NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 Basis of preparation

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

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

The significant accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those of the Group's consolidated audited financial statements for the year ended 31 December 2011 except for the adoption of the following:

Revised FRSs and Amendments to FRSs		**Effective date**
FRS 124	Related Party Disclosures (Revised)	1 January 2012
Amendments to FRS 7	Disclosures: Transfer of Financial Assets	1 January 2012

The adoption of the above revised FRSs and amendments to FRSs do not have significant financial impact on the Group and the Company.

FRSs, Revised FRSs, IC Interpretations ("IC Int.") and Amendments to FRSs Issued but Not Effective

At the date of issuance of this quarterly report, the FRSs, revised FRSs, IC Int. and amendments to FRSs which were in issue but not yet effective are as listed below:

FRSs, Revised FRSs, IC Int. and Amendments to FRSs		**Effective date**
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2013
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits (Revised)	1 January 2013
FRS 127	Separate Financial Statements (Revised)	1 January 2013
FRS 128	Investments in Associates and Joint Ventures (Revised)	1 January 2013
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9	Mandatory Effective Date of FRS 9 and Transition Disclosures (IFRS 9 issued by IASB in November 2009 and October 2010)	1 March 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The above FRSs, revised FRS, IC Int. and amendments to FRSs will be adopted in the financial statements of the Group and the Company when they become effective and that the adoption of these FRSs and Interpretations will have no significant impact on the financial statements of the Group and the Company in the period of initial application.

Malaysian Financial Reporting Standards ("MFRSs")

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

A subsidiary and an associate of the Group fall within the scope of definition of Transitioning Entities and have opted to defer the adoption of the new MFRS Framework. As a result, the Group has opted to defer the adoption of the new MFRS framework and accordingly, the Group will be required to prepare its financial statements using the MFRS Framework in its first financial statements for the financial year ending 31 December 2013.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

A2 Audit report

The audit report of the preceding annual financial statements was not qualified.

A3 Seasonal or cyclical factors

The operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

A4 Unusual items

There were no items during this quarter affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

A5 Changes in estimates

The same estimates reported in the previous financial year were used in preparing the financial statements for the current quarter.

There were no other changes in estimates of amounts reported in previous year, which have a material effect in the current quarter.

A6 Debt and Equity Securities

During the current quarter, the Company repurchased 228,700 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM639,825 including transaction costs and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM2.80. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

During the current quarter, the Company had disposed of 260,000 treasury shares valued at RM2.94 for a total consideration of RM765,036 in the open market, resulting in a surplus of RM84,544 which has been credited to the share premium account.

A7 Dividend Paid

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Fourth interim dividend paid for the year 2011: 4.00 sen tax exempt per ordinary share paid on 23 March 2012 (2011: 3.50 sen tax exempt per ordinary share for the year 2010 paid on 30 March 2011).	**2,992**	2,622
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A8 Segmental analysis

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- Packaging - manufacture and marketing of flexible packaging materials
- Property development - development of land into residential and commercial building properties

Segment Revenue and Results

Segment information for the three months ended 31 March 2012 was as follows:

	Packaging	**Property development**	**Eliminations**	**Group**
	RM'000	**RM'000**	**RM'000**	**RM'000**
2012				
Revenue	**68,759**	**-**	**-**	**68,759**
	=========	=========	=========	=========
Results				
Segment results	**7,783**	**(97)**	**-**	**7,686**
Unallocated costs				**(106)**

Profit from operations				**7,580**
Finance costs				**(285)**
Share of results of associated company	**-**	**(101)**	**-**	**(101)**

Profit before tax				**7,194**
				========

Segment information for the three months ended 31 March 2011 was as follows:

	Packaging RM'000	Property development RM'000	Eliminations RM'000	Group RM'000
2011				
Revenue	65,087	2,583	-	67,670
Results				
Segment results	5,675	697	-	6,372
Unallocated costs				(99)
Profit from operations				6,273
Finance costs				(278)
Share of results of associated company	-	(106)	-	(106)
Profit before tax				5,889

Unallocated costs represent common costs and expenses incurred in dormant subsidiary companies.

Geographical Information
The Group operates in two principal geographical areas - Malaysia (country of domicile) and Australia.

The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical location information for the three months ended are as follows:

	Group 31.03.2012 RM'000	Group 31.03.2011 RM'000
Revenue		
Malaysia	**58,203**	57,971
Australia	**10,556**	9,699
	68,759	67,670
Non current assets *		
Malaysia	**79,312**	67,826
Australia	**258**	230
	79,570	68,056

* Non-current assets excluding land held for development, investment in associated company and deferred tax assets.

A9 Valuations of property, plant and equipment
No valuation on property, plant and equipment was carried out by the Group.

A10 Subsequent events
There were no material events subsequent to 31 March 2012 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter ended 31 March 2012 including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring and discontinuing operations.

A12 Contingent liabilities

As at 31 March 2012, the Company has issued a corporate guarantee for RM500,000 and a Standby Letter of Credit for Australian Dollar 500,000 (equivalent to RM1,597,700) in respect of credit facilities granted by licensed banks to its subsidiary companies. Accordingly, the Company is contingently liable to the extent of the amount of the credit facilities utilised by the subsidiary companies.

A13 Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2012 were as follows: -

	RM'000
Property, plant and equipment	
- Authorised and contracted for	4,260
- Authorised but not contracted for	10,938

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of Performance

	Packaging			Property			Total		
	Q1'12 RM'000	Q1'11 RM'000	% Change	Q1'12 RM'000	Q1'11 RM'000	% Change	Q1'12 RM'000	Q1'11 RM'000	% Change
Revenue	68,759	65,088	+5.6%	0	2,583	nc*	**68,759**	**67,670**	**+1.6%**
PBT/(Loss)	7,392	5,298	+39.5%	(198)	591	-133.5%	**7,194**	**5,889**	**+22.2%**

*nc – not comparable

The **packaging segment** recorded a revenue of RM68.76 million for the three months ended 31 March 2012 as compared to RM65.09 million for the corresponding period in the previous year, representing an increase of 5.6% in revenue. Profit before tax ("PBT") increased by 39.5% to RM7.39 million as compared to RM5.30 million previously. The increase in PBT was attributable to the improved operational yields from the ongoing focus on cost efficiencies to increase margin as well as a more favourable sales mix and coupled with a lower PBT in Q1 2011 due to higher polyester price during that period.

For the three months ended 31 March 2012, there was no contribution from the **property segment** as compared to a marginal contribution of RM591,000 in 2011. This is in line with the Group's focus on the packaging segment as a result of the phasing out of the property development activities of the Group.

There were no other material factors affecting the earnings and/or revenue of the Group for the current period.

B2 Material Changes in Profit Before Taxation for the Quarter Reported On As Compared with the Immediate Preceding Quarter

	Packaging			Property			Total		
	Q1'12 RM'000	Q4'11 RM'000	% Change	Q1'12 RM'000	Q4'11 RM'000	% Change	Q1'12 RM'000	Q4'11 RM'000	% Change
Revenue	68,759	73,568	-6.5%	0	2,135	nc*	**68,759**	**75,703**	**-9.2%**
PBT/(Loss)	7,392	6,507	+13.6%	(198)	765	-125.9%	**7,194**	**7,272**	**-1.1%**

*nc – not comparable

Packaging segment recorded a PBT of RM7.39 million for the three months ended 31 March 2012 as compared to RM6.51 million for the preceding quarter, representing an increase of 13.6%. The increase in PBT was mainly due to the improvement in wastage control, additional yields resulting from the ongoing focus on cost efficiencies and a more favourable sales mix in the current quarter.

As there was no revenue recognised in the current quarter, the **property segment** incurred a loss of RM198,000 mainly due to the levy paid for the release of 5 units of bumiputra houses during the period.

B3 Prospects

The global economic outlook is expected to remain uncertain and is likely to impact the global demand directly or indirectly, However, as our core business mainly serves the food industry, we anticipate the Group remaining resilient during this time.

The Group will continue to actively seek new business opportunities and markets to grow its packaging segment. We are also targeting contributions from the non Food & Beverage sectors in the later part of 2012.

The Board is optimistic that the strong performance from the packaging segment in the current quarter will continue and expects a better performance in 2012 despite the anticipated minimal contribution from the property segment.

B4 Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee was provided.

B5 Profit Before Tax

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

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Interest income	**27**	9
Other income	**1,126**	440
Interest expense	**(285)**	(278)
Depreciation and amortisation	**(2,073)**	(1,882)
Allowance for impairment of trade receivables – net of recoveries	**-**	2
Allowance for obsolete inventories – net	**(470)**	(243)
Foreign exchange loss:		
-Realised	**(284)**	(73)
-Unrealised	**(336)**	(344)
(Loss)/gain on derivatives:		
-Realised	**(117)**	228
-Unrealised	**187**	36

Other than the above, there were no disposal of quoted or unquoted investments or properties and impairment of assets for the financial quarter ended 31 March 2012.

B6 Taxation

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
In respect of current period:-		
- Malaysian Tax	**1,485**	896
- Foreign Tax	**159**	175
- Deferred Tax	**265**	(28)
	1,909	1,043

B7 Status of Corporate Proposals

There were no corporate proposals announced as at the date of this quarterly report.

B8 Group Borrowings

Details of the Group's borrowings as at 31 March 2012 were as follows: -

	Current	**Non Current**
	RM'000	**RM'000**
Unsecured - Ringgit Malaysia	16,353	9,300
Unsecured - United States Dollar	5,043	-
Secured - Ringgit Malaysia	264	697
Secured - Australian Dollar	1,431	-
	23,091	9,997

Borrowings are denominated in Ringgit Malaysia, United States Dollar and Australian Dollar.

B9 Material litigation

There was no pending material litigation as at the date of this quarterly report.

B10 Dividend

The Board is pleased to declare a first interim dividend of 3.50 sen, tax exempt, in respect of the financial year ended 31 March 2012 and the said dividend will be paid on 8 Jun 2012 (2011: 3.00 sen tax exempt) to shareholders whose names appear on the Company's Record of Depositors on 16 May 2012.

B11 Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the period under review attributable to owners of the Company by the 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.

	3 Months ended	
	31.03.2012	31.03.2011
Basic earnings per share		
Profit attributable to owners of the Company (RM'000)	**5,103**	4,646
Weighted average number of ordinary shares in issue ('000)	**74,652**	74,984
Basic earnings per share (sen)	**6.84**	6.20

B12 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, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements, are as follows:

	31.03.2012	31.12.2011
	RM'000	RM'000
Total retained earnings of the Group:-		
- Realised	**76,834**	74,069
- Unrealised	**(6,002)**	(5,620)
	70,832	68,449
Total share of retained earnings from an associated company:-		
- Realised	**335**	436
- Unrealised	**1**	1
	71,168	68,886
Less: Consolidation adjustments	**(4,020)**	(3,848)
Total Group retained earnings	**67,148**	65,038

By Order of the Board

Ms TAN GAIK HONG, MIA 4621
Secretary
Melaka

Dated : 26 April 2012

c.c. Securities Commission