



SCIENTEX BERHAD
(Company No: 7867-P)
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 January 2015

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 January 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.1.2015 RM'000	31.1.2014 RM'000	31.1.2015 RM'000	31.1.2014 RM'000
Revenue	462,865	383,490	893,936	748,301
Operating profit	48,016	45,113	89,495	84,406
Interest expense	(1,876)	(1,744)	(3,787)	(3,351)
Investing results	1,158	1,031	1,753	1,121
Profit before tax	47,298	44,400	87,461	82,176
Taxation	(10,185)	(9,727)	(19,156)	(17,668)
Profit for the quarter / period	37,113	34,673	68,305	64,508
Profit attributable to:				
Owners of the Company	36,054	33,920	66,321	63,263
Non-controlling interests	1,059	753	1,984	1,245
Profit for the quarter / period	37,113	34,673	68,305	64,508
Earnings per share attributable to owners of the Company (sen per share)	15.98	15.34	29.67	28.61

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)



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QUARTERLY REPORT

Quarterly report on consolidated results for the financial quarter ended 31 January 2015
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31.1.2015 RM'000	31.1.2014 RM'000	31.1.2015 RM'000	31.1.2014 RM'000
Profit for the quarter / period	37,113	34,673	68,305	64,508
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods				
- Foreign currency translation of foreign operations	4,191	-	4,191	-
Items that will not be reclassified to profit or loss in subsequent periods	-	-	-	-
Total comprehensive income for the quarter / period	41,304	34,673	72,496	64,508
Total comprehensive income attributable to:				
Owners of the Company	39,303	33,920	69,570	63,263
Non-controlling interests	2,001	753	2,926	1,245
	41,304	34,673	72,496	64,508

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2015

	AS AT CURRENT FINANCIAL QUARTER ENDED 31.1.2015 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31.7.2014 RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	545,683	552,100
Investment properties	4,444	4,479
Land held for property development	276,645	260,401
Investment in jointly controlled entity	26,053	25,340
Investment in associate	13,165	12,125
Other investments	7,082	5,092
	873,072	859,537
Current assets		
Property development costs	117,023	104,618
Inventories	81,312	108,998
Trade and other receivables	340,159	243,459
Cash and bank balances	121,746	83,766
	660,240	540,841
TOTAL ASSETS	1,533,312	1,400,378
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	115,179	115,000
Reserves	693,429	597,718
Equity attributable to owners of the Company	808,608	712,718
Non-controlling interests	43,275	22,705
Total equity	851,883	735,423
Non-current liabilities		
Borrowings	50,225	77,540
Retirement benefits obligations	18,632	17,343
Deferred tax liabilities	23,574	23,572
	92,431	118,455
Current liabilities		
Borrowings	311,439	262,880
Trade and other payables	232,062	254,441
Dividend payable	29,362	17,692
Tax liabilities	16,135	11,487
	588,998	546,500
Total liabilities	681,429	664,955
TOTAL EQUITY AND LIABILITIES	1,533,312	1,400,378
Net assets per share attributable to owners of the Company (RM)	3.58	3.22

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)



SCIENTEX BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 JANUARY 2015**

	Reserves							Retained earnings RM'000	Attributable to the equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable						
	Share capital RM'000	Share premium RM'000	Capital redemption reserves RM'000	Property revaluation surplus RM'000	Foreign currency translation reserves RM'000	Treasury shares RM'000	Other reserves RM'000				
At 1 August 2014	115,000	38,064	17,467	22,774	(1,533)	(12,896)	461	533,381	712,718	22,705	735,423
Profit for the period	-	-	-	-	-	-	-	66,321	66,321	1,984	68,305
Other comprehensive profit for the period	-	-	-	-	3,249	-	-	-	3,249	942	4,191
Total comprehensive income for the period	-	-	-	-	3,249	-	-	66,321	69,570	2,926	72,496
Transactions with owners:											
Arising from dilution of interest in an existing subsidiary	-	35,000	-	-	-	-	-	(12,644)	22,356	17,644	40,000
Sale of treasury shares	-	24,472	-	-	-	6,338	-	-	30,810	-	30,810
Acquisition of treasury shares	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Issuance of ordinary shares pursuant to Share Grant Plan	179	2,338	-	-	-	-	-	-	2,517	-	2,517
Dividends	-	-	-	-	-	-	-	(29,362)	(29,362)	-	(29,362)
Total transactions with owners	179	61,810	-	-	-	6,337	-	(42,006)	26,320	17,644	43,964
At 31 January 2015	115,179	99,874	17,467	22,774	1,716	(6,559)	461	557,696	808,608	43,275	851,883
At 1 August 2013	115,000	38,064	17,467	22,774	(1,172)	(12,895)	461	448,966	628,665	19,972	648,637
Total comprehensive income for the period	-	-	-	-	-	-	-	63,263	63,263	1,245	64,508
Transactions with owners:											
Acquisition of treasury shares	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	(42,020)	(42,020)	-	(42,020)
Total transactions with owners	-	-	-	-	-	(1)	-	(42,020)	(42,021)	-	(42,021)
At 31 January 2014	115,000	38,064	17,467	22,774	(1,172)	(12,896)	461	470,209	649,907	21,217	671,124

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 31 January 2015

	6 MONTHS ENDED 31.1.2015 RM'000	6 MONTHS ENDED 31.1.2014 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	87,461	82,176
Adjustments	29,847	20,738
Operating profits before working capital changes	<u>117,308</u>	<u>102,914</u>
Movement in working capital:		
Decrease in inventories	27,555	4,662
(Increase)/decrease in development properties	(28,648)	1,121
Increase in receivables	(67,271)	(51,241)
Decrease in payables	(18,105)	(13,526)
Cash generated from operations	<u>30,839</u>	<u>43,930</u>
Taxation paid	(14,426)	(13,053)
Net cash from operating activities	<u>16,413</u>	<u>30,877</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Deposit paid for acquisition of investment	-	(4,000)
Balance payment for acquisition of a subsidiary	-	(15,250)
Purchase of others investment	(1,990)	-
Purchase of property, plant and equipment	(18,843)	(20,574)
Deposit paid for purchase of property, plant and equipment	(23,961)	-
Purchase of land held for development	-	(28,500)
Proceeds arising from dilution of interest in an existing subsidiary	40,000	-
Proceeds from disposal of property, plant and equipment	115	244
Interest received	712	1,073
Net cash used in investing activities	<u>(3,967)</u>	<u>(67,007)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Dividends paid	(17,692)	(57,501)
Proceeds from sale of treasury shares	30,810	-
Acquisition of treasury shares	(1)	(1)
Net repayment of term loans	(13,660)	(3,020)
Net drawdown of short term borrowings	29,864	37,125
Interest paid	(3,787)	(3,399)
Net cash from/(used in) financing activities	<u>25,534</u>	<u>(26,796)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	37,980	(62,926)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>83,766</u>	<u>152,177</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>121,746</u>	<u>89,251</u>
Cash and cash equivalents in the cash flow statement comprise :		
Cash and bank balances	103,401	50,766
Short term deposits	18,345	38,485
	<u>121,746</u>	<u>89,251</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2014)

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2015

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2014.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 July 2014, except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretation effective as of 1 August 2014.

(i) Adoption of Amendments to FRSs and IC Interpretations

The Group and the Company adopted the following amendments to FRSs and IC Interpretations, mandatory for annual financial periods beginning on or after 1 August 2014.

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Amendments to FRS 132	Financial Instruments: Presentation (Amendments relating to offsetting Financial Asset and Financial Liabilities)
Amendments to FRS 136	Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)
Amendments to FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Int 21	Levis
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2010 - 2012 Cycle	
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2011 - 2013 Cycle	

The directors anticipate that the relevant Standards and Amendments adopted will have no material impact on the financial statements of the Group.

(ii) Malaysian Financial Reporting Standards ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the MFRS Framework, a fully-IFRS compliant framework. Entities other than Private Entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and ventures were given a transitional period of two years, which allow these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August 2013, the transitional period for TEs has been extended for an additional year.

On 2 September 2014, the MASB announced that Entities other than Private Entities (non-private entities) and Private Entities that have in the alternative chosen to apply the FRS Framework shall comply with the MFRS Framework for annual periods beginning on or after 1 January 2017.

The Group and the Company being a TE has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group and the Company will be required to prepare its first set of MFRS financial statements for the financial year ending 31 July 2018.

A2 Audit report

The Group's preceding annual financial statements for the financial year ended 31 July 2014 was not qualified.

A3 Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current financial period under review.

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A5 Material changes in estimates

There were no changes in estimates of amounts reported in prior interim periods that have a material effect in the current financial period under review.

A6 Changes in debts and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period under review except for the following:

(i) Share grant plan

On 20 November 2014, the Company issued and allotted 357,000 new ordinary shares of RM0.50 each to the selected eligible employees of Scientex Berhad's group of companies, pursuant to the Scientex Berhad Share Grant Plan.

As at 31 January 2015, the total number of issued and paid-up share capital was 230,357,000 ordinary shares of RM0.50 each.

(ii) Treasury shares

During the current financial period ended 31 January 2015, the Company repurchased 100 ordinary shares of RM0.50 each from the open market of Bursa Malaysia Securities Berhad. The repurchased shares were held as treasury shares.

The Company also sold 4,347,000 treasury shares in the open market of Bursa Malaysia Securities Berhad at an average price of RM7.09 per share for a total consideration of approximately RM30.8 million (including transaction costs). The cost of the treasury shares was at an average price of RM1.46 per share, amounting to RM6.3 million. This resulted in an increase in share premium and total equity attributable to shareholders of the Company of approximately RM24.5 million and RM30.8 million respectively.

As at 31 January 2015, the Company held 4,497,862 ordinary shares of RM0.50 each of its 230,357,000 issued and paid-up share capital as treasury shares. Such treasury shares are held at a carrying amount of approximately RM6.6 million.

A7 Dividends paid

The amount of dividends paid by the Company since 31 July 2014 were as follows:

RM'000

In respect of the financial year ended 31 July 2014:

Single tier interim dividend of 16%; 8 sen per ordinary share declared on 19 June 2014 and paid on 8 August 2014	17,692
Single tier final dividend of 26%; 13 sen per ordinary share declared on 17 December 2014 and paid on 6 February 2015	29,362
	47,054

A8 Segment information

Segment information is presented in respect of the Group's business segments.

6 months ended 31 January 2015

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	647,293	246,643	893,936
Results			
Profit from operations	32,144	72,323	104,467
Foreign exchange differences			(14,972)
Operating profit			89,495
Investing results			1,753
Finance cost			(3,787)
Profit before taxation			87,461

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A8 Segment information (cont'd)

6 months ended 31 January 2014

	Manufacturing RM'000	Property Development RM'000	Total RM'000
Revenue	577,671	170,630	748,301
Results			
Profit from operations	33,645	51,523	85,168
Foreign exchange differences			(762)
Operating profit			84,406
Investing results			1,121
Finance cost			(3,351)
Profit before taxation			82,176

A9 Disclosure items

The following items have been included in arriving at profit before tax:

	3 months ended		6 months ended	
	31.1.2015 RM'000	31.1.2014 RM'000	31.1.2015 RM'000	31.1.2014 RM'000
(a) Interest income	(489)	(355)	(712)	(1,073)
(b) Other income	(369)	(283)	(756)	(470)
(c) Interest expense	1,876	1,744	3,787	3,351
(d) Depreciation	10,696	9,824	21,411	19,588
(e) Net provision for/(write back) of receivables	61	5	58	(349)
(f) Net provision for/(write back) of inventories	6	100	132	(284)
(g) Net realised loss on foreign exchange	9,201	307	9,230	637
(h) Net unrealised loss/(gain) on foreign exchange	523	(101)	5,742	125

In the current financial quarter and current year-to-date ended 31 January 2015, there were no:

- Gain or loss on disposal of quoted or unquoted investments or properties;
- Impairment of assets;
- Gain or loss on derivatives; and
- Any other exceptional items.

A10 Events subsequent to the end of the reporting period

There were no material events subsequent to the end of the current financial period that have not been reflected in the financial statements for the said period as at the date of this report.

A11 Changes in the composition of the Group

There were no material changes in the composition of the Group during the current financial period under review, except for the following:

Share Sale Agreement between Scientex Packaging Film Sdn Bhd and Futamura Chemical Co., Ltd

On 8 August 2014, the Company announced that Scientex Packaging Film Sdn Bhd ("SPFSB"), its wholly-owned subsidiary, had on 7 August 2014 entered into a Strategic Alliance Agreement with Futamura Chemical Co., Ltd ("FCC") to build a biaxially oriented polypropylene ("BOPP") film manufacturing plant and to develop and grow the consumer packaging markets.

On 24 September 2014, the Company announced that SPFSB, had entered into a Share Sale Agreement with FCC for the issuance and sale of 5,000,000 new ordinary shares of RM1.00 each in Scientex Great Wall Sdn Bhd ("SGW") representing 5% of the enlarged issued and paid-up capital of SGW to FCC for a total cash consideration of RM40,000,000. The transaction was completed on 2 October 2014.

A12 Contingent liabilities

There were no contingent liabilities or assets for the Group as at the end of the current financial period under review.

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A13 Capital commitments

Authorised capital commitment not recognised in the financial statements are as follows:

	As at 31.1.2015 RM'000	As at 31.1.2014 RM'000
Approved and contracted for:		
Purchase of plant and machinery	121,127	34,701
Balance payment for acquisition of subsidiaries	-	35,000
	121,127	69,701

A14 Related party transactions

The Group's related party transactions in the current financial quarter and current year-to-date ended 31 January 2015 are as follows:-

	3 months ended		6 months ended	
	31.1.2015	31.1.2014	31.1.2015	31.1.2014
	RM'000	RM'000	RM'000	RM'000
Purchase of goods from associated company	13,100	13,878	24,502	24,609
Rental income from jointly controlled entity	(232)	(232)	(463)	(463)
	(232)	(232)	(463)	(463)

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
INTERIM FINANCIAL REPORT
FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2015**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

B1 Review of performance

(i) Current quarter review

For the current quarter ended 31 January 2015, the Group recorded revenue of RM462.9 million, an increase of 20.7% as compared to RM383.5 million recorded in the preceding year corresponding quarter. Profit before tax was RM47.3 million, an increase of 6.5% as compared to RM44.4 million in the preceding year corresponding quarter, after taking in a foreign exchange loss of approximately RM9.7 million in the current quarter under review, as a result of the weakening of Ringgit Malaysia ("RM") against United States Dollar ("USD").

Manufacturing revenue recorded was RM327.0 million, an increase of 13.3% compared to RM288.5 million in the preceding year corresponding quarter. The increase was attributed to the higher contribution from both the industrial and consumer packaging products in both the local and export markets. Profit from operations increased from RM16.0 million to RM17.4 million, in line with the higher revenue recognised.

Property revenue recorded was RM135.9 million compared to RM95.0 million in the preceding year corresponding quarter, an increase of 43.0%. The improvement in revenue are mainly due to strong progress billing contribution from Taman Scientex Senai. Meanwhile, the sales and progress billing from Taman Scientex Pasir Gudang, Taman Scientex Kulai, Taman Mutiara Mas and Taman Muzaffar Heights remain satisfactory. Profit from operations increased from RM29.4 million to RM40.3 million, an increase of 37.2%. The increase is consistent with the increase in revenue.

(ii) 6-month review

For the 6-month financial period ended 31 January 2015, the Group recorded revenue of RM893.9 million compared to the preceding year corresponding period of RM748.3 million. Profit before tax increased from RM82.2 million to RM87.5 million, an increase of 6.4%, despite recognising a foreign exchange loss of approximately RM15.0 million for the 6-month financial period under review, as a result of the weakening of RM against USD.

Manufacturing segment recorded RM647.3 million of revenue, an increase of 12.1% compared to the preceding financial year corresponding period of RM577.7 million. The increase in revenue and profit was mainly due to the better sales performance achieved from both the industrial and consumer packaging products. However, profit from operations remain marginal the same due to slight reduction in margin.

Property segment recorded revenue of RM246.6 million in the current financial period, an increase of 44.5% compared to the preceding financial corresponding period of RM170.6 million. Profit from operations also increased from RM51.5 million in the preceding financial year corresponding period to RM72.3 million in the current financial period. The better performance in revenue and profit were mainly due to maiden progress billing contribution from Taman Scientex Senai and encouraging sales from Taman Scientex Pasir Gudang, Taman Scientex Kulai and Taman Mutiara Mas.

B2 Variations of the quarterly results as compared to the results of the preceding quarter

The Group's revenue for the current financial quarter recorded an increase from RM431.1 million to RM462.9 million as compared to the preceding financial quarter. The increase was mainly attributed to the property division. Profit before taxation for the current financial quarter under review was RM47.3 million, an increase of 17.8% compared to RM40.2 million recorded in the preceding financial quarter. The increase in profit is consistent with the increase in revenue.

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B3 Current financial year prospects

Manufacturing

The Group's consumer packaging segment continues to see tonnage sales increase month-on-month and with the new Vorex II 9 layer blown film line fully commissioned in December 2014, the Group is now able to produce high quality barrier film which is an essential component in the flexible food packaging segment. The Group is optimistic that global demand for its high quality barrier film as well as its other quality blown film products will continue to rise.

The Group's expansion into cast polypropylene ("CPP") and BOPP film manufacturing is on track with the impending completion and commissioning of the new CPP plant by end of 2015 and BOPP plant in 2016.

Falling crude oil prices, fluctuations in commodity prices, coupled with capital flows and currency volatility continue to create great uncertainty in the global marketplace. The Group remains vigilant and will continue to address these fluctuations on a proactive basis.

In addition, the Group has continued to embark on series of initiatives to boost operational efficiency and quality of its products through machinery modifications and upgrading which is expected to further enhance the quality of its products. Coupled with competitive pricing, the Group remains optimistic that it will be able to maintain its global market position while penetrating into new markets for its products.

Property

The domestic property market continues to be driven by Government policies and cooling measures adopted with overall demand for higher-end products being affected by such measures. The Group has realigned its focus to affordable homes whereby demand has remained resilient and intact. For the current financial year, the Group expects to see more of such launches in its existing Taman Scientex Senai, Kulai and Pasir Gudang projects in line with the state government's Rumah Mampu Milik Johor (RMMJ) initiative which the Group is well placed to undertake as the Johor state government implements more of such RMMJ projects. The impending Goods and Services Tax (GST) in April 2015 is likely to have limited impact on the demand for the Group's products which are mainly residential in nature. On the other hand, the imposition of GST will probably lead to a slight increase in prices of construction materials leading to higher prices. However, it is not expected to dampen demand for products in the affordable housing range which the Group expects to remain resilient. The Group will continue to strive to provide more innovative lifestyle products as it seeks to distinguish itself amongst its peers.

As such, barring any unforeseen circumstances, the Group remains optimistic of its performance for the current financial year.

B4 Variations of actual profit from forecast profit

This note is not applicable as the Group did not issue and publish any profit forecast for the current financial period under review.

B5 Taxation

Details of tax expense for the current financial quarter and current financial year-to-date were as follows :-

	3 months ended		6 months ended	
	31.1.2015	31.1.2014	31.1.2015	31.1.2014
	RM'000	RM'000	RM'000	RM'000
In respect of current quarter				
- Income tax	10,185	9,727	19,156	17,668

The Group's effective tax rate for the current financial quarter and current financial year-to-date is lower than the statutory income tax rate mainly due to utilisation of tax incentives by some of the subsidiaries.

B6 Realised and unrealised profits

	As at	As at
	31.1.2015	31.1.2014
	RM'000	RM'000
Total retained profit of the Company and its subsidiaries :		
- Realised	799,825	684,882
- Unrealised	(10,940)	(8,779)
	788,885	676,103
Total share of retained profits from associated company / jointly controlled entity:		
- Realised	14,111	9,671
- Unrealised	(393)	(284)
	13,718	9,387
Less: Consolidation adjustments	802,603	685,490
Total Group retained earnings	557,696	470,209

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B7 Status of corporate proposals

There were no material corporate proposals announced and not completed as at the date of this report.

B8 Borrowings and debt securities

The Group's borrowings as at 31 January 2015 were as follows :-

(a) Long Term Borrowings	RM'000	RM'000
Term loan		
- Secured	35,000	
- Unsecured	<u>15,225</u>	50,225
(b) Short Term Borrowings		
- Secured		
Term loan	14,000	
Other bank borrowings	19,430	
- Unsecured		
Term loan	32,375	
Other bank borrowings	<u>245,634</u>	<u>311,439</u>
		<u>361,664</u>
		RM'000
Included in total borrowings are borrowings denominated in foreign currencies		Equivalent
- United States Dollars		209,944
- Japanese Yen		<u>11,997</u>
		<u>221,941</u>

B9 Material litigation

There was no material litigation involving any member of the Group as at the date of this report.

B10 Dividends

The Board of Directors does not recommend any dividend for the current financial quarter under review.

B11 Earnings per share

(a) Basic earnings per share		3 months ended		6 months ended	
		31.1.2015	31.1.2014	31.1.2015	31.1.2014
Profit attributable to equity holders of the Company	(RM'000)	36,054	33,920	66,321	63,263
Weighted average number of ordinary shares in issue	('000)	225,619	221,155	223,391	221,155
Basic earnings per share	(sen)	<u>15.98</u>	<u>15.34</u>	<u>29.67</u>	<u>28.61</u>

(b) Fully diluted earnings per share

There was no dilution in earnings per share as there was no dilutive potential ordinary shares as at 31 January 2015.

By Order of the Board

Ng Boon Ngee (MAICSA 7053979)
Company Secretary

23 March 2015