

*Condensed Consolidated Statement of Profit or Loss and Comprehensive Income*  
*For the Three Months Ended 31 March 2015 - Unaudited*

	3 months ended		3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM	RM	RM	RM
<b>Revenue</b>	37,343,275	34,370,433	37,343,275	34,370,433
Cost of sales	(21,387,484)	(20,615,901)	(21,387,484)	(20,615,901)
<b>Gross profit</b>	15,955,791	13,754,532	15,955,791	13,754,532
Other income	227,183	206,579	227,183	206,579
Selling & distribution expenses	(7,486,466)	(5,341,167)	(7,486,466)	(5,341,167)
Administrative expenses	(1,279,383)	(3,042,773)	(1,279,383)	(3,042,773)
Finance costs	(74,571)	(107,506)	(74,571)	(107,506)
Share of loss of equity-accounted investees, net of tax	-	(24,327)	-	(24,327)
<b>Profit before tax</b>	7,342,554	5,445,338	7,342,554	5,445,338
Income tax expense	(1,788,222)	(1,257,345)	(1,788,222)	(1,257,345)
<b>Profit for the period</b>	5,554,332	4,187,993	5,554,332	4,187,993
<b>Other comprehensive profit, net of tax</b>				
Exchange differences on translation of foreign operations	2,351,497	(749,762)	2,351,497	(749,762)
<b>Other comprehensive profit, net of tax</b>	2,351,497	(749,762)	2,351,497	(749,762)
<b>Total comprehensive income for the period</b>	7,905,829	3,438,231	7,905,829	3,438,231
<b>Profit attributable to:</b>				
Owners of the company	5,554,291	4,177,579	5,554,291	4,177,579
Non-controlling interest	41	10,414	41	10,414
<b>Profit for the period</b>	5,554,332	4,187,993	5,554,332	4,187,993
<b>Total comprehensive income attributable to:</b>				
Owners of the company	7,905,788	3,427,817	7,905,788	3,427,817
Non-controlling interest	41	10,414	41	10,414
<b>Total comprehensive income for the period</b>	7,905,829	3,438,231	7,905,829	3,438,231
<b>Earning per share</b>		<b>restated</b>		<b>restated</b>
Basic (Sen)	3.04	2.31	3.04	2.31
Diluted (Sen)	2.53	2.16	2.53	2.16

The Condensed Consolidated Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

*Condensed Consolidated Statement of Financial Position*  
*As at 31 March 2015 - Unaudited*

	<b>unaudited</b> <b>31.3.2015</b> <b>RM</b>	<b>audited</b> <b>31.12.2014</b> <b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	102,893,679	95,338,732
Investment properties	2,662,726	2,644,330
Prepaid lease payments	3,202,999	3,037,268
Deferred tax assets	28,587	26,947
	<u>108,787,991</u>	<u>101,047,277</u>
<b>Current assets</b>		
Other investments	3,605,061	6,641,147
Inventories	11,738,026	12,349,674
Current tax assets	-	22,763
Trade and other receivables	37,661,593	29,297,003
Prepayments	457,450	135,096
Cash and cash equivalents	37,719,554	37,032,486
	<u>91,181,684</u>	<u>85,478,169</u>
<b>Total assets</b>	<u><u>199,969,675</u></u>	<u><u>186,525,446</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	91,434,933	91,174,546
Reserves	67,722,635	63,250,051
<b>Equity attributable to owners of the Company</b>	<u>159,157,568</u>	<u>154,424,597</u>
<b>Non-controlling interests</b>	(5,119)	(5,160)
<b>Total equity</b>	<u><u>159,152,449</u></u>	<u><u>154,419,437</u></u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	5,579,754	5,842,455
Deferred tax liabilities	862,807	862,754
	<u>6,442,561</u>	<u>6,705,209</u>
<b>Current liabilities</b>		
Loan and borrowings	1,037,836	1,025,484
Trade and other payables	27,275,193	22,925,489
Dividend payables	3,657,137	-
Current tax liabilities	2,404,499	1,449,827
	<u>34,374,665</u>	<u>25,400,800</u>
<b>Total liabilities</b>	<u><u>40,817,226</u></u>	<u><u>32,106,009</u></u>
<b>Total equity and liabilities</b>	<u><u>199,969,675</u></u>	<u><u>186,525,446</u></u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u><u>0.87</u></u>	<u><u>0.85</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

*Condensed Consolidated Statement of Changes in Equity*  
*For the Three Months Ended 31 March 2015 - Unaudited*

	<-----Attributable to owners of the Company----->						
	<----Non-distributable---->			Distributable			
	Share Capital RM	Share Premium RM	Translation Reserve RM	Retained Profits RM	Total RM	Non- Controlling Interest RM	Total Equity RM
<b>At 1 January 2014</b>	60,000,000	-	3,336,383	72,502,146	135,838,529	(26,200)	135,812,329
Net profit for the financial year	-	-	-	20,908,134	20,908,134	21,040	20,929,174
Other comprehensive income for the financial year	-	-	1,981,340	-	1,981,340	-	1,981,340
Total comprehensive income for the financial year	-	-	1,981,340	20,908,134	22,889,474	21,040	22,910,514
Contributions by and distributions to owners							
-issuance of shares pursuant to warrant conversion	783,033	1,409,458	-	-	2,192,491	-	2,192,491
-bonus issue	30,391,513	(1,409,458)	-	(28,982,055)	-	-	-
-dividends to owners of the Company	-	-	-	(6,495,897)	(6,495,897)	-	(6,495,897)
<b>At 31 December 2014/1 January 2015</b>	91,174,546	-	5,317,723	57,932,328	154,424,597	(5,160)	154,419,437
Net profit for the period	-	-	-	5,554,291	5,554,291	41	5,554,332
Other comprehensive income for the period	-	-	2,351,497	-	2,351,497	-	2,351,497
Total comprehensive income for the period	-	-	2,351,497	5,554,291	7,905,788	41	7,905,829
Contributions by and distributions to owners							
-issuance of shares pursuant to warrant conversion	260,387	223,933	-	-	484,320	-	484,320
-dividends to owners of the Company	-	-	-	(3,657,137)	(3,657,137)	-	(3,657,137)
<b>At 31 March 2015</b>	91,434,933	223,933	7,669,220	59,829,482	159,157,568	(5,119)	159,152,449

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

*Condensed Consolidated Statement of Cash Flows*  
*For the Three Months Ended 31 March 2015 - Unaudited*

	<b>3 months ended</b>	
	<b>31.3.2015</b>	<b>31.3.2014</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	7,342,554	5,445,338
Adjustments for:		
Depreciation and amortisation	1,624,398	1,554,596
Loss/(gain) on disposal of plant and equipment	1,528	(16,730)
Interest expense	26,155	36,973
Interest income	(93,901)	(99,653)
Share of loss of equity-accounted investee, net of tax	-	24,327
Unrealised foreign exchange differences	1,693,899	(84,825)
Net impairment loss on financial assets	190,400	-
<i>Operating profit before working capital changes</i>	<u>10,785,033</u>	<u>6,860,026</u>
Changes in working capital:		
Inventories	611,647	339,282
Trade and other receivables	(9,081,735)	(2,212,467)
Trade and other payables	4,374,994	2,064,242
<i>Cash generated from operations</i>	<u>6,689,939</u>	<u>7,051,083</u>
Income tax paid	(1,409,971)	(1,063,642)
Income tax refund	631,605	-
<b>Net cash generated from operating activities</b>	<u>5,911,573</u>	<u>5,987,441</u>
<b>Cash flows from investing activities</b>		
Interest received	93,901	99,653
Changes in investment in unit trust	2,968,886	(40,704)
Proceeds from disposal of plant and equipment	45,087	44,000
Purchase of property, plant and equipment	(7,848,911)	(4,153,418)
<b>Net cash used in investing activities</b>	<u>(4,741,037)</u>	<u>(4,050,469)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(26,155)	(36,973)
Proceeds from issuance of share	484,320	412,146
Repayment of borrowings	(250,349)	(238,467)
<b>Net cash generated from financing activities</b>	<u>207,816</u>	<u>136,706</u>
<b>Net increase in cash and cash equivalents</b>	1,378,352	2,073,678
<b>Effect of changes in foreign exchange rate</b>	(691,284)	212,939
<b>Cash and cash equivalents at beginning of period</b>	<u>37,032,486</u>	<u>36,146,284</u>
<b>Cash and cash equivalents at end of period</b>	<u>37,719,554</u>	<u>38,432,901</u>

Cash and cash equivalents at the end of the financial period comprise the following:

	<b>As at</b>	<b>As at</b>
	<b>31.3.2015</b>	<b>31.3.2014</b>
	<b>RM</b>	<b>RM</b>
Deposits placed with licensed banks	1,808,593	5,149,572
Cash and bank balances	35,910,961	33,283,329
	<u>37,719,554</u>	<u>38,432,901</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

**KAWAN FOOD BERHAD (640445-V)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**1 Accounting policies and basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014. 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 year ended 31 December 2014.

The significant accounting policies and methods adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2014.

The adoption of the following improvements to published standards that came into effect on 1 January 2015 did not have any significant impact on the interim financial statements upon their initial application.

Annual Improvement to MFRSs	2010 - 2012 Cycle (effective from 1 July 2014)
Annual Improvement to MFRSs	2011 - 2012 Cycle (effective from 1 July 2014)

**2 Qualification of financial statements**

The financial statements of the Company and its subsidiaries for the financial year ended 31 December 2014 were not qualified.

**3 Seasonal or cyclical factors**

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

**5 Changes in estimates**

There were no changes in estimates that have had material effect in the current quarter results.

**KAWAN FOOD BERHAD (640445-V)**  
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**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**6 Debt and equity securities**

During the current quarter under review, the Company issued 520,774 new ordinary shares through Warrant Conversion.

Except for the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities by the Company during the current quarter under review.

**7 Dividend proposed, declared and paid**

An interim single tier dividend of 2 sen per ordinary share totalling RM3,657,137 in respect of the financial year ending 31 December 2015 has been paid on 2 April 2015.

**8 Segmental information**

The Group's business segments comprise mainly the manufacturing and sale of frozen food products.

Business segmental information therefore has not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, depreciation and amortisation, and non-cash expenses are mainly confined to one business segment.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	3 months ended		Year-to-date ended	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	14,866	15,175	14,866	15,175
Rest of Asia	6,160	4,550	6,160	4,550
Europe	4,527	2,546	4,527	2,546
North America	10,855	10,301	10,855	10,301
Oceania	842	1,719	842	1,719
Africa	93	79	93	79
Consolidated	<u>37,343</u>	<u>34,370</u>	<u>37,343</u>	<u>34,370</u>

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

No revaluation of property, plant and equipment were undertaken during the current quarter under review.

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**10 Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the current quarter under review.

**11 Changes in the composition of the Group**

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

**12 Capital commitments**

The capital commitments of the Group as at 31 March 2015 is as follows:

	RM'000
<b>Property, plant and equipment</b>	
Contracted but not provided for	<u>80,916</u>

**13 Supplementary information disclosed pursuant to Bursa Malaysia Securities Berhad Listing Requirements**

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special matter No.1, determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

Realised and unrealised profits or losses

	As at 31 Mar 2015 RM'000	As at 31 Dec 2014 RM'000
- Realised	92,270	85,482
- Unrealised	<u>(3,731)</u>	<u>(2,802)</u>
	88,539	82,680
Total share of post acquisition reserve of jointly controlled entity - realised	<u>(325)</u>	<u>(325)</u>
	88,214	82,355
Consolidation adjustments	<u>(28,385)</u>	<u>(24,423)</u>
Total Group retained profits as per consolidated accounts	<u>59,829</u>	<u>57,932</u>

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**14 Related party transactions**

The Group's related party transactions in the current quarter and the cumulative period-to-date ended 31 March 2015 are as follows:

	Current Quarter Ended 31 Mar 2015 RM'000	Year-to-date Ended 31 Mar 2015 RM'000
Transactions with a company in which Gan Thiam Chai, a Director of the Company has interests:		
Hot & Roll Sdn Bhd		
-Sales	628	628
Transactions with a company in which the spouse of Gan Thiam Hock, a Director of the Company has interests:		
K.C. Belight Food Industry (M) Sdn Bhd		
-Sales	219	219
-Purchases	482	482
Transaction with a company in which the daughters of Gan Thiam Chai and Kwan Sok Kay, the son of Gan Thiam Hock and the spouse of Timothy Tan Heng Han, Directors of the Company have interests:		
Food Valley Sdn Bhd		
-Purchases	2,214	2,214
Transactions with companies in which Nareshchandra Gordhandas Nagrecha and Jayendra Janardan Ved, Directors of the Company have interest.		
Shana Foods Limited		
-Sales	3,228	3,228
Rubicon Food Products Limited		
-Sales	1,365	1,365
Transactions with a company in which Timonthy Tan Heng Han, a Director of the Company has interests:		
Eat Meee Solutions Sdn Bhd		
-Sales	6	6

The above transactions have been entered in the normal course of business and have been established on terms and condition that are not materially different from those obtainable in similar transactions with unrelated parties.

**KAWAN FOOD BERHAD (640445-V)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**15 Review of performance**

For the current quarter ended 31 March 2015, the Group recorded a higher revenue of RM37 million against RM34 million in the corresponding quarter ended 31 March 2014, an increase was due to higher sales registered from all regions except Malaysia and Oceania.

Profit after taxation for the Group increased by 33% or RM1.4 million compared to the corresponding quarter ended 31 March 2014, mainly led by the strong consumer demand for the Group products and favourable RM/USD exchange rate in the current quarter.

**16 Variance of quarterly results compared to preceding quarter**

The Group recorded a higher turnover of RM37 million for the current quarter under review compared to the immediate preceding quarter of RM36 million.

The profit before tax increased to RM7.3 million compared to the immediate preceding quarter of RM6.5 million. The increase mainly due to higher turnover and favorable RM/USD exchange rate in the current quarter compared to the immediate preceding quarter.

**17 Commentary on the prospect**

The outlook for the global economy is uncertain due to the conditions in both United States and Europe. The continued volatility in USD/RM exchange rates will impact both revenue and profits.

The group will monitor these development and will continue to strengthen its efforts to improve overall efficiencies.

The Board expects the performance of the group to remain profitable.

**18 Variance of actual and profit forecast**

Not applicable as the Group did not issue any profit forecast for the current financial year.

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**19 Profit before tax**

The following have been included in arriving at profit before tax:

	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000	Year-to-date ended 31 Mar 2015 RM'000	Year-to-date ended 31 Mar 2014 RM'000
Interest income	(94)	(100)	(94)	(100)
Other income	(133)	(107)	(133)	(107)
Interest expense	26	37	26	37
Depreciation and amortisation	1,624	1,555	1,624	1,555
Foreign exchange (gain)/loss	(974)	294	(974)	294
Loss/(gain) on disposal of property, plant and equipment	2	(17)	2	(17)

**20 Taxation**

	Current Quarter Ended 31 Mar 2015 RM'000	Year-to-date Ended 31 Mar 2015 RM'000
Tax expense		
-Current year	1,790	1,790
Deferred tax expense		
-origination and reversal of temporary differences	(2)	(2)
Total	<u>1,788</u>	<u>1,788</u>

The effective tax rate of the Group for the financial period under review is higher than the statutory tax rate. This is mainly due to certain expenses which are not tax deductible.

**21 Corporate Proposals**

There was no corporate proposal announced but not completed as at date of this report.

**22 Borrowings (secured)**

	As at 31 Mar 2015 RM'000	As at 31 Dec 2014 RM'000
Short term borrowings:		
Term loans	<u>1,038</u>	<u>1,026</u>
Long term borrowings:		
Term loans	<u>5,580</u>	<u>5,842</u>

The borrowings are denominated in Malaysia Ringgit

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015**

**23 Material litigation**

The Group does not have any material litigation as at the date of this announcement.

**24 Dividend**

An interim single tier dividend of 2 sen per ordinary share totalling RM3,657,137 in respect of the financial year ending 31 December 2015 has been paid on 2 April 2015.

**25 Earning per share ("EPS")**

a) Basic earning per share

	3 months ended 31 Mar 2015	3 months ended 31 Mar 2014	Year-to-date ended 31 Mar 2015	Year-to-date ended 31 Mar 2014
Profit attributable to equity holders of the parent (RM'000)	5,554	4,178	5,554	4,178
Weighted average number of ordinary shares in issue (units)	182,690,016	180,887,749	182,690,016	180,887,749
Basic earning per share (sen)	3.04	2.31	3.04	2.31

b) Diluted earning per share

Profit attributable to equity holders of the parent (RM'000)	5,554	4,178	5,554	4,178
Weighted average number of ordinary shares in issue (units)	182,690,016	180,887,749	182,690,016	180,887,749
Effect of dilution under warrant conversion	37,007,717	12,391,730	37,007,717	12,391,730
	219,697,733	193,279,479	219,697,733	193,279,479
Diluted earning per share (sen)	2.53	2.16	2.53	2.16

By Order of the Board

Gan Thiam Chai  
 Executive Chairman  
 Date: 28 May 2015