



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 2014**

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the second quarter ended 30 June 2014.

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

	Three months ended		Six months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM '000	RM '000	RM '000	RM '000
Revenue	<u>51,336</u>	<u>57,787</u>	<u>107,333</u>	<u>112,796</u>
Operating Profit	1,501	5,179	4,023	10,141
Interest income	57	65	169	117
Finance costs	<u>(223)</u>	<u>(247)</u>	<u>(463)</u>	<u>(548)</u>
Profit before taxation	<u>1,335</u>	<u>4,997</u>	<u>3,729</u>	<u>9,710</u>
Income tax expense	<u>(520)</u>	<u>(1,480)</u>	<u>(1,403)</u>	<u>(2,740)</u>
Profit for the period/ Total comprehensive income for the period/ Attributable to owners of the Company	<u><u>815</u></u>	<u><u>3,517</u></u>	<u><u>2,326</u></u>	<u><u>6,970</u></u>
Weighted average number of shares in issue ('000)	109,341	109,291	109,341	109,256
Basic earnings per ordinary share (sen)	<u><u>0.75</u></u>	<u><u>3.22</u></u>	<u><u>2.13</u></u>	<u><u>6.38</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 2013 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 30.06.2014 RM '000	Audited As at 31.12.2013 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	71,742	69,482
Total non-current assets	<u>71,742</u>	<u>69,482</u>
Current assets		
Inventories	36,760	40,577
Trade and other receivables	47,769	44,051
Tax recoverable	-	-
Cash and cash equivalents	12,145	22,060
Total current assets	<u>96,674</u>	<u>106,688</u>
TOTAL ASSETS	<u><u>168,416</u></u>	<u><u>176,170</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	54,733	54,733
Reserves	52,594	54,641
Total equity	<u>107,327</u>	<u>109,374</u>
Non-current liabilities		
Loans and borrowings	1,520	2,805
Employee benefits	624	642
Deferred tax liabilities	8,899	8,699
Total non-current liabilities	<u>11,043</u>	<u>12,146</u>
Current liabilities		
Trade and other payables	18,884	24,666
Loans and borrowings	28,594	26,607
Taxation	279	1,065
Dividends payable	2,289	2,312
Total current liabilities	<u>50,046</u>	<u>54,650</u>
Total liabilities	<u>61,089</u>	<u>66,796</u>
TOTAL EQUITY AND LIABILITIES	<u><u>168,416</u></u>	<u><u>176,170</u></u>
Net assets per share (RM)	0.98	1.00

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014	54,733	669	(121)	2,991	51,102	109,374
Total comprehensive income for the period	-	-	-	-	2,326	2,326
Dividends to shareholders	-	-	-	-	(4,373)	(4,373)
At 30 June 2014	<u>54,733</u>	<u>669</u>	<u>(121)</u>	<u>2,991</u>	<u>49,055</u>	<u>107,327</u>
At 1 January 2013	54,632	649	(121)	2,991	45,629	103,780
Total comprehensive income for the period	-	-	-	-	6,970	6,970
Share options exercised	101	20	-	-	-	121
Dividends to shareholders	-	-	-	-	(2,183)	(2,183)
At 30 June 2013	<u>54,733</u>	<u>669</u>	<u>(121)</u>	<u>2,991</u>	<u>50,416</u>	<u>108,688</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 2013 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	Six months ended 30.06.2014 RM '000	Six months ended 30.06.2013 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,729	9,710
Adjustments for:-		
Depreciation	5,831	5,868
Interest income	(169)	(117)
Finance costs	463	548
Property, plant and equipment written off	3	169
Unrealised (gain)/ loss on foreign exchange	(8)	10
Gain on disposal of property, plant and equipment	(18)	(17)
(Reversal of)/ expenses related to defined benefit plans	(18)	25
Operating profit before changes in working capital	<u>9,813</u>	<u>16,196</u>
Change in inventories	3,816	5,218
Change in trade and other receivables	(3,709)	(2,978)
Change in trade and other payables	<u>(5,781)</u>	<u>(7,230)</u>
Cash generated from operations	4,139	11,206
Tax paid	(1,989)	(2,345)
Interest paid	(122)	(127)
Net cash from operating activities	<u>2,028</u>	<u>8,734</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(8,094)	(6,283)
Proceeds from disposal of property, plant and equipment	18	19
Interest received	169	117
Net cash used in investing activities	<u>(7,907)</u>	<u>(6,147)</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Six months ended 30.06.2014 RM '000	Six months ended 30.06.2013 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(1,216)	(1,308)
Net short term borrowings	2,266	6,387
Payments of finance lease liabilities	(349)	(941)
Proceeds from issuance of shares	-	122
Dividends paid to owners of the Company	(4,396)	(2,182)
Interest paid	(341)	(421)
Net cash from financing Activities	<u>(4,036)</u>	<u>1,657</u>
Net increase in cash and cash equivalents	(9,915)	4,244
Cash and cash equivalents at 1 January	22,060	12,084
Cash and cash equivalents at 30 June	<u><u>12,145</u></u>	<u><u>16,328</u></u>
* Cash and cash equivalents at end of the period consist of:-		
Deposit placed with licensed banks	6,750	9,000
Cash and bank balances	<u>5,395</u>	<u>7,328</u>
	<u><u>12,145</u></u>	<u><u>16,328</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 2013 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 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 31 December 2013.

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 Group:

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

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

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Group 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 Group 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.

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 25th February 2014, based on issued and paid up capital as at 18th March 2014 and paid on 8th April 2014.

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	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Revenue				
- Local	22,596	29,657	46,510	57,908
- Overseas	28,740	28,130	60,823	54,888
	<u>51,336</u>	<u>57,787</u>	<u>107,333</u>	<u>112,796</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

	30 June 2014 RM'000	30 June 2013 RM'000
Secured corporate guarantees for banking facilities given to subsidiary	4,102	7,517
Unsecured corporate guarantees for banking facilities given to subsidiary	26,012	19,830

13 Capital commitments

	30 June 2014 RM'000	30 June 2013 RM'000
Plant and equipment Contracted but not provided for	6,278	3,686
Authorised but not contracted for	-	201



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

1 Review of performance

For the 6 months period ended 30 June 2014, the Group achieved a turnover of RM107,333,000 compared to RM112,796,000 of the same period last year, a decrease of 4.80%. The Group recorded a lower pre-tax profit of RM3,729,000 against the pre-tax profit of RM9,710,000 in the previous corresponding period, mainly due to lower sales in local market coupled with a decline in profit margin due to competition in the export market and also increased cost of production arising from higher energy and labour cost.

2 Variation of results against preceding quarter

The Group reported a pre-tax profit of RM1,335,000 for the second quarter ended 30 June 2014 compared to a pre-tax profit of RM2,394,000 in the preceding quarter, mainly due to the reasons as stated above.

3 Current year prospects

The Group expects the costs in general to continue to rise. Raw material prices, electricity cost and other operating costs remain the key challenges which will affect the profitability of the Group.

Despite the current circumstances, the Group will continue its efforts to strengthen its production efficiencies.

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	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	RM'000	RM'000	RM'000	RM'000
The tax expense comprises the followings:				
Tax expense				
- Current period	320	1,480	1,203	2,740
- Prior year	-	-		
	<u>320</u>	<u>1,480</u>	<u>1,203</u>	<u>2,740</u>
Deferred tax expense				
- Current period	200	-	200	-
- Prior year	-	-	-	-
	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>
	<u><u>520</u></u>	<u><u>1,480</u></u>	<u><u>1,403</u></u>	<u><u>2,740</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:-

	30 June 2014	31 December 2013
	RM'000	RM'000
Non-current		
<i>Secured</i>		
Term loans	1,520	2,577
Finance lease liabilities	-	228
	1,520	2,805
Current		
<i>Secured</i>		
Term loans	2,084	2,243
Finance lease liabilities	498	619
	2,582	2,862
<i>Unsecured</i>		
Trust receipts	26,012	23,745
	26,012	23,745
	28,594	26,607
	30,114	29,412

8 Disclosure of derivatives

There were no financial derivatives for current quarter ended 30 June 2014.

9 Changes in material litigation

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

10 Dividend

The Board declared a tax exempt interim dividend of 1 sen per ordinary share of RM0.50 each on 13th August 2014 in respect of the financial year ending 31st December 2014 and the said dividend will be paid on 8th October 2014 to shareholders whose names appear on the Company's Record of Depositors on 18th September 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	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Net Profit attributable to ordinary shareholders (RM'000)	815	3,517	2,326	6,970
Issued ordinary shares at the beginning of the quarter	109,468	109,304	109,468	109,265
Effect of ordinary shares issued	-	114	-	118
Treasury shares	(127)	(127)	(127)	(127)
Weighted average number of ordinary shares in issue ('000)	109,341	109,291	109,341	109,256
Basic earnings per ordinary share (sen)	<u>0.75</u>	<u>3.22</u>	<u>2.13</u>	<u>6.38</u>

12 Disclosure of realised and unrealised profits/ losses

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries:		
~ Realised profits	57,326	59,164
~ Unrealised losses	(8,271)	(8,062)
Total retained earnings of the Group	<u>49,055</u>	<u>51,102</u>



13 Notes to the Statements of Comprehensive Income

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

	Individual Quarter ended		Cumulative Quarter ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(57)	(65)	(169)	(117)
Other income	(17)	(41)	(41)	(228)
Interest expense	223	247	463	548
Depreciation	2,897	2,976	5,831	5,868
Bad debts recovered	(4)	(5)	(8)	(10)
Allowance for/ (Reversal of) slow moving inventories	4	115	(85)	198
Foreign exchange:				
- Realised loss/ (gain)	348	76	4	(208)
- Unrealised (gain)/ loss	(327)	(269)	(8)	10
Gain on disposal of property, plant and equipment	-	(15)	(18)	(17)