

*Condensed Consolidated Statement of Profit or Loss and Comprehensive Income*  
*For the Six Months Ended 30 June 2015 - Unaudited*

	3 months ended		6 months ended	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM	RM	RM	RM
<b>Revenue</b>	44,289,438	40,749,132	81,632,713	75,119,565
Cost of sales	(23,755,596)	(22,529,993)	(45,143,080)	(43,145,894)
<b>Gross profit</b>	20,533,842	18,219,139	36,489,633	31,973,671
Other income	187,258	161,244	414,441	367,823
Selling & distribution expenses	(7,753,578)	(6,659,381)	(15,240,044)	(12,000,548)
Administrative expenses	(2,776,842)	(4,403,519)	(4,056,225)	(7,446,292)
Finance costs	(96,298)	(114,243)	(170,869)	(221,749)
Share of loss of equity-accounted investees, net of tax	-	(41,408)	-	(65,735)
<b>Profit before tax</b>	10,094,382	7,161,832	17,436,936	12,607,170
Income tax expense	(2,827,837)	(1,755,833)	(4,616,059)	(3,013,178)
<b>Profit for the period</b>	7,266,545	5,405,999	12,820,877	9,593,992
<b>Other comprehensive profit, net of tax</b>				
Exchange differences on translation of foreign operations	916,854	(481,246)	3,268,351	(1,231,008)
<b>Other comprehensive profit, net of tax</b>	916,854	(481,246)	3,268,351	(1,231,008)
<b>Total comprehensive income for the period</b>	8,183,399	4,924,753	16,089,228	8,362,984
<b>Profit attributable to:</b>				
Owners of the company	7,269,293	5,400,538	12,823,584	9,578,117
Non-controlling interest	(2,748)	5,461	(2,707)	15,875
<b>Profit for the period</b>	7,266,545	5,405,999	12,820,877	9,593,992
<b>Total comprehensive income attributable to:</b>				
Owners of the company	8,186,147	4,919,292	16,091,935	8,347,109
Non-controlling interest	(2,748)	5,461	(2,707)	15,875
<b>Total comprehensive income for the period</b>	8,183,399	4,924,753	16,089,228	8,362,984
<b>Earning per share</b>		<b>restated</b>		<b>restated</b>
Basic (Sen)	3.60	2.97	6.35	5.28
Diluted (Sen)	3.09	2.75	5.45	4.88

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 30 June 2015 - Unaudited*

	<b>unaudited</b>	<b>audited</b>
	<b>30.6.2015</b>	<b>31.12.2014</b>
	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	123,498,380	95,338,732
Investment properties	2,659,774	2,644,330
Prepaid lease payments	3,243,479	3,037,268
Deferred tax assets	29,123	26,947
	<u>129,430,756</u>	<u>101,047,277</u>
<b>Current assets</b>		
Other investments	1,741,605	6,641,147
Inventories	11,547,000	12,349,674
Current tax assets	-	22,763
Trade and other receivables	46,175,716	29,297,003
Prepayments	552,367	135,096
Cash and cash equivalents	39,117,944	37,032,486
	<u>99,134,632</u>	<u>85,478,169</u>
<b>Total assets</b>	<u><u>228,565,388</u></u>	<u><u>186,525,446</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	101,021,871	91,174,546
Reserves	84,153,549	63,250,051
<b>Equity attributable to owners of the Company</b>	<u>185,175,420</u>	<u>154,424,597</u>
<b>Non-controlling interests</b>	<u>(7,867)</u>	<u>(5,160)</u>
<b>Total equity</b>	<u><u>185,167,553</u></u>	<u><u>154,419,437</u></u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	5,313,348	5,842,455
Deferred tax liabilities	862,825	862,754
	<u>6,176,173</u>	<u>6,705,209</u>
<b>Current liabilities</b>		
Loan and borrowings	1,050,637	1,025,484
Trade and other payables	32,128,608	22,925,489
Current tax liabilities	4,042,417	1,449,827
	<u>37,221,662</u>	<u>25,400,800</u>
<b>Total liabilities</b>	<u><u>43,397,835</u></u>	<u><u>32,106,009</u></u>
<b>Total equity and liabilities</b>	<u><u>228,565,388</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>0.92</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 Six 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	-	-	-	12,823,584	12,823,584	(2,707)	12,820,877
Other comprehensive income for the period	-	-	3,268,351	-	3,268,351	-	3,268,351
Total comprehensive income for the period	-	-	3,268,351	12,823,584	16,091,935	(2,707)	16,089,228
Contributions by and distributions to owners							
-issuance of shares pursuant to warrant conversion	9,847,325	8,468,700	-	-	18,316,025	-	18,316,025
-dividends to owners of the Company	-	-	-	(3,657,137)	(3,657,137)	-	(3,657,137)
<b>At 30 June 2015</b>	101,021,871	8,468,700	8,586,074	67,098,775	185,175,420	(7,867)	185,167,553

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 Six Months Ended 30 June 2015 - Unaudited*

	<b>6 months ended</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	17,436,936	12,607,170
Adjustments for:		
Depreciation and amortisation	3,275,189	3,093,866
Loss/(gain) on disposal of plant and equipment	2,717	(17,029)
Interest expense	49,054	70,996
Interest income	(163,957)	(151,440)
Share of loss of equity-accounted investee, net of tax	-	24,327
Unrealised foreign exchange differences	1,622,844	(414,548)
Net gain on financial assets	(56,000)	-
<i>Operating profit before working capital changes</i>	<u>22,166,783</u>	<u>15,213,342</u>
Changes in working capital:		
Inventories	802,674	(2,118,625)
Trade and other receivables	(17,690,776)	(5,436,280)
Trade and other payables	9,228,409	4,543,325
<i>Cash generated from operations</i>	<u>14,507,090</u>	<u>12,201,762</u>
Income tax paid	(2,597,633)	(1,914,751)
Income tax refund	631,605	-
<b>Net cash generated from operating activities</b>	<u>12,541,062</u>	<u>10,287,011</u>
<b>Cash flows from investing activities</b>		
Interest received	163,957	151,440
Changes in investment in unit trust	4,955,542	4,951,878
Proceeds from disposal of plant and equipment	45,280	44,300
Purchase of property, plant and equipment	(28,916,656)	(13,408,891)
<b>Net cash used in investing activities</b>	<u>(23,751,877)</u>	<u>(8,261,273)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(3,657,137)	(6,495,897)
Interest paid	(49,054)	(70,996)
Proceeds from issuance of share	18,316,025	1,105,146
Repayment of borrowings	(503,953)	(479,885)
<b>Net cash generated from/(used in) financing activities</b>	<u>14,105,881</u>	<u>(5,941,632)</u>
<b>Net increase in cash and cash equivalents</b>	2,895,066	(3,915,894)
<b>Effect of changes in foreign exchange rate</b>	(809,608)	478,740
<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>39,117,944</u>	<u>32,709,130</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM</b>	<b>RM</b>
Deposits placed with licensed banks	13,376,675	1,233,775
Cash and bank balances	25,741,269	31,475,354
	<u>39,117,944</u>	<u>32,709,129</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 30 JUNE 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 except for warrant conversion under Note 6.

**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)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2015**

**6 Debt and equity securities**

During the current quarter under review, the Company issued 19,173,876 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	
	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	16,482	15,559	31,349	30,734
Rest of Asia	5,890	6,091	12,050	10,642
Europe	5,419	4,095	9,946	6,641
North America	14,014	12,682	24,869	22,983
Oceania	2,356	2,146	3,198	3,865
Africa	128	176	221	255
Consolidated	44,289	40,749	81,633	75,120

**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 30 JUNE 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 30 June 2015 is as follows:

	RM'000
<b>Property, plant and equipment</b>	
Contracted but not provided for	<u>65,156</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 30 Jun 2015 RM'000	As at 31 Dec 2014 RM'000
- Realised	103,084	85,482
- Unrealised	<u>(3,144)</u>	<u>(2,802)</u>
	99,940	82,680
Total share of post acquisition reserve of jointly controlled entity - realised	<u>(325)</u>	<u>(325)</u>
	99,615	82,355
Consolidation adjustments	<u>(32,516)</u>	<u>(24,423)</u>
Total Group retained profits as per consolidated accounts	<u>67,099</u>	<u>57,932</u>

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2015**

**14 Related party transactions**

The Group's related party transactions in the current quarter and the cumulative period-to-date ended 30 June 2015 are as follows:

	Current Quarter Ended 30 Jun 2015 RM'000	Year-to-date Ended 30 Jun 2015 RM'000
Transactions with a company in which Gan Thiam Chai, a Director of the Company has interests:		
Hot & Roll Sdn Bhd		
-Sales	549	1,177
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	167	386
-Purchases	351	833
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	2,795	5,009
Transactions with companies in which Nareshchandra Gordhandas Nagrecha and Jayendra Janardan Ved, Directors of the Company have interest.		
Shana Foods Limited		
-Sales	4,008	7,236
Rubicon Food Products Limited		
-Sales	2,898	4,263
Transactions with a company in which Timonthy Tan Heng Han, a Director of the Company has interests:		
Eat Meee Solutions Sdn Bhd		
-Sales	6	12

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 30 JUNE 2015**

**15 Review of performance**

For the current quarter ended 30 June 2015, the Group recorded a higher revenue of RM44 million against RM41 million in the corresponding quarter ended 30 June 2014, an increase was due to higher sales registered from all regions except Africa and Asia.

Profit after taxation for the Group increased by 34% or RM1.9 million compared to the corresponding quarter ended 30 June 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 RM44 million for the current quarter under review compared to the immediate preceding quarter of RM37 million.

The profit before tax increased to RM10 million compared to the immediate preceding quarter of RM7.3 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 30 JUNE 2015**

**19 Profit before tax**

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

	3 months ended 30 Jun 2015 RM'000	3 months ended 30 Jun 2014 RM'000	Year-to-date ended 30 Jun 2015 RM'000	Year-to-date ended 30 Jun 2014 RM'000
Interest income	(70)	(51)	(164)	(151)
Other income	(117)	(109)	(250)	(216)
Interest expense	23	34	49	71
Depreciation and amortisation	1,651	1,539	3,275	3,094
Foreign exchange (gain)/loss	(997)	581	(1,971)	875
Loss on disposal of property, plant and equipment	-	-	2	-

**20 Taxation**

	Current Quarter Ended 30 Jun 2015 RM'000	Year-to-date Ended 30 Jun 2015 RM'000
Tax expense		
-Current year	2,828	4,618
Deferred tax expense		
-origination and reversal of temporary differences	-	(2)
Total	<u>2,828</u>	<u>4,616</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 30 Jun 2015 RM'000	As at 31 Dec 2014 RM'000
Short term borrowings:		
Term loans	<u>1,051</u>	<u>1,026</u>
Long term borrowings:		
Term loans	<u>5,313</u>	<u>5,842</u>

The borrowings are denominated in Malaysia Ringgit

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 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 30 Jun 2015	3 months ended 30 Jun 2014	Year-to-date ended 30 Jun 2015	Year-to-date ended 30 Jun 2014
Profit attributable to equity holders of the parent (RM'000)	7,269	5,401	12,824	9,578
Weighted average number of ordinary shares in issue (units)	202,043,742	181,572,416	202,043,742	181,572,416
Basic earning per share (sen)	3.60	2.97	6.35	5.28

b) Diluted earning per share

Profit attributable to equity holders of the parent (RM'000)	7,269	5,401	12,824	9,578
Weighted average number of ordinary shares in issue (units)	202,043,742	181,572,416	202,043,742	181,572,416
Effect of dilution under warrant conversion	33,452,380	14,563,471	33,452,380	14,563,471
	235,496,122	196,135,887	235,496,122	196,135,887
Diluted earning per share (sen)	3.09	2.75	5.45	4.88

By Order of the Board

Gan Thiam Chai  
 Executive Chairman  
 Date: 24 August 2015