

**Quarterly Report On Results For The First Quarter Ended 31 March 2013**

**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, and should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

The Company’s financial statements have been prepared under the historical cost convention other than as disclosed in the notes to the quarterly report and in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The significant accounting policies adopted by the Company in this report are consistent with those used in the Audited Financial Statements of the Company for the financial year ended 31 December 2012 except for the changes arising from the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee Interpretations (“IC Interpretations”) that are effective for the financial period on or after 1 January 2013.

**(a) Standards issued and effective**

On 1 January 2012, the following new and amended MFRS and IC Interpretations are mandatory for annual financial periods beginning on or after 1 January 2013.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• MFRS 3, Business Combinations (IFRS 3 <i>Business Combinations</i> issued by IASB in March 2004)	1 January 2013
• MFRS 10, Consolidated Financial Statements	1 January 2013
• MFRS 11, Joint Arrangements	1 January 2013
• MFRS 12, Disclosure of Interests in Other Entities	1 January 2013
• MFRS 13, Fair Value Measurement	1 January 2013
• MFRS 119, Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
• MFRS 127, Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2004)	1 January 2013
• MFRS 127, Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
• MFRS 128, Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
• Amendment to MFRSs:	
• MFRS 1, Government Loans	1 January 2013
• MFRS 1, Annual Improvements 2009-2011 Cycle	1 January 2013
• MFRS 7, <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
• MFRS 10, Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
• MFRS 11, Consolidated Financial Statements, Joint	1 January 2013

**Quarterly Report On Results For The First Quarter Ended 31 March 2013**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	
• MFRS 12, Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
• MFRS 101, Annual Improvements 2009 – 2011 Cycle	1 January 2013
• MFRS 116, Annual Improvements 2009 – 2011 Cycle	1 January 2013
• MFRS 132, Annual Improvements 2009 – 2011 Cycle	1 January 2013
• MFRS 132, Offsetting Financial Assets and Financial Liabilities	1 January 2014
• MFRS 134, Annual Improvements 2009 – 2011 Cycle	1 January 2013
• IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
• Amendment to IC Interpretations:	
• IC Interpretation 2, Annual Improvements 2009 – 2011 Cycle	1 January 2013

**(b) Standards issued but not yet effective :-**

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• MFRS 9, Financial Instruments (IFR 9 issued by IASB in November 2009)	1 January 2015
• MFRS 9, Financial Instruments (IFR 9 issued by IASB in November 2010)	1 January 2015
• MFRS 132, Offsetting Financial Assets and Financial Liabilities	1 January 2014

The Directors expect that the adoption of the standards, amendments and interpretations above will have no material impact on the financial statements in the period of initial application.

**A2 Audit Report**

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

**Quarterly Report On Results For The First Quarter Ended 31 March 2013**

**NOTES**

**A3 Seasonal or Cyclical Factors**

The business operations of the Company 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 9,000 shares under the share buyback scheme at an average cost of RM 1.55 per ordinary share for a total cash consideration of RM 13,928.46 which include transaction costs, and was financed by Company's internally generated funds. Shares purchased as at 31 March 2013 totalling 1,338,016 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.

**A7 Dividend Paid**

Quarter	Type of dividend	Gross dividend per share	Amount of net dividend (RM)	Date of payment
Current quarter ended 31/03/2013	Interim Dividend for the financial year ended 31 December 2012	4% less 25% income tax	575,257.02	22 January 2013
Preceding year's quarter ended 31/03/2013	Interim Dividend for the financial year ended 31 December 2011	4% less 25% income tax	577,543.02	16 January 2012

**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.

**Quarterly Report On Results For The First Quarter Ended 31 March 2013**

**NOTES**

**A12 Contingent Liabilities**

Bank guarantee given by financial institution to third party amounting to RM 137,786.00

**A13 Capital Commitments**

Property, plant and equipment

-Capital commitments authorised and contracted for during the quarter was RM 354,366.00

**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:-

	<u>As at 31/03/2013</u>		<u>As at 31/12/2012</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

The fair value of other investments is equivalent to its carrying value.

**A15 Disclosure of Derivatives**

The Company 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 31 March 2013.

**Quarterly Report On Results For The First Quarter Ended 31 March 2013**

**NOTES**

**B1 Review of Performance**

The Company recorded a turnover of RM6.651 million for the quarter ended 31 March 2013 which was RM 1.499 million or 29.62% higher than the preceding quarter's turnover of RM5.062million. Net profit before tax for the quarter under review was RM1.153 million compare to RM0.416 million recorded in the preceding quarter ended 31 December 2012. The increase in profit in the current quarter was contributed by higher sales revenue arising from better market demand, lower material and operating cost particularly lower provisions.

The Company achieved a turnover of RM6.561 million achieved for the period ended 31 March 2013 which was RM 0.669 million or 11.35 % higher than the turnover of RM5.892 million in the preceding year's corresponding quarter due to increase in sales volume. Net profit before tax for the period under review was RM1.153 million compared with RM1.027 million achieved in the preceding year's quarter, which showed a 12.27% increase due to better cost control.

**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 and net profit after tax for the quarter ended 31 March 2013 when compare 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 cost and market sentiment are the key concerns of the Company for the current year which may affect sales turnover and profitability. However, barring unforeseen circumstances, the Board expects the group to achieve satisfactory results for the financial year ending 31 December 2013.

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

This is not applicable.

**B5 Taxation**

Details of taxation are as follows: -

	Current Year Quarter 31/03/2013 RM'000	Current Year To Date 31/03/2013 RM'000
Current taxation	370	370
Under provision of tax	0	0
Deferred taxation	(78)	(78)
	<u>292</u>	<u>292</u>

The effective tax rate is higher than the statutory tax rate for the quarter ended 31 March 2013 due to certain non allowable expenses recorded during the quarter.

**Quarterly Report On Results For The First Quarter Ended 31 March 2013**

**NOTES**

**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 Company 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 31 March 2013.

**B12 Dividend**

No dividend was declared during the quarter ended 31 March 2013.

**B13 Earnings per Share**

The basic earning per share is calculated by dividing the Company's profit after tax attributable to ordinary shareholders for the current quarter and cumulative quarter to 31 March 2013 by the weighted average number of shares in issue of the Company at the end of the quarter.

	Current year's quarter	Cumulative quarter
Profit for the period (RM'000)	861	861
Weighted average number of ordinary shares in issue('000)	19,168	19,168
Basic earning per share(sen)	4.49	4.49

**Quarterly Report On Results For The First Quarter Ended 31 March 2013**

**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 31/03/2013	as at 31/12/2012
	RM'000	RM'000
Realised	9,981	9,042
Unrealised		
-Forex exchange –(gain)	0	0
-Deferred tax-	<u>1,323</u>	<u>1,401</u>
Total retained profits as per consolidated accounts	11,304	10,443

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: 25 April 2013