



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2017**

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the first quarter ended 31 March 2017.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME –
UNAUDITED**

| | Three months ended | | Three months ended | |
|---|--------------------|------------|--------------------|------------|
| | 31.03.2017 | 31.03.2016 | 31.03.2017 | 31.03.2016 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Revenue | 53,918 | 51,362 | 53,918 | 51,362 |
| Operating Profit | 6,879 | 4,762 | 6,879 | 4,762 |
| Finance income | 27 | 23 | 27 | 23 |
| Finance costs | (227) | (123) | (227) | (123) |
| Profit before taxation | 6,679 | 4,662 | 6,679 | 4,662 |
| Income tax expense | (430) | (1,150) | (430) | (1,150) |
| Profit for the period | 6,249 | 3,512 | 6,249 | 3,512 |
| Foreign currency translation differences for foreign operation | 2 | - | 2 | - |
| Total comprehensive income for the period | 6,251 | 3,512 | 6,251 | 3,512 |
| Profit attributable to: | | | | |
| Owners of the Company | 6,262 | 3,512 | 6,262 | 3,512 |
| Non-controlling interests | (13) | - | (13) | - |
| Profit for the period | 6,249 | 3,512 | 6,249 | 3,512 |
| Total comprehensive income attributable to:- | | | | |
| Owners of the Company | 6,263 | 3,512 | 6,263 | 3,512 |
| Non-controlling interests | (12) | - | (12) | - |
| Total comprehensive income for the period | 6,251 | 3,512 | 6,251 | 3,512 |
| Basic earnings per ordinary share (sen) | 3.79 | 3.21 | 3.79 | 3.21 |
| Diluted earnings per ordinary share (sen) | 3.77 | NIL | 3.77 | NIL |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

| | As at 31.03.2017 RM '000 | Audited As at 31.12.2016 RM '000 |
|--|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 145,611 | 141,290 |
| Total non-current assets | <u>145,611</u> | <u>141,290</u> |
| Current assets | | |
| Inventories | 30,529 | 31,524 |
| Trade and other receivables | 57,712 | 64,426 |
| Tax recoverable | 1,835 | 874 |
| Cash and cash equivalents | 21,676 | 30,906 |
| Total current assets | <u>111,752</u> | <u>127,730</u> |
| TOTAL ASSETS | <u>257,363</u> | <u>269,020</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 84,769 | 82,506 |
| Reserves | 108,782 | 106,217 |
| Total equity attributable to owners of the Company | 193,551 | 188,723 |
| Non-controlling interests | 34 | 46 |
| Total equity | <u>193,585</u> | <u>188,769</u> |
| Non-current liabilities | | |
| Loans and borrowings | 19,885 | 19,925 |
| Employee benefits | 639 | 658 |
| Deferred tax liabilities | 9,162 | 9,112 |
| Total non-current liabilities | <u>29,686</u> | <u>29,695</u> |
| Current liabilities | | |
| Trade and other payables | 23,426 | 36,194 |
| Loans and borrowings | 10,451 | 14,206 |
| Taxation | - | - |
| Dividends payable | 215 | 156 |
| Total current liabilities | <u>34,092</u> | <u>50,556</u> |
| Total liabilities | <u>63,778</u> | <u>80,251</u> |
| TOTAL EQUITY AND LIABILITIES | <u>257,363</u> | <u>269,020</u> |
| Net assets per share (RM) | 1.17 | 1.15 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)



TOMYPAK HOLDINGS BERHAD (Company No. 337743-W)

**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2017**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

| | Attributable to owners of the Company | | | | | | | Total | Non-controlling interest | Total equity | |
|--|---------------------------------------|---------------|---------------------|----------------|------------------------------|-----------------|-----------------|-------------------|--------------------------|--------------|----------------|
| | Non-distributable | | | | Distributable | | | | | | |
| | Share capital | Share premium | Translation reserve | Treasury share | Employee Share-based reserve | Merger reserves | Warrant reserve | Retained earnings | | | |
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | |
| At 1 January 2017 | 82,506 | 11,902 | (3) | (471) | 1,248 | 2,991 | 16,967 | 73,583 | 188,723 | 46 | 188,769 |
| Foreign currency translation differences for foreign operation | - | - | 1 | - | - | - | - | - | 1 | 1 | 2 |
| Profit for the period | - | - | - | - | - | - | - | 6,262 | 6,262 | (13) | 6,249 |
| Total comprehensive income for the period | - | - | 1 | - | - | - | - | 6,262 | 6,263 | (12) | 6,251 |
| Equity settled share based transactions | 2,263 | 65 | - | - | (412) | - | - | - | 1,916 | - | 1,916 |
| Own shares acquired | - | - | - | (32) | - | - | - | - | (32) | - | (32) |
| Dividends to shareholders | - | - | - | - | - | - | - | (3,319) | (3,319) | - | (3,319) |
| At 31 March 2017 | <u>84,769</u> | <u>11,967</u> | <u>(2)</u> | <u>(503)</u> | <u>836</u> | <u>2,991</u> | <u>16,967</u> | <u>76,526</u> | <u>193,551</u> | <u>34</u> | <u>193,585</u> |



TOMYPAK HOLDINGS BERHAD (Company No. 337743-W)

**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED (continued)

| | Attributable to owners of the Company | | | | | | | | | | |
|--|---------------------------------------|---------------|---------------------|----------------|------------------------------|-----------------|-----------------|-------------------|----------------|--------------------------|----------------|
| | Non-distributable | | | | | | | Distributable | | | |
| | Share capital | Share premium | Translation reserve | Treasury share | Employee Share-based reserve | Merger reserves | Warrant reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| At 1 January 2016 | 54,733 | 987 | - | - | - | 2,991 | - | 67,210 | 125,921 | - | 125,921 |
| Foreign currency translation differences for foreign operation | - | - | (3) | - | - | - | - | - | (3) | (2) | (5) |
| Profit for the period | - | - | - | - | - | - | - | 18,424 | 18,424 | (46) | 18,378 |
| Total comprehensive income for the period | - | - | (3) | - | - | - | - | 18,424 | 18,421 | (48) | 18,373 |
| Equity settled share based transactions | 406 | 1,153 | - | - | 1,248 | - | - | - | 2,807 | - | 2,807 |
| Subscription of shares in a subsidiary | - | - | - | - | - | - | - | - | - | 94 | 94 |
| Right issued | 27,367 | 27,367 | - | - | - | - | - | - | 54,734 | - | 54,734 |
| Share issued expenses | - | (638) | - | - | - | - | - | - | (638) | - | (638) |
| Own shares acquired | - | - | - | (471) | - | - | - | - | (471) | - | (471) |
| Warrant issued | - | (16,967) | - | - | - | - | 16,967 | - | - | - | - |
| Dividends to shareholders | - | - | - | - | - | - | - | (12,051) | (12,051) | - | (12,051) |
| At 31 December 2016 | <u>82,506</u> | <u>11,902</u> | <u>(3)</u> | <u>(471)</u> | <u>1,248</u> | <u>2,991</u> | <u>16,967</u> | <u>73,583</u> | <u>188,723</u> | <u>46</u> | <u>188,769</u> |



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

| | Three months ended 31.03.2017 RM '000 | Three months ended 31.03.2016 RM '000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 6,679 | 4,662 |
| Adjustments for:- | | |
| Depreciation | 3,126 | 2,986 |
| Equity settled share-based transaction | 54 | - |
| Finance income | (27) | (23) |
| Dividend income | (123) | - |
| Finance costs | 227 | 124 |
| Property, plant and equipment written off | 2 | 6 |
| Unrealised loss on foreign exchange | 177 | 257 |
| Gain on disposal of property, plant and equipment | - | (50) |
| Operating profit before changes in working capital | <u>10,115</u> | <u>7,962</u> |
| Changes in employee benefits | (19) | 11 |
| Changes in inventories | 994 | 3,351 |
| Changes in trade and other receivables | 6,537 | 14,746 |
| Changes in trade and other payables | <u>(12,767)</u> | <u>(5,542)</u> |
| Cash generated from operations | 4,860 | 20,528 |
| Tax paid | (1,341) | (2,193) |
| Other finance costs paid | (37) | (44) |
| Net cash from operating activities | <u>3,482</u> | <u>18,291</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (7,449) | (9,217) |
| Proceeds from disposal of property, plant and equipment | - | 50 |
| Interest received | 27 | 23 |
| Dividend received | 123 | - |
| Net cash used in investing activities | <u>(7,299)</u> | <u>(9,144)</u> |



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

| | Three months ended 31.03.2017 RM '000 | Three months ended 31.03.2016 RM '000 |
|--|--|--|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of term loans | 537 | - |
| Repayment of term loans | (476) | (1,118) |
| Net short term borrowings | (3,856) | (1,833) |
| Net proceeds from the repurchase and resale of treasury shares | (32) | - |
| Dividends paid to owners of the Company | (3,260) | (225) |
| Interest paid | (189) | (79) |
| Proceeds from issuance of shares | 1,862 | - |
| Share issuance expenses | - | (358) |
| Net cash for financing activities | <u>(5,414)</u> | <u>(3,613)</u> |
| Exchange difference on translation of the financial statements of foreign operation | 1 | - |
| Net increase in cash and cash equivalents | 9,231 | 5,534 |
| Cash and cash equivalents at 1 January | 30,906 | 11,715 |
| Cash and cash equivalents at 31 March | <u>21,676</u> | <u>17,249</u> |
| * Cash and cash equivalents at end of the year consist of:- | | |
| Deposit placed with licensed banks | - | 5,800 |
| Cash and bank balances | 21,676 | 11,449 |
| | <u>21,676</u> | <u>17,249</u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)



A. NOTES TO THE QUARTERLY FINANCIAL REPORT

1 Basis of preparation

(a) Statement of compliance

The interim financial statements are unaudited and have been prepared in accordance with paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad, and Malaysia Financial Reporting Standard (MFRS) 134: Interim Financial Reporting. These condensed consolidated interim financial statements also comply with IAS34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016. 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 2016.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*



1 Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective from a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial years when the above standards, amendments and interpretations become effective.

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and of the Company upon their first adoption except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9.

(iii) MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.



1 Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2 Audit qualification

The preceding audited financial statements of the Group were not subject to any audit qualification.

3 Seasonality or cyclicity of operations

The business operations of the Group during the financial quarter under review were not materially affected by any seasonal or cyclical factors.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

5 Material changes in estimates

There were no changes in estimates of amounts, which have a material effect in the current quarter and financial year-to-date.

6 Issuances, cancellations, repurchases, resales and repayments of debts and equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debts and equity securities for the financial year to date, other than:-

- i) Issuance of 1,241,005 ordinary shares pursuant to the exercise of share options under the Company's Employees Share Option Scheme; and
- ii) A total of 32,110 repurchased shares are being held as treasury shares.

7 Dividend paid

No dividend was paid during the current quarter. However, the board declared a tax exempt interim dividend of 2 sen per ordinary share totaling RM3,318,768 on 28th February 2017, based on issued and paid up capital as at 16th March 2017 and paid on 3rd April 2017.



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8 Segment information

The Group operates principally in Malaysia and in the manufacture and sale of flexible packaging materials.

The Group's operation is divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers with South East Asia being the principal market segment.

| | Individual quarter ended | |
|------------|---------------------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| | RM'000 | RM'000 |
| Revenue | | |
| - Local | 25,736 | 24,321 |
| - Overseas | 28,182 | 27,041 |
| | <u>53,918</u> | <u>51,362</u> |

9 Valuations of property, plant and equipment

The Group did not carry out any valuations on its property, plant and equipment for the current quarter.

10 Material events subsequent to period end

There were no material events subsequent to period end save for the corporate proposal stated in Note 6 under the additional information as required by the Bursa Malaysia Securities Berhad's listing requirements.

11 Changes in composition of the group

There were no changes in the composition of the Group for the current quarter.

12 Contingent liabilities

| | 31 March 2017 | 31 March 2016 |
|---|----------------------|----------------------|
| | RM'000 | RM'000 |
| Secured corporate guarantees for banking facilities given to subsidiary | <u>24,811</u> | <u>7,773</u> |
| Unsecured corporate guarantees for banking facilities given to subsidiary | <u>5,525</u> | <u>18,811</u> |

13 Capital commitments

| | 31 March 2017 | 31 March 2016 |
|-----------------------------------|----------------------|----------------------|
| | RM'000 | RM'000 |
| Plant and equipment | | |
| Contracted but not provided for | <u>28,763</u> | <u>46,410</u> |
| Authorised but not contracted for | <u>54,384</u> | <u>11,645</u> |



**B. ADDITIONAL INFORMATION AS REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD'S LISTING REQUIREMENTS**

Review of performance

The Group's performance for the quarter under review as compared to the same period of last year are as follow:

| Description | 1st Quarter 17 RM'000 | 1st Quarter 16 RM'000 | % Change |
|-------------|--------------------------|--------------------------|-------------|
| Revenue | 53,918 | 51,362 | 4.98% |
| PBT | 6,679 | 4,662 | 43.26% |

For the 3 months period ended 31 March 2017, the Group achieved a turnover of RM53.92 million compared to RM51.36 million for the same period last year, an increase of 4.98%. This was attributed to the increase in demand from both local and overseas customers.

The Group recorded a higher pre-tax profit of RM6.68 million against the pre-tax profit of RM4.66 million in the previous corresponding period. This increase was mainly due to :

- a) the increase in the demand from customers;
- b) improved cost of production in this quarter as compared to the 1st quarter of previous year;
- c) the Group recognised lower foreign currency loss of RM0.19 million compared to RM0.71 million in the previous corresponding period.

2 Variation of results against preceding quarter

The Group's performance for the quarter under review as compared to the preceding quarter is as follow:

| Description | 1st Quarter 17 RM'000 | 4th Quarter 16 RM'000 | % Change |
|-------------|--------------------------|--------------------------|-------------|
| Revenue | 53,918 | 51,168 | 5.37% |
| PBT | 6,679 | 7,364 | -9.30% |
| PAT | 6,249 | 6,264 | -0.24% |

For the 3 months period ended 31 March 2017, the Group achieved a turnover of RM53.92 million compared to RM51.17 million for the preceding quarter, an increase of 5.37%. This was mainly attributed to the increase in demand from both local and overseas customers.

The Group however reported a lower pre-tax profit of RM6.68 million compared to a pre-tax profit of RM7.36 million in the preceding quarter, a reduction of 9.3%. This was mainly due to the Group recognising foreign currency loss of RM0.19 million in the current quarter compared to foreign currency gain of RM1.09 million in the preceding quarter.

The Group recorded profit after tax of RM6.25 million compared to profit after tax of RM6.26 million in the preceding quarter, a very marginal decline of 0.24%. The Group enjoyed lower effective tax rate in the current quarter compared to the preceding quarter due to the higher reinvestment allowances in year 2017.



3 Prospects

Going forward, the Group will continue to focus on its core business of manufacturing and marketing of flexible packaging materials. The Group will continue to leverage and build on its strong reputation in the market as a consistently reliable partner delivering quality packaging materials to its wide ranging customers competitively.

With the completion of the new plant at the end of March 2017, the full operation of more advance and efficient printing and lamination machines in second quarter of 2017, the impending comprehensive realignment of both existing and new plant as well the upgrading of all supporting functions, the Group expects performance to improve.

4 Profit forecast

No profit forecast was provided for the current quarter and financial year-to-date.

5 Tax expense

Taxation comprises the following:-

| | Individual quarter ended | |
|---|---------------------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| | RM'000 | RM'000 |
| The tax expense comprises the followings: | | |
| Tax expense | | |
| - Current period | 380 | 1,150 |
| - Prior year | - | - |
| | 380 | 1,150 |
| Deferred tax expense | | |
| - Current period | 50 | - |
| | 50 | - |
| | 430 | 1,150 |

6 Status of corporate proposal announced

On 5 April 2017, the Company announced that it had proposed to undertake the following:

(i) proposed share split involving the subdivision of every 1 existing ordinary share in Tomypak (“**Share**”) into 2 ordinary shares in Tomypak (“**Subdivided Share(s)**”) held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date (“**Entitled Shareholders**”) to be determined and announced later (“**Entitlement Date**”); and

(ii) proposed bonus issue of up to 111,556,120 new Shares (“**Bonus Share(s)**”) on the basis of 1 Bonus Share for every 4 Subdivided Shares held by the Entitled Shareholders on the Entitlement Date.

On behalf of the Board of Directors of Tomypak, RHB Investment Bank Berhad had on 14 April 2017 announced that Bursa Malaysia Securities Berhad had, vide its letter dated 14 April 2017, approved the following subject to the terms and conditions as stipulated in the Letter of Approval:

(i) Proposed Share Split;

(ii) listing of up to 111,556,120 Bonus Shares to be issued pursuant to the Proposed Bonus Issue;



6 Status of corporate proposal announced (continued)

(iii) listing of up to 82,100,655 Additional Warrants to be issued arising from the adjustment pursuant to the Proposed Share Split and Proposed Bonus Issue; and

(iv) listing of up to 82,100,655 new Shares to be issued arising from the exercise of the Additional Warrants.

At the Extraordinary General Meeting held on 18 May 2017, the above corporate proposal was approved by the shareholders.

7 Utilisation of Right Issue Proceeds

The status of utilisation of the proceeds of RM54,733,770 from the Rights Issue with Warrants as at 31 March 2017 are as follows:

| Details of the expected utilisation of proceeds | Expected utilisation RM'000 | Actual utilisation RM'000 | Balance unutilised RM'000 |
|---|--------------------------------|------------------------------|------------------------------|
| Construction of a new factory building | 33,366 | 28,925 | 4,441 |
| Purchase of machineries, equipment and other ancillary facilities | 15,768 | 9,209 | 6,559 |
| Working capital | 5,000 | 5,000 | - |
| Estimated expenses in relation to the Corporate Exercise | 600 | 600 | - |
| Total | 54,734 | 43,734 | 11,000 |



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8 Group borrowings and debts securities

The borrowings of the Group denominated in Ringgit Malaysia as at the end of the reporting period are as follows:-

| | 31 March 2017 | 31 March 2016 |
|---------------------------|----------------------|----------------------|
| | RM'000 | RM'000 |
| Non-current | | |
| <i>Secured</i> | | |
| Term loans | 19,885 | 5,428 |
| Finance lease liabilities | - | - |
| | <u>19,885</u> | <u>5,428</u> |
| Current | | |
| <i>Secured</i> | | |
| Term loans | 4,926 | 2,345 |
| Finance lease liabilities | - | - |
| | 4,926 | 2,345 |
| <i>Unsecured</i> | | |
| Trust receipts | 5,525 | 18,811 |
| | 5,525 | 18,811 |
| | <u>10,451</u> | <u>21,156</u> |
| | <u>30,336</u> | <u>26,584</u> |

9 Disclosure of derivatives

There were no financial derivatives for current quarter ended 31 March 2017.

10 Changes in material litigation

There were no pending material litigations at the date of this quarterly report.

11 Dividend

The Board is pleased to declare a tax exempt interim dividend of 2 sen per ordinary share on 18th May 2017 in respect of the financial year ending 31st December 2017 and the said dividend will be paid on 16th June 2017 to shareholders whose names appear on the Company's Record of Depositors on 2nd June 2017.



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12 Earnings per ordinary shares

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the period under review is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the said financial period, adjusted by the number of ordinary shares rights issue during the period under review.

| | Individual quarter ended | |
|--|--------------------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Adjusted Net Profit attributable to ordinary shareholders (RM'000) | 6,262 | 3,512 |
| Weighted average number of ordinary shares in issue ('000) | 165,126 | 109,467 |
| Basic earnings per ordinary share (sen) | <u>3.79</u> | <u>3.21</u> |

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the period under review is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the said financial period, after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

| | Three months |
|--|---------------|
| | 31 March 2017 |
| Adjusted Net Profit attributable to ordinary shareholders (RM'000) | 6,262 |
| Weighted average number of ordinary shares in issue ('000) | 165,899 |
| Diluted earnings per ordinary share (sen) | <u>3.77</u> |

13 Disclosure of realised and unrealised profits/ losses

| | As at 31.03.2017 RM'000 | As at 31.12.2016 RM'000 |
|--|----------------------------|----------------------------|
| Total retained earnings of the Company and its subsidiaries: | | |
| ~ Realised profits | 85,874 | 82,838 |
| ~ Unrealised losses | (9,348) | (9,255) |
| Total retained earnings of the Group | <u>76,526</u> | <u>73,583</u> |



14 Notes to the Statements of Comprehensive Income

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

| | Individual quarter ended | |
|--|---------------------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| | RM'000 | RM'000 |
| Dividend income | (173) | - |
| Interest expense | 227 | 124 |
| Depreciation | 3,126 | 2,986 |
| Bad debts recovered | (6) | - |
| Impairment loss on trade receivables | - | - |
| Reversal of slow moving inventories | (366) | (134) |
| Foreign exchange: | | |
| - Realised loss | 19 | 454 |
| - Unrealised loss | 177 | 257 |
| Gain loss on disposal of property, plant and equipment | - | (50) |
| Equity settled share based transaction (ESOS expense) | 54 | - |