Part A - Explanatory Notes Pursuant To MFRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements ("Report") have been prepared in accordance with Malaysian Financial Reporting Standards ("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").

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to this Report 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 2013.

2. Significant Accounting Policies

2.1 Adoption of Amendments/Improvements to MFRSs and IC Interpretations ("IC Int")

The accounting policies adopted for this Report are consistent with those of the previous audited financial statements for the financial year ended 31 December 2013, except for the adoption of the following:

Effective for annual periods beginning on or after 1 January 2014
Amendments to MFRS 10, 12 and 127 *Investment Entities*
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*
IC Int 21 *Levies*

Initial application of the above standards did not have any material impact on the financial statements of the Group.

2.2 Standards issued but not yet effective

The Group has not applied the following Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group:

Effective for annual periods beginning on or after 1 July 2014
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*
Amendments to MFRSs *Annual improvements to MFRSs 2010-2012 Cycle*
Amendments to MFRSs *Annual improvements to MFRSs 2011-2013 Cycle*

Effective for annual periods beginning on or after 1 January 2016
MFRS 14 *Regulatory Deferral Accounts*
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Standards issued but not yet effective (Cont'd)
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
Amendments to MFRS 101 *Disclosure Initiative*
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
Amendments to MFRSs *Annual Improvements to MFRSs 2012–2014 Cycle*

Effective for annual periods beginning on or after 1 January 2017
MFRS 15 *Revenue from Contracts with Customers*

Effective for annual periods beginning on or after 1 January 2018
MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)
Amendments to MFRS 7 *Mandatory Date of MFRS 9 and Transition Disclosures*

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption except as mentioned below:

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Int 13 *Customer Loyalty Programmes*, IC Int 15 *Agreements for Construction of Real Estate*, IC Int 18 *Transfers of Assets from Customers* and IC Int 131 *Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 15.

3. Auditors' Report of Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not qualified.

4. Seasonality or Cyclicality of Operations

Generally, sales of the Group's products are higher in the second half of the financial year due to majority of the festive seasons fall within this period.

5. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year under review.

6. Changes in Accounting Estimates

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

7. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year ended 31 December 2014.

8. Dividends Paid

The following dividends were paid during the current and previous corresponding year:

	31.12.2014	**31.12.2013**
Third interim dividend for the financial year	31 December 2013	31 December 2012
Declared and approved on	26 November 2013	13 December 2012
Date paid	22 January 2014	18 January 2013
Dividend per share (single-tier)	5 sen	5 sen
Net dividend paid	RM3,537,869	RM3,475,930
Final dividend for the financial year	31 December 2013	31 December 2012
Declared and approved on	25 June 2014	24 June 2013
Date paid	12 August 2014	12 August 2013
Dividend per share (single-tier)	7.5 sen	7.5 sen
Net dividend paid	RM5,306,804	RM5,213,909
First interim dividend for the financial year	31 December 2014	31 December 2013
Declared and approved on	27 May 2014	23 May 2013
Date paid	18 August 2014	22 July 2013
Dividend per share (single-tier)	1 sen	5 sen
Net dividend paid	RM707,574	RM3,475,930
Second interim dividend for the financial year	31 December 2014	31 December 2013
Declared and approved on	26 August 2014	23 September 2013
Date paid	31 October 2014	31 October 2013
Dividend per share (single-tier)	1 sen	5 sen
Net dividend paid	RM707,574	RM3,475,940

9. Segmental Information

Segmental information is presented in respect of the Group's business segments.

	12 months ended 31.12.14 (RM'000)	12 months ended 31.12.13 (RM'000)
Segment Revenue		
Personal care	51,448	54,902
Household	13,407	10,613
Investment holding	10,940	15,550
Total revenue including inter segment sales	75,795	81,065
Elimination of inter-segment sales	(11,536)	(16,055)
Total revenue excluding inter segment sales	64,259	65,010
Interest income	40	41
	64,299	65,051
Segment Results		
Personal care	5,185	8,287
Household	686	718
Investment holding	11,445	15,911
Total results	17,316	24,916
Elimination	(10,970)	(15,550)
Results excluding inter segment sales	6,346	9,366
Interest expense	(1)	(2)
Interest income	383	384
Profit before tax	6,728	9,748
Tax expense	(796)	(1,918)
Profit for the year	5,932	7,830

10. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the financial year ended 31 December 2013.

11. Subsequent Event

Save as disclosed below, there were no material events subsequent to the end of the current reporting period:

On 20 October 2014, RHB Investment Bank Berhad ("RHBIB") had on behalf of the Company, announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company proposes to undertake the establishment of an Employees Share Option Scheme ("ESOS") of up to 15% of the issued and paid-up share capital of the Company ("Proposed ESOS").

The Proposed ESOS was approved by the shareholders' during the extraordinary general meeting held on 7 January 2015 and none of the ESOS were granted up to the date of this report.

12. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year under review.

13. Changes in Contingent Liabilities and Contingent Assets

There were no contingent assets or contingent liabilities since the end of the last annual reporting period.

14. Capital Commitments

The outstanding capital commitment as at the end of the current reporting period is as follows:

	RM'000
Contracted but not provided for:	
- Property, plant and equipment	118
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Part B: Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad

1. Review of Performance

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	(Unaudited) 31.12.14 RM'000	**(Unaudited) 31.12.13 RM'000**	**(Unaudited) 31.12.14 RM'000**	**(Audited) 31.12.13 RM'000**
Revenue				
- Personal care	13,829	13,749	50.852	54,358
- Household	3,978	2,942	13.407	10,652
- Investment holding	15	17	40	41
	17,822	16,708	64,299	65,051
Profit before tax				
- Personal care	886	1,857	5,185	8,155
- Household	173	221	686	720
- Investment holding	419	551	857	873
	1,478	2,629	6,728	9,748

Comparison with Corresponding Quarter in Previous Year

Generally, impact of seasonality on the demand for the Group's products is not that significant. The turnover for the reporting quarter was RM17.822 million as compared to previous year's corresponding period of RM16.708 million. The increase in turnover was mainly due to the increase in customers' orders.

During the quarter under review, the Profit Before Tax ("PBT") margin was approximately 8.29% as compared to 15.73% in the previous year corresponding quarter. The lower PBT margin was mainly due to the change in product mix.

During the three months period under review, the demand for personal care and household products were 77.60% and 22.32% respectively as compared to 82.29% and 17.61% respectively of the previous year corresponding period. The change was fairly usual in terms of manufacturing activities of the Group.

Comparison with Corresponding Financial Year To Date in Previous Year

During the 12 months period under review, the demand for personal care and household products were 79.09% and household products was 20.85% as compared to 83.56% and 16.37% respectively of the previous year's corresponding period. The change was fairly usual in terms of manufacturing activities of the Group.

The PBT margin for the 12 months period ended 31 December 2014 was approximately 10.46% as compared to 14.99% in the previous year financial period to date. The lower PBT margin was mainly due to the change in product mix.

2. Comparison with Preceding Quarter's Results

The turnover for the reporting quarter was RM17.822 million as compared to RM15.816 million of the preceding quarter, an increase of approximately 12.68%. The increase in turnover was mainly due to the increase in orders placed during the reporting quarter.

The Group recorded a PBT of RM1.478 million for the reporting quarter ended 31 December 2014 as compared to RM1.676 million of the immediate preceding quarter ended 30 September 2014, a decrease of approximately 11.81%. The decrease was mainly due to the write-off of inventories, totalling RM0.558 million recognised during the current quarter under review.

During the quarter under review, the PBT margin was approximately 8.29% as compared to 10.60% of the immediate preceding quarter. The lower PBT margin was mainly due to the inventories written off, totalling RM0.558 million recognised during the current quarter under review.

3. Commentary on Prospects

Generally, the market conditions of the industry are relatively stable. As the Group manufactures a wide range of products, the change in product mix may impact on profit margin of the Group.

Going forward, the Group will further strengthen its presence in overseas markets, particularly the China markets. As part of its market diversification strategy, in the year 2013, the Group incorporated two wholly-owned subsidiaries located in Indonesia and China respectively to achieve this business objective.

The Group’s strategy will continue to focus on Multi-National Corporations (“MNC”) to expand and diversify its customer base. It is also part of the Group’s marketing strategy to continue in exploring other potential customers.

Barring unforeseen circumstances, the Group’s performance is expected to be satisfactory for the financial year ending 31 December 2015.

4. Profit Forecast Variance

There was no profit forecast made in any public documents.

5. Tax Income/(Expense)

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	(Unaudited) 31.12.14 RM'000	(Unaudited) 31.12.13 RM'000	(Unaudited) 31.12.14 RM'000	(Audited) 31.12.13 RM'000
Current tax:				
Based on results for the period				
- Malaysian income tax	(477)	(740)	(1,693)	(2,378)
- Foreign tax	(2)	(1)	(2)	(1)
	(479)	(741)	(1,695)	(2,379)
Deferred tax:	134	199	276	383
	(345)	(542)	(1,419)	(1,996)
Over/(Under) provision in prior year				
- Current tax				
Malaysian	638	73	628	73
Foreign	(6)	(1)	(6)	(1)
- Deferred tax	1	(37)	1	6
	633	35	623	78
	288	(507)	(796)	(1,918)

The Group's effective tax rate for the current quarter and year to date were lower than the statutory tax rate of 25% due to double deduction of certain research and development expenditure.

6. Profit for the Period/Year

	Current quarter (Unaudited) 31.12.14 RM'000	Current year to date (Unaudited) 31.12.14 RM'000
Depreciation	580	2,424
Interest expense	-	1
Interest income	(135)	(383)
Inventories written off	558	558
Property, plant and equipment written off	-	3
Realised gain on foreign exchange	(461)	(326)
Unrealised (gain)/loss on foreign exchange	36	36

Other than the above items, there were no gain or loss on disposal of property, plant and equipment, quoted or unquoted investments or properties, provision for and write off of receivables, gain or loss on derivatives as well as other exceptional items.

7. Corporate Proposal

Save as disclosed in Note 11 of Part A, there was no corporate proposal announced or not completed as at the date of this Report.

8. Borrowings and Debt Securities

There were no borrowings as at the end of the reporting period and the Group has not issued any debt securities during the financial year under review.

9. Material Litigations

A pending civil proceeding instituted by the subsidiary company, Eng Kah Enterprise Sdn. Bhd. ("EKE") (as plaintiff) against Tohtonku Sdn. Bhd. ("TSB") (as defendant) initially in Georgetown Sessions Court (2) vide Summons No.: 52-1140-1997 but has subsequently been transferred to High Court of Malaya in Penang vide civil suit No. 22-843-2010 claiming for the following:

(i) RM188,256.30 as at 21/08/1990 being the unpaid purchase price for goods sold and delivered;
(ii) interest of RM14,137.04 as at 15/07/1990;
(iii) further interests to accrue at the rate of 2% per month from 16/07/1990 until full settlement;
(iv) RM296,288.52 as at 17/09/1990 being special damages for stock purchased and kept by EKE for TSB's use; and
(v) interest on the said RM296,288.52 at the rate of 8.0% per annum from the date of filing of the Summons until full settlement.

In return, TSB had also on 28/01/1991 filed a counter-claim in the same suit against EKE for the following:

(i) RM146,035.34;
(ii) general damages for breach of contract;
(iii) incentives amount of RM30,000.00;
(iv) interest at the rate of 8% per annum from 09/02/1990 until full settlement; and
(v) costs.

On 16/12/2014, both parties had reached an amicable settlement and consent judgment was duly recorded whereby (1) TSB is required to pay EKE the sum of RM700,000 (inclusive of interest and cost) on or before 15/02/2015 in full and final settlement of the above-mentioned suit and (2) TSB's counter claim against EKE is duly withdrawn with no order as to cost.

10. Proposed Dividends

Details of the proposed dividends are as below:

	31.12.2014	31.12.2013
Third interim dividend for the financial year	31 December 2014	31 December 2013
Declared and approved on	26 November 2014	18 December 2013
Dividend per share (single-tier)	1 sen	5 sen
Entitlement to dividends based on Record of Depositors as at	19 January 2015	6 January 2014
Date payable	30 January 2015	22 January 2014

At the forthcoming Annual General Meeting, a final single-tier dividend of 3.5 sen per share amounting to RM2,476,509 in respect of financial year ended 31 December 2014 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in equity as appropriation of retained profits in the financial year ending 31 December 2015.

11. Earnings Per Share

(i) **Basic earnings per share**

The basic earnings per share has been calculated based on the Group's profit after tax attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the year.

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.12.14	31.12.13	31.12.14	31.12.13
Profit after tax Attributable to owners of the Company (RM'000)	1,766	2,122	5,932	7,830
Weighted average number of ordinary shares of RM1.00 each in issue ('000)	70,757	70,757	70,757	70,757
Basic earnings per share (sen)	2.50	3.00	8.38	11.07

(ii) **Diluted earnings per share**

Diluted earnings per share (sen)	2.50	3.00	8.38	11.07

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the reporting period.

12. Realised and Unrealised Profits/(Losses)

	(Unaudited) 31.12.14 (RM'000)	**(Audited) 31.12.13 (RM'000)**
Total retained profits/(accumulated loss) of the Company and its subsidiaries		
- Realised	28,786	30,236
- Unrealised	(1,470)	(1,470)
	27,316	28,766
Less: Consolidation adjustments	(27,840)	(27,792)
Total (accumulated loss)/retained profits	(524)	974