

Company No. 63611 - U

PELIKAN INTERNATIONAL CORPORATION BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

31 March 2014

PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Interim report for the financial period ended 31 March 2014

The figures have not been audited.

	Note	Individual Quarter 3 months ended		Cumulative Quarter Financial period ended	
		31/3/2014 RM' 000	31/3/2013 RM' 000	31/3/2014 RM' 000	31/3/2013 RM' 000
Revenue		312,574	328,788	312,574	328,788
Other operating income		9,196	10,101	9,196	10,101
Expenses excluding finance cost and tax		(323,351)	(341,156)	(323,351)	(341,156)
Finance cost		<u>(5,185)</u>	<u>(5,587)</u>	<u>(5,185)</u>	<u>(5,587)</u>
Loss before taxation		(6,766)	(7,854)	(6,766)	(7,854)
Taxation	B1	<u>(3,684)</u>	<u>(4,455)</u>	<u>(3,684)</u>	<u>(4,455)</u>
Loss for the financial period		(10,450)	(12,309)	(10,450)	(12,309)
Other comprehensive loss: Item that may be reclassified subsequently to profit or loss: Exchange differences on translation of foreign operations		<u>(8,035)</u>	<u>(9,494)</u>	<u>(8,035)</u>	<u>(9,494)</u>
Total comprehensive loss for the financial period		<u><u>(18,485)</u></u>	<u><u>(21,803)</u></u>	<u><u>(18,485)</u></u>	<u><u>(21,803)</u></u>
Total (loss)/profit attributable to:					
Owners of the parent		(11,198)	(9,230)	(11,198)	(9,230)
Non-controlling interests		<u>748</u>	<u>(3,079)</u>	<u>748</u>	<u>(3,079)</u>
		<u><u>(10,450)</u></u>	<u><u>(12,309)</u></u>	<u><u>(10,450)</u></u>	<u><u>(12,309)</u></u>
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(18,633)	(18,673)	(18,633)	(18,673)
Non-controlling interests		<u>148</u>	<u>(3,130)</u>	<u>148</u>	<u>(3,130)</u>
		<u><u>(18,485)</u></u>	<u><u>(21,803)</u></u>	<u><u>(18,485)</u></u>	<u><u>(21,803)</u></u>
		sen	sen	sen	sen
Loss per share attributable to equity holders of the parent	B11	(2.20)	(1.81)	(2.20)	(1.81)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Interim report as at 31 March 2014
The figures have not been audited.

	Note	31/3/2014 RM'000	31/12/2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		464,689	481,655
Trademarks		16,265	16,529
Development costs		12,190	13,967
Goodwill		94,688	94,735
Computer software licence		2,759	2,849
Investment in associates		-	-
Available-for-sale financial assets		3,274	3,227
Pension Trust Fund		138,184	138,184
Deferred tax assets		33,992	34,346
		<u>766,041</u>	<u>785,492</u>
Current assets			
Inventories		311,656	285,473
Receivables, deposits & prepayments		319,504	309,458
Tax recoverable		3,809	3,450
Pension Trust Fund		12,680	12,680
Deposits, cash and bank balances		53,191	114,434
		<u>700,840</u>	<u>725,495</u>
TOTAL ASSETS		<u>1,466,881</u>	<u>1,510,987</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		512,796	512,796
Share premium		57,519	57,519
Foreign currency translation reserves		(83,192)	(75,757)
Retained profits		44,638	55,836
Treasury shares, at cost		(5,150)	(5,150)
		<u>526,611</u>	<u>545,244</u>
Non-controlling interests		7,069	6,921
Total equity		<u>533,680</u>	<u>552,165</u>
Non-current liabilities			
Post employment benefit obligations	B4		
- Removable pension liabilities		164,955	169,850
- others		85,434	84,955
Borrowings	B2	84,148	101,901
Deferred tax liabilities		30,075	30,189
		<u>364,612</u>	<u>386,895</u>
Current liabilities			
Payables		234,218	236,060
Post employment benefit obligations	B4		
- Removable pension liabilities		19,276	19,474
- others		9,293	9,388
Derivative liabilities		3,695	3,829
Provisions		126	100
Borrowings	B2	290,345	289,869
Current tax liabilities		11,636	13,207
		<u>568,589</u>	<u>571,927</u>
Total liabilities		<u>933,201</u>	<u>958,822</u>
TOTAL EQUITY AND LIABILITIES		<u>1,466,881</u>	<u>1,510,987</u>
Net assets per share attributable to owners of the parent (RM)		1.03	1.06

This Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Interim report for the financial period ended 31 March 2014
The figures have not been audited.

	Share Capital	Share premium	Foreign currency translation reserves (non distributable)	Retained profits (distributable)	Treasury shares, at cost (distributable)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Balance at 1 January 2014	512,796	57,519	(75,757)	55,836	(5,150)	545,244	6,921	552,165
Total comprehensive (loss)/income for the financial period	-	-	(7,435)	(11,198)	-	(18,633)	148	(18,485)
Balance at 31 March 2014	<u>512,796</u>	<u>57,519</u>	<u>(83,192)</u>	<u>44,638</u>	<u>(5,150)</u>	<u>526,611</u>	<u>7,069</u>	<u>533,680</u>
Balance at 1 January 2013	512,796	57,521	(84,688)	55,833	(3,855)	537,607	13,773	551,380
Total comprehensive loss for the financial period	-	-	(9,443)	(9,230)	-	(18,673)	(3,130)	(21,803)
Transactions with owners:								
Purchase of own shares	-	-	-	-	(630)	(630)	-	(630)
Dividends	-	-	-	-	-	-	(22)	(22)
	-	-	-	-	(630)	(630)	(22)	(652)
Balance at 31 March 2013	<u>512,796</u>	<u>57,521</u>	<u>(94,131)</u>	<u>46,603</u>	<u>(4,485)</u>	<u>518,304</u>	<u>10,621</u>	<u>528,925</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

PELIKAN INTERNATIONAL CORPORATION BERHAD (63611-U)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Interim report for the financial period ended 31 March 2014
The figures have not been audited.

	Financial period ended	
	31/3/2014 RM' 000	31/3/2013 RM' 000
Cash Flows From Operating Activities		
Cash receipts from customers	274,946	316,962
Cash paid to suppliers and employees	<u>(311,109)</u>	<u>(366,148)</u>
	(36,163)	(49,186)
Interest received	154	77
Interest paid	(3,336)	(2,772)
Taxation paid	<u>(5,320)</u>	<u>(4,554)</u>
Net cash used in operating activities	<u>(44,665)</u>	<u>(56,435)</u>
Cash Flows From Investing Activities		
Interest paid	(1,835)	(2,111)
Purchase of property, plant and equipment	(3,794)	(13,259)
Proceeds from disposal of property, plant and equipment	3,273	14,635
Purchase of intangible assets	(81)	(329)
Development expenses paid	(230)	(285)
Proceeds from disposal of subsidiaries, net of cash balances and bank disposed off	<u>5,992</u>	<u>-</u>
Net cash from/(used in) investing activities	<u>3,325</u>	<u>(1,349)</u>
Cash Flows From Financing Activities		
Repurchase of own shares	-	(630)
Drawdown of bank borrowings	49,390	63,827
Repayment of bank borrowings	(58,935)	(62,336)
Repayment of hire purchase and lease payables	<u>(344)</u>	<u>(185)</u>
Net cash (used in)/from financing activities	<u>(9,889)</u>	<u>676</u>
Net decrease in cash and cash equivalents during the financial period	(51,229)	(57,108)
Foreign currency translation	(6,220)	4,026
Cash and cash equivalents at beginning of financial period	<u>103,099</u>	<u>133,667</u>
Cash and cash equivalents at end of financial period	<u>45,650</u>	<u>80,585</u>
Cash and cash equivalents comprise :		
Deposits, cash and bank balances	53,191	105,143
Bank overdrafts	<u>(4,570)</u>	<u>(2,879)</u>
	48,621	102,264
Less: Deposits pledged to licensed banks	<u>(2,971)</u>	<u>(21,679)</u>
	<u>45,650</u>	<u>80,585</u>

This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**A. Notes to the Interim Financial Report
For the first quarter and financial period ended 31 March 2014**

A1. Basis of Preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 31 March 2014 and has been prepared in accordance with applicable disclosure provisions of paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group as at end of the financial year ended 31 December 2013.

A2. Significant Accounting Policies

The accounting policies applied by the Group in this interim financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

A3. Report of the Auditors to the Members

The report of the auditors on the annual financial statements for the financial year ended 31 December 2013 was not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 174 of the Companies Act, 1965.

A4. Seasonality or Cyclicity of Interim Operations

The Group's traditional business dealing with stationery, especially for school and office, was affected by the "back to school" season in Europe which normally records higher sales in mid year. Sales of the Group's printer consumable products such as inkjet and toner cartridges, thermal transfer, office media and impact cartridges, are generally not influenced by seasonal fluctuation.

A5. Exceptional and/or Extraordinary Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 31 March 2014.

A6. Material Effect of Changes in Estimates of Amounts Reported in the Prior Interim Periods of the Current Financial Year or Prior Financial Years

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2014.

**A. Notes to the Interim Financial Report
For the first quarter and financial period ended 31 March 2014**

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current quarter ended 31 March 2014.

A8. Dividends

No dividends have been paid during the current quarter ended 31 March 2014.

A9. Segment Information

	Germany RM'000	Switzerland RM'000	Rest of Europe RM'000	Americas RM'000	Rest of world RM'000	Elimination RM'000	Group RM'000
31 March 2014							
External revenue	156,942	28,960	59,917	52,657	14,098	-	312,574
Intersegment revenue	<u>146,775</u>	<u>13,009</u>	<u>16,543</u>	<u>3,963</u>	<u>25,781</u>	<u>(206,071)</u>	<u>-</u>
	<u>303,717</u>	<u>41,969</u>	<u>76,460</u>	<u>56,620</u>	<u>39,879</u>	<u>(206,071)</u>	<u>312,574</u>
Segment result	<u>(2,376)</u>	<u>(3,271)</u>	<u>(1,526)</u>	<u>9,571</u>	<u>1,409</u>	<u>(5,388)</u>	<u>(1,581)</u>

Germany

The German segment which represents 50.2% of the Group's revenue in the first quarter showed a decrease in revenue of RM15.6 million (9.0%) as compared to previous year's corresponding quarter. The operational changes due to the integration of the Herlitz Germany sales into Pelikan resulted in certain sales and delivery delays in particular for month of March. In addition, the sales of the printer consumable business was also weak for the first quarter of the year.

Despite the decrease in revenue of RM15.6 million, the Group minimised its losses in this region to a segment loss of RM2.4 million as a result of leaner operating costs subsequent to the previous years' restructuring efforts. Product contributions were higher and the cost base of the Group is relatively lower as compared to the previous year's corresponding quarter.

**A. Notes to the Interim Financial Report
For the first quarter and financial period ended 31 March 2014**

A9. Segment Information (cont'd)

Switzerland

The Swiss market concentrated mainly in printer consumables business. With the growing demand in toner products, coupled with the increased sales in school segment business resulting from introduction of new schools products to the Swiss market, the segment revenue improved as compared to the previous year corresponding quarter. The positive turnover development had improved the segment results by RM1.6 million as compared to previous year's corresponding quarter.

Rest of Europe

The contribution in revenue from all other European countries, except Germany and Switzerland, represents 19.2% of the Group's total revenue.

In the current quarter, Eurozone economy grew by just 0.2% from the previous quarter. Although Germany outperformed with a 0.8% expansion, most other countries faltered. France was stagnant, Italy contracted and the Netherlands' Gross Domestic Products ("GDP") shrank sharply. The overall economy is generally weak and is continuing to affect customer sentiment and spending. However, the overall translated revenue increased as compared to previous year corresponding quarter due to the appreciation of Euro currency against Ringgit Malaysia of approximately 10.9% as compared to previous year's corresponding quarter. The segment loss was lower than the previous year's corresponding quarter.

Americas

The segment revenue from Americas, which represents Mexico, Colombia and Argentina, generated lower sales by 5.5% as compared to the previous year's corresponding quarter. The decrease was mainly due to the weakening of Argentina Peso against Ringgit Malaysia of approximately 32.9% as compared to the previous year's corresponding quarter. The adverse foreign exchange impact was compensated by the sales growth in Argentina due to the increased demand from key customers and export markets.

Mexico and Colombia are still recovering from the previous slowdown in 2013, thus affecting the consumer demand and resulting in negative sales development.

Notwithstanding decrease in sales, the segment results increased from RM7.8 million in the previous year's corresponding quarter to RM9.6 million in the current quarter. The impact of the reduction in sales was compensated by better production efficiencies and cost measures undertaken in the region.

**A. Notes to the Interim Financial Report
For the first quarter and financial period ended 31 March 2014**

A9. Segment Information (cont'd)

Rest of the World

Rest of the world which comprise 4.5% of the Group's revenue consist mainly countries such as Japan, South East Asia and Middle East. This segment generated lower sales as compared to the previous year's corresponding quarter due to the decrease in sales in Japan, particularly in fine writing business segment. The decreased sales in Japan were mainly attributable to higher number of product launches in 2013 as opposed to 2014.

The segment result of RM1.4 million, as a consequence, was lower than the previous year's corresponding quarter.

A10. Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the current quarter ended 31 March 2014.

A11. Changes in the Composition of the Group

On 4 February 2014, the Group disposed off HCZ Real Estate s.r.o, a wholly owned subsidiary of Herlitz Aktiengesellschaft.

In addition, Pelikan Distribution Verwaltungs GmbH and Pelikan Hardcopy Distribution GmbH & Co. KG were incorporated on 19 February 2014 and 26 February 2014 respectively. These subsidiaries are the wholly owned subsidiaries of Pelikan Holding AG.

Other than as stated, there were no other changes in the composition of the Group during the current quarter ended 31 March 2014.

A12. Events Subsequent to the End of the Reporting Period

There were no event subsequent to the financial period ended 31 March 2014.

A. Notes to the Interim Financial Report
For the first quarter and financial period ended 31 March 2014

A13. Contingent Liabilities

- (a) In the ordinary course of business, the business of PHH and Geha groups (dealing with manufacturing and distribution of hardcopy related products and printer consumables such as inkjet and toner cartridges, thermal transfer, office media and impact cartridges, hereinafter referred to as the “Hardcopy business”) is involved in several lawsuits. In particular, the Group has several large legal claims brought by Original Equipment Manufacturers (“OEM”) for perceived breach of patents with an assessed potential maximum exposure of EUR7.0 million (RM31.4 million). The Group is of the view that litigation matters are an inherent part of the Hardcopy business. Historically, the Group has been successful in defending most cases and management remains confident that the Group's exposure to these claims can be reduced or can successfully be defended. In the opinion of the management, the lawsuits, claims and proceedings which are pending against the Group will not have a material effect on the Group's financial statements.
- (b) Based on the latest actuaries assumptions as at 31 December 2013, Pelikan Hardcopy Scotland Limited (“PHSL”)’s retirement fund has GBP24.2 million (RM131.3 million) assets to meet pension liabilities of GBP33.6 million (RM182.3 million). An amount of GBP9.4 million (RM51.0 million) has been recognised as a pension liability in the financial statements of PHSL as at 31 March 2014 in accordance with the MFRS 119 Employee Benefits.

The Group believes that the operational cash flow of the Group and the assets in the retirement fund of PHSL are sufficient to meet the payouts of the retirement scheme in the foreseeable future.

A14. Corporate Proposals

The Company had on 23 May 2014 announced a proposed private placement of up to 50,000,000 new ordinary shares of RM1.00 each in the Company, representing up to approximately ten percent (10%) of the issued and paid-up share capital of the Company (“Proposed Private Placement”). As at the date of this report, the Proposed Private Placement has yet to be completed.

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B1. Taxation

	3 months ended		Financial period ended	
	31/03/14 RM'000	31/03/13 RM'000	31/03/14 RM'000	31/03/13 RM'000
Taxation charged in respect of current financial period				
- income tax	(3,635)	(4,662)	(3,635)	(4,662)
- deferred tax	(49)	207	(49)	207
	<u>(3,684)</u>	<u>(4,455)</u>	<u>(3,684)</u>	<u>(4,455)</u>

The Group's effective tax rate is higher than the statutory income tax rate in Malaysia mainly due to non-availability of group relief where subsidiaries with taxable profits cannot utilise the unutilised losses of other subsidiaries.

B2. Borrowings

Details of the Group's borrowings as at 31 March 2014 are as set out below:

Currency	Short Term		Long Term		Total RM'000
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000	
Ringgit Malaysia	61,424	21,479	75,012	-	157,915
Euro	26,609	14,328	2,041	-	42,978
Swiss Franc	-	-	5,441	-	5,441
US Dollar	68,872	86,462	-	-	155,334
Czech Koruna	90	-	-	-	90
Mexican Peso	-	5,256	-	-	5,256
Colombian Peso	-	2,570	-	-	2,570
Great Britain Pound	38	-	-	1,633	1,671
Argentina Peso	3,214	-	-	-	3,214
Singapore Dollar	3	-	21	-	24
Total	<u>160,250</u>	<u>130,095</u>	<u>82,515</u>	<u>1,633</u>	<u>374,493</u>

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B3. Material Litigation

In the ordinary course of business, the business of PHH and Geha groups (dealing with manufacturing and distribution of hardcopy related products and printer consumables such as inkjet and toner cartridges, thermal transfer, office media and impact cartridges, hereinafter referred to as the "Hardcopy business") is involved in several lawsuits. In particular, the Group has several large legal claims brought by Original Equipment Manufacturers ("OEM") for perceived breach of patents with an assessed potential maximum exposure of EUR7.0 million (RM31.4 million). The Group is of the view that litigation matters are an inherent part of the Hardcopy business. Historically, the Group has been successful in defending most cases and management remains confident that the Group's exposure to these claims can be reduced or can successfully be defended. In the opinion of the management, the lawsuits, claims and proceedings which are pending against the Group will not have a material effect on the Group's financial statements.

B4. Post employment benefit obligation

	RM'000
Payable within 12 months	28,569
Payable after 12 months	<u>250,389</u>
	<u>278,958</u>
Removable Pension Liabilities:	
Liabilities assumed by Pension Trust Fund	119,144
Liabilities assumed by the Company	65,087
	184,231
Other pension liabilities of the Group	<u>94,727</u>
	<u><u>278,958</u></u>

Pursuant to the acquisitions of Pelikan Holding AG group ("PHAG group") in 2005, part of the defined benefits retirement plans of the PHAG group in Germany (known as "Removable Pension Liabilities") is now funded by an external Pension Trust Fund created for this purpose, whilst the Company is assuming the balance of the said Removable Pension Liabilities fixed in Ringgit Malaysia as at the completion date of the acquisitions of PHAG group. If the assets in the Pension Trust Fund are capable of paying the entire Removable Pension Liabilities, the Removable Pension Liabilities assumed by the Company will be relinquished.

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B5. Capital commitments

Capital commitments not provided for in the financial statements as at 31 March 2014 were as follows:

	RM'000
Authorised and contracted for:	
Property, plant and equipment	<u>4,893</u>
Authorised but not contracted for:	
Property, plant and equipment	<u>1,502</u>

B6. Review of Performance

The Group achieved revenue of RM312.6 million in the current quarter as opposed to RM328.8 million in the previous year's corresponding quarter, a decline of 4.9%. The sales and delivery delays resulted from the operational changes due to the integration of the Pelikan and Herlitz Germany business and the weak sales performance of the printer consumables have resulted in a negative effect on the current quarter's sales development as compared to previous year's corresponding quarter.

Despite the overall decline in sales for the current quarter as compared to the previous year's corresponding quarter, the Group recorded a loss before tax of RM6.8 million in the current quarter as compared to loss before tax of RM7.9 million in the previous year's corresponding quarter. The improvement in profitability is mainly as a result of the restructuring and product rationalisation measures undertaken by the Group in previous years. Overall, the product contribution is higher and the cost base of the Group is relatively lower as compared to the previous year's corresponding quarter.

B7. Variation of results against preceding quarter

In the current quarter, the Group's revenue decrease to RM312.6 million as compared to RM323.5 million in the preceding quarter, mainly due to the decrease in sales in Germany region. Generally, the first quarter is a weak quarter for the Group as the major "back to school" season are between the second and third quarters of the year.

As the first quarter is a low season for the stationery business, in particular the Europe market, the Group recorded a loss before tax of RM6.8 million in the current quarter.

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B8. Prospects

Real GDP is expected to continue recovering in 2014. Real GDP growth is projected to advance with moderate momentum in 2014, at 1.6% and 1.2% respectively in the European Union ("EU") and the euro area, before gaining some further speed in 2015, to 2.0% in the EU and 1.7% in the euro area. The German economy, which is the largest market for the Group is expected to grow at a rate of 1.8% in 2014. Mexico's government had recently cut its 2014 growth forecast to 2.7% instead of the initial 3.9% after the economy recovered less than analysts estimated in the first quarter. Notwithstanding improvements in the general economy of the Group's key operating countries, the markets shall continue to be challenging as consumers and business remains cautious on spending and expansions.

The Group had in the past two years reorganised its key operating companies in particular in the European region and had also completed the integration of the stationery business of Pelikan Germany and Herlitz Germany in March 2014. The completion of the German's business integration between both the Pelikan and Herlitz organisations shall provide a good path for the Group to further strengthen its European business in particular the German business where it is able to better deploy resources and serve its customers under the new merged organisation.

B9. Dividend

The Board of Directors does not recommend any dividend for the current financial period.

B10. Variance on Profit Forecast / Shortfall in Profit Guarantee

Not applicable.

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B11. Earnings per share

		3 months ended		Financial period ended	
		31/03/14	31/03/13	31/03/14	31/03/13
Loss for the financial period attributable to equity holders of the parent	(RM'000)	<u>(11,198)</u>	<u>(9,230)</u>	<u>(11,198)</u>	<u>(9,230)</u>
Weighted average number of ordinary shares in issue	('000)	512,796	512,796	512,796	512,796
Shares repurchased	('000)	<u>(4,928)</u>	<u>(2,687)</u>	<u>(4,928)</u>	<u>(2,687)</u>
		<u>507,868</u>	<u>510,109</u>	<u>507,868</u>	<u>510,109</u>
Loss per share	(sen)	<u>(2.20)</u>	<u>(1.81)</u>	<u>(2.20)</u>	<u>(1.81)</u>

B12. Additional notes to the Statement of Comprehensive Income

		3 months ended		Financial period ended	
		31/03/14	31/03/13	31/03/14	31/03/13
		RM'000	RM'000	RM'000	RM'000
Loss for the period is arrived at after charging / (crediting):					
Interest income		(154)	(77)	(154)	(77)
Interest expense		5,185	5,587	5,185	5,587
Depreciation and amortisation		13,380	11,654	13,380	11,654
Impairment loss on receivables		150	1,436	150	1,436
Inventories write down		434	169	434	169
Gain on disposal of					
- Property, plant and equipment		(645)	(5,532)	(645)	(5,532)
- Investment in subsidiaries		(3,566)	-	(3,566)	-
Foreign exchange loss		<u>417</u>	<u>3,403</u>	<u>417</u>	<u>3,403</u>

B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements

B13. Derivative Liabilities

	Contract/ Notional amount EUR'000	Liabilities RM'000
Interest rate swap	<u>10,000</u>	<u>3,695</u>

The Group has entered into interest rate swap contract with a total of EUR10 million resulting in an exchange of floating for fixed interest rates from fiscal year 2012 to hedge exposure to movements in interest rate on a financing transaction. For a period of 5 years, the variable interest rate is exchanged on the basis of the 3-month Euribor interest at 3.15%. The fair value of interest rate swap contracts is determined by reference to market values of similar instruments.

B14. Realised and Unrealised Profits/(Losses) Disclosure

	As at 31/03/14 RM'000	As at 31/12/13 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised profit	46,872	56,398
- Unrealised loss	(3,225)	(3,047)
	43,647	53,351
Add : Consolidation adjustments	<u>991</u>	<u>2,485</u>
Total retained profits as per Statement of Financial Position	<u>44,638</u>	<u>55,836</u>