Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 December 2015	Current Period		Cumulative Period	
(All figures are stated in RM'000)	**2015**	**2014**	**2015**	**2014**
Revenue	**680,150**	627,103	**2,189,312**	2,122,933
Cost of sales	**(585,971)**	(525,410)	**(1,836,459)**	(1,773,473)
Gross profit	**94,179**	101,693	**352,853**	349,460
Operating expenses	**(70,866)**	(58,866)	**(226,035)**	(208,403)
Finance costs	**105**	(5,449)	**(15,146)**	(16,768)
Interest income	**299**	476	**1,050**	1,291
Profit before zakat and taxation	**23,717**	37,854	**112,722**	125,580
Zakat	**-**	-	**(700)**	-
Taxation	**(7,676)**	(1,233)	**(27,438)**	(31,355)
Profit for the period/year	**16,041**	36,621	**84,584**	94,225
Profit for the period/year attributable to:				
Owners of the parent	**16,062**	36,697	**84,044**	93,844
Non-controlling interests	**(21)**	(76)	**540**	381
Profit for the period/year	**16,041**	36,621	**84,584**	94,225
Earnings per share - sen				
Basic and diluted	**6.20**	14.18	**32.46**	36.25

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 (CONTINUED)

For the quarter ended 31 December 2015	**Current Period**		**Cumulative Period**	
(All figures are stated in RM'000)	**2015**	**2014**	**2015**	**2014**
Profit for the period/year	**16,041**	36,621	**84,584**	94,225
Other comprehensive income, net of tax				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation difference for foreign operations	**4,298**	4,981	**14,185**	3,230
Recognition of actuarial (losses)/gains	**(201)**	201	**(201)**	201
	4,097	5,182	**13,984**	3,431
Total comprehensive income for the period/year	**20,138**	41,803	**98,568**	97,656
Attributable to:				
Owners of the parent	**18,714**	40,767	**93,506**	96,352
Non-controlling interests	**1,424**	1,036	**5,062**	1,304
Total comprehensive income for the period/year	**20,138**	41,803	**98,568**	97,656

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 2015	As at 31 December 2014
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	**406,184**	369,800
Prepaid lease payments	**2,628**	2,547
Intangible assets	**284,108**	232,982
Receivables	**9,587**	12,055
Deferred tax assets	**24,261**	21,070
	726,768	638,454
Current assets		
Inventories	**539,896**	427,035
Receivables	**195,255**	142,916
Tax recoverable	**11,186**	2,333
Deposits, cash and bank balances	**22,518**	31,982
	768,855	604,266
TOTAL ASSETS	**1,495,623**	1,242,720
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**129,441**	129,441
Reserves	**399,968**	397,071
Shareholders' equity	**529,409**	526,512
Non-controlling interests	**30,585**	25,523
Total equity	**559,994**	552,035
Non-current liabilities		
Loans and borrowings	**558**	1,060
Deferred tax liabilities	**33,419**	28,290
Provision for defined benefit plan	**7,501**	6,213
	41,478	35,563
Current liabilities		
Payables	**488,504**	448,554
Amount due to immediate holding company	**186**	227
Current tax liabilities	**5,652**	6,109
Deferred income	**196**	152
Loans and borrowings	**399,613**	200,080
	894,151	655,122
Total liabilities	**935,629**	690,685
TOTAL EQUITY AND LIABILITIES	**1,495,623**	1,242,720

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 year ended 31 December 2015	**Share Capital**	*** Share Premium**	*** Exchange Reserve**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total Equity**
(All figures are stated in RM'000)							
At 1 January 2015	**129,441**	**11,751**	**(1,730)**	**387,050**	**526,512**	**25,523**	**552,035**
Total comprehensive income for the year	**-**	**-**	**9,572**	**83,934**	**93,506**	**5,062**	**98,568**
Transactions with owners							
Dividends	-	-	-	**(90,609)**	**(90,609)**	**-**	**(90,609)**
At 31 December 2015	**129,441**	**11,751**	**7,842**	**380,375**	**529,409**	**30,585**	**559,994**
At 1 January 2014	129,441	11,751	(4,131)	350,571	487,632	15,631	503,263
Total comprehensive income for the year	-	-	2,401	93,951	96,352	1,304	97,656
Transactions with owners							
Dividends	-	-	-	(57,472)	(57,472)	-	(57,472)
Acquisition of a subsidiary	-	-	-	-	-	8,402	8,402
Issue of shares by a subsidiary	-	-	-	-	-	186	186
At 31 December 2014	129,441	11,751	(1,730)	387,050	526,512	25,523	552,035

* 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 year ended 31 December 2015

(All figures are stated in RM'000)	**2015**	**2014**
Operating Activities		
Cash receipts from customers	**2,170,373**	2,150,779
Cash payments to suppliers and employees	**(2,113,178)**	(1,900,696)
Net cash generated from operations	**57,195**	250,083
Interest paid	**(15,527)**	(16,573)
Tax paid	**(35,272)**	(21,338)
Interest received	**923**	1,307
Net cash generated from operating activities	**7,319**	213,479
Investing Activities		
Acquisition of a subsidiary	**-**	(69,264)
Issue of shares by a subsidiary	**-**	186
Purchase of property, plant and equipment	**(61,760)**	(31,434)
Purchase of intangible assets	**(57,325)**	(54,649)
Proceeds from disposal of property, plant and equipment	**240**	619
Net cash used in investing activities	**(118,845)**	(154,542)
Financing Activities		
Dividend paid	**(90,609)**	(57,472)
Net drawdown/(repayment) of borrowings	**191,455**	(2,633)
Net cash generated from/(used in) financing activities	**100,846**	(60,105)
Net decrease in cash and cash equivalents	**(10,680)**	(1,168)
Effects of exchange rate changes	**1,216**	250
Cash and cash equivalent at beginning of year	**31,982**	32,900
Cash and cash equivalent at end of year	**22,518**	31,982
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**22,518**	31,982

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 2015 have been prepared in accordance with MFRS 134 Interim Financial Reporting, IAS 34 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 2014. 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 2014.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014, except for the adoption of the following improvements and amendments to published standards which are applicable for the Group's financial period beginning 1 January 2015.

A2.1 Adoption of Improvements and Amendments to MFRSs

On 1 January 2015, the Group adopted the following improvements and amendments to MFRSs:-

Annual Improvements 2010 - 2012 Cycle
Annual Improvements 2011 - 2013 Cycle

The adoption of the above improvements and amendments to published standards did not have any significant impact on the financial statements 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 MFRSs 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 2016

i) Amendments to MFRS 116 ‘Property, plant and equipment’ and MFRS 138 ‘Intangible assets’ (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible assets are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

ii) Annual Improvements 2012- 2014 Cycle

b) Financial year beginning on/after 1 January 2018

i) MFRS 15 ‘Revenue from contracts with customers’ (effective from 1 January 2018) replaces MFRS 118 ‘Revenue’ and MFRS 111 ‘Construction contracts’ and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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 2018 (continued)

ii) MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. 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.

MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group is assessing the impact of the above standards, improvements and amendments to published standards on the financial statements of the Group in the year of initial adoption.

A3. Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 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

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. During the financial year, the Group has revised the useful lives of certain property, plant and equipment. The increase in the estimated useful lives of certain property, plant and equipment has resulted in the decrease in depreciation charge during the financial year and a corresponding increase in the carrying value of property, plant and equipment by RM4,740,219.

Other than the above, there were no other material changes in estimates of amounts reported in the current financial year or the previous financial year.

A7. Debt and equity securities

There were no 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 March 2015, the Company paid a fourth interim dividend of 12.0 sen (2013: 6.20 sen) per share in respect of the financial year ended 31 December 2014 amounting to RM31.1 million (2013: RM16.0 million).

On 25 June 2015, the Company paid a first interim dividend of 7.0 sen (2014: 4.0 sen) per share in respect of the financial year ended 31 December 2015 amounting to RM18.1 million (2014: RM10.4 million).

On 15 September 2015, the Company paid a second interim dividend of 7.0 sen (2014: 4.0 sen) per share in respect of the financial year ended 31 December 2015 amounting to RM18.1 million (2014: RM10.4 million).

On 21 December 2015, the Company paid a third interim dividend of 9.0 sen (2014: 8.0 sen) per share in respect of the financial year ended 31 December 2015 amounting to RM23.3 million (2014: RM20.7 million).

For the fourth quarter, the Directors have declared a fourth interim dividend of 7.0 sen (2014: 12.0 sen) per share in respect of the financial year ended 31 December 2015. The dividend will be paid on 25 March 2016 to shareholders registered in the Register of Members at the close of business on 3 March 2016.

A9. Operating segments

Operating segment information for the year is as follows:

RM'000	**Logistics and Distribution**	**Manufacturing**	**Eliminations**	**Total**
2015				
Revenue				
External revenue	2,167,906	21,406	-	2,189,312
Inter-segment revenue	7,460	361,728	(369,188)	-
Total revenue	2,175,366	383,134	(369,188)	2,189,312
Results				
Segment results	24,326	111,564	(9,072)	126,818
Finance costs	(15,152)	(2,249)	2,255	(15,146)
Interest income	3,119	186	(2,255)	1,050
Profit before zakat and taxation	12,293	109,501	(9,072)	112,722
Zakat				(700)
Taxation				(27,438)
Profit for the year				84,584
2014				
Revenue				
External revenue	2,103,832	19,101	-	2,122,933
Inter-segment revenue	5,249	351,036	(356,285)	-
Total revenue	2,109,081	370,137	(356,285)	2,122,933
Results				
Segment results	53,775	95,461	(8,179)	141,057
Finance costs	(16,615)	(1,774)	1,621	(16,768)
Interest income	2,895	17	(1,621)	1,291
Profit before taxation	40,055	93,704	(8,179)	125,580
Taxation				(31,355)
Profit for the year				94,225

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 15 February 2016 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 2015.

A13. Contingent Liabilities

There is a claim by E*HealthLine.com Inc. ("EHL") against Modern Industrial Investment Holding Group Company Ltd ("Modern") and Pharmaniaga Berhad ("Pharmaniaga") relating to a non-binding Memorandum of Collaboration ("MOC") which has lapsed.

EHL's claims are contested by Modern and Pharmaniaga (collectively known as "Parties") because subsequent to the expiry of the MOC, neither Parties have entered into any other agreement and/or arrangement with EHL.

Other than the above, there is no other contingent liability has arisen since the financial year end.

A14. Commitments

The Group has the following commitments as at 31 December 2015:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	21,515	12,302	33,817
Intangible assets	478	-	478
Acquisition of a subsidiary	-	3,500	3,500

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 2014.

A16. Intangible Assets

RM'000	Goodwill	Software	Capitalised development costs of work-in-progress	Pharmacy manufacturing licence and trade name	Rights to supply	Total
Cost						
At 1 January 2015	139,327	3,538	1,042	19,430	110,391	273,728
Additions	938	-	5,060	-	66,766	72,764
Foreign exchange adjustments	5,406	426	-	1,998	-	7,830
At 31 December 2015	145,671	3,964	6,102	21,428	177,157	354,322
Accumulated amortisation						
At 1 January 2015	-	2,310	-	1,827	23,956	28,093
Amortisation charged	-	523	-	2,008	26,399	28,930
Foreign exchange adjustments	-	350	-	188	-	538
At 31 December 2015	-	3,183	-	4,023	50,355	57,561
Accumulated impairment						
At 1 January/31 December 2015	12,653	-	-	-	-	12,653
Net carrying value						
At 31 December 2015	133,018	781	6,102	17,405	126,802	284,108
At 31 December 2014	126,674	1,228	1,042	17,603	86,435	232,982

During the first quarter, the Group has completed the purchase price allocation for the acquisition of PT Errita Pharma as required by MFRS 3 "Business Combination". Based on the final assessment, there is no adjustment to the provisional goodwill of RM48.8 million.

B17. Performance Review

Quarter 4 2015 vs Quarter 4 2014

For the fourth quarter, the Group recorded an improved revenue of RM680.1 million, compared with RM627.1 million in the previous year's corresponding quarter. This was mainly as a result of higher demand from Government hospitals in the quarter under review as well as increased contributions from the Group's Indonesian operations.

Meanwhile, profit before tax (PBT) came in at RM23.7 million compared with RM37.9 million in the same quarter last year, largely due to increased promotional activities, research and development expenses, higher selling and distribution as well as amortisation for the Pharmacy Information System.

Year ended 31 December 2015 vs Year ended 31 December 2014

For the financial year ended 31 December 2015, the Group recorded a higher turnover of RM2.2 billion from RM2.1 billion last year. Key drivers were stronger contributions from the private sector business and the Group's overseas operations.

Meanwhile, PBT declined to RM112.7 million compared with RM125.6 million in the previous year. This was primarily attributable to reduced Government orders and amortisation for the Pharmacy Information System during the year.

The **Logistics and Distribution Division** posted a PBT of RM12.3 million, compared with RM40 million in the previous year. This was mainly due to lower Government orders, increased promotional activities, higher selling and distribution expenses as well as amortisation for the Pharmacy Information System.

The **Manufacturing Division** delivered a higher PBT of RM100.4 million compared with RM85.5 million last year, as a result of lower manufacturing costs arising from ongoing cost optimisation and efficiency measures across the Group's manufacturing plants.

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

For the current quarter, the Group recorded a higher revenue of RM680.1 million, a 29.7% increase from RM524.4 million in the preceding quarter. This was mainly due to higher orders from Government hospitals under the concession and non-concession businesses in the quarter under review. PBT for the current quarter was RM23.7 million, a slight drop from RM25.3 million in the preceding quarter, primarily attributable to increased promotional activities and expenses, although this was offset by lower finance costs.

The **Logistics and Distribution Division** recorded a PBT of RM2.5 million compared with RM0.3 million in the preceding quarter, as a result of lower finance costs.

The **Manufacturing Division** registered a PBT of RM21.1 million from RM25.1 million in the preceding quarter. This was due to reduced Government orders for in-house products.

B19. Prospects

While external economic pressures will continue to persist in 2016, there are bright prospects for the pharmaceutical sector that the Group is well positioned to tap into. A clear reflection of this are the initiatives outlined in the National Budget 2016, which include a higher allocation for vaccines and medicines, an increase in the number of GST zero-rated medicines, as well as more clinics and hospitals to be built nationwide.

In addition, the Group aims to expand its presence in the European Union via its product portfolio, which is undergoing the necessary review and registration process. It also intends to mould its Indonesian manufacturing subsidiary into an important manufacturing and export hub for the ASEAN region.

The Group is focused on leveraging on these opportunities by enhancing and diversifying its products and services to meet the growing needs of the healthcare industry, both in Malaysia and international markets.

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

	Current Period		Cumulative Period	
RM'000	**2015**	2014	**2015**	2014
Taxation based on profit for the period/year:				
- Current	**4,651**	13,947	**28,228**	33,730
- Deferred	**3,025**	(14,195)	**4,219**	(5,392)
	7,676	(248)	**32,447**	28,338
(Over)/under provision in prior years:				
- Current	**-**	1,481	**(2,569)**	2,069
- Deferred	**-**	-	**(2,440)**	948
	-	1,481	**(5,009)**	3,017
	7,676	1,233	**27,438**	31,355

The Group's effective tax rate is lower than the statutory tax rate of 25% principally due to over provision of deferred tax liability and current tax in prior year.

B22. Corporate Proposal

a) Proposed acquisition of a subsidiary

On 28 August 2015, the Company announced that a conditional Share Purchase Agreement ("Share SPA") between Dato' Dr Kattayat Mohandas A/L C P Narayana ("Vendor") and Pharmaniaga Berhad (collectively known as "the Parties") had been signed to acquire the existing 1,400,000 ordinary shares of RM1.00 each in Bio-Collagen Technologies Sdn Bhd ("BCTSB") representing 70% of the total issued and paid up share capital of BCTSB for a total cash consideration of RM3,500,000 only.

The Company and BCTSB will need to fulfill a list of Conditions Precedent (“CP”) as provided in the Share SPA thereto within the three (3) months from the date of the Share SPA i.e. 27 November 2015 (“Initial Cut-Off Date”). The Initial Cut-Off Date has been extended to 18 January 2016 (“the Extended Cut-Off Date”) upon the Vendor’s request due to the complexity and lengthy processes in complying with the CP. On 14 January 2016, the Parties have mutually agreed to extend the Extended Cut-Off Date to another 60 days (i.e. 17 March 2016 “2nd Extended Cut-Off Date”).

As at date of this report, the completion of the proposed acquisition of BCTSB is pending fulfilment of CP by the Vendor.

b) Proposed Establishment of a Share Issuance Scheme

On 13 January 2016, the Company announced the Proposed Establishment of a Share Issuance Scheme for the Eligible Employees of the Pharmaniaga Berhad and its subsidiaries (“Pharmaniaga Group”) and Directors of the Company (excluding any Directors of Pharmaniaga’s subsidiaries) (collectively known as “Eligible Persons”) (“Proposed Scheme”). Under the Proposed Scheme, the Company can issue up to 15% of the issued and paid-up ordinary share capital of Pharmaniaga (excluding treasury shares) at any time during the duration of the Proposed Scheme for the Eligible Persons who fulfil the eligibility criteria set out in Proposed Scheme.

The Proposed Scheme serves to attract, retain, motivate and reward valuable employees of Pharmaniaga Group and Directors of the Company through the award of ordinary shares of RM0.50 each in Pharmaniaga Berhad (“Pharmaniaga Shares”) or the rights to subscribe for Pharmaniaga Shares as determined by a committee to be established to administer the Proposed Scheme (“Scheme Committee”) in accordance to the by-laws governing the Proposed Scheme.

The Proposed Scheme is subject to the following approvals being obtained:

(i) the approval of Bursa Securities Malaysia Berhad, for the listing of and quotation for the new Pharmaniaga Shares to be issued pursuant to the Proposed Scheme;
(ii) the approval of the shareholders of the Company, at the extraordinary general meeting to be convened; and
(iii) the approval of any other relevant authorities, if required.

B23. Borrowings and Debt Securities - Unsecured

	31 December 2015 RM'000	31 December 2014 RM'000
Current:		
Bankers' acceptances	**73,662**	23,566
Revolving credits	**245,000**	115,000
Short term foreign time loan	**80,384**	60,968
Hire purchase	**567**	546
	399,613	200,080
Non-current:		
Hire purchase	**558**	1,060

Short term foreign time loan of RM80.4 million (2014: RM61.0 million) is denominated in Indonesian Rupiah (IDR) and is equivalent to IDR258,469 million (2014: IDR216,199 million).

Included in short term borrowings is RM4.2 million (2014: RM1.7 million) Indonesian Rupiah (IDR) denominated bankers' acceptances equivalent to IDR13,673 million (2014: IDR6,000 million).

B24. Realised and Unrealised Profits of the Group

The retained profits as at 31 December 2015 is analysed as follows:

	31 December 2015 RM'000	31 December 2014 RM'000
Total retained profits of the Group and its subsidiaries:		
- realised profits	**411,380**	405,063
- unrealised losses	**(14,549)**	(8,819)
	396,831	396,244
Less: Consolidation adjustments	**(16,456)**	(9,194)
Total Group retained profits as per consolidated accounts	**380,375**	387,050

B25. Additional Disclosures

	Current Period		**Cumulative Period**	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Depreciation and amortisation	**16,807**	14,694	**57,037**	49,724
(Reversal of)/provision for impairment losses and write off of receivables	**(6,796)**	260	**(6,630)**	3,844
Provision for and write off of inventories	**5,099**	2,119	**7,924**	13,260
Impairment of investment in an associate	**-**	19	**-**	19
Foreign exchange losses	**305**	819	**3,372**	803

Other than the items mentioned above which have been included in the consolidated income statement and consolidated 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 year ended 31 December 2015.

B26. Economic Profit Statement

	Cumulative Period	
	2015 RM'000	**2014 RM'000**
Economic profit	**(11,071)**	23,769

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

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**	
	2015	**2014**	**2015**	**2014**
Profit attributable to shareholders of the Company (RM'000)	**16,062**	36,697	**84,044**	93,844
Weighted average number of ordinary shares in issue ('000)	**258,883**	258,883	**258,883**	258,883
Basic and diluted earnings per share (sen)	**6.20**	14.18	**32.46**	36.25

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 15 February 2016.

By Order of the Board

Kuala Lumpur
15 February 2016

TASNEEM MOHD DAHALAN (LS0006966)