



**UNAUDITED QUARTERLY REPORT FOR THE SECOND QUARTER ENDED
30 JUNE 2015**

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 2015.

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

	Three months ended		Six months ended	
	30.06.2015 RM '000	30.06.2014 RM '000	30.06.2015 RM '000	30.06.2014 RM '000
Revenue	<u>49,781</u>	<u>51,336</u>	<u>101,889</u>	<u>107,333</u>
Operating Profit	7,938	1,501	15,638	4,023
Finance income	89	57	139	169
Finance costs	<u>(106)</u>	<u>(223)</u>	<u>(278)</u>	<u>(463)</u>
Profit before taxation	<u>7,921</u>	<u>1,335</u>	<u>15,499</u>	<u>3,729</u>
Income tax expense	<u>(2,100)</u>	<u>(520)</u>	<u>(4,350)</u>	<u>(1,403)</u>
Profit for the period/ Total comprehensive income for the period/ Attributable to owners of the Company	<u><u>5,821</u></u>	<u><u>815</u></u>	<u><u>11,149</u></u>	<u><u>2,326</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>5.32</u></u>	<u><u>0.75</u></u>	<u><u>10.19</u></u>	<u><u>2.13</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 2014 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 30.06.2015 RM '000	Audited As at 31.12.2014 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	78,547	71,146
Total non-current assets	<u>78,547</u>	<u>71,146</u>
Current assets		
Inventories	31,535	35,934
Trade and other receivables	46,098	47,288
Tax recoverable	-	2
Cash and cash equivalents	20,013	12,717
Total current assets	<u>97,646</u>	<u>95,941</u>
TOTAL ASSETS	<u><u>176,193</u></u>	<u><u>167,087</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	54,733	54,733
Reserves	64,749	56,333
Total equity	<u>119,482</u>	<u>111,066</u>
Non-current liabilities		
Loans and borrowings	6,418	438
Employee benefits	576	628
Deferred tax liabilities	8,832	8,512
Total non-current liabilities	<u>15,826</u>	<u>9,578</u>
Current liabilities		
Trade and other payables	17,807	20,257
Loans and borrowings	17,578	24,091
Taxation	3,727	883
Dividends payable	1,773	1,212
Total current liabilities	<u>40,885</u>	<u>46,443</u>
Total liabilities	<u>56,711</u>	<u>56,021</u>
TOTAL EQUITY AND LIABILITIES	<u><u>176,193</u></u>	<u><u>167,087</u></u>
Net assets per share (RM)	1.09	1.02

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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					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 2015	54,733	669	(121)	2,991	52,794	111,066
Total comprehensive income for the period	-	-	-	-	11,149	11,149
Dividends to shareholders	-	-	-	-	(2,733)	(2,733)
At 30 June 2015	<u>54,733</u>	<u>669</u>	<u>(121)</u>	<u>2,991</u>	<u>61,210</u>	<u>119,482</u>
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>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	Six months ended 30.06.2015 RM '000	Six months ended 30.06.2014 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,499	3,729
Adjustments for:-		
Depreciation	5,841	5,831
Finance income	(139)	(169)
Finance costs	278	463
Property, plant and equipment written off	20	3
Unrealised gain on foreign exchange	(97)	(8)
Gain on disposal of property, plant and equipment	(6)	(18)
Reversal of defined benefit plans	(52)	(18)
Operating profit before changes in working capital	<u>21,344</u>	<u>9,813</u>
Change in inventories	4,399	3,816
Change in trade and other receivables	1,667	(3,709)
Change in trade and other payables	(2,450)	(5,781)
Cash generated from operations	<u>24,960</u>	<u>4,139</u>
Tax paid	(1,183)	(1,989)
Other finance costs paid	(91)	(122)
Net cash from operating activities	<u>23,686</u>	<u>2,028</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(13,265)	(8,094)
Proceeds from disposal of property, plant and equipment	9	18
Interest received	139	169
Net cash used in investing activities	<u>(13,117)</u>	<u>(7,907)</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Six months ended 30.06.2015 RM '000	Six months ended 30.06.2014 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	8,769	-
Repayment of term loans	(1,825)	(1,216)
Net short term borrowings	(7,630)	2,266
Payments of finance lease liabilities	(228)	(349)
Dividends paid to owners of the Company	(2,173)	(4,396)
Interest paid	(186)	(341)
Net cash (used in) financing activities	<u>(3,273)</u>	<u>(4,036)</u>
Net (decrease) / increase in cash and cash equivalents	7,296	(9,915)
Cash and cash equivalents at 1 January	12,717	22,060
Cash and cash equivalents at 30 June	<u><u>20,013</u></u>	<u><u>12,145</u></u>
* Cash and cash equivalents at end of the period consist of:-		
Deposit placed with licensed banks	12,300	6,750
Cash and bank balances	<u>7,713</u>	<u>5,395</u>
	<u><u>20,013</u></u>	<u><u>12,145</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 2014 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 2014. 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 2014.

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 and the Company:

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)*



1 Basis of preparation (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments* (2014)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial years 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 and the Company upon their first adoption except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 15.



1 Basis of preparation (continued)

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group and the Company are currently assessing the impact that may arise from the adopting MFRS 9.

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 a tax exempt interim dividend of 1 sen per ordinary share of RM 0.50 each totaling RM1,093,407 on 26th February 2015, based on issued and paid up capital as at 13th March 2015 and paid on 1st April 2015.

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 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Revenue				
- Local	24,921	22,596	48,282	46,510
- Overseas	24,860	28,740	53,607	60,823
	<u>49,781</u>	<u>51,336</u>	<u>101,889</u>	<u>107,333</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 2015	30 June 2014
	RM'000	RM'000
Secured corporate guarantees for banking facilities given to subsidiary	9,901	4,102
Unsecured corporate guarantees for banking facilities given to subsidiary	14,095	26,012

13 Capital commitments

	30 June 2015	30 June 2014
	RM'000	RM'000
Plant and equipment contracted but not provided for	7,116	6,278



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 2015, the Group achieved a turnover of RM101.89 million compared to RM107.33 million of the same period last year, a decrease of 5.07%, mainly due to the reduction in selling price to overseas customers. However, the Group recorded a higher pre-tax profit of RM15.50 million against the pre-tax profit of RM3.73 million in the previous corresponding period, mainly due to the better sales mix and continued improvement in production efficiency.

2 Variation of results against preceding quarter

The Group reported a pre-tax profit of RM7.92 million for the second quarter ended 30 June 2015 compared to a pre-tax profit of RM7.58 million in the preceding quarter, an increase of 4.49%, mainly due to the same reasons above.

3 Current year prospects

The Group is pleased to deliver a higher pre-tax profit of RM15.50 million for the 6 months period ended 30 June 2015 against the pre-tax profit of RM3.73 million in the previous corresponding period ended 30 June 2014.

Moving forward, the Board is confident that the demand for the Group's products from the food and beverage sector will remain favourable. The Group has started the expansion plan and proceed with the earthworks on the industrial land bought in October 2014. The construction of the factory building is targeted for completion by the fourth quarter of 2016 as scheduled.

Barring unforeseen circumstances, the Board expects to deliver better results for the financial year ending 31 December 2015 compared to the financial year ended 31 December 2014.

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 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
The tax expense comprises the followings:				
Tax expense				
- Current period	1,900	320	4,030	1,203
- Prior year	-	-	-	-
	<u>1,900</u>	<u>320</u>	<u>4,030</u>	<u>1,203</u>
Deferred tax expense				
- Current period	200	200	320	200
- Prior year	-	-	-	-
	<u>200</u>	<u>200</u>	<u>320</u>	<u>200</u>
	<u><u>2,100</u></u>	<u><u>520</u></u>	<u><u>4,350</u></u>	<u><u>1,403</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 2015	30 June 2014
	RM'000	RM'000
Non-current		
Secured		
Term loans	6,418	1,520
Finance lease liabilities	-	-
	<u>6,418</u>	<u>1,520</u>
Current		
Secured		
Term loans	3,483	2,084
Finance lease liabilities	-	498
	<u>3,483</u>	<u>2,582</u>
Unsecured		
Trust receipts	14,095	26,012
	<u>14,095</u>	<u>26,012</u>
	<u>17,578</u>	<u>28,594</u>
	<u><u>23,996</u></u>	<u><u>30,114</u></u>

8 Disclosure of derivatives

There were no financial derivatives for current quarter ended 30 June 2015.

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 1.5 sen per ordinary share of RM0.50 each amounting to RM1,640,111 in respect of the financial year ending 31 December 2015 has been paid on 9 July 2015 to shareholders.

(b) The Board declared a tax exempt interim dividend of 2.5 sen per ordinary share of RM0.50 each on 20 August 2015 in respect of the financial year ending 31 December 2015 and the said dividend will be paid on 25 September 2015 to shareholders whose names appear on the Company's Record of Depositors on 4 September 2015.



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 2015	30 June 2014	30 June 2015	30 June 2014
Net Profit attributable to ordinary shareholders (RM'000)	5,821	815	11,149	2,326
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>5.32</u>	<u>0.75</u>	<u>10.19</u>	<u>2.13</u>

12 Disclosure of realised and unrealised profits/ losses

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of the Company and its subsidiaries:		
~ Realised profits	52,774	60,974
~ Unrealised losses	(8,436)	(8,180)
Total retained earnings of the Group	<u>61,210</u>	<u>52,794</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 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Interest income	(89)	(57)	(139)	(169)
Other income	(91)	(17)	(373)	(41)
Interest expense	106	223	278	463
Depreciation	2,915	2,897	5,841	5,831
Bad debts recovered	(2)	(4)	(4)	(8)
(Reversal of)/ Allowance for slow moving inventories	(64)	4	(150)	(85)
Foreign exchange:				
- Realised loss/ (gain)	88	348	(372)	4
- Unrealised gain	(284)	(327)	(97)	(8)
Gain on disposal of property, plant and equipment	(9)	-	(6)	(18)