>                 | <u>86,310</u>                  |

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**14 Related party transactions**

The Group's related party transactions in the current quarter and the cumulative period-to-date ended 30 September 2016 are as follows:

|   | Current<br>Quarter Ended<br>30 Sep 2016<br>RM'000 | Year-to-date<br>Ended<br>30 Sep 2016<br>RM'000 |
|---|---|--|
| Transactions with a company in which Gan Thiam Chai,<br>a Director of the Company has interests:  |   |  |
| Hot & Roll Sdn Bhd  |   |  |
| -Sales  | 441   | 1,382  |
| Transactions with a company in which the spouse of<br>Gan Thiam Hock, a Director of the Company has interests:  |   |  |
| K.C. Belight Food Industry (M) Sdn Bhd  |   |  |
| -Sales  | 172   | 536  |
| -Purchases  | 157   | 906  |
| Transactions with a company in which the sons and the spouse<br>of Gan Thiam Hock, a Director of the Company has interests:   |   |  |
| MH Delight Sdn Bhd  |   |  |
| -Sales  | 51  | 92   |
| -Purchases  | 107   | 107  |
| Transaction with a company in which the daughters of<br>Gan Thiam Chai and Kwan Sok Kay, the son of Gan Thiam<br>Hock and the spouse of Timothy Tan Heng Han, Directors<br>of the Company have interests: |   |  |
| Food Valley Sdn Bhd   |   |  |
| -Purchases  | 2,755   | 8,825  |
| Transactions with companies in which Nareshchandra<br>Gordhandas Nagrecha, a Director of the Company has<br>interest:   |   |  |
| Shana Foods Limited   |   |  |
| -Sales  | 2,494   | 9,146  |
| Rubicon Food Products Limited   |   |  |
| -Sales  | 2,718   | 4,085  |
| Rubicon Drinks International Pte. Limited   |   |  |
| -Sales  | 74  | 74   |



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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

|  | Current<br>Quarter Ended<br>30 Sep 2016<br>RM'000 | Year-to-date<br>Ended<br>30 Sep 2016<br>RM'000 |
|--|---|--|
| Transactions with a company in which the brother-in-law<br>of Gan Thiam Hock, a Director of the Company has interests: |   |  |
| La'mis Sdn Bhd   |   |  |
| -Plaster ceiling and partition works   | 64  | 64   |
|  | <u>64</u>   | <u>64</u>                                      |
| Transactions with a company in which Timonhy Tan Heng<br>Han, a Director of the Company has interests:                 |   |  |
| Eat Meee Solutions Sdn Bhd   |   |  |
| -Sales   | 1   | 9  |
|  | <u>1</u>  | <u>9</u>                                       |

The above transactions have been entered in the normal course of business and have been established on terms and condition that are not materially different from those obtainable in similar transactions with unrelated parties.

**15 Review of performance (Quarter 3, 2016 vs Quarter 3, 2015)**

For the current quarter ended 30 September 2016, the Group recorded a higher revenue of RM47.3 million against RM43.2 million in the corresponding quarter ended 30 September 2015, an increase was due to higher sales registered from all regions except Europe and Asia (excluding Malaysia).

Profit after taxation for the Group decreased slightly to RM12.2 million from RM12.4 million in the corresponding quarter ended 30 September 2015, mainly led by higher foreign currency gain in the corresponding quarter ended 30 September 2015 (Quarter 3, 2015 - foreign currency gain of RM4.5 million, Quarter 3,2016 - foreign currency gain of RM1 million).

**16 Review of performance (Year-to-date, 2016 vs Year-to-date, 2015)**

For the period ended 30 September 2016, the Group recorded a higher revenue of RM144.3 million against RM124.8 million last year, an increase was due to higher sales registered from all regions except Europe.

Profit after taxation for the Group increased by 2.4% or RM0.6 million compared to last year, mainly led by higher foreign currency gain last year (year 2015 - foreign currency gain of RM6.5 million, year 2016 - foreign currency loss of RM0.9 million).

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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**17 Variance of quarterly results compared to preceding quarter (Quarter 3, 2016 vs Quarter 2, 2016)**

The Group recorded a lower turnover of RM47.3 million for the current quarter under review compared to the immediate preceding quarter of RM55.5 million. The decrease was due to decrease turnover from all regions except Oceania.

The profit before tax increased to RM14.1 million compared to the immediate preceding quarter of RM12.2 million. The increase was due to lower advertisement and promotion expenses and favourable RM/USD exchange rate in the current quarter.

**18 Commentary on the prospect**

As reported in last year's annual accounts, the Group continues to grow from strength to strength as evident by the increase in revenue for the nine months of 2016.

The construction of the new plant at Pulau Indah is progressing as planned. The research and development activities are continuing for new products which are planned to be manufactured at the new factory.

**19 Variance of actual and profit forecast**

Not applicable as the Group did not issue any profit forecast for the current financial year.

**20 Profit before tax**

The following have been included in arriving at profit before tax:

|   | 3 months<br>ended<br>30 Sep 2016<br>RM'000 | 3 months<br>ended<br>30 Sep 2015<br>RM'000 | Year-to-date<br>ended<br>30 Sep 2016<br>RM'000 | Year-to-date<br>ended<br>30 Sep 2015<br>RM'000 |
|---|--|--|--|--|
| Interest income   | (296)                                      | (103)                                      | (701)  | (267)  |
| Other income  | (198)                                      | (160)                                      | (582)  | (410)  |
| Interest expense  | 3  | 20   | 25   | 69   |
| Depreciation and amortisation                               | 1,599                                      | 1,689                                      | 4,902  | 4,964  |
| Foreign exchange (gain)/loss                                | (1,024)                                    | (4,535)                                    | 908  | (6,506)  |
| (Gain)/loss on disposal of property, plant<br>and equipment | (18)                                       | (14)                                       | 17   | (11)   |

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**21 Finance cost**

|   | 3 months<br>ended<br>30 Sep 2016<br>RM'000 | 3 months<br>ended<br>30 Sep 2015<br>RM'000 | Year-to-date<br>ended<br>30 Sep 2016<br>RM'000 | Year-to-date<br>ended<br>30 Sep 2015<br>RM'000 |
|---|--|--|--|--|
| Interest expense of financial liabilities that are<br>not at fair value through profit or loss: |  |  |  |  |
| Term loans, secured   | 309  | 79   | 802  | 245  |
| Other bank charges  | 135  | 81   | 324  | 203  |
|   | <u>444</u>                                 | <u>160</u>                                 | <u>1,126</u>                                   | <u>448</u>                                     |
| Recognised in profit or loss  | 138  | 101  | 349  | 272  |
| Capitalised on qualifying assets:   |  |  |  |  |
| - property, plant and equipment   | 306  | 59   | 777  | 176  |
|   | <u>444</u>                                 | <u>160</u>                                 | <u>1,126</u>                                   | <u>448</u>                                     |

**22 Taxation**

|  | Current<br>Quarter Ended<br>30 Sep 2016<br>RM'000 | Year-to-date<br>Ended<br>30 Sep 2016<br>RM'000 |
|--|---|--|
| Tax expense -Current year                          | 3,419   | 7,649  |
| -Overprovision                                     | <u>(1,417)</u>                                    | <u>(1,417)</u>                                 |
|  | 2,002   | 6,232  |
| Deferred tax expense                               |   |  |
| -origination and reversal of temporary differences | <u>(138)</u>                                      | <u>(127)</u>                                   |
| Total  | <u>1,864</u>                                      | <u>6,105</u>                                   |

The effective tax rate of the Group for both current quarter and current year under review are lower than the statutory tax rate. These are mainly due to overprovision of income tax in the previous year.

**23 Corporate Proposals**

There was no corporate proposal announced but not completed as at date of this report.

**24 Borrowings (secured)**

|                        | As at<br>30 Sep 2016<br>RM'000 | As at<br>31 Dec 2015<br>RM'000 |
|------------------------|--------------------------------|--------------------------------|
| Short term borrowings: |                                |                                |
| Term loans             | <u>3,623</u>                   | <u>1,074</u>                   |
| Long term borrowings:  |                                |                                |
| Term loans             | <u>21,131</u>                  | <u>25,358</u>                  |

The borrowings are denominated in Malaysia Ringgit.

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**25 Material litigation**

The Group does not have any material litigation as at the date of this announcement.

**26 Dividend**

An interim single tier dividend of 2.5 sen per ordinary share totalling RM5,759,355 in respect of the financial year ending 31 December 2016 has been paid on 22 April 2016.

**27 Earning per share ("EPS")**

a) Basic earning per share

|  | 3 months<br>ended<br>30 Sep 2016 | 3 months<br>ended<br>30 Sep 2015 | Year-to-date<br>ended<br>30 Sep 2016 | Year-to-date<br>ended<br>30 Sep 2015 |
|--|----------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| Profit attributable to equity holders of the parent (RM'000) | 12,248                           | 12,261                           | 25,788                               | 25,085                               |
| Weighted average number of ordinary shares in issue (units)  | 242,133,025                      | 191,954,072                      | 242,133,025                          | 191,954,072                          |
| Basic earning per share (sen)                                | 5.06                             | 6.39                             | 10.65                                | 13.07                                |

b) Diluted earning per share

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| Profit attributable to equity holders of the parent (RM'000) | 12,248      | 12,261      | 25,788      | 25,085      |
| Weighted average number of ordinary shares in issue (units)  | 242,133,025 | 191,954,072 | 242,133,025 | 191,954,072 |
| Effect of dilution under warrant conversion                  | -           | 36,589,450  | -           | 36,589,450  |
|  | 242,133,025 | 228,543,522 | 242,133,025 | 228,543,522 |
| Diluted earning per share (sen)                              | 5.06        | 5.37        | 10.65       | 10.98       |

By Order of the Board

Gan Thiam Chai  
 Executive Chairman  
 Date: 25 November 2016