

**Quarterly Report On Results For The Second Quarter Ended 30 June 2012**

**NOTES**

**A1 Accounting Policies and Method of Computation**

The quarterly financial report is unaudited and has been prepared in accordance with MFRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standard Board and part A of Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements. It should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2011.

**Malaysia Financial Reporting Standards ("MFRSs")**

On 19 November 2011, the Malaysia Accounting Standard Board (MASB) issued a new MASB approved accounting framework, the MFRS framework.

The Group's and the Company's financial statements are now prepared in accordance with this framework effective 2012. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.

The significant accounting policies adopted by the Group in this report are consistent with those used in the Audited Financial Statements of the Group for the financial year ended 31 December 2011 except for the changes arising from the adoption of the following new FRSS, Amendments to FRSS and Issues Committee Interpretations ("IC Interpretations") that are effective for the financial period on or after 1 January 2012. These FRSS and Amendments to FRSS and IC Interpretations are now replaced by the Malaysian Financial Reporting Standards ("MFRSs") which are similar in its applications and requirements.

**A2 Audit Report**

The auditors' report of the Group's preceding annual financial statements was not qualified.

**A3 Seasonal or Cyclical Factors**

The business operations of the Group during the financial quarter under review were not materially affected by any seasonal or cyclical factors.

**A4 Exceptional /Extraordinary Items**

There were no exceptional /extraordinary items for the financial period under review.

**A5 Changes in Estimates**

There was no material change in estimates of amounts reported in the prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

**A6 Debts and Equity Securities**

During the current quarter under review, the Company purchased a total of 20,000 shares under the share buyback scheme at an average cost of RM 1.40 per ordinary share for a total cash consideration of RM 27,964.50 which include transaction costs, and was financed by Company's internally generated funds. Shares purchased as at 30 June 2012 totalling 1,295,016 ordinary shares of RM 1.00 each were held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and stated at cost.

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**A7 Dividend Paid**

Quarter	Type of dividend	Dividend per share	Amount of net dividend (RM)	Date of payment
Current quarter ended 30/06/2012	Interim dividend for the financial year ended 31 December 2011.	4.00 % less 25% income tax	577,543.02	16 January 2012
Preceding year's quarter ended 30/06/2011	Interim dividend for the financial year ended 31 December 2010 Adjustment for dividend provision Net amount paid	4.00 % less 25% income tax	585,517.02 <u>(1,140.00)</u> 584,377.02	21 February 2011

**A8 Segment Information**

There was no segmental reporting as the Group is currently involved primarily in a single line product.

**A9 Revaluation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment during the quarter.

**A10 Material Events Subsequent to the end of the Reporting Period**

There was no material event subsequent to the end of the reporting period.

**A11 Changes in the Composition of the Company**

There was no change in the composition of the Company during the quarter.

**A12 Contingent Liabilities**

Bank guarantee given by financial institution to third party amounting to RM 138,500.00

**A13 Capital Commitments**

There is no capital commitments made during the quarter.

**A14 Fair value of Financial Instruments**

In respect of the financial instrument classified under current assets and current liabilities, the carrying amount approximate fair value due to the relatively short term nature of these financial instruments.

The aggregate fair value and the carrying amounts of the financial assets carried on the reporting date are as below:-

**ADVANCED PACKAGING TECHNOLOGY (M) BHD. (82982-K)**  
(Incorporated in Malaysia)

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	<u>As at 30/06/2012</u>		<u>As at 31/12/2011</u>	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Available-for-sale</u>	RM	RM	RM	RM
Other investment	5,000,000	5,000,000	5,000,000	5,000,000

Fair value of other investments is based on manager's price as at the end of the quarter.

**A15 Disclosure of Derivatives**

The group does not have any outstanding derivatives as at the end of the reporting quarter.

**A16 Gain/(Loss) arising from fair value changes of financial liabilities**

There is no gain/(loss) arising from fair value changes of financial liabilities for the quarter ended 30 June 2012.

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**NOTES**

**B1 Review of Performance**

The Group recorded a turnover of RM6.883 million for the quarter ended 30 June 2012 which was RM 0.991 million or 16.82 % higher than the preceding quarter's turnover of RM5.892 million. Net profit before tax for the quarter under review was RM1.286 million compared to RM1.027 million recorded in the preceding quarter ended 31 March 2012. Higher sales revenue and better cost control in raw materials and operating costs had contributed to the increase in net profit before tax for the current quarter.

The Group achieved a turnover of RM12,776 million for the period ended 30 June 2012 which was RM 0.890 million or 7.49 % higher than the turnover in the preceding year's cumulative quarters of RM11.886 million. The increase in sales revenue was due mainly to the increase in sales volume brought about by better market sentiment in the first half year. Net profit before tax for the period under review was RM2.313 million compared to RM1.807 million achieved in the preceding year's cumulative quarters, which showed 28.00% jump in profit. Higher sales revenue and better cost control were the major factors contributed to the better profit before tax.

**B2 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

There was a material change in the Group's net profit before taxation for the quarters ended 30 June 2012 when compared to that of the preceding year. The details of and reasons for the changes are disclosed under B1 and B5 of the notes.

**B3 Prospects for the Current Financial Year**

Volatile raw material costs and keen market competitions are the key concerns of the Company for the current year which may affect sales turnover and profitability. However, the prospect of the flexible packaging material is still promising particularly in the food and beverage sectors. Thus, barring unforeseen circumstances, the Board expects the group to achieve satisfactory results for the financial year ending 31 December 2012.

**B4 Variance of Actual Profit from Forecast Profit**

This is not applicable.

**B5 Taxation**

Details of taxation are as follows: -

	Current Year Quarter 30/06/2012 RM'000	Current Year To Date 30/06/2012 RM'000
Current taxation	402	731
Under provision of tax	0	0
Deferred taxation	(113)	(139)
	<u>289</u>	<u>592</u>

The effective tax rate is slightly higher than the statutory tax rate for the quarter ended 30 June 2012 due to certain non allowable expenses recorded during the quarter.

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**B6 Profits /(Loss) on Sale of Unquoted Investments and/or Properties**

There was no disposal of unquoted investments and /or properties for the financial quarter under review.

**B7 Purchases or Disposals of Quoted Securities**

There were no purchases and/or disposals of quoted securities for the financial period under review.

**B8 Status of Corporate Proposals**

There was no corporate proposal was announced during the quarter.

**B9 Borrowings and Debt Securities**

There was no borrowing and debt security at the end of this quarter.

**B10 Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of issue of this quarterly report.

**B11 Material Litigation**

There was no material litigation during the financial quarter ended 30 June 2012.

**B12 Dividend**

A final dividend of 10.00% less income tax 25% was declared during the quarter ended 30 June 2012.

**B13 Earnings per Share**

The basic earning per share is calculated by dividing the Group's profit after tax attributable to ordinary shareholders for the current quarter and cumulative quarter to 30 June 2012 by the weighted average number of shares in issue of the Group at the end of the quarter.

	Current year's quarter	Cumulative quarter
Profit for the period (RM'000)	997	1,721
Weighted average number of ordinary shares in issue('000)	19,221	19,221
Basic earning per share(sen)	5.19	8.95

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**NOTES**

**B14 Disclosure of realised and unrealised profits/losses**

The breakdown of retained profit of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive given by Bursa Malaysia Securities Berhad ("Bursa Malaysia"), is as follows:

	as at 30/06/2012	as at 31/12/2011
	RM'000	RM'000
Realised	9,957	9,919
Unrealised		
-Forex exchange	-	(4)
-Deferred tax	139	(99)
Total retained profits as per consolidated accounts	10,096	9,816

The realised and unrealised profits or losses are determined as per the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Loss in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2010.

This disclosure is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia and is not made for any other purpose.

By Order of the Board  
See Siew Cheng, Leong Shiak Wan  
Company Secretaries  
Dated: 28 August 2012