1. **Review of Performance**
2. Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded revenue of RM36.9 million for the quarter under review as compared to RM33.2 million in the corresponding quarter of the preceding year. The Group’s profit before tax for the current quarter of RM4.1 million, representing an increase of RM1.5 million as compared to profit before tax of RM2.6 million in the corresponding quarter of the preceding year. The increase of the Group’s profit before tax was mainly contributed by slightly higher volume and higher margin during the current quarter as compared to the corresponding quarter of the preceding year.

1. Current Period To-date vs Preceding Period To-date

The Group registered higher revenue of RM108.1 million for the current period ended 31 December 2013 as compared to RM104.1 million in the preceding year ended 31 December 2012. The Group recorded higher profit before tax of RM11.9 million for the current period ended 31 December 2013 as compared to profit before tax of RM7.5 million in the preceding year ended 31 December 2012. The increase in profit before tax was contributed by slightly higher volume and higher margin during the current period to-date as compared to the preceding year.

1. **Variation of Results Against Immediate Preceding Quarter**

The Group recorded revenue of RM36.9 million for the current quarter as compared to RM35.8 million in the immediate preceding quarter. The Group’s profit before tax has increased by RM0.3 million from RM3.8 million in the immediate preceding quarter to RM4.1 million in the current quarter. The increase of the Group’s profit before tax was mainly contributed by higher volume and higher margin recorded during the current quarter as compared to the immediate preceding quarter.

1. **Current Year Prospects**

Based on the current economic outlook in Malaysia, the construction industry is expected to remain progressive. However, uncertainty of uncontrollable factors such as raw materials costs, fuel and energy costs including shortage of manpower in the manufacturing sector are expected to affect the Group’s turnover and profit. The Group’s continuous effort to diversify its products, introduce products differentiation and to improve on the existing products together with the implementation of cost savings measures will help to enhance its overall competitiveness in the industry. Hence, barring any unforeseen circumstances, the Group is optimistic that it will remain profitable in the final quarter of current financial year ending 31 March 2014.

1. **Profit Forecast**

Not applicable for the current financial year as no profit forecast was published.

1. **Income tax expense**

|  |  |  |
| --- | --- | --- |
|  | **Current Quarter**  **31/12/2013** | **Current Year To-Date**  **31/12/2013** |
|  | RM’000 | RM’000 |
| *Current period tax expense - Malaysia* |  |  |
| Current period | 1,556 | 3,711 |
| (Over)/Underprovision in previous years | (349) | (349) |
| *Deferred tax expense* |  |  |
| Origination of temporary differences | 9 | 26 |
|  | 1,216 | 3,388 |

The Group’s effective tax rate is higher than the Malaysia statutory tax rate mainly due to certain expenses not deductible for tax purposes.

**6. Status of Corporate Proposals**

There were no corporate proposals announced and not completed as at the date of this report.

**7. Borrowings**

The Group’s total borrowings as at 31 December 2013 were as follows:-

|  |  |
| --- | --- |
| Short-term borrowings:- | **Unsecured** |
|  | RM’000 |
| * Bankers’ acceptances | 14,000 |
| * Revolving credit | 500 |
|  | 14,500 |
|  |  |

**8.** **Derivative Financial Instruments**

There were no derivative financial instruments as at the date of this report.

1. **Dividends**

No interim dividend has been declared for the current financial period to-date.

**10.** **Material Litigation**

As of the date of this report, the Group does not have any material litigation which would have a material adverse effect on the financial position of the Group. Provisions, where necessary, have been taken up in the interim financial statements accordingly.

**11.** **Earnings Per Share**

|  |  |  |
| --- | --- | --- |
| Basic Earnings Per Share | **Current Quarter**  **31/12/2013** | **Current Year To-Date**  **31/12/2013** |
| Net profit attributable to owners of the Company (RM’000) | 2,889 | 8,502 |
| Number of ordinary shares issued (‘000) | 60,021 | 60,021 |
| Basic Earnings Per Share (sen) | 4.81 | 14.16 |

Fully Diluted Earnings Per Share

The assumed conversion of the options under the Executive’s Share Option Scheme (ESOS) would be anti-dilutive as the exercise price of the ESOS of the Company is higher than the average market price of the share. Hence the basic and fully diluted earnings per share are the same.

**12.** **Profit before tax**

Profit before tax is arrived at after charging/(crediting) :

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Current Quarter**  **31/12/2013** |  | **Current Year To-Date**  **31/12/2013** |
|  | RM’000 |  | RM’000 |
| Depreciation and amortisation | 1,538 |  | 4,384 |
| Gain on foreign exchange (realised) | (69) |  | (126) |
| Impairment loss on receivables | 344 |  | 585 |
| Interest expense | 159 |  | 611 |
| Interest income | (19) |  | (58) |
| Rental expense | 564 |  | 1,707 |
| Rental income | (54) |  | (160) |
| Reversal of impairment loss on receivables | (52) |  | (191) |

**13.** **Disclosure of Realised and Unrealised Profits or Losses**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **As at**  **31/12/2013** |  | **As at 31/03/2013** |
|  | RM’000 |  | RM’000 |
| Total retained profits of the Company and its subsidiaries:- |  |  |  |
| - Realised | 58,074 |  | 52,410 |
| - Unrealised | 11,053 |  | 10,474 |
|  | 69,127 |  | 62,884 |
| Less: Consolidation adjustments | (25,212) |  | (25,370) |
| Total retained profits as per statement of financial position | 43,915 |  | 37,514 |

**14.** **Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2014.