

Quarterly report on consolidated results for the second financial quarter ended 30th September 2013

Condensed Consolidated Statements of Comprehensive Income for the second quarter ended 30th September 2013

(The figures have not been audited)

	3 months ended		6 months ended	
	30th Sept 2013 RM'000	30th Sept 2012 RM'000	30th Sept 2013 RM'000	30th Sept 2012 RM'000
Revenue	31,052	34,084	73,314	69,074
Operating Expenses	(28,209)	(34,856)	(69,185)	(69,064)
Other operating income	392	441	841	622
<b>Profit/ (loss) from operations</b>	<b>3,235</b>	<b>(331)</b>	<b>4,970</b>	<b>632</b>
Finance costs	(512)	(622)	(1,040)	(1,214)
<b>Profit/ (loss) before tax</b>	<b>2,723</b>	<b>(953)</b>	<b>3,930</b>	<b>(582)</b>
Income tax expense	(830)	0	(960)	(157)
<b>Profit/ (loss) for the period</b>	<b>1,893</b>	<b>(953)</b>	<b>2,970</b>	<b>(739)</b>
<b>Attributable to:</b>				
Equity holders of the parent	1,871	(1,005)	2,932	(862)
Minority interest	22	52	38	123
	<b>1,893</b>	<b>(953)</b>	<b>2,970</b>	<b>(739)</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	1,871	143	2,932	(862)
Minority interest	22	71	38	123
	<b>1,893</b>	<b>214</b>	<b>2,970</b>	<b>(739)</b>
Basic - sen	4.14	(2.07)	6.48	(1.78)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2013 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the second financial quarter ended 30th September 2013

Condensed Consolidated Statements of Financial Position as at 30th September 2013

(The figures have not been audited)

	As at 30th Sept 2013 RM RM'000	As at 31st March 2013 RM RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	76,472	74,802
Investment Properties	32,113	28,904
Other investments	5,884	5,864
	<u>114,469</u>	<u>109,570</u>
<b>Current assets</b>		
Inventories	14,650	11,251
Trade receivables	29,165	29,920
Other receivables	5,550	4,341
Tax recoverable	-	386
Cash and bank balances	3,426	13,426
	<u>52,791</u>	<u>59,324</u>
<b>TOTAL ASSETS</b>	<u>167,260</u>	<u>168,894</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	48,489	48,489
Share premium	21,446	21,446
Treasury Shares	(2,687)	-
Other reserves	(781)	(781)
ICULS- Equity reserve	22,832	22,832
Warrants reserve	81	81
Retained earnings	18,770	15,838
	<u>108,150</u>	<u>107,905</u>
<b>Minority interests</b>	<u>8,555</u>	<u>8,516</u>
<b>Total equity</b>	<u>116,705</u>	<u>116,421</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,312	1,332
Borrowings	11,554	23,320
Deferred tax liabilities	4,163	4,163
	<u>17,029</u>	<u>28,815</u>
<b>Current liabilities</b>		
Borrowings	13,894	2,920
Trade payables	12,866	14,774
Other payables	5,624	5,323
Provision for taxation	1,142	641
	<u>33,526</u>	<u>23,658</u>
<b>Total liabilities</b>	<u>50,555</u>	<u>52,473</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>167,260</u>	<u>168,894</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	2.36	2.23

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2013 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the second financial quarter ended 30th September 2013

Condensed Consolidated Statements of Cash Flow for the second quarter ended 30th September 2013

(The figures have not been audited)

	6 months ended	
	As at 30th September 2013 RM'000	As at 30th September 2012 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before taxation	3,930	(582)
Adjustments for:		
Depreciation	1,814	2,188
Increase in share capital	-	41,975
Share premium expenses	-	(2,435)
Proposed Dividend	-	-
Other investment	(20)	-
Issuance of ICULS	-	23,093
Issuance of Warrants	-	81
Retirement Benefit paid	(20)	(15)
Interest expense	1,040	1,202
Other investment	-	(2,391)
Operating profit before working capital changes	<u>6,744</u>	<u>63,116</u>
(Increase)/ Decrease in inventories	(3,399)	(901)
(Increase)/ Decrease in receivables	(455)	(10,342)
(Decrease)/ Increase in payables	<u>(1,489)</u>	<u>(14,410)</u>
Cash generated from/ (used in) operations	1,401	37,463
Income tax paid	(191)	(176)
Interest paid	<u>(1,040)</u>	<u>(1,202)</u>
Net cash from/ (used in) operating activities	170	36,085
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(6,705)	(3,196)
Purchase of investment	(2,687)	-
Proceeds from disposal of property, plant and equipment	<u>12</u>	<u>422</u>
Net cash from/ (used in) investing activities	(9,380)	(2,774)

Quarterly report on consolidated results for the second financial quarter ended 30th September 2013

Condensed Consolidated Statements of Cash Flow for the second quarter ended 30th September 2013

(The figures have not been audited)

	6 months ended	
	As at 30th September 2013 RM'000	As at 30th September 2012 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment)/ Proceeds of short term borrowings	(442)	(16,609)
Repayment of long term borrowings	(734)	(1,361)
Repayment of HP borrowings	961	(25)
	<u>(215)</u>	<u>(17,995)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(9,425)	15,316
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<u>12,434</u>	<u>1,311</u>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u><u>3,009</u></u>	<u><u>16,627</u></u>
 <b>Represented by:</b>		
Cash and bank balances	3,426	16,854
Bank overdrafts	(417)	(227)
	<u>3,009</u>	<u>16,627</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the second financial quarter ended 30th September 2013

Condensed Consolidated Statement of Changes in Equity for the second quarter ended 30th September 2013

	-----Attributable to Equity Holders of the Parent-----							Minority Interest	Total Equity	
	Share capital	Share premium	Treasury shares	Warrants reserve	ICULS Equity reserve	Other reserve	Accumulated profit/ (losses)			Total
	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	
6 months ended 30th September 2012										
As at 1 April 2012	6,464	23,752	-	5,680	-	(1,187)	14,578	49,287	752	50,039
Movements during the period (cumulative)	41,975	(2,435)	-	-	-	23,931	-	63,471	-	63,471
Net profit/ (loss) for the period	-	-	-	-	-	-	(862)	(862)	123	(739)
At 30th September 2012	48,439	21,317	-	5,680	-	22,744	13,716	111,896	875	112,771
6 months ended 30th September 2013										
As at 1 April 2013	48,489	21,446	-	-	22,832	(700)	15,838	107,905	8,516	116,421
Movements during the period (cumulative)	-	-	(2,687)	-	-	-	-	(2,687)	-	(2,687)
Net profit for the period	-	-	-	-	-	-	2,932	2,932	39	2,971
At 30th September 2013	48,489	21,446	(2,687)	-	22,832	(700)	18,770	108,150	8,555	116,705

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES : (AS PER MFRS 134)****A1 Basis of Preparation**

The condensed consolidated interim financial statements ("Report") are unaudited and have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS") No. 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").

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 31<sup>st</sup> March 2013.

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 31<sup>st</sup> March 2013.

**A2 Basic of measurement**

The unaudited financial statements of the Group have been prepared on the historical cost basis other than as disclosed.

The explanation and financial impacts on transition to MFRSs are disclosed below:

**(i) Property, plant and equipment - Deemed cost exemption**

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standards IAS 16 (Revised) Property, Plant and Equipment, which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain property, plant and equipment at revalued amounts, but had not adopted a policy of regular revaluation, and continued to carry those assets on the basis of their previous revaluations subject to continuity in its depreciation policy and the requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRSs, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRSs, the Company elected to apply the optional exemption to use the previous revaluation of the said assets, adjusted for depreciation, if any, as deemed cost under MFRSs.

**(ii) Foreign currency translation differences**

Under FRSs, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

**A2.1 Standards issued but not yet effective**

The Group and the Company have not applied the following new MFRSs, amendments to MFRSs and IC Interpretations (“IC Int”) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and for the Company:

**Amendments to MFRSs effective 1 January 2014**

MFRS 10,	Consolidated Financial Statements, Disclosure of Interests
12 and 127	in Other Entities and Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

**MFRSs effective 1 January 2015**

MFRS 7	Financial Instruments: Disclosures-Mandatory Date of
MFRS 9	and Transition Disclosures
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

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

The initial application of the above standards is not expected to have any financial impacts to the financial statements upon the first adoption, except for:

**MFRS 9 Financial Instruments**

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories: fair value and amortised cost, determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of a fair value change due to an entity's own risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

**MFRS 10 Consolidated Financial Statements**

MFRS 10 introduces a new single control model to determine which investees should be consolidated. MFRS 10 supersedes MFRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation - Special Purpose Entities. There are three elements to the definition of control in MFRS 10: (i) power by investor over an investee, (ii) exposure, or rights, to variable returns from investor's involvement with the investee, and (iii) investor's ability to affect those returns through its power over the investee.

**MFRS 13 Fair Value Measurement**

MFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhance disclosures about fair value measurements. It replaces the existing fair value guidance in different MFRSs.

The adoption of MFRS 13 will result in a change in accounting policy for the items measured at fair value in the financial statements. The Group is currently examining the financial impact of adopting MFRS 13.

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 31<sup>st</sup> March, 2013.



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

**A3 Declaration of audit qualification**

The audit report of the Company in respect of the annual financial statements for the year ended 31<sup>st</sup> March 2013 was not subject to any audit qualification.

**A4 Segmental reporting**

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit From Operations (RM)
Manufacturing	43,535,227	2,673,404
Trading	29,099,715	1,591,375
Others	679,523	705,779
	<u>73,314,465</u>	<u>4,969,982</u>

**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 2013.

**A10 Issuances and repayments of debts and equity securities**

The Company repurchased 290,000 and 553,600 of its issued ordinary shares from the open market on 01 October 2013 and 18 November 2013 resulting its treasury shares till to date amounting to 4,090,800 number of shares.

Apart from the above, there were no other issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

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

**A11 Changes in the composition of the Group**

On 27 September 2013, the Company disposed off its wholly owned subsidiary, SMPC Steel Mill Sdn Bhd to third party.

Apart from the above, there were no changes in the composition of the Group for the current quarter.

**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 30<sup>th</sup> September, 2013 and the date of this announcement.

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

	3 months ended	
	30 September 2013	30 September 2012
Revenue	31,052	34,084
Profit/(loss) before tax	2,723	(953)

The Group's revenue for the 2<sup>nd</sup> quarter ended 30<sup>th</sup> September 2013 recorded at RM31.052million, compare to revenue of RM34.084million for the preceding year correspondence quarter. The decrease in revenue of RM3.032million or 8.90% is mainly due to decrease in quantity in Perforated Cable Support System (Vale Project) and Metal Roofing Division.

The Group made profit before tax RM2.723million for the 2<sup>nd</sup> quarter ended 30<sup>th</sup> September 2013 compare to loss of RM0.953million for the preceding year correspondence quarter mainly contributed by Perforated Cable Support System, Metal Recycling Division and Metal Roofing Division..



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

	3 months ended	
	30 September 2013	30 June 2013
Profit/(loss) before tax	2,723	1,207

The Group made profit before tax RM2.723million for the 2<sup>nd</sup> quarter ended 30<sup>th</sup> September 2013 compare to profit of RM1.207million for the immediate preceding quarter mainly contributed by Perforated Cable Support System, Metal Recycling Division and Metal Roofing Division.

**B3 Prospects of the current financial year**

The Board of Directors is confident to achieve positive results in coming quarters.

**B4 Variance of actual profit from forecast profit**

This is not applicable to the Group.

**B5 Taxation**

Taxation comprises :-

	Current Year Quarter 30/09/2013 RM'000	Cumulative Quarters Current Year To Date 30/09/2013 RM'000	Preceding Year Corresponding Period 30/09/2012 RM'000
Current year expense	-	-	-
Provision of Income tax	(830)	(960)	(157)
	(830)	(960)	(157)
Over provision of Deferred tax in prior year	-	-	-
	(830)	(960)	(157)

## B6 Other Investments

	RM 30 <sup>th</sup> September 2013	RM 31 <sup>st</sup> March 2013
<b>Non-current</b>		
Available for sale financial assets:		
- Shares quoted in Malaysia, at cost	2,226,970	2,226,970
- Quoted unit trusts in Malaysia, at cost	19,378	19,378
	<u>2,246,348</u>	<u>2,246,348</u>
- Unquoted shares, at cost	2,999,838	2,999,838
- Less: Accumulated impairment losses	(862,444)	(882,061)
	<u>2,137,394</u>	<u>2,117,777</u>
	4,383,742	4,364,125
Held to maturity investments:		
- Loan stocks quoted in Malaysia, at cost	1,500,000	1,500,000
	<u>5,883,742</u>	<u>5,864,125</u>
Market value of:		
- Shares quoted in Malaysia	2,542,798	2,226,970
- Quoted unit trusts	19,378	19,378
- Loan stocks quoted in Malaysia	1,500,010	900,000

## 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		
Bankers' acceptances	1,049	-
Term loan	12,845	10,530
Hire Purchase Loan	-	1,024
	<u>13,894</u>	<u>11,554</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 for the financial period ended 30 September 2013.

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

The earnings per share is calculated by dividing the net profit attributable to shareholders of RM2,932,088 by the number of ordinary shares in issue during the current quarter of 45,241,859.

**(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 30 September 2013 and 31 March 2013 is analysed as follows:-

	Current financial period 30 September 2013 RM'000	As at the end of last financial year 31 March 2013 RM'000
Total retained profit/ (accumulated loss) of the Company and its subsidiaries:		
- Realised	(27,828)	(26,596)
- Unrealised	-	(4,163)
	<hr/>	<hr/>
Less: Consolidation adjustments	46,598	46,598
	<hr/>	<hr/>
Total Group retained profit as per consolidated financial statements	18,770	15,838