

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2015 RM'000	Preceding Year Quarter 31.3.2014 RM'000	Current Year- To-Date 31.3.2015 RM'000	Preceding Year- To-Date 31.3.2014 RM'000
Continuing Operations				
Revenue	140,333	111,381	140,333	111,381
Direct operating costs	(120,493)	(96,086)	(120,493)	(96,086)
Gross profit	19,840	15,295	19,840	15,295
Other operating income	314	350	314	350
Distribution costs	(1,746)	(1,723)	(1,746)	(1,723)
Administrative costs	(6,702)	(6,071)	(6,702)	(6,071)
Other operating costs	(459)	(389)	(459)	(389)
	(8,907)	(8,183)	(8,907)	(8,183)
Profit from operations	11,247	7,462	11,247	7,462
Finance costs	(2,057)	(1,548)	(2,057)	(1,548)
Profit before tax	9,190	5,914	9,190	5,914
Tax expense	(2,553)	(1,641)	(2,553)	(1,641)
Profit for the financial period	6,637	4,273	6,637	4,273
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	#	-	#	-
Total other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	6,637	4,273	6,637	4,273

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2015 RM'000	Preceding Year Quarter 31.3.2014 RM'000	Current Year- To-Date 31.3.2015 RM'000	Preceding Year- To-Date 31.3.2014 RM'000
Profit attributable to:				
- Owners of the Company	6,637	4,273	6,637	4,273
Total comprehensive income attributable to:				
- Owners of the Company	6,637	4,273	6,637	4,273
Earnings per share (sen) attributable to owners of the Company:				
- Basic	2.14	1.38	2.14	1.38
- Diluted	2.14	1.38	2.14	1.38

Note:

Less than RM500

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 2014 and the accompanying explanatory notes attached to this interim financial statement.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Unaudited As at 31.3.2015 RM'000	Audited As at 31.12.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	90,973	87,146
Capital work-in-progress	2,508	1,136
Goodwill on consolidation	257	257
	<u>93,738</u>	<u>88,539</u>
Current assets		
Inventories	184,416	178,353
Trade receivables	144,401	125,342
Other receivables, deposits and prepayments	14,403	9,310
Tax recoverable	145	65
Fixed deposits with licensed banks	13,106	12,995
Cash and bank balances	5,384	9,161
	<u>361,855</u>	<u>335,226</u>
TOTAL ASSETS	<u><u>455,593</u></u>	<u><u>423,765</u></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
Retained earnings	178,428	171,791
Foreign currency translation reserve	3	3
Total Equity	<u>228,981</u>	<u>222,344</u>
Non-current liabilities		
Deferred tax liabilities	3,248	3,274
Borrowings	5,847	4,263
	<u>9,095</u>	<u>7,537</u>
Current liabilities		
Trade payables	32,736	42,438
Other payables and accruals	5,119	3,135
Borrowings	175,684	145,135
Tax liabilities	3,978	3,176
	<u>217,517</u>	<u>193,884</u>
Total Liabilities	<u>226,612</u>	<u>201,421</u>
TOTAL EQUITY AND LIABILITIES	<u><u>455,593</u></u>	<u><u>423,765</u></u>
Net assets per share attributable to owners of the Company (RM)	0.74	0.72

Note:

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 2014 and the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	< -----Attributable to owners of the Company ----- >						Distributable	Total
	< ----- Non-distributable ----- >					Foreign		
	Share	Share	Merger	Capital	Fair value	Translation	Earnings	Total
	Capital	Premium	Deficit	Reserve	Reserve	Reserve	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2015								
At 1 January 2015	155,000	5,094	(109,545)	1	-	3	171,791	222,344
Total comprehensive income	-	-	-	-	-	#	6,637	6,637
At 31 March 2015	155,000	5,094	(109,545)	1	-	3	178,428	228,981
2014								
At 1 January 2014	155,000	5,094	(109,545)	1	(12)	-	151,994	202,532
Total comprehensive income	-	-	-	-	-	-	4,273	4,273
At 31 March 2014	155,000	5,094	(109,545)	1	(12)	-	156,267	206,805

Note:

Less than RM500

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 2014 and the accompanying explanatory notes attached to this interim financial statement.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	Current Year-To-Date 31.3.2015 RM'000	Preceding Year-To-Date 31.3.2014 RM'000
Cash Flows from Operating Activities		
Profit before tax	9,190	5,914
Adjustments for:-		
Impairment loss on trade receivables	120	195
Reversal of impairment loss on trade receivables	(28)	(87)
Depreciation of property, plant and equipment	1,708	1,439
Interest expense	1,874	1,432
Dividend income	-	#
Gain on disposal of property, plant and equipment	(10)	#
Property, plant and equipment written off	16	-
Loss/(Gain) on foreign exchange - unrealised	19	(3)
Interest income	(124)	(143)
Operating profit before working capital changes	<u>12,765</u>	<u>8,747</u>
(Increase)/Decrease in inventories	(6,064)	7,121
Increase in trade and other receivables	(24,212)	(1,964)
(Decrease)/Increase in trade and other payables	<u>(7,780)</u>	<u>1,500</u>
Cash (use in)/generated from operations	(25,291)	15,404
Interest received	124	143
Interest paid	(1,874)	(1,432)
Income tax paid	<u>(1,855)</u>	<u>(1,845)</u>
Net cash (used in)/from operating activities	<u>(28,896)</u>	<u>12,270</u>
Cash Flows from Investing Activities		
Dividend received	-	#
Purchase of property, plant and equipment	(2,931)	(284)
Placement of fixed deposits	(12)	(12)
Proceeds from disposal of property, plant and equipment	10	-
Capital work-in-progress paid	<u>(1,373)</u>	<u>-</u>
Net cash used in investing activities	<u>(4,306)</u>	<u>(296)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (CONT'D)

	Current Year-To-Date 31.3.2015 RM'000	Preceding Year-To-Date 31.3.2014 RM'000
Cash Flows from Financing Activities		
Repayments of Al-Bai Bithaman Ajil Islamic (ABBA) financing	-	(177)
Payments to finance lease payables	(592)	(457)
Repayments of term loans	(50)	(75)
Net drawdown/(repayments) of bankers' acceptances	26,723	(7,842)
Net cash from/(used in) financing activities	<u>26,081</u>	<u>(8,551)</u>
Net (decrease)/increase in cash and cash equivalents	(7,121)	3,423
Effect of exchange rate changes on cash and cash equivalents	10	(11)
Cash and cash equivalents at beginning of the financial period	<u>5,053</u>	<u>4,648</u>
Cash and cash equivalents at end of the financial period	<u>(2,058)</u>	<u>8,060</u>
Cash and cash equivalents at end of financial period comprises:		
Fixed deposits with licensed banks	13,106	15,756
Cash and bank balances	5,384	6,941
Bank overdrafts	<u>(20,131)</u>	<u>(14,232)</u>
	(1,641)	8,465
Less: Fixed deposit under lien	<u>(417)</u>	<u>(405)</u>
	<u>(2,058)</u>	<u>8,060</u>

Note:

Less than RM500

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 2014 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 2014.

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 2014.

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 2014, except for the adoption of the following:

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 8	Operating Segments
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 138	Intangible Assets
MFRS 140	Investment Property

The adoption of the above amendments/improvement to MFRSs 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:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
<u>Amendments/Improvements to MFRSs</u>		
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016

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 10	Consolidated Financial statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate financial statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 January 2016
MFRS 141	Agriculture	1 January 2016

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 2014 were 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 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.

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

A7. Dividend Paid

No dividend was paid during the current quarter.

A8. Segment Information

Segment information of the Group for the financial year-to-date ended 31 March 2015 is as follows:

	Trading of Steel Products RM’000	Processing of Steel Products RM’000	Others ⁽¹⁾ RM’000	Elimination RM’000	Consolidated RM’000
External revenue	50,057	90,157	119	-	140,333
Direct operating costs	(43,698)	(76,707)	(88)	-	(120,493)
Gross Profit	<u>6,359</u>	<u>13,450</u>	<u>31</u>	<u>-</u>	<u>19,840</u>
Add/(Less):					
- Other income					314
- Operating expenses					(8,907)
- Finance costs					(2,057)
Profit before tax					<u>9,190</u>
Tax expense					(2,553)
Profit for the financial period					<u><u>6,637</u></u>

Segment information of the Group for the financial year-to-date ended 31 March 2014 is as follows:

	Trading of Steel Products RM’000	Processing of Steel Products RM’000	Others ⁽¹⁾ RM’000	Elimination RM’000	Consolidated RM’000
External revenue	41,274	70,019	88	-	111,381
Direct operating costs	(36,061)	(59,954)	(71)	-	(96,086)
Gross Profit	<u>5,213</u>	<u>10,065</u>	<u>17</u>	<u>-</u>	<u>15,295</u>
Add/(Less):					
- Other income					350
- Operating expenses					(8,183)
- Finance costs					(1,548)
Profit before tax					<u>5,914</u>
Tax expense					(1,641)
Profit for the financial period					<u><u>4,273</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 31.3.2015 RM'000	Audited As at 31.12.2014 RM'000
Approved and contracted for:		
- Purchase of motor vehicles	161	-
- Purchase of machinery	1,292	4,472
- Purchase of furniture and fittings	27	439
	<u>1,480</u>	<u>4,911</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 31 March 2015.

A14. Significant Related Party Transactions

	INDIVIDUAL		CUMULATIVE	
	Current Year Quarter 31.3.2015 RM'000	Preceding Year- Quarter 31.3.2014 RM'000	Current Year- To-Date 31.3.2015 RM'000	Preceding Year- To-Date 31.3.2014 RM'000
Sales to related parties	1,401	1,245	1,401	1,245
Purchases from related parties	93	178	93	178
Rental expense paid to related parties	390	60	390	60
	<u>1,884</u>	<u>1,483</u>	<u>1,884</u>	<u>1,483</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 26.0% or RM28.95 million from RM111.38 million for the preceding year corresponding quarter to RM140.33 million for the current quarter. This was mainly due to increase in revenue for our both trading and processing of steel products by approximately RM8.78 million and RM20.14 million respectively, attributable to the higher tonnage sales for the current quarter by approximately 26.1% and 31.7% respectively as compared to the preceding year corresponding 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 35.7% and 64.2% respectively for the current quarter whereas the trading segment and the processing segment contributed revenue of approximately 37.0% and 62.9% respectively for the preceding year corresponding quarter.

For the current quarter, gross profit increased by RM4.54 million from RM15.30 million for the preceding year corresponding quarter to RM19.84 million for the current quarter. Our overall gross profit margin increase from 13.7% for the preceding year corresponding quarter to 14.1% for the current quarter as the result of better gross profit margin by approximately 0.5 percentage points for processing segment, mainly attributable to fairly consistent average selling price and lower average cost of material by approximately 4.6% for processing of flat carbon steel products.

Operating costs rose by approximately RM0.73 million from RM8.18 million for the preceding year corresponding quarter to RM8.91 million for the current quarter mainly due to the followings:

- Increase in administrative costs mainly caused by the increase in staff costs, depreciation and rental expenses for the current quarter;
- Increase in other operation costs mainly caused by occurrence of realised and unrealised loss on foreign exchange, partially offset by a decrease in allowance for impairment loss on trade receivables.

Finance costs had also increased by RM0.51 million as compared to the preceding year corresponding quarter. This was mainly due to higher utilisation of trade financing facilities as well as higher bank charges and commitment fees for the current quarter. The increased utilisation of banking facilities was in line with the increase in our purchases from RM84.31 million for preceding year corresponding quarter to RM119.18 million for current quarter.

Based on the foregoing factors, our Group registered an increase in profit before tax by RM3.28 million to RM9.19 million compared to RM5.91 million for the preceding year corresponding quarter.

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

For the current quarter, our group achieved higher gross profit by approximately 13.4% or RM2.34 million, from RM17.50 million for the immediate preceding quarter to RM19.84 million for the current quarter mainly attributable to the increase in revenue. However, the increase in gross profit was largely reduced by the following factors:

- Reduction in other operating income by RM0.40 million to RM0.31 million for the current quarter as compared to RM0.71 million for the immediate preceding quarter mainly due to the decrease in gain on disposal of property, plant and equipment, decrease in reversal of impairment loss on trade receivables and no unrealised gain on foreign exchange;
- Increase in distribution costs mainly caused by the increase in staff related costs;
- Increase in administrative costs as the results of the increase in directors' remuneration and staff costs, partially offset by the decrease in electricity and water expenses, insurance and road tax expenses, petrol, parking and toll expenses, professional fees as well as no auditors' remuneration being charged to the current quarter;
- Increase in other operation costs mainly caused by the increase in realised and unrealised loss on foreign exchange.

Based on the foregoing factors, our profit before tax increased by approximately 0.9% or RM0.08 million, from RM9.11 million for the immediate preceding quarter to RM9.19 million for the current quarter.

B3. Commentary on Prospects

The Group takes cognisance of the current states of uncertainties in the direction of the local and world economies arising from, among others, political conflicts, volatile commodity prices and effects from implementation of Goods and Services Tax in Malaysia, and will continue to focus on providing best possible service to our large and diverse customers, adopting pro-active measures in handling our business as well as increasing the Group's operational capability, expediency and variability for its processing activities. With these measures and barring any unforeseen circumstances, the Board is optimistic that the Group will continue to generate positive results for the remaining quarters of 2015.

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		CUMULATIVE	
	Current Year Quarter 31.3.2015 RM'000	Preceding Year Quarter 31.3.2014 RM'000	Current Year- -To-Date 31.3.2015 RM'000	Preceding Year- To-Date 31.3.2014 RM'000
Impairment loss on trade receivables	120	195	120	195
Bad debt recovered	(3)	(3)	(3)	(3)
Reversal of impairment loss on trade receivables	(28)	(87)	(28)	(87)
Depreciation of property, plant and equipment	1,708	1,439	1,708	1,439
Dividend income	-	#	-	#
Gain on disposal of property, plant and equipment	(10)	#	(10)	#
Property, plant and equipment written off	16	-	16	-
Insurance claims	(50)	(26)	(50)	(26)
Interest expense	1,874	1,432	1,874	1,432
Interest income	(124)	(143)	(124)	(143)
Rental income	(79)	(79)	(79)	(79)
Rental of premises	456	60	456	60
Rental of equipment	16	15	16	15
Loss/(Gain) on foreign exchange - realised	115	(7)	115	(7)
- unrealised	19	(3)	19	(3)

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.

Note:

Less than RM500

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

B6. Tax Expense

	INDIVIDUAL		CUMULATIVE	
	Current Year-Quarter 31.3.2015 RM'000	Preceding Year-Quarter 31.3.2014 RM'000	Current Year-To-Date 31.3.2015 RM'000	Preceding Year-To-Date 31.3.2014 RM'000
Current tax				
- for the financial period	2,579	1,675	2,579	1,675
Deferred tax				
- origination and reversal of temporary differences	(22)	93	(22)	93
- relating to change in income tax rate ⁽¹⁾	(4)	(127)	(4)	(127)
Tax expense	2,553	1,641	2,553	1,641

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 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 made in conjunction with the listing exercise of the Company in 2013 raised a gross proceeds of RM35.59 million. The status of utilisation of proceeds raised from the Public Issue as at 31 March 2015 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

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	Intended timeframe for utilisation (from the listing date)
	RM'000	RM'000	RM'000	%	RM'000	
Purchase of new machines	6,000	-	-	-	6,000	Within 3 years
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	<u>35,586</u>	<u>(23,586)</u>	-	-	<u>12,000</u>	

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 31 March 2015 were as follows:-

	As at	Audited
	31.3.2015	As at 31.12.2014
	RM'000	RM'000
<u>Current</u>		
Secured:		
Bankers' acceptances	79,387	66,710
Hire purchase payables	2,372	1,928
Term loans	125	175
Bank overdrafts	14,729	13,237
	<u>96,613</u>	<u>82,050</u>

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

B8. Group Borrowings (Cont'd)

	As at 31.3.2015 RM'000	Audited As at 31.12.2014 RM'000
Unsecured:		
Bankers' acceptances	73,669	59,623
Bank overdrafts	5,402	3,462
	<u>79,071</u>	<u>63,085</u>
	<u>175,684</u>	<u>145,135</u>
 <u><i>Non-current</i></u>		
Secured:		
Hire purchase payables	5,847	4,263
	<u>5,847</u>	<u>4,263</u>
 Total Borrowings	<u>181,531</u>	<u>149,398</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

There were no dividend proposed or declared during the current quarter.

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

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 31.3.2015 RM'000	Preceding Year-Quarter 31.3.2014 RM'000	Current Year-To-Date 31.3.2015 RM'000	Preceding Year-To-Date 31.3.2014 RM'000
Profit attributable to owners of the Company	6,637	4,273	6,637	4,273
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	310,000	310,000	310,000	310,000
Basic Earnings Per Share (sen)	2.14	1.38	2.14	1.38

(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 31.3.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of the Group		
(a) Realised	185,113	178,451
(b) Unrealised	(4,071)	(4,017)
	181,042	174,434
Less: consolidated adjustments	(2,614)	(2,643)
Total retained earnings	178,428	171,791

By order of the Board
Kuala Lumpur
26 May 2015