

# TIEN WAH PRESS HOLDINGS BERHAD

(CO. NO. 340434-K)

**Quarterly report on consolidated results for the second quarter ended 30 June 2014**

**The figures have not been audited.**

**PART A2: SUMMARY OF KEY FINANCIAL INFORMATION**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2013 RM'000	CURRENT YEAR TO DATE 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2013 RM'000
1	Revenue	93,925	101,425	177,406	196,168
2	Profit before tax	8,730	12,935	15,394	25,955
3	Profit for the period	6,641	11,154	12,002	22,329
4	Profit attributable to ordinary equity holders of the Company	4,731	8,433	9,080	16,068
5	Basic earnings per share (sen)	4.90	8.74	9.41	16.65
6	Proposed / Declared Dividend per share (sen)	3.00	7.74	3.00	7.74
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the Company (RM)	2.47		2.37	
	Remarks :				

**PART A3: ADDITIONAL INFORMATION**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2013 RM'000	CURRENT YEAR TO DATE 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2013 RM'000
1	Gross interest income	241	256	487	566
2	Gross interest expense	(648)	(801)	(1,269)	(1,726)
	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 30 JUNE 2014**

	2014 Current Quarter Ended 30 June (RM '000)	2013 Comparative Quarter Ended 30 June (RM '000)	2014 6-months Cumulative to date (RM '000)	2013 6-months Cumulative to date (RM '000)
<b>Continuing operations</b>				
Revenue	93,925	101,425	177,406	196,168
Cost of sales	(76,550)	(79,416)	(144,106)	(152,044)
<b>Gross profit</b>	<b>17,375</b>	<b>22,009</b>	<b>33,300</b>	<b>44,124</b>
Other income	1,275	1,208	2,005	1,948
Distribution expenses	(2,643)	(3,337)	(5,335)	(6,236)
Administrative expenses	(6,318)	(5,513)	(12,450)	(11,505)
Other expenses	(1,541)	(1,849)	(3,440)	(3,209)
<b>Results from operating activities</b>	<b>8,148</b>	<b>12,518</b>	<b>14,080</b>	<b>25,122</b>
Finance income	241	256	487	566
Finance costs	(648)	(801)	(1,269)	(1,726)
<b>Operating profit</b>	<b>7,741</b>	<b>11,973</b>	<b>13,298</b>	<b>23,962</b>
Share of profit of equity-accounted associate, net of tax	989	962	2,096	1,993
<b>Profit before tax</b>	<b>8,730</b>	<b>12,935</b>	<b>15,394</b>	<b>25,955</b>
Tax expense	(2,089)	(1,781)	(3,392)	(3,626)
<b>Profit for the period</b>	<b>6,641</b>	<b>11,154</b>	<b>12,002</b>	<b>22,329</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	4,731	8,433	9,080	16,068
Non-controlling interests	1,910	2,721	2,922	6,261
<b>Profit for the period</b>	<b>6,641</b>	<b>11,154</b>	<b>12,002</b>	<b>22,329</b>
<b>Earnings per ordinary share (sen):</b>				
-basic (sen)	4.90	8.74	9.41	16.65

(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 30 JUNE 2014**

	2014 Current Quarter Ended 30 June (RM '000)	2013 Comparative Quarter Ended 30 June (RM '000)	2014 6-months Cumulative to date (RM '000)	2013 6-months Cumulative to date (RM '000)
<b>Profit for the period</b>	6,641	11,154	12,002	22,329
<b>Item that may be subsequently reclassified to profit or loss</b>				
Foreign currency translation of differences for foreign operations	(1,612)	(8,906)	1,702	(5,904)
<b>Total comprehensive income for the period, net of tax</b>	<u>5,029</u>	<u>2,248</u>	<u>13,704</u>	<u>16,425</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3,416	4,487	9,388	13,949
Non-controlling interests	1,613	(2,239)	4,316	2,476
<b>Profit for the period</b>	<u>5,029</u>	<u>2,248</u>	<u>13,704</u>	<u>16,425</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 30 JUNE 2014**

	As at 30 June 2014 (RM '000)	As at 31 Dec 2013 (RM '000)
<b>ASSETS</b>		
Property, plant & equipment	224,420	221,075
Intangible assets	29,134	32,697
Investment in an associate	18,045	16,393
Deferred tax assets	4,639	3,711
<b>Total non-current assets</b>	<b>276,238</b>	<b>273,876</b>
<b>Current assets</b>		
Receivables, deposits and prepayments	76,634	57,783
Inventories	77,381	73,841
Current tax assets	667	311
Cash & cash equivalents	59,228	44,143
<b>Total current assets</b>	<b>213,910</b>	<b>176,078</b>
<b>TOTAL ASSETS</b>	<b>490,148</b>	<b>449,954</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the Company</b>		
Share capital	96,495	96,495
Reserves	142,043	132,654
<b>Total equity attributable to the equity holders of the Company</b>	<b>238,538</b>	<b>229,149</b>
<b>Non-controlling interests</b>	<b>72,505</b>	<b>71,337</b>
<b>Total equity</b>	<b>311,043</b>	<b>300,486</b>
<b>Non-current liabilities</b>		
Employee benefits	1,883	1,802
Deferred tax liabilities	11,703	11,610
Loans and borrowings	18,583	16,115
Payables	3,506	1,900
<b>Total non-current liabilities</b>	<b>35,675</b>	<b>31,427</b>
<b>Current liabilities</b>		
Payables and accruals	77,780	61,255
Loans and borrowings	65,650	56,786
<b>Total current liabilities</b>	<b>143,430</b>	<b>118,041</b>
<b>Total liabilities</b>	<b>179,105</b>	<b>149,468</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>490,148</b>	<b>449,954</b>

(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 30 JUNE 2014**

	Attributable to Equity Holders of the Company				Total	Non-controlling Interest	Total Equity
	Non-Distributable		Distributable				
	Share Capital (RM '000)	Share Premium (RM '000)	Translation Reserve (RM '000)	Retained Profits (RM '000)	(RM '000)	(RM '000)	(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	-	-	(81)	-	(81)	1,019	938
Hedge of net investment	-	-	390	-	390	374	764
Other comprehensive income for the period	-	-	309	-	309	1,393	1,702
Profit for the period	-	-	-	9,080	9,080	2,922	12,002
<b>Total comprehensive income for the period</b>	-	-	<b>309</b>	<b>9,080</b>	<b>9,389</b>	<b>4,315</b>	<b>13,704</b>
Dividends to owners of the company	-	-	-	-	-	(3,147)	(3,147)
Total transactions with owners of the Company	-	-	-	-	-	(3,147)	(3,147)
At 30 June 2014	96,495	12,504	6,081	123,458	238,538	72,505	311,043
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	-	-	(915)	-	(915)	(2,626)	(3,541)
Hedge of net investment	-	-	(1,205)	-	(1,205)	(1,158)	(2,363)
Other comprehensive income for the period	-	-	(2,120)	-	(2,120)	(3,784)	(5,904)
Profit for the period	-	-	-	16,068	16,068	6,261	22,329
<b>Total comprehensive income for the period</b>	-	-	<b>(2,120)</b>	<b>16,068</b>	<b>13,948</b>	<b>2,477</b>	<b>16,425</b>
Dividends to owners of the company	-	-	-	-	-	(3,105)	(3,105)
Total transactions with owners of the Company	-	-	-	-	-	(3,105)	(3,105)
At 30 June 2013	96,495	12,504	3,713	118,252	230,964	71,033	301,997

(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 30 JUNE 2014**

	2014 6 months ended 30 June RM '000	2013 6 months ended 30 June RM '000
<b>Cash flows from operating activities</b>		
Profit before taxation	15,394	25,955
<i>Adjustments for non-cash items:</i>		
- Depreciation of property, plant and equipment	10,620	11,080
- Amortisation of intangible assets	3,268	2,585
- Net interest expense	782	1,160
- Share of profit of equity-accounted investees, net of tax	(2,096)	(1,993)
- Employee benefits	1,517	1,660
- Other non-cash items	944	272
Operating profit before changes in working capital	30,429	40,719
-(Increase)/decrease in inventories	(4,545)	3,870
-Increase in trade and other receivables	(19,893)	(10,675)
-Increase/(decrease) in trade and other payables	11,288	(15,091)
Cash generated from operations	17,279	18,823
- Tax paid	(3,202)	(4,073)
- Interest received	487	566
- Employee benefits used	(4,672)	(1,264)
Net cash generated from operating activities	9,892	14,052
<b>Cash flows from investing activities</b>		
- Acquisition of property, plant and equipment	(13,976)	(6,103)
- Proceeds from disposal of property, plant and equipment	15	70
- Dividend received	444	380
Net cash used in investing activities	(13,517)	(5,653)
<b>Cash flow from financing activities</b>		
- Proceeds from/(repayment of) loans and borrowings	19,052	(13,602)
- Dividend paid to non-controlling interests	(3,147)	(3,105)
- Interest paid	(1,269)	(1,726)
Net cash generated from / (used in) financing activities	14,636	(18,433)
Net increase/(decrease) in cash & cash equivalents	11,011	(10,034)
Effect of exchange rate fluctuations on cash held	4,074	(3,303)
Cash & cash equivalents at 1 January	44,143	48,864
Cash & cash equivalents at 30 June	59,228	35,527

**Cash & cash equivalents**

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

	2014 6 months ended 30 June RM '000	2013 6 months ended 30 June RM '000
Cash and bank balances	42,298	20,638
Deposits with licensed banks	16,930	14,889
	59,228	35,527

(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 30 June 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
- MFRS 14 Regulatory Deferral Accounts
- Clarification of Acceptable Methods of Depreciation and Amortisation
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)

***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)
- MFRS 9, Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)

**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 30 June 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 six months ended 30 June

	Printing		Trading		Total	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
	2014	2013	2014	2013	2014	2013
<b>Revenue</b>						
External revenue	79,982	84,215	97,424	111,953	177,406	196,168
Inter-segment revenue	92,791	107,635	3,082	4,665	95,873	112,300
Total revenue	172,773	191,850	100,506	116,618	273,279	308,468



Segment profit	27,756	28,344	7,304	13,051	35,060	41,395
Segment assets	421,244	377,150	179,323	171,615	600,567	548,765

<b>Reconciliation of reportable segment profit or loss</b>	6 months ended 30/6/2014 RM'000	6 months ended 30/6/2013 RM'000
Total profit for reporting segments	35,060	41,395
Other non-reportable segments	1,318	1,796
Elimination of inter-segment profits	(8,410)	(4,404)
Depreciation and amortization	(13,888)	(13,665)
Finance costs	(1,269)	(1,726)
Finance income	487	566
Share of profit of associate not included in reportable segments	2,096	1,993
Consolidated profit before tax	15,394	25,955

#### **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 30 July 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**

As at 30 June 2014, the Company has issued additional USD18,400,000 unsecured guarantees to banks in respect of credit facilities granted to its subsidiaries by those banks.

Except for the above-mentioned, there were no other contingent liabilities which are expected to have an operational or financial impact on the Group.

#### **A13. Capital Commitments**

	6 months ended 30 June 2014 RM'000
Property, plant and equipment	
- Authorised but not contracted for	7,342
- Contracted but not provided for	2,810
	10,152

#### 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.

	6 months ended 30 June 2014 RM '000
New Toyo International Holdings Ltd	
- Management fees	1,705
- Interest paid	147
New Toyo International Co. (Pte) Ltd	
- Sales	(6,852)
- Purchases	7,194
- Early payment discount	39
Alliance Innovative Solutions Pte Ltd	
- Purchases	154
New Toyo Aluminium Paper Product Co.(Pte) Ltd	
- Purchases	24
New Toyo (Vietnam) Aluminium Paper Packaging Co.Ltd	
- Purchases	6
Paper Base Converting Sdn Bhd	
- Purchases	689
- Sales	(1)
Toyoma Non-Carbon Paper Manufacturer Sdn Bhd	
- Rental of warehouse	349

#### 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 30 June 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	-	-	82,449	82,449	84,198
- Finance lease liabilities	-	-	31	31	35
- Holding company	-	-	13,063	13,063	13,457

## **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

Group's revenue for the second quarter ended 30 June 2014 reduced by 7.4% or RM7.5 million to RM93.9 million from RM101.4 million in the preceding year corresponding quarter. The current quarter results were affected by sluggish demand in certain cigarette brand related packaging products due to increase in duties in certain markets, changes in consumers' pattern and increase in the illegal trade volume.

##### Profit before tax

Profit before tax of RM8.7 million for the second quarter ended 30 June 2014 was lower by RM4.2 million or 32.6% as compared to the preceding year corresponding quarter of RM12.9 million.

The aforesaid unfavorable results for the quarter were impacted by lower revenue as explained above and lower gross profit margin as a result of change in product mix of products with higher cost of sales and relatively lower selling prices.

#### **(b) Current Year-to-date against Previous Year-to-date**

Group's revenue for the six months ended 30 June 2014 of RM177.4 million was RM18.8 million or 9.6% lower than the previous corresponding period of RM196.2 million due to reasons stated above in the second quarter 2014 comments and weakening of the Australian dollar as recorded in the first quarter 2014.

As a consequence of the dynamics mentioned above, profit before tax for the six months ended 30 June 2014 decreased by RM10.6 million or 40.8% to RM15.4 million as compared to the previous corresponding period of RM26.0 million.

### **B2. Variation of Results against Preceding Quarter**

For the current quarter under review, the Group's revenue increased from RM83.5 million to RM93.9 million or 12.5% as compared to the preceding quarter.

Profit before tax was at RM8.7 million as compared to RM6.7 million for the preceding quarter, an increase of RM2.0 million or 29.9%.

The higher profits were due to higher revenue for the current quarter as compared to the preceding quarter.

### **B3. Current Year Prospects**

Based on the results of the current year-to-date under review, the Directors are of the opinion that the Group will continue to face an uncertain market due to the challenges in the tobacco industry which may result in a weaker performance for the financial year. We are at the stage of implementing some of the plans that were in place to seek new market, customers and segment opportunities and to reduce cost to mitigate the impact.

**B4. Profit Forecast**

None

**B5. Tax Expense**

	2 <sup>nd</sup> quarter ended 30 June		6 months ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income tax expense				
- Current year	2,731	2,172	4,112	3,699
- Prior year	16	-	16	-
	<u>2,747</u>	<u>2,172</u>	<u>4,128</u>	<u>3,699</u>
Deferred tax				
- Origination and reversal of temporary differences	(658)	(391)	(736)	(73)
	<u>2,089</u>	<u>1,781</u>	<u>3,392</u>	<u>3,626</u>

The Group's effective tax rate for the six months ended 30 June 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 30 June 2014		
	RM'000 Secured	RM'000 Unsecured	RM'000 Total
<i>Short-term borrowings</i>			
Borrowings – Revolving Credits	9,056	8,652	17,708
Borrowings – Finance lease liabilities	10	-	10
Borrowings – Term loan	-	660	660
Borrowings – Working Capital	4,397	42,875	47,272
Sub-totals	<u>13,463</u>	<u>52,187</u>	<u>65,650</u>
<i>Long-term borrowings</i>			
Borrowings – Revolving Credits	6,038	11,280	17,318
Borrowings – Finance lease liabilities	25	-	25
Borrowings – Term loan	-	1,240	1,240
Sub-totals	<u>6,063</u>	<u>12,520</u>	<u>18,583</u>
Grand total	<u>19,526</u>	<u>64,707</u>	<u>84,233</u>

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 30 June 2014	
	<i>Long-term borrowings</i> RM'000	<i>Short-term borrowings</i> RM'000
Ringgit Malaysia	25	8,510
Australian Dollar	6,038	9,056
United States Dollar	12,520	48,084
Total	<u>18,583</u>	<u>65,650</u>

#### B8. Derivatives

As at 30 June 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 declared an interim single-tier exempt dividend of 3.00 sen per ordinary share in respect of the financial year ending 31 December 2014 (2013: 5.40 sen gross per share less tax of 25% and interim tax-exempt dividend of 2.34 sen per share).
- The Company had on 10 July 2014 paid a final dividend of 6.39 sen single-tier tax exempt dividend per share totaling RM6,166,029.66 in respect of the financial year ended 31 December 2013.
- The payment date for the interim dividend in respect of the financial year ending 31 December 2014 is on 31 October 2014. In respect of the deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 1 October 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.

	6 months ended 30/6/2014 RM'000	6 months ended 30/6/2013 RM'000
Profit attributable to equity holders of the Company	9,080	16,068
Weighted average number of ordinary shares in issue	96,495	96,495
Basic earnings per share (sen)	<u>9.41</u>	<u>16.65</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 30/06/2014 RM'000	6 months Ended 30/06/2014 RM'000
Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	1,617	3,268
Depreciation of property, plant and equipment	5,321	10,620
Inventories written off	25	144
Loss on disposal of property, plant and equipment	-	11
and after crediting:-		
Net foreign exchange gain	46	78

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 30 June 2014.

**B14. Retained Profits**

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

	As at 30/06/2014 RM'000	As at 31/12/2013 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	240,650	258,280
Unrealised	(27,450)	(23,448)
Total retained profits	213,200	234,832
Total share of retained profits of associate		
Realised	16,945	15,411
Unrealised	(400)	(518)
Total retained profits	16,545	14,893
Consolidated adjustments	(106,287)	(135,347)
Total Group retained profits as per consolidated interim financial statements	123,458	114,378