



Interim financial report for the fourth quarter ended 31 December 2012

The figures have not been audited.

The Directors have pleasure in announcing the following:-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current	Comparative	12 months	12 months
		Quarter Ended 31/12/2012 RM'000	Quarter Ended 31/12/2011 RM'000	Cumulative To Date 31/12/2012 RM'000	Cumulative To Date 31/12/2011 RM'000
Revenue		51,315	38,106	202,808	155,892
Cost of sales		(41,095)	(32,367)	(174,480)	(135,167)
Gross profit		10,220	5,739	28,328	20,725
Other operating income		1,302	410	6,323	2,679
Selling and distribution expenses		372	(1,109)	(6,731)	(6,862)
Administration expenses		(7,664)	(6,756)	(16,466)	(14,223)
Other operating expenses		(720)	(243)	(3,246)	(315)
Operating profit/(loss)		3,510	(1,959)	8,208	2,004
Finance cost		(1,224)	(412)	(3,387)	(883)
Share of profit of an associate		(110)	205	268	620
Profit/(loss) before tax	B14	2,176	(2,166)	5,089	1,741
Taxation	B5	454	147	(2,031)	(1,342)
Profit/(loss) for the period		2,630	(2,019)	3,058	399
Other comprehensive income:					
Exchange differences on translation of foreign operations		395	41	(1,839)	(558)
Total comprehensive income for the period		3,025	(1,978)	1,219	(159)
Profit for the period attributable to:					
Equity holders of the Company		2,630	(2,019)	3,058	399
Total comprehensive income attributable to:					
Equity holders of the Company		3,025	(1,978)	1,219	(159)
Earnings per share attributable to equity holders of the Company:					
(a) Basic (Sen)		6.85	(5.26)	7.97	1.04
Weighted average number of ordinary shares in issue ('000)		38,385	38,388	38,385	38,473
(b) Fully Diluted (Sen)		N/A	N/A	N/A	N/A
Weighted average number of ordinary shares in issue ('000)		N/A	N/A	N/A	N/A

N/A - not applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	As at 31/12/2012 RM'000	As at 31/12/2011 RM'000	As at 01/01/2011 RM'000
ASSETS				
Non Current Assets				
Property, plant and equipment		118,416	93,190	48,023
Intangible assets		718	793	257
Investment in an associate		7,298	7,209	6,102
Other investments		1,670	595	392
		<u>128,102</u>	<u>101,787</u>	<u>54,774</u>
Current Assets				
Inventories		34,721	34,967	23,786
Trade receivables		53,175	41,188	34,612
Others-receivables, sundries & prepayments		6,600	6,769	9,419
Amount due from an associate		-	-	-
Tax recoverable		5,476	1,486	284
Short term deposits		18,155	564	21,896
Cash and bank balances		18,588	20,237	7,906
		<u>136,715</u>	<u>105,211</u>	<u>97,903</u>
TOTAL ASSETS		<u>264,817</u>	<u>206,998</u>	<u>152,677</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	A6	40,957	40,957	40,957
Treasury shares		(4,551)	(4,546)	(3,976)
Share premium		7,162	7,162	7,162
Statutory reserve		1,248	1,248	1,248
Exchange reserve		(45)	1,794	2,351
Unappropriated profits		64,224	61,166	64,607
Total equity		<u>108,995</u>	<u>107,781</u>	<u>112,349</u>
Non-current liabilities				
Borrowings (Secured)		45,293	35,970	8,211
Hire purchase and finance lease liabilities		9,381	-	-
Retirement benefits		1,864	1,787	1,571
Deferred taxation		763	1,052	827
		<u>57,301</u>	<u>38,809</u>	<u>10,609</u>
Current Liabilities				
Trade payables		31,198	31,528	21,656
Other payables		18,402	6,728	7,054
Hire purchase and finance lease liabilities		1,984	-	-
Amount due to an associate		135	103	317
Bank overdrafts (Unsecured)	B9	821	517	48
Borrowings (Secured/Unsecured)	B9	44,914	20,999	-
Provision for taxation		1,067	533	644
Dividend payable		-	-	-
		<u>98,521</u>	<u>60,408</u>	<u>29,719</u>
Total liabilities		<u>155,822</u>	<u>99,217</u>	<u>40,328</u>
TOTAL EQUITY AND LIABILITIES		<u>264,817</u>	<u>206,998</u>	<u>152,677</u>
Net assets per share attributable to equity holders of the parent (RM)				
		<u>2.84</u>	<u>2.81</u>	<u>2.91</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



Interim financial report for the fourth quarter ended 31 December 2012

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →					Distributable	Total
	Non-distributable			Exchange			
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Statutory Reserve RM'000	Translation Reserve RM'000	Unappropriated Profits RM'000	RM'000
<u>12 months ended 31/12/2012</u>							
Balance at 1 January 2012	40,957	7,162	(4,546)	1,248	1,794	61,166	107,781
- Effect arising from adoption of FRS 139	-	-	-	-	-	-	-
- After the adoption of FRS 139	40,957	7,162	(4,546)	1,248	1,794	61,166	107,781
Shares repurchased	-	-	(5)	-	-	-	(5)
Appropriation to statutory reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(1,839)	3,058	1,219
Dividend paid	-	-	-	-	-	-	-
Balance at 31 December 2012	40,957	7,162	(4,551)	1,248	(45)	64,224	108,995
<u>12 months ended 31/12/2011</u>							
Balance at 1 January 2011	40,957	7,162	(3,976)	1,248	2,352	64,606	112,349
- Effect arising from adoption of FRS 139	-	-	-	-	-	-	-
- After the adoption of FRS 139	40,957	7,162	(3,976)	1,248	2,352	64,606	112,349
Shares repurchased	-	-	(570)	-	-	-	(570)
Appropriation to statutory reserve	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(558)	399	(159)
Dividend paid	-	-	-	-	-	(3,839)	(3,839)
Balance at 31 December 2011	40,957	7,162	(4,546)	1,248	1,794	61,166	107,781

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



Interim financial report for the fourth quarter ended 31 December 2012

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months Ended 31/12/2012 RM'000	12 months Ended 31/12/2011 RM'000
Cash flows from/(used in) operating activities		
Profit/(loss) before taxation	5,089	1,741
Adjustment for non-cash flow:-		
Non-cash items	815	(232)
Non-operating items (which are investing /financing)	7,729	8,044
Operating profit before changes in working capital	<u>13,633</u>	<u>9,553</u>
Changes in working capital		
Inventories	246	(11,182)
Trade and other receivables	(15,809)	(781)
Trade and other payables	11,165	10,607
Cash generated from operations	<u>9,235</u>	<u>8,197</u>
Defined benefits paid	(54)	(242)
Income tax refunded/(paid)	<u>(4,721)</u>	<u>(3,587)</u>
Total cash flows from/(used in) operating activities	<u>4,460</u>	<u>4,368</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(43,201)	(56,088)
Disposal of property, plant and equipment	10,389	2,932
Payment of intangible assets	(22)	(560)
Acquisition of investments	(30)	-
Disposal of investments	-	-
Dividend received	149	13
Interest received	504	174
Total cash flows from/(used in) investing activities	<u>(32,211)</u>	<u>(53,529)</u>
Cash flows from financing activities		
Dividend paid to equity holders	-	(3,839)
Net proceeds from/(repayment of) borrowings	33,541	45,108
Net proceeds from/(repayment of) hire purchase and leased assets	11,365	-
Interest paid	(3,248)	(807)
Shares repurchased	(5)	(570)
Total cash flows from/(used in) financing activities	<u>41,653</u>	<u>39,892</u>
Net increase/(decreased) in cash and cash equivalents	13,902	(9,269)
Effects of foreign currency translation differences	1,736	(200)
Cash and cash equivalents at beginning of year	<u>20,284</u>	<u>29,753</u>
Cash and cash equivalents at end of period	<u><u>35,922</u></u>	<u><u>20,284</u></u>
Cash and cash equivalents comprise:-		
Bank overdraft	(821)	(517)
Short term deposits	18,155	564
Short term money market funds	422	287
Cash and bank balances	<u>18,166</u>	<u>19,950</u>
	<u><u>35,922</u></u>	<u><u>20,284</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



Interim financial report for the fourth quarter ended 31 December 2012

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A. NOTES TO THE INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011.

The accounting policies and presentation adopted for the interim financial statements are consistent with those applied in the audited financial statements for the financial year ended 31 December 2011 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2012.

The Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards (FRS) framework with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption the MFRS on the interim financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2012. The adoption of these standards, amendments and interpretations have not resulted in any material impact to these interim financial statements.

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's most recent annual audited financial statement for the year ended 31 December 2011 was not qualified.

A3. Explanatory Comments about the Seasonality or Cyclicity of Operations

The Group's operation is not dependent on any seasonality or cyclicity of its operation.

A4. Unusual Items

There were no exceptional/extraordinary items affecting the assets, liabilities, equity, net income or cash flows for the current quarter.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the interim period.

A6. Changes in Share Capital and Debt Securities

There were no issuances, cancellations, repurchases, resale and repayments of either debt or equity securities for the current quarter ended 31 December 2012 except for the buy back of its own 1,000 issued share capital from the open market as follows:-

	No. of shares purchased	Average price per share RM	Total consideration paid including transaction costs RM	Treasury shares No. of shares retained
Opening balance at 1.01.2012	2,569,500	1.76	4,546,198	2,569,500
January	1,000	1.52	1,563	1,000
May	1,000	1.38	1,422	1,000
November	1,000	1.60	1,643	1,000
Closing balance at 31.12.2012	2,572,500	1.76	4,550,826	2,572,500

The repurchased transaction was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance to the requirement of Section 67A of the Companies Act, 1965. As at 31 December 2012, the number of outstanding shares in issue and fully paid is 38,384,500 ordinary shares of RM1.00 each.

A7. Dividend Paid

There was no dividend paid during the financial quarter ended 31 December 2012.



Interim financial report for the fourth quarter ended 31 December 2012

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A8. Related Party Transactions

The Group purchases and sells materials and components, semi-finished and finished products and services from and to Nichirin Group of Companies and Sunrise Group of Companies. Nichirin Co., Ltd., Sunrise Industry Co., Ltd., Sunrise Asia Management Pte. Ltd. and Mr. Masahito Hiraishi are substantial shareholders of the Company. Mr. Tamiyo Maeda, Mr. Michiaki Nagai and Mr. Mitsuru Ishimoto who are directors of the Company are also deemed interested as they are connected to Nichirin and Sunrise Group of companies.

Transactions related to Nichirin Group of companies and Sunrise Group of companies for the 12 months ended 31 December 2012 are as follows :-

	Nichirin Group RM'000	Sunrise Group RM'000
Purchases of goods and services	8,020	33,249
Sales of goods and services	29,553	209
Royalties	487	356

A9. Segmental Reporting

The Group operates in a single industry segment and as such, no segment information in respect of analysis by activity has been provided. The analysis of Group operation by geographical location is as follows:-

	Cumulative Operating Revenue RM'000	Cumulative Profit/ (Loss) before taxation RM'000	Assets Employed RM'000
Malaysia	102,467	6,990	89,101
Thailand	80,108	6,676	110,015
India	20,220	(2,949)	21,127
Indonesia	13	(5,896)	37,365
Group's share of associated company result	N/A	268	7,209
	<u>202,808</u>	<u>5,089</u>	<u>264,817</u>

A10. Valuations of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment.

A11. Material Events Subsequent to the End of the Period

No material event has arisen in the interval between the end of the current quarter and the date of this release to affect substantially the results of the Group and Company as at 21 February 2013, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

A12. Changes in the Composition of the Group

There were no changes to the composition of the Group since the last quarter.

A13. Commitments and Contingent Liabilities

The Group has entered into a number of agreements in the course of business. Details of the commitments and contingent liabilities as at 21 February 2013 (latest practicable date which is not earlier than 7 days from the date of issue of this interim report) are as follows:-

	Company RM'000	Group RM'000
Capital Commitments		
Authorised and contracted for	360	3,889
Authorised but not contracted for	<u>4,800</u>	<u>4,800</u>
Contingent Liabilities	<u>35,600</u> *	<u>-</u>

- * The Company has issued the following guarantees for its subsidiary to secure banking and leasing facilities:-
- Three corporate guarantees of THB186.0, THB52.0 million and USD2.0 million for its Thai subsidiary, Sunchirin Industry (Thailand) Ltd.
 - Two bank guarantees of USD0.28 million and USD0.26 million for its Indian sub-subsiidiary, Sunchirin Autoparts India Pvt. Ltd.
 - A corporate guarantee of USD3.10 million for its Indonesia subsidiary, PT Sunchirin Industries Indonesia.



Interim financial report for the fourth quarter ended 31 December 2012

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B. ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

B1. Review of the Performance

The Group achieved a higher revenue of RM51.32 million in the fourth quarter which is 35% higher compared to RM38.11 million for the corresponding period last year. The Group recorded a profit before tax of RM2.18 million compared to a loss of RM2.17 million in the corresponding period last year. The low revenue in the corresponding period last year was due to the massive floods in Thailand. The associate company in China incurred a loss of RM0.11 million compared to a profit of RM0.21 million previously due to the fallout effect of the Sino-Japanese conflict over the Diaoyu Islands which had seriously affected the sales of Japanese marques in China.

B2. Explanatory Comments on Any Material Change in the Profit Before Taxation for the Quarter Reported on as Compared with the Immediate Preceding Quarter

The Group registered a slightly higher revenue of RM51.32 million compared to the RM50.63 million achieved in the preceding quarter. The Malaysian operation registered an increase in revenue by 6% while the Thai operation remained flat and the Indian operation decreased by 15%. The Group registered a profit before tax of RM2.18 million compared to a profit of RM0.008 million previously. The share of loss from the associated company in China was at RM0.11 million compared to a profit of RM0.19 million previously as a result of Sino-Japanese conflict. The Indian operation recorded a loss of RM1.96 million compared to profit of RM0.46 million in the previous quarter. The Indonesian operation incurred a loss of RM1.56 million during this period due to initial start-up costs.

B3. Prospects for the Current Financial Year 2013

The Indonesian and Indian operations will continue to affect the Group overall profitability. The Indonesian operation which started mass production in January 2013 will continue to affect profitability due to its high start-up cost. The Indian operation continues to face a very challenging environment amidst a slowing economy in India.

The global economy continues to face uncertainty with the European debt crisis remaining unresolved while the recovery in the United States of America is facing fiscal challenges. The regional ASEAN growth rate has moderated. The Group's operations are expected to continue to operate in a challenging environment with margins under pressure and higher labour costs.

B4. Explanatory Notes for Variance of Actual Profit from Forecast Profit

There were no profits forecast or profit guarantee issued during the financial period to-date.

B5. Taxation

Taxation comprised the following:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Current year's taxation				
- Malaysian income tax - current	951	551	1,918	(376)
- Malaysian income tax - prior year	290	-	290	(32)
- Foreign income tax	462	(183)	1,437	(939)
- Transfer from current year Malaysian deferred taxation account	(870)	(145)	(327)	3
- Transfer from prior year Malaysian deferred taxation account	38	(73)	38	(73)
- Transfer from foreign deferred taxation account	(1,325)	(3)	(1,325)	75
	<u>(454)</u>	<u>147</u>	<u>2,031</u>	<u>(1,342)</u>

The effective tax rate of the Group after the transfer from deferred taxation account was at 30% which is higher than the statutory tax rate due to allowance for doubtful debts and term loan interests. A local subsidiary, Sunchirin Corporation Sdn Bhd, had obtained the Operational Headquarters status with a 10 years tax waiver effective from 1 January 2006. The first and second 7 years tax exempt promotion privilege granted by the Board of Investment ("BOI"), Thailand to our Thai subsidiary had expired on 4 June 2007 and 22 June 2011 respectively. Provision for corporate tax of 23% was made for these projects. The Thai subsidiary had also obtained another 7 years tax exempt promotion privileges for its third qualifying project effective from 7 January 2008 to 6 January 2014. The Withholding tax of 15% was paid in Thailand in respect of royalty income arising from technical assistance extended to the Thai subsidiary.



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B6. Status of Corporate Proposals

On 26 December 2012, the Company announced the receipt of a letter ("Offer Letter") from four (4) of its shareholders, namely Nichirin Co., Ltd., Sunrise Industry Co., Ltd., Sunrise Asia Management Pte. Ltd. and Masahito Hiraishi (collectively referred to as the "Joint Offerors"), setting out the Joint Offerors' intention to privatise Sunchirin via a selective capital reduction and repayment exercise under Section 64 of the Companies Act 1965 ("the Act") ("Proposed SCR").

The Proposed SCR entails a selective capital reduction and repayment under Section 64 of the Act which will result in the reduction of the issued and paid-up share capital of Sunchirin from RM38,384,500 comprising 38,384,500 Sunchirin Shares (excluding 2,572,500 treasury shares) to RM4,695,160 comprising 4,695,160 Sunchirin Shares by way of cancelling a total of 33,689,340 Sunchirin Shares comprising 18,716,300 Sunchirin Shares held by the shareholders of Sunchirin (other than the Joint Offerors) ("Other Shareholders") and 14,973,040 Sunchirin Shares held by the Joint Offerors.

Upon successful completion of the Proposed SCR, the Joint Offerors will hold 4,695,160 Sunchirin Shares, representing the entire issued and paid-up share capital of Sunchirin and this will result in Sunchirin being entirely owned by the Joint Offerors. The 2,572,500 treasury shares shall also be cancelled in conjunction with the Proposed SCR.

Pursuant to the proposed cancellation of 33,689,340 Sunchirin Shares, shareholders whose names appear in the Record of Depositors of Sunchirin at the close of business on a date to be determined and announced later will be entitled to receive a capital repayment of RM33,689,340. In this respect, the Joint Offerors will waive their entitlements to be repaid under the Proposed SCR. Accordingly, the aggregate amount in capital to be paid to the Other Shareholders will be RM33,689,340 or equivalent to RM1.80 per Sunchirin Share, being the cash consideration to be paid pursuant to the Proposed SCR as stated in the Offer Letter ("SCR Offer Price").

The Proposed SCR is subject to and conditional upon the following approvals being obtained:

- (i) Securities Commission Malaysia ("SC") for a proposed exemption under Practice Note 44 of the Malaysian Code on Take-Overs and Mergers, 2010 to be obtained by the Joint Offerors and its consent to the circular, explanatory statement and independent advice letter to be issued to the shareholders of Sunchirin;
- (ii) Bursa Securities for the circular to be issued to the shareholders of Sunchirin;
- (iii) Other Shareholders via a special resolution at an extraordinary general meeting ("EGM") to be convened;
- (iv) confirmation from the High Court of Malaya on the reduction of Sunchirin's share capital pursuant to Section 64 of the Act;
- (v) Ministry of International Trade and Industry, if required;
- (vi) consent of the relevant creditors / lenders of Sunchirin, if required; and
- (vii) approvals / consents of any other relevant authorities/persons, if required.

The Company appointed Maybank Investment Bank Berhad as its Principal Adviser and Affin Investment Bank Berhad as its Independent Adviser.

On 4 January 2013, the Board, save for Masahito Hiraishi, Mitsuru Ishimoto, Tamiyo Maeda and Michiaki Nagai (collectively referred to as the "Interested Directors"), deliberated on the Offer Letter and resolved to table the Proposed SCR to the shareholders of Sunchirin for their consideration.

On 8 February 2013, the Company submitted an application in relation to the Proposed SCR to the SC pursuant to Sections 1.2(b) and 1.2(c), Practice Note 44 of the Malaysian Code on Take-Overs and Mergers, 2010. Upon receipt of the SC approval, the Circular in relation to the Proposed SCR will be despatched to the shareholders together with the Notice of EGM.

The Company on 14 February 2013 received a press notice from the Joint Offerors informing that the SC has, vide its letter dated 13 February 2013, approved their application for the exemption under Practice Note 44 of the Malaysian Code on Take-Overs and Mergers, 2010 in respect of the Proposed SCR.



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B7. Group Borrowings

Total borrowings as at 31 December 2012 were as follows:-

	Company RM'000	Group RM'000	Included in the borrowings are amounts denominated in foreign currency FC '000	
Bank borrowings (Unsecured):				
<u>Classified as current liabilities</u>				
Repayable within 12 months				
Bankers' Acceptances	4,342	4,342		
Revolving Credit	4,863	27,285	THB 224,000	& USD 1,000
Trust Receipts	-	-		
Overdraft	-	821	INR 14,701	
Onshore Foreign Currency Loan	5,570	5,570	JPY 79,774	& USD 890
	<u>14,775</u>	<u>38,018</u>		
Bank borrowings (Secured):				
<u>Classified as current liabilities</u>				
Term Loans	<u>2,415</u>	<u>7,717</u>	THB 46,440	& USD 550
<u>Classified as non-current liabilities</u>				
Term Loans				
- Repayable later than 1 year and not later than 2 years	2,503	8,058	THB 55,488	& USD 550
- Repayable later than 2 year and not later than 5 years	7,782	22,962	THB 151,644	& USD 1,650
- Repayable later than 5 years	13,710	14,273	THB 5,630	& USD 2,460
	<u>23,995</u>	<u>45,293</u>		
Total borrowings	<u>41,185</u>	<u>91,028</u>		

B8. Derivative Financial Instruments

The Group enters into short-term forward foreign exchange contracts to hedge its exposure to currency fluctuations affecting certain foreign currency denominated trade payables and receivables. The Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

There is no outstanding derivative financial instrument as at 21 February 2013, the latest practicable date which is not earlier than 7 days from the date of issue of this interim report.

There are no cash requirements on these contracts and the Group only uses forward foreign currency contracts as a hedging instrument on a certain portion of the Group's purchases from foreign exchange rate movement.

Forward foreign currency exchange contracts are recognised on the contract date and are measured at fair value at the end of reporting period and changes in fair value are recognised in profit or loss.

B9. Material Litigation

There is no material litigation as at 21 February 2013, the latest practicable date which is not earlier than 7 days from the date of issue of this interim report.

B10. Dividend

The Board does not recommend any dividend for the current quarter ended 31 December 2012.

B11. Earnings Per Ordinary Share

	Current Quarter 2012	Year-To-Date 2012
Earnings		
Net profit/(loss) for the year (RM'000)	<u>2,630</u>	<u>3,058</u>
Weighted average number of shares		
(a) Basic		
Weighted average number of ordinary shares in issue ('000)	<u>38,385</u>	<u>38,385</u>
(b) Fully Diluted		
There is no diluted earnings per share as the Group has no dilutive potential ordinary share.		
Basic earnings/(loss) per share (sen)	<u>6.85</u>	<u>7.97</u>



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The figures have not been audited.

B12. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	12 months Ended 31/12/2012 RM'000	12 months Ended 31/12/2011 RM'000
Interest income	193	229
Other income	1,263	2,463
Interest expenses	3,387	883
Depreciation and amortisation	9,077	7,581
Provision for and write off of receivables	108	185
Loss/(Gain) on disposal of property, plant equipment	(3,401)	(548)
Loss/(Gain) on foreign exchange:		
- realised	384	173
- unrealised	1,082	388

Other than the items mentioned above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on derivatives, gain or loss on disposal of subsidiaries and exceptional items included in the results for the current quarter ended 31 December 2012.

B13. Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31/12/2012 RM'000	As at 31/12/2011 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	59,429	54,583
- Unrealised	718	2,691
	<u>60,147</u>	<u>57,274</u>
Total share of retained earnings from an associated company:		
- Realised	3,835	3,567
- Unrealised	-	-
	<u>63,982</u>	<u>60,841</u>
Less: Consolidation adjustments	242	325
Total Group retained earnings as per consolidated financial statements	<u><u>64,224</u></u>	<u><u>61,166</u></u>

By Order of the Board

Lim Kau Chia
Leong Oi Wah
 Company Secretaries

Shah Alam
 28 February 2013