Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 December 2013	Current Period		Cumulative Period	
(All figures are stated in RM'000)	**2013**	**2012**	**2013**	**2012**
Revenue	**567,860**	482,404	**1,946,639**	1,812,346
Cost of sales	**(482,997)**	(425,083)	**(1,649,040)**	(1,519,189)
Gross profit	**84,863**	57,321	**297,599**	293,157
Other income	**(418)**	(659)	**598**	931
Operating expenses	**(48,161)**	(47,906)	**(191,787)**	(176,408)
Finance costs	**(3,757)**	(4,707)	**(14,665)**	(14,959)
Interest income	**480**	199	**1,252**	592
Profit before taxation	**33,007**	4,248	**92,997**	103,313
Zakat	**-**	(350)	**-**	(350)
Taxation	**(11,740)**	(11,366)	**(36,236)**	(39,758)
Profit/(loss) for the period/year	**21,267**	(7,468)	**56,761**	63,205
Profit for the period/year attributable to:				
Owners of the parent	**20,813**	(7,934)	**55,200**	61,710
Non-controlling interests	**454**	466	**1,561**	1,495
Profit/(loss) for the period/year	**21,267**	(7,468)	**56,761**	63,205
Earnings/(loss) per share - sen				
Basic	**8.04**	(3.06)*	**21.32**	23.84*

* The weighted average number of ordinary shares in issue for the purpose of the computation of the earnings per share had been adjusted retrospectively to reflect the Company's share split and bonus issue which were completed on 5 June 2013 as referred to in Note A7.

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 INCOME STATEMENT (CONTINUED)

For the quarter ended 31 December 2013	Current Period		Cumulative Period	
(All figures are stated in RM'000)	**2013**	**2012**	**2013**	**2012**
Profit/(loss) for the period/year	**21,267**	(7,468)	**56,761**	63,205
Other comprehensive income/(loss), net of tax				
Foreign currency translation difference in respect of foreign operations	**(1,260)**	(340)	**(5,588)**	(2,955)
Recognition of actuarial gain	**1,225**	56	**1,225**	56
	(35)	**(284)**	**(4,363)**	**(2,899)**
Total comprehensive income/(loss) for the period/year	**21,232**	**(7,752)**	**52,398**	**60,306**
Attributable to:				
Owners of the parent	**20,794**	(9,716)	**52,801**	60,116
Non-controlling interests	**438**	1,964	**(403)**	190
Total comprehensive income/(loss) for the period/year	**21,232**	(7,752)	**52,398**	60,306

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 2013	As at 31 December 2012
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	353,368	339,660
Prepaid lease payments	1,075	1,126
Investment in an Associate	19	19
Intangible assets	124,508	149,523
Deferred tax assets	8,511	9,137
	487,481	499,465
Current assets		
Inventories	410,531	464,855
Receivables	168,825	218,289
Tax recoverable	13,215	5,664
Deposits, cash and bank balances	32,900	34,553
	625,471	723,361
TOTAL ASSETS	1,112,952	1,222,826
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	129,441	117,674
Reserves	358,191	354,344
Shareholders' equity	487,632	472,018
Non-controlling interests	15,631	15,835
Total equity	503,263	487,853
Non-current liabilities		
Loans and borrowings	318	72
Deferred tax liabilities	14,720	5,137
Provision for defined benefit plan	4,789	6,036
	19,827	11,245
Current liabilities		
Payables	387,404	380,111
Amount due to immediate holding company	200	179
Current tax liabilities	2,696	2,461
Loans and borrowings	199,562	340,977
	589,862	723,728
Total liabilities	609,689	734,973
TOTAL EQUITY AND LIABILITIES	1,112,952	1,222,826

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

	Attributable to shareholders of the Company						
For the financial year ended 31 December 2013	**Share Capital**	*** Share Premium**	*** Exchange Reserve**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total Equity**
(All figures are stated in RM'000)							
At 1 January 2013	**117,674**	**11,751**	**(1,058)**	**343,651**	**472,018**	**15,835**	**487,853**
Total comprehensive income for the year	**-**	**-**	**(3,073)**	**55,874**	**52,801**	**(403)**	**52,398**
Non-controlling interest arising on incorporation of a new subsidiary	-	-	-	-	-	**199**	**199**
Transaction with owners							
Bonus issue	**11,767**	-	-	**(11,767)**	-	-	-
Dividends	-	-	-	**(37,187)**	**(37,187)**	-	**(37,187)**
At 31 December 2013	**129,441**	**11,751**	**(4,131)**	**350,571**	**487,632**	**15,631**	**503,263**
At 1 January 2012	106,978	22,447	1,897	334,710	466,032	15,645	481,677
Total comprehensive income 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

* 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 2013

(All figures are stated in RM'000)	**2013**	**2012**
Operating Activities		
Cash receipts from customers	**1,947,477**	1,891,973
Cash payments to suppliers and employees	**(1,648,569)**	(1,821,093)
Net cash generated from operations	**298,908**	70,880
Interest paid	**(16,149)**	(18,609)
Tax paid	**(33,578)**	(36,118)
Interest received	**1,213**	570
Net cash generated from operating activities	**250,394**	16,723
Investing Activities		
Acquisition of a subsidiary	**-**	(48,868)
Settlement on novation consideration	**(21,083)**	(30,000)
Purchase of property, plant and equipment	**(43,514)**	(22,510)
Purchase of intangible assets	**(15,205)**	(26,273)
Proceeds from disposal of property, plant and equipment	**301**	367
Net cash used in investing activities	**(79,501)**	(127,284)
Financing Activities		
Dividend paid	**(37,187)**	(61,351)
Net (repayment)/drawdown of borrowings	**(134,128)**	150,847
Net cash (used in)/generated from financing activities	**(171,315)**	89,496
Net decrease in cash and cash equivalents	**(422)**	(21,065)
Effects of exchange rate changes	**(1,231)**	543
Cash and cash equivalent at beginning of year	**34,553**	55,075
Cash and cash equivalent at end of year	**32,900**	34,553
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**32,900**	**34,553**

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

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

A1. Basis of Preparation

These unaudited condensed consolidated interim financial statements for the year ended 31 December 2013 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 should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. 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 2012.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the adoption of the following new Malaysian Financial Reporting Standards (MFRSs) and Amendments to MFRSs which are applicable for the Group's financial period beginning 1 January 2013.

A2.1 Adoption of MFRSs and Amendments to MFRSs

On 1 January 2013, the Group adopted the following MFRSs and Amendments to MFRSs:-

MFRS 10	Consolidated financial statements
MFRS 12	Disclosures on interests in other entities
MFRS 13	Fair value measurements
MFRS 127 (Revised)	Separate financial statements
MFRS 128 (Revised)	Investments in associates and joint ventures
Amendments to MFRS 7	Financial Instruments : Disclosures
Amendments to MFRS 10	Consolidated Financial Statements: 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 2009-2011 Cycle	

Adoption of the above MFRSs and Amendments to MFRSs did not have any material effect on the financial performance, position or presentation of the Group.

A2.2 MFRSs and Amendments to MFRSs issued but not yet effective

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

a) Financial year beginning on/after 1 January 2014

i) Amendments to MFRS 10 “Consolidated Financial Statements”, MFRS 12 “Disclosures of Interests in Other Entities” and MFRS 127 “Separate Financial Statements” (effective from 1 January 2014) introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.

ii) Amendment to MFRS 132 “Financial Instruments: Presentation” (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of ‘currently has a legally enforceable right of set-off’ that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

b) Financial year beginning on/after 1 January 2017

MFRS 9 “Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities” (effective no earlier than annual periods beginning on or after 1 January 2017) replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

A2. Significant Accounting Policies (Continued)

A2.2 MFRSs and Amendments to MFRSs issued but not yet effective (continued)

b) Financial year beginning on/after 1 January 2017 (continued)

For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess MFRS 9's full impact. The Group will also consider the impact of the remaining phases of MFRS 9 when completed by the Malaysian Accounting Standards Board.

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

A3. Audit report in respect of the 2012 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2012 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 year under review.

A6. Change in Estimates

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

A7. Debt and equity securities

On 5 June 2013, the Company completed the subdivision of every one existing ordinary share of RM1.00 each into two ordinary shares of RM0.50 each ("Subdivided shares") ("Share Split") and bonus issue of new ordinary shares on the basis of one bonus share for every 10 Subdivided shares held ("Bonus Issue").

Following the completion of the Share Split and Bonus Issue, the Company's issued and paid up share capital was increased from RM117.7 million to RM129.4 million by way of a bonus issue of 23,534,794 new ordinary shares of RM0.50 each on the basis of one new share for every ten existing shares held.

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 period.

A8. Dividends

On 28 June 2013, the Company paid a first interim single tier dividend of 3.41 sen (2012: 3.41 sen) per share in respect of the financial year ending 31 December 2013 amounting to RM8.8 million (2012: RM8.8 million).

On 24 September 2013, the Company paid a second interim single tier dividend of 3.41 sen (2012: 3.41 sen) per share in respect of the financial year ending 31 December 2013 amounting to RM8.8 million (2012: RM8.8 million).

On 24 December 2013, the Company paid a third interim single tier dividend of 3.00 sen (2012: 4.55 sen) per share in respect of the financial year ending 31 December 2013 amounting to RM7.8 million (2012: RM11.8 million).

For the fourth quarter, the Directors have declared a fourth interim single tier dividend of 6.20 sen (2012: 4.55 sen) per share in respect of the year ended 31 December 2013. The dividend will be paid on 2 April 2014 to shareholders registered in the Register of Members at the close of business on 12 March 2014.

The number of ordinary shares in issue for the purpose of the computation of the dividend per share for the 2013 first interim single tier dividend and 2012 had been adjusted retrospectively to reflect the Company's Share Split and Bonus Issue which were completed on 5 June 2013 as referred to in Note A7.

A9. Operating segments

Operating segment information for the year is as follows:

RM'000	Logistics and Distribution	Manufacturing	Eliminations	Total
2013				
Revenue				
External revenue	1,945,949	690	-	1,946,639
Inter-segment revenue	2,902	320,842	(323,744)	-
Total revenue	1,948,851	321,532	(323,744)	1,946,639
Results				
Segment results	32,247	62,914	11,249	106,410
Finance costs	(14,485)	(2,497)	2,317	(14,665)
Interest income	3,559	10	(2,317)	1,252
Profit before taxation	21,321	60,427	11,249	92,997
Taxation				(36,236)
Profit for the year				56,761
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

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 24 February 2014 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 2013 other than the subscription of 95% equity interest in PT Mega Pharmaniaga during the year.

A13. Contingent Liabilities

No contingent liability has arisen since the financial year end.

A14. Commitments

The Group has the following commitments as at 31 December 2013:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	9,524	36,171	45,695
Acquisition of a subsidiary	70,200	-	70,200
	79,724	36,171	115,895

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 2013.

A16. Intangible Assets

RM'000	**Goodwill**	**Software**	**Right to supply**	**Total**
Cost				
At 1 January 2013	89,825	4,054	89,776	183,655
Additions	-	-	15,205	15,205
Foreign exchange adjustments	-	(708)	-	(708)
At 31 December 2013	89,825	3,346	104,981	198,152
Accumulated amortisation				
At 1 January 2013	-	1,507	24,972	26,479
Amortisation charged	-	577	34,338	34,915
Foreign exchange adjustments	-	(403)	-	(403)
At 31 December 2013	-	1,681	59,310	60,991
Accumulated impairment				
At 1 January 2013	7,653	-	-	7,653
Impairment charged	5,000	-	-	5,000
At 31 December 2013	12,653	-	-	12,653
Net carrying value				
At 31 December 2013	77,172	1,665	45,671	124,508
At 31 December 2012	82,172	2,547	64,804	149,523

B17. Performance Review

4th Quarter 2013 versus 4th Quarter 2012

The Group's revenue in the current quarter was RM567.9 million, a double digit growth of 17.7% compared with RM482.4 million recorded in the corresponding period last year. The significant increase is due to higher demand from both concession and non-concession businesses.

As a result, the current quarter's profit before tax stood at RM33.0 million, more than six-fold increase from corresponding preceding quarter's result of RM4.2 million.

Year ended 31 December 2013 versus Year ended 31 December 2012

The Group's unaudited revenue for the current financial year of RM1.9 billion was 7.4% higher compared with the previous financial year. This was attributable to stronger contributions from non-concession business with new tenders awarded during the year as well as an organic growth for concession business.

For the financial year ended 31 December 2013, the Group posted an unaudited profit before tax of RM93.0 million, which was 10.0% lower compared with a profit of RM103.3 million in the previous financial year. The reduced profit was attributable to lower gross profit and higher operating expenses such as provision for doubtful debts and lower gross profit margin.

The Group's unaudited profit after tax of RM56.8 million was lower than last year's profit after tax of RM63.2 million, reflecting a RM6.4 million decrease or a 10.2% drop. The effective tax rate for the current year of 39.0% was higher than statutory tax rate mainly due to the non-deductibility of certain expenses.

The **Logistics and Distribution Division** posted a lower unaudited profit before tax of RM21.3 million, compared with last year's RM60.5 million as a result of higher provision for doubtful debts.

The **Manufacturing Division** contributed a significantly higher profit before tax of RM71.7 million (2012: RM42.8 million). This was attributable to the higher off-take for in-house products which led to increased production volumes.

B18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter

The Group's revenue in the current quarter was RM567.9 million, a double digit growth of 28.8% compared with RM440.8 million recorded in the preceding quarter. This has resulted in the achievement of current quarter's profit before tax amounting to RM33.0 million, a significant increase from the preceding quarter's result of RM13.5 million. The favourable performance is attributable to the increased demand from both concession and non-concession businesses.

The **Logistics & Distribution Division** revenue was substantially higher compared with the preceding quarter as a result of higher sales volume and new tenders awarded during the current quarter for both concession and non-concession business. This has translated into profit before tax of RM10.7 million for the current quarter against the preceding quarter's loss of RM3.4 million.

The **Manufacturing Division** also registered higher revenue and profit before tax for the current quarter by a variance of RM20.0 million and RM5.5 million respectively, compared with the preceding quarter. The improved performance was mainly due to higher off-take for in-house products which led to increased production volumes.

B19. Prospects

The Group remains mindful of balancing returns to shareholders whilst facilitating future growth. The Logistics & Distribution Division is expected to contribute positively to the Group's revenue, riding on strong demands for its concession products during the year. Similarly, the Manufacturing Division anticipates to register healthy growth despite the recent rise in operating costs such as fuel and electricity as this will be mitigated by prudent cost management.

In line with our efforts to expand within emerging markets, the Group intends to promote and sell its products to overseas customers through engaging more overseas distributors and business partners as well as expanding overseas market footprint through acquisition. With our recently acquired new manufacturing plant in Indonesia, it is anticipated that the Group's strategic manufacturing plans will contribute positively to the Group's long term revenue.

In July 2013, the Group was awarded the European Union (EU) certification for our small volume injectables manufacturing plant which will enable us to collaborate with multinational companies in the EU region for contract manufacturing projects. We will continue to transfer best practices from our domestic operations to accelerate business growth in its overseas operations. In the meantime, the Group will continue to devote efforts in research and development of new products.

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 2013	**Current Period**		**Cumulative Period**	
RM'000	**2013**	2012	**2013**	2012
Taxation based on profit for the year:				
- Current	**10,004**	(910)	**33,779**	30,675
- Deferred	**3,836**	6,449	**9,969**	3,256
	13,840	5,539	**43,748**	33,931
(Over)/underprovision of prior years:				
- Current	**(2,100)**	5,827	**(7,512)**	5,827
	11,740	11,366	**36,236**	39,758

The Group's effective tax rate for the current quarter and financial year ended 31 December 2013 are higher than the statutory tax rate of 25% principally due to certain expenses which were not deductible for tax purposes.

B22. Corporate Proposals

a) **Acquisition of a subsidiary**

On 29 August 2013, the Board of Directors of the Company has announced that Pharmaniaga International Corporation Sdn Bhd ("Pharmaniaga Corp") , a wholly-owned subsidiary of Pharmaniaga Berhad, and PT Dasar Technologi (collectively referred to as the "Purchasers") had entered into a Binding Agreement ("BA") with Sutjipto Tjengundoro and Hendrijanto Surjosuseno (collectively referred to as the "Sellers") to acquire 40,000 ordinary share in PT Errita Pharma ("ERRITA") representing the entire issued and paid up share capital of ERRITA for a cash payment of USD18.0 million and cash payment of up to USD6.0 million representing the total liabilities of ERRITA.

On 18 February 2014, a Supplementary Agreement to the BA dated 29 August 2013 was entered into between the Sellers and Purchasers ("Parties") to vary and amend the terms and conditions of the BA and consequently, the conditions precedent as set out in the BA have been fulfilled. Upon the fulfilment of the conditions precedent as set out in the BA, the Parties have proceeded to complete the Proposed Acquisition.

With the completion of the Proposed Acquisition, besides the liabilities of ERRITA which shall be payable in the manner as set out in the Escrow Agreement, the remaining outstanding liability payable by the Purchasers shall be a sum not exceeding USD5.4 million being the amount of tax payable to the relevant authorities pursuant to the BA. The Purchasers are expected to settle the said tax liability for a sum not exceeding USD5.4 million by 10 March 2014.

The total cost incurred by the Purchasers for the purpose of this acquisition shall be USD29.4 million, of which Pharmaniaga Corp shall bear USD22.05 million representing 75% of its equity interest in ERRITA.

On the same day, the following agreements have been entered into between the Parties:

(i) Akta Jual Beli between Sutjipto Tjengundoro and Pharmaniaga Corp to effect the transfer of shares of ERRITA in favour of Pharmaniaga Corp;

(ii) Shareholders' Agreement between Pharmaniaga Corp and PT Dasar Technologi to govern the relationship of the parties as the new shareholders of ERRITA; and

(iii) Escrow Agreement between Pharmaniaga Corp and Mr. Sutjipto Tjengundoro to effect the opening of escrow account with PT Bank Bukopin Tbk, acting as stakeholder and custodian of USD10.2 million being Total Liabilities of ERRITA which shall be maintained as security for the repayment of any liabilities of ERRITA in the manner as provided in the Escrow Agreement.

b) **Proposed joint venture**

On 20 May 2013, the Company has announced that a Joint Venture Agreement with Modern Healthcare Solutions Company Limited and Pharmaniaga Berhad ("Parties") to form and operate a joint venture limited liability company ("JV Company") in the Kingdom of Saudi Arabia. Upon the fulfillment of conditions precedent, the JV Company will be incorporated with each Party having a 50% equity interest in share capital of the JV Company.

On 17 February 2014, the Parties have agreed to extend the Long Stop Date (as defined in the Joint Venture Agreement) for another three (3) months until 17 May 2014 to finalise certain documentation required to effect the Closing (as defined in the Joint Venture Agreement).

B23. Borrowings and Debt Securities - Unsecured

	31 December 2013 RM'000	31 December 2012 RM'000
Current:		
Bankers' acceptances	**50,805**	149,518
Revolving credits	**105,000**	155,000
Short term foreign time loan	**43,596**	36,393
Hire purchase	**161**	66
	199,562	340,977
Non-current:		
Hire purchase	**318**	72

Short term foreign time loan of RM43.6 million (2012: RM36.4 million) is denominated in Indonesian Rupiah (IDR) and is equivalent to IDR162,067 million (2012: IDR114,804 million).

B24. Realised and Unrealised Profits of the Group

The retained profits as at 31 December 2013 is analysed as follows:

	31 December 2013 RM'000	31 December 2012 RM'000
Total retained profits of the Group and its subsidiaries:		
- realised profits	**373,704**	418,077
- unrealised profits	**(10,209)**	2,941
	363,495	421,018
Less: Consolidation adjustments	**(12,924)**	(77,367)
Total Group retained profits as per consolidated accounts	**350,571**	343,651

B25. Additional Disclosures

For the quarter ended 31 December 2013	**Current Period**		**Cumulative Period**	
	2013 RM'000	2012 RM'000	**2013 RM'000**	2012 RM'000
Depreciation and amortisation	**16,940**	16,268	**64,630**	54,053
Provision for and write off of receivables	**3,841**	(2,850)	**18,496**	7,972
Provision for and write off of inventories	**739**	(471)	**4,666**	3,042
Impairment of goodwill	**5,000**	4,853	**5,000**	4,853
Foreign exchange loss	**776**	(494)	**900**	(207)

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 2013.

B26. Economic Profit ("EP") Statement

	Year ended 31 December	
	2013 RM'000	**2012 RM'000**
Economic profit	(2,196)	26,414

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")

	Current Period		**Cumulative Period**	
	2013	**2012**	**2013**	**2012**
Profit attributable to shareholders of the Company (RM'000)	**20,813**	(7,934)	**55,200**	61,710
Weighted average number of ordinary shares in issue ('000)	**258,883**	**258,883***	**258,883**	**258,883***
Basic earnings per share (sen)	**8.04**	(3.06)	**21.32**	23.84

* The weighted average number of ordinary shares in issue for the purpose of the computation of earnings per share as tabulated above had been adjusted retrospectively to reflect the Company's share split and bonus issue which were completed on 5 June 2013 as referred to in Note A7.

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 24 February 2014.

By Order of the Board

Kuala Lumpur
24 February 2014

SURIATI ASHARI (LS0009029)
NOR AZRINA ZAKARIA (LS0009161)