

**Quarterly Report On Results For The Third Quarter Ended 30 September 2014**

**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 2013.

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 2013.

**(a) Standards issued and effective**

On 1 January 2014, the following new and amended MFRS and IC Interpretations are mandatory for annual financial periods beginning on or after 1 January 2014.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
• MFRS101, Presentation of Financial Statements-Presentation of Items of Other Comprehensive Income	1 July 2013
• Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities	1 January 2014
• Amendments to MFRS 12, Disclosure of Interest in Other Entities: Investment Entities	1 January 2014
• Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities	1 January 2014
• Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities	1 January 2014
• Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
• Amendments to MFRS 139, Novation of Derivatives and Continuation of hedge Accounting	1 January 2014
• IC Interpretation 21 Levies	1 January 2014

The Directors expect that the adoption of the new and amended MFRSs and IC Interpretations above will have no material impact on the financial statements in the period of initial application.

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

**(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 (IFRS 9 issued by IASB in November 2009)	1 January 2015
• MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
• MFRS 14, Regulatory deferral accounts	1 January 2016
• MFRS 15, Revenue from contracts with customers	1 January 2017
• Amendments to MFRS 119: Defined benefit plans: Employee Contributions	1 July 2014
• Amendments to MFRS 116 and MFRS 138: Clarification of acceptable methods of depreciation and amortisation	1 January 2016
• Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer plants	1 January 2016
• 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 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, amendments to	
- MFRS 3, Business combinations	1 July 2014
- MFRS 13, Fair value measurement	1 July 2014
- MFRS 140, Investment property	1 July 2014

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**NOTES**

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

**MFRS 9, Financial Instruments**

MFRS 9 has been issued but the effective date is yet to be announced. The standards reflect the first phase of the work on replacement of MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 replaces the multiple classification and measurement of financial assets and financial liabilities in MFRS 139, with a single model that has only two classification categories: amortised cost and fair value.

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 not classified as fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets are subsequently measured at amortised cost or fair value. Financial liabilities are also 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 will quantify the effect of MFRS 9 together with the other phrase, when the final standard is issued.

**A2 Audit Report**

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

**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 3,000 shares under the share buyback scheme at an average cost of RM 2.08 per ordinary share for a total cash consideration of RM 6,246.86 which include transaction costs, and was financed by Company's internally generated funds. Shares purchased as at 30 September 2014 totalling 1,386,016 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	Gross dividend per share	Amount of net dividend (RM)	Date of payment
Current quarter ended 30/09/2014	Interim Dividend for the financial year ended 31 December 2013	4.00% single tier dividend	765,369	21 January 2014
	Final dividend for the financial year ended 31 December 2013	8.00% single tier dividend	1,529,699	22 July 2014
Preceding year's quarter ended 30/09/2013	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

**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.

**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 RM170,000.

**A13 Capital Commitments**

Property, plant and equipment:

-Capital commitments authorised and contracted for was approximately RM621,000

-Capital commitments authorised but not contracted for was approximately RM 95,000

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**NOTES**

**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 30/09/2014</u>		<u>As at 31/12/2013</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 30 September 2014.

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**NOTES**

**B1 Review of Performance**

The Company recorded a turnover of RM6.078 million for the quarter ended 30 September 2014 which was RM 0.424 million or 6.53% lower than the preceding quarter's turnover of RM6.503 million. Net profit before tax for the quarter under review was RM0.736million compared to RM0.682 million recorded in the preceding quarter ended 30 June 2014 which showed an increase of 8.01%. The increase in profit in the current quarter was contributed mainly by lower operating costs.

Turnover of RM19.044 million achieved for the cumulative quarters ended 30 September 2014 was slightly higher than the turnover of RM18.967 million in the preceding year's corresponding period. Net profit before tax for the cumulative nine (9) months period ended 30 September 2014 under review was RM2.268 million compared with RM3.093 million achieved in the preceding year's corresponding period which showed a decrease of 26.67% due mainly to the increase in material cost, electricity tariff and operating cost.

**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 30 September 2014 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 operating cost, volatile raw material cost, market sentiment and competition are the key concerns of the Company for the current year which has affected profitability. As such, the Board expects the Company to achieve lower profit for the financial year ending 31 December 2014 as compared to last year.

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

This is not applicable.

**B5 Taxation**

Details of taxation are as follows: -

	Current Year Quarter 30/09/2014 RM'000	Current Year To Date 30/09/2014 RM'000
Current taxation	266	756
Over provision of tax	24	24
Deferred taxation	(76)	(85)
	<hr/> 214	<hr/> 695

The effective tax rate is higher than the statutory tax rate for the quarter ended 30 September 2014 due to certain non -allowable expenses.

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**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 30 September 2014.

**B12 Dividend**

No dividend was declared during the quarter ended 30 September 2014.

**B13 Earnings per Share**

The basic earnings per share is calculated by dividing the Company's profit after tax attributable to ordinary shareholders for the current quarter and cumulative quarter to 30 September 2014 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)	522	1,573
Weighted average number of ordinary shares in issue('000)	19,121	19,124
Basic earnings per share(sen)	2.73	8.23

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**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 30/06/2014	As at 31/12/2013
	RM'000	RM'000
Realised	10,004	9,865
Unrealised		
-Forex exchange –(gain)	(7)	4
-Deferred tax	<u>1,114</u>	<u>1,199</u>
Total retained profits as per condensed accounts	11,111	11,068

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 November 2014