

TIEN WAH PRESS HOLDINGS BERHAD

(CO. NO. 340434-K)

Quarterly report on consolidated results for the first quarter ended 31 March 2014
The figures have not been audited.

PART A2: SUMMARY OF KEY FINANCIAL INFORMATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | | |
|---|--|---|---------------------------------------|--|--------|
| | CURRENT YEAR QUARTER 31/3/2014 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31/3/2013 RM'000 | CURRENT YEAR TO DATE 31/3/2014 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31/3/2013 RM'000 | |
| 1 | Revenue | 83,481 | 94,743 | 83,481 | 94,743 |
| 2 | Profit before tax | 6,664 | 13,020 | 6,664 | 13,020 |
| 3 | Profit for the period | 5,361 | 11,175 | 5,361 | 11,175 |
| 4 | Profit attributable to ordinary equity holders of the Company | 4,349 | 7,635 | 4,349 | 7,635 |
| 5 | Basic earnings per share (sen) | 4.51 | 7.91 | 4.51 | 7.91 |
| 6 | Proposed / Declared Dividend per share (sen) | 0.00 | 0.00 | 0.00 | 0.00 |
| | | AS AT END OF CURRENT QUARTER | | AS AT PRECEDING FINANCIAL YEAR END | |
| | Net assets per share attributable to ordinary equity holders of the Company (RM) | 2.44 | | 2.37 | |
| 7 | Remarks : | | | | |

PART A3: ADDITIONAL INFORMATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | | |
|---|---------------------------------------|---|---------------------------------------|--|-------|
| | CURRENT YEAR QUARTER 31/3/2014 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31/3/2013 RM'000 | CURRENT YEAR TO DATE 31/3/2014 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31/3/2013 RM'000 | |
| 1 | Gross interest income | 246 | 310 | 246 | 310 |
| 2 | Gross interest expense | (621) | (925) | (621) | (925) |
| | Remarks : | | | | |

TIEN WAH PRESS HOLDINGS BERHAD
(CO.NO. 340434-K)

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED 31 MARCH 2014

| | 2014 Current Quarter Ended 31 March (RM '000) | 2013 Comparative Quarter Ended 31 March (RM '000) | 2014 3-months Cumulative to date (RM '000) | 2013 3-months Cumulative to date (RM '000) |
|--|---|---|--|--|
| Continuing operations | | | | |
| Revenue | 83,481 | 94,743 | 83,481 | 94,743 |
| Cost of sales | (67,556) | (72,628) | (67,556) | (72,628) |
| Gross profit | 15,925 | 22,115 | 15,925 | 22,115 |
| Other income | 730 | 740 | 730 | 740 |
| Distribution expenses | (2,692) | (2,899) | (2,692) | (2,899) |
| Administrative expenses | (6,132) | (5,992) | (6,132) | (5,992) |
| Other expenses | (1,899) | (1,360) | (1,899) | (1,360) |
| Results from operating activities | 5,932 | 12,604 | 5,932 | 12,604 |
| Finance income | 246 | 310 | 246 | 310 |
| Finance costs | (621) | (925) | (621) | (925) |
| Operating profit | 5,557 | 11,989 | 5,557 | 11,989 |
| Share of profit of equity-accounted associate, net of tax | 1,107 | 1,031 | 1,107 | 1,031 |
| Profit before tax | 6,664 | 13,020 | 6,664 | 13,020 |
| Tax expense | (1,303) | (1,845) | (1,303) | (1,845) |
| Profit for the period | <u>5,361</u> | <u>11,175</u> | <u>5,361</u> | <u>11,175</u> |
| Profit for the period attributable to: | | | | |
| Owners of the Company | 4,349 | 7,635 | 4,349 | 7,635 |
| Non-controlling interests | 1,012 | 3,540 | 1,012 | 3,540 |
| Profit for the period | <u>5,361</u> | <u>11,175</u> | <u>5,361</u> | <u>11,175</u> |
| Earnings per ordinary share (sen): | | | | |
| -basic (sen) | <u>4.51</u> | <u>7.91</u> | <u>4.51</u> | <u>7.91</u> |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2013)

INTERIM FINANCIAL STATEMENTS**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE QUARTER ENDED 31 MARCH 2014**

| | 2014 Current Quarter Ended 31 March (RM '000) | 2013 Comparative Quarter Ended 31 March (RM '000) | 2014 3-months Cumulative to date (RM '000) | 2013 3-months Cumulative to date (RM '000) |
|---|---|---|--|--|
| Profit for the period | 5,361 | 11,175 | 5,361 | 11,175 |
| Item that may be subsequently reclassified to profit or loss | | | | |
| Foreign currency translation of differences for foreign operations | 3,314 | 3,002 | 3,314 | 3,002 |
| Total comprehensive income for the period, net of tax | <u>8,675</u> | <u>14,177</u> | <u>8,675</u> | <u>14,177</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 5,972 | 9,462 | 5,972 | 9,462 |
| Non-controlling interests | 2,703 | 4,715 | 2,703 | 4,715 |
| Profit for the period | <u>8,675</u> | <u>14,177</u> | <u>8,675</u> | <u>14,177</u> |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2013)

TIEN WAH PRESS HOLDINGS BERHAD
(CO. NO. 340434-K)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

| | As at 31 March 2014 (RM '000) | As at 31 December 2013 (RM '000) |
|---|--|---|
| ASSETS | | |
| Property, plant & equipment | 219,772 | 221,075 |
| Intangible assets | 31,023 | 32,697 |
| Investment in an associate | 17,500 | 16,393 |
| Deferred tax assets | 4,095 | 3,711 |
| Total non-current assets | 272,390 | 273,876 |
| Current assets | | |
| Receivables, deposits and prepayments | 69,277 | 57,783 |
| Inventories | 72,568 | 73,841 |
| Current tax assets | 491 | 311 |
| Cash & cash equivalents | 32,123 | 44,143 |
| Total current assets | 174,459 | 176,078 |
| TOTAL ASSETS | 446,849 | 449,954 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to the equity holders of the Company | | |
| Share capital | 96,495 | 96,495 |
| Reserves | 138,626 | 132,654 |
| Total equity attributable to the equity holders of the Company | 235,121 | 229,149 |
| Non-controlling interests | 74,040 | 71,337 |
| Total equity | 309,161 | 300,486 |
| Non-current liabilities | | |
| Employee benefits | 1,855 | 1,802 |
| Deferred tax liabilities | 11,814 | 11,610 |
| Loans and borrowings | 11,320 | 16,115 |
| Payables | 6,540 | 1,900 |
| Total non-current liabilities | 31,529 | 31,427 |
| Current liabilities | | |
| Payables and accruals | 51,837 | 61,255 |
| Loans and borrowings | 54,322 | 56,786 |
| Total current liabilities | 106,159 | 118,041 |
| Total liabilities | 137,688 | 149,468 |
| TOTAL EQUITY AND LIABILITIES | 446,849 | 449,954 |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2013)

TIEN WAH PRESS HOLDINGS BERHAD
(CO.NO. 340434-K)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2014

| | Attributable to Equity Holders of the Company | | | | Total (RM '000) | Non-controlling Interest (RM '000) | Total Equity (RM '000) |
|---|---|-------------------------------|-------------------------------------|----------------------------------|--------------------|--|------------------------------|
| | Share Capital (RM '000) | Share Premium (RM '000) | Translation Reserve (RM '000) | Retained Profits (RM '000) | | | |
| At 1 January 2014 -as previously stated | 96,495 | 12,504 | 5,772 | 114,378 | 229,149 | 71,337 | 300,486 |
| Foreign currency translation differences for foreign operations | - | - | 1,368 | - | 1,368 | 1,446 | 2,814 |
| Hedge of net investment | - | - | 255 | - | 255 | 245 | 500 |
| Other comprehensive income for the period | - | - | 1,623 | - | 1,623 | 1,691 | 3,314 |
| Profit for the period | - | - | - | 4,349 | 4,349 | 1,012 | 5,361 |
| Total comprehensive income for the period | - | - | 1,623 | 4,349 | 5,972 | 2,703 | 8,675 |
| At 31 March 2014 | 96,495 | 12,504 | 7,395 | 118,727 | 235,121 | 74,040 | 309,161 |
| At 1 January 2013 -as previously stated | 96,495 | 12,504 | 5,833 | 102,184 | 217,016 | 71,661 | 288,677 |
| Foreign currency translation differences for foreign operations | - | - | 1,761 | - | 1,761 | 1,110 | 2,871 |
| Hedge of net investment | - | - | 66 | - | 66 | 65 | 131 |
| Other comprehensive income for the period | - | - | 1,827 | - | 1,827 | 1,175 | 3,002 |
| Profit for the period | - | - | - | 7,635 | 7,635 | 3,540 | 11,175 |
| Total comprehensive income for the period | - | - | 1,827 | 7,635 | 9,462 | 4,715 | 14,177 |
| At 31 March 2013 | 96,495 | 12,504 | 7,660 | 109,819 | 226,478 | 76,376 | 302,854 |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2013)

TIEN WAH PRESS HOLDINGS BERHAD
(CO. NO. 340434-K)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014

| | 2014 3 months ended 31 March RM '000 | 2013 3 months ended 31 March RM '000 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before taxation | 6,664 | 13,020 |
| <i>Adjustments for non-cash items:</i> | | |
| - Depreciation of property, plant and equipment | 5,299 | 5,664 |
| - Amortisation of intangible assets | 1,651 | 1,293 |
| - Net interest expense | 375 | 615 |
| - Share of profit of equity-accounted investees, net of tax | (1,107) | (1,031) |
| - Employee benefits | 747 | 829 |
| - Other non-cash items | 1,017 | (42) |
| Operating profit before changes in working capital | 14,646 | 20,348 |
| -Decrease/(increase) in inventories | 1,086 | (3,433) |
| -(Increase) in trade and other receivables | (11,587) | (13,453) |
| -(Decrease) in trade and other payables | (4,529) | (15,679) |
| Cash used in operations | (384) | (12,217) |
| - Tax paid | (1,832) | (2,236) |
| - Interest received | 246 | 310 |
| - Employee benefits used | (4,080) | (874) |
| Net cash used in operating activities | (6,050) | (15,017) |
| Cash flows from investing activities | | |
| - Acquisition of property, plant and equipment | (2,229) | (872) |
| - Proceeds from disposal of property, plant and equipment | 15 | 1 |
| Net cash used in investing activities | (2,214) | (871) |
| Cash flow from financing activities | | |
| - (Repayment) of / proceeds from loans and borrowings | (6,916) | 7,069 |
| - Interest paid | (621) | (925) |
| Net cash (used in) / from financing activities | (7,537) | 6,144 |
| Net decrease in cash & cash equivalents | (15,801) | (9,744) |
| Effect of exchange rate fluctuations on cash held | 3,781 | 351 |
| Cash & cash equivalents at 1 January | 44,143 | 48,864 |
| Cash & cash equivalents at 31 March | 32,123 | 39,471 |

Cash & cash equivalents

Cash & cash equivalents included in the condensed consolidated statement of cash flows comprise:

| | 2014 3 months ended 31 March RM '000 | 2013 3 months ended 31 March RM '000 |
|------------------------------|---|---|
| Cash and bank balances | 11,228 | 19,104 |
| Deposits with licensed banks | 20,895 | 20,367 |
| | 32,123 | 39,471 |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2013)

TIEN WAH PRESS HOLDINGS BERHAD
(CO. NO. 340434-K)

Notes to the Interim Financial Statements for the quarter ended 31 March 2014

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2013. The explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

A2. Significant Accounting Policies

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

A3. Audit Report Qualification and Status of Matters Raised

The audit report of the preceding annual financial statements was not qualified.

A4. Seasonal or Cyclical Nature of Operations

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

A5. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A6. Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current financial year-to-date under review.

A7. Changes in Debt and Equity Securities

For the financial year-to-date, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.

A8. Dividends Paid

No dividend was paid during the quarter ended 31 March 2014.

A9. Operating Segments

The Group has two reportable segments, as described below which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the strategic business units, reflect the Group's management structure and the way financial information is regularly reviewed by the Board of Directors.

The following summary describes the operations in each of the Group reportable segments:

Printing: Rotogravure and photo-lithography printing specialising in cigarette cartons, consumer goods packaging, advertising materials and packaging services in general.

Trading: Trading of cigarette packaging cartons.

Other non-reportable segments comprise operations related to investment holdings and property investments.

| For the three months ended 31 March | | | | | | |
|-------------------------------------|----------|---------|---------|---------|---------|---------|
| | Printing | | Trading | | Total | |
| | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 | RM '000 |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenue | | | | | | |
| External revenue | 33,882 | 42,070 | 49,599 | 52,673 | 83,481 | 94,743 |
| Inter-segment revenue | 47,898 | 50,123 | 1,619 | 3,139 | 49,517 | 53,262 |
| Total revenue | 81,780 | 92,193 | 51,218 | 55,812 | 132,998 | 148,005 |
| Segment profit | 12,590 | 13,778 | 3,516 | 5,668 | 16,106 | 19,446 |
| Segment assets | 378,846 | 386,983 | 179,363 | 173,386 | 558,209 | 560,369 |

| Reconciliation of reportable segment profit or loss | 3 months ended 31/3/2014 RM'000 | 3 months ended 31/3/2013 RM'000 |
|---|--|--|
| Total profit for reporting segments | 16,106 | 19,446 |
| Other non-reportable segments | (154) | (18) |
| Elimination of inter-segment profits | (3,070) | 133 |
| <i>Not included in the measure of segment profit but provided to the Board of Directors</i> | | |
| Depreciation and amortization | (6,950) | (6,957) |
| Finance costs | (621) | (925) |
| Finance income | 246 | 310 |
| Share of profit of associate not included in reportable segments | 1,107 | 1,031 |
| Consolidated profit before tax | 6,664 | 13,020 |

A10. Material Events Subsequent to the End of Quarterly Period

There was no material events not reflected in the interim financial statements subsequent to the balance sheet date up to 5 May 2014.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A12. Changes in Contingent Liabilities

There were no material changes in the contingent liabilities since the last audited statement of financial position as at 31 December 2013.

A13. Capital Commitments

| | 3 months ended 31 March 2014 RM'000 |
|-------------------------------------|---|
| Property, plant and equipment | |
| - Authorised but not contracted for | 11,135 |
| - Contracted but not provided for | 7,843 |
| | 18,978 |

A14. Related Party Transactions

The following transactions have been entered into with related parties that were necessary for the day-to-day operations in the ordinary course of business.

| | 3 months ended 31 March 2014 RM '000 |
|---|--|
| New Toyo International Holdings Ltd | |
| - Management fees | 856 |
| - Interest paid | 70 |
| New Toyo International Co. (Pte) Ltd | |
| - Sales | (2,506) |
| - Purchases | 708 |
| - Early payment discount | 17 |
| Alliance Innovative Solutions Pte Ltd | |
| - Purchases | 92 |
| Toyoma Non-Carbon Paper Manufacturer Sdn Bhd | |
| - Rental of warehouse | 175 |
| Paper Base Converting Sdn Bhd | |
| - Purchases | 594 |
| New Toyo Pulppy (Hong Kong) Ltd | |
| - Outsourcing of sales administrative and accounting work | 74 |

A15. Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The Group uses the following hierarchy in determining the fair value of all financial instruments at fair value:

Level 1: Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3: Fair value is estimated using unobservable inputs for the financial assets and liabilities.

As at 31 March 2014, the Group held the following financial liabilities that are not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position:

| | Level 1 | Level 2 | Level 3 | Total fair value | Carrying amount |
|-----------------------------|---------|---------|---------|---------------------|--------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Financial liabilities | | | | | |
| - Bank loans | - | - | 63,542 | 63,542 | 65,605 |
| - Finance lease liabilities | - | - | 33 | 33 | 37 |
| - Holding company | - | - | 8,986 | 8,986 | 9,257 |

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Current Quarter against Previous Year Corresponding Quarter

Revenue

For the first quarter ended 31 March 2014, the Group's revenue decreased by 11.8% or RM11.2 million to RM83.5 million from RM94.7 million in the preceding year corresponding quarter. The reduction in revenue was mainly due to sluggish demand for tobacco packaging and weakening of the Australian dollar.

Profit before tax

Profit before tax for the first quarter ended 31 March 2014 was lower by RM6.3 million as compared to the preceding year corresponding quarter of RM13.0 million. The current quarter results have been impacted by a reduction in sales of tobacco packaging. In addition, the gross profit margin has reduced due to change in product mix of products with higher cost of sales and relatively lower selling prices.

Performance of the respective operating business segments (before elimination of inter-segment profits) for the first quarter ended 31 March 2014 as compared to the preceding year corresponding quarter is analysed as follows:-

1. Printing – Pre-tax profit decreased by RM0.8 million or 9.9% to RM7.3 million, mainly due to lower revenue and higher cost of sales.
2. Trading – Pre-tax profit decreased by RM2.1 million or 38.9% to RM3.3 million mainly due to lower revenue and lower fees received from its subsidiary.

There was an elimination of intra-group unrealised income of RM1.3 million arising from the restructuring of the production footprint within the Group. The remaining elimination of inter-segment profits of RM1.8 million comprises the routine operational unrealised gains from intra-group transactions.

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's revenue decreased from RM88.5 million to RM83.5 million or 6.0% as compared to the preceding quarter mainly due to lower demand for cigarette packaging.

Profit before tax was at RM6.7 million as compared to RM3.0 million for the preceding quarter, an increased of RM3.7 million or 123.3%. The fourth quarter 2013 results were impacted by a one-off provision of redundancy expense of RM2.8 million.

B3. Current Year Prospects

Based on the results of the current quarter under review, the Directors are of the opinion that the Group will have a weaker performance for the financial year. Our prospects in the various industries we are servicing throughout the region have been affected by various challenges to their businesses. Plans are in place to seek new market and segment opportunities and to reduce cost to mitigate the impact.

B4. Profit Forecast

None

B5. Tax Expense

| | 1st quarter ended 31 March | | 3 months ended 31 March | |
|---|-------------------------------|----------------|----------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Income tax expense | | | | |
| - Current year | 1,381 | 1,527 | 1,381 | 1,527 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,381 | 1,527 | 1,381 | 1,527 |
| Deferred tax | | | | |
| - Origination and reversal of temporary differences | (78) | 318 | (78) | 318 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,303 | 1,845 | 1,303 | 1,845 |

The Group's effective tax rate for the three months ended 31 March 2014 was lower than the Malaysian statutory tax rate of 25% due to effects of lower tax rates in certain tax jurisdictions and effects of certain foreign sourced income which are not subject to tax during the financial year under review.

B6. Status of corporate proposals announced

The Group does not have any corporate proposal as at the date of this announcement.

B7. Borrowings and Debt Securities

| | As at 31 March 2014 | | |
|--|---------------------|---------------------|-----------------|
| | RM'000 Secured | RM'000 Unsecured | RM'000 Total |
| <i>Short-term borrowings</i> | | | |
| Borrowings – Revolving Credits | 6,035 | 6,086 | 12,121 |
| Borrowings – Finance lease liabilities | 9 | - | 9 |
| Borrowings – Working Capital | 2,745 | 39,447 | 42,192 |
| Sub-totals | <hr/> | <hr/> | <hr/> |
| | 8,789 | 45,533 | 54,322 |
| <i>Long-term borrowings</i> | | | |
| Borrowings – Revolving Credits | 9,052 | 2,241 | 11,293 |
| Borrowings – Finance lease liabilities | 27 | - | 27 |
| Sub-totals | <hr/> | <hr/> | <hr/> |
| | 9,079 | 2,241 | 11,320 |
| Grand total | <hr/> | <hr/> | <hr/> |
| | 17,868 | 47,774 | 65,642 |

Secured short-term and long-term borrowings due to the banks are secured by inventories and tangible fixed assets of APT, shares of Anzpac Services (Australia) Pty Ltd ("Anzpac") and assignment of future proceeds by MEIL from the disposal of land and buildings owned by Anzpac.

Group's borrowings in Ringgit Malaysia equivalent analysed by currencies in which the borrowings are denominated were as follows:-

| | As at 31 March 2014 | |
|----------------------|---------------------------------------|--|
| | <i>Long-term borrowings</i> RM'000 | <i>Short-term borrowings</i> RM'000 |
| Ringgit Malaysia | 27 | 9,509 |
| Australian Dollar | 9,052 | 6,035 |
| United States Dollar | 2,241 | 38,778 |
| Total | <u>11,320</u> | <u>54,322</u> |

B8. Derivatives

As at 31 March 2014, there were no forward foreign exchange contracts for purchases or sales.

B9. Changes in Material Litigation

As at the date of issuance of this quarterly report, the Company was not engaged in any material litigation.

B10. Dividends

The directors do not recommend any interim dividend for the three months ended 31 March 2014.

B11. Earnings per share

a) Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders over the weighted average number of ordinary shares outstanding.

| | 3 months ended 31/3/2014 RM'000 | 3 months ended 31/3/2013 RM'000 |
|--|--|--|
| Profit attributable to equity holders of the Company | 4,349 | 7,635 |
| Weighted average number of ordinary shares in issue | 96,495 | 96,495 |
| Basic earnings per share (sen) | <u>4.51</u> | <u>7.91</u> |

b) Diluted earnings per share

Not applicable for the Group.

B12. Auditor's Report on Preceding Annual Financial Statements

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2013 was unqualified.

B13. Profit for the period

| | Current Quarter Ended 31/03/2014 RM'000 | 3 months Ended 31/03/2014 RM'000 |
|--|--|---|
| Profit for the period is arrived at after charging:- | | |
| Amortisation of intangible assets | 1,651 | 1,651 |
| Depreciation of property, plant and equipment | 5,299 | 5,299 |
| Inventories written off | 119 | 119 |
| Loss on disposal of property, plant and equipment | 11 | 11 |
| and after crediting:- | | |
| Net foreign exchange gain | 32 | 32 |

Other than the above, there was no gain or loss on disposal of quoted or unquoted securities or investments, gain or loss on derivatives and exceptional items included in the results for the current quarter and financial period ended 31 March 2014.

B14. Retained Profits

The Group's breakdown of realised and unrealised retained profits are disclosed as follows:

| | As at 31/03/2014 RM'000 | As at 31/12/2013 RM'000 |
|---|-------------------------------|-------------------------------|
| Total retained profits of the Company and its subsidiaries | | |
| Realised | 237,404 | 258,280 |
| Unrealised | (29,176) | (23,448) |
| Total retained profits | <u>208,228</u> | <u>234,832</u> |
| Total share of retained profits of associate | | |
| Realised | 16,400 | 15,411 |
| Unrealised | (400) | (518) |
| Total retained profits | <u>16,000</u> | <u>14,893</u> |
| Consolidated adjustments | (105,501) | (135,347) |
| Total Group retained profits as per consolidated interim financial statements | <u>118,727</u> | <u>114,378</u> |