

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Note	3 MONTHS ENDED		PERIOD ENDED	
		30/09/2013	30/09/2012	30/09/2013	30/09/2012
		RM'000	RM'000	RM'000	RM'000
Revenue		101,680	97,807	312,241	302,611
Cost of sales		(76,750)	(73,600)	(232,968)	(224,393)
Gross profit		24,930	24,207	79,273	78,218
Other income		420	375	1,599	2,316
Selling & marketing expenses		(11,638)	(11,549)	(35,989)	(35,294)
Administrative expenses		(4,444)	(4,011)	(13,232)	(12,367)
Other expenses		(157)	(221)	(657)	(340)
Finance cost		(16)	(30)	(33)	(102)
Share of results of jointly controlled entity net of tax		(516)	-	(912)	-
Profit before tax	A7	8,579	8,771	30,049	32,431
Income tax expense	B6	(2,067)	(2,314)	(7,570)	(11,263)
Net profit for the period		6,512	6,457	22,479	21,168
Other comprehensive income:					
Foreign currency translation, representing other comprehensive income net of tax		-	-	-	-
Total comprehensive income for the period		6,512	6,457	22,479	21,168
Net profit attributable to:					
Owners of the parent		6,479	6,440	22,405	21,122
Non-controlling interest		33	17	74	46
Net profit for the period		6,512	6,457	22,479	21,168
Total comprehensive income attributable to:					
Owners of the parent		6,479	6,440	22,405	21,122
Non-controlling interest		33	17	74	46
Total comprehensive income for the period		6,512	6,457	22,479	21,168
Earnings per share attributable to owners of the parent:		Sen	Sen	Sen	Sen
- Basic	B11	6.91	6.87	23.91	22.54
- Diluted	B11	6.91	6.87	23.91	22.54

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	As at 30/09/2013 RM'000	As at 31/12/2012 RM'000 <u>(Audited)</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	102,781	76,442
Investment properties		3,428	3,483
Intangible assets		1,162	1,197
Investment in jointly-controlled entity		4,076	-
Deferred tax assets		757	680
Available-for-sale financial asset		3,928	3,928
		<u>116,132</u>	<u>85,730</u>
Current Assets			
Inventories		50,023	43,123
Trade and other receivables		103,226	96,097
Derivative financial instruments	A15 & B12	99	17
Investment securities		-	30,494
Deposits, bank and cash balances		33,761	34,674
		<u>187,109</u>	<u>204,405</u>
TOTAL ASSETS		<u>303,241</u>	<u>290,135</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Borrowings	B8	1,399	-
Derivative financial instruments	A15	3	-
Trade and other payables		68,214	66,182
Current tax payable		1,955	1,740
		<u>71,571</u>	<u>67,922</u>
Non-Current Liability			
Deferred tax liabilities		6,094	5,761
		<u>6,094</u>	<u>5,761</u>
TOTAL LIABILITIES		<u>77,665</u>	<u>73,683</u>
NET ASSETS		<u>225,576</u>	<u>216,452</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		93,717	93,717
Reserves		1,364	1,364
Retained earnings	B14	130,279	121,229
		<u>225,360</u>	<u>216,310</u>
Non-controlling interest		216	142
TOTAL EQUITY		<u>225,576</u>	<u>216,452</u>
		RM	RM
Net Assets per share attributable to owners of the parent		<u>2.40</u>	<u>2.31</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE CUMULATIVE PERIOD ENDED 30 SEPTEMBER 2013

	Note	← Non-Distributable →		Distributable		Equity attributable to owners of the parent, total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Other reserves RM'000	Retained Earnings RM'000			
PERIOD ENDED 30 SEPTEMBER 2013								
Balance at 1 January 2013		93,717	-	1,364	121,229	216,310	142	216,452
Total comprehensive income		-	-	-	22,405	22,405	74	22,479
Transaction with owners								
Dividends on ordinary shares	A8	-	-	-	(13,355)	(13,355)	-	(13,355)
Total transaction with owners		-	-	-	(13,355)	(13,355)	-	(13,355)
Balance as at 30 September 2013		93,717	-	1,364	130,279	225,360	216	225,576
PERIOD ENDED 30 SEPTEMBER 2012								
Balance at 1 January 2012		93,717	-	460	105,121	199,298	13,336	212,634
Total comprehensive income		-	-	-	21,122	21,122	46	21,168
Transactions with owners								
Disposal of non-current asset held for sale by non-controlling interest		-	-	-	-	-	(13,242)	(13,242)
Dividends on ordinary shares	A8	-	-	-	(12,417)	(12,417)	-	(12,417)
Total transaction with owners		-	-	-	(12,417)	(12,417)	(13,242)	(25,659)
Balance as at 30 September 2012		93,717	-	460	113,826	208,003	140	208,143

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE CUMULATIVE PERIOD ENDED 30 SEPTEMBER 2013

	PERIOD ENDED	
	30/09/2013	30/09/2012
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	30,049	32,431
Adjustments:		
Depreciation and amortisation	5,687	5,433
Net loss/(profit) on disposal of property, plant and equipment	4	(527)
Share of results of jointly controlled entity net of tax	912	-
Dividends received from investment securities	(62)	-
Net profit from disposal of investment securities	(23)	-
Fair value changes of derivative financial instruments	(79)	(38)
Inventories written off and written down	90	104
Impairment loss on trade receivables	49	33
Interest expense	33	102
Interest income	(293)	(347)
Other non-cash items	-	2
Operating profit before working capital changes:	36,367	37,193
Inventories	(6,990)	(4,790)
Receivables	(7,160)	(8,738)
Payables	2,080	4,817
Cash generated from operations	24,297	28,482
Tax paid	(7,116)	(5,611)
Net cash generated from operating activities	17,181	22,871
Cash flows from investing activities		
Proceeds from the disposal of non-current assets held for sale	-	32,547
Investment in a jointly-controlled entity	(4,988)	-
Repayment of shareholders loans	(48)	(24)
Purchase of property, plant and equipment & intangible assets	(31,943)	(4,211)
Proceeds from disposal of property, plant and equipment	2	603
Dividends received from investment securities	62	-
Proceeds from disposal of investment securities	30,517	-
Interest received	293	347
Net cash (used in)/generated from investing activities	(6,105)	29,262
Cash flows from financing activities:		
Term loans repaid	-	(3,612)
Dividends paid	(13,355)	(12,417)
Trade & revolving facilities raised	1,399	-
Other financing activities paid	(33)	(102)
Net cash used in financing activities	(11,989)	(16,131)
Net (decrease)/increase in cash and cash equivalents	(913)	36,002
Cash and cash equivalents at 1 January	34,674	22,802
Currency translation difference	-	-
Cash and cash equivalents at the end of the financial period	33,761	58,804

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2013

A1 Basis of preparation

These unaudited condensed consolidated interim financial statements for the period ended 30 September 2013 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2012.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for the certain financial assets and liabilities classified as financial assets and liabilities at fair value through profit or loss and financial assets designated as available for sale.

A2 Significant accounting policies

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS") and Issues Committee ("IC") Interpretations wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investment in Associates and Joint Ventures	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 10 Consolidated Financial Statements

MFRS 10 replaces part of MFRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under MFRS 127 *Consolidated and Separate Financial Statements*, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances.

The Group and the Company do not anticipate significant impact to the financial statements upon adoption of MFRS 10.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2013 (continued)

A2 Significant accounting policies (continued)

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

MFRS 127 Separate Financial Statements

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

MFRS 13 Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted.

MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004) and MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)

An entity shall apply these earlier versions of MFRS 3 and MFRS 127 only if the entity has elected to do so as allowed in MFRS 10 Consolidated Financial Statements. The adoptions of these standards are not expected to have any significant impact to the Group and the Company.

Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

MFRS 9 Financial Instruments: Classification and Measurement

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 *Financial Instruments: Recognition and Measurement* and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 *Financial Instruments: Recognition and Measurement*. The adoption of the first phase of MFRS 9 is not expected to have an impact on the Group and on the Company.

A3 Seasonality or cyclical nature of interim operations

The Group's interim operations are not affected materially by any seasonal or cyclical factors.

A4 Unusual items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 30 September 2013.

A5 Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year.

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

A6 Issuances, cancellations, repurchases, resale and repayments of 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 during the period ended 30 September 2013.

A7 Profit before tax

Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	159	122	293	347
Other income including investment income	170	148	1,116	1,212
Interest expense	(16)	(30)	(33)	(102)
Depreciation and amortisation	(1,936)	(1,814)	(5,687)	(5,433)
Impairment loss on trade receivables	10	(21)	(49)	(33)
Inventories written off and written down	(22)	(4)	(90)	(104)
Net profit/(loss) on disposal of property, plant and equipment	(6)	52	(4)	527
Gain on disposal of investment securities	-	-	85	-
Fair value gain/(loss) of derivative financial instruments	95	(60)	79	38
Foreign exchange gains less losses	(74)	25	23	181
Exceptional items	-	-	-	-

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2013 (continued)

A8 Dividends paid and declared

The amount of dividends paid/payable during the current and previous interim periods are as follows:

	30/09/2013	30/09/2012
	RM'000	RM'000
<u>In respect of the financial year ended 31 December</u>		
2013: Interim single-tier dividend of 4.0 sen per share less tax paid on 30-Sep-13	3,749	-
2012: Final dividend comprising taxable 3.0 sen gross per share and a tax-exempt of 3.0 sen per share as well as a Special tax-exempt dividend of 5.0 sen per share paid on 31-May-13	9,606	-
2012: Interim Dividend of 6.0 sen gross per share less tax paid on 28-Sep-12	-	4,217
2011: Final Dividend of 5.0 sen gross per share less tax and Special Tax-exempt Dividend of 5.0 sen per share paid on 22-Jun-12	-	8,200
	<u>13,355</u>	<u>12,417</u>

A9 Segment Information

The Group is organised into three main business units based on their activities, and has three reportable operating segments as follows:

- (i) Manufacturing and marketing of pharmaceutical products;
- (ii) Wholesale and distribution of pharmaceutical and healthcare products; and
- (iii) Corporate comprising investments in retail pharmacy business and properties and the provision of management services.

OPERATING SEGMENTS	Manufacturing & Marketing	Wholesale & Distribution	Corporate	Adjustments & eliminations	GROUP
PERIOD ENDED 30/09/2013	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	15,559	291,244	5,438	-	312,241
Inter-segment revenue	50,695	512	19,420	(70,627)	-
Total Revenue	66,254	291,756	24,858	(70,627)	312,241
Segment Results (external)	21,385	13,245	(3,255)	(1,293)	30,082
Finance costs					(33)
Profit before tax					30,049
PERIOD ENDED 30/09/2012	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	20,944	277,150	4,517	-	302,611
Inter-segment revenue	50,073	-	15,256	(65,329)	-
Total Revenue	71,017	277,150	19,773	(65,329)	302,611
Segment Results (external)	23,691	12,700	(2,646)	(1,212)	32,533
Finance costs					(102)
Profit before tax					32,431
Segment assets					
30-Sep-2013	78,824	188,886	35,181	350	303,241
31-Dec-2012	81,848	152,368	54,659	1,260	290,135

A10 Significant Events After the Reporting Date

There were no significant events that had arisen subsequent to the end of this current period.

A11 Changes in Group Composition

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the current quarter ended 30 September 2013.

A12 Property, plant and equipment

During the current quarter ended 30 September 2013, the Group acquired assets at a cost of RM 28,429,000 (30 September 2012: RM 1,569,000). Included in the total assets acquired in the current quarter was the payment of S\$ 9,540,000 approximating RM 23,850,000 being the 90% balance of the consideration for the purchase of property in Singapore as mentioned in note A13.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)**

A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 30 SEPTEMBER 2013 (continued)

A13 Capital Commitments

Capital commitments of property, plant and equipment not provided for in the financial statements as at 30 September 2013 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	149
Authorised capital expenditure approved but not contracted for	6,518
	<u>6,667</u>

On 30th August 2013, the Group completed its purchase of a 3-storey 51,000 square feet detached factory building located at Loyang Way, Singapore for a total consideration of S\$ 10,600,000 approximating RM 26,500,000 from C & W Electronics Pte Ltd.

A14 Related Party Transactions

30/09/2013 30/09/2012

RM'000 RM'000

Interest bearing term loan to jointly controlled entity

5,000

-

Other than the above, the Group did not have any significant transactions with related parties during the period ended 30 September 2013 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2012.

A15 Fair value hierarchy

The Group uses the following level of fair value hierarchy for determining the fair value of its financial instruments carried at fair value.

	30/09/2013	31/12/2012
Financial assets/(liabilities):	RM'000	RM'000
	<u>(Level 1)</u>	
Investment securities	-	30,494
	<u>(Level 2)</u>	
Derivatives - Forward currency contracts	96	17

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the current interim period and financial year ended 2012.

A16 Changes in Contingent liabilities or Contingent assets.

There were no contingent liabilities or contingent assets of the Group since the end of the last annual reporting date.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)**

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

B1 Detailed Performance Analysis of Operating Segments of the Group

In the third quarter, the Group achieved revenue of RM 101.7 million, a growth of 4% of the same period last year. Year to date, Group revenue reached RM 312.2 million, an increase of 3% over RM 302.6 million achieved in the first nine months of 2012. Profit before tax for the current quarter at RM 8.6 million is lower than RM 8.8 million recorded in the same period last year. This is due largely to the recognition of the Group's share of losses of its jointly controlled entity, ABio Orthopaedics Sdn Bhd ("ABio") which amounted to RM 0.5 million in this quarter. Profit after tax for the first nine months of 2013 stands at RM 22.5 million as compared to RM 21.2 million in 2012.

Manufacturing & Marketing

The Manufacturing and Marketing division revenue was dampened by slow domestic demand arising from increased competition and lower sales to Government. However, exports improved over the same period last year, led by increased sales in key international markets.

Wholesale & Distribution

Revenue at the Wholesale and Distribution division strengthened 4% over the same period in 2012, helped by sustained growth of own brand pharmaceutical and consumer healthcare products, particularly the Group's Agnesia range of medicated powders, cream and soaps. In the third quarter, the purchase of the Group's new 3-storey 51,000 square feet distribution warehouse cum office at 4 Loyang Way 1 in Singapore was completed. Retrofitting works have commenced and operations are expected to be relocated to the new premise in mid December 2013.

Corporate

Factory renovations and validation of all production equipment at ABio were completed in the third quarter and full commercial production commenced in September. The Group's share of ABio's losses is RM 0.9 million for the first nine months of 2013. Sales at the Group's retail pharmacy outlet at City Square Mall continue to strengthen. Rental income from Group properties remained unchanged in the current quarter.

B2 Material changes in the profit before tax for the quarter

Profit before tax in the current quarter of RM 8.6 million is 7% lower than the RM 9.3 million recorded in the second quarter. This is attributed mainly to the recognition of RM 0.5 million losses from its jointly controlled entity and reduced profit contribution from the manufacturing and marketing division.

B3 Commentary

(a) Prospects

The prospects for the core businesses of the Group remain good and is unchanged for the remaining period of the current financial year. In the short term, the Group's performance will be impacted by start-up losses at ABio and increased operating costs of its new distribution warehouse in Singapore. As ABio has started commercial production in September and with the commencement of new distribution agencies in Singapore in January 2014, the impact on Group results is expected to lessen in 2014. Marketing strategies have been revised to raise domestic sales at the manufacturing and marketing divisions.

Upon these developments and barring unforeseen circumstances, the Board expects the Group to perform satisfactorily in 2013.

(b) Progress to achieve forecast revenue or profit estimate

Not applicable.

B4 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate

Not applicable.

B5 Profit Forecast /Profit Guarantee

Not applicable.

B6 Income Tax Expense

	3 MONTHS ENDED		PERIOD ENDED	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
income tax	2,009	2,157	7,534	8,423
deferred tax	277	126	255	229
capital gains tax from the disposal of an asset held for sale		-	-	2,537
	<u>2,286</u>	<u>2,283</u>	<u>7,789</u>	<u>11,189</u>
In respect of prior period:				
income tax	(219)	31	(219)	74
	<u>2,067</u>	<u>2,314</u>	<u>7,570</u>	<u>11,263</u>

The effective tax rate for the current quarter and cumulative period was comparable with the statutory tax rate.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)**

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 14th November 2013.

B8 Group Borrowings and Debt Securities

	30/09/2013	31/12/2012
	RM'000	RM'000
Short term bank borrowings	1,399	-
Unsecured	1,399	-
Total	1,399	-
Bank borrowings denominated in foreign currency as at 30 September 2013:	SGD'000	RM'000
Singapore Dollars	-	-

The Group did not have any current or non-current debt securities denominated in Ringgit Malaysia or foreign currency as at 30 September 2013.

B9 Material Litigation

There is no pending material litigation at the date of this report.

B10 Dividend Payable

- a The interim single-tier dividend of 4.0 sen per share in respect of the financial year ending 31 December 2013 which was declared by the Board of Directors in the previous quarter has been paid on 30th September 2013. (Year 2012: Interim taxable dividend of 6.0 sen gross per share paid on 28th September 2012).
- b The total dividend declared and paid to-date in the current financial year is 4.0 sen per share. (Year 2012: Taxable dividend of 6.0 sen gross per share).

B11 Earnings per share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

		3 MONTHS ENDED		PERIOD ENDED	
		30/09/2013	30/09/2012	30/09/2013	30/09/2012
<u>Basic Earnings per share</u>					
Profit after tax	RM'000	6,479	6,440	22,405	21,122
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Basic earnings per share	sen	6.91	6.87	23.91	22.54
<u>Diluted Earnings per share</u>					
Profit after tax	RM'000	6,479	6,440	22,405	21,122
Weighted average number of ordinary shares in issue	'000	93,717	93,717	93,717	93,717
Diluted earnings per share	sen	6.91	6.87	23.91	22.54

B12 Derivative Financial Instruments

- (a) The Group's derivative financial instruments as at 30 September 2013 are as follows -

Type of Derivatives	Contract / Notional Amount	Changes in Fair Value	
		Assets	Liabilities
Forward Currency Contracts	RM'000	RM'000	RM'000
<u>Less than 1 year</u>			
Sale of goods	3,049	99	-
Purchase of goods	(1,149)	-	(3)
	<u>1,900</u>	<u>99</u>	<u>(3)</u>

- (b) The Group does not anticipate any market or credit risks arising from these derivatives.
- (c) The net cash requirements relating to these contracts was RM 1,900,000.
- (d) There have been no changes since the end of the previous financial year in respect of the following:
- (i) the types of derivative contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts; and
- (ii) the related accounting policies.

B13 Fair Value Changes of Financial Liabilities

As at 30 September 2013, the Group does not have any significant financial liabilities measured at fair value through profit or loss other than the disclosure in note A15.

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(THE FIGURES HAVE NOT BEEN AUDITED)

B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)

B14 Realised and Unrealised Profits/Losses Disclosure

	30/09/2013	Year ended 31/12/2012
	RM'000	RM'000
Total retained earnings of the Group:		
Realised	151,864	141,236
Unrealised	(2,727)	(2,433)
	<u>149,137</u>	<u>138,803</u>
Total share of accumulated losses from jointly-controlled entity		
Unrealised	(912)	-
	<u>148,225</u>	<u>138,803</u>
Less: Consolidation adjustments	(17,946)	(17,574)
Total Group's retained earnings as per consolidated accounts	<u><u>130,279</u></u>	<u><u>121,229</u></u>

B15 Auditors' report on preceding annual financial statements

The Auditors' report on the Group's financial statements for the year ended 31 December 2012 was not qualified.

Authorisation for issue

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 20 November 2013.