

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 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 2013, 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 Business Combinations 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, Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 2013**

**NOTES**

**A1 Accounting Policies and method of Computation (continued)**

**(a) Standard issued and effective (continued)**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
<ul style="list-style-type: none"> <li>• Amendment to MFRSs (continued):               <ul style="list-style-type: none"> <li>- MFRS 10, Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</li> </ul> </li> <li>- MFRS 11, Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</li> </ul>	<p>1 January 2013</p> <p>1 January 2013</p>

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

**(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>
<ul style="list-style-type: none"> <li>• Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities</li> <li>• Amendments to MFRS 12, Disclosure of Interest in Other Entities: Investment Entities</li> <li>• Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities</li> <li>• Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities</li> <li>• Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</li> <li>• Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</li> <li>• IC Interpretation 21 Levies</li> <li>• MFRS 9, Financial Instruments (Hedge accounting and amendments to MFRS 9, MFRS 7, and MFRS 139)</li> </ul>	<p>1 January 2014</p> <p>1 January 2014</p> <p>1 January 2014</p> <p>1 January 2014</p> <p>1 January 2014</p> <p>1 January 2014</p> <p>1 January 2014</p> <p>1 January 2014</p> <p>To be announced</p>

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 2013**

**NOTES**

**A1 Accounting Policies and method of Computation (continued)**

**(a) Standards issued but not yet effective (continued)**

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>
• Amendments to MFRS 119: Defined benefit plans	1 July 2014
• Annual improvements to MFRSs 2010 – 2012 cycle	
- MFRS 2, Share-based payment	1 July 2014
- MFRS 3, Business combinations	1 July 2014
- MFRS 8, Operating Segments	1 July 2014
- MFRS 13, Fair value measurement	1 July 2014
- MFRS 116, Property, plant and equipment	1 July 2014
- MFRS 124, Related party disclosures	1 July 2014
- MFRS 138, Intangible assets	1 July 2014
• Annual improvements to MFRSs 2011 – 2013 cycle	
- MFRS 1, First-time adoption of International Financial Reporting Standards	1 July 2014
- MFRS 3, Business combinations	1 July 2014
- MFRS 13, Fair value measurement	1 July 2014
- MFRS 140, Investment property	1 July 2014
• MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
• MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

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 except as mentioned below.

**MFRS 9, Financial Instruments**

MFRS 9 addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are initially measured at fair value plus, in the case of a financial asset classified as fair value through profit or loss, particular transaction costs. Financial assets are subsequently measured at amortised cost or fair value. Financial liabilities are subsequently measured at amortised cost or fair value. However, changes due to own credit risk in relation to the fair value option for financial liabilities shall be recognised in other comprehensive income.

The Company is currently examining the impact of adopting MFRS 9.

**A2 Audit Report**

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

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 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 6,000 shares under the share buyback scheme at an average cost of RM 1.89 per ordinary share for a total cash consideration of RM11,339.25 which include transaction costs, and was financed by Company's internally generated funds. Shares purchased as at 31 December 2013 totalling 1,370,016 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 31/12/2013	Interim Dividend for the financial year ended 31 December 2012	4% less 25% income tax	575,257	22 January 2013
	Final dividend for the financial year ended 31 December 2012	10% less 25% income tax	1,436,493	23 July 2013
Preceding year's quarter ended 31/12/2012	Interim Dividend for the financial year ended 31 December 2011	4% less 25% income tax	577,543	16 January 2012
	Final dividend for the year ended 31 December 2011	10% less 25% income tax	1,440,693	24 July 2012

**A8 Segment Information**

There was no segmental reporting as the Company 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.

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 2013**

**NOTES**

**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 RM127,786

**A13 Capital Commitments**

There was no capital commitment 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:

	<u>As at 31/12/2013</u>		<u>As at 31/12/2012</u>	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM	RM	RM	RM
<u>Available-for-sale</u>				
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 December 2013.

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 2013**

**NOTES**

**B1 Review of Performance**

The Company recorded a turnover of RM5.917 million for the quarter ended 31 December 2013 which was RM0.069 million or 1.18% higher than the preceding quarter's turnover of RM5.847 million. Net profit before tax for the quarter under review was RM0.699 million compared to RM0.812 million recorded in the preceding quarter ended 30 September 2013 which showed a drop of 13.91%. The decrease in profit in the current quarter was contributed mainly by the increase in raw material and operating costs.

Cumulative turnover of RM24.883 million achieved for the year ended 31 December 2013 was RM1.463 million or 6.25 % higher than the turnover of RM23.420 million in the preceding year's corresponding period due to increase in sales volume. Net profit before tax for the year under review was RM3.792 million compared with RM3.563 million achieved in the preceding year which showed an increase of 6.43% due to increase in sales revenue and other income.

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

There was a material change in the Company's net profit before taxation and net profit after tax for the quarter ended 31 December 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**

Increased petrol price and electricity tariff, 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 Company to achieve satisfactory results for the financial year ending 31 December 2014.

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

This is not applicable.

**B5 Taxation**

Details of taxation are as follows: -

	Current Year Quarter 31/12/2013 RM'000	Current Year To Date 31/12/2013 RM'000
Current taxation	162	1,168
Over provision of tax	0	(1)
Deferred taxation	(30)	(201)
	132	966

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

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 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 December 2013.

**B12 Dividend**

An Interim Single Tier Tax Exempt Dividend of 4% has been declared during the quarter under review for the financial year ended 31 December 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 December 2013 by the weighted average number of shares in issue of the Company at the end of the quarter.

	Current year's quarter	Cumulative quarters
Profit for the period (RM'000)	567	2,827
Weighted average number of ordinary shares in issue('000)	19,142	19,154
Basic earning per share(sen)	2.96	14.76

**Quarterly Report On Results For The Fourth Quarter Ended 31 December 2013**

**NOTES**

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

The breakdown of retained profit of the Company 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 31/12/2013	as at 31/12/2012
	RM'000	RM'000
Realised	9,873	9,042
Unrealised		
-Forex exchange –(gain)	(4)	-
-Deferred tax	<u>1,199</u>	<u>1,401</u>
Total retained profits as per consolidated accounts	11,068	10,443

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: 26 February 2014