



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2017**

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

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

	Three months ended		Twelve months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM '000	RM '000	RM '000	RM '000
Revenue	<u>45,369</u>	<u>51,168</u>	<u>204,280</u>	<u>210,942</u>
Operating (Loss)/ Profit	(3,425)	9,130	12,300	25,275
Finance income	19	57	148	192
Finance costs	(476)	(233)	(1,433)	(667)
ESOS expenses	-	(1,590)	(993)	(1,590)
(Loss)/ Profit before taxation	<u>(3,882)</u>	<u>7,364</u>	<u>10,022</u>	<u>23,210</u>
Income tax expense	-	(1,100)	(503)	(4,832)
(Loss)/ Profit for the period	<u>(3,882)</u>	<u>6,264</u>	<u>9,519</u>	<u>18,378</u>
Foreign currency translation differences for foreign operation	(30)	(5)	(34)	(5)
Total comprehensive income for the period	<u>(3,912)</u>	<u>6,259</u>	<u>9,485</u>	<u>18,373</u>
(Loss)/ Profit attributable to:				
Owners of the Company	(3,887)	6,306	9,540	18,424
Non-controlling interests	5	(42)	(21)	(46)
(Loss)/ Profit for the period	<u>(3,882)</u>	<u>6,264</u>	<u>9,519</u>	<u>18,378</u>
Total comprehensive income attributable to:-				
Owners of the Company	(3,909)	6,301	9,516	18,421
Non-controlling interests	(3)	(42)	(31)	(48)
Total comprehensive income for the period	<u>(3,912)</u>	<u>6,259</u>	<u>9,485</u>	<u>18,373</u>
Basic (loss)/ earnings per ordinary share (sen)	<u>(3.73)</u>	<u>6.04</u>	<u>3.22</u>	<u>6.22</u>
Diluted (loss)/ earnings per ordinary share (sen)	<u>(3.61)</u>	<u>5.86</u>	<u>3.19</u>	<u>6.15</u>

The earnings per ordinary share for the quarter/year ended Dec, 2016 had been adjusted to reflect the share split involving the subdivision of every one (1) existing ordinary share into two (2) ordinary shares and bonus issue of one (1) for every four (4) split shares held by the entitled shareholders, which were completed on June 2, 2017.

(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.)



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 31.12.2017 RM '000	Audited As at 31.12.2016 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	171,530	141,290
Total non-current assets	<u>171,530</u>	<u>141,290</u>
Current assets		
Inventories	34,861	31,524
Trade and other receivables	58,703	64,426
Tax recoverable	4,110	874
Cash and cash equivalents	10,492	30,906
Total current assets	<u>108,166</u>	<u>127,730</u>
TOTAL ASSETS	<u>279,696</u>	<u>269,020</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	108,738	82,506
Reserves	81,729	106,217
Total equity attributable to owners of the Company	190,467	188,723
Non-controlling interests	15	46
Total equity	<u>190,482</u>	<u>188,769</u>
Non-current liabilities		
Loans and borrowings	25,344	19,925
Employee benefits	665	658
Deferred tax liabilities	8,970	9,112
Total non-current liabilities	<u>34,979</u>	<u>29,695</u>
Current liabilities		
Trade and other payables	28,592	36,194
Loans and borrowings	25,413	14,206
Taxation	-	-
Dividends payable	230	156
Total current liabilities	<u>54,235</u>	<u>50,556</u>
Total liabilities	<u>89,214</u>	<u>80,251</u>
TOTAL EQUITY AND LIABILITIES	<u>279,696</u>	<u>269,020</u>
Net assets per share (RM)	0.45	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 FOURTH QUARTER ENDED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	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	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	-	-	(19)	-	-	-	-	-	(19)	(10)	(29)
Profit for the period	-	-	-	-	-	-	-	9,540	9,540	(21)	9,519
Total comprehensive income for the period	-	-	(19)	-	-	-	-	9,540	9,521	(31)	9,490
Equity settled share based transactions	26,232	65	-	-	(103)	-	-	-	26,194	-	26,194
Bonus issues	-	(11,000)	-	-	-	-	-	(9,941)	(20,941)	-	(20,941)
Share split and bonus issue expenses	-	(198)	-	-	-	-	-	-	(198)	0	(198)
Share issued expenses	-	-	-	-	-	-	-	-	-	-	-
Treasury shares acquired and resale	-	-	-	327	-	-	-	222	549	-	549
Dividends to shareholders	-	-	-	-	-	-	-	(13,381)	(13,381)	-	(13,381)
At 31 December 2017	108,738	769	(22)	(144)	1,145	2,991	16,967	60,023	190,467	15	190,482



TOMYPAK HOLDINGS BERHAD (Company No. 337743-W)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED (continued)

	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 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>



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	Twelve months ended 31.12.2017 RM '000	Twelve months ended 31.12.2016 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,022	23,210
Adjustments for:-		
Depreciation	14,437	12,540
Equity settled share-based transaction	993	1,590
Finance income	(93)	(192)
Dividend income	(256)	(460)
Finance costs	1,433	667
Impairment loss on trade receivables	-	402
Property, plant and equipment written off	2	4
Unrealised gain on foreign exchange	(1,952)	(265)
Gain on disposal of property, plant and equipment	(2)	(121)
Operating profit before changes in working capital	<u>24,584</u>	<u>37,375</u>
Changes in employee benefits	7	49
Changes in inventories	(3,337)	1,247
Changes in trade and other receivables	7,675	(1,982)
Changes in trade and other payables	(7,602)	12,352
Cash generated from operations	<u>21,327</u>	<u>49,041</u>
Tax paid	(3,881)	(7,600)
Other finance costs paid	(250)	(206)
Net cash from operating activities	<u>17,196</u>	<u>41,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(44,676)	(69,839)
Proceeds from disposal of property, plant and equipment	2	290
Share capital contributed by minority shareholders of a subsidiary	-	94
Interest received	93	192
Dividend received	256	460
Net cash used in investing activities	<u>(44,325)</u>	<u>(68,803)</u>



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Twelve months ended 31.12.2017 RM '000	Twelve months ended 31.12.2016 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	13,633	18,195
Repayment of term loans	(6,729)	(2,336)
Net short term borrowings	4,276	(11,263)
Payments of finance lease liabilities	-	-
Net proceeds from the repurchase and resale of treasury shares	(66)	(471)
Dividends paid to owners of the Company	(13,307)	(12,215)
Interest paid	(1,184)	(461)
Bonus issues and proceeds from issuance of shares	10,112	55,313
Net cash for financing activities	<u>6,735</u>	<u>46,762</u>
Exchange difference on translation of the financial statements of foreign operation	(19)	(3)
Net (decrease)/ increase in cash and cash equivalents	(20,414)	19,191
Cash and cash equivalents at 1 January	30,906	11,715
Cash and cash equivalents at 31 December	<u><u>10,492</u></u>	<u><u>30,906</u></u>
 * Cash and cash equivalents at end of the year consist of:-		
Deposit placed with licensed banks	1,000	1,700
Cash and bank balances	<u>9,492</u>	<u>29,206</u>
	<u><u>10,492</u></u>	<u><u>30,906</u></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.



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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 3,324,040 ordinary shares pursuant to the exercise of share options under the Company's Employees Share Option Scheme; and
- ii) A total of 152,000 repurchased shares are being held as treasury shares.

7 Dividend paid

- i) 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.
- ii) The board declared a tax exempt interim dividend of 2 sen per ordinary share totaling RM3,350,609 on 18th May 2017, based on issued and paid up capital as at 2nd June 2017 and paid on 16th June 2017.
- iii) The board declared a tax exempt interim dividend of 0.8 sen per ordinary share totaling RM3,355,848 on 25th August 2017, based on issued and paid up capital as at 21st September 2017 and paid on 2nd October 2017.



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7 Dividend paid (continued)

iv) The board declared a tax exempt interim dividend of 0.8 sen per ordinary share totaling RM3,355,384 on 23rd November 2017, based on issued and paid up capital as at 11th December 2017 and paid on 27th December 2017.

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		Cumulative quarter ended	
	31 December 2017 RM'000	31 December 2016 RM'000	31 December 2017 RM'000	31 December 2016 RM'000
Revenue				
- Local	25,718	24,427	103,029	99,412
- Overseas	19,651	26,741	101,251	111,530
	<u>45,369</u>	<u>51,168</u>	<u>204,280</u>	<u>210,942</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.

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 December 2017 RM'000	31 December 2016 RM'000
Secured corporate guarantees for banking facilities given to subsidiary	<u>31,954</u>	<u>24,750</u>
Unsecured corporate guarantees for banking facilities given to subsidiary	<u>18,803</u>	<u>9,381</u>



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13 Capital commitments

	31 December 2017 RM'000	31 December 2016 RM'000
Plant and equipment Contracted but not provided for	<u>23,307</u>	<u>33,451</u>
Authorised but not contracted for	<u>37,400</u>	<u>55,012</u>



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

1. Review of performance

The Group's performance for the quarter under review and the twelve months period of 2017 as compared to the same period of last year are as follow:

Description	4th Quarter 17 RM'000	4th Quarter 16 RM'000	% Change
Revenue	45,369	51,168	-11.33%
(LBT)/ PBT	(3,882)	7,364	-152.72%
(LAT)/ PAT	(3,882)	6,264	-161.97%

Description	12 months 17 RM'000	12 months 16 RM'000	% Change
Revenue	204,280	210,942	-3.16%
PBT	10,022	23,210	-56.82%
PAT	9,519	18,378	-48.20%

Q4-2017 vs Q4-2016

For the 3 months period ended 31 December 2017, the Group achieved a turnover of RM45.37 million compared to RM51.16 million for the same period last year, a reduction of 11.33% arising principally from lower quantity sold during this quarter.

The total quantity shipped to customers decreased from 3,070 metric tonnes in 4th Quarter 2016 by 12% to only 2,706 metric tonnes in 4th Quarter 2017. There was a marginal increase in local sales mainly attributable to an increase in sales to major local customers. There was however a substantial reduction in international sales by 26% caused mainly by a reduction in sales to 2 major customers even though the Group managed to grow its international business through existing and new international customers. The average selling price of the goods shipped also decreased marginally during the period as a result of different sales mix as well as the strengthening of the Malaysian Ringgit against the USD, which resulted in lower revenue recognition in Malaysian Ringgit in the 4th Quarter 2017.

The Group however recorded a net loss of RM3.88 million against the pre-tax profit of RM7.36 million and profit after tax of RM6.26 million in the previous corresponding period. These decreases were mainly due to:

- a) A decrease in gross margins achieved in this quarter attributed mainly to an increase in cost of goods manufactured, resulting from an increase in raw materials prices as well as increase in raw materials usage for the final finished products;
- b) The lower volume of production and sales during this quarter was not sufficient to absorb the additional Factory Overheads arising from the continuing operation of 2 manufacturing plants pending rationalisation of operations between the 2 plants as the Group is still in the process of installing and commissioning 2 major new equipment in the new plant in Senai, during this period;
- c) Provision for obsolete stocks and year-end stock take adjustments.



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1. Review of performance

12 months-2017 vs 12 months-2016

For the 12 months period ended 31 December 2017, the Group achieved a turnover of RM204.28 million compared to RM210.94 million for the same period last year, a reduction of 3.16%.

As for pre-tax profit, the Group recorded a lower pre-tax profit of RM10.02 million against the pre-tax profit of RM23.21 million in the previous corresponding period, a reduction of 56.82%.

The Group recorded a lower profit after tax of RM9.52 million for the 12 months period end 31 December 2017 compared to profit after tax of RM18.38 million in the previous corresponding period. The lower profit after tax for FY 2017 as compared to FY 2016 was mainly attributable to the following reasons:

- a) Lower sales volume and lower average selling prices due to competitive market factors;
- b) Lower Gross Profit margins due to an increase in Cost of Goods Sold arising from:
 - i) Increase in cost of raw materials during the year as compared to FY 2016;
 - ii) Increase in overall factory overheads as a result from the start-up of the new plant in Senai in the 2nd Quarter 2017. There were also substantial start-up costs including usage of raw materials, utilities and additional labour costs, to conduct trial production runs, incurred in the commissioning of the new plant and equipment acquired, installed and commissioned during the year. Such costs do not translate into sales.

In addition, there were also additional maintenance costs to maintain the old equipment, increased factory sundry expenses resulting from continuing on going rectification and upgrading works at both factories, which are expensed off;
 - iii) Additional depreciation costs recognised as the Group started to provide for depreciation of the new factory buildings in April 2017 and new equipment as and when these new equipment are installed and ready for commencement of operations, while full revenue from the new plant has yet to achieve fully pending final inspection and approval from major customers;
 - iv) Additional substantial costs recognised in FY 2017 as a result of the adoption of MFRS 15 which now requires that cylinder costs which forms a substantial portion of the production costs and which are unique to operations of gravure printing technologies, are to be written off instead of depreciated;
 - v) Additional transportation, security and other operating costs arising from the operations of 2 plants; and
 - vi) Provision for obsolete stocks and year-end stock take adjustments.
- c) Lower other income resulting from a reduction in foreign exchange gains as a result of the strengthening of the Malaysian Ringgit against the US Dollar; and
- d) Higher financial expenses arising from drawdown of loans to fund the purchase of equipment for the new plant.



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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	4th Quarter 17 RM'000	3rd Quarter 17 RM'000	% Change
Revenue	45,369	52,683	-13.88%
(LBT)/ PBT	(3,882)	3,111	-224.78%
(LBT)/ PAT	(3,882)	3,096	-225.39%

For the 3 months period ended 31 December 2017, the Group achieved a turnover of RM45.37 million compared to RM52.68 million for the preceding quarter, reduction of 13.88%. The Group reported a net loss of RM3.88 million compared to a pre-tax profit of RM3.11 million and profit after tax of RM3.10 million in the preceding quarter, a reduction of 224.78% and 225.39% respectively.

There was a substantial reduction in volume of finished goods shipped in 4th Quarter 2017, of 2,706 metric tonnes as compared to 3,146 metric tonnes in 3rd Quarter 2016. Average selling price was relatively stable during the both quarters but there were increase in raw materials costs during 4th Quarter 2017. In addition, there are provision for obsolete stocks and year-end stock take adjustments. Other costs, including Selling and Distribution costs, General and Administrative costs as well as financial expenses have all remained relatively stable between 3rd Quarter 2017 and 4th Quarter 2017.

3. Prospects

The new Senai plant is currently undergoing its expansion programme with 2 new major production lines undergoing installation and commissioning and these equipment are expected to start commercial production towards the 3rd Quarter of FY 2018.

Two additional new major equipment are scheduled for delivery towards the end of 3rd Quarter FY 2018 and these should be ready for commercial production by 1st Quarter of FY 2019. These will be the final major equipment to be acquired, delivered and commissioned for the expansion programme as envisaged under the Group's original expansion programme announced.

Thereafter the Group will focus on the final rationalisation of the 2 plants, efficient operation of all of these new and existing equipment as well as working with existing and new customers to secure new orders.

Barring unforeseen circumstances, the Board is cautiously optimistic that the next phase of growth for the Group will be successfully implemented towards the end of FY 2018.

4 Profit forecast

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



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5 Tax expense

Taxation comprises the followings: -

	Individual quarter ended		Cumulative quarter ended	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
The tax expense comprises the followings:				
Tax expense				
- Current period	-	1,105	300	4,605
- Prior year	-	5	345	(103)
	-	1,110	645	4,502
Deferred tax expense				
- Current period	-	-	(142)	330
	-	-	(142)	330
	-	1,110	503	4,832

6 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.

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 December 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	33,366	-
Purchase of machineries, equipment and other ancillary facilities	15,768	15,768	-
Working capital	5,000	5,000	-
Estimated expenses in relation to the Corporate Exercise	600	600	-
Total	54,734	54,734	-



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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 December 2017 RM'000	31 December 2016 RM'000
Non-current		
Secured		
Term loans	25,344	19,925
Finance lease liabilities	-	-
	<u>25,344</u>	<u>19,925</u>
Current		
Secured		
Term loans	6,610	4,825
Finance lease liabilities	-	-
	6,610	4,825
Unsecured		
Trust receipts	18,803	9,381
	18,803	9,381
	<u>25,413</u>	<u>14,206</u>
	<u>50,757</u>	<u>34,131</u>

9 Disclosure of derivatives

There were no financial derivatives for current quarter ended 31 December 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 0.2 sen per ordinary share on 26th February 2018 in respect of the financial year ending 31st December 2017 and the said dividend will be paid on 5th April 2018 to shareholders whose names appear on the Company's Record of Depositors 15th March 2018.



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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		Cumulative quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Adjusted Net Profit attributable to ordinary shareholders (RM'000)	(3,887)	6,306	9,540	18,424
Weighted average number of ordinary shares in issue ('000)	104,320	104,320	296,131	296,131
Basic earnings per ordinary share (sen)	<u>(3.73)</u>	<u>6.04</u>	<u>3.22</u>	<u>6.22</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		Twelve months	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Adjusted Net Profit attributable to ordinary shareholders (RM'000)	(3,887)	6,306	9,540	18,424
Weighted average number of ordinary shares in issue ('000)	107,674	107,674	299,485	299,485
Diluted earnings per ordinary share (sen)	<u>(3.61)</u>	<u>5.86</u>	<u>3.19</u>	<u>6.15</u>

The earnings per ordinary share for the quarter/year ended Dec 31, 2016 had been adjusted to reflect the share split involving the subdivision of every one (1) existing ordinary share into two (2) ordinary shares and bonus issue of one (1) for every four (4) split shares held by the entitled shareholders, which were completed on June 2, 2017.



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13 Notes to the Statements of Comprehensive Income

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

	Individual quarter ended		Cumulative quarter ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	RM'000	RM'000	RM'000	RM'000
Dividend income	(29)	(173)	(256)	(460)
Interest expense	476	233	1,433	667
Depreciation	3,939	3,226	14,437	12,540
Impairment loss on trade receivables	-	402	-	402
Allowance for/ (Reversal of) slow moving inventories	540	201	232	455
Foreign exchange:				
- Realised loss	221	(1,092)	951	(261)
- Unrealised gain	(541)	45	(1,952)	(265)
Gain on disposal of property, plant and equipment	-	17	(2)	(121)
Equity settled share based transaction (ESOS expense)	-	-	993	1,591