

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2014⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2014 RM'000	Preceding Year Quarter 30.6.2013 RM'000	Current Year- To-Date 30.6.2014 RM'000	Preceding Year- To-Date 30.6.2013 RM'000
Continuing Operations				
Revenue	131,730	113,979	243,111	227,398
Direct operating costs	(113,202)	(96,129)	(209,288)	(194,023)
Gross profit	18,528	17,850	33,823	33,375
Other operating income	550	381	900	889
Distribution costs	(1,232)	(976)	(2,955)	(2,450)
Administrative costs	(4,541)	(3,820)	(10,612)	(9,476)
Other operating costs	(667)	(1,588)	(1,056)	(1,816)
	(6,440)	(6,384)	(14,623)	(13,742)
Profit from operations	12,638	11,847	20,100	20,522
Finance costs	(1,629)	(1,682)	(3,177)	(3,274)
Profit before tax	11,009	10,165	16,923	17,248
Income tax expense	(2,842)	(2,942)	(4,483)	(5,005)
Profit after tax, representing total comprehensive income	8,167	7,223	12,440	12,243
Profit/Total comprehensive income attributable to:				
- Owners of the Company	8,167	7,223	12,440	12,243
- Non-controlling interests	-	-	-	-
	8,167	7,223	12,440	12,243
Earnings per share (sen) attributable to owners of the Company:				
- Basic ⁽²⁾	2.63	2.67	4.01	4.69
- Diluted	2.63	2.67	4.01	4.69

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statement.*
- (2) *Based on the weighted average number of ordinary shares in issue as detailed in Note B11.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014⁽¹⁾

	Unaudited As at 30.06.2014 RM'000	Audited As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	82,799	84,170
Other investment	48	48
	<u>82,847</u>	<u>84,218</u>
Current assets		
Inventories	150,688	149,551
Trade receivables	127,150	119,059
Other receivables, deposits and prepayments	5,570	4,514
Fixed deposits with licensed banks	15,856	15,625
Cash and bank balances	13,280	6,701
	<u>312,544</u>	<u>295,450</u>
TOTAL ASSETS	<u>395,391</u>	<u>379,668</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	155,000	155,000
Share premium	5,094	5,094
Merger deficit	(109,545)	(109,545)
Capital reserve	1	1
Fair value reserve	(12)	(12)
Retained earnings	159,784	151,994
Total Equity	<u>210,322</u>	<u>202,532</u>
Non-current liabilities		
Deferred tax liabilities	3,085	3,080
Borrowings	268	688
	<u>3,353</u>	<u>3,768</u>
Current liabilities		
Trade payables	37,010	30,273
Other payables and accruals	3,366	2,430
Dividend payable	4,650	-
Borrowings	132,157	137,070
Tax liabilities	4,533	3,595
	<u>181,716</u>	<u>173,368</u>
Total Liabilities	<u>185,069</u>	<u>177,136</u>
TOTAL EQUITY AND LIABILITIES	<u>395,391</u>	<u>379,668</u>
Net assets per share attributable to owners of the Company (RM)	0.68	0.65

Note:

- (1) The Unaudited Condensed Consolidated Statement of Financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2014⁽¹⁾

	< -----Attributable to owners of the Company ----- >						
	< ----- Non-distributable ----- >					Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Fair value Reserve RM'000	Retained Earnings RM'000	
2014							
At 1 January 2014	155,000	5,094	(109,545)	1	(12)	151,994	202,532
Total comprehensive income for the period	-	-	-	-	-	12,440	12,440
Dividend	-	-	-	-	-	(4,650)	(4,650)
At 30 June 2014	<u>155,000</u>	<u>5,094</u>	<u>(109,545)</u>	<u>1</u>	<u>(12)</u>	<u>159,784</u>	<u>210,322</u>
2013							
At 1 January 2013	125,345	-	(109,545)	1	(27)	130,870	146,644
Issuance of shares pursuant to public issue	29,655	5,931	-	-	-	-	35,586
Listing expenses - share issue expenses	-	(837)	-	-	-	-	(837)
Total comprehensive income for the period	-	-	-	-	-	12,243	12,243
At 30 June 2013	<u>155,000</u>	<u>5,094</u>	<u>(109,545)</u>	<u>1</u>	<u>(27)</u>	<u>143,113</u>	<u>193,636</u>

Note:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2014⁽¹⁾

	Current Year-To-Date 30.06.2014 RM'000	Preceding Year-To-Date 30.06.2013 RM'000
Cash Flows from Operating Activities		
Profit before tax	16,923	17,248
Adjustments for:-		
Impairment loss on trade receivables	496	415
Reversal of impairment loss on trade receivables	(226)	(109)
Bad debt written off	143	-
Depreciation of property, plant and equipment	2,891	2,939
Interest expense	2,936	3,014
Dividend income	(1)	(2)
Gain on disposal of property, plant and equipment	(171)	(232)
Property, plant and equipment written off	136	-
Loss on foreign exchange - unrealised	10	-
Interest income	(289)	(143)
Operating profit before working capital changes	<u>22,848</u>	<u>23,130</u>
Increase in inventories	(1,137)	(32,702)
Increase in trade and other receivables	(9,591)	(7,096)
Increase in trade and other payables	7,713	21,704
Cash generated from operations	<u>19,833</u>	<u>5,036</u>
Interest received	289	143
Interest paid	(2,936)	(3,014)
Income tax paid	(3,540)	(2,807)
Net cash from/(used in) operating activities	<u>13,646</u>	<u>(642)</u>
Cash Flows from Investing Activities		
Dividend received	1	2
Purchase of property, plant and equipment	(1,485)	(2,631)
Placement of fixed deposits	(12)	(12)
Proceeds from disposal of property, plant and equipment	200	256
Net cash used in investing activities	<u>(1,296)</u>	<u>(2,385)</u>
Cash Flows from Financing Activities		
Proceeds from issuance of shares	-	35,586
Payment of share issue expenses	-	(837)
Repayments of Al-Bai Bithaman Ajil Islamic (ABBA) financing	(358)	(331)
Payments to finance lease payables	(924)	(1,748)
Repayments of term loans	(150)	(695)
Net drawdown of bankers' acceptances	2,751	4,168
Net cash from financing activities	<u>1,319</u>	<u>36,143</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2014⁽¹⁾ (CONT'D)

	Current Year-To-Date 30.06.2014 RM'000	Preceding Year-To-Date 30.06.2013 RM'000
Net increase in cash and cash equivalents	13,669	33,116
Effect of exchange rate changes on cash and cash equivalents	(19)	-
Cash and cash equivalents at beginning of the financial period	4,648	(7,170)
Cash and cash equivalents at end of the financial period	<u>18,298</u>	<u>25,946</u>
Cash and cash equivalents at end of period comprises :		
Fixed deposits with licensed banks	15,856	29,996
Cash and bank balances	13,280	13,183
Bank overdrafts	(10,433)	(16,841)
	<u>18,703</u>	<u>26,338</u>
Less: Fixed deposit under lien	(405)	(392)
	<u>18,298</u>	<u>25,946</u>

Note:

- (1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statement.*

A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Accounting Policies and Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”) and paragraph 9.22 (Appendix 9B Part A) of the Main Market Listing Requirement (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

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 Company and its subsidiaries (“the Group”) since the financial year ended 31 December 2013.

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements as disclosed in the audited financial statements of the Group for the financial year ended 31 December 2013, except for the adoption of the following:

Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 21	Levies
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The adoption of the above amendments/improvement to MFRSs and new IC interpretation did not have any material impact on the financial position and performance of the Group.

The Group has not applied in advance the following new MFRSs and amendments/improvements to MFRSs that have been issued by MASB but not yet effective for the current financial year:

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 9	Financial Instruments	To be announced by MASB
MFRS 14	Regulatory Deferral Accounts	1 January 2016
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosures	Applies when MFRS 9 is applied
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB

A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A1. Accounting Policies and Basis of Preparation(*Cont’d*)

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 11	Joint Arrangements	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014

The Group is in the process of assessing the impact which may arise from adoption of the above standard and amendments.

A2. Auditors’ Report on Preceding Annual Financial Statements

The Auditors’ Report for the immediate preceding annual financial statements of the Group and the Company for the financial year ended 31 December 2013 is not subject to any qualification.

A3. Seasonality or Cyclicity of Operations

The Group’s operations were not significantly affected by any seasonal or cyclical factors during the current quarter and current financial year-to-date.

A4. Unusual Items

There were no significant items affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size and incidence during the current quarter and current financial year-to-date.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year or changes in the estimates of amounts reported in the prior financial years that have a material effect on the results for the current quarter and current financial year-to-date.

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities nor any movement in the share capital for the current quarter.

A7. Dividend Paid

No dividend was paid during the current quarter.

A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A8. Segment Information

Segment information of the Group for the financial year-to-date ended 30 June 2014 is as follows:

	Trading of Steel		Processing of Steel	Others ⁽¹⁾	Elimination	Consolidated
	Products	Products				
	RM’000	RM’000		RM’000	RM’000	RM’000
External revenue	94,909	147,981		221	-	243,111
Direct operating costs	(83,763)	(125,354)		(171)	-	(209,288)
Gross Profit	<u>11,146</u>	<u>22,627</u>		<u>50</u>	<u>-</u>	<u>33,823</u>
Add/(Less):						
- Other income						900
- Operating expenses						(14,623)
- Finance costs						(3,177)
Profit before taxation						<u>16,923</u>
Income tax expense						(4,483)
Profit for the period						<u><u>12,440</u></u>

Segment information of the Group for the financial year-to-date ended 30 June 2013 is as follows:

	Trading of Steel		Processing of Steel	Others ⁽¹⁾	Elimination	Consolidated
	Products	Products				
	RM’000	RM’000		RM’000	RM’000	RM’000
External revenue	87,655	139,447		296	-	227,398
Direct operating costs	(73,748)	(120,052)		(223)	-	(194,023)
Gross Profit	<u>13,907</u>	<u>19,395</u>		<u>73</u>	<u>-</u>	<u>33,375</u>
Add/(Less):						
- Other income						889
- Operating expenses						(13,742)
- Finance costs						(3,274)
Profit before taxation						<u>17,248</u>
Income tax expense						(5,005)
Profit for the period						<u><u>12,243</u></u>

Note:

(1) Mainly consists of trading of specialised steel materials including tool steel and non-ferrous metal products including bronze, brass, aluminium and copper products.

A9. Valuations of Property, Plant and Equipment

There were no amendments to the valuation of property, plant and equipment that have been brought forward from the preceding annual financial statements.

A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter up to the date of issue of this report that have not been reflected in the financial statements for the current quarter and current financial year-to-date.

A11. Effects of Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A12. Capital Commitments

	As at 30.06.2014 RM’000	Audited As at 31.12.2013 RM’000
Approved and contracted for:		
- Purchase of motor vehicles	691	64
- Purchase of machinery	5,919	2,241
	<u>6,610</u>	<u>2,305</u>

A13. Changes in Contingent Liabilities and Contingent Assets

There were no contingent assets and liabilities since the end of the previous financial year up to 30 June 2014.

A14. Significant Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2014 RM’000	Preceding Year- Quarter 30.6.2013 RM’000	Current Year- To-Date 30.6.2014 RM’000	Preceding Year- To-Date 30.6.2013 RM’000
Sales to related parties	973	1,320	2,218	3,275
Purchases from related parties	582	305	760	1,500
Rental expense paid to a related party	60	60	120	120
	<u>1,615</u>	<u>1,685</u>	<u>3,098</u>	<u>4,895</u>

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

Current Quarter Compared To Preceding Year Corresponding Quarter

Our revenue grew by 15.6% or RM17.75 million from RM113.98 million for the preceding year corresponding quarter to RM131.73 million for the current quarter. This was mainly due to increase in demand for our trading and processing of steel products, particularly flat steel products. Total revenue from our trading and processing of flat steel products grew by 15.9% or RM14.46 million, while total tonnage sales increased by 19.1%.

For the current quarter, our main business segments continued to be trading and processing of steel products, which collectively contributed approximately 99.9% of our total revenue for the current quarter. The trading segment and the processing segment contributed revenue of approximately 40.7% and 59.2% respectively for the current quarter which is very similar to the preceding year corresponding quarter where the trading segment and the processing segment contributed revenue of approximately 39.8% and 60.0% respectively.

Processing of steel products showed an improvement in gross profit margin from 15.6% for the preceding year corresponding quarter to 16.1% for the current quarter. However, the gross profit margin for trading of steel products decreased from approximately 15.8% for the preceding year corresponding quarter to 11.1% for the current quarter, mainly caused by the decrease in profit margin for trading of carbon steel products. As a consequence of the aforesaid factors, our overall gross profit margin decreased from 15.7% for the preceding year corresponding quarter to 14.1% for the current quarter.

For the current quarter, despite the general increase in distribution and administration costs, our Group registered an increase in profit before tax by RM0.84 million to RM11.01 million compared to RM10.17 million for the preceding year corresponding quarter, mainly due to the increase in gross profit by RM0.68 million and the absence of listing expenses of RM1.08 million which had been included as other operating costs for the preceding year corresponding quarter.

Current Financial Year-To-Date Compared To Preceding Financial Year-To-Date

Our revenue grew by 6.9% or RM15.71 million from RM227.40 million for the preceding financial year-to-date to RM243.11 million for the current financial year-to-date. This was mainly due to the increase in demand for our trading and processing of steel products, with total tonnage sales increased by 10.6%.

For the current financial year-to-date, despite the increase in revenue, our gross profit only improved by 1.3% or approximately RM0.45 million, mainly due to the decrease in gross profit margin from 14.7% for the preceding financial year-to-date to 13.9% for the current financial year-to-date. This was largely due to the lower gross profit margin recorded for our trading of steel products, particularly carbon steel products, which had outweighed the increase in gross profit margin for our processing of steel products.

Despite the marginal increase in gross profit and without the listing expenses of RM1.11 million being charged to the current financial year-to-date as compared to the preceding financial year-to-date, our profit before tax decreased by approximately 1.9% or RM0.33 million, from RM17.25 million for the preceding financial year-to-date to RM16.92 million for the current financial year-to-date mainly due to the higher operating costs especially the increase in directors and staff costs by RM1.32 million, the increase in impairment loss on trade receivables and bad debts written off by RM0.08 million and RM0.14 million respectively, as well as property, plant and equipment written off for the sum of RM0.14 million, which had been charged to the current financial year-to-date.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B2. Material Variation of Profit Before Tax Against Immediate Preceding Quarter

Our Group achieved revenue of RM131.73 million for the current quarter, which was higher than the immediate preceding quarter's revenue by approximately 18.3% or RM20.35 million, mainly attributable to the increase in demand for our trading and processing of flat steel products, which collectively showing improvement in revenue by 20.3% or RM17.77 million and increased in tonnage sales by 15.0%.

For the current quarter, our profit before tax increased by approximately 86.3% or RM5.10 million, from RM5.91 million for the immediate preceding quarter to RM11.01 million for the current quarter mainly due to the following reasons:

- Our gross profit improved by 21.1% or RM3.23 million, from RM15.30 million for the immediate preceding quarter to RM18.53 million for the current quarter. This was in line with the increase in our revenue.
- Our operating costs decreased by approximately RM1.74 million from RM8.18 million for the immediate preceding quarter to RM6.44 million for the current quarter, mainly due to the decrease in distribution and administrative costs largely due to the absence of directors and staff bonuses which were fully paid and recognised in the immediate preceding quarter for the sum of RM2.27 million. The reduction in operating costs was however partly offset by the increase in impairment loss on trade receivables and bad debts written off by RM0.11 million and RM0.14 million respectively, as well as the written off of property, plant and equipment for the sum of RM0.14 million, which had been charged to the current quarter.

B3. Commentary on Prospects

With the expected continued improvement in the regional as well as our local economy, our Group is optimistic that, barring unforeseen circumstances, its prospects for the remaining period of the current financial year will be positive.

B4. Variance of Forecast Profit and Profit Guarantee

No profit forecast has been issued by the Group previously in any public document.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B5. Profit Before Tax

Profit before tax is derived after taking into consideration the followings:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2014 RM'000	Preceding Year Quarter 30.6.2013 RM'000	Current Year- -To-Date 30.6.2014 RM'000	Preceding Year- To-Date 30.6.2013 RM'000
Impairment loss on trade receivables	301	415	496	415
Bad debt recovered	-	-	(3)	-
Reversal of impairment loss on trade receivables	(139)	(109)	(226)	(109)
Bad debt written off	143	-	143	-
Depreciation of property, plant and equipment	1,452	1,507	2,891	2,939
Dividend income	(1)	(1)	(1)	(2)
Gain on disposal of property, plant and equipment	(171)	(47)	(171)	(232)
Property, plant and equipment written off	136	-	136	-
Insurance claims	-	(9)	(26)	(190)
Interest expense	1,504	1,577	2,936	3,014
Interest income	(146)	(96)	(289)	(143)
Rental income	(78)	(78)	(157)	(157)
Rental of premises	60	60	120	120
Rental of equipment	15	14	30	27
Loss on foreign exchange - realised	46	-	39	-
- unrealised	13	-	10	-

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2014 RM'000	Preceding Year-Quarter 30.6.2013 RM'000	Current Year-To-Date 30.6.2014 RM'000	Preceding Year-To-Date 30.6.2013 RM'000
<u>Income tax</u>				
Current tax				
- for the financial period	2,803	2,961	4,478	4,780
Deferred tax				
- origination of temporary differences	35	(19)	128	225
- relating to change in income tax rate ⁽¹⁾	4	-	(123)	-
Tax expense	2,842	2,942	4,483	5,005

The effective tax rate for the current quarter and current financial year-to-date is higher than the statutory tax rate of 25% mainly due to certain expenses which are not deductible for tax purposes.

Note:

(1) Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% of the estimated assessable profit for the financial year. In the Budget Speech 2014, the Government announced that the domestic corporate tax rate would be reduced to 24% from the current year's rate of 25% with effect from year of assessment 2016. The computation of deferred tax as at 30 June 2014 has reflected these changes.

B7. Status of Corporate Proposals

There were no corporate proposal announced but not completed as at the date of this report.

(i) Utilisation of Proceeds

The Public Issue raised a gross proceeds of RM35.59 million. The status of utilisation of proceeds raised from the Public Issue as at 30 June 2014 is as follows:

Purposes	Proposed utilisation ⁽¹⁾	Actual utilisation	Deviation		Balance	Intended timeframe for utilisation (from the listing date)
	RM'000	RM'000	RM'000	%	RM'000	
Purchase of new industrial land with building	13,000	(12,677)	(323) ⁽²⁾	(2.5%)	-	Within 1 year
Construction of new processing plant with warehousing facilities	6,000	-	-	-	6,000	Within 3 years
Purchase of new machines	6,000	-	-	-	6,000	Within 3 years

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Status of Corporate Proposals (Cont'd)

(i) Utilisation of Proceeds (Cont'd)

Purposes	Proposed utilisation ⁽¹⁾	Actual utilisation	Deviation		Balance RM'000	Intended timeframe for utilisation (from the listing date)
	RM'000	RM'000	RM'000	%		
Working capital	7,786	(7,655)	(131) ⁽²⁾⁽³⁾	(1.7%)	-	Within 1 year
Estimated listing expenses	2,800	(3,254) ⁽³⁾	454 ⁽³⁾	16.2%	-	Upon listing
Total gross proceeds	35,586	(23,586)	-	-	12,000	

Notes:

- (1) The proposed utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 May 2013.
- (2) In respect of excess of proposed utilisation over the actual early settlement sum (including a one-off fee of RM0.15 million levied by the bank for early settlement) for a term loan facility used to fund the purchase of the new industrial land with building. In accordance to the Prospectus dated 13 May 2013, any variation to the actual term loan and overdraft facility repayment shall be adjusted against the proposed utilisation for working capital.
- (3) Actual listing expenses incurred were more than the estimated listing expenses by RM0.45 million mainly due to higher printing and advertisement costs as well as other incidental costs incurred in connection to the listing exercise. In accordance to the Prospectus dated 13 May 2013, the excess of listing expenses shall be adjusted against the proposed utilisation for working capital.

B8. Group Borrowings

Total Group borrowings as at 30 June 2014 were as follows:-

	As at 30.06.2014	Audited As at 31.12.2013
	RM'000	RM'000
<u>Current</u>		
Secured:		
ABBA financing facilities	186	545
Bankers' acceptances	66,613	64,062
Hire purchase payables	1,302	1,705
Term loans	233	283
Bank overdrafts	9,539	14,791
	77,873	81,386
Unsecured		
Bankers' acceptances	53,390	53,190
Bank overdrafts	894	2,494
	54,284	55,684
	132,157	137,070

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B8. Group Borrowings (Cont'd)

	As at 30.06.2014 RM'000	Audited As at 31.12.2013 RM'000
<i><u>Non-current</u></i>		
Secured:		
Hire purchase payables	193	514
Term loans	75	174
	<u>268</u>	<u>688</u>
Total Borrowings	<u>132,425</u>	<u>137,758</u>

The above Group borrowings are denominated in Ringgit Malaysia.

B9. Material Litigation

Since the last annual financial statements up to the date of issue of this report, the Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which have a material effect on the financial position of our Group, and the Board does not know of any proceedings pending or threatened or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

B10. Dividend

A final single-teir dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2013 has been approved by the shareholders at the last Annual General Meeting on 25 June 2014. The final dividend will be paid on 5 August 2014 and the entitlement date for the payment is 18 July 2014.

B11. Earnings Per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2014 RM'000	Preceding Year- Quarter 30.6.2013 RM'000	Current Year- To-Date 30.6.2014 RM'000	Preceding Year- To-Date 30.6.2013 RM'000
Profit attributable to owners of the Company	8,167	7,223	12,440	12,243
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	310,000	270,895	310,000	260,848
Basic Earnings Per Share (sen)	2.63	2.67	4.01	4.69

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B11. Earnings Per Share (Cont'd)

(b) Diluted Earnings Per Share

Diluted earnings per share is equivalent to basic earnings per share as the Company does not have any dilutive potential ordinary shares in issue for the current quarter and current financial year-to-date.

B12. Realised and Unrealised Profits/Losses Disclosure

The breakdown of the retained profits of the Group as at the end of the current quarter and previous financial year, into realised and unrealised profits, is as follows:-

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Group		
(a) Realised	166,431	158,768
(b) Unrealised	(3,920)	(3,958)
	<hr/> 162,511	<hr/> 154,810
Less: consolidated adjustments	(2,727)	(2,816)
Total retained earnings	<hr/> <hr/> 159,784	<hr/> <hr/> 151,994

By order of the Board
Kuala Lumpur
26 August 2014