



**UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2014**

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

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

	Three months ended		Nine months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM '000	RM '000	RM '000	RM '000
Revenue	<u>51,568</u>	<u>58,304</u>	<u>158,901</u>	<u>171,100</u>
Operating Profit	3,582	5,898	7,607	16,039
Interest income	43	82	211	199
Finance costs	<u>(215)</u>	<u>(275)</u>	<u>(679)</u>	<u>(823)</u>
Profit before taxation	<u>3,410</u>	<u>5,705</u>	<u>7,139</u>	<u>15,415</u>
Income tax expense	<u>(1,183)</u>	<u>(1,686)</u>	<u>(2,585)</u>	<u>(4,426)</u>
Profit for the period/ Total comprehensive income for the period/ Attributable to owners of the Company	<u><u>2,227</u></u>	<u><u>4,019</u></u>	<u><u>4,554</u></u>	<u><u>10,989</u></u>
Weighted average number of shares in issue ('000)	109,341	109,341	109,341	109,341
Basic earnings per ordinary share (sen)	<u><u>2.04</u></u>	<u><u>3.68</u></u>	<u><u>4.16</u></u>	<u><u>10.05</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.)

UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 30.09.2014 RM '000	Audited As at 31.12.2013 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	70,780	69,482
Total non-current assets	<u>70,780</u>	<u>69,482</u>
Current assets		
Inventories	34,597	40,577
Trade and other receivables	49,377	44,051
Tax recoverable	43	-
Cash and cash equivalents	11,258	22,060
Total current assets	<u>95,275</u>	<u>106,688</u>
TOTAL ASSETS	<u>166,055</u>	<u>176,170</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	54,733	54,733
Reserves	53,728	54,641
Total equity	<u>108,461</u>	<u>109,374</u>
Non-current liabilities		
Loans and borrowings	978	2,805
Employee benefits	633	642
Deferred tax liabilities	9,099	8,699
Total non-current liabilities	<u>10,710</u>	<u>12,146</u>
Current liabilities		
Trade and other payables	17,644	24,666
Loans and borrowings	28,032	26,607
Taxation	-	1,065
Dividends payable	1,208	2,312
Total current liabilities	<u>46,884</u>	<u>54,650</u>
Total liabilities	<u>57,594</u>	<u>66,796</u>
TOTAL EQUITY AND LIABILITIES	<u>166,055</u>	<u>176,170</u>
Net assets per share (RM)	0.99	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.)

**UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED**

	Attributable to owners of the Company					Total equity RM '000
	Non-distributable			Distributable		
	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	-	-	-	-	4,554	4,554
Dividends to shareholders	-	-	-	-	(5,467)	(5,467)
At 30 September 2014	<u>54,733</u>	<u>669</u>	<u>(121)</u>	<u>2,991</u>	<u>50,189</u>	<u>108,461</u>
At 1 January 2013	54,632	649	(121)	2,991	45,629	103,780
Total comprehensive income for the period	-	-	-	-	10,989	10,989
Share options exercised	101	20	-	-	-	121
Dividends to shareholders	-	-	-	-	(6,556)	(6,556)
At 30 September 2013	<u>54,733</u>	<u>669</u>	<u>(121)</u>	<u>2,991</u>	<u>50,062</u>	<u>108,334</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

	Nine months ended 30.09.2014 RM '000	Nine months ended 30.09.2013 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,139	15,415
Adjustments for:-		
Depreciation	8,772	8,783
Interest income	(211)	(199)
Finance costs	679	823
Property, plant and equipment written off	24	171
Unrealised (gain)/ loss on foreign exchange	(75)	326
Gain on disposal of property, plant and equipment	(315)	(18)
(Reversal of)/ expenses related to defined benefit plans	(9)	27
Operating profit before changes in working capital	<u>16,004</u>	<u>25,328</u>
Change in inventories	5,979	(1,135)
Change in trade and other receivables	(5,250)	(3,329)
Change in trade and other payables	<u>(7,022)</u>	<u>(6,025)</u>
Cash generated from operations	9,711	14,839
Tax paid	(3,294)	(4,131)
Interest paid	(172)	(196)
Net cash from operating activities	<u>6,245</u>	<u>10,512</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(10,094)	(13,386)
Proceeds from disposal of property, plant and equipment	315	20
Interest received	211	199
Net cash used in investing activities	<u>(9,568)</u>	<u>(13,167)</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Nine months ended 30.09.2014 RM '000	Nine months ended 30.09.2013 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(1,725)	(1,978)
Net short term borrowings	1,808	16,903
Payments of finance lease liabilities	(484)	(1,200)
Proceeds from issuance of shares	-	122
Dividends paid to owners of the Company	(6,571)	(4,332)
Interest paid	(507)	(627)
Net cash (used in) / from financing Activities	<u>(7,479)</u>	<u>8,888</u>
Net (decrease) / increase in cash and cash equivalents	(10,802)	6,233
Cash and cash equivalents at 1 January	22,060	12,084
Cash and cash equivalents at 30 September	<u><u>11,258</u></u>	<u><u>18,317</u></u>
* Cash and cash equivalents at end of the period consist of:-		
Deposit placed with licensed banks	4,560	11,680
Cash and bank balances	6,698	6,637
	<u><u>11,258</u></u>	<u><u>18,317</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 22nd May 2014, based on issued and paid up capital as at 10th June 2014 and paid on 8th July 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 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Revenue				
- Local	23,615	26,663	70,125	84,571
- Overseas	27,953	31,641	88,776	86,529
	<u>51,568</u>	<u>58,304</u>	<u>158,901</u>	<u>171,100</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 September 2014 RM'000	30 September 2013 RM'000
Secured corporate guarantees for banking facilities given to subsidiary	<u>3,457</u>	<u>6,597</u>
Unsecured corporate guarantees for banking facilities given to subsidiary	<u>25,553</u>	<u>30,346</u>

13 Capital commitments

	30 September 2014 RM'000	30 September 2013 RM'000
Plant and equipment Contracted but not provided for	<u>5,007</u>	<u>984</u>
Authorised but not contracted for	<u>11,692</u>	<u>3,522</u>



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

1 Review of performance

For the 9 months period ended 30 September 2014, the Group achieved a turnover of RM158,901,000 compared to RM171,100,000 of the same period last year, a decrease of 7.13%. The Group recorded a lower pre-tax profit of RM7,139,000 against the pre-tax profit of RM15,415,000 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 RM3,410,000 for the third quarter ended 30 September 2014 compared to a pre-tax profit of RM1,335,000 in the preceding quarter, mainly due to the improvement in production operation process.

3 Current year prospects

The profit after tax for the first nine months achieved is only 41% of the profit after tax of the previous corresponding period. However, the Group is confident that the results of the 4th quarter is expected to be better than the current quarter.

Moving forward, the Group believes that the demand for the Group's products from the food and beverage sector will increase. With the anticipated growth in sales revenue, the Group had purchased an industrial land for future expansion purpose.

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 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
The tax expense comprises the followings:				
Tax expense				
- Current period	700	1,300	1,902	4,040
- Prior year	283	171	283	171
	<u>983</u>	<u>1,471</u>	<u>2,185</u>	<u>4,211</u>
Deferred tax expense				
- Current period	200	215	400	215
- Prior year	-	-	-	-
	<u>200</u>	<u>215</u>	<u>400</u>	<u>215</u>
	<u><u>1,183</u></u>	<u><u>1,686</u></u>	<u><u>2,585</u></u>	<u><u>4,426</u></u>

6 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.

**UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2014****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 September 2014	31 December 2013
	RM'000	RM'000
Non-current		
Secured		
Term loans	978	2,577
Finance lease liabilities	-	228
	978	2,805
Current		
Secured		
Term loans	2,116	2,243
Finance lease liabilities	363	619
	2,479	2,862
Unsecured		
Trust receipts	25,553	23,745
	25,553	23,745
	28,032	26,607
	29,010	29,412

8 Disclosure of derivatives

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

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 31 December 2014 has been paid on 8th July 2014 to shareholders.
- (b) Second tax exempt interim dividend of 1 sen per ordinary share of RM0.50 each amounting to RM1,093,407 in respect of the financial year ending 31 December 2014 has been paid on 8th October 2014 to shareholders.
- (c) The Board declared a tax exempt interim dividend of 1 sen per ordinary share of RM0.50 each on 13th November 2014 in respect of the financial year ending 31st December 2014 and the said dividend will be paid on 16th January 2015 to shareholders whose names appear on the Company's Record of Depositors on 18th December 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 September 2014	30 September 2013	30 September 2014	30 September 2013
Net Profit attributable to ordinary shareholders (RM'000)	2,227	4,019	4,554	10,989
Issued ordinary shares at the beginning of the quarter	109,468	109,468	109,468	109,468
Effect of ordinary shares issued	-	-	-	-
Treasury shares	(127)	(127)	(127)	(127)
Weighted average number of ordinary shares in issue ('000)	109,341	109,341	109,341	109,341
Basic earnings per ordinary share (sen)	<u>2.04</u>	<u>3.68</u>	<u>4.16</u>	<u>10.05</u>

12 Disclosure of realised and unrealised profits/ losses

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries:		
~ Realised profits	58,548	59,164
~ Unrealised losses	(8,359)	(8,062)
Total retained earnings of the Group	<u>50,189</u>	<u>51,102</u>



**UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2014**

13 Notes to the Statements of Comprehensive Income

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

	Individual Quarter ended		Cumulative Quarter ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(43)	(82)	(211)	(199)
Other income	(396)	(41)	(470)	(269)
Interest expense	215	275	679	823
Depreciation	2,941	2,914	8,772	8,783
Bad debts recovered	(12)	(8)	(4)	(17)
Allowance for/ (Reversal of) slow moving inventories	60	111	(25)	310
Foreign exchange:				
- Realised loss/ (gain)	135	(456)	139	(664)
- Unrealised (gain)/ loss	(67)	316	(75)	326
Gain on disposal of property, plant and equipment	(297)	(2)	(315)	(18)