

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Individual Month		Cumulative Year To Date	
	3 month ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	987,832	913,423	3,698,344	3,632,271
Other income	8,261	5,957	25,570	20,121
Changes in inventory of finished goods and work in progress	(104,705)	(46,823)	(101,721)	151,792
Raw materials and consumables	(636,381)	(682,061)	(2,819,471)	(3,125,579)
Staff costs	(50,061)	(58,490)	(183,224)	(178,135)
Depreciation of property, plant and equipment	(16,497)	(11,979)	(42,028)	(36,804)
Other operating expenses	(89,413)	(65,584)	(304,828)	(260,796)
Finance costs	(15,663)	(14,771)	(58,849)	(58,502)
Share of profit of associates	5,967	6,976	17,850	20,808
Profit before tax	89,340	46,648	231,643	165,176
Income tax expense	(31,058)	(16,622)	(76,393)	(47,738)
Profit for the year	58,282	30,026	155,250	117,438
Attributable to :				
Equity holders of the parent	52,720	28,590	145,976	109,942
Non-controlling interests	5,562	1,436	9,274	7,496
	58,282	30,026	155,250	117,438
Earnings per share (sen)				
(i) Basic (based on 470,402,000 ordinary shares (2012: 470,402,000 ordinary shares) (sen))	11.21	6.08	31.03	23.37

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2013

	Individual Quarter		Cumulative Year To Date	
	3 months ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the year	58,282	30,026	155,250	117,438
Other comprehensive income:				
Profit on fair value changes of available-for-sales investments	23	(2)	23	13
Foreign currency translation	957	(553)	957	(553)
Actuarial losses on defined benefit obligations	(3,578)	-	(3,578)	-
Income tax relating to actuarial losses on defined benefit obligations	4,133	-	4,133	-
Total comprehensive income for the year	<u>59,817</u>	<u>29,471</u>	<u>156,785</u>	<u>116,898</u>
Attributable to :				
Equity holders of the parent	54,255	28,035	147,511	109,402
Non-controlling interests	<u>5,562</u>	<u>1,436</u>	<u>9,274</u>	<u>7,496</u>
	<u>59,817</u>	<u>29,471</u>	<u>156,785</u>	<u>116,898</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	As at 31/12/2013	As at 31/12/2012
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	461,877	467,118
Investment in associated companies	338,580	327,289
Other investments	44,887	45,655
Intangible assets	34,078	40,139
Deferred tax assets	56,764	55,602
	<u>936,186</u>	<u>935,803</u>
Current assets		
Tax recoverable	3,828	217
Inventories	816,949	918,670
Trade and other receivables	366,458	664,331
Amount owing from associated companies	42,033	28,376
Cash and bank balances	987,382	398,604
	<u>2,216,650</u>	<u>2,010,198</u>
TOTAL ASSETS	<u>3,152,836</u>	<u>2,946,001</u>
Current liabilities		
Retirement benefit obligations	17,773	13,620
Short term borrowings	1,019,941	590,107
Trade and other payables	244,535	198,098
Amount owing to associated companies	324	310
Dividend payable	-	42,336
Tax payable	15,812	17,942
	<u>1,298,385</u>	<u>862,413</u>
Net Current Assets	<u>918,265</u>	<u>1,147,785</u>
Non-current liabilities		
Retirement benefit obligations	68,694	96,681
Long term borrowings	417,164	771,364
Deferred tax liabilities	19,702	19,152
	<u>505,560</u>	<u>887,197</u>
Total liabilities	<u>1,803,945</u>	<u>1,749,610</u>
Net Assets	<u>1,348,891</u>	<u>1,196,391</u>
Equity attributable to equity holders of the Company		
Share capital	470,402	470,402
Reserves	778,496	632,127
	<u>1,248,898</u>	<u>1,102,529</u>
Non-controlling interests	99,993	93,862
Total equity	<u>1,348,891</u>	<u>1,196,391</u>
TOTAL EQUITY AND LIABILITIES	<u>3,152,836</u>	<u>2,946,001</u>
Net assets per share (RM)	<u>2.65</u>	<u>2.34</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2013

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Distributable retained profits RM'000	Non- distributable reserves, total RM'000	Non-distributable reserves						Non- controlling interests RM'000
						Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	AFS reserve RM'000	Retirement benefit reserve RM'000	Foreign exchange reserve RM'000	
At 1 January 2012	1,195,235	1,106,023	470,402	612,674	22,947	7,085	2,864	12,520	(11)	-	489	89,212
Total comprehensive income for the year	116,898	109,402	-	109,942	(540)	-	-	-	13	-	(553)	7,496
Transactions with owners												
Dividend	(115,742)	(112,896)	-	(112,896)	-	-	-	-	-	-	-	(2,846)
At 31 December 2012	1,196,391	1,102,529	470,402	609,720	22,407	7,085	2,864	12,520	2	-	(64)	93,862

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Distributable retained profits RM'000	Non- distributable reserves, total RM'000	Non-distributable reserves						Non- controlling interests RM'000
						Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	AFS reserve RM'000	Retirement benefit reserve RM'000	Foreign exchange reserve RM'000	
At 1 January 2013	1,196,391	1,102,529	470,402	609,720	22,407	7,085	2,864	12,520	2	-	(64)	93,862
Total comprehensive income for the year	156,785	147,511	-	145,976	1,535	-	-	-	23	555	957	9,274
Transactions with owners												
Dividend	(4,285)	-	-	-	-	-	-	-	-	-	-	(4,285)
Bonus issue	-	(1,142)	-	(1,142)	-	-	-	-	-	-	-	1,142
At 31 December 2013	1,348,891	1,248,898	470,402	754,554	23,942	7,085	2,864	12,520	25	555	893	99,993

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Year ended 31/12/2013 RM '000	Year ended 31/12/2012 RM '000
OPERATING ACTIVITIES		
Profit before tax	231,643	165,176
Adjustments for:		
Amortisation of intangible assets	6,061	-
Depreciation of property, plant and equipment	42,028	36,804
Impairment of property, plant and equipment	56	-
Gain on disposal of property, plant and equipment	(1,548)	(995)
Loss on disposal of other investments	74	-
Loss on disposal of subsidiary	451	-
Property, plant and equipment written off	556	444
Bad debts written off	13,455	-
Write back impairment loss on receivables	(13,104)	(12,174)
Provision for retirement benefits	11,714	12,087
Past service cost for retirement benefits	(28,555)	-
Interest expense	57,595	57,554
Interest income	(13,317)	(6,432)
Share of results from associates	(17,850)	(20,808)
Inventories written down	1,887	2,358
Negative goodwill	-	(932)
Unrealised loss/(gain) in foreign exchange	20,364	(2,387)
Operating profit before working capital changes	<u>311,510</u>	<u>230,695</u>
Decrease in receivables	280,750	153,385
Decrease/(increase) in inventories	99,834	(154,220)
Increase/(decrease) in payables	45,909	(19,086)
Cash generated from operations	<u>738,003</u>	<u>210,774</u>
Interest paid	(57,595)	(57,554)
Retirement benefits paid	(10,571)	(9,547)
Income tax paid	(78,401)	(23,171)
Interest income received	13,317	6,432
Net cash generated from operating activities	<u>604,753</u>	<u>126,934</u>
INVESTING ACTIVITIES		
Purchase to other investments	-	(11,192)
Sales of subsidiaries, net of cash disposed	(1,262)	-
Dividend received from associates	6,559	14,190
Purchase of property, plant and equipment	(40,207)	(95,789)
Proceeds from disposal of property, plant and equipment	4,326	17,678
Proceeds from disposal of AFS	717	2,012
Net cash used in investing activities	<u>(29,867)</u>	<u>(73,101)</u>
FINANCING ACTIVITIES		
Drawdown of borrowings	1,865,340	1,745,638
Repayment of borrowings	(1,806,288)	(1,713,340)
Dividend paid	(42,336)	(70,560)
Net cash generated/(used in) from financing activities	<u>16,716</u>	<u>(38,262)</u>
Net change in cash and cash equivalents	591,602	15,571
Effect of foreign exchange rates changes	957	(512)
Cash and cash equivalents at beginning of year	<u>391,527</u>	<u>376,468</u>
Cash and cash equivalents at end of year	<u>984,086</u>	<u>391,527</u>
Cash and Cash Equivalents comprise :-		
Cash and bank balances	987,382	398,604
Bank overdrafts	(3,296)	(7,077)
	<u>984,086</u>	<u>391,527</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD (Company No. 295514 U)
(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. Basis of preparation

This condensed consolidated interim financial statements (Condensed Report), other than retirement benefit obligations, have been prepared under the historical cost convention. The retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 Employee Benefits.

This condensed report, for the year ended 31 December 2013, have been prepared in accordance with the requirements of MFRS 134 : Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). This condensed report also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Board. For the periods up to and including the year ended 31 December 2012, the Group prepared its financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS").

This condensed report should be read inconjunction with the audited financial statements for the financial year ended 31 December 2012. These explanatory notes attached to these condensed report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

2. Significant Accounting Policies

2.1 Adoption of Standards, Amendments and Issues Committee (IC) Interpretations

The Group adopted the following Standards, Amendments and IC Interpretations:

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to IC Interpretations and MFRSs 2009- 2011 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

2.2 Standards issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretation were issued but not yet effective and have not been applied by the Group:

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of
IC Interpretation 21	Levies

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2012 was unqualified.

4. Comments About Seasonal or Cyclical Factors

The Group's performance for the year under review has not been affected by seasonal or cyclical factors.

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equities, net income, or cash flows during the fourth quarter ended 31 December 2013.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter.

8. Dividends Paid

There is no dividend paid for the current quarter.

9. Segmental Information

For management purpose, the Group is organised into business based on the products as follows:

- i. Rice
- ii. Non-rice

Management monitors the operating results of its business separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as explained below, is measured differently from the operating profit or loss in the consolidated financial statements. Group financing (including finance costs), income taxes and segmental reporting on assets and liabilities are managed on a group basis and not allocated to operating segments.

	Rice	Non-rice	As Per Consolidated Financial Statements
	RM'000	RM'000	RM'000
For the year ended 31 December 2013			
Revenue:-			
External customers	<u>3,153,242</u>	<u>545,102</u>	<u>3,698,344</u>
Segment profit	(a) <u>737,072</u>	<u>40,081</u>	<u>777,153</u>
For the year ended 31 December 2012			
Revenue:-			
External customers	<u>3,092,761</u>	<u>539,510</u>	<u>3,632,271</u>
Segment profit	(a) <u>526,304</u>	<u>132,180</u>	<u>658,484</u>

9. Segmental Information (Contd.)

(a) The following items are added to/(deducted from) segment profit to arrive at "Profit before tax" presented in the consolidated income statement:

	Year ended 31/12/2013 RM'000	Year ended 31/12/2012 RM'000
Other income	25,570	20,121
Staff costs	(183,224)	(178,135)
Depreciation	(42,028)	(36,804)
Other expenses	(304,829)	(260,796)
Finance costs	(58,849)	(58,502)
Share of profit of associates	17,850	20,808
	<u>(545,510)</u>	<u>(493,308)</u>

Geographical information

The activities of the Group substantially relate to the procurement, importing, buying, processing and selling of rice, rice by-products and paddy and were predominantly conducted in Malaysia.

	Revenues for the year ended		Non-current assets as at	
	31/12/2013 RM'000	31/12/2012 RM'000	31/12/2013 RM'000	31/12/2012 RM'000
Peninsular Malaysia	2,868,629	2,807,493	855,918	859,688
East Malaysia	829,715	824,778	80,268	76,115
	<u>3,698,344</u>	<u>3,632,271</u>	<u>936,186</u>	<u>935,803</u>

Non-current assets presented above consist the following items as presented in the consolidated statement of financial position:

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Property, plant and equipment	461,877	467,118
Investment in associates	338,580	327,289
Other investments	44,887	45,655
Intangible assets	34,078	40,139
Deferred tax assets	56,764	55,602
	<u>936,186</u>	<u>935,803</u>

Information about major customers

The Group's customers are primarily retailers and wholesale distributors.

10. Carrying Amount of Revalued Assets

There are no assets carried at valuation.

11. Significant and Subsequent Events

(a) Proposed Voluntary Withdrawal Of Padiberas Nasional Berhad ("Bernas" Or "Company") From The Official List Of Bursa Malaysia Securities Berhad ("Bursa Securities") Pursuant To Paragraph 16.06 Of The Main Market Listing Requirements Of Bursa Securities ("Listing Requirements") ("Proposed Delisting")

On 6 November 2013, the Company received the Proposal Letter from Perspective Lane (M) Sdn Bhd, Kelana Ventures Sdn Bhd, Seaport Terminal (Johore) Sdn Bhd and Acara Kreatif Sdn Bhd (collectively referred to as the "Joint Offerors"), requesting BERNAS to undertake a voluntary withdrawal of its listing from the Official List of Bursa Securities pursuant to Paragraph 16.06 of the Listing Requirements.

On 3 January 2014, the Circular to Shareholders in relation to the Proposed Delisting was issued together with the Notice of Extraordinary General Meeting (EGM) of BERNAS to be held on 27 January 2014 for tabling of the Proposed Delisting.

On 27 January 2014, the shareholders of Bernas have voted against the special resolution in relation to the Proposed Delisting. The details of the results of the polling of the EGM are as follows:

- (i) There were 155 shareholders of Bernas who voted against the special resolution, representing 70.45% of the total number of shareholders of Bernas present in person or by proxy, and voted;
- (ii) The total value of the shareholdings of the shareholders of Bernas who voted for the special resolution was RM394,322,922, representing 99.95% of the total value of the ordinary shares of RM1.00 each in Bernas ("Shares") held by the shareholders of Bernas present in person or by proxy, and voted; and
- (iii) The total value of the shareholdings of the shareholders of Bernas who cast against the special resolution was 0.05% of the Shares held by the shareholders of Bernas present in person or by proxy, and voted.

(b) Unconditional Take-Over Offer Exercise

On 4 February 2014, Bernas received a notice of the unconditional take-over offer from the Joint Offerors through Maybank IB to acquire all the remaining 76,695,837 ordinary shares of RM1.00 each in Bernas ("Offer Shares") for a cash offer price of RM3.70 per Offer Share ("VGO").

On 5 February 2014, BERNAS has submitted its application to seek Bursa Securities' approval for a further extension of time of six (6) months from 20 February 2014 until 19 August 2014 for the Joint Offerors and the PAC to undertake the VGO and resolve the issue of non-compliance with the public shareholding spread.

Bursa Securities has, vide its letter dated 11 February 2014, granted BERNAS an extension of time of six (6) months up to 19 August 2014 to comply with the public shareholding spread requirement pursuant to paragraph 8.02(1) of the MMLR.

12. Changes in Composition of the Group

There were no changes in the composition of the Group since the date of the previous announcement.

13. Changes in Contingent Liabilities

The Group has no contingent liability or contingent assets as at 31 December 2013, other than the followings:

- (a) The Company was served with a Writ of Summons and Statement of Claim dated 5 May 2006 initiated by A Halim Bin Hamzah & 291 others ("the Plaintiffs"). The civil suit is brought by the Plaintiffs against the Company & 24 others ("the Defendants") for, inter alia, the following claims:
 - (i) A declaration that the 2000 VSS scheme initiated by the Company is void and of no effect.
 - (ii) A declaration that the Defendants had by unlawful means conspired and combined together to defraud or injure the Plaintiffs.
 - (iii) Alternatively, a declaration that the Defendants had acted in furtherance of a wrongful conspiracy to injure the Plaintiffs.
 - (iv) Damages to be assessed.
 - (v) Interest and costs.

13. Changes in Contingent Liabilities (Contd.)

(a) (Contd)

In relation to the Suit filed by the Plaintiffs against the Defendants, the Company had filed Summons in Chambers pursuant to Order 12 Rule 7 and/or Order 18 Rule 19 of the Rules of the High Court 1980 ("the Company's Application") for the following:

- (i) That the Writ and Statement of Claim as against the said Defendants be struck out as it discloses no reasonable course of actions, scandalous, frivolous, vexatious and/or is an abuse of process of the Court;
- (ii) That the cost of the said Order to be borne by the Plaintiffs; and
- (iii) Such further or other orders as the Court deemed fit.

On 3 September 2007, the Court has granted Order In Terms for the Company's application to strike out the 21st Defendant with cost payable to the Company but dismissed the Company's application to strike out the 2nd to 12th Defendants. On 3 March 2008, the Court dismissed the Company's application to strike out the 2nd to 12th Defendants from being the party to the suit. The Company's solicitors had on 17 April 2008, filed Statements of Defence for 2nd to 12th Defendants. The matter went for hearing from 13th to 16th March 2012. The matter came up for decision on 30th April 2012 and the Learned High Court Judge dismissed the Plaintiffs' claim with no order as to cost. The Plaintiffs' had on 29 May 2012 filed Notice of Appeal to the Court of Appeal against the High Court's decision in dismissing their claims against the Company. The Court of Appeal adjourned the appeal hearing to 9 April 2014.

No provision was made in the financial statements of the Group and of the Company as at 31 December 2013 for the matters set out in Notes (a) above as the Board, after due consultation with the Company's solicitors, believe that the Company has a reasonable prospect of success against the Plaintiffs' claim.

14. Capital Commitments

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Capital expenditure approved and contracted for:		
Property, plant and equipment	84,696	103,946
Capital expenditure approved but not contracted for:		
Property, plant and equipment	129,070	29,045
Investment	55,000	50,000
	184,070	79,045
	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Share of capital commitments of associated companies:		
Approved and contracted for:		
Property, plant and equipment	7,174	7,231
Approved but not contracted for:		
Property, plant and equipment	1,859	18

15. Performance Review

(a) Current YTD vs. Previous YTD

For the year ended 31 December 2013, the Group's revenue had increased to RM 3.70 billion as compared to RM 3.63 billion for the previous corresponding year. This was mainly due to higher volume of rice sold. The Group's revenue according to business segments consist of 85% of rice and 15% of non-rice.

The Group recorded an increase in profit before tax by 40% to RM 231.6 million from RM 165.2 million achieved in the previous corresponding year. The higher profit was mainly attributed by the increase in margin of rice.

Performance of the respective operating business segments for the year ended 31 December 2013 as compared to the previous corresponding year is analysed as follows:

(i) Rice Segment

The sales of rice increased by 2% or RM 60.4 million to RM 3.2 billion as compared to the previous corresponding year. The increase was due to higher volume of rice sold by 2% to 1.46 million metric tonne compared to 1.44 million metric tonne in the previous corresponding year. The imported rice contributed 63% of the rice sales volume.

(ii) Non-Rice Segment

The increase of 1% for the non-rice sales was attributable to higher sales of paddy to Skim Pengilang Bumiputra (SPB) compared to the previous corresponding year.

16. Comments on Material Changes in Profit Before Taxation

Quarter 4 2013 vs. Quarter 3 2013

Revenue for the quarter ended 31 December 2013 increased from previous quarter by 6% to RM 987.8 million. This was contributed by rice segment.

The Group's profit before tax increased by 72% to RM89.3 million in the quarter ended 31 December 2013 as compared to the profit before tax of the previous quarter of RM51.8 million due to a better rice trading margin.

17. Commentary on Prospects

Global rice production is expected to reach 470 million metric tonne in 2014, at par with 2013 production of 469 million metric tonne.

For 2014, consumption is expected to increase slightly to 471 million metric tonne from 467 million metric tonne in 2013. Meanwhile, the rice stock is expected to remain at 108 million metric tonnes, which are almost equal to the rice stock level of 110 metric tonnes in 2013.

International rice price is expected to remain favourable in 2014 in anticipation of the Thai Government's rice stock release upon expiry of the "Rice Pledging Scheme" by 28 February 2014, which will see Thailand to be competitive in the rice market once again. On the other hand, Vietnam is also expecting its winter-spring crop in late February/March which will spur export market.

Local traded paddy is expected to remain at 1.9 million metric tonnes and its price is expected to remain stable throughout 2014 with the introduction of RM1,200.00 per metric tonne of paddy purchase price for all the states in Peninsular Malaysia.

For the year 2014, the Company does not foresee any insufficient global rice supply as there are ample supplies from the exporting countries coupled with favourable pricing.

With such conditions, the Company's performance is expected to remain satisfactory for year 2014.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of the actual profit after tax and minority interest and shortfall in profit guarantees are not applicable to the Company.

19. Profit Before Tax

The following amounts have been charged/(credited) in arriving at profit before tax:

	Individual Quarter		Cumulative Year To Date	
	3 months ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(4,454)	(2,212)	(13,317)	(6,432)
Other income including investment income	(3,807)	(3,745)	(12,253)	(13,689)
Interest expense	15,219	14,437	57,595	57,554
Amortisation of intangible assets	1,212	-	6,061	-
Depreciation and amortisation	16,497	11,979	42,028	36,804
Bad debts written off	13,455	-	13,455	-
Write back impairment loss on receivables	(19,724)	(751)	(13,104)	(12,174)
(Write back)/provision for and write off of inventories	(9)	2,358	1,887	2,358
Profit on disposal of property, plant and equipment	(1,541)	(893)	(1,548)	(995)
Gains on disposal of quoted or unquoted investments or properties	-	-	-	-
Assets written off	480	278	556	444
(Write back)/impairment of PPE	(1,613)	-	56	-
Unrealised foreign exchange loss/(gain)	4,907	(368)	20,364	(2,387)
Fair value loss on derivative instruments	*	*	*	*
Exceptional items	*	*	*	*

* There is no such reportable item as required by Bursa Securities in the current quarter and current year to date.

20. Taxation

	Individual Quarter		Cumulative Year To Date	
	3 months ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:-				
- Malaysian Income Tax	32,656	23,568	77,005	52,951
- Deferred tax	(1,598)	(6,946)	(612)	(5,213)
	<u>31,058</u>	<u>16,622</u>	<u>76,393</u>	<u>47,738</u>

The higher effective tax rate for the quarter is mainly due to non allowable expenses.

21. Corporate Proposals

There were no new corporate developments since the date of the previous announcement.

22. Borrowings and Debt Securities

	As at	As at
	31/12/13	31/12/12
	RM'000	RM'000
Short Term Borrowings:-		
Secured	355,654	7,072
Unsecured	664,287	583,035
	<u>1,019,941</u>	<u>590,107</u>
Long Term Borrowings		
Secured	17,745	22,779
Unsecured	399,419	748,585
	<u>417,164</u>	<u>771,364</u>
	<u>1,437,105</u>	<u>1,361,471</u>

All the above borrowings are denominated in Ringgit Malaysia.

23. Retained Earnings

	As at 31/12/13 RM'000	As at 31/12/12 RM'000
Total retained profits of the Company and subsidiaries:-		
- Realised	777,074	619,752
- Unrealised	13,320	38,486
	<u>790,394</u>	<u>658,238</u>
Total share of retained profits from associated companies:-		
- Realised	120,221	109,539
- Unrealised	(8,700)	(9,938)
	<u>901,915</u>	<u>757,839</u>
Less: Consolidation adjustments	(147,361)	(148,119)
Total group retained profits	<u>754,554</u>	<u>609,720</u>

24. Changes in Material Litigation

As at 31 December 2013, there were no changes in material litigation, including status of pending material litigation since the last annual balance sheet date of 31 December 2012 other than as disclosed in Note 13.

25. Dividend Payable

There was no dividend payable for the current quarter.

26. Earnings Per Share

Earnings-per-share ("EPS") is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the year.

	As at 31/12/13	As at 31/12/12
Net profit for the period (RM'000)	145,976	109,942
Weighted average number of ordinary shares in issue ('000)	<u>470,402</u>	<u>470,402</u>
Basic earnings per share (sen)	<u>31.03</u>	<u>23.37</u>

27. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2014.

BY ORDER OF THE BOARD

NASLIZA MOHD NASIR
COMPANY SECRETARY
PADIBERAS NASIONAL BERHAD