

KIM HIN INDUSTRY BERHAD (018203-V)

Interim Financial Report

31 March 2015

Interim Financial Report for the Three-Month Period ended 31 March 2015

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Interim report for the three-month period ended 31 March 2015

Condensed Consolidated Statement of Comprehensive Income

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Revenue	11	88,406	68,900	88,406	68,900
Cost of sales		(59,050)	(52,329)	(59,050)	(52,329)
Gross profit		29,356	16,571	29,356	16,571
Other income		5,086	4,766	5,086	4,766
Selling and distribution expenses		(5,540)	(4,241)	(5,540)	(4,241)
Administrative expenses		(14,779)	(10,017)	(14,779)	(10,017)
Other expenses		(912)	(1,338)	(912)	(1,338)
Operating profit		13,211	5,741	13,211	5,741
Finance costs		(117)	(124)	(117)	(124)
Share of loss of associate		-	(4)	-	(4)
Profit before tax	12	13,094	5,613	13,094	5,613
Income tax expense	13	(1,960)	(1,423)	(1,960)	(1,423)
Profit for the period		11,134	4,190	11,134	4,190
Other comprehensive income:					
Exchange translation differences on foreign subsidiaries		4,563	(1,045)	4,563	(1,045)
Total other comprehensive income for the period, net of tax		4,563	(1,045)	4,563	(1,045)
Total comprehensive income for the period, net of tax		15,697	3,145	15,697	3,145

Interim report for the three-month period ended 31 March 2015

Condensed Consolidated Statement of Comprehensive Income (contd.)

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Note	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Owners of the Company	11,017	3,876	11,017	3,876
Non-controlling interests	117	314	117	314
	<u>11,134</u>	<u>4,190</u>	<u>11,134</u>	<u>4,190</u>
	<u><u>11,134</u></u>	<u><u>4,190</u></u>	<u><u>11,134</u></u>	<u><u>4,190</u></u>
Total comprehensive income attributable to:				
Owners of the Company	14,292	3,142	14,292	3,142
Non-controlling interests	1,405	3	1,405	3
	<u>15,697</u>	<u>3,145</u>	<u>15,697</u>	<u>3,145</u>
	<u><u>15,697</u></u>	<u><u>3,145</u></u>	<u><u>15,697</u></u>	<u><u>3,145</u></u>
Earnings per share attributable to owners of the Company:				
- Earnings per share for the period (basic/diluted) (sen)	14			
		7.86	2.76	7.86
		<u>7.86</u>	<u>2.76</u>	<u>7.86</u>
		<u><u>7.86</u></u>	<u><u>2.76</u></u>	<u><u>7.86</u></u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

KIM HIN INDUSTRY BHD
(Company No: 018203-V)

Interim report for the three-month period ended 31 March 2015

Condensed Consolidated Statement of Financial Position

		31.03.2015	31.12.2014
	Note	Unaudited RM'000	Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	192,213	192,483
Investment properties	16	44,797	45,039
Other investments		51,318	53,763
Goodwill on consolidation	17	9,218	9,218
Deferred tax assets		2,076	2,786
		<hr/>	<hr/>
		299,622	303,289
		<hr/>	<hr/>
Current assets			
Inventories	18	114,258	115,619
Trade and other receivables		74,266	63,840
Other current assets		3,176	3,334
Current tax assets		1,572	2,174
Other investments		16,414	15,407
Cash and bank balances	19	42,289	43,654
		<hr/>	<hr/>
		251,975	244,028
		<hr/>	<hr/>
TOTAL ASSETS		551,597	547,317
		<hr/> <hr/>	<hr/> <hr/>

KIM HIN INDUSTRY BHD
(Company No: 018203-V)

Interim report for the three-month period ended 31 March 2015

Condensed Consolidated Statement of Financial Position (contd.)

		31.03.2015	31.12.2014
	Note	Unaudited RM'000	Audited RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	20	155,616	155,616
Share premium	20	51,042	51,042
Treasury shares	20	(24,309)	(24,309)
Other reserves		12,763	9,488
Revenue reserves		276,309	265,292
		<hr/>	<hr/>
		471,421	457,129
Non-controlling interests		23,717	22,312
		<hr/>	<hr/>
TOTAL EQUITY		495,138	479,441
		<hr/>	<hr/>
Non-current liabilities			
Provisions		815	810
Loans and borrowings	21	8,971	9,209
Deferred tax liabilities		339	339
		<hr/>	<hr/>
		10,125	10,358
		<hr/>	<hr/>
Current liabilities			
Loans and borrowings	21	964	964
Derivative liabilities	22	1,096	689
Trade and other payables		41,963	52,746
Provisions		1,261	1,163
Tax payable		1,050	1,956
		<hr/>	<hr/>
		46,334	57,518
		<hr/>	<hr/>
TOTAL LIABILITIES		56,459	67,876
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		551,597	547,317
		<hr/> <hr/>	<hr/> <hr/>
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.36	3.26
		<hr/> <hr/>	<hr/> <hr/>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

Interim report for the three-month period ended 31 March 2015

Condensed Consolidated Statement of Changes in Equity

	← Attributable to equity holders of the Company →		Distributable		Non-controlling interests ("NCI")	Total equity	
	Share capital	Share premium	Treasury shares	Reserve and expansion funds			Translation adjustment account
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	155,616	51,042	(24,309)	2,362	7,126	265,292	457,129
Total comprehensive income for the period	-	-	-	-	3,275	11,017	14,292
At 31 March 2015	155,616	51,042	(24,309)	2,362	10,401	276,309	471,421
At 1 January 2014	155,616	51,042	(24,309)	1,835	5,415	250,344	439,943
Total comprehensive income for the period	-	-	-	-	(734)	3,876	3,142
At 31 March 2014	155,616	51,042	(24,309)	1,835	4,681	254,220	443,085

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

Interim report for the three-month period ended 31 March 2015

Condensed Consolidated Statement of Cash Flows

	Note	3 months ended	
		31.03.2015 RM'000	31.03.2014 RM'000
Operating activities			
Profit before tax		13,094	5,613
Adjustments for:			
Bad debts written back		-	(74)
Depreciation of investment properties		302	232
Depreciation of property, plant and equipment		5,277	5,279
Dividend income		(47)	(19)
(Gain)/loss on disposal of property, plant and equipment		(43)	29
Gains on fair value changes		(2,456)	(604)
Impairment on investment in an associate reversed		-	(4)
Impairment loss on trade receivables		8	-
Impairment loss on trade receivables reversed		-	(70)
Interest expense		117	124
Interest income		(73)	(271)
Inventories written off		22	12
Loss/(gain) on disposal of other investments		25	(20)
Property, plant and equipment written off		1	-
Share of loss of an associate		-	4
Unrealised (gain)/loss on foreign exchange		(438)	227
Write-down of inventories (reversed)/provided		(293)	984
Operating cash flows before changes in working capital		15,496	11,442
Changes in working capital:			
Decrease/(increase) in inventories		5,290	(3,488)
Increase in receivables		(14,487)	(375)
Decrease in payables		(4,727)	(7,690)
Cash generated from/(used in) operations		1,572	(111)
Interest paid		(117)	(124)
Taxes paid, net of refund		(1,641)	(319)
Net cash flows used in operating activities carried forward		(186)	(554)

Interim report for the three-month period ended 31 March 2015

Condensed Consolidated Statement of Cash Flows (contd.)

	Note	3 months ended	
		31.03.2015 RM'000	31.03.2014 RM'000
Net cash flows used in operating activities brought forward		(186)	(554)
Investing activities			
Acquisition of property, plant and equipment		(2,127)	(4,647)
Acquisition of other investments		(1,000)	(1,019)
Dividend received		41	19
Interest received		73	271
Proceeds from disposal of other investments		6,272	8,453
Proceeds from disposal of property, plant and equipment		62	32
Net cash flows from investing activities		<u>3,321</u>	<u>3,109</u>
Financing activities			
Dividend paid		(4,207)	-
Repayment of lease payables		(3)	(3)
Repayment of term loan		(233)	(226)
Net cash flows used in financing activities		<u>(4,443)</u>	<u>(229)</u>
Net (decrease)/decrease in cash and cash equivalents		(1,308)	2,326
Effect of foreign exchange rate changes		(57)	265
Cash and cash equivalents at 1 January	19	<u>43,654</u>	<u>51,129</u>
Cash and cash equivalents at 31 March	19	<u><u>42,289</u></u>	<u><u>53,720</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

PART A – Explanatory Notes Pursuant to MFRS 134

1. Basis of preparation

The condensed consolidated interim financial statements, for the period ended 31 March 2015 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the condensed consolidated 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 Group since the financial year ended 31 December 2014.

2. Changes in accounting policies

The significant accounting policies adopted by the Group in the condensed consolidated interim financial statements are consistent with those of the Group’s audited financial statements for the year ended 31 December 2014, except for the adoption of the following with effect from 1 January 2015:

- Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The application of these amendments has no material impact on the disclosures or on the amounts recognised in the Group’s and the Company’s financial statements.

3. Seasonal or cyclical factors

The business operations of the Group have been significantly affected by seasonal or cyclical factors relating to the festive season, which normally affects the construction industry in the first quarter of the year.

PART A – Explanatory Notes Pursuant to MFRS 134

4. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows of the Group for the financial quarter ended 31 March 2015.

5. Changes in estimates

There were no changes in estimates of amounts that have had a material effect on the results of the current financial quarter and financial year to date.

6. Debt and equity securities

There were no issuances and repayments of debt and equity securities, share buy backs, shares cancellation, shares held as treasury shares and resale of treasury shares in the current quarter and financial year to date.

7. Dividends paid

An interim dividend in respect of the financial year ended 31 December 2014, of 3.0 sen per ordinary share, tax exempt, on the 140,239,113 ordinary shares, amounting to RM4,207,173 has been paid on 9 January 2015.

8. Material subsequent events

There were no material event subsequent to the end of the financial quarter reported that have not been reflected in these interim financial statements.

9. Changes in composition of the Group

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

10. Changes in contingent liabilities and contingent assets

There were no material contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2014.

PART A – Explanatory Notes Pursuant to MFRS 134

11. Revenue

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Sales of goods	88,359	68,881
Dividend income	47	19
	<u>88,406</u>	<u>68,900</u>

12. Profit before tax

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Profit for the period is arrived at after charging/(crediting):		
Bad debts written back	-	(74)
Depreciation of investment properties	302	232
Depreciation of property, plant and equipment	5,277	5,279
Dividend income	(47)	(19)
(Gain)/loss on disposal of property, plant and equipment	(43)	29
(Gain)/loss on fair value changes		
- derivatives	390	(190)
- other investments	(2,846)	(414)
Impairment on investment in an associate reversed	-	(4)
Impairment loss on trade receivables	8	-
Impairment loss on trade receivables reversed	-	(70)
Interest expense	117	124
Interest income	(73)	(271)
Inventories written off	22	12
Loss/(gain) on disposal of other investments	25	(20)
Property, plant and equipment written off	1	-
Share of loss of an associate	-	4
Unrealised (gain)/loss on foreign exchange	(438)	227
Write-down of inventories (reversed)/provided	(293)	984
	<u> </u>	<u> </u>

PART A – Explanatory Notes Pursuant to MFRS 134

13. Income tax expense

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Current income tax:		
Malaysian income tax	1,161	932
Foreign tax	89	499
	<u>1,250</u>	<u>1,431</u>
Deferred income tax	710	(8)
	<u>1,960</u>	<u>1,423</u>
Income tax expense for the period	<u><u>1,960</u></u>	<u><u>1,423</u></u>

The effective tax rate of the Group for the current financial quarter and the financial period ended 31 March 2014 respectively was lower than the statutory tax rate principally due to utilisation of unused capital allowances which was not previously recognised as deferred tax assets.

14. Earnings per share

Basic/Diluted

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

There is no dilutive effect of all potential ordinary shares.

The following reflect the profit and share data used in the computation of basic earnings per share:

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Profit, net of tax attributable to owners of the Company (RM'000)	<u>11,017</u>	<u>3,876</u>
Number of ordinary shares in issue as of 1 January ('000)	155,616	155,616
Number of treasury shares ('000)	<u>(15,377)</u>	<u>(15,377)</u>
Weighted average number of ordinary shares in issue ('000)	<u>140,239</u>	<u>140,239</u>
Basic earnings per share (sen)	<u><u>7.86</u></u>	<u><u>2.76</u></u>

PART A – Explanatory Notes Pursuant to MFRS 134

15. Property, plant and equipment

During the three months ended 31 March 2015, the Group acquired property, plant and equipment at a cost of RM2,127,000 (31 March 2014: RM4,647,000)

The Group disposed of property, plant and equipment with carrying amount of RM19,000 during the period ended 31 March 2015 (31 March 2014: RM 61,000), resulting in gain on disposal of RM43,000 (31 March 2014: loss of RM29,000) recognised and included in other income or other expenses respectively in the consolidated statement of comprehensive income.

16. Investment properties

	31.03.2015	31.03.2014
	RM'000	RM'000
Cost		
At 1 January	48,002	46,457
Translation difference	70	1,083
	<u>48,072</u>	<u>47,540</u>
At 31 March	<u>48,072</u>	<u>47,540</u>
Accumulated depreciation		
At 1 January	2,963	2,047
Charge for the year	302	232
Translation difference	10	78
	<u>3,275</u>	<u>2,357</u>
At 31 March	<u>3,275</u>	<u>2,357</u>
Net carrying amount		
At 31 March	<u><u>44,797</u></u>	<u><u>45,183</u></u>

17. Goodwill on consolidation

	31.03.2015	31.03.2014
	RM'000	RM'000
Cost		
At 1 January /31 March	<u>9,837</u>	<u>10,627</u>
Accumulated impairment		
At 1 January/31 March	<u>(619)</u>	<u>(1,409)</u>
Net carrying amount		
At 31 March	<u><u>9,218</u></u>	<u><u>9,218</u></u>

PART A – Explanatory Notes Pursuant to MFRS 134

18. Inventories

During the period ended 31 March 2015, the Group recognised a reversal of RM293,000 on write-down of inventories (31 March 2014: write-down of RM984,000) to net realisable value. This reversal or expense was included in other income or other expenses respectively in the consolidated statement of comprehensive income.

19. Cash and bank balances

Cash and cash equivalents comprised the following amounts:

	31.03.2015	31.03.2014
	RM'000	RM'000
Cash on hand and at bank	21,595	23,252
Deposits with financial institutions	20,694	30,468
	<u>42,289</u>	<u>53,720</u>
Cash and cash equivalents	<u><u>42,289</u></u>	<u><u>53,720</u></u>

20. Share capital, share premium and treasury shares

Issue of shares

There was no issuance of ordinary shares during the current financial quarter.

Treasury shares

During the current financial quarter, the Company has not purchased any of its own shares.

Of the total 155,616,013 (31 March 2014: 155,616,013) issued and fully paid ordinary shares as at 31 March 2015, 15,376,900 (31 March 2014: 15,376,900) are held as treasury shares by the Company. As at 31 March 2015, the number of outstanding ordinary shares in issue after the set off is therefore 140,239,113 (31 March 2014: 140,239,113) ordinary shares of RM1 each.

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PART A – Explanatory Notes Pursuant to MFRS 134

21. Borrowings and debt securities

The details of the Group's secured borrowings, all denominated in Ringgit Malaysia, are as follows:

	31.03.2015	31.03.2014
	RM'000	RM'000
<i>Financial lease liabilities</i>		
Current	14	13
Non-current	17	31
	<u>31</u>	<u>44</u>
<i>Term loan, secured</i>		
Current	950	939
Non-current	8,954	9,886
	<u>9,904</u>	<u>10,825</u>
Total borrowings	<u><u>9,935</u></u>	<u><u>10,869</u></u>

22. Derivative assets/liabilities

As at the end of the current financial quarter, the derivatives (including financial instruments designated as hedging instruments) entered into by the Group consist of forward foreign exchange contracts entered regularly by the Group with licensed financial institutions to hedge against currency fluctuation for its accounts receivables and payables as part of the normal course of business. Details of the outstanding derivative financial instruments as at 31 March 2015 are tabulated below.

	Contract Value	Fair Value	Gain/(loss) on fair value changes	Reason for gain/(loss)
	RM'000	RM'000	RM'000	
Maturity within 1 year	<u>33,427</u>	<u>34,506</u>	<u>(1,079)</u>	Strengthening of USD

The fair value of forward foreign exchange contract is determined by using the market rates at the end of reporting period and changes in the fair value is recognised in the profit or loss. The subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognised as an asset or a liability with the corresponding gain or loss recognised in the profit or loss.

The above derivative financial instrument is subjected to credit risk arising from the possibility of default of the counter party in meeting its contractual obligations in which the Group has a gain in the contract. This, however, is minimised as the financial instrument is executed with creditworthy financial institutions.

The Group had sufficient internal funds for its settlement when it falls due.

PART A – Explanatory Notes Pursuant to MFRS 134

23. Capital commitments

The amount of capital expenditure for property, plant and equipment not provided for in the interim financial statements as at 31 March 2015 was as follows:

	31.03.2015	31.03.2014
	RM'000	RM'000
Authorised and contracted for	4,089	5,219
	<u> </u>	<u> </u>

24. Changes in contingent liabilities and contingent assets

There were no material contingent liabilities or contingent assets as at the date of this announcement.

25. Financial instruments

Determination of fair value

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, which are not carried at fair value in the financial statements. It does not include those short term/on demand financial assets and financial liabilities where the carrying amounts are reasonable approximation of their fair values:

	31.03.2015		31.03.2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Interest-bearing borrowings:				
- Financial lease liabilities	17	17	31	31
- Term loan	8,954	8,954	9,886	9,886
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>8,971</u>	<u>8,971</u>	<u>9,917</u>	<u>9,917</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PART A – Explanatory Notes Pursuant to MFRS 134

25. Financial instruments

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities,

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets/(liabilities) measured at fair value consist of other investments and derivative assets.

	RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31.03.2015				
Financial assets				
Other investments				
- unit trust funds	51,318	51,318	-	-
- unquoted structure products	16,414	-	-	16,414
	<u>67,732</u>	<u>51,318</u>	<u>-</u>	<u>16,414</u>
	=====	=====	=====	=====
Financial liabilities				
Derivative liabilities	1,096	-	1,096	-
	<u>1,096</u>	<u>-</u>	<u>1,096</u>	<u>-</u>
	=====	=====	=====	=====
31.03.2014				
Financial assets				
Other investments				
- unit trust funds	45,838	45,838	-	-
Derivative assets	25	-	25	-
	<u>45,863</u>	<u>45,838</u>	<u>25</u>	<u>-</u>
	=====	=====	=====	=====

There have been no transfers between any levels of the fair value hierarchy and no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset during the current interim period and the comparative period. All changes in the fair values are recognised in statement of comprehensive income.

PART A – Explanatory Notes Pursuant to MFRS 134

26. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the three-month period ended 31 March 2015 and 31 March 2014:

	3 months ended	
	31.03.2015	31.03.2014
	RM'000	RM'000
Holding company, Kim Hin (Malaysia) Sdn Bhd		
Rental of office and warehouse	499	499
Insurance commission earned as insurance agent	36	66
Sale of ceramic tiles	39	-
A subsidiary of holding company, Kam Kam (Sanitaryware) Sdn Bhd		
Purchases of sanitary ware for resale	716	333
Directors' interest		
Sale of ceramic tiles	17	33
Renovation and maintenance costs	17	174
Provision of container haulage, transport, declaration, loading and unloading services	-	764
Provision of warehouse, operations and inventory management	-	143
Purchase of ceramic tiles for resale	1,769	1,119
	<u>1,769</u>	<u>1,119</u>

The transactions have been entered into with related parties on terms and conditions that are not more favorable to the related party than those generally available to the public.

PART A – Explanatory Notes Pursuant to MFRS 134

27. Segmental information (contd.)

The Group operates principally in one industry and the information for each of the Group's geographical segments for the current financial quarter is as follows:

	Malaysia Operation	China Operation	Australia Operation	Vietnam Operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
31.03.2015					
<i>Segment Revenue</i>					
Total sales	66,962	12,221	14,176	226	93,585
Inter-segment sales	(5,033)	(146)	-	-	(5,179)
	<u>61,929</u>	<u>12,075</u>	<u>14,176</u>	<u>226</u>	<u>88,406</u>
<i>Segment Results</i>					
Segment operating profit/(loss)	13,080	587	(338)	(118)	13,211
Finance cost	(117)	-	-	-	(117)
	<u>12,963</u>	<u>587</u>	<u>(338)</u>	<u>(118)</u>	<u>13,094</u>
Profit/(loss) before tax	12,963	587	(338)	(118)	13,094
Income tax expense	(1,908)	(52)	-	-	(1,960)
	<u>11,055</u>	<u>535</u>	<u>(338)</u>	<u>(118)</u>	<u>11,134</u>
Profit/(loss) for the period	11,055	535	(338)	(118)	11,134
Non-controlling interest	-	(153)	-	36	(117)
	<u>-</u>	<u>(153)</u>	<u>-</u>	<u>36</u>	<u>(117)</u>
Profit/(loss) attributable to owners of the parent	<u>11,055</u>	<u>382</u>	<u>(338)</u>	<u>(82)</u>	<u>11,017</u>

The following table presents segment assets and liabilities of the Group's operating segments as at 31 March 2015:

	Malaysia Operation	China Operation	Australia Operation	Vietnam Operation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Segment Assets</i>					
Total assets	396,639	91,326	62,221	1,411	551,597
Inter-segment assets	-	-	-	-	-
	<u>396,639</u>	<u>91,326</u>	<u>62,221</u>	<u>1,411</u>	<u>551,597</u>
<i>Segment Liabilities</i>					
Total liabilities	25,161	8,517	21,613	1,168	56,459
Inter-segment liabilities	-	-	-	-	-
	<u>25,161</u>	<u>8,517</u>	<u>21,613</u>	<u>1,168</u>	<u>56,459</u>

PART A – Explanatory Notes Pursuant to MFRS 134

27. Segmental information

The information for each of the Group's geographical segments for the preceding year's corresponding financial quarter is as follows:

	Malaysia Operation RM'000	China Operation RM'000	Australia Operation RM'000	Total RM'000
31.03.2014				
<i>Segment Revenue</i>				
Total sales	53,420	14,920	1,895	70,235
Inter-segment sales	(1,335)	-	-	(1,335)
	<u>52,085</u>	<u>14,920</u>	<u>1,895</u>	<u>68,900</u>
<i>Segment Results</i>				
Segment operating profit	3,655	1,531	555	5,741
Finance cost	(124)	-	-	(124)
Share of associate's result	(4)	-	-	(4)
	<u>3,527</u>	<u>1,531</u>	<u>555</u>	<u>5,613</u>
Profit before tax	3,527	1,531	555	5,613
Income tax expense	(992)	(431)	-	(1,423)
	<u>2,535</u>	<u>1,100</u>	<u>555</u>	<u>4,190</u>
Profit for the year	2,535	1,100	555	4,190
Non-controlling interest	-	(314)	-	(314)
	<u>2,535</u>	<u>786</u>	<u>555</u>	<u>3,876</u>
Profit attributable to owners of the parent	<u>2,535</u>	<u>786</u>	<u>555</u>	<u>3,876</u>

The following table presents segment assets and liabilities of the Group's operating segments as at 31 March 2014:

	Malaysia Operation RM'000	China Operation RM'000	Australia Operation RM'000	Total RM'000
<i>Segment Assets</i>				
Total asset	398,697	77,893	35,484	512,074
Inter-segment assets	-	-	-	-
	<u>398,697</u>	<u>77,893</u>	<u>35,484</u>	<u>512,074</u>
<i>Segment Liabilities</i>				
Total liabilities	31,923	7,594	9,437	48,954
Inter-segment liabilities	-	-	-	-
	<u>31,923</u>	<u>7,594</u>	<u>9,437</u>	<u>48,954</u>

PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

28. Performance review

Current financial quarter as compared with preceding year's corresponding quarter

During the current financial quarter under review, revenue of the Group improved to RM88.4 million from RM68.9 million as compared with the preceding year's corresponding financial quarter ended 31 March 2014.

The Group's Malaysia operation registered an increase in revenue for the current financial quarter, due to increased domestic demand before the implementation of the Goods and Services Tax by the Malaysian Government. The higher revenue of the Group's Australian operation was due to the inclusion of contribution from Johnson Tiles Pty Limited which was acquired on 30 May 2014.

The Group registered a profit before tax of RM13.1 million for the current financial quarter as compared to RM5.6 million in the first quarter of the previous financial year on the back of higher revenue and improved profit margin.

29. Comment on material change in the current financial quarter's results compared to the results of the preceding quarter

The Group's revenue for the current financial quarter has declined only marginally from RM88.9 million to RM88.4 million, in spite of seasonal factors disclosed in Note 3, which normally would affect the sales in the first quarter.

The Group recorded a profit before tax of RM13.1 million for the current financial quarter under review as compared to a profit before tax of RM5.6 million for the immediate preceding quarter, mainly due to improved operating profit margin and the gain on fair value change on other investments.

30. Commentary on prospects

The Group expects the results for the current year to be favorable subject to the performance of the national and regional economies, fluctuations in main operating costs and foreign exchange movement.

PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

31. Profit forecast or profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

32. Commentary on progress to achieve revenue or profit estimate, forecast, projection or internal targets

The disclosure requirements are not applicable as no announcements or disclosures were published by the Company in a public document as to the revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

33. Statement by the Board of Directors on achievability of revenue or profit estimate, forecast, projection or internal targets

The statement of the Board of Directors' opinion are not required as no announcements or disclosures were published by the Company in a public document as to the revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

34. Status of corporate proposals

There were no corporate proposals announced but not completed as at 27 May 2015.

35. Changes in material litigation

As at the date of this announcement, the Group is not engaged in any pending material litigation except for debt recovery actions initiated by the Group against certain of its trade receivables in the normal course of business.

36. Dividend payable

No interim dividend has been declared for the financial period ended 31 March 2015 (31 March 2014: Nil).

37. Disclosure of nature of outstanding derivatives

Please refer to Note 22 for details.

38. Disclosure of gains / losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2015 and 31 March 2014.

PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

39. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

40. Realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 March 2014 and 31 March 2013, into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31.03.2015	As at 31.03.2014
	RM’000	RM’000
Total retained profits of the Company and its subsidiaries		
- Realised	257,488	245,964
- Unrealised in respect of		
- gains on fair value changes	17,189	11,033
- deferred tax recognised in the income statement	1,737	(281)
- other items of income and expense	(85)	(16)
	<u>276,329</u>	<u>256,700</u>
Total share of accumulated losses from an associate:		
- Realised	-	(1,912)
	<u>276,329</u>	<u>254,788</u>
Less: Consolidated adjustments	(20)	(568)
Total Group’s revenue reserve as per financial statements	<u><u>276,309</u></u>	<u><u>254,220</u></u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

BY ORDER OF THE BOARD

LOW WAI SEE
Secretary
27 May 2015