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 December 31, 2012. 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 December 31, 2012.

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 December 31, 2012 except for the adoption of the following:

FRSs, Revised FRSs and Amendments to FRSs		Effective date
FRS 10	Consolidated Financial Statements	January 1, 2013
FRS 12	Disclosure of Interests in Other Entities	January 1, 2013
FRS 13	Fair Value Measurement	January 1, 2013
FRS 119	Employee Benefits (Revised)	January 1, 2013
FRS 127	Separate Financial Statements (Revised)	January 1, 2013
FRS 128	Investment in Associates and Joint Ventures (Revised)	January 1, 2013
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	January 1, 2013
Amendments to FRS 10 & FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	January 1, 2013
Amendment to FRS 101	Presentation of Financial Statements: Improvements to FRSs (2012)	July 1, 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	January 1, 2013
Amendment to FRS 116	Property, Plant & Equipment [Improvements to FRSs (2012)]	January 1, 2013
Amendment to FRS 132	Financial Instruments: Presentation [Improvements to FRSs (2012)]	January 1, 2013
Amendment to FRS 134	Interim Financial Reporting [Improvements to FRSs (2012)]	January 1, 2013

The adoption of the FRSs, revised FRSs and amendments to FRSs does not have significant financial impact on the financial statements of the Group and of the Company.

Malaysian Financial Reporting Standards ("MFRSs")

On November 19, 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 January 1, 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 January 1, 2013. On July 4, 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 January 1, 2014. On August 7, 2013, the MASB has decided to extend the transitional period for another year, i.e. the adoption of the MFRS Framework by all entities for annual financial periods beginning on or after January 1, 2015.

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 and accordingly, the Group will be required to prepare its first set of financial statements using the MFRS Framework for the financial year ending December 31, 2015.

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

The Group and the Company are currently assessing the impact of adoption of MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, 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 of 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 financial year, which have a material effect in the current quarter.

A6 Debt and Equity Securities

During the current quarter, the Company repurchased 46,000 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM166,147 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 RM3.61. 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 347,000 treasury shares valued at RM3.81 for a total net consideration of RM1,320,566 in the open market, resulting in a surplus of RM143,064 which has been credited to the share premium account.

A7 Dividend Paid

	12 months ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
Fourth interim dividend paid for the financial year 2012: 3.50 sen tax exempt per ordinary share paid on April 12, 2013 (2012: 4.00 sen tax exempt per ordinary share for the financial year 2011 paid on March 23, 2012).	**3,977**	2,992
First interim dividend paid for the financial year 2013: 4.00 sen tax exempt per ordinary share paid on June 7, 2013 (2012: 3.50 sen tax exempt per ordinary share paid on June 8, 2012)	**4,553**	2,654
Second interim dividend paid for the financial year 2013: 3.00 sen tax exempt per ordinary share paid on September 27, 2013 (2012: 6.00 sen tax exempt per ordinary share paid on September 7, 2012)	**3,397**	4,554
Third interim dividend paid for the financial year 2013: 4.00 sen tax exempt per ordinary share paid on December 19, 2013 (2012: 3.50 sen tax exempt per ordinary share paid on December 7, 2012)	**4,552**	3,978
	===========	=========

A8 Related party transactions

As of December 31, 2013, the significant related party transactions of the Group were as follows:

	12 months ended	
	31.12.2013	31.12.2012
	RM'000	RM'000
Associate		
Skyline Resources (M) Sdn. Bhd.*		
- Management fee	**185**	-
Other related parties		
Unibic Australia Pty. Ltd. ^		
- Sales of goods	**-**	217
Modern Baking Pty. Ltd. ^		
- Sales of goods	**-**	1,068
Mitsupac Sdn. Bhd. *		
- Sales of printing related job	**-**	108
Z Essence Sdn. Bhd. #		
- Acquisition of industrial land	**2,736**	-
Director		
James Edwin & Co. @		
- Legal fee	**18**	24
	========	========

* A company in which certain directors have substantial financial interest.

^ A company in which former director/(s) of a subsidiary has substantial financial interest.

@ A firm in which a director is a member for services rendered in a professional capacity.

A company owned by certain directors' family members.

A9 Contingent liabilities

As of December 31, 2013, the Company has issued a corporate guarantee for RM500,000 and a Standby Letter of Credit for Australian Dollar 500,000 (equivalent to RM1,470,750) 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.

A10 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 December 31, 2013 was as follows:

	Packaging RM'000	Property development RM'000	Eliminations RM'000	Group RM'000
2013				
Revenue	**301,615**	**9,165**	**-**	**310,780**
Results				
Segment results	**36,980**	**929**	**-**	**37,909**
Unallocated costs				**(394)**
Profit from operations				**37,515**
Finance costs	**(1,081)**	**-**	**-**	**(1,081)**
Share of results of an associate	**-**	**425**	**-**	**425**
Profit before tax				**36,859**

Segment information for the financial year ended December 31, 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)	-	-	(866)
Share of results of an associate	-	331	-	331
Profit before tax				33,921

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

Segment Assets and Liabilities

Segment assets and liabilities for the financial year ended December 31, 2013 were as follows:

2013	**Packaging** RM'000	**Property development** RM'000	**Eliminations** RM'000	**Group** RM'000
Assets				
Segment assets	275,930	5,230	(23,939)	257,221
Investment in an associate	-	23,761	-	23,761
Unallocated assets				92

Consolidated total assets				281,074
				=========
Liabilities				
Segment liabilities	116,021	16,291	(23,939)	108,373
Unallocated liabilities				10,250

Consolidated total liabilities				118,623
				=========

Segment assets and liabilities for the financial year ended December 31, 2012 were as follows:

2012	**Packaging** RM'000	**Property development** RM'000	**Eliminations** RM'000	**Group** RM'000
Assets				
Segment assets	231,310	12,027	(31,849)	211,488
Investment in an associate	-	23,336	-	23,336
Unallocated assets				401

Consolidated total assets				235,225
				=========
Liabilities				
Segment liabilities	82,471	24,110	(31,849)	74,732
Unallocated liabilities				10,073

Consolidated total liabilities				84,805
				=========

Segment assets consist primarily of property, plant and equipment, land held for development, inventories, operating receivables and cash, and exclude investment, tax recoverable, deferred tax assets and cash and bank balances for dormant subsidiaries. Segment liabilities comprise operating liabilities and exclude items such as current and deferred tax liabilities.

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	
	31.12.2013	31.12.2012
	RM'000	RM'000
Revenue		
Malaysia	**269,812**	237,500
Australia	**40,968**	41,252
	310,780	278,752
Non-current assets *		
Malaysia	**112,651**	87,407
Australia	**157**	287
	112,808	87,694

* Non-current assets excluding investment in an associate and deferred tax assets.

A11 Capital Commitments

Capital commitments not provided for in the financial statements as of December 31, 2013 were as follows: -

	RM'000
Property, plant and equipment	
- Authorised and contracted for	1,781

A12 Subsequent events

There were no material events subsequent to December 31, 2013 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A13 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial quarter ended December 31, 2013 including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring and discontinuing operations.

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		
	4Q13 RM'000	**4Q12 RM'000**	**% Change**	**4Q13 RM'000**	**4Q12 RM'000**	**% Change**	**4Q13 RM'000**	**4Q12 RM'000**	**% Change**
Revenue	**80,211**	72,868	+10	**430**	892	-52	**80,641**	73,760	**+9**
PBT	**8,814**	8,646	+2	**390**	35	>100	**9,204**	8,681	**+6**

The Group's revenue for the quarter ended December 31, 2013 was RM80.64 million, an increase of RM6.88 million or 9% compared to the corresponding quarter in 2012, primarily from the packaging segment. This was mainly contributed by the expansion in export revenue from new MNC customers from the F&B sector in South East Asia and Australia. The higher revenue has enabled the Group to record a 6% improvement in PBT, mitigating the increase in cost of raw materials and foreign exchange loss incurred during the quarter under review.

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

	Packaging			Property			Total		
	12m13 RM'000	**12m12 RM'000**	**% Change**	**12m13 RM'000**	**12m12 RM'000**	**% Change**	**12m13 RM'000**	**12m12 RM'000**	**% Change**
Revenue	**301,615**	275,768	+9	**9,165**	2,984	>100	**310,780**	278,752	**+11**
PBT	**35,505**	33,269	+7	**1,354**	652	>100	**36,859**	33,921	**+9**

The Group's revenue for the year ended December 31, 2013 was higher by 11% as compared to last year's corresponding period. The higher revenue enabled the Group to register a 9% growth in PBT.

The **packaging segment** recorded revenue of RM301.62 million for the year ended December 31, 2013, representing 9% growth as compared to RM275.77 million for the corresponding period in the previous year. In addition to more demand from local key MNC customers in 2013, the increase was mainly contributed by the expansion in export revenue from the new MNC customers in South East Asia and Australia, particularly in the second half of the year.

PBT rose by 7% to RM35.51 million as compared to RM33.27 million previously in line with the higher revenue. The performance of the Group would have been better if not for the increase in operating expenses due to the implementation of the minimum wage policy in January 2013 and the higher raw material prices during the second half of the year.

The higher sales recognised from the **property segment** was mainly due to the recognition of RM6.17 million from the sale of a piece of commercial land.

The revenue and PBT for the year ended December 31, 2013 is a historical high for 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 Tax for the Quarter Reported On As Compared with the Immediate Preceding Quarter

The Group's current quarter performance as compared to that of the preceding quarter is as tabled below:

	Packaging			Property			Total		
	4Q13 RM'000	**3Q13 RM'000**	**% Change**	**4Q13 RM'000**	**3Q13 RM'000**	**% Change**	**4Q13 RM'000**	**3Q13 RM'000**	**% Change**
Revenue	**80,211**	80,549	-	**430**	6,744	-94	**80,641**	87,293	**-8**
PBT	**8,814**	9,551	-8	**390**	531	-26	**9,204**	10,082	**-9**

During the current quarter, the Group's revenue decreased by 8% to RM80.64 million from RM87.29 million in the preceding quarter. This is primarily attributable to reduced contribution from the property segment due to the revenue recognition of RM6.17 million from the sale of a piece of commercial land in the preceding quarter.

The **packaging segment** recorded a decrease of 8% in PBT for the three months ended December 31, 2013 as compared to the preceding quarter. This was mainly due to foreign exchange loss of RM0.31 million against foreign exchange gain of RM0.51 million in the preceding quarter, resulting in a net foreign exchange loss of RM0.82 million between the two quarters.

B3 Prospects

The construction of the Daibochi Films Complex has been fully completed and the Certificate of Completion and Compliance is expected to be obtained by March 2014. A new film making machine is scheduled to be commissioned by March 2014 and a new metalliser is expected to arrive in April 2014. The new machines are expected to double the current film making and metallising capacity when fully operational.

Recent economic changes, e.g. the reduction in subsidies and the higher electricity tariff, will result in a challenging environment and rising cost of doing business for all manufacturers. During the year, the Group will continue with its implementation of its energy saving plan which is expected to be completed by the end of the year. The energy saving plan is targeted to help the Group absorb a substantial portion of the electricity tariff hike, while reducing electricity-usage per production unit in the long run.

On January 13, 2014 the price of crude oil declined to USD91.65 per barrel as compared to a high of USD112.24 per barrel on August 28, 2013. In view of the current market trend, the prices of certain key raw materials are likely to soften in 2014, in addition to substantially reduced price volatility. The Board anticipates a more favourable operating environment this year, which will be conducive towards sustainable growth in earnings.

The Group will continue to grow its market share by leveraging on existing relationships with key MNC customers. For the immediate term, the Group's main focus will be towards the commercialisation of ongoing product innovation projects. During the year, the Company will also invest in additional capacity to take advantage of projected growth and maintain its leading position in the regional flexible packaging industry.

Given this positive outlook, the Board is optimistic of the continued achievement of another record performance for 2014.

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	
	31.12.2013	31.12.2012	**31.12.2013**	31.12.2012
	RM'000	RM'000	**RM'000**	RM'000
Interest income	**(24)**	(33)	**(100)**	(157)
Other operating income	**(516)**	(599)	**(2,210)**	(3,259)
Gain on disposal of property, plant and equipment	**-**	(127)	**(130)**	(152)
Interest expense	**368**	158	**1,081**	866
Depreciation of property, plant and equipment	**2,370**	2,362	**9,490**	8,902
Reversal of impairment loss on trade receivables	**-**	-	**-**	(5)
(Reversal of inventories write-down)/Inventories write-down -net	**(121)**	(360)	**(6)**	505
Foreign exchange loss	**403**	171	**435**	375
Gain on derivatives	**(89)**	(218)	**(358)**	(145)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B6 Income Tax Expense

	3 months ended		12 months ended	
	31.12.2013	31.12.2012	**31.12.2013**	31.12.2012
	RM'000	RM'000	**RM'000**	RM'000
Current:				
- Malaysian Tax	**1,591**	2,137	**7,389**	7,809
- Foreign Tax	**160**	86	**535**	460
- Under provision in prior year	**-**	273	**83**	257
	1,751	2,496	**8,007**	8,526
Deferred tax:				
- Current	**112**	(59)	**889**	452
- Under/(over) provision in prior year	**41**	(12)	**136**	(77)
	1,904	2,425	**9,032**	8,901

B7 Status of Corporate Proposals

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

B8 Group Borrowings

Details of the Group's borrowings as of December 31, 2013 were as follows: -

	Current RM'000	**Non-Current RM'000**
Unsecured - Ringgit Malaysia	30,542	10,835
Unsecured - United States Dollar	15,359	493
Secured - Ringgit Malaysia	279	218
	46,180	11,546

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 of December 31, 2013, the Group has the following outstanding derivatives:-

	Principal or Notional Amount RM'000	Fair Value RM'000	Net Gain RM'000
Foreign currency forward contracts:-			
Less than 1 year	3,625	3,507	118

There is no change to the Group's financial risk management policies in managing these derivatives, its related accounting policies and the market risk associated with these derivatives since the last financial year.

B10 Material litigation

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

B11 Dividends

The Board is pleased to declare a fourth interim single tier dividend of 4.00 sen for the financial year ended December 31, 2013 and the said dividend will be paid on March 28, 2014 (2012: 3.50 sen tax exempt) to shareholders whose names appear on the Company's Record of Depositors on March 12, 2014.

B12 Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the financial 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 financial period under review.

	3 Months ended		12 Months ended	
	31.12.2013	31.12.2012	**31.12.2013**	31.12.2012
Profit attributable to owners of the Company (RM'000)	**7,300**	6,248	**27,827**	24,641
Weighted average number of ordinary shares in issue ('000):				
Issued ordinary shares as of January 1	**113,853**	113,853	**113,853**	113,853
Effect of treasury shares held	**(175)**	(279)	**(282)**	(512)
Weighted average number of ordinary shares as of December 31	**113,678**	113,574	**113,571**	113,341
Basic earnings per share (sen)	**6.42**	5.50	**24.50**	21.74

Diluted earnings per ordinary share are not presented as there are no dilutive potential ordinary shares outstanding during the financial periods.

B13 Disclosure of realised and unrealised earnings

The breakdown of retained earnings of the Group as of 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:

	31.12.2013 RM'000	31.12.2012 RM'000
Total retained earnings of the Group:-		
- Realised	**58,069**	46,743
- Unrealised	**(8,913)**	(7,816)
	49,156	38,927
Total share of retained earnings from an associate:-		
- Realised	**1,189**	764
- Unrealised	**4**	4
	50,349	39,695
Less: Consolidation adjustments	**(4,306)**	(5,000)
Total Group retained earnings	**46,043**	34,695

By Order of the Board

Ms TAN GAIK HONG, MIA 4621
Secretary
Melaka

Dated: February 20, 2014
c.c. Securities Commission