



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

	Three months ended		Three months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM '000	RM '000	RM '000	RM '000
Revenue	<u>52,396</u>	<u>55,862</u>	<u>52,396</u>	<u>55,862</u>
Operating Profit	<u>1,612</u>	<u>7,259</u>	<u>1,612</u>	<u>7,259</u>
Finance income	-	27	-	27
Finance costs	(510)	(227)	(510)	(227)
ESOS expenses	-	-	-	-
Profit before taxation	<u>1,102</u>	<u>7,059</u>	<u>1,102</u>	<u>7,059</u>
Income tax expense	<u>265</u>	<u>(430)</u>	<u>265</u>	<u>(430)</u>
Profit for the period	<u>1,367</u>	<u>6,629</u>	<u>1,367</u>	<u>6,629</u>
Foreign currency translation differences for foreign operation	<u>4</u>	<u>2</u>	<u>4</u>	<u>2</u>
Total comprehensive income for the period	<u>1,371</u>	<u>6,631</u>	<u>1,371</u>	<u>6,631</u>
Profit attributable to:				
Owners of the Company	<u>1,365</u>	<u>6,642</u>	<u>1,365</u>	<u>6,642</u>
Non-controlling interests	<u>2</u>	<u>(13)</u>	<u>2</u>	<u>(13)</u>
Profit for the period	<u>1,367</u>	<u>6,629</u>	<u>1,367</u>	<u>6,629</u>
Total comprehensive income attributable to:-				
Owners of the Company	<u>1,368</u>	<u>6,643</u>	<u>1,368</u>	<u>6,643</u>
Non-controlling interests	<u>3</u>	<u>(12)</u>	<u>3</u>	<u>(12)</u>
Total comprehensive income for the period	<u>1,371</u>	<u>6,631</u>	<u>1,371</u>	<u>6,631</u>
Basic earnings per ordinary share (sen)	<u>0.33</u>	<u>1.60</u>	<u>0.33</u>	<u>1.60</u>
Diluted earnings per ordinary share (sen)	<u>0.33</u>	<u>1.59</u>	<u>0.33</u>	<u>1.59</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

	As at 31.03.2018 RM '000	Audited As at 31.12.2017 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	182,572	171,529
Total non-current assets	<u>182,572</u>	<u>171,529</u>
Current assets		
Inventories	27,637	28,994
Trade and other receivables	48,538	62,274
Tax recoverable	4,829	4,388
Cash and cash equivalents	7,453	10,492
Contract assets	8,470	7,144
Total current assets	<u>96,927</u>	<u>113,292</u>
TOTAL ASSETS	<u>279,499</u>	<u>284,821</u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	108,834	108,735
Reserves	88,801	87,243
Total equity attributable to owners of the Company	197,635	195,978
Non-controlling interests	20	17
Total equity	<u>197,655</u>	<u>195,995</u>
Non-current liabilities		
Loans and borrowings	35,956	24,477
Employee benefits	635	665
Deferred tax liabilities	4,720	5,012
Total non-current liabilities	<u>41,311</u>	<u>30,154</u>
Current liabilities		
Trade and other payables	13,839	32,162
Loans and borrowings	26,557	26,280
Dividends payable	137	230
Total current liabilities	<u>40,533</u>	<u>58,672</u>
Total liabilities	<u>81,844</u>	<u>88,826</u>
TOTAL EQUITY AND LIABILITIES	<u>279,499</u>	<u>284,821</u>
Net assets per share (RM)	0.47	0.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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			
	Share capital	Share premium	Translation reserve	Treasury share	Employee Share-based reserve	Merger reserves	Warrant reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2018	108,735	993	(4)	(144)	988	2,991	16,967	65,452	195,978	17	195,995
Foreign currency translation differences for foreign operation	-	-	3	-	-	-	-	-	3	1	4
Profit for the period	-	-	-	-	-	-	-	1,365	1,365	2	1,367
Total comprehensive income for the period	-	-	3	-	-	-	-	1,365	1,368	3	1,371
Equity settled share based transactions	99	(224)	-	-	136	-	-	-	11	-	11
Bonus issues	-	-	-	-	-	-	-	-	-	-	-
Share split and bonus issue expenses	-	-	-	-	-	-	-	-	-	0	-
Share issued expenses	-	-	-	-	-	-	-	-	-	-	-
Treasury shares acquired and resale	-	-	-	(32)	-	-	-	-	(32)	-	(32)
Dividends to shareholders	-	-	-	-	-	-	-	310	310	-	310
At 31 March 2018	108,834	769	(1)	(176)	1,124	2,991	16,967	67,127	197,635	20	197,655



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED (continued)

	Attributable to owners of the Company										
	Non-distributable					Distributable					
	Share capital	Share premium	Translation reserve	Treasury share	Employee Share-based reserve	Merger reserves	Warrant reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2017	82,506	11,902	(3)	(471)	1,248	2,991	16,967	73,583	188,723	46	188,769
Foreign currency translation differences for foreign operation	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Profit for the period	-	-	-	-	-	-	-	6,631	6,631	(29)	6,602
Total comprehensive income for the period	-	-	(1)	-	-	-	-	6,631	6,630	(29)	6,601
Equity settled share based transactions	26,229	(10,909)	-	327	(260)	-	-	(14,762)	625	-	625
Subscription of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Right issued	-	-	-	-	-	-	-	-	-	-	-
Share issued expenses	-	-	-	-	-	-	-	-	-	-	-
Own shares acquired	-	-	-	-	-	-	-	-	-	-	-
Warrant issued	-	-	-	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2017	108,735	993	(4)	(144)	988	2,991	16,967	65,452	195,978	17	195,995

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED**

	Three months ended 31.03.2018 RM '000	Three months ended 31.03.2017 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,102	7,059
Adjustments for:-		
Depreciation	4,111	3,126
Equity settled share-based transaction	769	54
Finance income	-	(27)
Dividend income	(24)	(123)
Finance costs	510	227
Impairment loss on trade receivables	-	-
Property, plant and equipment written off	-	2
Unrealised gain on foreign exchange	934	177
Gain on disposal of property, plant and equipment	(17)	-
Operating profit before changes in working capital	<u>7,385</u>	<u>10,495</u>
Changes in employee benefits	(30)	(19)
Changes in inventories	1,357	614
Changes in trade and other receivables	13,736	6,537
Changes in trade and other payables	<u>(17,068)</u>	<u>(12,767)</u>
Cash generated from operations	5,380	4,860
Tax paid	(1,020)	(1,341)
Other finance costs paid	-	(37)
Net cash (used in)/ from operating activities	<u>4,360</u>	<u>3,482</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(11,043)	(7,449)
Proceeds from disposal of property, plant and equipment	-	-
Share capital contributed by minority shareholders of a subsidiary	-	-
Interest received	8	27
Dividend received	24	123
Net cash used in investing activities	<u>(11,011)</u>	<u>(7,299)</u>



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED (continued)

	Three months ended 31.03.2018 RM '000	Three months ended 31.03.2017 RM '000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	6,324	537
Repayment of term loans	(2,143)	(476)
Net short term borrowings	952	(3,856)
Payments of finance lease liabilities	-	-
Net proceeds from the repurchase and resale of treasury shares	(32)	(32)
Dividends paid to owners of the Company	(310)	(3,260)
Interest paid	(1,183)	(189)
Bonus issues and proceeds from issuance of shares	-	1,862
Net cash for financing activities	<u>3,608</u>	<u>(5,414)</u>
Exchange difference on translation of the financial statements of foreign operation	4	1
Net (decrease)/ increase in cash and cash equivalents	(3,039)	(9,230)
Cash and cash equivalents at 1 January	10,492	30,906
Cash and cash equivalents at 31 March	<u><u>7,453</u></u>	<u><u>21,676</u></u>
 * Cash and cash equivalents at end of the year consist of:-		
Deposit placed with licensed banks	-	-
Cash and bank balances	<u>7,453</u>	<u>21,676</u>
	<u><u>7,453</u></u>	<u><u>21,676</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)



A. NOTES TO THE QUARTERLY FINANCIAL REPORT

1 Basis of preparation

(a) Statement of compliance

The interim financial statements are unaudited and have been prepared in accordance with paragraph 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 audited financial statements for the year ended 31 December 2017. 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 Dec 2017.

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 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*



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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There is no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

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 and financial year-to-date.

5 Material changes in estimates

There were no changes in estimates of amounts, which have a material effect in the current quarter and financial year-to-date.

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 financial year to date.



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2018**

7 Dividend paid

- i) The board declared a single tier interim dividend of 0.2 sen per ordinary share totalling RM839,161 on 21st March 2018, based on issued and paid up capital as at 15th March 2018 and paid on 5th April 2018.

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 March 2018	31 March 2017	31 March 2018	31 March 2017
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Local	34,057	26,814	34,057	26,814
- Overseas	18,339	29,048	18,339	29,048
	<u>52,396</u>	<u>55,862</u>	<u>52,396</u>	<u>55,862</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 March 2018	31 March 2017
	RM'000	RM'000
Secured corporate guarantees for banking facilities given to subsidiary	<u>40,981</u>	<u>24,811</u>
Unsecured corporate guarantees for banking facilities given to subsidiary	<u>21,532</u>	<u>5,525</u>



13 Capital commitments

	31 March 2018	31 March 2017
	RM'000	RM'000
Plant and equipment Contracted but not provided for	<u>23,215</u>	<u>28,763</u>
Authorised but not contracted for	<u>37,400</u>	<u>54,384</u>

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

1 Review of performance

Description	1st Quarter 18	1st Quarter 17	%
	RM'000	RM'000	Change
Revenue	52,396	55,862	(6%)
PBT	1,102	7,059	(84%)

For the 3 months period ended 31 March 2018, the Group achieved turnover of RM 52.40 million compared to RM 55.86 million for the same period last year, a decreased of 6%, principally due to lower sales volume as average selling price remained relatively stable with only a 3% reduction. Quantity shipped this quarter was 2,696 metric tonnes as compared to 3,214 metric tonnes for the same period last year, a reduction of 16%.

This decrease in quantity shipped was mainly attributed to a reduction in overseas sales, which was partly mitigated by an increase in local sales. The decrease in overseas sales for the 3 months ended 31 March 2018 is due principally to a reduction in sales to a major overseas customer since the third quarter of 2017. The sales value to this particular customer has however stabilised over the last 2 quarters.

There was however an increase in local sales as more intensive marketing efforts started last year are beginning to result in positive effects on sales as more customers are added.

The reduction in PBT was mainly due to higher raw material costs as well as under absorption of factory overheads.

2 Variation of results against preceding quarter

The Group's performance for the quarter under review as compared to the preceding quarter is as follow:

Description	1st Quarter 18	4th Quarter 17	%
	RM'000	RM'000	Change
Revenue	52,396	52,639	(0.5%)
PBT	1,102	(2,522)	140%
PAT	1,376	(2,522)	154%



**UNAUDITED QUARTERLY REPORT FOR THE FIRST QUARTER ENDED
31 MARCH 2018**

For the 3 months period ended 31 March 2018, the Group achieved a turnover of RM52.40 million compared to RM52.64 million for the preceding quarter, a decrease of 0.5%. There was a marginal decrease in quantity of finished goods shipped in this quarter compared to the preceding quarter, at 2,696 metric tonnes as against 2,706 metric tonnes in the preceding quarter.

In terms of geographical breakdown of sales, local sales increased by 27% whilst international sales decreased by 37% as another international customer has built up sufficient stock in the last quarter.

The Group achieved a PBT of RM1.10 million as against a loss of RM2.52 million for the preceding quarter. The loss in the previous quarter was principally due to inventory write off and adjustment. However, there is a tax recoverable of RM4.25 million as a result of additional reinvestment allowance recorded for the new plant in Senai subsequent to the announcement made.

3 Prospects

New major machinery are still undergoing installation and test runs at the Senai plant as at the end of April 2018. The ninth printing line and the film casting plant is currently undergoing trial run and is targeted to commence low commercial operation towards early third quarter. The installation and commissioning of an additional printing and lamination lines are expected to commence towards the end of the third quarter and these should also commence low commercial operations towards the end of the 4th quarter of FY 2018.

The focus thereafter will be on the final rationalisation of the plants, increasing efficient operation of the new and existing machineries as well as to continue to intensify and secure new orders from existing and new customers.

Barring unforeseen circumstances, the Board is cautiously confident that the performance of the Group will continue to improve.

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	
	31 March 2018	31 March 2017
	RM'000	RM'000
The tax expense comprises the followings:		
Tax expense		
- Current period	(5)	(380)
- Prior year	-	-
	<u>(5)</u>	<u>(380)</u>
Deferred tax expense		
- Current period	270	(50)
	<u>270</u>	<u>(50)</u>
	<u>265</u>	<u>(430)</u>



6 Status of corporate proposal announced

There was no corporate proposal announced for the current quarter.

7 Utilisation of Right Issue Proceeds

Details of the expected utilisation of proceeds	Expected utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000
Construction of a new factory building	33,366	33,366	-
Purchase of machineries, equipment and other ancillary facilities	15,768	15,768	-
Working capital	5,000	5,000	-
Estimated expenses in relation to the Corporate Exercise	600	600	-
Total	54,734	54,734	-

8 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 March 2018 RM'000	31 March 2017 RM'000
Non-current		
<i>Secured</i>		
Term loans	35,956	19,885
Finance lease liabilities	-	-
	35,956	19,885
Current		
<i>Secured</i>		
Term loans	5,025	4,926
Finance lease liabilities	-	-
	5,025	4,926
<i>Unsecured</i>		
Trust receipts	21,532	5,525
	21,532	5,525
	26,557	10,451
	62,513	30,336



9 Disclosure of derivatives

There were no financial derivatives for current quarter ended 31 March 2018.

10 Changes in material litigation

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

11 Dividend

The Board is pleased to declare a tax exempt interim dividend of 0.3 sen per ordinary share on 31 May 2018 in respect of the financial year ending 31 December 2018 and the said dividend will be paid on 9 July 2018 to shareholders whose names appear on the Company's Record of Depositors 18 June 2018.

12 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 rights issue and incorporating the share split and bonus issue for the period 31 March 2018.

	Individual quarter ended	
	31 March 2018	31 March 2017
Adjusted Net Profit attributable to ordinary shareholders (RM'000)	1,365	6,642
Weighted average number of ordinary shares in issue ('000)	419,713	414,219
Basic earnings per ordinary share (sen)	<u>0.33</u>	<u>1.60</u>

Diluted earnings per ordinary share

The calculation of diluted 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, after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Three months 31 March 2018
Adjusted Net Profit attributable to ordinary shareholders (RM'000)	1,365
Weighted average number of ordinary shares in issue ('000)	419,713
Diluted earnings per ordinary share (sen)	<u>0.33</u>