

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

The figures have not been audited.

| | AS AT 30/06/2012 UNAUDITED RM'000 | AS AT 31/12/2011 AUDITED RM'000 |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 28,466 | 30,619 |
| Prepaid Lease Payment | 3,197 | 3,210 |
| | 31,663 | 33,829 |
| Current Assets | | |
| Inventories | 8,981 | 9,805 |
| Trade and other receivables | 22,618 | 20,308 |
| Tax recoverable | 9 | 9 |
| Fixed Deposit | 1,516 | 1,428 |
| Cash and bank balances | 1,345 | 1,577 |
| | 34,469 | 33,127 |
| TOTAL ASSETS | 66,132 | 66,956 |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Equity Holders of The Parent | | |
| Share capital | 41,981 | 41,981 |
| Right Issue - warrants | 407 | 407 |
| Treasury Share.at cost | (2,568) | (2,568) |
| Unappropriated profit / (loss) | (6,070) | (5,062) |
| Total Equity | 33,750 | 34,758 |
| Minority Interest | - | - |
| | 33,750 | 34,758 |
| Non-Current Liabilities | | |
| Bank Borrowings | 7,272 | 7,272 |
| Hire Purchase | 1,500 | 1,500 |
| Deferred Tax | 2,295 | 1,935 |
| | 11,067 | 10,707 |
| Current Liabilities | | |
| Trade and other payables | 15,361 | 16,327 |
| Bank Borrowings | 5,136 | 3,344 |
| Hire Purchase | 818 | 1,820 |
| | 21,315 | 21,491 |
| Total Liabilities | 32,382 | 32,198 |
| TOTAL EQUITY AND LIABILITIES | 66,132 | 66,956 |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.86 | 0.88 |

(The condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6 months ended 30 June 2012 - unaudited

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|---|---|
| | CURRENT YEAR QUARTER 30/06/2012 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30/06/2011 RM'000 | CURRENT YEAR PERIOD 30/06/2012 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/06/2011 RM'000 |
| Gross revenue | 24,537 | 27,540 | 46,607 | 53,002 |
| Cost of sales | (22,763) | (25,472) | (42,856) | (49,684) |
| Gross profit | 1,774 | 2,068 | 3,751 | 3,318 |
| Other operating income | 27 | 545 | 297 | 4,860 |
| Selling & Distribution expenses | (777) | (814) | (1,499) | (1,602) |
| Administrative and general expenses | (1,180) | (1,654) | (2,576) | (3,313) |
| Results from operating activities | (156) | 145 | (27) | 3,263 |
| Finance costs | (264) | (289) | (523) | (400) |
| Profit/(Loss) before tax | (420) | (144) | (550) | 2,863 |
| Tax expense | (219) | (381) | (458) | (750) |
| Profit/(Loss) for the period | (639) | (525) | (1,008) | 2,113 |
| Foreign currency translation difference for foreign operation | - | - | - | - |
| Hedge of net investment | - | - | - | - |
| Cashflow hedge | - | - | - | - |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | (639) | (525) | (1,008) | 2,113 |
| Attributable to: | | | | |
| Equity holders of the parent | (639) | (525) | (1,008) | 2,638 |
| Minority interests | - | - | - | - |
| Profit/(Loss) for the period | (639) | (525) | (1,008) | 2,113 |
| Comprehensive income attributable to : | | | | |
| Equity holders of the parent | - | - | - | - |
| Minority interests | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - |
| Basic earnings per share (sen) | (1.62) | (1.33) | (2.56) | 6.70 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2012

The figures have not been audited.

| | ----- Attributable to equity holders of the parent ----- | | | | Total RM'000 | Minority interest RM'000 | Total equity RM'000 |
|---------------------------------|--|-----------------------------|-----------------------------------|------------------------------------|-----------------|--------------------------------|---------------------------|
| | Share capital RM'000 | Treasury Share RM'000 | Right Issue Warrants RM'000 | Unappropriated profit RM'000 | | | |
| At 1 January 2011 | 41,981 | (2,568) | 407 | (6,578) | 33,242 | - | 33,242 |
| Treasury Shares | | | | | - | - | - |
| Right Issue - Warrant 2009/2019 | | | | | - | - | - |
| Net profit for the year | | | | 1,516 | 1,516 | | 1,516 |
| Other comprehensive income | | | | - | - | | - |
| Total comprehensive income | - | - | - | 1,516 | 1,516 | - | 1,516 |
| At 31 December 2011 | 41,981 | (2,568) | 407 | (5,062) | 34,758 | - | 34,758 |
| At 1 January 2012 | 41,981 | (2,568) | 407 | (5,062) | 34,758 | - | 34,758 |
| Treasury Shares | | | | | - | - | - |
| Right Issue - Warrant 2009/2019 | | | | | - | - | - |
| Net loss for the period | | | | (1,008) | (1,008) | | (1,008) |
| Other comprehensive income | | | | - | - | | - |
| Total comprehensive income | - | - | - | (1,008) | (1,008) | - | (1,008) |
| At 30 JUNE 2012 | 41,981 | (2,568) | 407 | (6,070) | 33,750 | - | 33,750 |

(The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2012

The figures have not been audited.

| | CURRENT YEAR TO DATE 30/06/2012 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/06/2011 RM'000 |
|--|---|--|
| Profit/(loss) before tax | (550) | 2,863 |
| Adjustment for: | | |
| Depreciation / Amortisation | 2,727 | 2,647 |
| Loss on disposal of PPE / PPE written off | | |
| Impairment loss on trade receivables no longer required | 100 | - |
| Gain on disposal of investment | | (32) |
| Interest expenses | 523 | 399 |
| Interest income | (14) | (24) |
| Operating profit before changes in working capital | <u>2,786</u> | <u>5,853</u> |
| Changes in working capital | | |
| (Increase) / decrease in inventories | 825 | (1,929) |
| (Increase) / decrease in trade & other receivables | (2,600) | (2,079) |
| Increase / (decrease) in trade & other payables | (775) | 3,074 |
| Cash generated from / (used in) operations | <u>236</u> | <u>4,919</u> |
| Interest received | 14 | 24 |
| Interest paid | (523) | (399) |
| Tax paid | (99) | (91) |
| Net cash generated from / (used in) operating activities | <u>(372)</u> | <u>4,453</u> |
| Cash Flows from Investing Activities: | | |
| Purchase of property, plant & equipment (PPE) | (562) | (1,569) |
| Proceed from disposals of investment | - | 143 |
| Net cash used in investing activities | <u>(562)</u> | <u>(1,426)</u> |
| Cash Flows from Financing Activities: | | |
| Treasury shares purchased | - | |
| Repayment of hire purchase instalments | (1,003) | (971) |
| Repayment of borrowings | (677) | (677) |
| Proceed from borrowing | 2,470 | 9,620 |
| Net cash generated from financing activities | <u>790</u> | <u>7,972</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | <u>(144)</u> | <u>10,999</u> |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | <u>3,005</u> | <u>(6,040)</u> |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | <u><u>2,861</u></u> | <u><u>4,959</u></u> |
| Represented by: | | |
| FIXED DEPOSIT | 1,516 | 2,643 |
| CASH AND BANK BALANCES | 1,345 | 2,316 |
| | <u><u>2,861</u></u> | <u><u>4,959</u></u> |

(The condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements)

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A) Notes to the Interim Financial Report For the 2nd Quarter ended 30 June 2012: Explanatory Notes in compliance to MFRS 134 on Interim Financial Reporting

(1) Basis of Preparation

The interim financial statements have been prepared under the historical cost convention unless otherwise stated.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1: First Time Adoption of Malaysia Financial Reporting Standards has been applied.

The transition to MFRS framework does not have any material financial impact to these interim financial statements.

(2) Audit Report

The Group's financial statements for the year ended 31 December 2011 were reported without any qualification.

(3) Seasonal or Cyclical Factors

The business operation of the Group were not significantly affected by seasonal or cyclical factors.

(4) Unusual Items Affecting Financial Statements

There were no unusual items affecting the financial statements of the Group during the quarterly financial period under review.

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(5) **Changes in Accounting Estimates**

There were no changes in accounting estimates for the financial period under review.

(6) **Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

Treasury Shares

The shareholders of the Company, by a resolution passed at an extraordinary general meeting held on 25 June 2009 approved the Company's proposal to repurchase of up to 10% of its issued and paid up share capital of the Company. ("Share Buy Back")

There is no repurchase transaction during the current financial period ended 30 June 2012. As at 30 June 2012, the Company had repurchased 2,601,900 ordinary shares of RM1.00 each of its issued share capital from the open market for a total consideration of RM2.6 million. The repurchased transaction was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

Other than above, there were no other issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the quarterly financial period under review.

(7) **Dividend Paid**

No interim dividend has been paid or declared in respect of the financial period under review.

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(8) **Segmental Reporting**

| | Plastic Product RM'000 | Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---------------------------------|-----------------------------------|--------------------------|--------------------------------|--------------------------------|
| 6 Months Ended 30/06/12 | | | | |
| REVENUE | | | | |
| External Sales | 41,063 | 5,544 | - | 46,607 |
| Inter-segment sales | 5,888 | - | (5,888) | - |
| Total revenue | <u>46,951</u> | <u>5,544</u> | <u>(5,888)</u> | <u>46,607</u> |
| RESULT | | | | |
| Segment operating profit/(loss) | <u>(10)</u> | <u>(17)</u> | <u>-</u> | <u>(27)</u> |
| Finance cost | <u>(515)</u> | <u>(8)</u> | | <u>(523)</u> |
| Loss for the period | | | | (550) |
| Tax expense | | | | (458) |
| Net Loss for the period | | | | <u><u>(1,008)</u></u> |

6 Months Ended 30/06/11

| | | | | |
|---------------------------------|---------------|--------------|----------------|---------------------|
| REVENUE | | | | |
| External Sales | 44,967 | 8,035 | - | 53,002 |
| Inter-segment sales | 5,816 | - | (5,816) | - |
| Total revenue | <u>50,783</u> | <u>8,035</u> | <u>(5,816)</u> | <u>53,002</u> |
| RESULT | | | | |
| Segment operating profit/(loss) | <u>2,475</u> | <u>788</u> | <u>-</u> | <u>3,263</u> |
| Finance cost | <u>(382)</u> | <u>(18)</u> | | <u>(400)</u> |
| Profit for the period | | | | 2,863 |
| Tax expense | | | | (750) |
| Net profit for the period | | | | <u><u>2,113</u></u> |

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(9) **Valuation of Property, Plant and Equipment**

There has been no revaluation of property, plant and equipment during the current quarter.

(10) **Material Subsequent Events**

There were no changes during the financial period under review.

(11) **Changes in Composition of the Group**

There were no changes for the financial period under review.

(12) **Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at date of this report.

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B) Notes to the interim Financial Reporting for the 2nd Quarter ended 30 June 2012: Explanatory Notes in compliance with Appendix 9B Part A of the BMSB Listing Requirements

(1) Performance Review

Current Financial Period ended 30 June 2012 compared with Preceding Financial Period ended 30 June 2011

For the current financial period ended 30 June 2012, the Group registered a revenue of RM46.6 million, representing a decrease of RM6.4 million or 12.1% compared to the preceding financial period ended 30 June 2011 of RM 53.0 million.

The Group recorded a loss before tax of RM0.6 million for the current financial period ended 30 June 2012 compared to the profit before tax for the preceding financial period ended 30 June 2011 of RM2.9 million. Without taking into account the other income of RM3.7 million of preceding financial corresponding period, the loss would be RM0.8 million. The unfavorable performance was mainly due to lower sales resulting in lower profit margin of sales.

Second Quarter compared with Preceding Year Corresponding Second Quarter

For the current quarter ended 30 June 2012, the Group registered a revenue of RM24.5 million, representing a decrease of RM3.0 million or 10.9% compared to the preceding year corresponding quarter ended 30 June 2011 of RM 27.5 million.

The Group recorded a loss before tax of RM0.4 million for the current second quarter compared to the loss before tax for the preceding year corresponding second quarter of RM0.1 million. The unfavorable performance was mainly due to lower sales.

(2) Material Changes In The Quarterly Results Compared to the Results of the Preceding Quarter

Second Quarter ended 30 June 2012 against preceding quarter ended 31 March 2012

For the current quarter under review, the Group registered a revenue of RM24.5 million compared to the preceding quarter of RM22.1 million which represented an increase of RM2.4 million or 10.9%. However, the Group recorded a loss before tax of RM0.4 million for the current quarter compared to a loss before tax of RM0.1 million in the preceding quarter.

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(3) **Prospects for Year 2012**

The plastic manufacturing industry outlook for year 2012 remain competitive and challenging. External forces such as raw material costs are expected to continue to exert pressure on the Group's profit margin. The Board of Directors shall endeavour to ensure quality and productivity controls are in place to ensure a satisfactory financial performance is achieved for the year 2012.

(4) **Variance of Actual Profit from Forecast Profit**

This note is not applicable.

(5) **Taxation**

Tax comprises:

| | Individual Quarter | | Cumulative Quarter | |
|------------------------|---|---|---|--|
| | Current year quarter 30/06/2012 RM '000 | Preceding year corresponding quarter 30/06/2011 RM '000 | Current year to date 30/06/2012 RM '000 | Preceding year corresponding period 30/06/2011 RM '000 |
| Current year (expense) | | | | |
| - current period/year | (39) | (51) | (98) | (90) |
| Deferred tax (expense) | | | | |
| - current period/year | (180) | (330) | (360) | (660) |
| | (219) | (381) | (458) | (750) |
| | (219) | (381) | (458) | (750) |

The Group's effective tax rate for the second quarter and financial period ended 30 June 2012 was higher than the statutory tax rate mainly due to the certain expenses which were not deductible for tax purposes.

The effective tax rate for preceding year second quarter was higher than statutory tax rate mainly due to the certain expenses which were not deductible for tax purposes. The effective tax rate for the preceding year corresponding period was lower than the statutory tax rate mainly due to certain income was not subject to tax.

(6) **Status of Corporate Proposals and Utilisation of Proceeds**

There were no corporate proposals whatsoever during the period under review.

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(7) **Group Borrowings and Debts Securities**

Total Group borrowings as at 30 June 2012 are as follows:

| | Short Term Secured RM '000 | Short Term Unsecured RM '000 | Long Term Secured RM '000 | Long Term Unsecured RM '000 | Total RM '000 |
|--------------------|----------------------------------|------------------------------------|---------------------------------|-----------------------------------|------------------|
| Currency | | | | | |
| - Ringgit Malaysia | 5,250 | 704 | 1,500 | 7,272 | 14,726 |

(8) **Dividend**

No interim dividend has been proposed in the current financial period.

(9) **Earnings Per Share**

(a) **Basic Earnings Per Share**

Basic earnings per share of the Group is calculated by dividing the net profit/(loss) attributable to shareholders of the Group for the financial period under review over the weighted average number of ordinary shares in issue excluding weighted average treasury of 39,379,100 (31/12/2011: 39,379,100) shares during the said financial period.

(b) **Diluted Earnings Per Share**

Not applicable.

(10) **Disclosure realised and unrealised profits/(losses)**

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained earnings of the Group as at 31 December 2011, into realised and unrealised profits/(losses), pursuant to the directive, is as follows:

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| | As at 30.06.2012 RM'000 | As at 31.12.2011 RM'000 |
|--------------------------------------|----------------------------|----------------------------|
| Total retained earnings of the Group | | |
| - Realised | (3,544) | (2,197) |
| - Unrealised | (2,526) | (2,865) |
| | (6,070) | (5,062) |

The determination of realised and unrealised profits or losses is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

(11) Profit/(Loss) Before Taxation

| | Current Year Qtr 01/04/12- 30/06/12 (RM'000) | Preceding Year Qtr 01/04/11- 30/06/11 (RM'000) | Current Year Cumm 01/01/12- 30/06/12 (RM'000) | Preceding Year Cumm 01/01/11- 30/06/11 (RM'000) |
|--|--|--|---|---|
| Profit for the period is arrived at after crediting/(charging) | | | | |
| Reversal of impairment loss on receivables | - | - | 100 | - |
| Interest income | 10 | 5 | 12 | 29 |
| Rental income | 71 | 60 | 140 | 120 |
| Realised gain/(loss) on foreign exchange | (29) | 574 | (99) | 929 |
| Unrealised gain/(loss) on foreign exchange | 58 | (95) | 143 | 47 |
| Waiver of bank interest | - | - | - | 3,702 |
| Gain on disposal of unquoted investment | - | - | - | 32 |
| Depreciation | (1,336) | (1,293) | (2,715) | (2,635) |
| Amortisation of prepaid lease payments | (6) | (6) | (12) | (12) |
| Interest expense | (264) | (289) | (523) | (400) |

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

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(12) Authorisation for Issue

The interim financial statements were authorised for issue on 16 August 2012 by the Board of Directors.

By Order of The Board,

Chia Siew Chin (MIA 2184)
Secretary

Date: 16 August 2012
KUALA LUMPUR