



Interim Report on Consolidated Results for the Financial Quarter ended 30th June 2009

A NOTES TO THE INTERIM FINANCIAL REPORT

A1. Accounting policies and method of computation

The interim financial report has been prepared in accordance with Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2008.

The quarterly financial statements under review have been prepared based on the same accounting policies and methods of computation as compared with those adopted for the financial statements for the financial year ended 30th June 2008.

A2. Seasonal or cyclical factors

There are no seasonal or cyclical factors affecting the results for the current quarter.

A3. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the current financial year.

A4. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in the estimates of amounts reported previously that have a material effect in the current quarter.

A5. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year to date, except for the following:

(i) The paid-up capital was increased from RM66,000,845 to RM66,793,345 by way of issue of 1,585,000 ordinary shares of RM0.50 each pursuant to the exercise of options granted under the Executive Share Option Scheme (ESOS).

(ii) On 12th December 2008, the paid-up capital was increased by the bonus issue of 66,793,345 shares of RM0.50 each on the basis of 1 bonus share for every 2 existing shares held in the Company.

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A6. Dividend paid

	Financial year ended 30 June 2008 RM	Financial period ended 30 June 2007 RM
First and final dividend paid: 4.0% less tax and 3.0% tax-exempt (2007: 5.5% less tax and 2% tax-exempt)	6,011,401	4,000,486
Date of payment	8 th January'09	30 th November'07

A7. Segment revenue and segment result

Information on business segments for the financial year ended 30th June 2009 is as follows:-

	Manufacturing RM'000	Investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE					
External sales	160,484	253	5,696	-	166,433
Inter-segment sales	3,523	11,620	-	(15,143)	-
Total revenue	164,007	11,873	5,696	(15,143)	166,433
RESULT					
Operating profit	4,924	14,645	1,108	(13,996)	6,681
Interest expense					(164)
Interest income					1,420
Income tax expense					(774)
Profit after taxation					7,163

A8. Material subsequent event

There are no material events subsequent to the end of period reported on to the date of this report which have not been reflected in the financial statement for the quarter ended 30th June 2009.



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A9. Change in composition of the Group

There are no changes in the composition of the Group for the current financial year to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A10. Contingent liabilities or contingent assets

There is no change in contingent liabilities or contingent assets since the last annual balance sheet date to the date of this report.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group revenue at RM166.43 million for the current financial year is lower by 6.0% as compared to RM177.06 million in the last financial year. The decrease in revenue was mainly due to the reduction in sales volume on weak demand caused by the impact of the global economic downturn.

Group profit before tax at RM7.94 million was substantially lower compared to the profit before tax of RM27.88 million registered in the previous financial year. This is mainly due to the lower turnover and lower margin for all subsidiaries, especially the resins division. The lower profit is further accentuated by the write down of inventories and the recognition of the impairment loss on plant and machinery.

B2. Comparison of results against the previous quarter ended 31st March 2009

The Group's revenue at RM35.41 million improved by 9.2% as compared to RM32.42 million in the preceding quarter. The corresponding net profit before tax of RM3.28 million was also higher as compared to RM2.61 million in the previous quarter. The improved performance was boosted by the write back of provision for diminution in value of quoted investments amounting to RM2.61 million but nullified by the impairment loss on plant and machinery amounting to RM3.06 million.

B3. Prospects

In view of the improvement in the financial performance in the fourth quarter and the recovery signs in global economy, the Board is optimistic that the performance for the financial year ending 30th June 2010 will be better.

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B4. Comparison with profit forecast

This note is not applicable.

B5. Income Tax

Taxation comprises:-

	Current quarter ended 30/6/2009	Current year to date 30/6/2009
	RM'000	RM'000
Estimated current Malaysian taxation	1,650	3,196
Deferred taxation	(2,123)	(2,011)
	<u>(473)</u>	<u>1,185</u>
Over provision in prior years		
- income tax	-	(29)
- deferred tax	(382)	(382)
	<u>(855)</u>	<u>774</u>

The effective tax rate of the Group for the current year to date is lower than the statutory income tax rate mainly due to the availability of unabsorbed business losses and capital allowances.

B6. Sale of unquoted investments and/or properties

- (i) On 31st March 2009, the Company entered into a sale and purchase agreement for the disposal of a parcel of its vacant land at IGB International Industrial Park, Ipoh for a consideration of RM1.065 million. The agreement is expected to be completed by September 2009.
- (ii) On 22nd June 2009, the Company entered into a sale and purchase agreement for the disposal of the remaining parcel of vacant land at IGB International Industrial Park, Ipoh for a consideration of RM1.196 million. The agreement is expected to be completed by November 2009.

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B7. Purchase or disposal of quoted securities

(a)	Current quarter ended 30/6/2009 RM'000	Current year to date 30/6/2009 RM'000
Total purchase consideration	<u>9,629</u>	<u>10,908</u>
Total sale proceeds	<u>-</u>	<u>1,308</u>
Gain on disposal	<u>-</u>	<u>568</u>

(b) Investments in quoted securities as at 30th June 2009 are as follows:-

	RM'000
(i) Total investments at cost	18,560
(ii) Total investment at carrying value	18,560
(iii) Total investments at market value	19,398

B8. Status of Corporate proposals

There are no corporate proposals announced as at the date of this report.

B9. Group borrowings and debt securities

The Group has no borrowings and debt securities as at 30th June 2009.

B10. Off balance sheet financial instruments

There is no financial instrument with off balance sheet risk as at the date of this report that might materially affect the position or business of the Group.

B11. Changes in material litigation

The Court of Appeal had on 20th November 2008 dismissed with costs the Company's appeal against the High Court decision on the Company's claim for alleged misrepresentation and negligence filed against a former executive.

Other than the above, there were no changes in material litigation since the last annual balance sheet date.

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B12. Dividend

- (a) A first and final dividend of 3.0 sen per ordinary share of 50 sen each comprising dividend of 4%, less tax and a tax-exempt dividend of 3% in respect of the financial year ended 30th June 2009 has been recommended by the Directors which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.
- (b) The final dividend paid for the previous financial year ended 30th June 2008 was 4%, less 25% tax and a tax-exempt dividend of 3%.
- (c) The date of payment of the recommended final dividend shall be determined by the Directors and announced at a later date.

B13. Earnings per share

The basic and diluted earnings per ordinary share of RM0.50 each are calculated as follows:

	Current quarter ended 30/6/2009	Current year to date 30/6/2009
Net profit attributable to ordinary shareholders (RM'000)	<u>3,845</u>	<u>6,986</u>
Number of ordinary shares in issue at beginning of period	200,380,036	132,001,691
Effect of exercise of ESOS	-	1,080,831
Effect of bonus issue	-	66,463,137
Weighted average number of ordinary shares of RM0.50 each	<u>200,380,036</u>	<u>199,545,659</u>
Basic earnings per ordinary share of RM0.50 each (sen)	<u>1.9</u>	<u>3.5</u>
Diluted earnings per share		
Weighted average number of ordinary shares of RM0.50 each	200,380,036	199,545,659
Adjustment for share options	<u>-</u>	<u>135,486</u>
Adjusted weighted average number of ordinary shares for diluted earnings per ordinary share of RM0.50 each	<u>200,380,036</u>	<u>199,681,145</u>
Diluted earnings per ordinary share of RM0.50 each (sen)	<u>1.9</u>	<u>3.5</u>

By Order of the Board,

Ms CHONG YOKE SENG
COMPANY SECRETARY

28 August 2009