Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 December 2012	Current Period		Cumulative Period	
(All figures are stated in RM'000)	**2012**	**2011**	**2012**	**2011**
Revenue	**482,404**	367,786	**1,812,346**	1,520,981
Cost of sales	**(425,083)**	(319,704)	**(1,519,189)**	(1,312,761)
Gross profit	**57,321**	48,082	**293,157**	208,220
Other income	**(659)**	212	**931**	1,576
Operating expenses	**(47,906)**	(30,729)	**(176,408)**	(133,057)
Finance cost	**(4,707)**	(1,372)	**(14,959)**	(4,164)
Interest income	**199**	175	**592**	948
Share of results of Associate	**-**	-	**-**	(337)
Profit before taxation	**4,248**	16,368	**103,313**	73,186
Zakat	**(350)**	-	**(350)**	(300)
Taxation	**(11,366)**	(4,186)	**(39,758)**	(20,101)
(Loss)/profit for the period/year	**(7,468)**	12,182	**63,205**	52,785
(Loss)/profit for the period/year attributable to:				
Owners of the parent	**(7,934)**	11,942	**61,710**	52,157
Non-controlling interest	**466**	240	**1,495**	628
(Loss)/profit for the period/year	**(7,468)**	12,182	**63,205**	52,785
(Loss)/earnings per share - sen				
Basic	**(6.74)**	10.15	**52.44**	44.32

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 31 December 2012	**Current Period**		**Cumulative Period**	
(All figures are stated in RM'000)	**2012**	**2011**	**2012**	**2011**
(Loss)/profit for the period/year	**(7,468)**	12,182	**63,205**	52,785
Other comprehensive loss, net of tax				
Foreign currency translation difference in respect of foreign operations	**(340)**	(1,455)	**(2,955)**	270
Recognition of actuarial gain/(losses)	**56**	(1,207)	**56**	(1,207)
	(284)	**(2,662)**	**(2,899)**	**(937)**
Total comprehensive (loss)/income for the period/year	**(7,752)**	**9,520**	**60,306**	**51,848**
Attributable to:				
Owners of the parent	**(9,716)**	9,702	**60,116**	51,642
Non-controlling interest	**1,964**	(182)	**190**	206
Total comprehensive (loss)/income for the period/year	**(7,752)**	9,520	**60,306**	51,848

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2012	As at 31 December 2011	As at 1 January 2011
(All figures are stated in RM'000)		**Restated***	**Restated***
ASSETS			
Non-current assets			
Property, plant and equipment	**339,660**	348,030	278,698
Prepaid lease payments	**1,126**	1,177	1,228
Investment in an Associate	**19**	19	5,427
Intangible assets	**149,523**	102,186	28,820
Deferred tax assets	**9,137**	12,307	10,945
	499,465	463,719	325,118
Current assets			
Inventories	**464,855**	384,614	230,013
Receivables	**218,289**	221,572	137,468
Tax recoverable	**5,664**	8,495	6,304
Deposits, cash and bank balances	**34,553**	55,075	102,977
	723,361	669,756	476,762
TOTAL ASSETS	**1,222,826**	1,133,475	801,880
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	**117,674**	106,978	106,978
Share premium	**11,751**	22,447	22,447
Foreign currency translation reserve	**(1,058)**	1,897	-
Retained earnings	**343,651**	334,710	292,186
Shareholders' equity	**472,018**	466,032	421,611
Non-controlling interest	**15,835**	15,645	15,439
Total equity	**487,853**	481,677	437,050
Non-current liabilities			
Loans and borrowings	**72**	102	59
Deferred tax liabilities	**5,137**	5,051	1,530
Provision for defined benefit plan	**6,036**	5,493	3,598
	11,245	10,646	5,187
Current liabilities			
Payables	**380,111**	440,648	325,034
Amount due to immediate holding company	**179**	223	97
Current tax liabilities	**2,461**	4,842	1,428
Loans and borrowings	**340,977**	188,218	33,084
Dividend payable	**-**	7,221	-
	723,728	641,152	359,643
Total liabilities	**734,973**	651,798	364,830
TOTAL EQUITY AND LIABILITIES	**1,222,826**	1,133,475	801,880

* Upon the adoption of the MFRS framework, the Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2011 and 1 January 2011 have been restated.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2012	Attributable to shareholders of the Company						
	Share Capital	* Share Premium	* Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
(All figures are stated in RM'000)							
At 1 January 2012 (restated)	**106,978**	**22,447**	**1,897**	**334,710**	**466,032**	**15,645**	**481,677**
Total comprehensive income/(loss) for the year	**-**	**-**	**(2,955)**	**63,071**	**60,116**	**190**	**60,306**
Transaction with owners							
Bonus issue	**10,696**	**(10,696)**	**-**	**-**	**-**	**-**	**-**
Dividends	**-**	**-**	**-**	**(54,130)**	**(54,130)**	**-**	**(54,130)**
At 31 December 2012	**117,674**	**11,751**	**(1,058)**	**343,651**	**472,018**	**15,835**	**487,853**
At 1 January 2011 (restated)	106,978	22,447	-	292,186	421,611	15,439	437,050
Total comprehensive income/(loss) for the year	-	-	1,897	49,745	51,642	206	51,848
Dividends	-	-	-	(7,221)	(7,221)	-	(7,221)
At 31 December 2011	106,978	22,447	1,897	334,710	466,032	15,645	481,677

* Denotes non distributable reserves

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 December 2012

(All figures are stated in RM'000)	2012	2011
Operating Activities		
Cash receipts from customers	**1,891,973**	1,536,468
Cash payments to suppliers and employees	**(1,821,683)**	(1,574,917)
Net cash generated from/(used in) operations	**70,290**	(38,449)
Interest paid	**(18,609)**	(4,152)
Tax paid	**(35,528)**	(23,450)
Interest received	**570**	950
Net cash generated from/(used in) operating activities	**16,723**	(65,101)
Investing Activities		
Settlement on acquisition of a subsidiary	**(48,868)**	(94,380)
Settlement on novation consideration (Note B22)	**(30,000)**	-
Purchase of property, plant and equipment	**(22,510)**	(30,492)
Purchase of intangible assets	**(26,273)**	(12,108)
Proceeds from disposal of property, plant and equipment	**367**	269
Proceeds from disposal of an associate	**-**	4,928
Net cash used in investing activities	**(127,284)**	(131,783)
Financing Activities		
Dividend paid	**(61,351)**	-
Net drawdown of short term borrowings	**150,847**	149,038
Net cash generated from financing activities	**89,496**	149,038
Net decrease in cash and cash equivalents	**(21,065)**	(47,846)
Effects of exchange rate changes	**543**	(56)
Cash and cash equivalent at beginning of year	**55,075**	102,977
Cash and cash equivalent at end of year	**34,553**	55,075
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**34,553**	**55,075**

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134")

A1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These unaudited condensed consolidated interim financial statements for the year ended 31 December 2012 have been prepared in accordance with MFRS134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These unaudited condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for the period covered by the Group's first MFRS annual financial statements for the year ended 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position is set out in Note A2.3 below. These notes include reconciliations at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

A2. Significant Accounting Policies

A2.1 Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2011 except as discussed below:

Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM3,885,000 (31 December 2011: RM3,885,000) were adjusted to retained earnings.

A2.2 Early adoption of MFRS 119 Employee Benefits

Amendment to MFRS 119 "Employee benefits" makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains or losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on the application of this amendment. The impact arising from the initial application of the amendment to the standard is disclosed in Note A2.3.

A2.3 Effects of transition from FRS to MFRS and early adoption of MFRS 119 Employee Benefits

The reconciliations for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

<u>Reconciliation as at 1 January 2011</u>

RM'000	FRS as at 1 January 2011	Transitioning adjustments	Early adoption of MFRS 119	MFRS as at 1 January 2011
Foreign currency translation reserve	(3,885)	3,885	-	-
Provision for defined benefit plan	3,175	-	423	3,598
Non-controlling interest	15,629	-	(190)	15,439
Retained earnings	296,304	(3,885)	(233)	292,186

A2. Significant Accounting Policies (cont'd)

A2.3 Effects of transition from FRS to MFRS and early adoption of MFRS 119 Employee Benefits (cont'd)

Reconciliation as at 31 December 2011

RM'000	FRS as at 31 December 2011	Transitioning adjustments	Early adoption of MFRS 119	Reclassifications	MFRS as at 31 December 2011
Foreign currency translation reserve	(1,988)	3,885	-	-	1,897
Property, plant and equipment	346,340	-	-	1,690	348,030
Prepaid lease payments	2,867	-	-	(1,690)	1,177
Provision for defined benefit plan	3,863	-	1,630	-	5,493
Non-controlling interest	14,360	-	(733)	2,018	15,645
Retained earnings	341,510	(3,885)	(897)	(2,018)	334,710

A2.4 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

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

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 101	Presentation of items of other comprehensive income	1 July 2012
MFRS 10	Consolidated financial statements	1 January 2013
MFRS 11	Joint arrangements	1 January 2013
MFRS 12	Disclosures on interests in other entities	1 January 2013
MFRS 13	Fair value measurements	1 January 2013
MFRS 127	Separate financial statements	1 January 2013
MFRS 128	Investments in associates and joint ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting financial assets and financial liabilities	1 January 2013
Amendments to MFRS 132	Offsetting financial assets and financial liabilities	1 January 2014
MFRS 9	Financial instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015

A3. Audit report in respect of the 2011 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2011 was not qualified.

A4. Seasonal or cyclical factors

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

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the period/year under review.

A6. Change in Estimates

There were no material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial year.

A7. Debt and equity securities

There were no 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 in the current financial year.

A8. Dividends

On 26 January 2012, the Company paid a first interim gross dividend of 9 sen (2010: Nil) per share, less taxation of 25% in respect of the financial year ended 31 December 2011 amounting to RM7.2 million (2010: Nil).

On 28 March 2012, the Company paid a second interim single tier dividend of 21 sen (2010: Nil) per share in respect of the financial year ended 31 December 2011 amounting to RM24.7 million (2010: Nil).

On 18 June 2012, the Company paid a first interim single tier dividend of 7.5 sen (2011: Nil) per share in respect of the financial year ending 31 December 2012 amounting to RM8.8 million (2011: Nil).

On 12 September 2012, the Company paid a second interim single tier dividend of 7.5 sen (2011: Nil) per share in respect of the financial year ending 31 December 2012 amounting to RM8.8 million (2011: Nil).

On 17 December 2012, the Company paid a third interim single tier dividend of 10.0 sen (2011: Nil) per share in respect of the financial year ending 31 December 2012 amounting to RM11.8 million (2011: Nil).

For the fourth quarter, the Directors have declared a fourth interim single tier dividend of 10 sen (2011: 30 sen) per share in respect of the year ended 31 December 2012. The dividend will be paid on 27 March 2013 to shareholders registered in the Register of Members at the close of business on 6 March 2013.

A9. Operating segments

Operating segment information for the year is as follows:

RM'000	Logistics and Distribution	Manufacturing	Eliminations	Total
2012				
Revenue				
External revenue	1,776,847	35,499	-	1,812,346
Inter-segment revenue	5,099	294,937	(300,036)	-
Total revenue	1,781,946	330,436	(300,036)	1,812,346
Results				
Segment results	70,579	76,525	(29,424)	117,680
Finance costs	(14,182)	(4,155)	3,378	(14,959)
Interest income	4,135	15	(3,558)	592
Profit before taxation	60,532	72,385	(29,604)	103,313
Taxation				(39,758)
Zakat				(350)
Profit for the year				63,205
2011				
Revenue				
External revenue	1,519,949	1,032	-	1,520,981
Inter-segment revenue	1,154	134,915	(136,069)	-
Total revenue	1,521,103	135,947	(136,069)	1,520,981
Results				
Segment results	62,927	9,221	4,591	76,739
Finance costs	(4,164)	-	-	(4,164)
Interest income	948	-	-	948
Share of results of associate	(337)	-	-	(337)
Profit before taxation	59,374	9,221	4,591	73,186
Taxation				(20,101)
Zakat				(300)
Profit for the year				52,785

A10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial year.

A11. Subsequent Event

There was no subsequent event as at 18 February 2013 that will materially affect the financial statements of the financial year under review.

A12. Changes in the Composition of the Group

There was no change in the composition of the Group for the current financial year ended 31 December 2012.

A13. Contingent Liabilities

No contingent liability has arisen since the financial year end.

A14. Capital Commitments

The Group has the following commitments as at 31 December 2012:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	12,528	5,316	17,844

A15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for year ended 31 December 2012.

A16. Intangible Assets

RM'000	Goodwill	Brand	Software	Right to supply	Total
Cost					
At 1 January 2012	89,825	1,000	5,104	12,108	108,037
Additions	-	-	-	77,668	77,668
Write off	-	(1,000)	-	-	(1,000)
Foreign exchange adjustments	-	-	(437)	-	(437)
At 31 December 2012	89,825	-	4,667	89,776	184,268
Accumulated amortisation					
At 1 January 2012	-	-	1,680	371	2,051
Amortisation charged	-	-	611	24,601	25,212
Foreign exchange adjustments	-	-	(171)	-	(171)
At 31 December 2012	-	-	2,120	24,972	27,092
Accumulated impairment					
At 1 January 2012	2,800	1,000	-	-	3,800
Impairment	4,853	-	-	-	4,853
Write off	-	(1,000)	-	-	(1,000)
At 31 December 2012	7,653	-	-	-	7,653
Net carrying value					
At 31 December 2012	82,172	-	2,547	64,804	149,523
At 31 December 2011	87,025	-	3,424	11,737	102,186

A16. Intangible Assets (cont'd)

A subsidiary of the Group had entered into Novation Agreement as mentioned in Note B22. Under the Novation Agreement, Idaman Pharma Sdn Bhd ("IPSB") will novate and transfer all its rights, benefits, liabilities and obligations under the Supply Agreement previously entered by IPSB and Pharmaniaga Logistics Sdn Bhd ("PLSB") for the supply of 45 pharmaceutical products by IPSB to PLSB for the period from 1 February 2011 to 31 January 2014. This novation consideration of RM51.083 million which represents the net present value of the margin income that IPSB would have generated under the Supply Agreement for the period 1 November 2011 until the expiry date.

During the year, the Group has written off the cost and accumulated impairment loss for “Brand” which represented the total rights and ownership of the brand name and intellectual properties, marketing and formulation of a range of natural skincare and body care products under the trademark “Botanique”. The write off does not have any financial impact in the current financial year.

B17. Performance Review

4th Quarter 2012 versus 4th Quarter 2011

The Group’s revenue in the current quarter was RM482.4 million, higher than the corresponding preceding quarter by 31.2% due to increased demand from both government and private sector coupled with consolidation of newly acquired subsidiary, Idaman Pharma Manufacturing Sdn Bhd.

The current quarter’s profit before tax was RM4.2 million, an underperformance against the corresponding preceding quarter’s result of RM16.4 million. The unfavourable results were mainly due to impairment of goodwill in a subsidiary company and amortisation of rights to supply in relation to acquisition of IPMSB.

Year ended 31 December 2012 versus Year ended 31 December 2011

The Group’s unaudited revenue for the current financial year was RM1.8 billion, up by 19.2% compared with the previous financial year. Higher sales volume to the Government coupled with improvement in operational efficiencies in both domestic and overseas business have contributed to an increase in revenue for the Group.

For the financial year ended 31 December 2012, the Group posted an unaudited profit before tax of RM103.3 million, which was 41.2% higher compared with a profit of RM73.2 million posted for the previous financial year.

The Group’s unaudited profit after tax of RM63.2 million was higher than last year’s profit after tax of RM52.8 million, reflecting a RM10.4 million increase or 19.7% jump. The tax rate for the current year was higher than statutory tax rate mainly due to the non-deductibility of certain expenses.

The **Logistics and Distribution Division** posted a slightly higher unaudited profit before tax of RM60.5 million compared with last year’s RM59.4 million mainly due to achievement of higher sales volume for the concession business and improvements in operational efficiencies. However, these were mitigated by higher operating expenses and impairment of goodwill in a subsidiary company.

The **Manufacturing Division** contributed a significantly higher profit before tax of RM42.8 million (2011: RM13.8 million). Amongst the contributing factors are contribution by newly acquired subsidiary, Idaman Pharma Manufacturing Sdn Bhd and improvement in manufacturing productivity and efficiency of the existing plants.

B18. Comparison Between the Current Quarter and the Immediate Preceding Quarter

The Group’s revenue in the current quarter was RM482.4 million, higher than the immediate preceding quarter by 13.1% due to increased demand from both government and private sector.

The current quarter’s profit before tax was RM4.2 million, an underperformance against the immediate preceding quarter’s result of RM28.5 million.

The **Logistics and Distribution Division** revenue was substantially higher compared with the immediate preceding quarter as a result of higher sales volume and new tenders awarded during the current quarter for the government sector. However, the Division posted a lower profit before tax for the current quarter mainly due to higher operating expenses and impairment of goodwill in a subsidiary company.

The **Manufacturing Division** recorded both lower revenue and profit before tax for the current quarter by a variance of RM5.4 million and RM17.1 million respectively compared with the immediate preceding quarter. The lower profit before tax was due to the annual maintenance production shutdown and lower production volume as part of inventory management measures.

B19. Prospects

The global economy remains challenging as there continue to be considerable uncertainties with the Euro zone crisis which is the greatest threat to the world economy at present. Despite the challenging market conditions and an increasingly competitive business environment, the outlook for the Malaysian economy remains stable next year, supported by continued strong domestic consumption and investment.

The Group will continue to seize opportunities and navigate challenges and look at ways to streamline and drive efficiency in its operations. The Group's strategy in 2013 is to continue focusing on business growth to increase its market share and maintain an overall favourable operating performance. Looking at the Group revenue base, both Logistics and Manufacturing Divisions continue to perform strongly.

The Board of Directors will endeavor to maintain the Group's performance and will continue to assess its internal and external risks whilst exploring new markets for its products both domestically and internationally. Going forward, the Group continues to make progress on its strategy particularly through increasing the sales exposure to growth businesses, notably private sector market and delivering a step-change in output from Research and Development. This will be supported with the Group's solid financial position and a strong management team which will make the long term growth potential and ability to deliver are real.

B20. Notes on variance in actual profit and shortfall in profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and shortfall in profit guarantee are not applicable.

B21. Income Tax

For the quarter ended 31 December 2012	**Current Period**		**Cumulative Period**	
RM'000	2012	2011	2012	2011
Taxation based on profit for the period/year :				
- Current	(1,433)	7,994	30,152	23,505
- Deferred	6,975	(1,864)	3,782	(1,387)
	5,542	6,130	33,934	22,118
Under/ (over) provision of prior years	5,824	(1,944)	5,824	(2,017)
	11,366	4,186	39,758	20,101

The Group's effective tax rate for the financial year is higher than the statutory tax rate of 25% principally due to certain expenses which were not deductible for tax purposes.

B22. Corporate Proposals

a) Novation Agreement between Pharmaniaga Logistics Sdn Bhd ("PLSB") and Idaman Pharma Manufacturing Sdn Bhd ("IPMSB") with Idaman Pharma Sdn Bhd ("IPSB")

On 23 March 2012, the Company announced that the Novation Agreement become unconditional and the novation of the PLSB-IPSB Supply Agreement by IPSB to IPMSB was effective on the same date. The Novation Consideration of RM30.0 million ("First Tranche Payment") was settled on 18 April 2012 while the remaining balance of RM 21.083 million ("Second Tranche Payment") will be paid in second quarter 2013.

b) Proposed Share Split and Bonus Issue

The Board has proposed a share split involving the subdivision of every one existing ordinary share of RM1.00 each into two ordinary shares of RM0.50 each. Following the share split, the Board has also proposed a bonus issue of new ordinary shares on the basis of one bonus share for every 10 subdivided shares held.

B23. Borrowings and Debt Securities - Unsecured

	31 December 2012 RM'000	31 December 2011 RM'000
Current:		
Bankers' acceptances	**149,518**	100,892
Revolving credits	**155,000**	50,000
Short term foreign time loan	**36,393**	37,305
Hire purchase	**66**	21
	340,977	188,218
Non-current:		
Hire purchase	**72**	102

Short term foreign time loan of RM36.4 million (2011: RM37.3 million) is denominated in Indonesian Rupiah (IDR) and is equivalent to IDR114,804 million (2011: IDR107,625 million).

B24. Realised and Unrealised Profits of the Group

The retained profits as at 31 December 2012 is analysed as follows:

	31 December 2012 RM'000	31 December 2011 RM'000 Restated
Total retained profits of the Group and its subsidiaries:		
- realised profits	**418,077**	412,256
- unrealised profits	**2,941**	486
	421,018	412,742
Less: Consolidation adjustments	**(77,367)**	(78,032)
Total Group retained profits as per consolidated accounts	**343,651**	334,710

B25. Additional Disclosures

For the quarter ended 31 December 2012	Current Period		Cumulative Period	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Depreciation and amortisation	**16,268**	6,333	**54,053**	22,475
Provision for and write off of receivables	**(2,850)**	109	**7,972**	415
Provision for and write off of inventories	**(471)**	4,107	**3,042**	16,393
Impairment of goodwill	**4,853**	-	**4,853**	-
Foreign exchange gain	**(494)**	412	**(207)**	(770)

Other than the items mentioned above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on derivatives, gain or loss on disposal of subsidiaries and exceptional items included in the results for the current quarter and financial year ended 31 December 2012.

B26. Economic Profit ("EP") Statement

For the quarter ended 31 December 2012	Cumulative Period	
	2012 RM'000	2011 RM'000
Economic profit	26,414	17,554

B27. Profit Forecast

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

B28. Earnings Per Share ("EPS")

For the quarter ended 31 December 2012	Current Period		Cumulative Period	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Profit attributable to shareholders of the Company	**(7,934)**	11,942	**61,710**	52,157
Weighted average number of ordinary shares in issue ('000)	**117,674**	117,674	**117,674**	117,674
Basic (loss)/earnings per share (sen)	**(6.74)**	10.15	**52.44**	44.32

The weighted average number of ordinary shares in issue for the purpose of the computation of the earnings per share as tabulated above had been adjusted retrospectively to reflect the Company's bonus issue which was completed on 20 February 2012.

B29. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 February 2013.

By Order of the Board

Kuala Lumpur
18 February 2013

SHARIFAH MALEK (LS00448)
NOR AZRINA ZAKARIA (LS0009161)