



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2013**

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the fourth quarter ended 31 December 2013.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME -
UNAUDITED**

| | Three months ended | | Twelve months ended | |
|--|---------------------------|---------------------|----------------------------|----------------------|
| | 31.12.2013 | 31.12.2012 | 31.12.2013 | 31.12.2012 |
| | RM '000 | RM '000 | RM '000 | RM '000 |
| Revenue | <u>53,387</u> | <u>54,860</u> | <u>224,487</u> | <u>216,724</u> |
| Operating Profit | 4,640 | 5,785 | 20,679 | 24,300 |
| Interest income | 100 | 49 | 299 | 157 |
| Finance costs | <u>(252)</u> | <u>(292)</u> | <u>(1,075)</u> | <u>(1,224)</u> |
| Profit before taxation | <u>4,488</u> | <u>5,542</u> | <u>19,903</u> | <u>23,233</u> |
| Income tax expense | <u>(1,260)</u> | <u>(1,636)</u> | <u>(5,686)</u> | <u>(5,981)</u> |
| Profit for the period/ Total comprehensive income for the period/ Attributable to owners of the Company | <u><u>3,228</u></u> | <u><u>3,906</u></u> | <u><u>14,217</u></u> | <u><u>17,252</u></u> |
| Weighted average number of shares in issue ('000) | 109,291 | 109,236 | 109,298 | 109,080 |
| Basic earnings per ordinary share (sen) | <u><u>2.95</u></u> | <u><u>3.58</u></u> | <u><u>13.00</u></u> | <u><u>15.81</u></u> |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

| | As at 31.12.2013 RM '000 | Audited As at 31.12.2012 RM '000 |
|--------------------------------------|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 69,482 | 65,671 |
| Total non-current assets | <u>69,482</u> | <u>65,671</u> |
| Current assets | | |
| Inventories | 40,577 | 36,873 |
| Trade and other receivables | 44,051 | 49,223 |
| Tax recoverable | - | 19 |
| Cash and cash equivalents | 22,060 | 12,084 |
| Total current assets | <u>106,688</u> | <u>98,199</u> |
| TOTAL ASSETS | <u><u>176,170</u></u> | <u><u>163,870</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 54,733 | 54,632 |
| Reserves | 54,641 | 49,148 |
| Total equity | <u>109,374</u> | <u>103,780</u> |
| Non-current liabilities | | |
| Loans and borrowings | 2,805 | 4,899 |
| Employee benefits | 642 | 610 |
| Deferred tax liabilities | 8,699 | 8,084 |
| Total non-current liabilities | <u>12,146</u> | <u>13,593</u> |
| Current liabilities | | |
| Trade and other payables | 24,666 | 28,157 |
| Loans and borrowings | 26,607 | 16,747 |
| Taxation | 1,065 | 1,520 |
| Dividends payable | 2,312 | 73 |
| Total current liabilities | <u>54,650</u> | <u>46,497</u> |
| Total liabilities | <u>66,796</u> | <u>60,090</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>176,170</u></u> | <u><u>163,870</u></u> |
| Net assets per share (RM) | 1.00 | 0.95 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED

| | Attributable to owners of the Company | | | | | |
|---|---------------------------------------|--------------------------|---------------------------|----------------------------|------------------------------|-------------------------|
| | Non-distributable | | | | Distributable | Total equity RM '000 |
| | Share capital RM '000 | Share premium RM '000 | Treasury share RM '000 | Merger reserves RM '000 | Retained earnings RM '000 | |
| At 1 January 2013 | 54,632 | 649 | (121) | 2,991 | 45,629 | 103,780 |
| Total comprehensive income for the period | - | - | - | - | 14,217 | 14,217 |
| Share options exercised | 101 | 20 | - | - | - | 121 |
| Own shares acquired | - | - | - | - | - | - |
| Dividends to shareholders | - | - | - | - | (8,744) | (8,744) |
| At 31 December 2013 | <u>54,733</u> | <u>669</u> | <u>(121)</u> | <u>2,991</u> | <u>51,102</u> | <u>109,374</u> |
| At 1 January 2012 | 54,573 | 637 | (103) | 2,991 | 36,014 | 94,112 |
| Total comprehensive income for the period | - | - | - | - | 17,252 | 17,252 |
| Share options exercised | 59 | 12 | - | - | - | 71 |
| Own shares acquired | - | - | (18) | - | - | (18) |
| Dividends to shareholders | - | - | - | - | (7,637) | (7,637) |
| At 31 December 2012 | <u>54,632</u> | <u>649</u> | <u>(121)</u> | <u>2,991</u> | <u>45,629</u> | <u>103,780</u> |

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

| | Twelve months ended 31.12.2013 RM '000 | Twelve months ended 31.12.2012 RM '000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 19,903 | 23,233 |
| Adjustments for:- | | |
| Depreciation | 11,766 | 10,930 |
| Interest income | (299) | (157) |
| Finance costs | 1,075 | 1,224 |
| Property, plant and equipment written off | 174 | 332 |
| Unrealised gain on foreign exchange | (59) | (321) |
| Gain on disposal of property, plant and equipment | (121) | (151) |
| Expenses related to/ (reversal of) defined benefit plans | 32 | 16 |
| Operating profit before changes in working capital | <u>32,471</u> | <u>35,106</u> |
| Change in inventories | (3,704) | (4,756) |
| Change in trade and other receivables | 5,230 | (4,214) |
| Change in trade and other payables | (3,491) | 5,382 |
| Cash generated from operations | <u>30,506</u> | <u>31,518</u> |
| Tax paid | (5,507) | (4,546) |
| Interest paid | (247) | (267) |
| Net cash from operating activities | <u>24,752</u> | <u>26,705</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (14,195) | (19,231) |
| Proceeds from disposal of property, plant and equipment | 128 | 165 |
| Interest received | 299 | 157 |
| Net cash used in investing activities | <u>(13,768)</u> | <u>(18,909)</u> |



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

| | Twelve months ended 31.12.2013 RM '000 | Twelve months ended 31.12.2012 RM '000 |
|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of term loans | - | 7,965 |
| Repayment of term loans | (2,656) | (4,223) |
| Net short term borrowings | 10,303 | 790 |
| Payments of finance lease liabilities | (1,443) | (1,157) |
| Proceeds from issuance of shares | 121 | 71 |
| Dividends paid to owners of the Company | (6,505) | (7,752) |
| Interest paid | (828) | (957) |
| Shares buy back | - | (18) |
| Net cash from financing Activities | <u>(1,008)</u> | <u>(5,281)</u> |
| Net increase in cash and cash equivalents | 9,976 | 2,515 |
| Cash and cash equivalents at 1 January | 12,084 | 9,569 |
| Cash and cash equivalents at 31 December | <u><u>22,060</u></u> | <u><u>12,084</u></u> |
| * Cash and cash equivalents at end of the period consist of:- | | |
| Deposit placed with licensed banks | 15,440 | 5,820 |
| Cash and bank balances | <u>6,620</u> | <u>6,264</u> |
| | <u><u>22,060</u></u> | <u><u>12,084</u></u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)



A. NOTES TO THE QUARTERLY FINANCIAL REPORT

1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad, and Malaysia Financial Reporting Standard (MFRS) 134: Interim Financial Reporting. These condensed consolidated interim financial statements also comply with IAS34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. 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 December 2012.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Company plans to apply the abovementioned standards, amendments and interpretations in the respective financial year when the above standards, amendments and interpretations become effective.

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Company upon their first adoption.

2 Audit qualification

The preceding audited financial statements of the Group were not subject to any audit qualification.

3 Seasonality or cyclicity of operations

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

4 Unusual items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter.



**UNAUDITED QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2013**

5 Material changes in estimates

There were no changes in estimates of amounts, which have a material effect in the current quarter.

6 Issuances, cancellations, repurchases, resales and repayments of debts and equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debts and equity securities for the current quarter.

7 Dividend paid

The board declared an interim dividend of 2 sen tax exempt per ordinary share of RM 0.50 each totaling RM2,186,815 on 19th August 2013, based on issued and paid up capital as at 18th September 2013 and paid on 8th October 2013.

8 Segment information

The Group operates principally in Malaysia and in the manufacture and sale of flexible packaging materials.

The Group's operation is divided into local and export market. The local market relates to sales to customers within Malaysia. The export market relates to sales to overseas customers with South East Asia being the principal market segment.

| | Individual quarter ended | | Cumulative quarter ended | |
|------------|--|--|--|--|
| | 31 December 2013 RM'000 | 31 December 2012 RM'000 | 31 December 2013 RM'000 | 31 December 2012 RM'000 |
| Revenue | | | | |
| - Local | 27,635 | 29,550 | 112,206 | 119,501 |
| - Overseas | 25,752 | 25,310 | 112,281 | 97,223 |
| | <u>53,387</u> | <u>54,860</u> | <u>224,487</u> | <u>216,724</u> |

9 Valuations of Property, plant and equipment

The Group did not carry out any valuations on its property, plant and equipment for the current quarter.

10 Material events subsequent to period end

There were no material events subsequent to period end.

11 Changes in composition of the group

There were no changes in the composition of the Group for the current quarter.



12 Contingent liabilities

| | 31 December 2013 | 31 December 2012 |
|---|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| Secured corporate guarantees for banking facilities given to subsidiary | <u>5,667</u> | <u>8,203</u> |
| Unsecured corporate guarantees for banking facilities given to subsidiary | <u>23,745</u> | <u>13,443</u> |

13 Capital commitments

| | 31 December 2013 | 31 December 2012 |
|--|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| Plant and equipment Contracted but not provided for | <u>3,281</u> | <u>6,412</u> |
| Authorised but not contracted for | <u>832</u> | <u>313</u> |



B. ADDITIONAL INFORMATION AS REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

1 Review of performance

For the 12 months period ended 31 December 2013, the Group achieved a turnover of RM224,487,000 compared to RM216,724,000 of the same period last year, an increase of 3.60%. However, the Group recorded a lower pre-tax profit of RM19,903,000 against the pre-tax profit of RM23,233,000 in the previous corresponding period, mainly due to higher cost of production.

2 Variation of results against preceding quarter

The Group reported a pre-tax profit of RM4,488,000 for the fourth quarter ended 31 December 2013 compared to a pre-tax profit of RM5,705,000 in the preceding quarter, mainly due to lower sales in oversea market and higher cost of production.

3 Current year prospects

The Group expects the operating environment in year 2014 to be more challenging. The immediate challenges faced by the Group are the continual increase in raw material price, electricity and other operating expenses.

Nevertheless, the Board is cautiously optimistic that with the strong demand for the Group's products from the food and beverage sector due to the continued customer expansion plan, as well as our cost management measures, the Group will continue to deliver profitable results for the coming financial year.

4 Profit forecast

No profit forecast was provided for the current quarter and financial year-to-date.

5 Tax expense

Taxation comprises the following:-

| | Individual quarter ended | | Cumulative quarter ended | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2013 RM'000 | 31 December 2012 RM'000 | 31 December 2013 RM'000 | 31 December 2012 RM'000 |
| The tax expense comprises the followings: | | | | |
| Tax expense | | | | |
| - Current period | 860 | 882 | 4,899 | 4,997 |
| - Prior year | - | 41 | 172 | 41 |
| | <u>860</u> | <u>923</u> | <u>5,071</u> | <u>5,038</u> |
| Deferred tax expense | | | | |
| - Current period | 400 | 644 | 733 | 875 |
| - Prior year | - | 68 | (118) | 68 |
| | <u>400</u> | <u>712</u> | <u>615</u> | <u>943</u> |
| | <u><u>1,260</u></u> | <u><u>1,635</u></u> | <u><u>5,686</u></u> | <u><u>5,981</u></u> |

6 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.



7 Group borrowings and debts securities

The borrowings of the Group denominated in Ringgit Malaysia as at the end of the reporting period are as follows:-

| | 31 December 2013 | 31 December 2012 |
|---------------------------|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| Non-current | | |
| Secured | | |
| Term loans | 2,577 | 4,820 |
| Finance lease liabilities | 228 | 79 |
| | <u>2,805</u> | <u>4,899</u> |
| Current | | |
| Secured | | |
| Term loans | 2,243 | 2,656 |
| Finance lease liabilities | 619 | 648 |
| | 2,862 | 3,304 |
| Unsecured | | |
| Trust receipts | 23,745 | 13,443 |
| | <u>23,745</u> | <u>13,443</u> |
| | <u>26,607</u> | <u>16,747</u> |
| | <u>29,412</u> | <u>21,646</u> |

8 Disclosure of derivatives

There were no financial derivatives for current quarter ended 31 December 2013.

9 Changes in material litigation

There were no pending material litigations at the date of this quarterly report.

10 Dividend

- (a) First tax exempt interim dividend of 2 sen per ordinary share of RM0.50 each amounting to RM2,186,815 in respect of the financial year ending 31st December 2013 has been paid on 8th July 2013 to shareholders.
- (b) Second tax exempt interim dividend of 2 sen per ordinary share of RM0.50 each amounting to RM2,186,815 in respect of the financial year ending 31st December 2013 has been paid on 8th October 2013 to shareholders.
- (c) Third tax exempt interim dividend of 2 sen per ordinary share of RM0.50 each amounting to RM2,186,815 in respect of the financial year ending 31st December 2013 has been paid on 8th January 2014 to shareholders.
- (d) The Board declared a fourth tax exempt interim dividend of 2 sen per ordinary share of RM0.50 each on 25th February 2014 in respect of the financial year ended 31st December 2013 and the said dividend will be paid on 8th April 2014 to shareholders whose names appear on the Company's Record of Depositors on 18th March 2014.



11 Earnings per ordinary shares

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the period under review is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the said financial period, adjusted by the number of ordinary shares repurchased during the period under review.

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|--|---------------------------------|-----------------------------|---------------------------------|-----------------------------|
| | 31 December 2013 | 31 December 2012 | 31 December 2013 | 31 December 2012 |
| Net Profit attributable to ordinary shareholders (RM'000) | 3,228 | 3,906 | 14,217 | 17,252 |
| Issued ordinary shares at the beginning of the quarter | 109,418 | 109,227 | 109,265 | 109,147 |
| Effect of ordinary shares issued | - | 28 | 160 | 60 |
| Treasury shares | (127) | (19) | (127) | (127) |
| Weighted average number of ordinary shares in issue ('000) | 109,291 | 109,236 | 109,298 | 109,080 |
| Basic earnings per ordinary share (sen) | <u>2.95</u> | <u>3.58</u> | <u>13.00</u> | <u>15.81</u> |

12 Disclosure of realised and unrealised profits/ losses

| | As at 31.12.2013 RM'000 | As at 31.12.2012 RM'000 |
|--|------------------------------------|------------------------------------|
| Total retained earnings of the Company and its subsidiaries: | | |
| ~ Realised profits | 59,164 | 53,043 |
| ~ Unrealised losses | (8,062) | (7,414) |
| Total retained earnings of the Group | <u>51,102</u> | <u>45,629</u> |



13 Notes to the Statements of Comprehensive Income

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

| | Individual Quarter ended | | Cumulative Quarter ended | |
|---|---------------------------------|-----------------------------|---------------------------------|-----------------------------|
| | 31 December 2013 | 31 December 2012 | 31 December 2013 | 31 December 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | (100) | (49) | (299) | (157) |
| Other income | (23) | 530 | (292) | (168) |
| Interest expense | 252 | 292 | 1,075 | 1,224 |
| Depreciation | 2,983 | 2,149 | 11,766 | 10,930 |
| Bad debts recovered | (9) | (4) | (26) | (22) |
| (Reversal of)/ Allowance for slow moving inventories | (347) | (56) | 63 | 38 |
| Foreign exchange: | | | | |
| - Realised loss/ (gain) | 302 | 351 | (362) | 825 |
| - Unrealised gain | (385) | (320) | (59) | (321) |
| Gain on disposal of property, plant and equipment | (103) | (3) | (121) | (151) |