

Quarterly report on consolidated results for the third financial quarter ended 31st December 2012

Condensed Consolidated Income Statements for the third quarter ended 31st December 2012

(The figures have not been audited)

| | 3 months ended | | 9 months ended | |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31st Dec 2012 RM'000 | 31st Dec 2011 RM'000 | 31st Dec 2012 RM'000 | 31st Dec 2011 RM'000 |
| Revenue | 32,750 | 33,757 | 101,824 | 107,299 |
| Operating Expenses | (32,132) | (32,915) | (101,196) | (102,376) |
| Other operating income | 76 | 702 | 698 | 801 |
| Profit from operations | <u>694</u> | <u>1,544</u> | <u>1,326</u> | <u>5,724</u> |
| Finance costs | (553) | (1,202) | (1,767) | (5,052) |
| Extraordinary Income | 2,748 | 0 | 2,748 | - |
| Profit before tax | <u>2,889</u> | <u>342</u> | <u>2,307</u> | <u>672</u> |
| Income tax expense | 0 | (205) | 0 | (261) |
| Profit for the period | <u>2,889</u> | <u>137</u> | <u>2,307</u> | <u>411</u> |
| Profit for the period | <u>2,889</u> | <u>137</u> | <u>2,307</u> | <u>411</u> |
| Attributable to: | | | | |
| Equity holders of the parent | 106 | 28 | (599) | 264 |
| Minority interest | 35 | 109 | 158 | 147 |
| | <u>141</u> | <u>137</u> | <u>(441)</u> | <u>411</u> |
| Basic - sen | <u>0.22</u> | <u>0.04</u> | <u>(1.24)</u> | <u>0.41</u> |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2012 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2012

Condensed Consolidated Balance Sheet as at 31st December 2012

(The figures have not been audited)

| | As at 31st Dec 2012 RM RM'000 | As at 31st Mar 2012 RM RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 67,580 | 67,802 |
| Investment Properties | 36,299 | 21,278 |
| Other investments | 2,084 | 2,118 |
| | <u>105,963</u> | <u>91,198</u> |
| Current assets | | |
| Inventories | 14,221 | 12,647 |
| Trade receivables | 25,918 | 20,741 |
| Other receivables | 6,601 | 7,035 |
| Tax recoverable | 980 | 383 |
| Other investments | 4,010 | 48 |
| Cash and bank balances | 13,814 | 4,380 |
| | <u>65,544</u> | <u>45,234</u> |
| TOTAL ASSETS | <u>171,507</u> | <u>136,432</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 48,489 | 6,464 |
| Share premium | 21,206 | 23,752 |
| Other reserves | 5,251 | 5,251 |
| ICULS- Equity reserve | 22,699 | - |
| Warrants reserve | 81 | - |
| Retained earnings | 16,743 | 14,578 |
| | <u>114,469</u> | <u>50,045</u> |
| Minority interests | <u>8,655</u> | <u>752</u> |
| Total equity | <u>123,124</u> | <u>50,797</u> |
| Non-current liabilities | | |
| Retirement benefit obligations | 1,423 | 1,510 |
| Borrowings | 10,905 | 12,717 |
| Deferred tax liabilities | 3,827 | 3,827 |
| | <u>16,155</u> | <u>18,054</u> |
| Current liabilities | | |
| Borrowings | 14,769 | 33,882 |
| Trade payables | 14,698 | 12,061 |
| Other payables | 2,761 | 21,367 |
| Provision for taxation | - | 271 |
| | <u>32,228</u> | <u>67,581</u> |
| Total liabilities | <u>48,383</u> | <u>85,635</u> |
| TOTAL EQUITY AND LIABILITIES | <u>171,507</u> | <u>136,432</u> |
| Net asset per share attributable to ordinary equity holders of the parent (RM) | 2.36 | 7.74 |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2012 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2012

Condensed Consolidated Cash Flow Statements for the third quarter ended 31st December 2012

(The figures have not been audited)

| | 9 months ended | |
|--|---------------------------------------|---------------------------------------|
| | As at 31st December 2012 RM'000 | As at 31st December 2011 RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss)/ profit before taxation | (441) | 672 |
| Adjustments for: | | |
| Depreciation | 3,351 | 3,441 |
| Increase in share capital | 42,024 | - |
| Share premium expenses | (2,546) | - |
| Other Investment | 33 | - |
| Share capital | - | - |
| Retained earnings | - | - |
| Issuance of ICULS | 22,699 | - |
| Issuance of Warrants | 81 | - |
| Retirement Benefit paid | (88) | - |
| Interest expense | 1,756 | 5,052 |
| Operating profit before working capital changes | <u>66,869</u> | <u>9,165</u> |
| Increase in inventories | (1,575) | (2,606) |
| Increase in receivables | (4,834) | (1,261) |
| Decrease in payables | (16,534) | (12,818) |
| Cash generated from/ (used in) operations | <u>43,926</u> | <u>(7,520)</u> |
| Income tax paid | (211) | (153) |
| Interest paid | (1,756) | (1,150) |
| Net cash from/ (used in) operating activities | <u>41,959</u> | <u>(8,823)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (3,136) | (2,293) |
| Purchase of investment | (8,963) | - |
| Proceeds from sale of fixed assets | 499 | 12,671 |
| Net cash from/ (used in) investing activities | <u>(11,600)</u> | <u>10,378</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Repayment)/ Proceeds of short term borrowings | (16,336) | (20,989) |
| Repayment of long term borrowings | (1,817) | 13,201 |
| Repayment of HP borrowings | (32) | (74) |
| | <u>(18,185)</u> | <u>(7,862)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 12,174 | (6,307) |
| CASH AND CASH EQUIVALENTS AT BEGINNING | <u>1,311</u> | <u>(508)</u> |
| CASH AND CASH EQUIVALENTS AT END | <u><u>13,485</u></u> | <u><u>(6,815)</u></u> |
| Represented by: | | |
| Cash and bank balances | 13,814 | 2,871 |
| Bank overdrafts | (329) | (9,686) |
| | <u><u>13,485</u></u> | <u><u>(6,815)</u></u> |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2012

Condensed Consolidated Statements of Changes in Equity for the third quarter ended 31st December 2012

| | Attributable to Equity Holders of the Parent | | | | | Total | Minority Interest | Total Equity |
|--|--|---------------|---------------------|---------------|-----------------------------|----------------|-------------------|----------------|
| | Share capital | Share premium | Revaluation reserve | Other reserve | Accumulated profit (losses) | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 9 months ended 31st December 2011 | | | | | | | | |
| As at 1 April 2011 | 64,645 | 23,752 | 6,009 | (329) | (61,489) | 32,588 | 904 | 33,492 |
| Movements during the period (cumulative) | - | - | - | - | - | - | - | - |
| Net profit for the period | - | - | - | - | 265 | 265 | 147 | 412 |
| At 31st December 2011 | <u>64,645</u> | <u>23,752</u> | <u>6,009</u> | <u>(329)</u> | <u>(61,224)</u> | <u>32,853</u> | <u>1,051</u> | <u>33,904</u> |
| 9 months ended 31st December 2012 | | | | | | | | |
| As at 1 April 2012 | 6,464 | 23,752 | 5,251 | (758) | 14,578 | 49,287 | 752 | 50,039 |
| Movements during the period (cumulative) | 42,025 | (2,546) | - | 23,538 | - | 63,017 | - | 63,017 |
| Net profit for the period | - | - | - | - | 2,165 | 2,165 | 7,903 | 10,068 |
| At 31st December 2012 | <u>48,489</u> | <u>21,206</u> | <u>5,251</u> | <u>22,780</u> | <u>16,743</u> | <u>114,469</u> | <u>8,655</u> | <u>123,124</u> |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES : (AS PER MFRS 134)**A1 Accounting policies****First-time Adoption of Malaysian Financial Reporting Standards (“MFRS”)**

The condensed consolidated interim financial statements (“Report”) have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”). For the periods up to 30 September 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRSs”).

This Report is the Group’s first MFRS condensed consolidated interim financial statements for the quarter ended 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied.

The accounting policies and methods used in preparing the quarterly financial statements are consistent and should be read in conjunction with the audited financial statements for the financial year ended 31st March 2012.

These explanatory notes attached to 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 Group since the year ended 31st March 2012.

A2 Changes in Accounting Policies
Application of MFRS 1

The unaudited financial statements of the Group for the quarter ended 31 December 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Report are consistent with those of the audited financial statements for the financial year ended 31 December 2012 except as discussed below:

Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

A2.1 Standards issued but not yet effective

At the date of authorisation of this Report, the following Malaysian Financial Reporting Standards (“MFRSs”), Amendments to MFRSs and IC Interpretation (“IC Int”) were issued but not yet effective and have not been applied by the Group:

| MFRSs, Amendments to MFRSs and IC Interpretation | | Effective date |
|--|---|----------------|
| Amendments to MFRS 132 | Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| MFRS 9 | Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010) | 1 January 2015 |

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31st March, 2012.

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st March 2012 was not subject to any audit qualification.

A4 Segmental reporting

Segmental analysis for the current financial year to-date

| | Revenue (RM) | Profit/(Loss) From Operations (RM) |
|---------------|--------------|------------------------------------|
| Manufacturing | 64,458,342 | 3,093,183 |
| Trading | 36,266,976 | (823,686) |
| Others | 1,098,756 | (943,060) |
| | ----- | ----- |
| | 101,824,074 | 1,326,437 |
| | ===== | ===== |

A5 Unusual items

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

A6 Changes in estimates

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

A7 Seasonality or cyclicity of operation

The business of the Group is generally neither non-cyclical nor seasonal except for decreased activities during the festive season.

A8 Dividend

No dividend has been declared for the period.

A9 Valuation of property, plant and equipment

The valuation of property, plant and equipment have been brought forward, without amendment from the audited financial statements for the financial year ended 31st March 2012.

EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**A10 Issuances and repayments of debts and equity securities**

There were no changes in the equity structure of the company during this period.

There were no issuances and repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

A11 Changes in the composition of the Group

The Company on 11 December 2012 has entered into Share Sales Agreements for the Proposed Acquisition of 5,001 ordinary shares of RM1.00 each, representing 50.01% of the share capital of Kembang Kartika Sdn Bhd (“KKSBB”), resulting in KKSBB being a subsidiary of SMPC. The said acquisition was completed on 28 December 2012.

KKSBB with an authorized share capital of RM 100,000 divided into 100,000 ordinary shares of RM 1.00 each and the issued and paid up capital of RM 10,000 divided into 10,000 ordinary shares of RM 1.00 each.

The principal business activities of KKSBB are that of Property Investment and Development and currently it is dormant.

Except for the above, there were no changes in the composition of the Group for the current financial year to date.

A12 Subsequent material events

To the best knowledge of the Directors, there is no transaction or event of a material or unusual nature occurring between 31st December, 2012 and the date of this announcement.

B1 Review of the performance of the Company and its principal subsidiaries

| | 3 months ended | |
|-------------------|----------------|-------------|
| | 31 Dec 2012 | 31 Dec 2011 |
| Revenue | 32,750 | 33,757 |
| Profit before tax | 2,889 | 342 |

The Group recorded revenue of RM32.750million for the 3 months ended 31 December 2012 (“3Qtr”) compared to revenue of RM33.757million in the preceding year corresponding period (“3Qtr”). There is a decrease of RM1.007million (3.07%) due to decrease in the quantity in Metal Recycling and Steel Furniture Division.

The Group recorded a profit before tax of RM2.889million for the 3rd quarter ended 31 December 2012 compare to profit of RM342,000 for the preceding year corresponding quarter mainly because of bargain gain in purchase of subsidiary Kembang Kartika Sdn Bhd.

EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter

| | 3months ended | |
|--------------------------|------------------|-------------------|
| | 31 December 2012 | 30 September 2012 |
| Profit/(loss) before tax | 2,889 | (953) |

The current quarter recorded a profit before tax of RM2.889million as compared to a loss of RM953,000 to the immediate preceding quarter mainly contributed by bargain gain in purchase of subsidiary Kembang Kartika Sdn Bhd.

B3 Prospects of the current financial year

The Board of Directors is of the opinion that the Company will continue to face challenging time ahead, hence will take necessary steps to improve efficiency and productivity. The Company is expected to report sustainable results for the financial year.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises :-

| | Current Year Quarter 31/12/2012 RM'000 | Cumulative Quarters | |
|--|--|--|---|
| | | Current Year To Date 31/12/2012 RM'000 | Preceding Year Corresponding Period 31/12/2011 RM'000 |
| Current tax expense | | | |
| Current year | - | - | 261 |
| Over provision of Income tax expense in prior year | - | - | - |
| | - | - | 261 |
| Over provision of Deferred tax in prior year | - | - | - |
| | - | - | 261 |

EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**B6 Other Investments**

| | Unquoted Shares RM | Shares quoted in Malaysia RM | Unit Trusts quoted in Malaysia RM | Total RM |
|--|--------------------------|------------------------------------|---|-------------------------|
| Non-current | | | | |
| Available for sale financial assets | 2,999,838 | - | - | 2,999,838 |
| Impairment loss | (915,394) | - | - | (915,394) |
| | <u>2,084,444</u> | <u>-</u> | <u>-</u> | <u>2,084,444</u> |
| Current | | | | |
| Available for sale financial assets | - | 4,008,351 | 8,076 | 4,016,427 |
| Fair value adjustments | - | (14,960) | 8,568 | (6,392) |
| | <u>-</u> | <u>3,993,391</u> | <u>16,644</u> | <u>4,010,035</u> |
| Total | <u><u>2,084,444</u></u> | <u><u>3,993,391</u></u> | <u><u>16,644</u></u> | <u><u>6,094,479</u></u> |
| Representing items: | | | | |
| At cost | 2,084,444 | - | - | 2,084,444 |
| At fair value | - | 3,993,391 | 16,644 | 4,010,035 |
| | <u>2,084,444</u> | <u>3,993,391</u> | <u>16,644</u> | <u>6,094,479</u> |
| At market value | <u>-</u> | <u>3,878,412</u> | <u>16,644</u> | <u>3,895,056</u> |

B7 Status of corporate proposals

There were no other corporate proposals at the date of issue of the quarterly report.

B8 Group borrowings and debt securities

There were no bank borrowings (other than as detailed below) and debt securities as at the end of the reporting period.

| | Short Term RM '000 | Long Term RM '000 |
|----------------------|-----------------------|----------------------|
| Secured | | |
| Bank overdraft | 329 | - |
| Bankers' acceptances | 703 | - |
| Term loan | 13,737 | 10,836 |
| Revolving credit | - | - |
| Hire Purchase Loan | - | 69 |
| | <u>14,769</u> | <u>10,905</u> |

B8 Material litigation

There is no material litigation pending as at the date of this announcement.

B9 Dividend

The Board of Directors of the Company has not recommended any dividend in the financial year to date.

B10 Earnings per share**(i) Basic earnings per ordinary share**

The earnings per share is calculated by dividing the net loss attributable to shareholders of RM598,780 by the number of ordinary shares in issue during the current quarter of 48,489,059.

(ii) Diluted earnings per ordinary share

The diluted earnings per share is not presented as the assumed conversion of potential ordinary share are anti-dilutive.

11 Realised and unrealised profits/losses disclosure

The retained profits as at 31 December 2012 and 31 March 2012 is analysed as follows:-

| | Current financial period 31 December 2012 RM'000 | As at the end of last financial year 31 March 2012 RM'000 |
|---|---|---|
| Total retained profit/ (accumulated loss) of the Company and its subsidiaries: | | |
| - Realised | 16,743 | (31,075) |
| - Unrealised | - | (3,827) |
| | <u>16,743</u> | <u>(34,902)</u> |
| Less: Consolidation adjustments | - | 49,480 |
| Total Group retained profit as per consolidated financial statements | <u>16,743</u> | <u>14,578</u> |