



CHIN HIN GROUP BERHAD

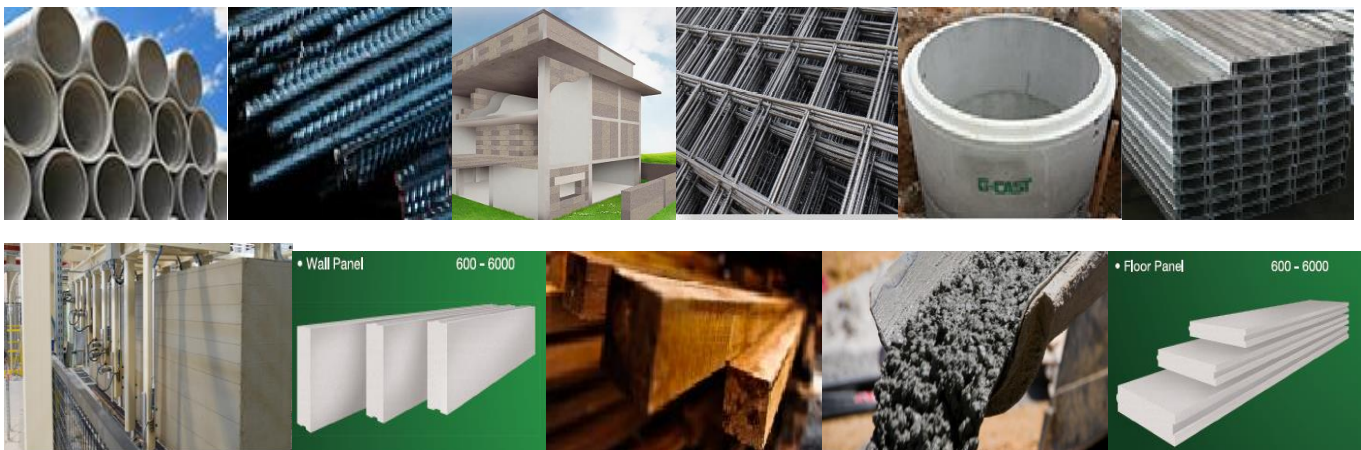
INTERIM FINANCIAL REPORT FIRST QUARTER ENDED 31ST MARCH 2017

CHIN HIN GROUP BERHAD

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(Incorporated in Malaysia under the Companies Act, 1965)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2017**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Revenue	261,560	284,384	261,560	284,384
Cost of sales	(233,459)	(258,772)	(233,459)	(258,772)
Gross profit	28,101	25,612	28,101	25,612
Other operating income	2,304	2,008	2,304	2,008
Administrative expenses	(15,992)	(12,500)	(15,992)	(12,500)
Finance costs	(3,632)	(4,941)	(3,632)	(4,941)
Profit before taxation (before listing expenses)	10,781	10,179	10,781	10,179
Listing expenses	-	(2,920)	-	(2,920)
Profit before taxation (after listing expenses)	10,781	7,259	10,781	7,259
Taxation	(2,728)	(2,245)	(2,728)	(2,245)
Profit after taxation	8,053	5,014	8,053	5,014
Other comprehensive income				
Exchange translation differences	103	(212)	103	(212)
Realisation of revaluation reserve	-	-	-	-
Total comprehensive income for the financial period	8,156	4,802	8,156	4,802
PROFIT AFTER TAX ATTRIBUTABLE TO:				
-Owners of the Company	8,053	5,014	8,053	5,014
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the Company	8,156	4,802	8,156	4,802
Weighted average no. of ordinary shares ('000)	505,888	462,136	505,888	462,136
Earnings per share attributable to owners of the Company (sen):				
- Basic	1.59	1.08	1.59	1.08

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 2016 and the accompanying explanatory notes attached to the interim financial report.*
- (2) *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.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**
(The figures have not been audited)

	31 March 2017 RM'000	(Audited) 31 December 2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	316,074	293,703
Investment properties	71,280	71,280
Goodwill	36,834	-
Hire purchase receivables	45	82
Other investment	41	-
TOTAL NON-CURRENT ASSETS	424,274	365,065
CURRENT ASSETS		
Inventories	58,755	52,796
Trade receivables	303,642	295,479
Other receivables	41,359	24,344
Hire purchase receivables	9,090	5,402
Tax recoverable	1,393	2,256
Fixed deposits with licensed banks	15	1,597
Cash and bank balances	82,983	73,502
TOTAL CURRENT ASSETS	497,237	455,376
TOTAL ASSETS	921,511	820,441
EQUITY AND LIABILITIES		
EQUITY		
Share capital	252,944	252,944
Share premium	7,656	7,656
Merger reserve	(153,192)	(153,192)
Foreign currency translation reserve	648	545
Revaluation reserve	8,768	8,768
Retained earnings	215,645	207,592
TOTAL EQUITY	332,469	324,313

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (Cont'd)
(The figures have not been audited)

	31 March 2017 RM'000	(Audited) 31 December 2016 RM'000
CURRENT LIABILITIES		
Trade payables	139,886	126,821
Other payables	36,468	35,666
Amount owing to directors	2	2
Finance lease payables	2,957	3,617
Bank borrowings	363,475	284,066
Tax payable	3,177	2,871
TOTAL CURRENT LIABILITIES	545,965	453,043
NON-CURRENT LIABILITIES		
Finance lease payables	1,275	1,670
Bank borrowings	36,448	36,251
Deferred tax liabilities	5,354	5,164
TOTAL NON-CURRENT LIABILITIES	43,077	43,085
TOTAL LIABILITIES	589,042	496,128
TOTAL EQUITY AND LIABILITIES	921,511	820,441
NET ASSET PER SHARE (sen)	65.72	65.52

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 2016 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *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 2017**
(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 year	-	-	-	-	-	5,014	5,014
Foreign exchange translation	-	-	-	(212)	-	-	(212)
Balance as at 31 March 2016	252,944	7,656	(153,192)	241	8,768	188,887	305,304
Balance as at 1 January 2017	252,944	7,656	(153,192)	545	8,768	207,592	324,313
Total comprehensive income for the financial year	-	-	-	-	-	8,053	8,053
Foreign exchange translation	-	-	-	103	-	-	103
Dividend paid	-	-	-	-	-	-	-
Balance as at 31 March 2017	252,944	7,656	(153,192)	648	8,768	215,645	332,469

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 2016 and the accompanying explanatory notes attached to this interim financial report.

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 2017**
(The figures have not been audited)

	Cumulative quarter	
	31 March 2017 RM'000	31 March 2016 RM'000
Cash Flows From Operating Activities		
Profit before taxation	10,781	7,259
Adjustment for:		
Depreciation of property, plant and equipment	4,092	4,064
Loss on derivative financial assets	-	38
Gain on disposal of property, plant and equipment	(69)	(516)
Impairment on trade receivables	529	296
Interest expense	3,632	4,941
Interest income	(224)	(109)
Inventories written off	27	3
Unrealised loss on foreign exchange	28	-
Operating profit before working capital changes	18,796	15,976
Changes in working capital:		
Inventories	(3,127)	3,756
Trade receivables	10,782	(8,230)
Other receivables	(15,509)	(4,091)
Hire purchase receivables	(3,651)	101
Trade payables	(624)	2,494
Other payables	(12,424)	(1,716)
Exchange differences	123	152
	(24,430)	(7,534)
Cash (used in)/generated from operations	(5,634)	8,442
Interest paid	(3,632)	(4,941)
Interest received	224	109
Tax paid	(3,953)	(2,364)
Tax refund	161	-
	(7,200)	(7,196)
Net cash (used in)/generated from operating activities	(12,834)	1,246

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2017 (Cont'd)**

(The figures have not been audited)

	Cumulative Quarter	
	31 March 2017 RM'000	31 March 2016 RM'000
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(23,644)	(2,348)
Acquisition of subsidiaries	(32,025)	-
Proceeds from disposal of property, plant and equipment	148	661
Net cash used in investing activities	<u>(55,521)</u>	<u>(1,687)</u>
Cash Flows From Financing Activities		
Drawdown of bank borrowings	1,260	748
Dividend paid	-	-
Net changes on bankers' acceptance, trust receipt and revolving credits	55,702	(47,363)
Release in fixed deposits pledged	1,582	625
Repayment of finance lease payables	(1,471)	(2,692)
Repayment of bank borrowings	(6,312)	(7,974)
Payment of listing expenses	-	(1,824)
Proceeds from issue of share capital	-	41,079
Net cash generated from/(used in) financing activities	<u>50,761</u>	<u>(17,401)</u>
Net decrease in cash and cash equivalents	(17,594)	(17,842)
Cash and cash equivalents at the beginning of the financial period	69,352	165,883
Effect of exchange translation differences on cash and cash equivalents	9	(363)
Cash and cash equivalents at the end of the financial period	<u>51,767</u>	<u>147,678</u>
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	82,983	150,676
Bank overdrafts	(31,216)	(2,998)
Fixed deposits with licensed banks	15	10,691
	<u>51,782</u>	<u>158,369</u>
Less: Fixed deposits pledged to licensed banks	(15)	(10,691)
	<u>51,767</u>	<u>147,678</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 2016 and the accompanying explanatory notes attached to this interim financial report.

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 2017

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2017

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”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 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 2016. The Group has also adopted those standards, amendments and interpretations that have become effective 1 January 2017 and such adoptions do not have a 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.

	Effective dates for financial period beginning on and after
MFRSs AND IC Interpretations (Including The Consequential Amendments)	
MFRS 1 – Amendments to MFRS 1 (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
MFRS 2 – Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 – Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 – Revenue from Contracts with Customers	1 January 2018
MFRS 15 – Clarifications to MFRS 15	1 January 2018
MFRS 16 – Leases	1 January 2019
MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
MFRS 128 – Amendments to MFRS 128 (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
MFRS 140 – Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
IC Interpretation 22	1 January 2018

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 period ended 31 March 2017.

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.

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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 Mar 2017 RM'000	Unaudited Cumulative quarter 31 Mar 2016 RM'000
Revenue		
Investment holding and management services	2,280	2,190
Distribution of building materials and logistics services	162,291	195,532
Ready-mixed concrete	26,214	39,356
Manufacturing of fire-rated door	7,812	-
Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	43,714	29,567
Manufacturing of wire mesh and metal roofing systems	43,070	34,827
	<u>285,381</u>	<u>301,472</u>
Adjustments and eliminations	(23,821)	(17,088)
	<u>261,560</u>	<u>284,384</u>
Profit before taxation		
Investment holding and management services	(412)	(204)
Distribution of building materials and logistics services	4,419	3,655
Ready-mixed concrete	483	2,331
Manufacturing of fire-rated door	1,207	-
Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	6,243	2,917
Manufacturing of wire mesh and metal roofing systems	(1,159)	1,480
	<u>10,781</u>	<u>10,179</u>
Listing expenses	-	(2,920)
	<u>10,781</u>	<u>7,259</u>

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.

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A10. Valuation of investment properties

The Group has not carried out any valuation on its investment properties in the current financial quarter and financial period to-date.

A11. Capital commitments

The capital commitments of the Group were as follows:-

	Unaudited 31 March 2017 RM'000	Audited 31 December 2016 RM'000
Authorised and contracted for:		
-acquisition of property, plant and equipment	30,981	33,394

A12. Changes in the composition of the Group

Save as disclosed in Note B6(i) on the Status of Corporate Proposal Announced, there were no material changes in the composition of the Group for the current quarter ended 31 March 2017.

A13. 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:-

	Unaudited 31 March 2017 RM'000	Audited 31 December 2016 RM'000
Unsecured		
Corporate guarantees given to the licensed banks for credit facility granted to related companies	622,305	560,306

A14. 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.

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A15. Related party transactions

- (1) Our Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current quarter ended 31 March 2017 were as follows:-

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
-Transportation services	4,410
-Sales of goods	456
-Purchase of goods	2,841
-Rental received/receivables	286
-Rental paid/payables	43
-Insurance and road tax received	94
-Hotel accommodation paid	3
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These transactions have been entered into in the normal course of business.	

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

The Group's overall revenue decreased by approximately RM22.82 million or 8.03% from RM284.38 million in preceding year corresponding quarter to RM261.56 million in the current quarter. The decrease was mainly due to lower revenue contribution from our distribution of building material and ready-mixed concrete sector which was set off by the increase in revenue from manufacturing of autoclaved aerated concrete (AAC) blocks, precast concrete products, steel mesh products and the newly acquired fire rated door and lockset products. The decline in revenue from the distribution of building material was due to the decrease in sales volume of cement by approximately 21.33% as a result of the further softening of housing construction activities in 2017. The decrease in revenue from ready-mixed concrete was due to lower sales volume as most of our Group's high rise projects have reached its completion stage and also due to stiff competition. The higher revenue from manufacturing of AAC and precast concrete products were driven by strong market demand and healthy order books on hand as a result of higher adoption rate in the market. Whereas the higher revenue from manufacturing of steel mesh was due to the recovery of global steel prices.

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B1. Review of performance (Cont'd)

Comparison with Corresponding results of Last Quarter (Cont'd)

For the current financial quarter under review, the Group's overall gross profit increased by RM2.49 million or 9.72% from RM25.61 million in the corresponding quarter of 2016 to RM28.10 million in the current quarter of 2017. The gross profit margin has increased correspondently from 9.01% to 10.74%. The increase in the Group gross profit margin was mainly contributed by strong contribution from the manufacturing sectors.

The increase in administrative expenses were contributed by the newly acquired companies' operating cost i.e. Midah Industries Sdn Bhd, Epic Diversity Sdn Bhd and MI Polymer Concrete Pipes Group of companies. The Group recorded a higher profit before tax of RM10.78 million in the current financial quarter as compared to RM7.26 million in the corresponding quarter of 2016 due to the strong contribution from manufacturing of autoclaved aerated concrete (AAC) blocks, precast concrete products, MI polymer concrete products and fire rated door products which were offset by the losses sustained at the steel mesh and metal roofing products segment. The losses incurred by steel mesh products were attributed to the imposition of provisional safeguard measure on imported wire rod by the Government which has impacted on the increase in local raw material cost that could not be passed on to the purchaser. The decline in profit before tax for the corresponding quarter of last year was solely due to the charging out of one-off listing expenses of RM2.92 million. For comparative purposes if the listing expenses of RM2.92 million were excluded from our first quarter 2016 results, our Group's current quarter performance would have improved by RM0.60 million albeit the decline in revenue of RM22.82 million.

B2. Comparison with immediate preceding quarter's results

CURRENT QUARTER vs. PRECEDING QUARTER

	31 March 2017	31 December 2016
	RM'000	RM'000
Revenue	261,560	264,003
Profit Before Taxation	<u>10,781</u>	<u>21,864</u>

The Group's revenue for the current quarter ended 31 March 2017 has decreased by RM2.44 million or 0.93% to RM261.56 million as compared to RM264.00 million in the preceding financial quarter ended 31 December 2016.

The decrease was mainly due to lower revenue contribution from our distribution of building material and ready-mixed concrete sector which was set off substantially by the increase in revenue from manufacturing of autoclaved aerated concrete (AAC) blocks, precast concrete products, the newly acquired MI polymer concrete products and the fire rate door products. The Group has recorded a decline in the profit before tax of RM11.08 million mainly due to the fair value adjustment on investment properties of RM10.57 million in the last quarter of 2016.

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B3. Prospects

The Group remain cautiously optimistic on its financial performance albeit the challenging business environment.

Our precast concrete's production capacity has been increased to 300,000 metric tonne in 2017 from the four plants located at Serendah, Kulai, Bidor and Rawang, and now our next focus is to ramp up the capacity to cater for full range of precast concrete products especially after the acquisition of MI Polymer Concrete Pipes Sdn Bhd ("MIPCP").

In view of the improved operating efficiency achieved at the autoclaved aerated concrete (AAC) block plant located in Serendah, it is expected to deliver better results in the second quarter of 2017 backed by strong demand and healthy order books. Our Group also aggressively venture into the export market to broaden our customer base.

The performance of the Group is expected to strengthen further after the acquisition deals on Midah Industries Sdn Bhd ("Midah"), Epic Diversity Sdn Bhd ("Epic") and MI Polymer Concrete Pipes Sdn Bhd ("MIPCP") which were completed in 2017. Moreover, the acquisitions were pursued on the premise of Profit Guarantee Agreements for two consecutive financial years from Midah and Epic, i.e. 2017 and 2018 with a guaranteed profit before tax each year of not less than RM3.00 million and a guaranteed profit after tax for 2017 from MIPCP of RM6.00 million respectively. The acquisition of MIPCP will allow us to venture extensively into Asean Pacific region especially Singapore market.

The MIPCP's Batu Pahat plant with 20,000 tonnes per annum is currently running at 100% utilisation. Works are underway on another plant adjacent to the current facility which will double up its production capacity when completed by end of the year.

B4. Estimates/Forecast

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

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B5. Taxation

The applicable income tax rate is 24% 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		Cumulative Quarter	
	Unaudited		Unaudited	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Income tax expense				
- Current financial period	2,638	2,195	2,638	2,195
- Underprovision in prior year	15	-	15	-
	<u>2,653</u>	<u>2,195</u>	<u>2,653</u>	<u>2,195</u>
Deferred tax				
- Current financial period	75	50	75	50
Total tax expense	<u>2,728</u>	<u>2,245</u>	<u>2,728</u>	<u>2,245</u>

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

There are no corporate proposals that were announced but not completed as at the date of this report except as follows:

- (1) On 31 March 2017, the Proposed Acquisition of Midah Industries Sdn Bhd ("Midah") and Proposed Acquisition of Epic Diversity Sdn Bhd ("Epic") have fully completed and the total purchase considerations has adjusted from RM18,300,000 to RM17,079,000. Following the completion of aforesaid acquisition, Midah and Epic become 100% owned subsidiaries of PP Chin Hin Sdn Bhd.
- (2) On 3 April 2017, Starken AAC Sdn Bhd., a wholly-owned subsidiary of the Company had entered into a conditional shares sale agreement ("SSA") with MI Polymer Concrete Pipes Sdn Bhd ("MIPCP") Vendors for the proposed acquisition of the entire issued and paid up share capital of MIPCP which comprises of 1,000,000 ordinary shares of MIPCP for a total considerations of RM35,000,000 ("Purchase Consideration") ("Proposed Acquisition of MIPCP"). Subsequently, the Proposed Acquisition of MIPCP has completed on 7 April 2017. Following the completion of aforesaid acquisition, MIPCP becomes a 100% owned subsidiary of Starken AAC Sdn Bhd.

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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 2017 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	8,679	-	6,321	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)	Listing expenses	4,000	4,000	-	-	Immediately
		41,079	34,758	-	6,321	

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 2017 RM'000	(Audited) As at 31 December 2016 RM'000
Bank overdrafts	31,216	4,150
Revolving credits	22,025	11,000
Bankers' acceptance	283,940	239,263
Trust Receipts	770	-
Term loans	61,972	65,904
Total bank borrowings	399,923	320,317
Total bank borrowings comprise:-		
Current:		
Bank overdraft	31,216	4,150
Revolving credits	22,025	11,000
Bankers' acceptance	283,940	239,263
Trust Receipts	770	-
Term loans	25,524	29,653
	363,475	284,066
Non-current:		
Term loans	36,448	36,251
	399,923	320,317

B8. Finance lease payables

The Group's finance lease payables are denominated in Ringgit Malaysia, details are as follows:-

	As at 31 March 2017 RM'000	(Audited) As at 31 December 2016 RM'000
Present value of minimum lease payments:		
Repayable within twelve months	2,957	3,617
Repayables after twelve months	1,275	1,670
	4,232	5,287

B9. 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.

B10. Dividend Proposed

On 27 February 2017, the Board of Directors of the Company has approved the declaration and payment of single-tier second interim dividend of approximately 4% per ordinary shares totalling RM10,117,760 in respect of the financial year ended 31 December 2016. The entitlement date and the payment date of the second interim dividend have been fixed on 31 March 2017 and 10 April 2017 respectively.

B11. 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 2017	31 March 2016	31 March 2017	31 March 2016
Profit attributable to ordinary equity holders of the Group (RM'000)	8,053	5,014	8,053	5,014
Weighted average number of ordinary shares in issue ('000)	<u>505,888</u>	<u>462,136</u>	<u>505,888</u>	<u>462,136</u>
Basic earnings per share (sen) ^	<u>1.59</u>	<u>1.08</u>	<u>1.59</u>	<u>1.08</u>

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.

B12. Retained and unrealised profits/losses

	(Audited)	
	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000
Total retained earnings of the Group		
- Realised	192,568	213,451
- Unrealised	<u>23,077</u>	<u>23,370</u>
	215,645	236,821
Less: Consolidation adjustments	-	(29,229)
Total retained earnings as per statement of financial position	<u>215,645</u>	<u>207,592</u>

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B13. 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 2017 RM'000	Unaudited As at 31 March 2016 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Auditor remuneration		
- Current year	73	77
- Underprovision in prior year	2	-
Bad debts recovered	(2)	(21)
Depreciation of property, plant and equipment	4,092	4,064
Directors' fee	60	-
Directors remuneration		
- Salary, EPF and Socso	438	-
- Other emoluments	63	-
Gain on disposal of property, plant and equipment	(69)	(516)
Impairment on trade receivables	529	296
Interest expense	3,632	4,941
Interest income	(224)	(109)
Inventories written off	27	3
Loss on derivative financial assets	-	38
Realised gain on foreign exchange	(187)	-
Rental income	(1,333)	(616)
Rental expenses	892	418
Unrealised loss on foreign exchange	28	-

B14. Comparative figures

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

BY ORDER OF THE BOARD

15th May 2017