

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

QUARTERLY REPORT ON CONSOLIDATION RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

THE FIGURES HAVE NOT BEEN AUDITED

I(A). CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year	Preceding year	Nine	Nine
	quarter	corresponding	months	months
	30/9/2010	30/9/2009	to	to
	RM'000	RM'000	RM'000	RM'000
1. (a) Revenue	334,337	329,962	1,002,232	976,890
(b) Cost of sales	(282,670)	(283,779)	(849,182)	(825,621)
(c) Gross profit	51,667	46,183	153,050	151,269
(d) Other income	258	172	2,609	4,707
(e) Expenses	(35,416)	(35,572)	(103,720)	(98,473)
(f) Finance costs	(1,018)	(1,062)	(2,835)	(3,321)
(g) Share of results of associates	(86)	(294)	(941)	(234)
(h) Profit before income tax	15,405	9,427	48,163	53,948
(i) Income tax	(5,770)	(3,032)	(14,701)	(14,337)
(j) Zakat	(1,200)	-	(1,200)	-
(k) Profit for the period	8,435	6,395	32,262	39,611
Attributable to:				
(l) Owners of the Parent	8,586	6,059	32,640	38,279
(m) Minority interests	(151)	336	(378)	1,332
Profit for the period	8,435	6,395	32,262	39,611
2. Earnings per share				
Basic (based on 2010: 106,977,788 [2009: 106,977,788] ordinary shares)	8.03 sen	5.66 sen	30.51 sen	35.78 sen

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

I(B). CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/9/2010 RM'000	Preceding year corresponding quarter 30/9/2009 RM'000	Nine months to 30/9/2010 RM'000	Nine months to 30/9/2009 RM'000
Profit for the period	8,435	6,395	32,262	39,611
Foreign currency translation differences for foreign operations	(1,137)	1,779	(1,232)	3,016
Other comprehensive income for the period, net of tax	<u>(1,137)</u>	<u>1,779</u>	<u>(1,232)</u>	<u>3,016</u>
Total comprehensive income for the period	<u>7,298</u>	<u>8,174</u>	<u>31,030</u>	<u>42,627</u>
Attributable to:				
Owners of the Parent	7,449	7,838	31,408	41,295
Minority interests	(151)	336	(378)	1,332
Total comprehensive income for the period	<u>7,298</u>	<u>8,174</u>	<u>31,030</u>	<u>42,627</u>

The condensed Consolidated Income Statement and Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of	As at preceding
	current quarter	financial year end
	30/09/2010	31/12/2009
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	276,032	277,515
Prepaid lease payment	2,971	3,033
Goodwill	28,820	28,820
Investment in associates	5,621	6,562
Deferred tax assets	3,421	3,904
	316,865	319,834
2. Current assets		
Inventories	232,445	228,067
Receivables	218,283	140,418
Amounts due from related companies	9,619	15,699
Amounts due from associates	1,298	1,789
Cash, bank balances and deposits	29,179	104,408
Tax recoverable	9,491	8,030
	500,315	498,411
Total assets	817,180	818,245

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Unaudited As at end of current quarter 30/09/2010 RM'000	Audited As at preceding financial year end 31/12/2009 RM'000
EQUITY AND LIABILITIES		
3. Equity attributable to Owners of the Parent		
Share capital	106,978	106,978
Reserves		
Share premium	22,447	22,447
Other reserves	(3,653)	(2,421)
Retained profits	298,560	303,629
	424,332	430,633
4. Minority interests	15,325	15,703
Total equity	439,657	446,336
5. Non-current liabilities		
Provision for defined benefit plan	3,126	2,449
Long term borrowings	-	7,429
Deferred tax liabilities	1,530	3,131
	4,656	13,009
6. Current liabilities		
Payables	318,135	291,761
Amounts due to associates	1,335	4,571
Amount due to immediate holding company	230	428
Amounts due to related companies	22	100
Short term borrowings	51,123	39,539
Current portion of long term borrowings	-	18,537
Tax payable	2,022	3,964
	372,867	358,900
Total liabilities	377,523	371,909
Total equity and liabilities	817,180	818,245
7. Net assets per share attributable to Owners of the Parent	RM 3.97	RM 4.03

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Unaudited
	Nine months to	Nine months to
Note	30/09/2010	30/09/2009
	RM'000	RM'000
Operating Activities		
Cash receipts from customers	931,752	919,940
Cash payments to suppliers	(832,535)	(797,717)
Cash payments to employees and for expenses	(94,839)	(89,243)
Cash generated from operations	<u>4,378</u>	<u>32,980</u>
Interest paid	(2,768)	(2,417)
Interest received	851	36
Income taxes paid	(19,643)	(20,948)
Profit from Murabahah Commercial Paper	(203)	(485)
Net cash (used in)/ generated from operating activities	(17,385)	9,166
Investing Activities		
Purchase of property, plant and equipment	(7,223)	(6,235)
Proceeds from disposal of property, plant and equipment	72	118
Proceeds from disposal of non-current assets held for sale	500	32,150
Deposit for disposal of non-current assets held for sale	-	2,189
Net cash (used in)/ generated from investing activities	(6,651)	28,222
Financing Activities		
Drawdown/ (repayments) of short term borrowings	24,635	(4,706)
Dividend paid	(37,709)	(21,663)
Redemption of Murabahah Commercial Papers	(14,000)	(16,000)
Redemption of Murabahah Medium Term Notes	(15,000)	(15,000)
Repayment of term loan	(8,550)	(14,850)
Term loan interest paid	(140)	(777)
Profit on Murabahah Medium Term Notes paid	(713)	(1,388)
Net cash used in financing activities	(51,477)	(74,384)
Effects of exchange rate changes	284	(1,617)
Net change in Cash and Cash Equivalents	(75,229)	(38,613)
Cash and Cash Equivalents as at beginning of financial period	<u>104,408</u>	<u>94,173</u>
Cash and Cash Equivalents as at end of financial period	(a) <u>29,179</u>	<u>55,560</u>

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Unaudited Nine months to 30/09/2010 RM'000	Unaudited Nine months to 30/09/2009 RM'000
(a) Cash and Cash Equivalents comprise the following amounts:		
Current cash, bank balances and deposits		
- Unrestricted	29,179	55,560
 Cash and cash equivalents	<u>29,179</u>	<u>55,560</u>

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to Owners of the Parent →			Distributable Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
	← Non distributable →		Other Reserves RM'000				
	Share Capital RM'000	Share Premium RM'000					
Nine months to 30 September 2010 (unaudited)							
Balance as at 1 January 2010	106,978	22,447	(2,421)	303,629	430,633	15,703	446,336
Total comprehensive (expense)/ income for the period	-	-	(1,232)	32,640	31,408	(378)	31,030
2009 final gross dividend of 27 sen per share, less taxation of 25%	-	-	-	(21,663)	(21,663)	-	(21,663)
2009 special gross dividend of 10 sen per share, less taxation of 25%	-	-	-	(8,023)	(8,023)	-	(8,023)
2010 interim gross dividend of 10 sen per share, less taxation of 25%	-	-	-	(8,023)	(8,023)	-	(8,023)
Balance as at 30 September 2010	<u>106,978</u>	<u>22,447</u>	<u>(3,653)</u>	<u>298,560</u>	<u>424,332</u>	<u>15,325</u>	<u>439,657</u>

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (CONT'D)

	← Attributable to Owners of the Parent →			Distributable Retained Profits RM'000	Total RM'000	Minority interests RM'000	Total Equity RM'000
	← Non distributable →		Other Reserves RM'000				
	Share Capital RM'000	Share Premium RM'000					
Nine months to 30 September 2009 (unaudited)							
Balance as at 1 January 2009	106,978	22,447	(6,491)	265,101	388,035	14,167	402,202
Total comprehensive income for the period	-	-	3,016	38,279	41,295	1,332	42,627
2008 final gross dividend of 27 sen per share, less taxation of 25%	-	-	-	(21,663)	(21,663)	-	(21,663)
Balance as at 30 September 2009	<u>106,978</u>	<u>22,447</u>	<u>(3,475)</u>	<u>281,717</u>	<u>407,667</u>	<u>15,499</u>	<u>423,166</u>

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The notes to the condensed consolidated interim financial statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2009.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective 1 January 2010 as disclosed below:

FRS 7: Financial Instruments: Disclosure
FRS 8: Operating Segments
FRS 101 (Revised): Presentation of Financial Statements
FRS 123 (Revised): Borrowing Costs
FRS 139: Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132: Financial Instruments: Presentation
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs 'Improvements to FRSs (2009)
IC Interpretation 9: Reassessment of Embedded Derivatives
IC Interpretation 10: Interim Financial Reporting and Impairment

The adoption of the above pronouncements does not have significant impact to the Group, except as described below:

(a) FRS 8: Operating Segment

With effect from 1 January 2010, the Group determines and presents operating segments based on information that is internally provided to the Managing Director of the Company, who is the Group's chief operating decision maker, which are similar to those currently disclosed externally.

(b) FRS 101 (revised): Presentation of Financial Statements

The Group applies FRS 101 (revised) which became effective as of 1 January 2010. This standard requires changes in the format of the financial statements including the amount directly attributable to owners of the parent in the primary statements. Pursuant to the revised standard, the Group presents all non-owner changes in equity separately in the consolidated statement of comprehensive income. Comparative information has been re-presented in conformity with the revised standard.

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

2. Audit report in respect of the 2009 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2009 was not qualified.

3. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cashflows that were unusual because of their nature, size or incidence in the current period.

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

6. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2010 except for the redemption of RM14.0 million Murabahah Commercial Papers in August 2010 and RM15.0 million Murabahah Medium Term Notes in September 2010.

7. Dividend

An interim gross dividend of 10 sen per share, less taxation of 25% on 106,977,788 ordinary shares of RM1.00 each in respect of the financial year ending 31 December 2010 amounting to RM8,023,334.10 was approved by the Board on 28 June 2010 and paid on 19 August 2010.

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

8. Operating segments

In the prior year's audited consolidated financial statements, the basis of segmentation was on a primary format of business segments and a secondary format of geographical segment. In the current period ended 30 September 2010 and for the current financial year ending 31 December 2010, the basis of segmentation was changed to operating segments based on information reported internally to the Managing Director of the Company.

Operating Segment information for the current financial period to 30 September 2010 is as follow:

	Pharmaceutical manufacturing	Pharmaceutical trading, marketing and distribution	Medical products and services	Other operations	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	384	1,000,561	1,287	-	-	1,002,232
Inter-segment revenue	104,103	5,324	133	44,013	(153,573)	-
Total revenue	<u>104,487</u>	<u>1,005,885</u>	<u>1,420</u>	<u>44,013</u>	<u>(153,573)</u>	<u>1,002,232</u>
Results						
Segment results	16,281	35,337	(633)	38,181	(32,696)	56,470
Unallocated corporate expenses						(5,383)
Profit from operations						<u>51,087</u>
Interest expense	-	(2,695)	-	(946)	806	(2,835)
Interest income	-	852	-	806	(806)	852
Share of results of associate						(941)
Profit before income tax						<u>48,163</u>
Income tax						(14,701)
zakat						(1,200)
Profit for the period						<u><u>32,262</u></u>
Attributable to:						
Owners of the Parent						32,640
Minority interest						(378)
Profit for the period						<u><u>32,262</u></u>

9. Material events subsequent to the end of the current financial period

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 September 2010 to the date of this announcement which would substantially affect the financial results of the Group for the nine months ended 30 September 2010 that have not been reflected in the condensed financial statements.

V. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

11. Acquisitions and disposals of property, plant and equipment

	Current year quarter 30/09/2010 RM'000	Nine months to 30/09/2010 RM'000
Total acquisitions of property, plant and equipment	3,432	12,024
Total disposals of property, plant and equipment	-	1
Total profit on disposal	11	73

The proceeds of RM0.5million was received from the sale of non current assets transacted in previous year.

12. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2009 except as disclosed below:

<u>Description of contingent liabilities</u>	As at 01/01/2010 RM'000	Increase	Decrease	As at 30/09/2010 RM'000
Bank performance and reimbursement bonds for concession business undertaken by a subsidiary company	45,000	-	-	45,000
Bank guarantee for projects and utilities undertaken by subsidiary companies	19,360	912	(1,597)	18,675
	64,360	912	(1,597)	63,675

13. Capital commitments

There are no material capital commitments except as disclosed below:

	RM'000
Authorised and contracted for:	
Property, plant and equipment	6,784
Authorised but not contracted for:	
Property, plant and equipment	3,006

Pharmaniaga Berhad
467709-M
Incorporated In Malaysia

V. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. Income tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2010 RM'000	Preceding year corresponding quarter 30/09/2009 RM'000	Nine months to 30/09/2010 RM'000	Nine months to 30/09/2009 RM'000
Current tax				
- Malaysian income tax	4,736	3,611	16,279	14,188
- foreign income tax	187	672	356	1,713
- over provision in prior years	400	-	(96)	-
Deferred tax				
- reversal of net temporary differences	447	(1,251)	(1,838)	(1,564)
	<u>5,770</u>	<u>3,032</u>	<u>14,701</u>	<u>14,337</u>

The Group's effective tax rate for the current quarter is 37.5%, which is higher than the statutory tax rate of 25% as a result of non-allowable expenses and losses in a subsidiary which has yet to commence operation.

15. Disposal of unquoted investments and/or properties

There were no disposals of unquoted investments and/or properties in the current period.

16a) Acquisitions and disposals of quoted securities

There were no acquisitions and disposals of quoted securities in the current period.

16b) Investments in quoted securities

There were no investments in quoted securities other than securities in existing subsidiary as at 30 September 2010.

17. Related party transactions

	Transaction value		Balance outstanding	
	Nine months ended		As at	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	RM'000	RM'000	RM'000	RM'000
Sales				
Subsidiaries of immediate holding company	2,005	6,354	9,619	20,898
Associates	-	-	1,298	1,542
	<u>2,005</u>	<u>6,354</u>	<u>10,917</u>	<u>22,440</u>
Purchases				
Immediate holding company	219	236	230	176
Subsidiaries of immediate holding company	2,845	1,975	22	210
Associates	10,990	13,329	1,335	1,552
	<u>14,054</u>	<u>15,540</u>	<u>1,587</u>	<u>1,938</u>

18 Status of corporate proposals announced but not completed as at the date of this announcement

Bursa Securities had through its letter dated 1 July 2010, granted a further extension of time of six (6) months from 30 June 2010 until 29 December 2010 for Pharmaniaga to comply with the Public Spread Requirement. As at the date of this announcement, Pharmaniaga's public shareholding spread stood at 13.06%.

V. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. Borrowings and debt securities

Details of Group borrowings and debt securities as at 30 September 2010 are as follows:

	Long term borrowings			Short term borrowings		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Debt securities</u>						
Domestic	-	-	-	-	14,000	14,000
Foreign -IDR	-	-	-	-	37,123	37,123
						-
TOTAL	-	-	-	-	51,123	51,123

20. Realised and Unrealised Profits of the Group

	As at 30/09/2010
	RM'000
Realised profits	299,509
Unrealised loss	(949)
Total retained profits	<u>298,560</u>

The unrealised portion within unappropriated profit (retained earnings) as at 30 September 2010 mainly relate to foreign currency translation losses of cash balances, receivables and payables as at 30 September 2010 (RM0.9 million)

21. Material litigation

Since the preceding financial year ended 31 December 2009, there are no changes in material litigation as at the date of this announcement except for the following:

Danaharta Urus Sdn. Bhd. vs Safri bin Nawawi ("Safri") and Hamimah Binti Idruss ("Hamimah") (by original action) Safri bin Nawawi & Anor vs Danaharta Urus Sdn. Bhd. and 6 others (action by counterclaim)

On 28 December 2004, Safri bin Nawawi and Hamimah binti Idruss, former directors of Safire, had each commenced an action by way of Counterclaim against the Company and its wholly-owned subsidiary, Safire Pharmaceuticals (M) Sdn Bhd ("Safire"), respectively in the legal suit originally filed by Danaharta Urus Sdn. Bhd. against them. The Company and Safire were named 4th Defendant and 3rd Defendant respectively and were served with the court papers on 11 January 2005. The Company and Safire had filed the Memorandum of Appearance in Court on 14 January 2005 and 18 January 2005 in respect of the Counterclaim.

The Company and Safire had both filed their respective defense to the Action by Counterclaim on 31 January 2005. The Company and Safire had further filed applications to strike out the Counterclaim on 3 March 2005.

The High Court had allowed the Company and Safire's applications to strike out the counterclaim on 14 July 2009. Subsequently, Safri filed the Notice of Appeal against the decision on 15 July 2009. The court has yet to fix any date for the case management on Safri's appeal.

The Board of Directors of the Company upon consultation with the solicitors is of the opinion that the positions of both the Company and Safire are defendable.

V. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. Comparison between the current quarter and the immediate preceding quarter

The Group's revenue for the current quarter decreased by RM16.0 million or 4.6% from RM350.3 million in the immediate preceding quarter to RM334.3 million in the current quarter. The contraction in Group's revenue was mainly attributable to lower sales to government sector.

In line with the lower revenue in the current quarter, the Group's profit before tax registered a decrease of 24.1% from RM20.3 million in the immediate preceding quarter to RM15.4 million in the current quarter. The decrease was further contributed by lower gross profit from private sector.

23. Review of performance for the current quarter and period

In the current quarter under review, the Group's revenue was 1.3% higher at RM334.3 million from RM330.0 million registered in the same quarter last year, mainly due to higher sales to government sector.

The Group's profit before tax also increased by 63.8% to RM15.4 million, from RM9.4 million in the same quarter last year. This was mainly due to higher gross profit margin as a result of the improvement in the production throughput during the current quarter.

The Group's year-to-date revenue improved by 2.6% compared to the same period last year. Again, the growth has been driven by sales to the government sector.

However, the Group's profit before tax for the year to date declined by 10.6% to RM48.2 million, from RM53.9 million recorded in the same period last year. The contraction was the result of lower gross profit margin for the private sector sales coupled with an increase in selling and distribution expenses, and personnel costs.

24. Economic profit ("EP") statement

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2010 RM'000	Preceding year corresponding quarter 30/09/2009 RM'000	Nine months to 30/09/2010 RM'000	Nine months to 30/09/2009 RM'000
<u>Net operating profit after tax ("NOPAT")</u>				
<u>computation:</u>				
Earnings before interest and tax ("EBIT")	16,212	11,306	51,086	57,504
Adjusted tax	(4,053)	(2,826)	(12,772)	(14,376)
NOPAT	<u>12,159</u>	<u>8,480</u>	<u>38,314</u>	<u>43,128</u>
<u>Economic charge computation:</u>				
Average invested capital	308,364	316,188	308,364	316,188
Weighted average cost of capital ("WACC") (%)	6.8%	6.4%	6.8%	6.4%
Economic charge	<u>5,242</u>	<u>5,059</u>	<u>15,727</u>	<u>15,177</u>
Economic profit	6,917	3,421	22,587	27,951

The EP statement is as prescribed under the GLC Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

The EP performance for the current period is recorded at RM22.6 million as compared to RM28.0 million in the same period of 2009. The decrease in EP was mainly due to lower gross profit.

V. **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

25. **Prospects**

The Group will continue to focus on improving production, controlling costs efficiently and growing market share to ensure continuous profits in the final quarter of the year.

However, the Group is still working through the effects of the significant cost increases experienced at the end of last year, and the possible impact on the full year results for 2010.

26. **Profit forecast**

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

27. **Earnings per share ("EPS")**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2010 RM'000	Preceding year corresponding quarter 30/09/2009 RM'000	Nine months to 30/09/2010 RM'000	Nine months to 30/09/2009 RM'000
<u>Basic earnings per share</u>				
Profit attributable to Owners of the Parent	8,586	6,059	32,640	38,279
Weighted average number of ordinary shares in issue ('000)	106,978	106,978	106,978	106,978
Basic earnings per share for:	<u>8.03 sen</u>	<u>5.66 sen</u>	<u>30.51 sen</u>	<u>35.78 sen</u>

By Order of the Board

Kuala Lumpur
4 November 2010

WONG LEE LOO (MAICSA 7001219)
NORHANA BINTI OTHMAN (LS0008547)
Joint Secretaries