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 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 the financial year ended 31 December 2011.

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

Revised FRS		**Effective date**
FRS 124	Related Party Disclosures (Revised)	1 January 2012

The adoption of the above revised FRS does 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 interim financial 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., Amendments to FRSs and IC Int.		**Effective date**
FRS 9	Financial Instruments (International Financial Reporting Standards ("IFRS") 9 issued by International Accounting Standards Board ("IASB") in November 2009)	1 January 2015
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015
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
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 1	Government Loans	1 January 2013
Amendment to FRS 1	First-time Adoption of Financial Reporting Standard [Improvements to FRSs (2012)]	1 January 2013
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9 / FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures [(IFRS 9 issued by IASB in November 2009 and October 2010) and FRS7]	1 January 2015
Amendments to FRS 10	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

FRSs, Revised FRSs, IC Int., Amendments to FRSs and IC Int.		Effective date
Amendments to FRS 11	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendment to FRS 101	Presentation of Financial Statements [Improvements to FRSs (2012)]	1 January 2013
Amendment to FRS 116	Property, Plant and Equipment [Improvements to FRSs (2012)]	1 January 2013
Amendment to FRS 132	Financial Instruments: Presentation [Improvements to FRSs (2012)]	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment to FRS 134	Interim Financial Reporting [Improvements to FRSs (2012)]	1 January 2013
Amendment to IC Int. 2	Members' Shares in Co-operative Entities & Similar Instruments [Improvements to FRSs (2012)]	1 January 2013

The above FRSs, revised FRS, IC Int. Amendments to FRSs and IC Int. 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 financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, 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 financial periods beginning on or after 1 January 2013. On 4 July 2012, the MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework for another year. The MFRS Framework will therefore be mandated for all companies for annual financial periods beginning on or after 1 January 2014.

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 first set of financial statements using the MFRS Framework for the financial year ending 31 December 2014.

The three subsidiaries which are not Transitioning Entities had adopted MFRS on 1 January 2012.

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 416,000 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM1,051,626 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 RM2.53. 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 168,500 treasury shares valued at RM2.65 for a total net consideration of RM446,548 in the open market, resulting in a surplus of RM51,511 which has been credited to the share premium account.

A7 Dividend Paid

	12 months ended	
	31.12.2012 **RM'000**	31.12.2011 RM'000
Fourth interim dividend paid for the financial 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 financial year 2010 paid on 30 March 2011).	**2,992**	2,622
First interim dividend paid for the financial year 2012: 3.50 sen tax exempt per ordinary share paid on 8 June 2012 (2011: 3.00 sen tax exempt per ordinary share paid on 10 June 2011)	**2,654**	2,239
Second interim dividend paid for the financial year 2012: 6.00 sen tax exempt per ordinary share paid on 7 September 2012 (2011: 3.50 sen tax exempt per ordinary share paid on 14 September 2011)	**4,554**	2,630
Third interim dividend paid for the financial year 2012: 3.50 sen tax exempt per ordinary share paid on 7 December 2012 (2011: 3.00 sen tax exempt per ordinary share paid on 8 December 2011)	**3,978**	2,243
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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 financial year ended 31 December 2012 was as follows:

	Packaging RM'000	Property development RM'000	Eliminations RM'000	Group RM'000
2012				
Revenue	**275,769**	**2,983**	**-**	**278,752**
Results				
Segment results	**34,592**	**321**	**-**	**34,913**
Unallocated costs				**(457)**
Profit from operations				**34,456**
Finance costs				**(866)**
Share of results of an associate	**-**	**331**	**-**	**331**
Profit before tax				**33,921**

Segment information for the financial year ended 31 December 2011 was as follows:

	Packaging RM'000	Property development RM'000	Eliminations RM'000	Group RM'000
2011				
Revenue	267,897	16,332	-	284,229
Results				
Segment results	23,135	3,800	-	26,935
Unallocated costs				(368)
Profit from operations				26,567
Finance costs				(1,218)
Share of results of an associate	-	(72)	-	(72)
Profit before tax				25,277

Unallocated costs represent common costs and expenses incurred in dormant subsidiaries.

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 twelve months ended are as follows:

	Group	
	31.12.2012	**31.12.2011**
	RM'000	**RM'000**
Revenue		
Malaysia	**237,500**	245,122
Australia	**41,252**	39,107
	278,752	284,229
Non current assets *		
Malaysia	**84,600**	75,111
Australia	**287**	202
	84,887	75,313

* Non-current assets excluding land held for property development, investment in an associate 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
The Company has on 8 February 2013 entered into a Sale and Purchase Agreement with Z Essence Sdn Bhd (Co. No. 278663-K) for the acquisition of three (3) contiguous plots of vacant freehold industrial land held under Grant 19629, Lot 3533, Grant 19630, Lot 3532 and Grant 19631, Lot 3531, Mukim Jasin, Daerah Jasin, Melaka ("the Property") for the total purchase consideration of RM2,735,907.60 or RM12.00 per square feet. Upon acquisition, the Company proposes to immediately commence with its expansion plan to construct a new manufacturing facility on the Property. The construction of the new manufacturing facility will facilitate the expansion of the Company's in-house film making and metallising operations to meet current and future needs, in tandem with the growing demand from our existing and potential customers.

There were no other material events subsequent to 31 December 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
On 8 June 2012, the Company acquired an additional 24.5% equity interest in Daibochi Australia Pty. Ltd., an existing subsidiary of the Company for a total consideration amounting to Australian Dollar 750,000 (equivalent to RM2,342,175), increasing its ownership from 51.0% to 75.5%.

On 22 November 2012, the Company acquired 2 ordinary shares of RM1/- each representing the entire issued and paid up share capital of Daibochi Holdings Sdn. Bhd. for a cash consideration of RM2.00. Daibochi Holdings Sdn. Bhd. has been a dormant company since its incorporation.

On 3 December 2012, the Company acquired an additional 24.5% equity interest in Daibochi Australia Pty. Ltd., for a total consideration amounting to Australian Dollar 900,000 (equivalent to RM2,857,060). As a result of this acquisition, Daibochi Australia Pty. Ltd. became a wholly-owned subsidiary of the Company.

A12 Contingent liabilities
As at 31 December 2012, the Company has issued a corporate guarantee for RM500,000 and a Standby Letter of Credit for Australian Dollar 500,000 (equivalent to RM1,596,600) in respect of credit facilities granted by licensed banks to its subsidiaries. Accordingly, the Company is contingently liable to the extent of the amount of the credit facilities utilised by the subsidiaries.

A13 Capital Commitments

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

	RM'000
Property, plant and equipment	
- Authorised and contracted for	6,201
- Authorised but not contracted for	10,586

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

B1 Review of Performance

The Group's performance for the quarter under review compared with the corresponding quarter of the previous financial year is as tabled below:

	Packaging			Property			Total		
	4Q12 RM'000	4Q11 RM'000	% Change	4Q12 RM'000	4Q11 RM'000	% Change	4Q12 RM'000	4Q11 RM'000	% Change
Revenue	72,868	73,568	-1%	892	2,135	-58%	**73,760**	**75,703**	**-3%**
PBT	8,646	6,507	+33%	35	765	-95%	**8,681**	**7,272**	**+19%**

For the current quarter ended 31 December, the Group's revenue of RM73.76 million was 3.0% lower compared with RM75.70 million for the corresponding quarter in the previous year. Despite the lower revenue, profit before tax ("PBT") of the Group increased by 19% to RM8.68 million compared to RM7.27 million previously.

<u>Packaging segment</u>
For the three months ended 31 December 2012, the revenue for the packaging segment reduced marginally by 1% to RM72.87 million as compared to RM73.57 million for the corresponding period in the previous year. However, PBT rose 33% to RM8.65 million as compared to corresponding period in the previous year. This was mainly due to improvement in waste control as well as a favourable sales mix.

<u>Property segment</u>
For the three months ended 31 December 2012, the property segment recognised lower revenue and PBT of RM892,000 and RM35,000 respectively. This was in line with the phasing out of the Group's property development activities.

The Group's performance for the year under review compared with the previous financial year is as tabled below:

	Packaging			Property			Total		
	12m12 RM'000	12m11 RM'000	% Change	12m12 RM'000	12m11 RM'000	% Change	12m12 RM'000	12m11 RM'000	% Change
Revenue	275,769	267,897	+3%	2,983	16,332	-82%	**278,752**	**284,229**	**-2%**
PBT	33,269	21,547	+54%	652	3,730	-83%	**33,921**	**25,277**	**+34%**

For the financial year ended 31 December 2012, the Group registered revenue of RM278.75 million, 2% lower as compared to RM284.23 million of previous financial year. The Group's record PBT of RM33.92 million represented an increase of 34% as compared to RM25.28 million of the previous financial year.

<u>Packaging segment</u>
For the year ended 31 December 2012, packaging segment recorded a 3% increase in revenue to RM275.77 million as compared to RM267.90 million in previous year. PBT however increased by 54% to RM33.27 million as compared to RM21.55 million previously. The improvement in profitability was mainly attributable to a 13% improvement in wastage control as well as favourable sales mix in 2012.

<u>Property segment</u>
For the financial year ended 31 December 2012, contribution from the property segment amounted to RM652,000 as compared to RM3.73 million for the corresponding period in the previous year. The decrease in the contribution from the property segment was mainly attributable to the reasons as disclosed above.

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		
	4Q12 RM'000	3Q12 RM'000	% Change	4Q12 RM'000	3Q12 RM'000	% Change	4Q12 RM'000	3Q12 RM'000	% Change
Revenue	72,868	65,122	+12%	892	535	67%	**73,760**	**65,657**	**+12%**
PBT	8,646	9,045	-4%	35	208	-83%	**8,681**	**9,253**	**-6%**

For the three months under review, the Group's revenue of RM73.76 million represented an increase of 12%, mainly from the packaging segment when compared to the revenue of the preceding quarter of RM65.66 million. The Group's PBT however decreased by 6% to RM8.68 million compared to RM9.25 million for the preceding quarter. The lower PBT was mainly due to the higher operating costs incurred in the packaging segment as a result of the increased output for the current quarter and higher bonus in view of the record performance for 2012.

B3 Prospects

The Company is positive of its 2013 prospects, particularly in export sales, following its business development initiatives carried out in 2012 to tap into the demand from MNC customers. With the anticipated growth in sales orders, the Company is expanding its facilities by investing approximately RM45.0 million over the next 3 years for the purchase of 5.2 acres of industrial land in Jasin, Melaka, construction of factory buildings as well as acquisition of machinery.

At the same time, the Company will continue its efforts in product innovation, diversification into the medical gloves and electronics sectors, as well as expansion in the Asia Pacific market to maintain its leading position in the regional flexible packaging industry.

The Board is optimistic of continued strong growth in 2013.

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		12 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000	**31.12.2012 RM'000**	31.12.2011 RM'000
Interest income	**33**	21	**157**	79
Other income	**726**	805	**3,072**	2,336
Interest expense	**(158)**	(316)	**(866)**	(1,218)
Depreciation of property, plant and equipment	**(2,363)**	(2,217)	**(8,902)**	(8,250)
(Allowance for)/Reversal of allowance for impairment of trade receivables –net of recoveries	**-**	(5)	**5**	(3)
Reversal of allowance /(Allowance) for obsolete inventories – net	**285**	308	**(357)**	1,200
Foreign exchange gain/(loss):				
-Realised	**(90)**	146	**(201)**	61
-Unrealised	**103**	447	**(174)**	(178)
Gain/(Loss) on derivatives:				
-Realised	**31**	16	**(62)**	251
-Unrealised	**3**	(552)	**207**	(66)

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

B6 Taxation

	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
In respect of current period:-				
- Malaysian Tax	**2,137**	628	**7,809**	3,149
- Foreign Tax	**87**	76	**460**	557
- Deferred Tax	**(71)**	537	**375**	856
	2,153	1,241	**8,644**	4,562
In respect of prior year:-				
- Malaysian Tax under/(over) provided	**272**	-	**257**	(17)
- Foreign Tax under/(over) provided	**-**	1	**-**	(24)
	2,425	1,242	**8,901**	4,521

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 December 2012 were as follows: -

	Current RM'000	**Non Current RM'000**
Unsecured - Ringgit Malaysia	21,991	5,779
Unsecured - United States Dollar	766	769
Secured - Ringgit Malaysia	265	497
	23,022	7,045

Borrowings are denominated in Ringgit Malaysia and United States Dollar.

B9 Financial instruments

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuations on trade transactions.

As at 31 December 2012, the Group has the following outstanding derivative financial assets:-

	Principal or Notional Amount RM'000	**Fair value Net gain RM'000**
<u>Foreign currency forward contracts:-</u>		
Sell AUD		
- Less than 1 year	5,088	11

The Group is exposed to risks arising from currency exposure with respect to Australian Dollar.

There is no change to the Group's financial risk management policies and objectives in managing these derivative financial assets and its related accounting policies.

B10 Material litigation

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

B11 Dividend

The Board is pleased to declare a fourth interim dividend of 3.50 sen, tax exempt, in respect of the financial year ended 31 December 2012 and the said dividend will be paid on 12 April 2013 (2011: 4.00 sen tax exempt) to shareholders whose names appear on the Company's Record of Depositors on 15 March 2013.

B12 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 and disposed during the period under review.

	3 Months ended		**12 Months ended**	
	31.12.2012	31.12.2011 (Restated)*	**31.12.2012**	31.12.2011 (Restated)*
Profit attributable to owners of the Company (RM'000)	**6,248**	5,911	**24,641**	20,075
Weighted average number of ordinary shares in issue ('000):				
Issued ordinary shares at 1 January	**113,853**	113,853	**113,853**	113,853
Effect of treasury shares held	**(279)**	(1,176)	**(512)**	(953)
Weighted average number of ordinary shares at 31 December	**113,574**	112,677	**113,341**	112,900
Basic earnings per share (sen)	**5.50**	5.24	**21.74**	17.78

**For comparative purpose, the number of ordinary shares for the quarter/ period ended 31 December 2011 had been adjusted to reflect the bonus issue of 1 for every 2 ordinary shares held by the entitled shareholders, par value RM1.00 each, which was completed on 10 September 2012.*

B13 Disclosure of realised and unrealised earnings

The breakdown of retained earnings 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:

	31.12.2012 RM'000	31.12.2011 RM'000
Total retained earnings of the Group:-		
- Realised	**47,243**	74,069
- Unrealised	**(6,143)**	(5,620)
	41,100	68,449
Total share of retained earnings from an associate:-		
- Realised	**767**	436
- Unrealised	**1**	1
	41,868	68,886
Less: Consolidation adjustments	**(7,173)**	(3,848)
Total Group retained earnings	**34,695**	65,038

By Order of the Board

Ms TAN GAIK HONG, MIA 4621
Secretary
Melaka

Dated : 21 February 2013

c.c. Securities Commission