

Quarterly report on consolidated results for the fourth financial quarter ended 31st March 2014

Condensed Consolidated Statements of Comprehensive Income for the fourth quarter ended 31st March 2014

(The figures have not been audited)

	3 months ended		12 months ended	
	31st March 2014 RM'000	31st March 2013 RM'000	31st March 2014 RM'000	31st March 2013 RM'000
Revenue	36,308	35,250	146,492	137,074
Operating Expenses	(39,769)	(39,996)	(144,050)	(141,192)
Other operating income	2,576	2,988	3,514	3,686
Profit from operations	(885)	(1,758)	5,956	(432)
Finance costs	(485)	(555)	(2,041)	(2,322)
Extraordinary Income -Fair value adjustment on Investment Properties	821	-	821	-
Profit/ (loss) before tax	(549)	(2,313)	4,736	(2,754)
Income tax expense	(382)	(1,595)	(1,704)	(1,595)
Non- controlling interest	(69)	-	(69)	-
Profit/ (loss) for the period	(1,000)	(3,908)	2,963	(4,349)
Other Comprehensive loss, net of tax				
Fair value adjustment on available for sale financial assets	818	(399)	818	(399)
Foreign currency translation differences for foreign operation	423	-	423	-
Current year foreign currency translation on share of MI	(42)	-	(42)	-
Profit for the period	199	(4,307)	4,162	(4,748)
Attributable to:				
Equity holders of the parent	(981)	(3,816)	2,966	(4,415)
Minority interest	(19)	(92)	(3)	66
	(1,000)	(3,908)	2,963	(4,349)
Total comprehensive income attributable to:				
Equity holders of the parent	142	(4,378)	4,206	(4,772)
Minority interest	57	71	(44)	24
	199	(4,307)	4,162	(4,748)
Basic - sen	(2.01)	(8.72)	6.09	(10.09)

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 fourth financial quarter ended 31st March 2014

Condensed Consolidated Statements of Financial Position as at 31st March 2014

(The figures have not been audited)

	As at 31st March 2014 RM RM'000	As at 31st March 2013 RM RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	69,744	74,802
Investment Properties	34,440	28,904
Other investments	6,622	5,864
Tresury Shares	-	-
	<u>110,806</u>	<u>109,570</u>
Current assets		
Inventories	14,180	11,251
Trade receivables	24,468	29,920
Other receivables	11,485	4,341
Tax recoverable	-	386
Other investments	60	-
Cash and bank balances	4,366	13,426
	<u>54,559</u>	<u>59,324</u>
TOTAL ASSETS	<u>165,365</u>	<u>168,894</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	54,705	48,489
Share premium	21,446	21,446
Treasury Shares	(6,000)	-
Other reserves	(882)	(781)
ICULS- Equity reserve	22,249	22,832
Warrants reserve	81	81
Retained earnings	18,801	15,838
	<u>110,400</u>	<u>107,905</u>
Minority interests	<u>7,616</u>	<u>8,516</u>
Total equity	<u>118,016</u>	<u>116,421</u>
Non-current liabilities		
Retirement benefit obligations	1,310	1,332
Borrowings	11,577	23,320
Deferred tax liabilities	4,074	4,163
	<u>16,961</u>	<u>28,815</u>
Current liabilities		
Borrowings	13,860	2,920
Trade payables	10,335	14,774
Other payables	4,863	5,323
Provision for taxation	1,330	641
	<u>30,388</u>	<u>23,658</u>
Total liabilities	<u>47,349</u>	<u>52,473</u>
TOTAL EQUITY AND LIABILITIES	<u>165,365</u>	<u>168,894</u>
 Net asset per share attributable to ordinary equity holders of the parent (RM)	 2.27	 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 fourth financial quarter ended 31st March 2014

Condensed Consolidated Statements of Cash Flow for the fourth quarter ended 31st March 2014

(The figures have not been audited)

	12 months ended	
	As at 31st March 2014 RM'000	As at 31st March 2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	4,736	(2,754)
Adjustments for:		
Depreciation	3,095	3,588
Dividend income	-	(46)
Increase in share capital	6,216	-
Treasury shares	(6,000)	-
Bad Debts	-	227
Bargain purchase gain on subsidiary	-	(2,742)
Provision for doubtful debts	94	-
ICULS	(583)	-
Impairment loss on receivables	-	943
Loss on disposal of other investments	-	25
Gain on disposal of property, plant and equipment	-	(112)
Property, plant and equipment written off	-	2,093
Unrealised (gain)/loss on foreign exchange	-	9
Write down of inventories	-	10
Write off of inventories	-	754
Interest income	-	(231)
Interest expense	1,937	2,294
Operating profit before working capital changes	9,495	4,058
(Increase)/ Decrease in inventories	(2,948)	629
(Increase)/ Decrease in receivables	(1,924)	(7,092)
(Decrease)/ Increase in payables	(5,640)	(1,974)
Net change in intercompanies balance	-	-
Increase in retirement benefit obligations	-	(177)
Cash generated from/ (used in) operations	(1,017)	(4,556)
Retirement benefits paid	2	-
Income tax paid	(535)	(957)
Income tax refund	-	112
Interest received	-	6
Interest paid	(1,937)	(1,541)
Net cash from/ (used in) operating activities	(3,487)	(6,936)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash outflow on acquisition of a subsidiary	-	(4,902)
Acquisition of property plant and equipment	(12,512)	-
Dividend received	-	46
Interest received	-	202
Placement of FD	-	(24,530)
Withdrawal of fixed deposits	-	24,500
Purchase of property, plant and equipment	-	(5,317)
Purchase of equity investments	-	(4,365)
Proceeds from disposal of other investments	-	403
Proceeds from disposal of property, plant and equipment	1,792	331
Disposal of subsidiary	2,001	-
Net cash from/ (used in) investing activities	(8,719)	(13,632)

Quarterly report on consolidated results for the fourth financial quarter ended 31st March 2014

Condensed Consolidated Statements of Cash Flow for the fourth quarter ended 31st March 2014

(The figures have not been audited)

	12 months ended	
	As at 31st March 2014 RM'000	As at 31st March 2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,865)	-
Issuance of warrants	-	81
Net changes in short term borrowings	11,469	-
Interest paid	-	-
Loan Stocks	-	19,393
Payments of restructuring expenses	-	(158)
Proceeds of right issue	-	13,229
Unsecured Loan Stocks	-	1,900
Repayment of bankers acceptance	-	(219)
Repayment of long term borrowings	(7,816)	(2,496)
Repayment of HP borrowings	1,874	(38)
	<u>3,662</u>	<u>31,692</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,544)	11,124
CASH AND CASH EQUIVALENTS AT BEGINNING	<u>12,434</u>	<u>1,310</u>
CASH AND CASH EQUIVALENTS AT END	<u><u>3,890</u></u>	<u><u>12,434</u></u>
Represented by:		
Cash and bank balances	4,366	3,920
Fixed deposits with a licenced bank	-	9,000
Bank overdrafts	(476)	(486)
	<u>3,890</u>	<u>12,434</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 fourth financial quarter ended 31st March 2014

Condensed Consolidated Statement of Changes in Equity for the fourth quarter ended 31st March 2014

	-----Attributable to Equity Holders of the Parent-----							Minority Interest	Total Equity	
	Share capital	Irredeemable Convertible Unsecured Loan Stocks	-----Non-Distributable-----				Total			
			Share premium	Treasury shares	Warrants reserve	Other reserve				Accumulated profit/ (losses)
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
12 months ended 31st March 2013										
As at 1 April 2012	6,464		23,752	-	-	(425)	20,253	50,044	752	50,796
Movements during the period (cumulative)	42,025	22,832	(2,306)	-	81	(357)	(4,415)	57,860	7,764	65,624
Net profit for the period	-		-	-	-	-	-	-	-	-
At 31st March 2013	48,489	22,832	21,446	-	81	(782)	15,838	107,904	8,516	116,420
12 months ended 31st March 2014										
As at 1 April 2013	48,489	22,832	21,446	-	81	(782)	15,838	107,904	8,516	116,420
Movements during the period (cumulative)	6,216	(583)	-	(6,000)	-	(100)	-	(467)	-	(467)
Net profit for the period	-		-	-	-	-	2,963	2,963	(900)	2,063
At 31st March 2014	54,705	22,249	21,446	(6,000)	81	(882)	18,801	110,400	7,616	118,016

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 31st 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 31st 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, 12 and 127	Consolidated Financial Statements, Disclosure of Interests 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 31st 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 31st 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	79,221,928	(1,244,921)
Trading	63,035,509	4,662,624
Others	4,235,014	2,538,602
	<u>146,492,451</u>	<u>5,956,305</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

Investment properties have been revalued to fair value according to MFRS140 for the financial year ended 31st March 2014.

A10 Issuances and repayments of debts and equity securities

The Company repurchased 1,315,000 of its issued ordinary shares from the open market on 20 February 2014.

On 3 January 2014, the Company distributed treasury shares as share dividend at the ratio of 1 treasury share for every 12 ordinary shares of RM1 each held in the Company on the entitlement date. A total of 3,973,232 treasury shares were distributed to the entitled shareholders in relation to the Share Dividend resulting its treasury shares till to date amounting to 2,434,668 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 19 March 2014, the Company entered into a Memorandum of Agreement (“Moa”) with Select Galva India Pvt.Ltd (“SelectG” or “the Purchaser”) to dispose off its entire investment of 74% of the shares in SMPC Industries India Private Limited (“SMPCI”) for a total cash consideration of RM3,000,000 resulting in SMPCI ceasing to be a subsidiary of the Company. On 26 March 2014, the Company announced that they have received the full consideration of RM3,000,000 and the transaction is completed.

Except to 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 31st March 2014 and the date of this announcement.

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

	3 months ended	
	31 March 2014	31 March 2013
Revenue	36,308	35,250
Loss before tax	(549)	(2,313)

The Group’s revenue for the 4th quarter ended 31st March 2014 recorded at RM36.308million, compare to revenue of RM35.250million for the preceding year correspondence quarter.

The Group posted loss before tax of RM0.549million for the 4th quarter ended 31st March 2014 compare to loss before tax of RM2.313million for the preceding year corresponding quarter mainly contributed by Trading segment.

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

	3months ended	
	31 March 2014	31 December 2013
Profit/ (loss) before tax	(549)	1,355

The Group posted loss before tax of RM0.549million for the 4th quarter ended 31st March 2014 compare to profit before tax of RM1.355million for the immediate preceding quarter mainly attributed by manufacturing segment.

B3 Prospects of the current financial year

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

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises :-

	Current Year Quarter 31/03/2014 RM'000	Cumulative Quarters	
		Current Year To Date 31/03/2014 RM'000	Preceding Year Corresponding Period 31/03/2013 RM'000
Current year expense	(382)	(1,191)	(322)
Provision of Income tax	-	-	(905)
	(382)	(1,191)	(1,227)
Current year Deferred tax Provision	-	(513)	(184)
	-	-	(184)
	(382)	(1,704)	(1,595)



B6 Other Investments

	RM 31 st March 2014	RM 31 st March 2013
Non-current		
Available for sale financial assets:		
- Shares quoted in Malaysia,	2,974,789	2,226,970
- Quoted unit trusts in Malaysia, at cost	29,611	19,378
	3,004,400	2,246,348
- Unquoted shares, at cost	2,999,838	2,999,838
- Less: Accumulated impairment losses	(882,061)	(882,061)
	2,117,777	2,117,777
	5,122,177	4,364,125
Held to maturity investments:		
- Loan stocks quoted in Malaysia, at cost	1,500,000	1,500,000
	6,622,177	5,864,125
Market value of:		
- Shares quoted in Malaysia	3,035,040	2,226,970
- Quoted unit trusts	29,611	19,378
- Loan stocks quoted in Malaysia	2,400,016	900,000

B7 Status of corporate proposals

On 27 February 2014, Public Investment Bank Berhad (“PIVB”) announced on behalf of the Company that the Company undertakes a Proposed Renounceable Two-call Rights Issue of up to 300,410,014 Rights Shares together with up to 150,205,007 Warrants C at an issue price of RM1.00 per Rights Share on the basis of two (2) Rights Shares together with one (1) Warrant C for every two (2) existing SMPC Shares held as at an entitlement date to be determined and announced later, of which the first call of RM0.90 will be payable in cash on application and the second call of RM0.10 is to be capitalized from the company’s reserves, based on a minimum subscription level of 20,000,000 Rights Shares together with 10,000,000 Warrants C.

Subsequently, on 8 April 2014, PIVB submitted the listing application to Bursa Malaysia Securities Berhad for the followings:-

- a) admission of the Warrants C to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Warrant C;
- b) the listing of and quotation for the Rights Shares and the Additional Warrants B and
- c) the listing of and quotation for the new SMPC Shares to be issued arising from the exercise of the Warrants C and the Additional Warrants B, on the Main Market of Bursa Securities.

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	1,014	-
Term loan	12,846	9,640
Hire Purchase Loan	-	1,937
	<u>13,860</u>	<u>11,577</u>

B8 Material litigation

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

B9 Dividend

On 14 October 2013 and 19 November 2013, the Company announced Single Tier Dividend of 2% with the entitlement date on 15 November 2013 and 04 December 2013 subsequently.

On 3 January 2014, the Company distributed treasury shares as share dividend at the ratio of 1 treasury share for every 12 ordinary shares of RM1 each held in the Company on the entitlement date. A total of 3,973,232 treasury shares were distributed to the entitled shareholders in relation to the Share Dividend resulting its treasury shares till to date amounting to 2,434,668 number of shares.

Save for the above, the Board of Directors of the Company has not recommended any dividend for the financial year ended 31 March 2014.

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 RM2,962,801 by the number of ordinary shares in issue during the current quarter after treasury shares of 48,704,739.

(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 March 2014 and 31 March 2013 is analysed as follows:-

	Current financial period 31 March 2014 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	(27,797)	(26,596)
- Unrealised	-	(4,163)
	<u>(27,797)</u>	<u>(30,760)</u>
Less: Consolidation adjustments	46,598	46,598
	<u>18,801</u>	<u>15,838</u>
Total Group retained profit as per consolidated financial statements	<u><u>18,801</u></u>	<u><u>15,838</u></u>