

EXPLANATORY NOTES TO QUARTERLY FINANCIAL STATEMENTS
FOURTH QUARTER ENDED 31 DECEMBER 2008

PART A: REQUIREMENTS OF FRS134 – INTERIM FINANCIAL REPORTING

1. **Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with the requirements of FRS134 – Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the financial year ended 31 December 2007.

This interim financial report includes only condensed financial statements and should be read in conjunction with the annual financial statements for the financial year ended 31 December 2007, as this interim financial report focuses on the effects of transactions, events and circumstances that have occurred since the annual financial statements.

The preparation of an interim financial report in conformity with FRS134 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the financial position and performance of the Group for the financial period ended 31 December 2008.

2. **Auditors' report**

The auditors' report dated 17 April 2008 on the financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

3. **Seasonal or cyclical factors**

The operations of the Group are not subject to seasonal or cyclical fluctuations except that certain products are subject to seasonal demand where higher sales will be recorded a few months before major festive seasons such as Ramadan and Chinese New Year.

4. **Unusual items**

There were no items affecting assets, liabilities, equity, net income, or cashflows that are unusual because their nature, size or incidence.

5. **Changes in estimates**

There were no major changes in estimates of amounts which may have a material effect on the current quarter under review.

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6. Issue and repayment of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period.

7. Dividends

No interim dividend has been proposed for the quarter under review.

The Directors proposed a first and final tax exempt dividend of 6% (or approximately 3 sen per share) for the financial year ended 31 December 2008, subject to approval by shareholders of the Company.

8. Segment information

The Group operates mainly in two business segments which are primarily operated in Malaysia:

- a) Manufacture of tin cans and plastic jerry cans (General Cans)
- b) Manufacture of dairy products (Food Products)

The other segment comprises investment and property holding.

Segment revenue and results for the period ended 31 December 2008 are as follows:

	Revenue	Operating	Finance	Interest	Profit
	RM'000	profits	cost	income	before tax
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
- General Cans	342,733	27,145	8,344	360	19,174
- Food products	93,648	2,512	1,698	63	876
- Others	10,060	9,311	-	-	9,311
	<u>446,441</u>	<u>38,968</u>	<u>10,042</u>	<u>423</u>	<u>29,361</u>
Elimination	(33,154)	(10,000)	-	-	(10,000)
Total	<u>413,287</u>	<u>28,968</u>	<u>10,042</u>	<u>423</u>	<u>19,361</u>
Taxation					<u>(1,911)</u>
Profit after taxation					<u>17,450</u>

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9. Valuation of property, plant and equipment

The valuation of property, plant and equipment have been brought forward from the previous annual financial statements without amendment.

10. Material subsequent events

As at 20 February 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), there were no material events subsequent to the balance sheet date which may have an impact on the consolidated financial statements of the Group

11. Changes in Group composition

There were no changes in the Group composition during the period ended 31 December 2008.

12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or assets for the Group as at 31 December 2008.

As at 20 February 2009, (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) no material contingent assets or liabilities have arisen since the end of the financial period.

13. Authorisation for issue

This interim financial report was authorized for issue by the Board of Directors ("Board") in accordance with a resolution of Directors passed at the Board Meeting held on 26 February 2009.

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PART B: REQUIREMENTS OF REVISED LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

1. **Review of performance**

During the quarter under review, the Group recorded a revenue of RM121.5 million and pre-tax profit of RM7.3 million compared with a revenue of RM78.9 million and pre-tax profit of RM5.4 million in the preceding year corresponding quarter.

The increase in revenue is mainly driven by increase in demand for tin cans and jerry cans and adjustment in unit selling price for these products to reflect the increase in material cost.

The increase in pre-tax profit is contributed by increase in revenue.

2. **Variation of results against preceding quarter**

The revenue recorded in the quarter under review is comparable to the revenue recorded in the preceding quarter.

Profit before taxation improves as the Group is able to improve its production efficiency.

3. **Current year prospects**

Barring any unforeseen circumstances, the Directors anticipate the results for the financial year ending 31 December 2009 to remain satisfactory.

4. **Profit forecast/profit guarantee**

The Group did not publish any profit forecast or provide any profit guarantee for the financial year ending 31 December 2008.

5. **Tax expense**

The effective tax rate of the Group is lower than the enacted statutory tax rate as the Group is eligible for reinvestment allowance.

6. **Unquoted investments and properties**

There were no profits/losses on sale of unquoted investments and properties as there were no disposals of investments and properties during the quarter under review.

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7. **Purchase or disposal of quoted securities**

The Company did not purchase or dispose of quoted securities during the quarter under review.

8. **Status of corporate proposal announced**

There were no outstanding corporate proposals.

9. **Group borrowings and debts securities**

Group borrowings as at 31 December 2008 are as follows:

	RM'000
Short term borrowings - Secured	
Hire purchase/finance leases	1,547
Term loans	1,912
Bankers acceptances	18,958
Short term borrowings - Unsecured	
Bankers' acceptances	83,738
Revolving credits	7,000
Term loans	45,896
Total	159,051
Long term borrowings - Secured	
Hire purchase/finance leases	5,052
Term loans	12,206
Long term borrowings – Unsecured	
Term loans	27,331
Total	44,589

10. **Off balance sheet financial instruments**

The Group did not enter into any transaction on off balance sheet financial instruments as at 20 February 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. **Changes in material litigation**

The Group was not involved in any material litigation as at 20 February 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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12. **Capital commitment**

As at 31 December 2008, the Group has the following capital commitment:

	RM'000
Approved and contracted for	18,027
	18,027

13. **Dividends**

No interim dividend has been proposed for the quarter under review.

The Directors proposed a first and final tax exempt dividend of 6% (or approximately 3 sen per share) for the financial year ended 31 December 2008, subject to approval by shareholders of the Company.

14. **Earnings per share**

The basic earnings per share is computed as follows:

	Individual Quarter	Individual Quarter	Cumulative Quarter	Cumulative Quarter
	Current Quarter ended 31/12/2008	Preceding year corresponding quarter ended 31/12/2007	Current year to date ended 31/12/2008	Preceding year to date ended 31/12/2007
Net profit attributable to shareholders of the Company (RM'000)	7,202	3,857	17,316	12,073
Weighted average number of shares in issue ('000)	152,400	152,400	152,400	152,400
Earnings per share (Sen)	4.73	2.53	11.36	7.92

There were no dilutive potential ordinary shares as at the end of the financial period.

Dated : 26 February 2009
Petaling Jaya