

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007.**

**THE FIGURES HAVE NOT BEEN AUDITED.**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2007</b>	Preceding year corresponding quarter <b>30/09/2006</b>	Nine months to <b>30/09/2007</b>	Nine months to <b>30/09/2006</b> (as restated)
	RM'000	RM'000	RM'000	RM'000
1. (a) <b>Revenue</b>	<b>334,700</b>	<b>289,040</b>	<b>891,166</b>	<b>790,927</b>
(b) Cost of sales	(265,001)	(246,078)	(740,291)	(677,039)
(c) Gross profit	69,699	42,962	150,875	113,888
(d) Other income	474	(135)	1,044	209
(e) Expenses	(35,654)	(29,426)	(90,501)	(79,174)
(f) Finance costs	(2,353)	(2,726)	(7,018)	(7,071)
(g) Share of results of associate	(251)	-	(74)	-
(h) <b>Profit before income tax</b>	<b>31,915</b>	<b>10,675</b>	<b>54,326</b>	<b>27,852</b>
(i) Income tax	(10,354)	(5,279)	(19,055)	(10,643)
(j) <b>Profit for the period</b>	<b>21,561</b>	<b>5,396</b>	<b>35,271</b>	<b>17,209</b>
Attributable to:				
(k) Equity holders of the Company	21,302	5,039	34,011	15,974
(l) Minority interest	259	357	1,260	1,235
	<b>21,561</b>	<b>5,396</b>	<b>35,271</b>	<b>17,209</b>
2. <b>Basic earnings per share attributable to equity holders of the Company</b>	<b>19.92 sen</b>	<b>4.71 sen</b>	<b>31.80 sen</b>	<b>14.93 sen</b>

The fully diluted earnings per share is not shown as the effect is anti-dilutive.

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

## II. CONDENSED CONSOLIDATED BALANCE SHEET

	<b>Unaudited As at end of current quarter 30/09/2007</b>	<b>Audited As at preceding financial year end 31/12/2006 (as restated)</b>
	RM'000	RM'000
<b>ASSETS</b>		
1. Non-current assets		
Property, plant and equipment	269,761	252,553
Prepaid land lease payments	23,127	23,351
Investment in associates	6,158	6,283
Goodwill	31,620	31,620
Other intangible assets	2,526	3,001
Deferred tax assets	2,522	3,742
	<b>335,714</b>	<b>320,550</b>
2. Current assets		
Inventories	172,571	171,704
Receivables	347,249	237,998
Amount due from intermediate holding company	20	20
Amounts due from related companies	12,811	16,198
Amounts due from associated companies	3,979	7,830
Tax recoverable	1,820	5,286
Fixed deposits	32,461	1,161
Cash and bank balances	13,983	68,573
	<b>584,894</b>	<b>508,770</b>
 Total assets	 <b>920,608</b>	 <b>829,320</b>

**II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)**

	<b>Unaudited As at end of current quarter 30/09/2007</b>	<b>Audited As at preceding financial year end 31/12/2006 (as restated)</b>
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
3. Equity attributable to equity holders of the Company		
Share capital	106,963	106,963
Reserves		
Share premium	22,410	22,410
Other reserves	664	352
Retained earnings	206,017	188,050
	336,054	317,775
4. Minority interest	12,411	11,151
Total equity	348,465	328,926
5. Non-current liabilities		
Long term borrowings	77,602	90,960
Deferred tax liabilities	2,832	3,767
	80,434	94,727
6. Current liabilities		
Payables	326,849	234,383
Amount due to intermediate holding company	-	58
Amount due to immediate holding company	64	152
Amounts due to related companies	3,548	4,932
Amount due to associated company	312	-
Tax payable	10,704	1,526
Dividend payable	35	-
Short term borrowings	117,647	133,416
Current portion of long term borrowings	32,550	31,200
	491,709	405,667
Total liabilities	572,143	500,394
Total equity and liabilities	920,608	829,320
7. <b>Net assets per share attributable to ordinary equity holders of the Company</b>	<b>RM3.14</b>	<b>RM2.97</b>

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Nine months to 30/09/2007 RM'000</b>	<b>Unaudited Nine months to 30/09/2006 RM'000</b>
<b>Operating activities</b>		
Cash receipts from customers and related parties	782,511	714,080
Cash payments to suppliers	(655,212)	(647,396)
Cash payments to employees and for expenses	(74,533)	(108,532)
Cash generated from / (used in) operations	<u>52,766</u>	<u>(41,848)</u>
Interest paid	(4,365)	(3,414)
Profit on Murabahah Commercial Paper paid	(1,106)	(1,508)
Income taxes paid	(6,087)	(9,213)
Interest received	102	218
<b>Net cash generated from/(used in) operating activities</b>	<u>41,310</u>	<u>(55,765)</u>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	65	118
Purchase of property, plant and equipment	(16,596)	(58,274)
Additional investment in associate company	-	(8,743)
<b>Net cash used in investing activities</b>	<u>(16,531)</u>	<u>(66,899)</u>
<b>Financing activities</b>		
(Repayments) / drawdown of short term borrowings	(5,199)	64,965
Proceeds from issuance of shares – exercise of share options	-	49
Dividends paid	(16,009)	(12,300)
Redemption of Murabahah Commercial Paper	(10,000)	-
Proceeds from issuance of Murabahah Medium Term Notes	-	35,000
Repayment of term loan	(12,150)	-
Term loan interest paid	(2,406)	(2,642)
Placement of fixed deposits	(31,346)	(988)
Profit on Murabahah Medium Term Notes paid	(2,048)	(66)
<b>Net cash (used in)/generated from financing activities</b>	<u>(79,158)</u>	<u>84,018</u>
<b>Net change in cash and cash equivalents</b>	<u>(54,379)</u>	<u>(38,646)</u>
Currency translation differences	(211)	976
Net cash and cash equivalents as at beginning of financial period	68,573	51,569
<b>Net cash and cash equivalents as at end of financial period</b> (a)	<u>13,983</u>	<u>13,899</u>

**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D)**

	<b>Unaudited As at 30/09/2007 RM'000</b>	<b>Unaudited As at 30/09/2006 RM'000</b>
(a) <b>Cash and cash equivalents comprise the following amounts:</b>		
Cash and bank balances	13,983	13,899
Fixed deposits	32,461	2,200
	<b>46,444</b>	<b>16,099</b>
Less: Fixed deposits pledged to banks	(32,461)	(2,200)
Cash and cash equivalents	<b>13,983</b>	<b>13,899</b>

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

← Equity attributable to equity holders of the Company →

	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Exchange reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b>Nine months to 30 September 2007 (unaudited)</b>								
Balance as at 1 January 2007	106,963	22,410	1,310	(958)	186,515	316,240	11,151	327,391
Prior year adjustment – FRS 112	-	-	-	-	1,535	1,535	-	1,535
Balance as at 1 January 2007 as restated	106,963	22,410	1,310	(958)	188,050	317,775	11,151	328,926
Currency translation differences	-	-	-	(1,124)	-	(1,124)	-	(1,124)
Expense recognised directly in equity	-	-	-	(1,124)	-	(1,124)	-	(1,124)
Profit for the period	-	-	-	-	34,011	34,011	1,260	35,271
Total recognised income and expense for the period	-	-	-	(1,124)	34,011	32,887	1,260	34,147
Share-based payment	-	-	1,436	-	-	1,436	-	1,436
2006 final 15.0 % tax exempt dividend	-	-	-	-	(16,044)	(16,044)	-	(16,044)
Balance as at 30 September 2007	106,963	22,410	2,746	(2,082)	206,017	336,054	12,411	348,465

**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)**

← Equity attributable to equity holders of the Company →

	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Exchange reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b>Nine months to 30 September 2006 (unaudited)</b>								
Balance as at 1 January 2006 as restated	106,952	22,372	-	(1,101)	186,334	314,557	9,548	324,105
Prior year adjustment – FRS 112	-	-	-	-	1,723	1,723	-	1,723
Balance as at 1 January 2006 as restated	106,952	22,372	-	(1,101)	188,057	316,280	9,548	325,828
Currency translation differences	-	-	-	618	-	618	-	618
Expense recognised directly in equity	-	-	-	618	-	618	-	618
Profit for the period	-	-	-	-	15,974	15,974	1,235	17,209
Total recognised income and expense for the period	-	-	-	618	15,974	16,592	1,235	17,827
Issues of ordinary shares: Pursuant to ESOS	11	38	-	-	-	49	-	49
Share-based payment	-	-	1,038	-	-	1,038	-	1,038
2005 final 11.5% tax exempt dividend	-	-	-	-	(12,300)	(12,300)	-	(12,300)
Balance as at 30 September 2006 as restated	106,963	22,410	1,038	(483)	191,731	321,659	10,783	332,442

The condensed Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

## V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

### 1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following revised Financial Reporting Standards ("FRS") effective 1 January 2007:

FRS 117	: Leases
FRS 124	: Related Party Disclosures

In addition to the above, the Group has also taken the option of early adoption of the following revised FRSs effective 1 January 2007:

FRS 107	: Cash Flow Statements
FRS 112	: Income Taxes
FRS 118	: Revenue
FRS 119	: Employee Benefits
FRS 134	: Interim Financial Reporting
FRS 137	: Provisions, Contingent Liabilities and Contingent Assets

(i) The adoption of the abovementioned FRSs do not result in significant changes in accounting policies of the Group, other than the change discussed below:

#### (a) FRS 112 : Income Taxes

In 2006, the Group adopted an accounting policy in respect of deferred tax assets arising from reinvestment allowances ("RA") and investment tax allowances ("ITA"), which were not recognised by the Group based on paragraph 36 of FRS 112<sub>2004</sub>.

The revised FRS 112 has removed paragraph 36 and hence, the unutilised RA and ITA are now recognised as deferred tax asset, to the extent that it is probable that future taxable profit will be available against which the unutilised RA and ITA can be utilised. This change in accounting policy has been adopted by the Group retrospectively and has resulted in a restatement of the Group's prior year financial statements with an increase in the retained earnings of the Group as at 31 December 2006 by RM1,535,484 and the provision for additional income tax charge in the previous year corresponding quarter and period of nil and RM187,201 respectively.

#### (b) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. On adoption of the revised FRS, lease of land of which the title is not expected to be passed to the Group (the lessee) by the end of the lease term, is considered an operating lease and the unamortised carrying value of the lease is now presented as prepaid land lease payments and is amortised on a straight-line basis over the lease term.



(ii) Summary of the financial effects of changes in accounting policies

(a) Condensed Consolidated Income Statement

RM'000	◀Preceding year corresponding quarter ended 30/9/2006▶			◀Nine months to 30/9/2006▶		
	Adjustments			Adjustments		
	As previously stated	FRS 112 (Note 1(i)(a))	As restated	As previously stated	FRS 112 (Note 1(i)(a))	As restated
Income tax	(5,279)	-	(5,279)	(10,456)	(187)	(10,643)
<b>Profit for the period</b>	<b>5,396</b>	<b>-</b>	<b>5,396</b>	<b>17,396</b>	<b>(187)</b>	<b>17,209</b>
Attributable to:						
Equity holders of the Company	5,039	-	5,039	16,161	(187)	15,974
Minority interest	357	-	357	1,235	-	1,235
	<b>5,396</b>	<b>-</b>	<b>5,396</b>	<b>17,396</b>	<b>(187)</b>	<b>17,209</b>
Basic earnings per share (sen)	4.71	-	4.71	15.11	(0.18)	14.93

(b) Condensed Consolidated Balance Sheet

RM'000	As at 31/12/2006	Adjustments		As at 31/12/2006
	As previously stated	FRS 112 (Note 1(i)(a))	FRS 117 (Note 1(i)(b))	As restated
Property, plant and equipment	275,904	-	(23,351)	252,553
Prepaid land lease payments	-	-	23,351	23,351
Deferred tax assets	2,207	1,535	-	3,742
Retained earnings	186,515	1,535	-	188,050
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.96	0.01	-	2.97

2. **Audit report in respect of the 2006 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2006 was not qualified.

3. **Seasonal or cyclical factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

4. **Unusual items due to their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current financial period ended 30 September 2007.

## 5. Material changes in estimates used

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

## 6. Debt and equity securities

The Group did not undertake any other issuance and/or redemption of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2007 except for the redemption of RM10 million Murabahah Commercial Paper in March 2007.

## 7. Dividend

A final tax exempt dividend of 15.0% (2006: 11.5%) on 106,963,188 (2006: 106,958,888) ordinary shares of RM1.00 each in respect of the previous financial year amounting to RM16,044,478 (2006: RM12,300,272) was paid on 13 July 2007.

The Directors do not recommend any payment of interim dividend for the current financial period ended 30 September 2007 (2006: nil).

## 8. Segment information for the current financial period

Segment information for the current financial period to 30 September 2007 is as follows:

	Pharmaceutical manufacturing RM'000	Pharmaceutical trading, marketing and distribution RM'000	Medical products and services RM'000	Other operations RM'000	Eliminations RM'000	Group RM'000
<b>Revenue</b>						
External revenue	2,965	881,679	6,522	-	-	891,166
Inter-segment revenue	110,290	7,303	8	-	(117,601)	-
Total revenue	113,255	888,982	6,530	-	(117,601)	891,166
<b>Results</b>						
Segment results	23,894	42,046	632	(1,045)	(3,923)	61,604
Unallocated corporate expenses						(817)
Profit from operations						60,787
Interest expense	-	(4,612)	-	(5,087)	2,681	(7,018)
Interest income	-	441	46	2,825	(2,681)	631
Share of results of associate						(74)
Profit before income tax						54,326
Income tax						(19,055)
<b>Profit for the period</b>						<b>35,271</b>
Attributable to:						
Equity holders of the Company						34,011
Minority interest						1,260
						<b>35,271</b>

## 9. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 September 2007 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2007.

## 10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current quarter and financial period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations except as disclosed below:

- (a) A liquidator has officially been appointed on 24 October 2007 for the liquidation of three dormant subsidiary companies of the Group, namely Pharmaniaga Medisystem Sdn. Bhd., Pharmaniaga Diagnostics Sdn. Bhd. and Pharmaniaga Trading Sdn. Bhd. and an associate company, Rumpun Lagenda Sdn. Bhd.; and
- (b) The Jiangsu Province Wuxi Intermediate People's Court, upon application by Wuxi Worldbest Treeful Pharma Pharmaceutical Co. Ltd. ("WWTPP"), has ruled on 10 July 2007 to accept the bankruptcy application of WWTPP in accordance with the law. On 16 July 2007, the Court further appointed Wuxi Jin Shun Economic Consulting Co. Ltd. as the Bankruptcy Administrator for WWTPP to take control over WWTPP. Further on, Pharmaniaga Pegasus (Seychelles) Co. Ltd. is currently appointing a legal representative and an arbitrator for participation in the Creditors Meeting and bankruptcy proceeding respectively.

## 11. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2006 except as disclosed below:

	RM'000
As reported in the preceding financial year ended 31 December 2006	73,200
Increase in bank guarantees for utilities supply to and projects undertaken by subsidiary companies	12,659
Decrease in bank guarantees for projects undertaken by subsidiary company	(10,012)
Net increase in bank guarantees for utilities supply to and projects undertaken by subsidiary companies	<u>2,647</u>
Total	<u>75,847</u>

## 12. Capital commitments

Authorised capital expenditures for the purchase of property, plant and equipment not provided for in the condensed consolidated financial statements were as follows:

	As at 30/09/2007 RM'000
Authorised and contracted for:	
- acquisition of property, plant and equipment	<u>13,550</u>
Authorised but not contracted for:	
- acquisition of property, plant and equipment	<u>2,569</u>

13. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter <b>30/09/2007</b>	Preceding year corresponding quarter <b>30/09/2006</b>	Nine months to <b>30/09/2007</b>	Nine months to <b>30/09/2006</b> (as restated)
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	9,862	3,248	17,674	7,620
- Under provision in respect of prior years	-	1,700	-	1,700
- Deferred taxation	181	-	181	188
Sub-total	<u>10,043</u>	<u>4,948</u>	<u>17,855</u>	<u>9,508</u>
Foreign taxation				
- Current taxation	321	1,377	1,096	1,579
- Deferred taxation	(10)	(1,046)	104	(444)
Sub-total	<u>311</u>	<u>331</u>	<u>1,200</u>	<u>1,135</u>
Grand Total	<u>10,354</u>	<u>5,279</u>	<u>19,055</u>	<u>10,643</u>

The effective tax rate for the current quarter and year-to-date ended 30 September 2007 are higher than statutory tax rate as a result of subsidiaries' losses which do not qualify under Group Tax Relief Scheme.

14. **Disposal of unquoted investments and/or properties**

There were no disposal of unquoted investments and/or properties in the current period.

15a) **Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current period.

15b) **Investments in quoted securities**

There were no investments in quoted securities as at 30 September 2007.

16. **Status of corporate proposals announced but not completed as at the date of this announcement**

There are no corporate proposals announced but not completed as at the date of this announcement.

17. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 30 September 2007 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Debt securities</u></b>						
Domestic						
- Murabahah Commercial Paper	-	-	-	-	29,425	29,425
- Murabahah Medium Term Notes	-	44,752	44,752	-	15,000	15,000
<b><u>Other borrowings</u></b>						
Domestic						
- Bankers acceptance	-	-	-	-	75,518	75,518
- Term loan	32,850	-	32,850	17,550	-	17,550
Foreign						
Indonesia Rupiah						
- Term loan	-	-	-	11,991	-	11,991
- Time loan	-	-	-	713	-	713
<b>TOTAL</b>	<b>32,850</b>	<b>44,752</b>	<b>77,602</b>	<b>30,254</b>	<b>119,943</b>	<b>150,197</b>

18. **Off Balance Sheet financial instruments**

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

19. **Material litigation**

Since the preceding financial year ended 31 December 2006, there are no changes in material litigation as at the date of this announcement except for the following:

**(a) Demand by Siemens Financial Services GmbH ("Siemens") for USD12.0 million**

As at the date of this announcement, the Company confirms that no civil suit on the Company and its subsidiaries, Pharmaniaga Logistics Sdn. Bhd. ("PLSB") and Safire Pharmaceuticals (M) Sdn. Bhd. ("Safire") has been filed by Siemens.

The Board of Directors of the Company upon consultation with the solicitors, is of the opinion that the positions of both PLSB and Safire are defensible.

## 19. Material litigation (Continued)

### (b) Danaharta Urus Sdn. Bhd. vs Safri bin Nawawi (“Safri”) and Hamimah Binti Idruss (“Hamimah”) (by original action) Safri bin Nawawi & Anor vs Danaharta Urus Sdn. Bhd. and 6 others (action by counterclaim)

The Company announced on 18 January 2005, that Safri bin Nawawi and Hamimah binti Idruss, former directors of Safire, on 28 December 2004 have each commenced an action by way of Counterclaim against the Company in the legal suit originally filed by Danaharta Urus Sdn. Bhd. against them. The Company and Safire are named 4<sup>th</sup> Defendant and 3<sup>rd</sup> Defendant respectively in both Actions by Counterclaim and were served with the court papers on 11 January 2005. The Company had filed its Memorandum of Appearance in Court on 14 January 2005 and 18 January 2005 in respect of the Counterclaim.

The Company and Safire have both filed their respective defense to the Action by Counterclaim on 31 January 2005. The Company has further filed an application to strike out the Counterclaim on 3 March 2005.

The decision on the Company's application to strike out the Counterclaim by Safri and Hamimah has been fixed for mention on 22 November 2007.

The Board of Directors of the Company upon consultation with the solicitors, is of the opinion that the positions of both the Company and Safire are defendable.

## 20. Comparison between the current quarter and the immediate preceding quarter

The Group's revenue for the current quarter of RM334.7 million compared to RM300.2 million in the immediate preceding quarter showed a growth of 11.5%. The growth in revenue was mainly contributed by the increase in sales to the government hospitals and private sector.

The increase in the Group's profit before taxation by 162.0% from its immediate preceding quarter ended 30 June 2007 was mainly driven by higher revenue and better profit margin.

## 21. Review of performance for the current quarter and year-to-date

The Group's revenue performance for the third quarter ended 30 September 2007 grew by 15.8% over that of the same quarter last year. The increase was mainly supported by the revenue arising from sales to government hospitals and private sector.

The Group's profit before taxation registered a growth of 198.9% for the third quarter compared to the same quarter last year mainly due to higher revenue, the improvement in gross profit margin and lower depreciation charges.

Similarly, the Group's year-to-date revenue grew by 12.7% compared to the same period last year. The increase in revenue was mainly contributed by the higher concession sales to government hospitals, private sector sales and its Indonesian subsidiary.

The Group's year-to-date profit before taxation rose by 95.1% over that of the same period last year. The contributing factors to the growth were from higher revenue, the improvement in gross profit margin as a result of increase in operational efficiencies and cost reduction in all areas of operations.

## 22. Prospects for 2007

Based on the current progress, and barring any unforeseen circumstances, the Board of Directors is of the view that the Group is on track to achieve the main headline Key Performance Indicators (“KPIs”) of Return on Equity (“ROE”). However, the Revenue KPI will remain challenged due to the lesser than expected growth in sales for concession business, non materialisation of new hospital equipping projects and distributorship business coupled with adverse foreign currency translation impact from the weakening of Indonesian Rupiah.

23. **Profit forecast**

No commentary is made on any variance between actual profit from forecast profit, as the Group has not provided any profit forecast in a public document in respect of the financial period ended 30 September 2007.

24. **Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2007</b>	Preceding year corresponding quarter <b>30/09/2006</b>	Nine months to <b>30/09/2007</b>	Nine months to <b>30/09/2006</b> (as restated)
	RM'000	RM'000	RM'000	RM'000
<b>(a)</b> Basic earnings per share				
Profit attributable to equity holders of the Company	21,302	5,039	34,011	15,974
Weighted average number of ordinary shares in issue ('000)	106,963	106,959	106,963	106,958
<b>Basic earnings per share</b>	<b><u>19.92 sen</u></b>	<b><u>4.71 sen</u></b>	<b><u>31.80 sen</u></b>	<b><u>14.93 sen</u></b>

\* The diluted earnings per share is not shown as the effect is anti-dilutive.

25. **Voluntary disclosure on Economic Profit (“EP”) Statement**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/09/2007</b>	Preceding year corresponding quarter <b>30/09/2006</b>	Nine months to <b>30/09/2007</b>	Nine months to <b>30/09/2006</b>  (as restated)
	RM'000	RM'000	RM'000	RM'000
<b>Economic Profit</b>	<b>18,395</b>	<b>2,423</b>	<b>24,426</b>	<b>3,472</b>

**Explanatory notes**

The EP statement is as prescribed under the GLC Transformation program, and is disclosed on a voluntary basis. EP is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital.

The EP performances for both its current quarter and period to date recorded growths as compared to their last year corresponding quarter and period to date. The underlying factor for the increase is in line with the better operational performance registered by the Group.

**By Order of the Board**

**Kuala Lumpur  
22 November 2007**

**WONG LEE LOO (MAICSA 7001219)  
NORHANA BINTI OTHMAN (LS0008547)  
Joint Secretaries**