



CHIN HIN GROUP BERHAD

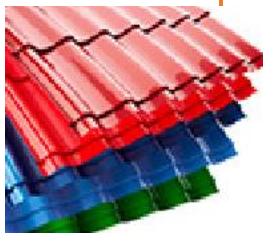
INTERIM FINANCIAL REPORT FIRST QUARTER ENDED 31ST MARCH 2016

CHIN HIN GROUP BERHAD

Company No.: 1097507-W
(Incorporated in Malaysia under the Companies Act, 1965)

Headquarters/Head Office:
A-1-9, Pusat Perdagangan Kuchai
No.2, Jalan 1/127
Off Jalan Kuchai Lama
58200 Kuala Lumpur

Tel. No.: 03-7981 7878
Fax. No.: 03-7981 7575
Email: info@chinhingroup.com



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2016**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Revenue	284,384	317,627	284,384	317,627
Cost of sales	(258,772)	(293,180)	(258,772)	(293,180)
Gross profit	25,612	24,447	25,612	24,447
Other operating income	2,008	781	2,008	781
Administrative expenses	(12,500)	(11,296)	(12,500)	(11,296)
Finance costs	(4,941)	(5,077)	(4,941)	(5,077)
Profit before taxation (before listing expenses)	10,179	8,855	10,179	8,855
Listing expenses	(2,920)	-	(2,920)	-
Profit before taxation (after listing expenses)	7,259	8,855	7,259	8,855
Taxation	(2,245)	(2,149)	(2,245)	(2,149)
Profit after taxation	5,014	6,706	5,014	6,706
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	5,014	6,706	5,014	6,706
PROFIT AFTER TAX ATTRIBUTABLE TO:				
-Owners of the Company	5,014	6,706	5,014	6,706
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the Company	5,014	6,706	5,014	6,706
Weighted average no. of ordinary shares ('000)	474,289	442,690	474,289	442,690
Earnings per share attributable to owners of the Company (sen):				
- Basic	1.06	1.51	1.06	1.51
- Diluted	0.99	1.33	0.99	1.33

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial report.*
- (2) *This is the second interim financial results announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*
- (3) *Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.*
- (4) *The diluted net earnings per share is computed by dividing profit after taxation by the proposed enlarged number of ordinary shares of 505,888,000 shares subsequent to the listing.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016
(The figures have not been audited)

	31 March 2016 RM'000	(Audited) 31 December 2015 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	198,897	200,759
Investment properties	103,491	103,491
TOTAL NON-CURRENT ASSETS	302,388	304,250
CURRENT ASSETS		
Inventories	41,060	44,819
Trade receivables	310,502	302,568
Other receivables	20,668	16,578
Hire purchase receivables	608	710
Derivative financial assets	-	38
Current tax assets	342	156
Fixed deposits with licensed banks	10,691	11,315
Cash and bank balances	150,676	168,855
	534,547	545,039
Assets held for sale	3,663	3,663
TOTAL CURRENT ASSETS	538,210	548,702
TOTAL ASSETS	840,598	852,952
EQUITY AND LIABILITIES		
EQUITY		
Share capital	252,944	221,345
Share premium	7,656	-
Merger reserve	(153,192)	(153,192)
Foreign currency translation reserve	241	453
Revaluation reserve	8,768	8,768
Retained earnings	188,887	183,873
TOTAL EQUITY	305,304	261,247
CURRENT LIABILITIES		
Trade payables	148,991	146,497
Other payables	16,370	18,087
Amount owing to directors	10,909	10,909
Finance lease payables	10,773	9,702
Bank borrowings	270,704	318,218
Current tax liabilities	2,954	2,936
TOTAL CURRENT LIABILITIES	460,701	506,349

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016 (Cont'd)

(The figures have not been audited)

	31 March 2016 RM'000	(Audited) 31 December 2015 RM'000
NON-CURRENT LIABILITIES		
Finance lease payables	6,651	10,415
Bank borrowings	63,635	70,684
Deferred tax liabilities	4,307	4,257
TOTAL NON-CURRENT LIABILITIES	74,593	85,356
TOTAL LIABILITIES	535,294	591,705
TOTAL EQUITY AND LIABILITIES	840,598	852,952
NET ASSET PER SHARE (sen) ⁽³⁾	60.35	59.01

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial results announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Net asset per share for the current quarter and comparative financial period is calculated based on the total equity divided by the number of ordinary shares in issue for the quarter and comparative financial period.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2016**
(The figures have not been audited)

	<----- Non-Distributable ----->				Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
Balance as at 1 January 2016	221,345	-	(153,192)	453	8,768	183,873	261,247
Issue of shares	31,599	9,480	-	-	-	-	41,079
Share issuance expenses ^①	-	(1,824)	-	-	-	-	(1,824)
Total comprehensive income for the financial period	-	-	-	-	-	5,014	5,014
Foreign exchange translation	-	-	-	(212)	-	-	(212)
Balance as at 31 March 2016	<u>252,944</u>	<u>7,656</u>	<u>(153,192)</u>	<u>241</u>	<u>8,768</u>	<u>188,887</u>	<u>305,304</u>
Balance as at 1 January 2015	221,345	-	(153,192)	45	8,768	153,652	230,618
Total comprehensive income for the financial period	-	-	-	-	-	6,706	6,706
Foreign exchange translation	-	-	-	102	-	-	102
Balance as at 31 March 2015	<u>221,345</u>	<u>-</u>	<u>(153,192)</u>	<u>147</u>	<u>8,768</u>	<u>160,358</u>	<u>237,426</u>

Notes:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

This is the second interim financial results announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

^① Share issue expenses for the issue of the new CHINHIN shares of approximately RM1.82million were written-off against the share premium account under Section 60 of the Companies Act, 1965.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2016**
(The figures have not been audited)

	Cumulative quarter	
	31 March 2016 RM'000	31 March 2015 RM'000
Cash Flows From Operating Activities		
Profit before taxation	7,259	8,855
Adjustment for:		
Bad debts recovered	(21)	-
Depreciation of property, plant and equipment	4,064	3,310
Loss on derivative financial assets	38	-
Gain on disposal of property, plant and equipment	(516)	-
Impairment on trade receivables	296	741
Interest expense	4,941	5,077
Interest income	(109)	(58)
Inventory written off	3	-
Reversal of allowance for doubtful debts	-	(634)
Operating profit before working capital changes	15,955	17,291
Changes in working capital:		
Inventories	3,756	4,522
Trade receivables	(8,209)	(26,376)
Other receivables	(4,091)	(2,338)
Hire purchase receivables	101	258
Trade payables	2,494	16,144
Other payables	(1,716)	(337)
Exchange differences	152	55
Amount due from/to subsidiary companies		
Amount due to directors	-	1
	(7,513)	(8,071)
Cash generated from operations	8,442	9,220
Interest paid	(4,941)	(5,077)
Interest received	109	58
Tax paid	(2,364)	(2,401)
Tax refund	-	112
	(7,196)	(7,308)
Net cash generated from operating activities	1,246	1,912

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2016 (Cont'd)**

(The figures have not been audited)

	Cumulative Quarter	
	31 March 2016 RM'000	31 March 2015 RM'000
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(2,348)	(9,279)
Proceeds from disposal of property, plant and equipment	661	183
Net cash used in investing activities	<u>(1,687)</u>	<u>(9,096)</u>
Cash Flows From Financing Activities		
Drawdown of bank borrowings	748	7,689
Net changes on bankers' acceptance, trust receipt and revolving credits	(47,363)	(8,551)
Release in fixed deposits pledged	625	4,857
Repayment of finance lease payables	(2,692)	(496)
Repayment of bank borrowings	(7,974)	(3,148)
Payment of listing expenses	(1,824)	-
Proceeds from issue of share capital	41,079	-
Net cash (used in)/generated from financing activities	<u>(17,401)</u>	<u>351</u>
Net decrease in cash and cash equivalents	(17,842)	(6,833)
Cash and cash equivalents at the beginning of the financial period	165,883	112,060
Effect of exchange translation differences on cash and cash equivalents	(363)	(147)
Cash and cash equivalents at the end of the financial period	<u>147,678</u>	<u>105,080</u>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	150,676	112,353
Bank overdraft	(2,998)	(7,273)
Fixed deposits with licensed banks	10,691	15,039
	<u>158,369</u>	<u>120,119</u>
Less: Fixed deposits pledged to licensed banks	(10,691)	(15,039)
	<u>147,678</u>	<u>105,080</u>

Notes:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

This is the second interim financial results announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Chin Hin Group Berhad was listed on the Main Market of the Bursa Malaysia Securities Berhad on 8 March 2016.

NOTES TO THE INTERIM FINANCIAL REPORT- FIRST QUARTER ENDED 31 MARCH 2016

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134- Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“Listing Requirements”).

This is the second interim financial results announced by the Company in compliance with 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 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015. The Group has also adopted those standards, amendments and interpretations that have become effective 1 January 2016 and such adoptions do not have material impact on the financial position and performance of the Group.

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysia Accounting Standards Board as they have yet to be effective for the Group.

MFRSs AND IC Interpretations (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
MFRS 107 – Disclosure Initiative (Amendments to FRS 107)	1 January 2017
MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 112)	1 January 2017
MFRS 9 – Financial Investments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 – Revenue from Contracts with Customers	1 January 2018
MFRS 16 – Lease	1 January 2019

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A2. Auditors’ report of preceding annual audited financial statements

The auditors’ report on the preceding year’s audited financial statements of the Company and of the Group was not subject to any qualification.

A3. Seasonal or cyclical factors

The businesses of the Group were not affected by seasonal or cyclical factors during the current financial quarter and financial period-to-date.

A4. Unusual items

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

A5. Material changes in estimates

There were no material changes in estimates used in reporting the current financial quarter and financial period-to-date as compared to the financial statements of the Group for the financial year ended 31 December 2015.

A6. Debt and equity securities

There were no other issuances, cancellation, repurchase resale and repayment of debt and equity securities for the current financial quarter and financial period-to-date other than as disclosed in the Company’s Prospectus dated 18 February 2016 and in Note B6:

Date of allotment/ issuance	No. of Shares allotted/ issued	Par value (RM)	Consideration	Cumulative issued and paid-up share capital (RM)
4 March 2016	63,197,900	0.50	RM31,598,950 / Cash	252,944,000

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A7. Segmental information

The Group's operating activities were derived from five (5) main business segments, namely the following:-

	Unaudited Cumulative quarter 31 March 2016 RM'000	Unaudited Cumulative quarter 31 March 2015 RM'000
Revenue		
Distribution of building material and logistics services	179,565	211,847
Ready-mixed concrete	39,356	45,779
Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	29,567	21,016
Manufacturing of steel mesh and metal roofing systems	34,827	37,861
Other activities	1,069	1,124
	284,384	317,627
Profit before taxation		
Distribution of building material and logistics services	2,382	3,010
Ready-mixed concrete	2,331	2,534
Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	2,917	1,440
Manufacturing of steel mesh and metal roofing systems	1,480	747
Other activities	1,069	1,124
	10,179	8,855
Listing expenses	(2,920)	-
	7,259	8,855

No other segmental information such as segment assets and liabilities are presented as the Group is principally engaged in one industry that is the building material industry.

A8. Dividend paid

There was no dividend paid for the current financial quarter and financial period-to-date.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter and financial period-to-date.

A10. Capital commitments

The capital commitments of the Group were as follows:-

	Unaudited 31 March 2016 RM'000	Audited 31 December 2015 RM'000
Authorised and contracted for:		
-acquisition of property, plant and equipment	10,095	289

A11. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter except for those disclosed in Notes A6 and B6 of this interim financial report.

A12. Contingent liabilities and contingent assets

There were no contingent assets as at the date of this interim financial report. Contingent liabilities of the Group were as follows:-

Unsecured	Unaudited 31 March 2016 RM'000	Audited 31 December 2015 RM'000
Corporate guarantees given to the licensed banks for credit facility granted to related companies	307,100	176,863

A13. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of current quarter and financial period-to-date that have not been reflected in this interim financial report.

A14. Related party transactions

Our Group's transactions with companies in which our directors or substantial shareholders have interest in for the current quarter ended 31 March 2016 were as follows:-

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest	
-Transportation services	4,166
-Sales of goods	1,188
-Purchase of goods	3,012
-Rental received/receivables	804
-Rental paid/payables	35
-Insurance and road tax payment	184

These transactions have been entered into in the normal course of business.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of performance****Comparison with Corresponding Quarter's results**

For the current financial quarter under review, the Group recorded a revenue of RM284.38 million and profit before tax of RM7.26 million after taking into consideration listing expenses of RM2.92 million, as compared to revenue of RM317.63 million and profit before tax of RM8.86 million respectively in the corresponding quarter of last year. The lower revenue was mainly due to lower turnover from the distribution of building material, metal roofing business and ready-mixed concrete sector as a result of softening housing construction activities in 2016 and stiff competition for ready-mixed concrete. However, the decrease in revenue from distribution of building material, metal roofing business and ready mixed concrete products were offset by an increase in revenue from manufacturing of AAC, precast concrete and steel mesh products due to new orders secured.

For the current financial quarter under review, the Group's overall gross profit increased by RM1.17 million or 4.77% from RM24.45 million in the corresponding quarter of 2015 to RM25.61 million in the current quarter of 2016. The gross profit margin has increased from 7.70% in the first quarter of 2015 to 9.01% in the first quarter of 2016. The overall increase in the Group gross profit and gross profit margin was mainly contributed by high product margin from the manufacturing sector.

The Group recorded a lower profit before tax of RM7.26 million in the current financial quarter as compared to RM8.86 million in the corresponding quarter of 2015 due to the charging out of one-off listing expenses of RM2.92 million pursuant to the initial public offer listing of the Company. For comparative purposes if the said listing expenses were excluded from our first quarter 2016 operating profit before tax, our Group's profit before tax would have increased by RM1.32 million or 14.95% as compared to corresponding quarter of last year.

The Group recorded a higher other operating income of RM2.01 million in the current financial quarter as compared to RM0.78 million in the corresponding last quarter mainly due to the revenue generated from green technology solar panels with the current electricity production capacity of 1,425 kilowatt per hour ("kWh"). The Group currently holds an existing 21-year agreement whereby, the company will deliver and sell, and TNB will purchase and accept the metered renewable energy. The renewable energy sources of income has been granted pioneer status with tax exemption of 100% of statutory income for 10 years by the Malaysian Investment Development Authority (MIDA).

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B2. Comparison with immediate preceding quarter's results

CURRENT QUARTER vs. PRECEDING QUARTER

	31 March 2016 RM'000	31 December 2015 RM'000
Revenue	<u>284,384</u>	<u>288,265</u>
Profit Before Taxation	<u>7,259</u>	<u>11,090</u>

The Group's revenue for the current quarter ended 31 March 2016 has decreased by RM3.88 million or 1.35% to RM284.38 million as compared to RM288.27 million in the preceding financial quarter ended 31 December 2015.

The decrease in revenue is due to lower sales volume recorded at manufacturing of precast concrete, steel mesh and roofing business segments mainly due to the long festival holidays in February observed by the construction industry. The Group has recorded a decrease in the profit before tax of RM3.83 million or 34.54% from RM11.09 million in the preceding financial quarter ended 31 December 2015. Such decrease is mainly due to the one-off charged out of listing expenses of RM2.92 million and long festive holidays.

B3. Prospects

The Group continues to put in place a series of business plans that are focused on expanding our presence and market share both in the domestic and regional markets, expanding our range of building material products as well as expanding our new manufacturing plant and production facilities.

The recent land acquisition at Bidor, Perak for the construction of a new precast concrete factory which is estimated to complete in nine (9) months and is scheduled to begin operation in early 2017. This new production facility will enable us to double our production capacity, allowing us to expand our customer base and satisfy the rising demand for precast concrete product.

The company has recently signed a purchasing contract with a German-based counterpart, Wehrhahn GmbH ("Wehrhahn"), for the purchase of supply machineries to facilitate the company's autoclave aerated concrete ("AAC") production line at its upcoming new factory which is estimated to require an investment of RM85.00 million. The contract is valued at EUR 4 million (approximately RM18 million) for one (1) machine line. The machine line which is a green technology used for the production of AAC blocks and wall panels, will be installed at the company's upcoming factory, which is targeted to be completed in the next 1-2 years. The acquisition of these new assets is in line with the Company's post-listing business expansion plan, and will allow additional production capacity by 420,000 meter cubes, as well as enabling the Company to expand into overseas markets, especially in the Asia Pacific region. The demand for wall panels is increasing widely as the Malaysian government is encouraging the use of this material in the Industrialized Building Systems ("IBS"), and will be distributed locally as well as in Singapore.

These plans will help us to sustain our business and provide growth opportunities for our Group. The Group's prospect remains positive, in tandem with the aggressive expansion in production plan and market share.

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B4. Estimates/Forecast

The Group has not provided any revenue or profit guidance in any public documents.

B5. Taxation

The applicable income tax rate is 25% except for the Group's subsidiary company, PP Chin Hin Pte Ltd which is subject to the statutory rate of 17% based on Singapore's tax regime.

	Individual Quarter Unaudited		Cumulative Quarter Unaudited	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Income tax expense				
- Current financial period	2,195	2,247	2,195	2,247
- Underprovision in prior year	-	1	-	1
	<u>2,195</u>	<u>2,248</u>	<u>2,195</u>	<u>2,248</u>
Deferred tax				
- Current financial period	50	(99)	50	(99)
- Underprovision in prior year	-	-	-	-
Total tax expense	<u>2,245</u>	<u>2,149</u>	<u>2,245</u>	<u>2,149</u>

B6. Status of corporate proposals and utilisation of proceeds
(i) Status of corporate proposal

Save for the initial public offering ("IPO"), there is no corporate proposal announced as at the date of this report.

A) Initial Public Offering ("IPO")

The IPO involved the Public Issue of 63,197,900 new Shares by the Company and the Offer for Sale of 65,000,000 existing Shares held by the Offerors, the details of which are set out below.

➤ Public Issue

63,197,900 new shares was issued at an issue price of RM0.65 pursuant to the Public Issue, representing approximately 12.49% of the enlarged issued and paid-up share capital of the Company and was allocated in the following manner:

- Malaysian Public

25,294,400 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of the Company was made available for application by the Malaysian Public.

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B6. Status of corporate proposals and utilisation of proceeds (Cont'd)**(i) Status of corporate proposal (Cont'd)****A) Initial Public Offering ("IPO") (Cont'd)****➤ Public Issue (Cont'd)**

- Eligible Directors and Employees who have Contributed to the Success of Our Group
6,400,000 Public Issue Shares, representing 1.27% of the enlarged issued and paid-up share capital of the Company was made available for application by the eligible Directors and employees who have contributed to the success of our Group.
- Private Placement to Identified Investors
31,503,500 Public Issue Shares, representing 6.23% of the enlarged issued and paid-up share capital of the Company was made available for application by way of private placement to identified investors.

➤ Offer for Sale

65,000,000 Existing shares was offered at the price of RM0.65 pursuant to the Offer for Sale, representing approximately 12.85% of the enlarged issued and paid-up share capital of the Company and was allocated in the following manner:

- 14,411,200 Existing Shares, representing 2.85% of the enlarged issued and paid-up share capital of the Company was made available by way of private placement to identified investors.
- 50,588,800 Existing Shares, representing 10.00% of the enlarged issued and paid-up share capital of the Company was made available by way of private placement to Bumiputera investors approved by the Ministry of International Trade and Industry.

B) Listing

The listing of the Company's entire enlarged issued and paid-up share capital of RM252,944,000 comprising of 505,888,000 ordinary shares of RM0.50 each on the Main Market of Bursa Securities was completed on 8 March 2016.

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B6. Status of corporate proposals and utilisation of proceeds (Cont'd)
(ii) Utilisation of proceeds

The status of utilisation of the proceeds of approximately RM41.079 million from the IPO as at 31 March 2016 are as follow:-

	Details of the utilisation of proceeds	Utilisation				Estimated timeframe for utilisation from the date of listing
		Proposed RM'000	Actual RM'000	Deviation RM'000	Balance RM'000	
i)	Expansion of existing manufacturing facility and purchase of new equipment and machinery	15,000	-	-	15,000	within twenty four (24) months
ii)	Repayment of bank borrowings	15,000	15,000	-	-	Within six (6) months
iii)	Working capital requirements	7,079	7,079	-	-	within twenty four (24) months
iv)	Estimated listing expenses	4,000	4,000	-	-	Immediately
		41,079	26,079	-	15,000	

Note: The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 18 February 2016.

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B7. Borrowings

The Group's borrowings are all secured and denominated in Ringgit Malaysia, details are as follows:-

	As at 31 March 2016 RM'000	(Audited) As at 31 December 2015 RM'000
Bank overdrafts	2,998	2,972
Revolving credits	2,000	6,000
Bankers' acceptance	233,721	277,084
Term loans	95,620	102,846
Total bank borrowings	334,339	388,902
Total bank borrowings comprise:-		
Current:		
Bank overdraft	2,998	2,972
Revolving credits	2,000	6,000
Bankers' acceptance	233,721	277,084
Term loans	31,985	32,162
	270,704	318,218
Non-current:		
Term loans	63,635	70,684
	334,339	388,902

B8. Changes in material litigation

As at a date not earlier than seven (7) days from the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B9. Dividend Proposed

The Company has proposed a single-tier first interim dividend of approximately 3% per ordinary share of RM0.50 totalling to RM7,588,320 in respect of the financial year ended 31 December 2016. The proposed dividend will be paid on a date to be determined.

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B10. Earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	Individual Quarter		Cumulative Quarter	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Profit attributable to ordinary equity holders of the Group (RM'000)	5,014	6,706	5,014	6,706
Weighted average number of ordinary shares in issue ('000)	474,289	442,690	474,289	442,690
Basic earnings per share (sen) ^	1.06	1.51	1.06	1.51
Diluted earnings per share (sen) #	0.99	1.33	0.99	1.33

Note:

^ Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.

The diluted net earnings per share is computed by dividing profit after taxation by the proposed enlarged number of ordinary shares of 505,888,000 shares subsequent to the listing.

B11. Retained and unrealised profits/losses

	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000
Total retained earnings of the Group		
- Realised	187,506	181,383
- Unrealised	1,381	2,490
Total retained earnings as per statement of financial position	188,887	183,873

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B12. Disclosure on selected expense/income items as required by the Listing Requirements

Included in profit before tax comprised the following expense/(income) items:

	Unaudited As at 31 March 2016 RM'000	Unaudited As at 31 March 2015 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation of property, plant & equipment	4,064	3,310
Bad debts recovered	(21)	-
Loss on derivative financial liability	38	-
Gain on disposal of property, plant and equipment	(516)	-
Impairment of trade receivables	296	741
Interest expense	4,941	5,077
Interest income	(109)	(58)
Inventories written off	3	-
Realised loss on foreign exchange	51	-
Reversal of impairment on trade receivables	-	(634)
Unrealised loss on foreign exchange	152	55
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B13. Comparative figures

Comparatives figures, where applicable, have been modified to conform to the current presentation.

BY ORDER OF THE BOARD

26th May 2016