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, 2013. 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, 2013.

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, 2013 except for the adoption of the following:

Amendments to FRSs		Effective date
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities	January 1, 2014
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	January 1, 2014
Amendments to FRS 136	Recoverable Amount Disclosure for Non-Financial Assets	January 1, 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014

The adoption of the 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.

On September 2, 2014, with the issuance of MFRS 15 Revenue from Contracts with Customers and Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141), the MASB announced that Transitioning Entities are required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

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, 2017.

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

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 period under review.

A6 Debt and Equity Securities

During the current quarter, the Company repurchased 111,800 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM479,447 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 RM4.29. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A7 Dividend Paid

	12 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Fourth interim single tier dividend paid for the financial year 2013: 4.00 sen per ordinary share paid on March 28, 2014. (2013: 3.50 sen tax exempt per ordinary share for the financial year 2012 paid on April 12, 2013).	**4,552**	3,977
First interim single tier dividend paid for the financial year 2014: 3.50 sen per ordinary share paid on June 26, 2014. (2013: 4.00 sen tax exempt per ordinary share for the financial year 2013 paid on June 7, 2013).	**3,982**	4,553
Second interim single tier dividend paid for the financial year 2014: 3.50 sen per ordinary share paid on September 11, 2014. (2013: 3.00 sen tax exempt per ordinary share for the financial year 2013 paid on September 27, 2013).	**3,978**	3,397
Third interim single tier dividend paid for the financial year 2014: 2.50 sen per ordinary share paid on December 11, 2014. (2013: 4.00 sen tax exempt per ordinary share for the financial year 2013 paid on December 19, 2013).	**2,835**	4,552
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A8 Related party transactions

There were no significant related party transactions for the period under review.

A9 Contingent liabilities

There were no contingent liabilities as at the date of this quarterly report.

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, 2014 was as follows:

	Packaging RM'000	Property development RM'000	Eliminations RM'000	Group RM'000
2014				
Revenue	**340,143**	**4,362**	**-**	**344,505**
	=========	=========	=========	==========
Results				
Segment results	**32,160**	**240**	**-**	**32,400**
Unallocated costs				**(377)**

Profit from operations				**32,023**
Finance costs	**(1,942)**	**-**	**-**	**(1,942)**
Share of results of an associate	**-**	**974**	**-**	**974**

Profit before tax				**31,055**
				=========

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	301,135	9,165	-	310,300
	=========	=========	=========	==========
Results				
Segment results	36,500	929	-	37,429
Unallocated costs				(394)

Profit from operations				37,035
Finance costs	(1,081)	-	-	(1,081)
Share of results of an associate	-	420	-	420

Profit before tax				36,374
				=========

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, 2014 were as follows:

2014	Packaging RM'000	Property development RM'000	Eliminations RM'000	Group RM'000
Assets				
Segment assets	287,906	706	(17,447)	271,165
Investment in an associate	-	22,694	-	22,694
Unallocated assets				187
Consolidated total assets				294,046
Liabilities				
Segment liabilities	122,295	9,561	(17,447)	114,409
Unallocated liabilities				11,306
Consolidated total liabilities				125,715

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	275,465	5,230	(23,939)	256,756
Investment in an associate	-	23,756	-	23,756
Unallocated assets				92
Consolidated total assets				280,604
Liabilities				
Segment liabilities	116,036	16,291	(23,939)	108,388
Unallocated liabilities				10,130
Consolidated total liabilities				118,518

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 tax payable, deferred tax liabilities and accrued expenses for dormant subsidiaries.

Geographical Information
The Group operates in three principal geographical areas - Malaysia (country of domicile), Australia and New Zealand.

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	
	31.12.2014	31.12.2013
	RM'000	RM'000
Revenue		
Malaysia	**302,826**	269,332
Australia	**40,372**	40,968
New Zealand	**1,307**	-
	344,505	310,300
Non-current assets *		
Malaysia	**123,090**	112,651
Australia	**130**	157
New Zealand	**5**	-
	123,225	112,808

* 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, 2014 were as follows: -

	RM'000
Property, plant and equipment	
- Authorised and contracted for	9,328

A12 Subsequent events

There were no material events subsequent to December 31, 2014 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

On March 28, 2014, the Company incorporated a wholly-owned subsidiary in New Zealand, namely Daibochi New Zealand Limited with a paid up capital of New Zealand Dollar ("NZD") 1 comprising 1 ordinary share of NZD1.00 each.

There were no other changes in the composition of the Group including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring and discontinuing operations as at December 31, 2014.

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

B1 Review of Performance

The Group's performance is primarily derived from the packaging segment as the property segment is being phased out.

	Group Performance					
	4Q14 RM'000	**4Q13 RM'000**	**% Change**	**12m14 RM'000**	**12m13 RM'000**	**% Change**
Revenue	**84,047**	80,161	+4.8	**344,505**	310,300	+11.0
PBT	**7,139**	8,719	-18.1	**31,055**	36,374	-14.6

For the three months ended December 31, 2014 (FY2014), the Group recorded revenue of RM84.05 million as compared to RM80.16 million for the corresponding period in the previous year, representing an increase of 4.8%. However, PBT in the current quarter reduced by 18.1% to RM7.14 million from RM8.72 million in the previous year. The decline in PBT was mainly due to higher operating costs, especially in wages and electricity tariffs in 2014.

For the financial year ended December 31, 2014, the Group recorded revenue of RM344.51 million as compared to RM310.30 million for the previous financial year, representing a growth of 11%. The growth in sales was mainly from the increase in exports to MNC customers in the F&B sector, including to new MNC customers since the third quarter of 2013. Export sales contributed 50% of group revenue in FY2014, rising from 40% a year ago. However, Group PBT noted a reduction of 14.6% to RM31.06 million compared to RM36.37 million previously. The performance of the Group would have been better if not for the adverse effects of higher raw material prices since the second half of 2013 and throughout 2014, as well as increased operating costs due to the electricity tariff hike in early 2014 and a larger wage bill.

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

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:

	Group Performance		
	4Q14 (RM'000)	**3Q14 (RM'000)**	**% Change**
Revenue	**84,047**	83,090	+1.2
PBT	**7,139**	6,674	+7.0

For the three months under review, the Group's turnover of RM84.05 million represented an increase of 1.2% as compared to the turnover of the preceding quarter of RM83.09 million. The Group recorded PBT of RM7.14 million compared to RM6.67 million in the preceding quarter. The increase in PBT of 7.0% in the current quarter under review was mainly due to better operating margin recorded in the current quarter.

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

B3 Prospects

As the majority of our key raw materials are derivative products of crude oil, we anticipate the costs of raw materials to soften in view of the sharp decline in global crude oil prices since December 2014. In general, the Company is expecting a positive impact to earnings in the current financial year due to the downtrend in the costs of raw materials. However, the Company will not benefit fully due to cost pass through via a price review trigger mechanism in place for our major customers.

We are of the view that the weakening of the MYR against the USD will not pose significant impact to the Group's performance. This is due to the presence of a natural currency hedge in our import and export activities, as the majority of our trade settlements are denominated in USD.

Overall, the Group is confident of delivering commendable revenue growth in FY2015. We are in the midst of taking on new opportunities from our MNC clientele, mainly representing exports to Australia, New Zealand and the ASEAN region. The Company is looking forward to the successful commercialisation of its innovative packaging solutions for 2015.

In view of these positive developments, the Board is optimistic of achieving an improved performance in both turnover and earnings for 2015.

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	
	31.12.2014	31.12.2013	**31.12.2014**	31.12.2013
	RM'000	RM'000	**RM'000**	RM'000
Interest income	**(13)**	(24)	**(65)**	(100)
Other operating income	**(703)**	(516)	**(2,414)**	(2,210)
Loss/(gain) on disposal of property, plant and equipment	**29**	-	**7**	(130)
Interest expense	**525**	368	**1,942**	1,081
Depreciation of property, plant and equipment	**2,907**	2,370	**11,117**	9,490
Inventories write-down/(Reversal of inventories	**27**	(121)	**764**	(6)
Foreign exchange (gain)/loss	**(631)**	403	**(853)**	435
Foreign exchange loss/(gain) on derivatives	**167**	(89)	**(206)**	(358)

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	
	31.12.2014	31.12.2013	**31.12.2014**	31.12.2013
	RM'000	RM'000	**RM'000**	RM'000
Current:				
- Malaysian Tax	**1,089**	1,470	**4,736**	7,268
- Foreign Tax	**77**	160	**333**	535
- (Over)/under provision in prior year	**-**	-	**(79)**	83
	1,166	1,630	**4,990**	7,886
Deferred tax:				
- Current	**69**	113	**2,337**	890
- (Over)/under provision in prior year	**(3)**	41	**(15)**	136
	1,232	1,784	**7,312**	8,912

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, 2014 were as follows:-

	Current RM'000	Non-Current RM'000
Unsecured - Ringgit Malaysia	32,054	13,188
Unsecured - United States Dollar	14,061	-
Secured - Ringgit Malaysia	185	34
	46,300	13,222

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, 2014, the Group has the following outstanding derivatives:-

	Principal or Notional Amount RM'000	Fair Value RM'000	Net Loss RM'000
Foreign currency forward contracts:-			
Less than 1 year	5,240	5,275	35

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 3.50 sen for the financial year ended December 31, 2014 and the said dividend will be paid on March 27, 2015 (2013: 4.00 sen tax exempt) to shareholders whose names appear on the Company's Record of Depositors on March 10, 2015.

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	
	31.12.2014	31.12.2013	**31.12.2014**	31.12.2013
Profit attributable to owners of the Company (RM'000)	**5,907**	6,935	**23,743**	27,462
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	**(451)**	(175)	**(212)**	(282)
Weighted average number of ordinary shares as of December 31	**113,402**	113,678	**113,641**	113,571
Basic earnings per share (sen)	**5.21**	6.10	**20.89**	24.18

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:

	31.12.2014	31.12.2013
	RM'000	RM'000
Total retained earnings of the Group:-		
- Realised	**68,655**	57,709
- Unrealised	**(10,668)**	(8,913)
	57,987	48,796
Total share of retained earnings from an associate:-		
- Realised	**135**	1,184
- Unrealised	**(9)**	4
	58,113	49,984
Less: Consolidation adjustments	**(4,039)**	(4,306)
Total Group retained earnings	**54,074**	45,678

By Order of the Board

Ms TAN GAIK HONG, MIA 4621
Secretary
Melaka

Dated: February 11, 2015
c.c. Securities Commission