

Part A-Explanatory Notes Pursuant to MFRS 134

1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") No.134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 April 2014. In the previous years, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). These are the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2014 and the accompanying explanatory notes attached to this interim financial report. The transition to MFRSs does not have financial impact to the opening statements of financial position of the Group and the Company as at 1 May 2011.

MFRSs, and Amendments to MFRSs Issued but Not Effective

At the date of issuance of this quarterly report, the MFRSs, and amendments to MFRSs which were in issue but not yet effective are as listed below:

Amendments to MFRS and IC effective on 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
MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Amendments effective for annual periods beginning 1 July 2014 :

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011 – 2013 Cycle)
MFRS 2	Share-based Payment (Annual Improvements 2010 – 2012 Cycle)
MFRS 3	Business Combinations (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle)
MFRS 8	Operating Segments (Annual Improvements 2010 – 2012 Cycle)
MFRS 13	Fair Value Measurement (Annual Improvements 2010 – 2012 Cycle and 2011 – 2013 Cycle)
MFRS 116	Property, Plant and Equipment (Annual Improvements 2010 – 2012 Cycle)
MFRS 119	Employee Benefits – Defined Benefit Plans: Employee Contributions
MFRS 124	Related Party Disclosures (Annual Improvements 2010 – 2012 Cycle)
MFRS 138	Intangible Assets (Annual Improvements 2010 – 2012 Cycle)
MFRS 140	Investment Property (Annual Improvements 2011 – 2013 Cycle)

MFRSs effective on 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)

2 Auditors' Reports on Preceding Annual Financial Statements

The auditors' reports for the immediate preceding annual financial statements for the financial year ended 30 April 2014 were not subject to any qualification.

3 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by seasonal or cyclical factors during the current quarter under review.

4 Unusual Significant Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and current financial year-to-date.

5 Changes in Estimates

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

6 Changes in Debt and Equity Securities

There have been no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, shares held as treasury shares and resale of treasury shares for current quarter and financial year-to-date.

7 Dividend Paid

The first interim tax-exempt dividend of 10.0 cents per ordinary share for the financial year ended 30 April 2014 was approved by the Board of Directors and paid on 18 July 2014.

8 Segmental Reporting

Detailed segmental reporting is not provided as the the Group's primary business segments is principally engaged in the manufacturing and trading of plastic and its operation is principally located in Malaysia. For the financial year-to-date, export sales amounted to RM12.0 million and local sales amounted to RM15.3 million.

9 Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

10 Material Subsequent Events

There were no material events subsequent to 31 July 2014 up to latest practicable date, 5 September 2014 that have not been reflected in the financial statements for the current quarter and financial year-to-date.

11 Changes In the Composition of the Group

There were no changes in the composition of the Group in the current quarter and financial year-to-date.

12 Contingent Liabilities

There were no material contingent liabilities to be disclosed as at the date of this report.

13 Capital Commitments

Capital expenditure of RM1.451 million comprised of Construction Work-in-Progress valued at RM1.177 million and Equipment, plant and machinery valued at RM0.274 million were contracted for and delivered as at 31 July 2014.

14 Cash and Cash Equivalents

As at 31/07/2014
RM'000

Cash & cash balances	5,264
Fixed deposits with licensed bank	3,204
	<hr/>
	8,468
	=====

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Review of performance

For the current quarter performance, the Group recorded a Sales Turnover of RM27.276 million which was 6.0% higher than the preceding year's corresponding quarter Sales Turnover of RM25.744 million. The Profit before Tax of RM4.593 million was 35.7% higher than the RM3.384 million recorded in the preceding year's corresponding quarter. The sales performance was very commendable as it is a big improvement compared to previous year's performance despite a challenging external environment. Aggressive marketing for new customers helped. There seems to be an emerging trend whereby developed countries look to the Asean market for lower-cost quality producers to meet their flexible packaging needs. The Profit before Tax for the current quarter was commendable compared to previous year's performance due to Input cost such as labour cost which impacts on margins was fairly stable whereas raw material costs has gone down slightly in the current quarter of the financial year compared to the preceding quarter as world commodity prices trended downwards. .

2 Variation of Results Against Preceding Quarter

The current quarter Group's profit before tax of RM4.593 million was 14.3% higher than the profit before tax of RM4.020 million recorded in the preceding quarter which was commendable. Input cost such as labour cost which impacts on margins was fairly stable whereas raw material costs has gone down slightly in the current quarter of the financial year compared to the preceding quarter as world commodity prices trended downwards. The current quarter Sales Turnover of RM27.276 million as compared to the preceding quarter ended 31 January 2014 Sales Turnover of RM23.785 million was higher by 14.7%. This quarter sales performance increased is in line with higher demand from the general Asian and Australian markets. The Hari Raya festivals starting at the end July 2014 boosted some sales in July.

3 Prospects

The Board of Directors is of the opinion that for the financial year ending 30 April 2015, the financial results can be improved and profit margins can be maintained. The Board is confident that the sales turnover for the new financial year will be improved as it continuously source for new customers from overseas and domestically to sustain its growth. There is also an emerging trend whereby developed countries look to the Asean market for lower-cost quality producers to meet their flexible packaging needs. Machinerries for the new product line, namely plastic cups, is expected to be commissioned towards the end of 2014 and is expected to boost sales by up to 10% for financial year 2015.

Prices of key raw materials is expected to remain fairly stable in the current year which will contribute to the input cost being stable. However, input such as power is expected to have some impact on the margins in 2015. As such, we are expecting the profits to be at least maintained going forward to the next quarter as the global economy is expected to recover gradually. Marketing expansion plans for the overseas markets is continuing, particularly, to Asian countries. The new product line, plastic cups, will also help to support profit margins.

4 Varlance of Profit Forecast/Profit Guarantee

There was no profit forecast or profit guarantee given in respect of the current period.

5 Taxation

	Current Quarter Ended 31/07/2014 RM'000	Current YTD Ended 31/07/2014 RM'000
Current Tax Expense	1,050	1,050
Deferred Tax Expense	0	0

6 Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial year-to-date.

SCGM Bhd (Company no: 779028-H)
Notes To The Interim Report
For The Financial Quarter Ended 31 July 2014
(Unaudited)

7 Borrowings and Debt Securities

The Group's Borrowings as at 31 July 2014 are as follows:-

	Current RM'000	Non-Current RM'000	Total RM'000
Unsecured	-	-	-
Secured			
Bankers' acceptances	-	-	-
Hire purchase creditors	1,805	635	2,440
Term loans	110	-	110
	<hr/>	<hr/>	<hr/>
	1,915	635	2,550
	=====	=====	=====

8 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

9 Material Litigation

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

10 Dividend Proposed

The Board proposed an interim tax exempt dividend of 2.0 sen per ordinary share for the financial year ended 30 April 2015 to be paid on 10 October 2014.

11 Earnings Per Share

	Current QTR Ended 31/07/14	Preceding QTR Ended 31/07/13	Cumulative YTD Ended 31/07/14	Preceding YTD Ended 31/07/13
Basic Earnings Per Share				
Profit attributable to equity holders of the parent (RM'000)	3,543	3,127	3,543	3,127
Weighted average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	4.43	3.91	4.43	3.91

12 Realised and Unrealised Retained Earnings

	Unaudited As at 31 July 2014 RM'000	Audited As at 30 April 2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised profit/(loss)	53,220	58,627
- Unrealised profit/(loss)	(0)	(950)
Retained profits (exclude merger deficit)	<hr/> 53,220	<hr/> 57,677

SCGM Bhd (Company no: 779028-H)
Notes To The Interim Report
For The Financial Quarter Ended 31 July 2014
(Unaudited)

13 Profit before tax

Profit before tax is arrived at after charging/(crediting) the following items:-

	3 months ended 31.07.2014 RM'000
(a) Interest income	(69)
(b) Foreign exchange (gain)/loss	(51)
(c) Interest expense	44
(d) Depreciation and amortization	1,182
(e) Bad debts written off	424

14 Corporate Proposal

There were no corporate proposals announced as at the date of this quarterly report.