



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Condensed Consolidated Income Statements (unaudited)

For the Third Financial Quarter Ended 31 March 2013

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
<b>Revenue</b>	<b>45,925</b>	<b>39,373</b>	<b>131,936</b>	<b>116,951</b>
Other income	702	868	1,146	11,649
Operating expenses	(37,922)	(33,032)	(108,316)	(94,112)
<b>Profit from operations</b>	<b>8,705</b>	<b>7,209</b>	<b>24,766</b>	<b>34,488</b>
Depreciation & amortisation	(1,490)	(1,315)	(4,428)	(4,042)
Finance income	1	441	1	1,364
Finance costs	(562)	(1,293)	(1,927)	(2,828)
Share of loss of associate, net of tax	-	-	-	(9,106)
<b>Profit before tax</b>	<b>6,654</b>	<b>5,042</b>	<b>18,412</b>	<b>19,876</b>
Income tax expense	(1,526)	(1,196)	(3,954)	(4,179)
<b>Profit for the period</b>	<b>5,128</b>	<b>3,846</b>	<b>14,458</b>	<b>15,697</b>
<b>Attributable to:</b>				
Owners of the Company	5,098	4,182	14,247	15,442
Non-controlling interests	30	(336)	211	255
<b>Profit for the period</b>	<b>5,128</b>	<b>3,846</b>	<b>14,458</b>	<b>15,697</b>
<b>Earning per share attributable to owners of the Company (sen) (Note B10)</b>				
- Basic at nominal value of RM0.10 per share	<b>0.7</b>	<b>0.5</b>	<b>1.9</b>	<b>2.0</b>
- Diluted at nominal value of RM0.10 per share	<b>0.7</b>	<b>0.4</b>	<b>1.9</b>	<b>1.4</b>

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

**Hovid Bhd (Company no: 58476 A)**

**Condensed Consolidated Statements of Comprehensive Income (unaudited)  
For the Third Financial Quarter Ended 31 March 2013**

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
<b>Profit for the period</b>	<b>5,128</b>	<b>3,846</b>	<b>14,458</b>	<b>15,697</b>
<b>Other comprehensive income/(loss):-</b>				
Foreign currency translation differences for foreign operations	38	260	(5)	(951)
Share of other comprehensive loss of associate	-	-	-	(32)
Realisation of other comprehensive income on disposal of associate	-	-	-	32
Foreign exchange reserve realised on strike-off of a subsidiary	-	(1)	-	(1)
Foreign exchange reserve transferred to profit and loss account	-	(118)	-	481
Fair value of available-for-sale investment	-	(1,602)	-	(2,404)
	38	(1,461)	(5)	(2,875)
<b>Total comprehensive income for the period</b>	<b>5,166</b>	<b>2,385</b>	<b>14,453</b>	<b>12,822</b>
<b>Attributable to:</b>				
Owners of the Company	5,027	2,580	14,002	13,038
Non-controlling interests	139	(195)	451	(216)
<b>Total comprehensive income for the period</b>	<b>5,166</b>	<b>2,385</b>	<b>14,453</b>	<b>12,822</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

**Hovid Bhd (Company no: 58476 A)**

**Condensed Consolidated Statements of Financial Position (Unaudited)  
For the Third Financial Quarter Ended 31 March 2013**

	As at 31.3.2013 (Unaudited) RM'000	As at 30.06.2012 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	89,751	91,054
Intangible assets	18,506	19,663
Investment properties	1,680	1,680
Deferred tax assets	187	186
	<b>110,124</b>	<b>112,583</b>
<b>Current Assets</b>		
Inventories	26,448	29,543
Trade receivables	32,950	33,133
Other receivables, deposits and prepayments	9,033	11,710
Cash and deposits	21,033	23,207
	<b>89,464</b>	<b>97,593</b>
<b>Total Assets</b>	<b>199,588</b>	<b>210,176</b>
<b>EQUITY</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	76,208	76,208
Share premium	90	90
Revaluation and other reserves	3,583	11,029
Retained earnings	40,808	19,459
	<b>120,689</b>	<b>106,786</b>
<b>Non-controlling interests</b>	5,210	4,485
<b>Total Equity</b>	<b>125,899</b>	<b>111,271</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	11,388	11,514
Term loans	4,367	5,547
Finance lease liabilities	320	684
Provision for retirement benefit	1,534	1,385
Long-term advances	6,333	6,041
	<b>23,942</b>	<b>25,171</b>
<b>Current Liabilities</b>		
Trade payables	14,841	13,532
Other payables and accruals	17,832	20,495
Term loans	1,885	2,939
Short term borrowings	9,074	25,304
Bank overdrafts	2,789	7,533
Finance lease liabilities	557	1,168
Tax payable	2,769	2,763
	<b>49,747</b>	<b>73,734</b>
<b>Total Liabilities</b>	<b>73,689</b>	<b>98,905</b>
<b>Total Equity And Liabilities</b>	<b>199,588</b>	<b>210,176</b>
<b>Net Assets Per Share Attributable To Owners Of The Company (Sen)</b>	<b>15.84</b>	<b>14.01</b>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Condensed Consolidated Statements of Changes in Equity (unaudited)

For the Third Financial Quarter Ended 31 March 2013

	Attributable to Owners of the Company					Non-controlling Interests	Total Equity
	Non-distributable			Distributable	Total		
	Share capital RM'000	Share premium RM'000	Reserves RM'000	Retained earnings RM'000	RM'000		
<b>PERIOD ENDED 31 MARCH 2013</b>							
<b>At 1 July 2012</b>	<b>76,208</b>	<b>90</b>	<b>11,029</b>	<b>19,459</b>	<b>106,786</b>	<b>4,485</b>	<b>111,271</b>
Total comprehensive income/(loss) for the period	-	-	(245)	14,247	14,002	451	14,453
Transactions with owners							
Warrant issue expenses	-	-	(346)	-	(346)	-	(346)
Realisation of warrant reserve upon expiry of warrants 2008/2013	-	-	(6,855)	6,855	-	-	-
Issuance of shares to non-controlling interests	-	-	-	-	-	521	521
Dilution of interest in a subsidiary	-	-	-	247	247	(247)	-
<b>At 31 March 2013</b>	<b>76,208</b>	<b>90</b>	<b>3,583</b>	<b>40,808</b>	<b>120,689</b>	<b>5,210</b>	<b>125,899</b>
<b>PERIOD ENDED 31 MARCH 2012</b>							
<b>At 1 July 2011</b>	<b>76,208</b>	<b>90</b>	<b>11,672</b>	<b>12,350</b>	<b>100,320</b>	<b>5,180</b>	<b>105,500</b>
Total comprehensive income/(loss) for the period	-	-	(2,404)	15,442	13,038	(216)	12,822
Transactions with owners							
Dividend-in-specie distributed	-	-	-	(8,573)	(8,573)	-	(8,573)
<b>At 31 March 2012</b>	<b>76,208</b>	<b>90</b>	<b>9,268</b>	<b>19,219</b>	<b>104,785</b>	<b>4,964</b>	<b>109,749</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Continuous Innovation & Quality

**Hovid Bhd (Company no: 58476 A)**

**Condensed Consolidated Statements of Cash Flows (unaudited)**

**For the Third Financial Quarter Ended 31 March 2013**

	Note	9 months ended	
		31.3.2013 RM'000	31.3.2012 RM'000
<b>Cash flows from operating activities</b>			#
Profit before tax		18,412	19,876
<i>Adjustments for:</i>			
Impairment loss on receivables		37	22
Amortisation of intangible assets		403	370
Defined benefit plan expenses for a Director		149	139
Depreciation of property, plant and equipment		4,025	3,672
Gain on disposal of property, plant and equipment		(46)	(25)
Gain on deemed disposal of an associate		-	(7,684)
Reversal of impairment loss for investment in an associate		-	(1,422)
Reversal of impairment loss on receivables		(22)	-
Interest expense		1,927	2,828
Interest income		(1)	(1,364)
Inventories written off		276	329
Product development expenditure written off		2,650	2,492
Property, plant and equipment written off		28	10
Share of loss in an associate, net of tax		-	9,106
Unrealised loss on foreign exchange		7	1,192
Foreign exchange reserve realised on strike-off of a subsidiary		-	(1)
Gain on distribution of dividend-in-specie		-	(953)
<b>Operating profit before changes in working capital</b>		27,845	28,587
Change in inventories		2,819	(4,894)
Change in receivables, deposits and prepayments		2,845	(5,401)
Change in payables and accruals		(2,117)	7,638
<b>Cash generated from operations</b>		31,392	25,930
Interest received		1	2,569
Interest paid		(872)	(3,343)
Tax paid		(4,069)	(3,068)
<b>Net cash from operating activities</b>		26,452	22,088
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(2,741)	(4,702)
Repayment from an associate		-	516
Proceeds from disposal of property, plant and equipment		94	73
Product development expenditure incurred		(1,896)	(2,699)
<b>Net cash used in investing activities</b>		(4,543)	(6,812)



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**Hovid Bhd (Company no: 58476 A)**

**Condensed Consolidated Statements of Cash Flows (unaudited)**

**For the Third Financial Quarter Ended 31 March 2013**

	Note	9 months ended	
		31.3.2013 RM'000	31.3.2012 RM'000
<b>Cash flows from financing activities</b>			
(Placement)/withdrawal of pledged deposits with licensed banks		(37)	297
Proceeds from issuance of shares to non-controlling interests		521	-
Bankers' acceptance		(16,230)	(3,538)
Repayments of finance lease liabilities		(1,034)	(1,483)
Repayments of term loans		(2,251)	(2,727)
Payment of warrants issue expenses		(346)	-
<b>Net cash used in financing activities</b>		<b>(19,377)</b>	<b>(7,451)</b>
Change in cash and cash equivalents		2,532	7,825
Effect of exchange rates fluctuations on cash held		1	132
Cash and cash equivalents at beginning of the period		15,089	1,776
<b>Cash and cash equivalents at end of the period</b>	(I)	<b>17,622</b>	<b>9,733</b>

Note (I) Cash and cash equivalents comprises:

Deposits with licensed banks	622	600
Less: Pledged deposits with licensed banks	(622)	(600)
	-	-
Cash and bank balances	20,411	17,448
Bank overdraft	(2,789)	(7,715)
	<u>17,622</u>	<u>9,733</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



**Continuous Innovation & Quality**

**Hovid Bhd (Company no: 58476 A)**

**Quarterly financial report (unaudited)**

**For the Third Financial Quarter Ended 31 March 2013**

**Explanatory Notes as per MFRS 134, Interim Financial Reporting**

**A1 Basis of preparation**

The condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed interim financial statements also comply with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* issued by the International Accounting Standard Board ("IASB").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2012.

Since the previous annual audited financial statements as at 30 June 2012 were issued, the Group has adopted the MFRS framework issued by the MASB with effect from 1 July 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the IASB.

In compliance with MFRS, MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied in this interim report. The transition from FRS to MFRS does not have any significant impact to the financial statements of the Group. The audited financial statements of the Group for the financial year ended 30 June 2012 were prepared in accordance with FRS. As the requirements under FRS are similar, the significant accounting policies and method of computation adopted in these quarterly interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 30 June 2012.

**A2 Audit report of preceding annual financial statements**

The audit report of the preceding annual financial statements was not subject to any qualification.

**A3 Comment about seasonal or cyclical factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the quarter under review.

**A4 Unusual items affecting assets, liabilities, equities, net income or cash flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the quarter under review.

**A5 Significant estimates and changes in estimates**

There were no changes in estimates that have had any material effect during the quarter under review.

**A6 Debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

**A7 Dividend paid**

No dividend was paid during the quarter under review.



**Continuous Innovation & Quality**

**Hovid Bhd (Company no: 58476 A)**

**Quarterly financial report (unaudited)**

**For the Third Financial Quarter Ended 31 March 2013**

**Explanatory Notes as per MFRS 134, Interim Financial Reporting**

**A8 Segment information**

The Group's primary reporting format is based on business segments. Prior to 23 December 2011, the group business segments were the pharmaceutical ("Hovid Segment") and the phytonutrient/oleochemical/biodiesel ("Carotech Segment") industries. From 23 December 2011, the Group's business segment is solely in pharmaceutical industry.

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
<b>Revenue</b>				
Hovid Segment	45,925	39,373	131,936	116,951
Carotech Segment	-	-	-	-
Group revenue	45,925	39,373	131,936	116,951
<b>Profit before tax and non-recurring item</b>				
Hovid Segment	6,654	5,042	18,412	19,876
Carotech Segment (a)	-	-	-	(7,684)
Group profit before tax	6,654	5,042	18,412	12,192
<b>Non-recurring item</b>				
Carotech Segment				
Gain on disposal of investment in Carotech (b)	-	-	-	7,684
Total non-recurring item	-	-	-	7,684
<b>Profit before tax and after non-recurring item</b>				
Hovid Segment	6,654	5,042	18,412	19,876
Carotech Segment (a+b)	-	-	-	-
Group profit before tax and after non-recurring item	6,654	5,042	18,412	19,876
<b>Profit after tax and non-recurring item</b>				
Hovid Segment	5,128	3,846	14,458	15,697
Carotech Segment	-	-	-	-
Net profit after tax and non-recurring item	5,128	3,846	14,458	15,697

**A9 Valuation of property, plant and equipment**

The Group did not carry out any revaluation on its property, plant and equipment during the quarter under review.

**A10 Material subsequent events**

There was no material event subsequent to the end of the current financial quarter.

**A11 Changes in the composition of the Group**

There were no changes to the composition of the Group during the quarter under review.

**A12 Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets since the date of last annual report as at 30 June 2012, to the date of this report.





Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

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For the Third Financial Quarter Ended 31 March 2013

Explanatory Notes as per MFRS 134, Interim Financial Reporting

**A13 Significant related parties transactions**

Transactions with a company in which a director has substantial financial interest:-

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
<b>Carotech Group</b>				
Sales	50	41	11	41
Interest income	-	441	-	441
Reallocation of common cost	105	164	72	164
Purchases	-	(714)	(718)	(714)
Steam service expense	(188)	(120)	(68)	(120)
Rental of boiler and motor vehicle	(6)	-	(15)	-

**A14 Capital commitments**

The Group's capital commitments not provided for in the interim financial statements as at the end of the financial period were as follows:-

	RM'000
<b>Plant and equipment</b>	
Authorised and contracted	266
Authorised but not contracted	37,500
<b>Total capital commitments</b>	<b>37,766</b>



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Third Financial Quarter Ended 31 March 2013

Explanatory Notes Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of performance

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
<b>Revenue</b>				
Hovid Segment	45,925	39,373	131,936	116,951
Carotech Segment	-	-	-	-
Group revenue	45,925	39,373	131,936	116,951
<b>Profit before tax and non-recurring item</b>				
Hovid Segment	6,654	5,042	18,412	19,876
Carotech Segment				
- Share of loss in an associate, net of tax	-	-	-	(9,106)
- Reversal of impairment loss on investment in Carotech	-	-	-	1,422
Group profit before tax and non-recurring item	6,654	5,042	18,412	12,192
<b>Non-recurring item</b>				
Carotech Segment				
<i>Gain on disposal of investment in Carotech</i>	-	-	-	7,684
Total non-recurring item	-	-	-	7,684
<b>Profit before tax and after non-recurring item</b>				
Hovid Segment	6,654	5,042	18,412	19,876
Carotech Segment				
- As associate, share of loss net of tax	-	-	-	(9,106)
- Gain on disposal of investment in Carotech	-	-	-	7,684
- Reversal of impairment loss on investment in Carotech	-	-	-	1,422
Group profit before tax and after non-recurring item	6,654	5,042	18,412	19,876
<b>Profit after tax and non-recurring item</b>				
Hovid Segment	5,128	3,846	14,458	15,697
Carotech Segment				
- Share of loss in an associate, net of tax	-	-	-	(9,106)
- Gain on disposal of investment in Carotech	-	-	-	7,684
- Reversal of impairment loss on investment in Carotech	-	-	-	1,422
Net profit after tax and non-recurring item	5,128	3,846	14,458	15,697

**For the Quarter**

The Group's revenue which arose solely from Hovid segment, amounted to RM45.9 million was 16.6% higher as compared to the corresponding quarter last year of RM39.4 million mainly due to increased orders from customers.

The Group's pre-tax profit ("PBT") was RM6.7 million for the current quarter, an increase of 32.0% as compared to the corresponding quarter last year of RM5.0 million. The improved result was mainly due to the increase in revenue and the improved gross profit margin arising from sales mix and reduction in some overheads in comparison to the corresponding quarter last year.

## B1 Review of performance (continued)

### Year-to-date

The Group's revenue amounted to RM131.9 million was 12.8% higher as compared to the corresponding period last year of RM116.9 million mainly due to increased orders from customers.

The result of the Group for the corresponding period last year was affected by a non-recurring gain of RM7.7 million. This relates to the gain on deemed disposal of investment in Carotech Bhd, the then associate company, upon the completion of distribution of a portion of Hovid's shareholding in Carotech Bhd as dividend-in-specie, when the investment in Carotech was reduced to 17.6%, and it was classified as a simple investment in the books of Hovid.

The Group's PBT was RM18.4 million for the current period, an increase of 51.0% as compared to the corresponding period last year of RM12.2 million before accounting for the abovementioned non-recurring item, mainly due to the share of loss in the associate company. Hovid segment PBT for the current period was RM18.4 million, a decrease of 7.4% as compared to the corresponding quarter last year of RM19.9 million. The poorer result was mainly due to the lower profit margin arising from increase in staff costs, operational expenses and promotional discounts given.

Carotech was an associate company up to 22 December 2011, thereafter it became a simple investment to the Group. Accordingly, the share of result in Carotech was accounted for the period up to 22 December 2011 in the previous financial year.

After accounting for the non-recurring item, the Group's PBT for the current period of RM18.4 million was 7.4% lower in comparison to the corresponding period last year of RM19.9 million.

## B2 Results comparison with preceding quarter

	Quarter ended	
	31.3.2013 RM'000	31.12.2012 RM'000
<b>Revenue</b>		
Hovid Segment	45,925	43,170
Carotech Segment	-	-
Group	45,925	43,170
<b>Profit before tax</b>		
Hovid Segment	6,654	5,329
Carotech Segment	-	-
Group	6,654	5,329

The Group's revenue which solely arose from Hovid segment amounted to RM45.9 million during the reporting quarter as compared to RM43.2 million for the preceding quarter, representing an increase of 6.4%. The increase in sales in comparison to the preceding quarter was due to improved sales orders.

The Group's PBT for the current quarter was RM6.7 million, an increase of 24.9% in comparison to the preceding quarter of RM5.3 million. The improved result was due to the increase in revenue and higher gross profit margin products.

## B3 Commentary on Prospects

Barring any unforeseen circumstances, the outlook for the Group is expected to be satisfactory as the Group is actively securing new overseas markets and registration of new products.

The Group will continue to enhance its competitive edge by continually placing emphasis in research and development and improving its production processes to achieve better efficiency.

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For the Third Financial Quarter Ended 31 March 2013

Explanatory Notes Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

**B4 Profit forecast, profit guarantee and internal targets**

The Group did not provide any profit forecast, profit guarantee and internal targets in any public document or any announcements made.

**B5 Income tax expense**

	3 months ended		Year-to-date ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Income tax expense	1,591	1,412	4,098	4,452
Deferred taxation	(65)	(216)	(144)	(273)
Based on the results for the period	1,526	1,196	3,954	4,179

The effective tax rate of the Group for the financial year is lower than the statutory rate applicable mainly due the tax incentive enjoyed by the Group.

**B6 Status of corporate proposal**

There are no corporate proposals announced but not completed for the quarter under review other than the following:-

On 4 October 2012, the Board announced that the Company is proposing to undertake a renounceable Rights Issue of up to 571,560,000 Warrants at an issue price of RM0.02 for each Warrant on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM 0.10 each held in the Company. The Proposed Rights Issue of Warrants is expected to be implemented after the expiry of Warrants 2008/2013.

On 3 December 2012, applications were made to Bursa Malaysia Securities Berhad ("Bursa Securities") and Bank Negara Malaysia ("BNM") on the abovementioned Proposed Rights Issue of Warrants. Approvals were obtained from Bursa Securities, BNM and shareholders on 13 December 2012, 18 December 2012 and 18 February 2013, respectively.

On 24 April 2013, the Company announced that the exercise price of the Warrants has been fixed at RM0.18 per Warrant and that the Company has executed the deed poll constituting the Warrants to be issued pursuant to the Rights Issue of Warrants. Further, the Rights Issue of Warrants will entail the issuance of 381,040,000 Warrants.

On 25 April 2013, the Company announced that the entitlement date for renounceable rights issue was on 10 May 2013, and the trading of rights commenced on 13 May 2013 and ceased on 20 May 2013. The last date for acceptance and payment of the rights, and the excess application and payment will be on 28 May 2013. The listing date of the Rights Securities will be on 10 June 2013.

**B7 Borrowings and debt securities**

Details of the Group's bank borrowings as at end of the reporting period were as follows :-

	Current RM'000	Non-current RM'000	Total RM'000
<b>Secured</b>	14,305	4,687	18,992

The bank borrowings denominated in foreign currency are as follows:-

Denominated in US Dollar	157
Denominated in Philippines Peso	324
Denominated in Indian Rupees	2,110

**B8 Material litigation**

There were no material litigation against the Group as at the reporting date, that arose since the date of last annual report.

**B9 Dividend payable**

No dividend has been declared or recommended in respect of the financial period under review.

**B10 Earnings per share**

The basic earnings per share has been calculated by dividing the Group's net profit attributable to equity holders by the weighted average number of ordinary shares in issue during the financial period. For the purpose of calculating diluted earnings per share, the profit attributable to equity holders and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, ie, warrants in issue. However, the warrants that were in issue expired on 25 January 2013. Accordingly, there were no dilutive effects of potential ordinary shares at the end of the current period.

	3 months ended		Year-to-date ended	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Net profit attributable to equity holders	<u>RM'000</u> 5,098	<u>RM'000</u> 4,182	<u>RM'000</u> 14,247	<u>RM'000</u> 15,442
<u>Number of ordinary shares</u>				
Weighted average number of ordinary shares (basic)	<u>'000</u> 762,080	<u>'000</u> 762,080	<u>'000</u> 762,080	<u>'000</u> 762,080
Effects of Warrants	-	381,040	-	381,040
Weighted average number of ordinary shares (diluted)	<u>762,080</u>	<u>1,143,120</u>	<u>762,080</u>	<u>1,143,120</u>
<u>Earnings per share</u>				
Earnings per share at nominal value of RM0.10 per share:-	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	0.7	0.5	1.9	2.0
Diluted	0.7	0.4	1.9	1.4

**B11 Profit for the period**

Included in the profit for the period are:-

	Current quarter RM'000	Year-to-date RM'000
Finance income	1	1
Other income	273	546
Finance cost	(562)	(1,927)
Depreciation and amortisation	(1,490)	(4,428)
Impairment loss on receivables	(18)	(37)
Reversal of impairment loss on receivables	12	22
Gain on disposal of property, plant and equipment	(1)	46
Inventories written off	(40)	(276)
Foreign exchange gain/(loss)	417	532
Gain/(loss) on derivatives	-	-
Exceptional items	-	-



Continuous Innovation & Quality

Hovid Bhd (Company no: 58476 A)

Quarterly financial report (unaudited)

For the Third Financial Quarter Ended 31 March 2013

Explanatory Notes Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

**B12 Realised and unrealised profits and losses disclosure**

	As at 31.3.2013 RM'000	As at 30.06.2012 RM'000
Total retained profits of Hovid and its subsidiaries:-		
Realised	42,909	20,925
Unrealised	(12,842)	(12,631)
Total	30,067	8,294
Consolidation adjustments	10,741	11,165
Total group retained earnings	40,808	19,459

**B13 Review by External Auditors**

The condensed consolidated interim financial statements have been reviewed by the Company's external auditors in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", as directed by Bursa as per its letter dated 4 February 2013.

Authorisation for issue

On 27 May 2013, the Board of Directors authorised this interim report for issue.

On behalf of the Board,  
Goh Tian Hock  
Ng Yuet Seam  
Joint Secretaries