pharmaniaga
(467709-M)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008.

THE FIGURES HAVE BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

			INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
			Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
			31/12/2008	31/12/2007	31/12/2008	31/12/2007
			RM'000	RM'000	RM'000	RM'000
1.	(a)	**Revenue**	**328,243**	**292,817**	**1,305,646**	**1,183,983**
	(b)	Cost of sales	(268,313)	(243,299)	(1,073,779)	(983,590)
	(c)	Gross profit	59,930	49,518	231,867	200,393
	(d)	Other income	2,085	1,304	3,120	2,348
	(e)	Expenses	(36,870)	(24,860)	(139,062)	(115,361)
	(f)	Finance costs	(1,590)	(2,674)	(6,267)	(9,692)
	(g)	Share of results of associate	941	284	941	210
	(h)	**Profit before income tax**	**24,496**	**23,572**	**90,599**	**77,898**
	(i)	Income tax and zakat	(6,574)	(7,125)	(29,190)	(26,180)
	(j)	**Profit for the year**	**17,922**	**16,447**	**61,409**	**51,718**
		Attributable to:				
	(k)	Equity holders of the Company	17,789	16,069	60,031	50,080
	(l)	Minority interest	133	378	1,378	1,638
			17,922	**16,447**	**61,409**	**51,718**
2.		Basic earnings per share attributable to equity holders of the Company	**16.63 sen**	**15.02 sen**	**56.12 sen**	**46.82 sen**

*The fully diluted earnings per share is not shown as the Employee Share Option Scheme ("ESOS") has lapsed on 3 July 2008

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

		Audited As at end of current quarter 31/12/2008 RM'000	Audited As at preceding financial year end 31/12/2007 (restated) RM'000
	ASSETS		
1.	Non-current assets		
	Property, plant and equipment	257,804	259,247
	Prepaid lease payments	3,116	3,197
	Investments in associated companies	7,382	6,441
	Goodwill	30,620	31,620
	Other intangible assets	735	2,368
	Deferred tax assets	3,246	2,297
		302,903	305,170
2.	Current assets		
	Inventories	162,210	182,130
	Receivables	167,300	289,845
	Amount due from immediate holding company	-	18
	Amounts due from related companies	19,752	13,698
	Amounts due from associated companies	3,091	1,087
	Tax recoverable	1,607	2,796
	Fixed deposits	58,300	8
	Cash and bank balances	35,873	56,132
		448,133	545,714
3.	Non-current assets held for sale	**47,282**	**33,965**
	Total assets	**798,318**	**884,849**

II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)

		Audited As at end of current quarter 31/12/2008 RM'000	Audited As at preceding financial year end 31/12/2007 (restated) RM'000
	EQUITY AND LIABILITIES		
4.	Equity attributable to equity holders of the Company		
	Share capital	106,978	106,963
	Reserves		
	Share premium	22,447	22,410
	Other reserves	(6,491)	(253)
	Retained earnings	265,101	220,551
		388,035	349,671
5.	Minority interest	14,167	12,789
	Total equity	402,202	362,460
6.	Non-current liabilities		
	Long term borrowings	26,238	58,486
	Deferred tax liabilities	3,236	3,767
		29,474	62,253
7.	Current liabilities		
	Payables	265,371	286,561
	Amount due to immediate holding company	21	-
	Amounts due to related companies	2,244	2,561
	Amounts due to associated companies	2,112	716
	Taxation payable	981	3,842
	Dividend payable	6	7
	Short term borrowings	41,722	133,449
	Current portion of long term borrowings	54,185	33,000
		366,642	460,136
	Total liabilities	396,116	522,389
	Total equity and liabilities	**798,318**	**884,849**
8.	**Net assets per share attributable to ordinary equity holders of the Company**	**RM3.63**	**RM3.27**

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Audited Twelve months to 31/12/2008 RM'000	Audited Twelve months to 31/12/2007 RM'000
Operating activities			
Cash receipts from customers and related parties		1,410,607	1,123,608
Cash payments to suppliers		(1,034,445)	(926,083)
Cash payments to employees and for expenses		(157,896)	(105,087)
Cash generated from operations		218,266	92,438
Interest paid		(3,956)	(6,135)
Profit on Murabahah Commercial Paper paid		(1,212)	(1,178)
Income taxes paid		(32,190)	(20,367)
Income taxes refund		1,148	
Interest received		32	120
Net cash generated from operating activities		182,088	64,878
Investing activities			
Proceeds from disposal of property, plant and equipment		389	232
Deposit for disposal of non current asset held for sale		350	-
Purchase of property, plant and equipment		(21,349)	(26,936)
Net cash used in investing activities		(20,610)	(26,704)
Financing activities			
(Repayments)/ Drawdown of short term borrowings		(67,959)	11,497
Proceeds from issuance of shares – exercise of share options		52	-
Dividends paid		(19,253)	(16,037)
Redemption of Murabahah Commercial Paper		-	(10,000)
Redemption of Murabahah Medium Term Notes		(15,000)	(15,000)
Repayment of term loan		(18,000)	(16,200)
Term loan interest paid		(2,183)	(3,120)
Profit on Murabahah Medium Term Notes paid		(2,142)	(2,430)
Fixed deposits released		8	1,153
Net cash used in financing activities		(124,477)	(50,137)
Net change in cash and cash equivalents		**37,001**	**(11,963)**
Currency translation differences		1,040	(478)
Net cash and cash equivalents as at beginning of financial year		56,132	68,573
Net cash and cash equivalents as at end of financial year	(a)	**94,173**	**56,132**

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

	Audited As at 31/12/2008 RM'000	Audited As at 31/12/2007 RM'000
(a) Cash and cash equivalents comprise the following amounts:		
Cash and bank balances	35,873	56,132
Fixed deposits	58,300	8
	94,173	**56,140**
Less: Fixed deposits pledged to banks	-	(8)
Cash and cash equivalents	**94,173**	**56,132**

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

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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
Twelve months to 31 December 2008 (audited)								
Balance as at 1 January 2008	106,963	22,410	3,428	(3,681)	220,551	349,671	12,789	362,460
Currency translation differences, representing expenses recognised directly in equity	-	-	-	(2,810)	-	(2,810)	-	(2,810)
Profit for the year	-	-	-	-	60,031	60,031	1,378	61,409
Total recognised income and expense for the year	-	-	-	(2,810)	60,031	57,221	1,378	58,599
2007 final 18.0% tax exempt dividend	-	-	-	-	(19,253)	(19,253)	-	(19,253)
Employee share option scheme:								
- shares issued	15	37	-	-	-	52	-	52
- options lapsed	-	-	(550)	-	550	-	-	-
Employee equity scheme:								
- options granted	-	-	344	-	-	344	-	344
- options lapsed	-	-	(3,222)	-	3,222	-	-	-
Balance as at 31 December 2008	106,978	22,447	-	(6,491)	265,101	388,035	14,167	402,202

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
Twelve months to 31 December 2007 (audited)								
Balance as at 1 January 2007	106,963	22,410	1,310	(958)	186,515	316,240	11,151	327,391
Currency translation differences, representing expenses recognised directly in equity	-	-	-	(2,723)	-	(2,723)	-	(2,723)
Profit for the year	-	-	-	-	50,080	50,080	1,638	51,718
Total recognised income and expense for the year	-	-	-	(2,723)	50,080	47,357	1,638	48,995
2006 final 15.0% tax exempt dividend	-	-	-	-	(16,044)	(16,044)	-	(16,044)
Employee equity scheme: - options granted	-	-	2,118	-	-	2,118	-	2,118
Balance as at 31 December 2007	106,963	22,410	3,428	(3,681)	220,551	349,671	12,789	362,460

The condensed Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

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 mandatory adoption of the following revised Financial Reporting Standards ("FRS") effective for the financial period beginning on 1 January 2008:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs did not have any significant financial impact to the Group.
The comparative figures of December 2007 have been restated as a result of reclassification of balances. The effects on the balance sheet of the comparative amounts are as follows:

	2007 As previously reported RM'000	Reclassification RM'000	2007 As restated RM'000
Balance Sheet			
Property, plant and equipment	241,013	18,234	259,247
Prepaid lease payments	21,431	(18,234)	3,197

2. Audit report in respect of the 2007 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2007 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 year ended 31 December 2008 except for:

(a) an impairment of RM1 million for the goodwill of its medical products and services segment after the Directors had conducted a test and taking into consideration the potential economic profits from the future projects expected to be awarded; and

(b) a full impairment of RM1 million for a brand after the Directors had conducted a review of its recoverability and taking into consideration the lesser than expected sale performance of its products.

5. Material changes in estimates used

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

6. **Debt and equity securities**

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year ended 31 December 2008 except for:

(a) redemption of RM5 million and RM10 million Murabahah Medium Term Notes in September 2008 and November 2008 respectively; and

(b) issuance of new ordinary shares of RM1.00 each pursuant to the ESOS:

Option price per share RM	No. of shares issued units	Cash proceeds RM'000
3.56	14,600	52

7. **Dividend**

A final tax exempt dividend of 18.0% (2006: 15.0%) on 106,963,188 (2006: 106,963,188) ordinary shares of RM1.00 each in respect of the previous financial year amounting to RM19,253,374 (2006: RM16,044,478) was approved by shareholders on 22 May 2008 and paid on 2 July 2008.

For the current financial year ended 31 December 2008, the Board of Directors recommend a final gross dividend of 27.0%, less taxation of 25% (2007: 18.0% tax exempt dividend) on ordinary shares in issue of 106,977,788 (2007: 106, 963,188) for shareholders' approval at the forthcoming Annual General Meeting. The date of the Annual General Meeting and the book closure for the final dividend payment will be announced in due course.

8. **Segment information for the current financial year**

Segment information for the current financial year to 31 December 2008 is as follows:

	Pharmaceutical manufacturing	**Pharmaceutical trading, marketing and distribution**	**Medical products and services**	**Other operations**	**Eliminations**	**Group**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue						
External revenue	6,519	1,271,360	27,767	-	-	1,305,646
Inter-segment revenue	197,072	840	-	33,080	(230,992)	-
Total revenue	203,591	1,272,200	27,767	33,080	(230,992)	1,305,646
Results						
Segment results	44,074	62,137	(69)	22,977	(17,726)	111,393
Unallocated corporate expenses						(16,263)
Profit from operations						95,130
Interest expense	(2)	(4,083)	-	(5,536)	3,354	(6,267)
Interest income	-	795	-	3,354	(3,354)	795
Share of results from associate						941
Profit before income tax						90,599
Income tax and zakat						(29,190)
Profit for the year						**61,409**

8. Segment information for the current financial year (Continued)

	Pharmaceutical manufacturing	Pharmaceutical trading, marketing and distribution	Medical products and services	Other operations	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity holders of the Company						60,031
Minority interest						1,378
						61,409

9. Non current assets held for sale

Non current assets held for sale are:

(a) The property, plant and equipment of its subsidiary Pharmaniaga Trading (M) Sdn Bhd, with the carrying value of RM305,000 were sold to a third party for a consideration of RM429,000.

(b) an intention by the Group to dispose certain property, plant and equipment with a carrying value of RM32,689,000 in one of its subsidiary company, Safire Pharmaceuticals (M) Sdn. Bhd. to Idaman Pharma Sdn. Bhd., for a total consideration of RM35 million of which an initial deposit of RM350,000 has been paid; and

(c) during the financial year, the Board of Directors had resolved to dispose two lots of vacant freehold land of another subsidiary company with the carrying value of RM14,593,000.

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 year including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations except as disclosed below:

(a) the liquidation of the two dormant subsidiary companies of the Group, namely Pharmaniaga Medisystem Sdn. Bhd. and Pharmaniaga Diagnostics Sdn. Bhd. and an associated company, Rumpun Lagenda Sdn. Bhd. have been completed while one dormant subsidiary company of the Group, Pharmaniaga Trading (M) Sdn. Bhd. is in progress;

(b) on 2 July 2008, the Company had acquired 2 ordinary shares of RM1.00 each fully paid representing 100% equity interest in Pharmaniaga Biovention Sdn. Bhd. of which its application for bionexus status is currently in progress; and

(c) 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. Pharmaniaga Pegasus (Seychelles) Co. Ltd. ("Pharmaniaga Pegasus") has then appointed a legal representative for the participation in the Creditors Meeting and bankruptcy proceeding respectively. At the Creditors Meeting, various resolutions/arrangements were made as to asset-management matters, including the realisation of assets and the priority of claims. The Liquidation Committee will be carrying out the realisation, management and distribution of the assets.

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 2007 except as disclosed below:

	As at 01/01/2008	Increase	Decrease	As at 31/12/2008
	RM'000	RM'000	RM'000	RM'000
Bank performance and reimbursement bonds for concession business undertaken by a subsidiary company	45,000	-	-	45,000
Bank guarantees for projects and utilities undertaken by subsidiary companies	25,116	2,775	(11,375)	16,516
Total	70,116	2,775	(11,375)	61,516

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 31/12/2008
	RM'000
Authorised and contracted for:	
- acquisition of property, plant and equipment	7,698
Authorised but not contracted for:	
- acquisition of property, plant and equipment	3,681

13. Income tax and zakat

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	9,734	6,653	28,070	24,327
- Zakat	-	-	1,300	-
- (Over) / Under provision in respect of prior years	(669)	181	(669)	181
- Deferred taxation	(2,611)	(181)	(864)	-
Sub-total	6,454	6,653	27,837	24,508

13. **Income tax and zakat (Continued)**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Foreign taxation				
- Current taxation	234	667	1,969	1,763
- Deferred taxation	(114)	(195)	(616)	(91)
Sub-total	120	472	1,353	1,672
Grand Total	6,574	7,125	29,190	26,180

The effective tax rate for the current quarter and year are higher than statutory tax rate as a result of non-allowable expenses and losses in a subsidiary which has yet to commence operation coupled with certain plant and equipment in one of its manufacturing subsidiary which do not qualify for reinvestment allowance.

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

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

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

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

15b) **Investments in quoted securities**

There were no investments in quoted securities as at 31 December 2008.

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

There are no corporate proposals announced by Pharmaniaga Berhad ('Pharmaniaga") but not completed as at the date of this announcement except for:

(a) The updates on UEM Group Berhad ("UEM Group")'s mandatory take-over offer of Pharmaniaga are as follows:

On 28 August 2008, in accordance with Part II of the Malaysian Code on Take-Overs and Mergers, 1998, UEM Group extended a mandatory take-over offer for the remaining voting shares in Pharmaniaga that UEM Group does not already own ("Offer").

As at the closing date of the Offer on 6 November 2008, the shareholding position of UEM Group and persons acting in concert with it as at 5.00 p.m. was 92,868,619 Pharmaniaga shares representing 86.81% of the issued and paid up capital of Pharmaniaga.

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

The updates on UEM Group Berhad ("UEM Group")'s mandatory take-over offer of Pharmaniaga are as follows (continued):

Based on the Company's Record of Depositors as at 6 November 2008, the public shareholding spread of Pharmaniaga is 12.96%, comprising 13,864,307 ordinary shares of RM1.00 each in Pharmaniaga held by 803 public shareholders holding not less than 100 shares each. Consequently, Pharmaniaga does not comply with the requirement under Paragraph 8.15(1) of the Listing Requirements of Bursa Securities, of ensuring at least 25% of the total listed Pharmaniaga shares are in the hands of at least 1,000 public shareholders holding not less than 100 Pharmaniaga shares each ("Required Public Shareholding Spread"). Pharmaniaga had on 10 November 2008, sought Bursa Securities' approval for an extension of time to meet the Required Public Shareholding Spread.

As stated in UEM Group's Offer Document dated 18 September 2008 to the shareholders of Pharmaniaga, if Pharmaniaga does not comply with the Required Public Shareholding Spread and depending on the then market conditions, UEM Group will use its reasonable endeavours to rectify the public shareholding spread of Pharmaniaga within a period of 3 months from the closing date of the Offer.

On 4 December 2008, Pharmaniaga announced that Bursa Securities had granted an extension of time of six (6) months until 5 May 2009 for Pharmaniaga to comply with the Required Public Shareholding Spread.

(b) On 27 November 2008, the Company announced that one of its wholly-owned subsidiary company, Safire Pharmaceuticals (M) Sdn. Bhd. has entered into a sales and purchase agreement with Idaman Pharma Sdn. Bhd. for the proposed disposal of land and asset for a total consideration of RM35 million. The Directors are of the view that the transaction will be completed in 2009.

17. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 December 2008 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
Debt securities						
Domestic						
- Murabahah Commercial Paper	-	-	-	-	29,681	29,681
- Murabahah Medium Term Notes	-	14,843	14,843	-	15,000	15,000
Other borrowings						
Domestic						
- Bankers acceptance	-	-	-	-	12,012	12,012
- Term loan	8,550	-	8,550	19,800	-	19,800
Foreign						
Indonesia Rupiah						
- Term loan	2,709	-	2,709	19,251	-	19,251
- Time loan	-	-	-	29	-	29
- Hire purchase	136	-	136	134	-	134
TOTAL	**11,395**	**14,843**	**26,238**	**39,214**	**56,693**	**95,907**

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 2007, 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 defendable.

(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 4th Defendant and 3rd 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.

Safri and Hamimah have filed an appeal in the Court of Appeal against the decision of the High Court on 17 November 2008 in dismissing their various interlocutory applications. As there is no application for a stay of proceedings in the High Court and Court of Appeal by Safri and Hamimah, the High Court will fix the next date for the Company's application to strike out the Counterclaim by Safri and Hamimah in due course.

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 last quarter of 2008 grew by approximately 4.4% over the immediate preceding quarter ended 30 September 2008. The improvement was due mainly to an increase in concession sales, together with Medical Equipping Unit division sales of equipment to Institute Jantung Negara under the second contract awarded in August 2008.

The Group's profit before taxation of RM24.5 million for the fourth quarter ended 31 December 2008 was 38.9% higher than the immediate preceding quarter ended 30 September 2008 due to improved gross profit margins and the share of results of an associate company of RM0.9 million.

21. **Review of performance for the current quarter and year**

The Group's revenue for the final quarter of 2008 was RM328.2 million compared with RM292.8 million for the same quarter in 2007, which represented a growth of 12.1%. Sales to government hospitals (+24.0%), the private sector (+54.7%) and the Indonesian subsidiary, PT Millennium Pharmacon International Tbk ("MPI") (+17.9%) all showed improvement.

The Group's revenue for the year grew by 10.3% compared with 2007 performance, following improvements in concession sales (+9.7%), private sector sales (+60.9%) and at the Indonesia subsidiary, MPI (+14.0%).

21. **Review of performance for the current quarter and year (Continued)**

The Group's PBT for the final quarter and the year 2008 rose by 3.9% and 16.3% respectively, compared with the final quarter and full year performance in 2007. Gross profit margins improved significantly as a result of improved efficiencies in all areas of operations coupled with reduced finance costs due to lower borrowings.

22. **Prospects for 2009**

In view of the economic slowdown expected in 2009, the Group has tightened cost containment practices and will continue to strengthen operational efficiencies while focusing on improving product quality and level of services. Nevertheless, the Group does not expect to record the same level of growth as experienced in 2008 for the forthcoming financial year. Consequently, the Company has set its KPI targets for Revenue Growth and ROE at 6% and 15% respectively for the financial year ending 31 December 2009.

23. **Profit forecast**

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

24. **Earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
(a) Basic earnings per share				
Profit attributable to equity holders of the Company	17,789	16,069	60,031	50,080
Weighted average number of ordinary shares in issue ('000)	106,978	106,963	106,971	106,963
Basic earnings per share	**16.63 sen**	**15.02 sen**	**56.12 sen**	**46.82 sen**

The computation of diluted earnings per share for the current year ended 31 December 2008 was not calculated as the ESOS has since lapsed on 3 July 2008. Similar computation was not calculated for the preceding year ended 31 December 2007 as the potential ordinary shares were anti-dilutive as the average market price of the ordinary shares was lower than the ESOS price.

25. **Voluntary disclosure on Economic Profit ("EP") Statement and headline key performance indicators ("KPI")**

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
	RM'000	RM'000	RM'000	RM'000
Economic Profit	**13,072**	**10,646**	**49,286**	**35,417**

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 performance for the current year recorded RM49.3 million as compared to RM35.4 million last year. The underlying factor for the increase is in line with the better operational performance registered by the Group.

As previously announced, the Group set its main headline Key Performance Indicators ("KPI") for 2008 of 20% Revenue Growth and 18% Return on Equity ("ROE").

Based on the year end results, the Board of Directors announced that Revenue Growth and ROE came in at 10% and 16% respectively for 2008. Performance fell short of targets due to non-materialisation of new hospital equipping projects, lower than expected growth in government sales and the planned acquisition of a company in Indonesia has yet to materialise.

In view of the economic slowdown in 2009, the reduced revenue growth of 6% is primarily due to projected slower growth for the government sector. Government hospitals have been directed to adopt more prudent purchasing practices and to reduce the level of inventory carried at each hospital.

The reduced ROE target of 15% is mainly attributed to lower expected revenue growth.

By Order of the Board

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

Kuala Lumpur
26 February 2009