



POS MALAYSIA BERHAD

(229990-M)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Year
Ended 31 March 2014

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial year ended 31 March 2014.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Current quarter 3 Months Ended		Year to date 12 Months Ended	
		31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Revenue		424,370	344,486	1,426,908	1,269,511
Operating expenses		(358,850)	(301,093)	(1,224,652)	(1,108,703)
Profit from operations		65,520	43,393	202,256	160,808
Other income		6,682	7,501	24,840	30,029
Finance cost		(636)	(20)	(1,562)	(20)
PROFIT BEFORE ZAKAT AND TAXATION		71,566	50,874	225,534	190,817
Zakat		(983)	(784)	(2,145)	1,052
PROFIT BEFORE TAXATION		70,583	50,090	223,389	191,869
Taxation	17	(18,387)	(17,600)	(65,664)	(40,564)
NET PROFIT FOR THE FINANCIAL PERIOD		52,196	32,490	157,725	151,305
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		52,196	32,490	157,725	151,305
Net profit for the financial period attributable to:					
Owners of the Company		52,196	32,746	158,975	151,726
Non-controlling interest		-	(256)	(1,249)	(421)
		52,196	32,490	157,726	151,305
Total comprehensive income for the financial period attributable to:					
Owners of the Company		52,196	32,746	158,975	151,726
Non-controlling interest		-	(256)	(1,249)	(421)
		52,196	32,490	157,726	151,305
Basic earnings per share (sen):	21	9.72	6.10	29.60	28.25

The Unaudited Condensed Consolidated Statement of Comprehensive Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.2014 RM'000	As at 31.03.2013 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		642,900	603,748
Investment properties		30,340	29,550
Goodwill		4,630	4,630
Investment securities: held-to-maturity		94,642	115,233
		772,512	753,161
CURRENT ASSETS			
Inventories		13,540	11,559
Trade and other receivables		307,677	181,435
Investment securities: financial assets at fair value through profit or loss		21,352	1,159
Current tax assets		3,131	1,482
Cash and cash equivalents		535,947	666,467
		881,647	862,102
TOTAL ASSETS		1,654,159	1,615,263

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	Note	As at 31.03.2014 RM'000	As at 31.03.2013 RM'000
EQUITY AND LIABILITIES			
Share Capital*		268,513	268,513
Reserves		765,420	678,600
Equity attributable to owners of the Company		1,033,933	947,113
Non-controlling interest		-	579
TOTAL EQUITY		1,033,933	947,692
NON-CURRENT LIABILITIES			
Borrowings		-	-
Deferred tax liabilities		42,637	36,665
		42,637	36,665
CURRENT LIABILITIES			
Trade and other payables		511,422	605,591
Current tax liabilities		17,369	7,611
Borrowings		-	6
Revolving credit		48,798	17,698
		577,589	630,906
TOTAL LIABILITIES		620,226	667,571
TOTAL EQUITY AND LIABILITIES		1,654,159	1,615,263
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		1.93	1.76

* Based on 537,026,085 ordinary shares in issue.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued and fully paid ordinary shares		Non-distributable		Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non-controlling Interest RM'000	Total RM'000
	Number of shares '000	Nominal value RM'000	Share Premium RM'000	Revaluation Reserves RM'000				
Balance at beginning of the financial year 1.4.2013	537,026	268,513	385	1,144	677,071	947,113	579	947,692
Total comprehensive income for the financial year	-	-	-	-	158,975	158,975	(1,249)	157,726
Final dividend paid in respect of financial year ended 31 March 2013	-	-	-	-	(38,263)	(38,263)	-	(38,263)
Interim dividend paid in respect of financial year ending 31 March 2014	-	-	-	-	(32,222)	(32,222)	-	(32,222)
Additional subscription of shares in a subsidiary company	-	-	-	-	(1,670)	(1,670)	670	(1,000)
Balance as at 31.03.2014	537,026	268,513	385	1,144	763,891	1,033,933	-	1,033,933
Balance at beginning of the financial year 1.4.2012	537,026	268,513	385	1,144	628,051	898,093	-	898,093
Total comprehensive income for the financial year	-	-	-	-	151,726	151,726	(421)	151,305
Final dividend paid in respect of financial year ended 31 March 2012	-	-	-	-	(70,484)	(70,484)	-	(70,484)
Interim dividend paid in respect of financial year ended 31 March 2013	-	-	-	-	(32,222)	(32,222)	-	(32,222)
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	1,000	1,000
Balance as at 31.03.2013	537,026	268,513	385	1,144	677,071	947,113	579	947,692

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months Ended 31.03.2014 RM'000	12 Months Ended 31.03.2013 RM'000
Net profit for the financial year	157,726	151,305
Adjustments:		
- Depreciation of property, plant and equipment	81,346	85,652
- Finance cost	1,562	20
- Taxation	65,664	40,564
- Others	(16,435)	(25,974)
Operating profit before working capital changes	289,863	251,567
Changes in working capital:		
Net increase in current assets	(126,185)	(19,848)
Net decrease in current liabilities	(5,191)	15,073
Net cash generated operations	158,487	246,792
Tax paid, net of refund	(51,583)	(32,922)
Zakat paid	(1,987)	(5,196)
Net cash inflow from operating activities	104,917	208,674
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	335	9,003
Proceeds from disposal of investments and redemption of held-to-maturity securities	-	7,078
Purchase of property, plant and equipment	(121,288)	(68,179)
Interest received	18,089	17,712
Acquisition of securities investment(s)	-	-
Subscription of shares by non-controlling interest in a subsidiary company	-	1,000
Others	-	-
Net cash outflow from investing activities	(102,864)	(33,386)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	12 Months Ended 31.03.2014 RM'000	12 Months Ended 31.03.2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest expense	(1,562)	(20)
Acquisition from non - controlling interest	(1,000)	-
Proceeds from bank borrowing	31,100	17,698
Repayment of bank borrowing/ hire purchase	(6)	(14)
Dividend paid to shareholders	(70,485)	(102,706)
Net cash outflow from financing activities	(41,953)	(85,042)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,900)	90,246
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR	479,163	388,917
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD	439,263	479,163
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash	194,834	148,568
Deposits	341,113	517,899
	535,947	666,467
Less: collections held on behalf of agencies**	(96,684)	(87,304)
	439,263	479,163

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 and the explanatory notes attached to the interim financial report.

** The amount of cash held on behalf of agencies is included under Trade and Other Payables in the Statement of Financial Position.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2014 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 March 2014.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The Group's operations are not subject to any significant seasonal factors except that mail volume fluctuates during the festive season and at the beginning of calendar year.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There was no item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial year ended 31 March 2014.

5. CHANGES IN ESTIMATES

There were no changes in estimates of amount, which would materially affect the current reporting period.

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no cancellation, repurchase and repayment of debt and equity securities during the current quarter.

7. DIVIDENDS PAID

- The Group paid the final dividend of 9.50 sen per ordinary shares less tax at 25% totaling RM38,263,000 (7.12 sen net per ordinary shares) in respect of the financial year ended 31 March 2013 on 7 October 2013.
- The Group paid the interim dividend of 8.0 sen per ordinary shares less tax at 25% totaling RM32,222,000 (6.0 sen net per ordinary shares) in respect of the financial year ending 31 March 2014 on 30 December 2013.

8. SEGMENTAL INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different business processes and customer needs. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) and the Board of Directors review internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Mail – Includes the provision of basic mail services for corporate and individual customers and customized solutions such as Mailroom Management and Direct Mail.
- Courier – Includes the courier solutions by sea, air and land to both national and international destinations.
- Retail – Includes over-the-counter services for payment of bills and certain financial products and services.

Other operations include the hybrid mail which provides data and document processing services, logistics solutions by sea, air and land to both national and international destinations, business of internet security products, solutions and services and rental income from investment properties held by the Group. None of these segments meets any of the quantitative thresholds for determining reportable segments in the current reporting period.

There are varying levels of integration between the Mail reportable segment and the Courier reportable segments. This integration includes shared distribution services. The accounting policies of the reportable segments are the same as described in note 2.

8. SEGMENTAL INFORMATION (CONTINUED)

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment results. Segment results is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on a negotiated basis.

The information of each of the Group's business segments for the financial year ended 31 March 2014 is as follows:

Year ended 31 March 2014	Mail RM'000	Courier RM'000	Retail RM'000	Other operations RM'000	Elimination RM'000	Group RM'000
Revenue						
External revenue	778,272	392,375	183,885	72,376	-	1,426,908
Inter-segment revenue	27,925	18,492	51,232	-	(97,649)	-
Total revenue	<u>806,197</u>	<u>410,867</u>	<u>235,117</u>	<u>72,376</u>	<u>(97,649)</u>	<u>1,426,908</u>
Results						
Segment profits	144,251	82,651	(41,769)	17,123	-	202,256
Unallocated income						5,692
Interest income						17,586
Profit before zakat and taxation						<u>225,534</u>
Zakat						(2,145)
Profit before taxation						<u>223,389</u>
Taxation						(65,664)
Net profit for the financial period						<u>157,725</u>
Attributable to:						
Owners of the Company						<u>158,975</u>
Non-controlling interest						<u>(1,249)</u>

9. PROPERTY, PLANT AND EQUIPMENT

There is no revaluation of property, plant and equipment from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. SUBSEQUENT EVENT

There were no materials events subsequent to the end of the reporting period that have not been reflected in the financial statements.

11. CHANGES IN THE COMPOSITION OF THE GROUP

On 30 September 2013, the Group completed its acquisition of 1,000,000 ordinary shares of RM1.00 each, representing the remaining 20% of the issued and paid-up share capital of Pos Ar-Rahnu Sdn. Bhd. from Bank Muamalat Malaysia Berhad, for a total cash consideration of RM1,000,000.00 only. The said acquisition has resulted in Pos Ar-Rahnu Sdn. Bhd. becoming a 100% owned subsidiary of the Company.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets at the end of the reporting period.

13. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging / (crediting) the following:

	3 Months Ended		12 Months Ended	
	31.3.2014 RM'000	31.3.2013 RM'000	31.3.2014 RM'000	31.3.2013 RM'000
Depreciation of property, plant and equipment	20,420	20,454	81,346	85,275
Finance cost	636	20	1,562	20
Fair value gain of securities designated as Fair value through profit or loss	(56)	(186)	(62)	104
Property, plant and equipment written off	462	176	462	186
Doubtful debts (net of write backs)	(1,872)	269	1,024	2,429
Gain on disposal of:				
- investment securities: fair value through profit or loss	480	64	-	(70)
- assets held-for-sale	-	-	-	(6,201)
- property, plant and equipment	(268)	5	(268)	(145)
Fair value adjustment on investment properties	(767)	(1,055)	(767)	(1,592)
Interest income on:				
-short term deposits	(3,331)	(4,404)	(13,084)	(13,117)
-investment securities: held-to-maturity investment	(1,110)	(1,059)	(4,502)	(4,087)
Net foreign exchange differences	(1,303)	114	(1,721)	(752)

* Depreciation has been netted off against other income as the assets were purchased in relation to government grant received by the Group and Company

14. REVIEW OF GROUP PERFORMANCE

14.1 Group Performance

The Group registered a growth of 25.8% in profit from operations of RM202.3 million (31.03.2013: RM160.8 million) for the year ended 31 March 2014 supported by higher revenue of RM1,426.9 million, an increase of RM157.4 million or 12.4% from RM1,269.5 million despite higher expenses by RM116.0 million compared to the preceding period.

The results of the major business segments are as follows:-

	YEAR TO DATE	
	31.03.2014	31.03.2013
	RM'000	RM'000
Mail	144,251	137,911
Courier	82,651	55,191
Retail	(41,769)	(42,408)
Others	17,123	10,114
Profit from operations	202,256	160,808
Other income	23,968	28,541
Fair value adjustment for financial asset designated as FVTPL	62	(104)
Change in fair value adjustment of investment property	767	1,592
Impairment losses for financial asset designated as AFS	43	-
Finance cost	(1,562)	(20)
Profit before zakat and taxation	225,534	190,817
Zakat	(2,145)	1,052
Profit before taxation	223,389	191,869

Mail Segment

Mail segment registered higher operating profits by RM63.4 million or 4.6% mainly due to higher revenue contribution from direct mail, international mail and prepaid. Direct mail growth is more than 100% compared to previous year.

Courier Segment

Courier segment registered higher operating profits by RM27.5 million or 49.8% due to increase in on-demand customers revenue, contract customers, prepaid box / envelope and parcel mainly as a result of encouraging growth from online business transactions.

14. REVIEW OF GROUP PERFORMANCE (CONTINUED)

14.1 Group Performance (continued)

Retail Segment

Retail segment registered lower operating loss by RM0.6 million or 1.5% principally due to higher revenue from financial related services.

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments operating profit increased by RM7.0 million or 69.3% as a result of higher contributions from printing and insertion services and new logistics business.

Group Operating Profit

Profit from operation increased by 25.8% as compared to previous year's corresponding year due to higher revenue despite increase in expenses.

Operating expenses increased by 10.5% due to increase in staff costs as a result of higher staff headcount, higher transportation charges for air transport due to increase in transshipment business, higher repair and maintenance and higher rental, communication and utilities on warehouses and computer equipment.

The increase was mitigated by lower depreciation and amortization charges.

Group Profit Before Tax

For the financial year ended 31 March 2014, the Group achieved a pre-tax profit of RM223.4 million, higher than previous year by RM31.5 million or 16.4% due to higher profit from operation by RM41.4 million or 25.8% despite decrease in other income by RM5.2 million or 17.3%. Besides that, finance cost increased by RM1.5 million due to financing requirements for Pos Ar-Rahnu operations.

Group Profit After Tax

For the financial year ended 31 March 2014, the Group achieved a profit after tax of RM157.7 million, equivalent to RM6.4 million or 4.2% higher compared to previous corresponding financial year. However, excluding the tax credit received in the preceding financial year, amounting to RM12.5 million, the Group profit after tax for the year under review was higher by RM18.9 million or 13.6%.

14. **REVIEW OF GROUP PERFORMANCE (CONTINUED)**

14.2 Comparison between the current quarter and the preceding year corresponding quarter.

	3 MONTHS ENDED	
	31.03.2014	31.03.2013
	RM'000	RM'000
Mail	52,437	54,663
Courier	24,872	(239)
Retail	(5,972)	(8,804)
Others	(5,817)	(2,227)
Profit from operations	65,520	43,393
Other income	5,817	6,185
Fair value adjustment for financial asset designated as FVTPL	55	261
Change in fair value adjustment of investment property	767	1,055
Impairment losses for financial asset designated as AFS	43	-
Finance cost	(636)	(20)
Profit before zakat and taxation	71,566	50,874
Zakat	(983)	(784)
Profit before taxation	70,583	50,090

Mail Segment

Mail segment registered lower operating profits by RM2.2 million or 4.1% due to lower revenue from prepaid, franking, ordinary mail and registered mail.

Courier Segment

Courier segment registered higher operating profits by RM25.1 million or more than 100% as a result of higher revenue generated from contract customers, parcel, express mail and prepaid box/envelope, which is in line with the increase in volume due to higher online transactions for business and marketing campaigns.

Retail Segment

Retail segment registered lower operating loss by RM2.8 million or 32.2% due to higher revenue from financial related services.

14. **REVIEW OF GROUP PERFORMANCE (CONTINUED)**

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments operating profit decreased by RM3.6 million or more than 100% due to higher transportation costs incurred for new logistics business.

Group Operating Profit

The Group posted a profit from operations of RM65.5 million, compared to the RM43.4 million profit in the preceding year corresponding quarter.

Group Profit Before Tax

For the financial period ended 31 March 2014, the Group achieved a higher pre-tax profit of RM70.6 million, higher than preceding year corresponding quarter by RM20.5 million or 40.9% due to higher profit from operations by RM22.1 million or 50.9%.

14.2 Comparison between the current quarter and the immediate preceding quarter

	3 MONTHS ENDED	
	31.03.2014	31.12.2013
	RM'000	RM'000
Mail	52,437	14,251
Courier	24,872	23,054
Retail	(5,972)	(14,966)
Others	(5,817)	6,811
Profit from operations	65,520	29,150
Other income	5,817	5,530
Fair value adjustment for financial asset designated as FVTPL	55	(480)
Change in fair value adjustment of investment property	767	-
Impairment losses for financial asset designated as AFS	43	-
Finance cost	(636)	(437)
Profit before zakat and taxation	71,566	33,763
Zakat	(983)	(54)
Profit before taxation	70,583	33,709

14. **REVIEW OF GROUP PERFORMANCE (CONTINUED)**

Mail Segment

Mail segment registered higher operating profits by RM38.2 million or more than 100% due to higher mail revenue from direct mail, international mail and prepaid despite high transportation expenses incurred mainly for transshipment business.

Courier Segment

Courier segment registered slightly higher operating profits by RM1.8 million or 7.9% due to increase in contract customers revenue, prepaid box/envelope and parcel as a result of higher online transactions for business and aggressive marketing campaigns.

Retail Segment

Retail segment registered lower operating loss by RM9.0 million principally due to higher revenue from financial related services.

Other Segments

Other segments consist of sales of digital certificates, printing and insertion business, logistic revenue and rental income. Other segments registered an operating loss of RM 5.8 million as a result of increased transportation costs for new logistics business.

Group Operating Profit

The Group posted a profit from operations of RM65.5 million, compared to the RM29.2 million profit in the immediate preceding quarter. The increase in profit was due to the increase in operating revenue by RM94.6 million despite increase in expenses by RM58.2 million.

Group Profit before Tax

For the financial period ended 31 March 2014, the Group achieved higher pre-tax profit of RM70.6 million, higher than immediate preceding quarter by RM36.9 million or growth of more than 100% due to higher operating profit by RM36.4 million or growth of more than 100%.

15. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2015

The latest Gross Domestic Product (GDP) for Malaysia is expected to be better at 5.3% in 2014 as compared to 4.7% last year. This is consistent with the expectation of a return towards moderate growth.

Expectations of sustained domestic demand should continue to foster a favourable domestic environment. Pos Malaysia is also moving forward in introducing more customer centric and innovative products to keep pace with the discerning needs of its customers. Online merchandise transactions by Malaysians are also on the increasing trend. This growth augurs well for demand of Pos Malaysia's offerings such as in the areas of courier, parcel and financial services. Broadly the performance of the Group for the financial year ending 31 March 2015 is expected to remain positive.

16. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the current financial period in a public document.

17. TAXATION

Taxation comprises the following:

	3 Months Ended		Period to Date	
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Current taxation	26,859	7,599	65,760	40,564
Deferred taxation	(8,472)	10,001	(96)	-
Total	18,387	17,600	65,664	40,564

The Group's effective tax rate for the 3-months ended 31 March 2014 and financial year ended 31 March 2014 is 26.0% and 29.4% differed with statutory tax rate of 25% principally due to certain expenses which were not deductible for tax purposes.

18. STATUS OF CORPORATE PROPOSALS

There is no corporate proposal made by the Group in the current period.

19. GROUP BORROWINGS

Total Group borrowings are as follows:

	As at 31.03.2014 RM'000	As at 31.03.2013 RM'000
<u>Due within 12 months</u>		
Hire Purchase	-	6
Revolving credit	48,798	17,698
Total	48,798	17,704

20. MATERIAL LITIGATION

There is no material litigation pending as at the date of this report.

21. EARNINGS PER SHARE

The basic earnings per share has been calculated based on the Group's net profit attributable to shareholders and on number of ordinary shares in issue during the financial period.

	3 Months Ended		Period to Date	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Net profit attributable to owners of the Company (RM'000)	52,196	32,746	158,975	151,726
Number of ordinary shares in issue ('000)	537,026	537,026	537,026	537,026
Basic earnings per share (sen)	9.72	6.10	29.60	28.25

POS MALAYSIA BERHAD

(229990-M)

(Incorporated in Malaysia)

DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

The retained profits of the Group as at 31 March 2014 are analysed as follows:

	As at 31.03.2014 RM'000	As at 31.03.2013 RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	712,846	625,358
- Unrealised	68,971	72,377
	781,817	697,735
Total share of retained profits from associated companies (Realised):	(7,650)	(7,650)
Add: Consolidation adjustments	(10,276)	(13,014)
Total Group retained profits as per consolidated financial statements	763,891	677,071

22. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding audited annual financial statements was not subject to any qualification.

BY ORDER OF THE BOARD

DATO' SABRINA ALBAKRI BT. ABU BAKAR
COMPANY SECRETARY

Kuala Lumpur
22 May 2014