Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 30 June 2016	Current Period		Cumulative Period	
(All figures are stated in RM'000)	2016	2015	2016	2015
Revenue	**531,796**	512,845	**1,090,991**	984,749
Cost of sales	**(447,112)**	(426,967)	**(922,192)**	(808,304)
Gross profit	**84,684**	85,878	**168,799**	176,445
Operating expenses	**(55,577)**	(55,702)	**(105,930)**	(103,964)
Finance costs	**(7,849)**	(5,373)	**(15,391)**	(9,321)
Interest income	**229**	253	**547**	508
Profit before zakat and taxation	**21,487**	25,056	**48,025**	63,668
Zakat	**(200)**	-	**(200)**	-
Taxation	**(5,646)**	(8,414)	**(13,714)**	(15,100)
Profit for the period	**15,641**	16,642	**34,111**	48,568
Profit for the period attributable to:				
Owners of the parent	**14,995**	16,217	**33,374**	48,011
Non-controlling interests	**646**	425	**737**	557
Profit for the period	**15,641**	16,642	**34,111**	48,568
Earnings per share - sen				
Basic and diluted	**5.79**	6.26	**12.89**	18.55

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 30 June 2016	**Current Period**		**Cumulative Period**	
(All figures are stated in RM'000)	**2016**	**2015**	**2016**	**2015**
Profit for the period	**15,641**	16,642	**34,111**	48,568
Other comprehensive (loss)/income, net of tax				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation difference for foreign operations	**5,219**	1,092	**(2,644)**	2,591
Recognition of actuarial losses	**(4)**	-	**(4)**	-
	5,215	1,092	**(2,648)**	2,591
Total comprehensive income for the period	**20,856**	17,734	**31,463**	51,159
Attributable to:				
Owners of the parent	**18,755**	17,013	**31,843**	49,838
Non-controlling interests	**2,101**	721	**(380)**	1,321
Total comprehensive income for the period	**20,856**	17,734	**31,463**	51,159

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 30 June 2016	As at 31 December 2015
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	**407,130**	406,184
Prepaid lease payments	**2,527**	2,628
Intangible assets	**283,423**	284,108
Receivables	**30,525**	9,587
Deferred tax assets	**27,001**	24,261
	750,606	726,768
Current assets		
Inventories	**567,838**	539,896
Receivables	**286,831**	195,255
Tax recoverable	**12,861**	11,186
Deposits, cash and bank balances	**21,536**	22,518
	889,066	768,855
TOTAL ASSETS	**1,639,672**	1,495,623
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**129,441**	129,441
Reserves	**394,447**	399,968
Shareholders' equity	**523,888**	529,409
Non-controlling interests	**26,869**	30,585
Total equity	**550,757**	559,994
Non-current liabilities		
Loans and borrowings	**421**	558
Deferred tax liabilities	**35,443**	33,419
Provision for defined benefit plan	**7,527**	7,501
	43,391	41,478
Current liabilities		
Payables	**413,297**	488,504
Amount due to immediate holding company	**40**	186
Current tax liabilities	**8,521**	5,652
Deferred income	**779**	196
Loans and borrowings	**622,887**	399,613
	1,045,524	894,151
Total liabilities	**1,088,915**	935,629
TOTAL EQUITY AND LIABILITIES	**1,639,672**	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 30 June 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	**-**	**-**	**(1,529)**	**33,372**	**31,843**	**(380)**	**31,463**
Transactions with owners							
Accretion of interest in a subsidiary	**-**	**-**	**-**	**(8,549)**	**(8,549)**	**(3,425)**	**(11,974)**
Acquisition of a subsidiary	**-**	**-**	**-**	**-**	**-**	**89**	**89**
Dividends	**-**	**-**	**-**	**(28,815)**	**(28,815)**	**-**	**(28,815)**
	-	**-**	**-**	**(37,364)**	**(37,364)**	**(3,336)**	**(40,700)**
At 30 June 2016	**129,441**	**11,751**	**6,313**	**376,383**	**523,888**	**26,869**	**550,757**
At 1 January 2015	129,441	11,751	(1,730)	387,050	526,512	25,523	552,035
Total comprehensive income for the period	-	-	1,827	48,011	49,838	1,321	51,159
Transactions with owners							
Dividends	-	-	-	(49,188)	(49,188)	-	(49,188)
At 30 June 2015	129,441	11,751	97	385,873	527,162	26,844	554,006

*	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 30 June 2016

(All figures are stated in RM'000)	**2016**	**2015**
Operating Activities		
Cash receipts from customers	**1,003,557**	881,132
Cash payments to suppliers and employees	**(1,105,281)**	(1,036,586)
Net cash used in operations	**(101,724)**	(155,454)
Interest paid	**(14,870)**	(9,303)
Tax paid	**(14,280)**	(13,343)
Zakat paid	**(200)**	-
Interest received	**493**	434
Net cash used in operating activities	**(130,581)**	(177,666)
Investing Activities		
Acquisition of a subsidiary	**(14,773)**	-
Advance to a corporate shareholder of a subsidiary	**(17,960)**	-
Purchase of property, plant and equipment	**(16,857)**	(10,414)
Purchase of intangible assets	**(16,501)**	(7,834)
Proceeds from disposal of property, plant and equipment	**13**	53
Net cash used in investing activities	**(66,078)**	(18,195)
Financing Activities		
Dividend paid	**(28,815)**	(49,188)
Net drawdown of borrowings	**224,799**	227,956
Net cash generated from financing activities	**195,984**	178,768
Net decrease in cash and cash equivalents	**(675)**	(17,093)
Effects of exchange rate changes	**(307)**	776
Cash and cash equivalent at beginning of period	**22,518**	31,982
Cash and cash equivalent at end of period	**21,536**	15,665
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**21,536**	15,665

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 30 June 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).

On 28 June 2016, the Company paid a first interim dividend of 4.0 sen (2015: 7.0 sen) per share in respect of the financial year ending 31 December 2016 amounting to RM10.4 million (2015: RM18.1 million).

For the second quarter, the Directors have declared a second interim dividend of 5.0 sen (2015: 7.0 sen) per share in respect of the financial year ending 31 December 2016. The dividend will be paid on 20 September 2016 to shareholders registered in the Register of Members at the close of business on 6 September 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	1,074,805	16,186	-	1,090,991
Inter-segment revenue	2,627	188,915	(191,542)	-
Total revenue	1,077,432	205,101	(191,542)	1,090,991
Results				
Segment results	9,690	57,138	(3,959)	62,869
Finance costs	(15,243)	(757)	609	(15,391)
Interest income	811	345	(609)	547
(Loss)/profit before zakat and taxation	(4,742)	56,726	(3,959)	48,025
Zakat				(200)
Taxation				(13,714)
Profit for the period				34,111
2015				
Revenue				
External revenue	974,726	10,023	-	984,749
Inter-segment revenue	4,240	183,907	(188,147)	-
Total revenue	978,966	193,930	(188,147)	984,749
Results				
Segment results	17,803	65,499	(10,821)	72,481
Finance costs	(9,186)	(535)	400	(9,321)
Interest income	894	14	(400)	508
Profit before taxation	9,511	64,978	(10,821)	63,668
Taxation				(15,100)
Profit for the period				48,568

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 19 August 2016 that will materially affect the financial statements of the financial period under review.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 June 2016 other than the acquisition of 10% equity interest in PT Errita Pharma and 70% equity interest in Bio-Collagen Technologies Sdn Bhd 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 19 August 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 30 June 2016:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	41,779	5,560	47,339
Intangible assets	932	-	932
Acquisition of a subsidiary	700	-	700

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	3,292	-	917	-	15,968	20,177
Acquisition of a subsidiary	-	-	-	150	-	150
Foreign exchange adjustments	(1,119)	(88)	-	(411)	-	(1,618)
At 30 June 2016	147,844	3,877	7,018	21,167	193,125	373,031
Accumulated amortisation						
At 1 January 2016	-	3,183	-	4,023	50,355	57,561
Amortisation charged	-	279	-	1,076	18,150	19,505
Foreign exchange adjustments	-	(72)	-	(39)	-	(111)
At 30 June 2016	-	3,390	-	5,060	68,505	76,955
Accumulated impairment						
At 1 January/30 June 2016	12,653	-	-	-	-	12,653
Net carrying value						
At 30 June 2016	135,191	487	7,018	16,107	124,620	283,423
At 31 December 2015	133,018	782	6,101	17,405	126,802	284,108

A16. Intangible Assets (Cont'd)

On 23 May 2016, the Group completed the acquisition of Bio-Collagen Technologies Sdn Bhd ("Bio-Collagen"). As of the date of this report, management has yet to finalise the purchase price allocation ("PPA") for the business combination, as required by MFRS 3 "Business Combination". The excess of cost of business over the Group's interest in the fair value of identifiable net assets acquired arising from the business combination has been derived only on a provisional basis.

Based on the preliminary assessment, the goodwill on acquisition is estimated at RM3.3 million. Management has 12 months from the date of completion of the acquisition to complete the PPA and the initial accounting for the transaction. The results of the PPA exercise will determine the final value of goodwill arising from the acquisition of Bio-Collagen. Upon finalisation of the PPA, the Group will recognise any adjustments to the provisional values of the excess of the cost of business over the Group's interest in the fair value of identifiable net assets acquired from the business combination.

B17. Performance Review

Quarter 2 2016 vs Quarter 2 2015

For the current quarter, the Group registered a higher revenue of RM531.8 million, a 3.7% increase compared with RM512.8 million in the previous year’s corresponding quarter. This was driven by stronger contributions from the Group’s Indonesian operations. However, the Group posted a lower profit before tax (PBT) of RM21.5 million compared with RM25.1 million in the same quarter last year, primarily due to higher amortisation of Pharmacy Information System and increased finance costs.

Year-to-date 30 June 2016 vs Year-to-date 30 June 2015

For the first six months ended 30 June 2016, the Group recorded a higher revenue of RM1.1 billion compared with RM1.0 billion in the same period last year. This was mainly attributable to improved contributions from the Group’s Indonesian operations.

Meanwhile, the Group registered a lower PBT of RM48.0 million compared with RM63.7 million in the corresponding period last year, primarily due to higher expenses as described above.

The **Logistics and Distribution Division** recorded a loss before taxation of RM4.7 million compared with RM9.5 million in the same period last year as a result of higher expenses mentioned above.

The **Manufacturing Division** registered a PBT of RM52.8 million compared with RM54.2 million in the previous year’s corresponding period. This was mainly due to lower offtake for in-house products under the concession business.

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

The Group reported a lower revenue of RM531.8 million for the quarter under review, compared with RM559.2 million in the preceding quarter. This was as a result of reduced orders from Government hospitals under the concession business.

The Group posted a PBT of RM21.5 million for the second quarter compared with RM26.6 million in the preceding quarter, mainly due to lower orders from Government hospitals under the concession business as well as increased expenses for promotional activities and higher amortisation of Pharmacy Information System.

B19. Prospects

The Group remains optimistic despite external factors and current sentiments. As Malaysia’s largest listed integrated pharmaceutical group, Pharmaniaga is well-positioned to capitalise on opportunities in the growing healthcare sector, both domestically and internationally.

Despite the volatile global economy, Malaysia’s fundamentals remain strong. Indeed, the recent reduction of the overnight policy rate by Bank Negara Malaysia is expected to help spur the domestic economy, which certainly bodes well.

Moving forward, the Group remains focused on building up its core businesses, in tandem with continuously enhancing operating efficiency in order to strengthen its bottom line.

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	**5,867**	8,211	**14,811**	19,165
- Deferred	**(244)**	177	**(1,368)**	(1,559)
	5,623	8,388	**13,443**	17,606
(Over)/under provision in prior years:				
- Current	**-**	26	**(773)**	(66)
- Deferred	**23**	-	**1,044**	(2,440)
	23	26	**271**	(2,506)
	5,646	8,414	**13,714**	15,100

The Group's effective tax rate is higher than the statutory tax rate of 24% principally due to losses of certain subsidiaries.

B22. Corporate Proposal

The disclosure requirements for corporate proposal is not applicable.

B23. Borrowings and Debt Securities - Unsecured

	30 June 2016 RM'000	31 December 2015 RM'000
Current:		
Bankers' acceptances	**195,719**	73,662
Revolving credits	**335,000**	245,000
Short term foreign time loan	**90,755**	80,384
Bank overdraft	**821**	-
Hire purchase	**592**	567
	622,887	399,613
Non-current:		
Hire purchase	**421**	558

Short term foreign time loan of RM90.8 million (2015: RM80.4 million) is denominated in Indonesian Rupiah (IDR) and is equivalent to IDR297,557 million (2015: IDR258,469 million).

Included in short term borrowings is RM8.9 million (2015: RM4.2 million) Indonesian Rupiah (IDR) denominated bankers' acceptances equivalent to IDR29,171 million (2015: IDR13,673 million).

B24. Realised and Unrealised Profits of the Group

The retained profits as at 30 June 2016 is analysed as follows:

	30 June 2016 RM'000	31 December 2015 RM'000
Total retained profits of the Group and its subsidiaries:		
- realised profits	**418,859**	411,380
- unrealised losses	**(13,971)**	(14,549)
	404,888	396,831
Less: Consolidation adjustments	**(28,505)**	(16,456)
Total Group retained profits as per consolidated accounts	**376,383**	380,375

B25. Additional Disclosures

	Current Period		Cumulative Period	
	2016 RM'000	2015 RM'000	**2016 RM'000**	2015 RM'000
Depreciation and amortisation	**18,428**	13,307	**35,286**	25,459
Provision for impairment losses and write off of receivables	**580**	251	**845**	555
Provision for and write off of inventories	**39**	2,291	**1,322**	1,925
Foreign exchange (gain)/losses	**(330)**	1,060	**(315)**	1,488

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 30 June 2016.

B26. Economic Profit Statement

	Cumulative Period	
	2016 RM'000	**2015 RM'000**
Economic profit	**(14,183)**	8,108

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)	**14,995**	16,217	**33,374**	48,011
Weighted average number of ordinary shares in issue ('000)	**258,883**	258,883	**258,883**	258,883
Basic and diluted earnings per share (sen)	**5.79**	6.26	**12.89**	18.55

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 19 August 2016.

By Order of the Board

Kuala Lumpur
19 August 2016

TASNEEM MOHD DAHALAN (LS0006966)