

V. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

11. Acquisitions and disposals of property, plant and equipment

	Current year quarter 30/09/2010 RM'000	Nine months to 30/09/2010 RM'000
Total acquisitions of property, plant and equipment	3,432	12,024
Total disposals of property, plant and equipment	-	1
Total profit on disposal	11	73

The proceeds of RM0.5million was received from the sale of non current assets transacted in previous year.

12. 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 2009 except as disclosed below:

<u>Description of contingent liabilities</u>	As at 01/01/2010 RM'000	Increase	Decrease	As at 30/09/2010 RM'000
Bank performance and reimbursement bonds for concession business undertaken by a subsidiary company	45,000	-	-	45,000
Bank guarantee for projects and utilities undertaken by subsidiary companies	19,360	912	(1,597)	18,675
	<u>64,360</u>	<u>912</u>	<u>(1,597)</u>	<u>63,675</u>

13. Capital commitments

There are no material capital commitments except as disclosed below:

	RM'000
Authorised and contracted for:	
Property, plant and equipment	6,784
Authorised but not contracted for:	
Property, plant and equipment	3,006

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

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14. Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2010 RM'000	Preceding year corresponding quarter 30/09/2009 RM'000	Nine months to 30/09/2010 RM'000	Nine months to 30/09/2009 RM'000
Current tax				
- Malaysian income tax	4,736	3,611	16,279	14,188
- foreign income tax	187	672	356	1,713
- over provision in prior years	400	-	(96)	-
Deferred tax				
- reversal of net temporary differences	447	(1,251)	(1,838)	(1,564)
	<u>5,770</u>	<u>3,032</u>	<u>14,701</u>	<u>14,337</u>

The Group's effective tax rate for the current quarter is 37.5%, which is higher than the statutory tax rate of 25% as a result of non-allowable expenses and losses in a subsidiary which has yet to commence operation.

15. Disposal of unquoted investments and/or properties

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

16a) Acquisitions and disposals of quoted securities

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

16b) Investments in quoted securities

There were no investments in quoted securities other than securities in existing subsidiary as at 30 September 2010.

17. Related party transactions

	Transaction value		Balance outstanding	
	Nine months ended		As at	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
Sales				
Subsidiaries of immediate holding company	2,005	6,354	9,619	20,898
Associates	-	-	1,298	1,542
	<u>2,005</u>	<u>6,354</u>	<u>10,917</u>	<u>22,440</u>
Purchases				
Immediate holding company	219	236	230	176
Subsidiaries of immediate holding company	2,845	1,975	22	210
Associates	10,990	13,329	1,335	1,552
	<u>14,054</u>	<u>15,540</u>	<u>1,587</u>	<u>1,938</u>

18 Status of corporate proposals announced but not completed as at the date of this announcement

Bursa Securities had through its letter dated 1 July 2010, granted a further extension of time of six (6) months from 30 June 2010 until 29 December 2010 for Pharmaniaga to comply with the Public Spread Requirement. As at the date of this announcement, Pharmaniaga's public shareholding spread stood at 13.06%.