Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 March 2016	**Current Period**		**Cumulative Period**	
(All figures are stated in RM'000)	**2016**	**2015**	**2016**	**2015**
Revenue	**559,195**	471,904	**559,195**	471,904
Cost of sales	**(475,080)**	(381,337)	**(475,080)**	(381,337)
Gross profit	**84,115**	90,567	**84,115**	90,567
Operating expenses	**(50,353)**	(48,262)	**(50,353)**	(48,262)
Finance costs	**(7,542)**	(3,948)	**(7,542)**	(3,948)
Interest income	**318**	255	**318**	255
Profit before taxation	**26,538**	38,612	**26,538**	38,612
Taxation	**(8,068)**	(6,686)	**(8,068)**	(6,686)
Profit for the period	**18,470**	31,926	**18,470**	31,926
Profit for the period attributable to:				
Owners of the parent	**18,379**	31,794	**18,379**	31,794
Non-controlling interests	**91**	132	**91**	132
Profit for the period	**18,470**	31,926	**18,470**	31,926
Earnings per share - sen				
Basic and diluted	**7.10**	12.28	**7.10**	12.28

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 March 2016	**Current Period**		**Cumulative Period**	
(All figures are stated in RM'000)	**2016**	**2015**	**2016**	**2015**
Profit for the period	**18,470**	31,926	**18,470**	31,926
Other comprehensive (loss)/income, net of tax				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation difference for foreign operations	**(7,863)**	1,499	**(7,863)**	1,499
	(7,863)	1,499	**(7,863)**	1,499
Total comprehensive income for the period	**10,607**	33,425	**10,607**	33,425
Attributable to:				
Owners of the parent	**13,088**	32,825	**13,088**	32,825
Non-controlling interests	**(2,481)**	600	**(2,481)**	600
Total comprehensive income for the period	**10,607**	33,425	**10,607**	33,425

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 March 2016	As at 31 December 2015
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	**406,396**	406,184
Prepaid lease payments	**2,499**	2,628
Intangible assets	**278,008**	284,108
Receivables	**27,942**	9,587
Deferred tax assets	**27,489**	24,261
	742,334	726,768
Current assets		
Inventories	**518,361**	539,896
Receivables	**272,204**	195,255
Tax recoverable	**12,524**	11,186
Deposits, cash and bank balances	**28,202**	22,518
	831,291	768,855
TOTAL ASSETS	**1,573,625**	1,495,623
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**129,441**	129,441
Reserves	**386,385**	399,968
Shareholders' equity	**515,826**	529,409
Non-controlling interests	**24,679**	30,585
Total equity	**540,505**	559,994
Non-current liabilities		
Loans and borrowings	**380**	558
Deferred tax liabilities	**36,099**	33,419
Provision for defined benefit plan	**7,433**	7,501
	43,912	41,478
Current liabilities		
Payables	**384,030**	488,504
Amount due to immediate holding company	**34**	186
Current tax liabilities	**7,712**	5,652
Deferred income	**246**	196
Loans and borrowings	**597,186**	399,613
	989,208	894,151
Total liabilities	**1,033,120**	935,629
TOTAL EQUITY AND LIABILITIES	**1,573,625**	1,495,623

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 quarter ended 31 March 2016	**Share Capital**	*** Share Premium**	*** Exchange Reserve**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total Equity**
(All figures are stated in RM'000)							
At 1 January 2016	**129,441**	**11,751**	**7,842**	**380,375**	**529,409**	**30,585**	**559,994**
Total comprehensive (loss)/income for the period	**-**	**-**	**(5,291)**	**18,379**	**13,088**	**(2,481)**	**10,607**
Transactions with owners							
Accretion of interest in a subsidiary	-	-	-	**(8,549)**	**(8,549)**	**(3,425)**	**(11,974)**
Dividends	-	-	-	**(18,122)**	**(18,122)**	-	**(18,122)**
	-	**-**	**-**	**(26,671)**	**(26,671)**	**(3,425)**	**(30,096)**
At 31 March 2016	**129,441**	**11,751**	**2,551**	**372,083**	**515,826**	**24,679**	**540,505**
At 1 January 2015	129,441	11,751	**(1,730)**	**387,050**	526,512	**25,523**	552,035
Total comprehensive income for the period	-	-	1,032	31,793	32,825	600	33,425
Transactions with owners							
Dividends	-	-	-	(31,066)	(31,066)	-	(31,066)
At 31 March 2015	129,441	11,751	(698)	387,777	528,271	26,123	554,394

* 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 March 2016

(All figures are stated in RM'000)	2016	2015
Operating Activities		
Cash receipts from customers	**474,152**	411,123
Cash payments to suppliers and employees	**(591,464)**	(526,584)
Net cash used in operations	**(117,312)**	(115,461)
Interest paid	**(6,750)**	(3,990)
Tax paid	**(8,011)**	(6,230)
Interest received	**270**	206
Net cash used in operating activities	**(131,803)**	(125,475)
Investing Activities		
Acquisition of a subsidiary	**(11,973)**	-
Advance to a corporate shareholder of a subsidiary	**(17,960)**	-
Purchase of property, plant and equipment	**(9,244)**	(3,787)
Purchase of intangible assets	**(7,006)**	(2,533)
Proceeds from disposal of property, plant and equipment	**5**	-
Net cash used in investing activities	**(46,178)**	(6,320)
Financing Activities		
Dividend paid	**(18,122)**	(31,066)
Net drawdown of borrowings	**202,535**	161,960
Net cash generated from financing activities	**184,413**	130,894
Net increase/(decrease) in cash and cash equivalents	**6,432**	(901)
Effects of exchange rate changes	**(748)**	532
Cash and cash equivalent at beginning of period	**22,518**	31,982
Cash and cash equivalent at end of period	**28,202**	31,613
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**28,202**	31,613

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 period ended 31 March 2016 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 2015. 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 2015.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2015, except for the adoption of the following improvements and amendments to published standards that are effective for the Group's financial year beginning on or after 1 January 2016.

A2.1 Adoption of Improvements and Amendments to MFRSs

On 1 January 2016, the Group adopted the following improvements and amendments to MFRSs:-

Annual Improvements 2012- 2014 Cycle	Amendments to MFRS 7 ‘Financial Instruments’, MFRS 119 ‘Employee Benefits’ and MFRS 134 ‘Interim Financial Reporting’
Amendments to MFRS 116 ‘Property, plant and equipment’ and MFRS 138 ‘Intangible assets’	Clarification of Acceptable Methods of Depreciation and Amortisation

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 2017

i) Amendments to MFRS 107 ‘Statement of Cash Flows – Disclosure Initiative’ (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities, both changes arising from cash flows and non-cash changes.

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

One way to fulfil the disclosure requirement is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.

If an entity provides the disclosure required in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities.

ii) Amendments to MFRS 112 ‘Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses’ (effective from 1 January 2017) clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences. The amendments shall be applied retrospectively.

A2. Significant Accounting Policies (Continued)

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

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: (continued)

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.

ii) MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 'Financial Instruments: Recognition and Measurement'.

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.

c) Financial year beginning on/after 1 January 2019

MFRS 16 'Leases' (effective from 1 January 2019) supersedes MFRS 117 'Leases' and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the income statement.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group is assessing the impact of the above standards 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 2015 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2015 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 under review.

A6. Change in Estimates

There were no material changes in estimates of amounts reported in the current financial period. Other than as disclosed in the audited financial statements for the financial year ended 31 December 2015, there is no other material changes in estimates in 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 period.

A8. Dividends

On 25 March 2016, the Company paid a fourth interim dividend of 7.0 sen (2014: 12.0 sen) per share in respect of the financial year ended 31 December 2015 amounting to RM18.1 million (2014: RM31.1 million).

For the first quarter, the Directors have declared a first interim dividend of 4.0 sen (2015: 7.0 sen) per share in respect of the financial year ending 31 December 2016. The dividend will be paid on 28 June 2016 to shareholders registered in the Register of Members at the close of business on 3 June 2016.

A9. Operating segments

Operating segment information for the period is as follows:

RM'000	Logistics and Distribution	Manufacturing	Eliminations	Total
2016				
Revenue				
External revenue	550,753	8,442	-	559,195
Inter-segment revenue	1,734	99,605	(101,339)	-
Total revenue	552,487	108,047	(101,339)	559,195
Results				
Segment results	7,652	32,759	(6,649)	33,762
Finance costs	(7,350)	(571)	379	(7,542)
Interest income	526	171	(379)	318
Profit before taxation	828	32,359	(6,649)	26,538
Taxation				(8,068)
Profit for the period				18,470
2015				
Revenue				
External revenue	468,226	3,678	-	471,904
Inter-segment revenue	1,774	93,773	(95,547)	-
Total revenue	470,000	97,451	(95,547)	471,904
Results				
Segment results	13,981	32,682	(4,358)	42,305
Finance costs	(3,828)	(520)	400	(3,948)
Interest income	649	6	(400)	255
Profit before taxation	10,802	32,168	(4,358)	38,612
Taxation				(6,686)
Profit for the period				31,926

A10. Carrying Amount of Revalued Assets

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

A11. Subsequent Event

There was no subsequent event as at 13 May 2016 that will materially affect the financial statements of the financial period under review.

A12. Changes in the Composition of the Group

There was no change in the composition of the Group for the current financial period ended 31 March 2016 other than the acquisition of 10% equity interest in PT Errita Pharma during the period.

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.

The status of the contingent liabilities disclosed in the audited financial statements for the year ended 31 December 2015 remains unchanged as at 13 May 2016. Other than the above, there is no other contingent liability has arisen since the financial period end.

A14. Commitments

The Group has the following commitments as at 31 March 2016:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	39,721	3,039	42,760
Intangible assets	1,004	-	1,004
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 audited financial statements as at and for year ended 31 December 2015.

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 2016	145,671	3,965	6,101	21,428	177,157	354,322
Additions	-	-	603	-	6,604	7,207
Foreign exchange adjustments	(3,169)	(249)	-	(1,169)	-	(4,587)
At 31 March 2016	142,502	3,716	6,704	20,259	183,761	356,942
Accumulated amortisation						
At 1 January 2016	-	3,183	-	4,023	50,355	57,561
Amortisation charged	-	140	-	538	8,364	9,042
Foreign exchange adjustments	-	(212)	-	(110)	-	(322)
At 31 March 2016	-	3,111	-	4,451	58,719	66,281
Accumulated impairment						
At 1 January/31 March 2016	12,653	-	-	-	-	12,653
Net carrying value						
At 31 March 2016	129,849	605	6,704	15,808	125,042	278,008
At 31 December 2015	133,018	782	6,101	17,405	126,802	284,108

B17. Performance Review

Quarter 1 2016 vs Quarter 1 2015

For the quarter under review, the Group registered an improved revenue of RM559.2 million, an 18.5% increase from RM471.9 million in last year's corresponding quarter. This was driven by higher demand from Government hospitals under both the concession and non-concession businesses, as well as stronger contributions from the Group's Indonesian operations.

Profit before tax (PBT) came in at RM26.5 million compared with RM38.6 million in the previous year's corresponding quarter. The drop was primarily due to increased expenses, including selling and distribution costs, amortisation of Pharmacy Information System and higher finance costs.

The **Logistics and Distribution Division** recorded a PBT of RM0.8 million for the quarter under review, a decline from RM10.8 million in the same quarter last year, primarily owing to higher expenses as described above.

The **Manufacturing Division** posted a PBT of RM25.7 million compared with RM27.8 million in the previous year's corresponding period. This was mainly due to lower offtake for in-house products under the concession business during the quarter under review.

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

The Group delivered a higher PBT of RM26.5 million for the quarter under review, up by 11.8% compared with RM23.7 million in the preceding quarter. This was attributable to reduced expenses for promotional activities and research and development, although this was moderated by higher finance costs.

Meanwhile, the Group recorded a revenue of RM559.2 million, a drop from RM680.1 million in the preceding quarter, as a result of moderate orders from Government hospitals under the concession and non-concession businesses in the quarter under review.

The **Logistics and Distribution Division** posted a lower PBT of RM0.8 million from RM2.5 million in the preceding quarter. This was due to increased finance costs, although this was cushioned by prudent spending on promotional activities as well as reduced selling and distribution costs.

The **Manufacturing Division** registered a higher PBT of RM25.7 million, up from RM21.1 million in the preceding quarter. This was attributable to lower research and development expenses and reduced operating costs.

B19. Prospects

Despite the lower GDP growth forecasted for 2016, the Group continues to leverage on the strong fundamentals of the Malaysian economy, with a focus on expanding its private sector business while strengthening its core concession business. The Government's commitment to enhance access to healthcare services and address higher incidence of lifestyle-related diseases bodes well for the Group, especially given its new quality product offerings which are in the pipeline.

In tandem with this, the Group continues to expand its global presence in the key markets such as Indonesia and the European Union. By tapping into growth opportunities in the domestic and international markets, the Group is focused on delivering sustained growth over the long-term.

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	**2016**	2015	**2016**	2015
Taxation based on profit for the period:				
- Current	**8,944**	10,954	**8,944**	10,954
- Deferred	**(1,124)**	(1,736)	**(1,124)**	(1,736)
	7,820	9,218	**7,820**	9,218
(Over)/under provision in prior years:				
- Current	**(773)**	(92)	**(773)**	(92)
- Deferred	**1,021**	(2,440)	**1,021**	(2,440)
	248	(2,532)	**248**	(2,532)
	8,068	6,686	**8,068**	6,686

The Group's effective tax rate is higher than the statutory tax rate of 24% principally due to certain expenses which were not deductible for tax purposes.

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”).

Furtherance to that, on 29 April 2016, the Parties entered into a Supplemental Agreement to vary and/or waive certain conditions precedent in the Share SPA and shall be read together with the Share SPA.

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

b) Acquisition of 10% Equity Interest in PT Errita Pharma

On 22 March 2016, Pharmaniaga International Corporation Sdn Bhd ("Pharmaniaga Corp"), a wholly-owned subsidiary of Pharmaniaga Berhad (“the Company”), acquired 383,328 ordinary shares representing additional 10% of the issued and paid up capital in PT Errita Pharma (“Errita”) for a total consideration of USD2,400,000 and IDR6,682,878,222 from the non-controlling shareholder, PT Dasar Technologi. Consequently, the Company's effective interest in Errita increased from 75% to 85%.

B23. Borrowings and Debt Securities - Unsecured

	31 March 2016 RM’000	31 December 2015 RM’000
Current:		
Bankers' acceptances	**229,021**	73,662
Revolving credits	**285,000**	245,000
Short term foreign time loan	**82,456**	80,384
Bank overdraft	**161**	-
Hire purchase	**548**	567
	597,186	399,613
Non-current:		
Hire purchase	**380**	558

Short term foreign time loan of RM82.5 million (2015: RM80.4 million) is denominated in Indonesian Rupiah (IDR) and is equivalent to IDR280,463 million (2015: IDR258,469 million).

Included in short term borrowings is RM6.4 million (2015: RM4.2 million) Indonesian Rupiah (IDR) denominated bankers' acceptances equivalent to IDR21,857 million (2015: IDR13,673 million).

B24. Realised and Unrealised Profits of the Group

The retained profits as at 31 March 2016 is analysed as follows:

	31 March 2016 RM’000	31 December 2015 RM’000
Total retained profits of the Group and its subsidiaries:		
- realised profits	**417,043**	411,380
- unrealised losses	**(13,963)**	(14,549)
	403,080	396,831
Less: Consolidation adjustments	**(30,997)**	(16,456)
Total Group retained profits as per consolidated accounts	**372,083**	380,375

B25. Additional Disclosures

	Current Period		Cumulative Period	
	2016 RM'000	2015 RM'000	**2016 RM'000**	2015 RM'000
Depreciation and amortisation	**16,858**	12,152	**16,858**	12,152
Provision for impairment losses and write off of receivables	**264**	304	**264**	304
Provision for and write off of inventories	**1,283**	(366)	**1,283**	(366)
Foreign exchange losses	**15**	428	**15**	428

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 period ended 31 March 2016.

B26. Economic Profit Statement

	Cumulative Period	
	2016 RM'000	**2015 RM'000**
Economic profit	**(4,651)**	9,651

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	
	2016	**2015**	**2016**	**2015**
Profit attributable to shareholders of the Company (RM'000)	**18,379**	31,794	**18,379**	31,794
Weighted average number of ordinary shares in issue ('000)	**258,883**	258,883	**258,883**	258,883
Basic and diluted earnings per share (sen)	**7.10**	12.28	**7.10**	12.28

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 13 May 2016.

By Order of the Board

Kuala Lumpur
13 May 2016

TASNEEM MOHD DAHALAN (LS0006966)