

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 30 June 2012	Current Period		Cumulative Period	
(All figures are stated in RM'000)	2012	2011	2012	2011
Revenue	456,737	396,435	903,482	781,763
Cost of sales	(379,899)	(341,264)	(734,818)	(663,645)
Gross profit	76,838	55,171	168,664	118,118
Other income	979	123	1,569	1,392
Operating expenses	(47,066)	(34,987)	(93,304)	(76,758)
Finance cost	(3,315)	(915)	(6,671)	(1,775)
Interest income	182	169	315	532
Share of results of Associate	-	(181)	-	(337)
Profit before taxation	27,618	19,380	70,573	41,172
Taxation	(11,541)	(5,335)	(25,435)	(11,528)
Profit for the period	16,077	14,045	45,138	29,644
Profit for the period attributable to:				
Shareholders of the Company	15,713	13,920	44,398	29,404
Non-controlling interest	364	125	740	240
Profit for the period	16,077	14,045	45,138	29,644
Earnings per share - sen				
Basic	13.35	11.83	37.73	24.99

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 30 June 2012	Current Period		Cumulative Period	
(All figures are stated in RM'000)	2012	2011	2012	2011
Profit for the period	16,077	14,045	45,138	29,644
Foreign currency translation difference in respect of foreign operations	202	373	(997)	724
Total comprehensive income for the period	16,279	14,418	44,141	30,368
Attributable to:				
Shareholders of the Company	15,824	14,293	45,476	30,128
Non-controlling interest	455	125	(1,335)	240
Total comprehensive income for the period	16,279	14,418	44,141	30,368

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2012	As at 31 December 2011	As at 1 January 2011
(All figures are stated in RM'000)		Restated*	Restated*
ASSETS			
Non-current assets			
Property, plant and equipment	340,399	346,340	276,976
Prepaid lease payment	2,827	2,867	2,950
Investment in an Associate	19	19	5,427
Intangible assets	167,877	102,186	28,820
Deferred tax assets	8,857	12,307	10,945
	<u>519,979</u>	<u>463,719</u>	<u>325,118</u>
Current assets			
Inventories	435,196	384,614	230,013
Receivables	338,323	221,572	137,468
Tax recoverable	3,346	8,495	6,304
Deposits, cash and bank balances	35,220	55,075	102,977
	<u>812,085</u>	<u>669,756</u>	<u>476,762</u>
TOTAL ASSETS	<u>1,332,064</u>	<u>1,133,475</u>	<u>801,880</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	117,674	106,978	106,978
Share premium	11,751	22,447	22,447
Foreign currency translation reserve	2,975	1,897	-
Retained earnings	348,485	337,625	292,419
Shareholders' equity	<u>480,885</u>	<u>468,947</u>	<u>421,844</u>
Non-controlling interest	13,025	14,360	15,629
Total equity	<u>493,910</u>	<u>483,307</u>	<u>437,473</u>
Non-current liabilities			
Loans and borrowings	-	-	59
Deferred tax liabilities	4,810	5,051	1,530
Provision for defined benefit plan	4,278	3,863	3,175
	<u>9,088</u>	<u>8,914</u>	<u>4,764</u>
Current liabilities			
Payables	509,190	440,771	325,051
Amount due to immediate holding company	26	223	97
Current tax liabilities	11,357	4,842	1,428
Loans and borrowings	308,493	188,197	33,067
Dividend payable	-	7,221	-
	<u>829,066</u>	<u>641,254</u>	<u>359,643</u>
Total liabilities	<u>838,154</u>	<u>650,168</u>	<u>364,407</u>
TOTAL EQUITY AND LIABILITIES	<u>1,332,064</u>	<u>1,133,475</u>	<u>801,880</u>

* Upon the adoption of the MFRS framework, the Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2011 and 1 January 2011 have been restated.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Company

For the financial period ended 30 June 2012	Share Capital	* Share Premium	* Foreign Currency Translation Reserve	Retained Earnings	Total	Non- controlling Interest	Total Equity
(All figures are stated in RM'000)							
At 1 January 2012 (restated)	106,978	22,447	1,897	337,625	468,947	14,360	483,307
Total comprehensive income for the period	-	-	1,078	44,398	45,476	(1,335)	44,141
Transaction with owners							
Bonus issue	10,696	(10,696)	-	-	-	-	-
Dividends	-	-	-	(33,538)	(33,538)	-	(33,538)
At 30 June 2012	<u>117,674</u>	<u>11,751</u>	<u>2,975</u>	<u>348,485</u>	<u>480,885</u>	<u>13,025</u>	<u>493,910</u>
At 1 January 2011 (restated)	106,978	22,447	-	292,419	421,844	15,629	437,473
Total comprehensive income for the period	-	-	724	29,404	30,128	240	30,368
At 30 June 2011 (restated)	<u>106,978</u>	<u>22,447</u>	<u>724</u>	<u>321,823</u>	<u>451,972</u>	<u>15,869</u>	<u>467,841</u>

* Denotes non distributable reserves

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Pharmaniaga Berhad (467709-M)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the quarter ended 30 June 2012**

(All figures are stated in RM'000)	2012	2011
Operating Activities		
Cash receipts from customers	879,833	666,280
Cash payments to suppliers and employees	(863,010)	(691,574)
Net cash generated from/(used in) operations	16,823	(25,294)
Interest paid	(3,300)	(1,773)
Tax paid	(13,034)	(10,943)
Interest received	298	546
Net cash generated from/(used in) operating activities	787	(37,464)
Investing Activities		
Settlement on acquisition of a subsidiary	(48,868)	-
Settlement on novation consideration (Note B22(ii))	(30,000)	-
Purchase of property, plant and equipment	(7,161)	(8,056)
Purchase of intangible assets	(9,841)	-
Proceeds from disposal of property, plant and equipment	34	144
Net cash used in investing activities	(95,836)	(7,912)
Financing Activities		
Dividend paid	(40,758)	-
Drawdown of short term loans	115,768	4,654
Repayment of short term loans	(11)	(8)
Term loan interest paid	-	(11)
Net cash generated from financing activities	74,999	4,635
Net change in cash and cash equivalents	(20,050)	(40,741)
Effects of exchange rate changes	195	(147)
Cash and cash equivalent at beginning of period	55,075	102,977
Cash and cash equivalent at end of period	35,220	62,089
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	35,220	62,089

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134")**A1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")**

These unaudited condensed consolidated interim financial statements for the period ended 30 June 2012 have been prepared in accordance with MFRS134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These unaudited condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position is set out in Note A2.1 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

A2. Significant Accounting Policies**A2.1 Application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM3,885,000 (30 June 2011: RM3,885,000; 31 December 2011: RM3,885,000) were adjusted to retained earnings.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

RM'000	FRS as at 1 January 2011	Reclassifications	MFRS as at 1 January 2011
Equity			
Foreign currency translation reserve	(3,885)	3,885	-
Retained earnings	296,304	(3,885)	292,419

Reconciliation of equity as at 30 June 2011

RM'000	FRS as at 30 June 2011	Reclassifications	MFRS as at 30 June 2011
Equity			
Foreign currency translation reserve	(3,161)	3,885	724
Retained earnings	325,708	(3,885)	321,823

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**A2. Significant Accounting Policies (cont'd)****A2.1 Application of MFRS 1 (cont'd)****Foreign currency translation reserve (cont'd)**

Reconciliation of equity as at 31 December 2011

RM'000	FRS as at 31 December 2011	Reclassifications	MFRS as at 31 December 2011
Equity			
Foreign currency translation reserve	(1,988)	3,885	1,897
Retained earnings	341,510	(3,885)	337,625

A2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

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, Amendments to MFRSs and IC Interpretation		Effective for annual period beginning on or after
Amendments to MFRS 101	Presentation of items of other comprehensive income	1 July 2012
MFRS 10	Consolidated financial statements	1 January 2013
MFRS 11	Joint arrangements	1 January 2013
MFRS 12	Disclosures on interests in other entities	1 January 2013
MFRS 13	Fair value measurements	1 January 2013
MFRS 119	Employee benefits	1 January 2013
MFRS 127	Separate financial statements	1 January 2013
MFRS 128	Investments in associates and joint ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting financial assets and financial liabilities	1 January 2013
IC Interpretation 20	Stripping costs in the production phase of a surface mine	1 January 2013
Amendments to MFRS 132	Offsetting financial assets and financial liabilities	1 January 2014
MFRS 9	Financial instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015

A3. Audit report in respect of the 2011 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2011 was not qualified.

A4. Seasonal or cyclical factors

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

A5. Unusual items due to their nature, size or incidence

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

A6. Change in Estimates

There were no material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial year.

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

A7. Debt and equity securities

There were no other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

A8. Dividends

On 18 June 2012, the Company paid a first interim single tier dividend of 7.5 sen (2011: Nil) per share in respect of the financial year ending 31 December 2012 amounting to RM8.8 million (2010: Nil).

For the second quarter, the Directors have declared a second interim single tier dividend of 7.5 sen (2011:Nil) per share in respect of the year ending 31 December 2012. The dividend will be paid on 12 September 2012 to shareholders registered in the Register of Members at the close of business on 27 August 2012.

A9. Operating segments

Operating segment information for the cumulative period is as follows:

RM'000	Logistics & Distribution	Manufacturing	Eliminations	Total
2012				
Revenue				
External revenue	868,370	35,112	-	903,482
Inter-segment revenue	1,105	137,854	(138,959)	-
Total revenue	<u>869,475</u>	<u>172,966</u>	<u>(138,959)</u>	<u>903,482</u>
Results				
Segment results	53,728	42,723	(19,522)	76,929
Finance costs	(6,093)	(2,076)	1,498	(6,671)
Interest income	1,799	14	(1,498)	315
Profit before taxation	<u>49,434</u>	<u>40,661</u>	<u>(19,522)</u>	<u>70,573</u>
Taxation				<u>(25,435)</u>
Profit for the period				<u><u>45,138</u></u>
2011				
Revenue				
External revenue	781,591	172	-	781,763
Inter-segment revenue	712	57,038	(57,750)	-
Total revenue	<u>782,303</u>	<u>57,210</u>	<u>(57,750)</u>	<u>781,763</u>
Results				
Segment results	35,240	3,933	3,579	42,752
Finance costs	(1,775)	-	-	(1,775)
Interest income	532	-	-	532
Share of results of associate	(337)	-	-	(337)
Profit before taxation	<u>33,660</u>	<u>3,933</u>	<u>3,579</u>	<u>41,172</u>
Taxation				<u>(11,528)</u>
Profit for the period				<u><u>29,644</u></u>

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

A10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

A11. Subsequent Event

There was no subsequent event as at 8 August 2012 that will materially affect the financial statements of the financial period under review.

A12. Changes in the Composition of the Group

There was no change in the composition of the Group for the current period ended 30 June 2012.

A13. Contingent Liabilities

No contingent liability has arisen since the financial year end.

A14. Capital Commitments

The Group has the following commitments as at 30 June 2012:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	8,107	19,649	<u>27,756</u>

A15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for year ended 31 December 2011.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**A16. Intangible Assets**

RM'000	Goodwill	Brand	Software	Right to supply	Total
Cost					
At 1 January 2012	97,453	1,000	5,104	12,108	115,665
Additions	-	-	-	74,360	74,360
Foreign exchange adjustments	-	-	(156)	-	(156)
At 30 June 2012	97,453	1,000	4,948	86,468	189,869
Accumulated amortisation					
At 1 January 2012	7,628	-	1,680	371	9,679
Amortisation charged	-	-	307	8,255	8,562
Foreign exchange adjustments	-	-	(49)	-	(49)
At 30 June 2012	7,628	-	1,938	8,626	18,192
Accumulated impairment					
At 1 January 2012/ 30 June 2012	2,800	1,000	-	-	3,800
Net carrying value					
At 30 June 2012	87,025	-	3,010	77,842	167,877
At 31 December 2011	87,025	-	3,424	11,737	102,186

A subsidiary of the Group had entered into Novation Agreement as mentioned in Note B22(ii). Under the Novation Agreement, Idaman Pharma Sdn Bhd ("IPSB") will novate and transfer all its rights, benefits, liabilities and obligations under the Supply Agreement previously entered by IPSB and Pharmaniaga Logistics Sdn Bhd ("PLSB") for the supply of 45 pharmaceutical products by IPSB to PLSB for the period from 1 February 2011 to 31 January 2014. This novation consideration of RM51.083 million which represents the net present value of the margin income that IPSB would have generated under the Supply Agreement for the period 1 November 2011 until the expiry date. The novation consideration is amortised on a straight line basis over the remaining tenure of the Supply Agreement which ends on 31 January 2014.

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

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

B17. Performance Review

2nd Quarter 2012 versus 2nd Quarter 2011

Group revenue for the first six months of the financial year was RM903.5 million, up by 15.6% compared with the corresponding period last year.

Higher sales volume to the Government sector coupled with improvement in operational efficiencies in both the domestic and overseas business have contributed to a 11.1% increase in revenue for the Logistics & Distribution Division.

The Manufacturing Division recorded an outstanding performance in revenue, mainly due to the newly acquired subsidiary, Idaman Pharma Manufacturing Sdn Bhd ("IPMSB").

For the period ended June 2012, the Group posted a profit before tax of RM70.6 million, which was 71.4% higher compared with a profit of RM41.2 million posted for the corresponding period last year. Contribution was also derived from our newly acquired subsidiary, IPMSB which began contributing to the Group in January 2012.

Cumulatively, the Group's profit after tax totaling RM45.1 million was better than last year's net profit of RM29.6 million, reflecting a RM15.5 million increase or 52.4% jump.

The **Logistics & Distribution Division** posted a cumulative pre-tax profit of RM49.4 million against last year's corresponding period of RM33.7 million as the main revenue contributor, the concession business had achieved a higher sales volume together with improvements in operational efficiencies.

For the cumulative period, the **Manufacturing Division** contributed a significantly higher pre-tax profit of RM21.1 million (2011: RM3.9 million). This performance was primarily due to the contribution by IPMSB and improved productivity as well as manufacturing efficiencies at the manufacturing plants.

B18. Comparison Between the Current Quarter and the Immediate Preceding Quarter

The Group's revenue during the period was RM456.7 million, marginally higher, due to the contribution from the Government's tender business as new tenders were awarded during the current quarter.

The current quarter's pre-tax profit was RM27.6 million, which was lower than the immediate preceding quarter's results of RM43.0 million by a variance of RM15.4 million. The Group's profit during the current period had been affected mainly by the one-off impact arising from the elimination of unrealised profit on goods supplied by IPMSB to the Group.

The **Logistics & Distribution Division** posted slightly lower results for the current quarter against the preceding quarter due to lower sales volume pending the Government's budget disbursement which is expected to be in the latter half of the year.

The **Manufacturing Division's** pre-tax profit for the current quarter of RM23.8 million, a 40.8% higher than that of the preceding quarter RM16.9 million mainly due to the contribution from the Group's latest subsidiary, IPMSB.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B19. Prospects**

The prospects for the Malaysian pharmaceutical industry remain reasonably bright. The prevalence of various diseases, growing health care needs and aging population are factors that will ensure a steady growth for the industry. The Logistics & Distribution Division can look forward to stable recurring income from the concession business as the Government will continue to be the major purchaser of generic products in their quest to reduce the cost of healthcare financing.

On the private sector front, the Group continues to see growth opportunities in this area in view of the patent expiry of blockbuster drugs coupled with rising healthcare costs which will spur the demand for generic products. Thus, the Group will continue to invest in the development of a new range of products in anticipation of the growing demand for generic drugs as well as brand building activities to increase market share.

Contribution from the newly acquired subsidiary, Idaman Pharma Manufacturing Sdn Bhd together with the improved performance from the existing manufacturing operations should augur well for the Manufacturing Division. With these prospects we expect to register an encouraging set of results for the current financial year.

B20. Notes on variance in actual profit and shortfall in profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and shortfall in profit guarantee are not applicable.

B21. Income Tax

For the quarter ended 30 June 2012	Current Period		Cumulative Period	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysian taxation based on profit for the period :				
-Current	29,521	2,865	42,095	10,925
-Deferred	(17,980)	2,470	(16,660)	677
	<u>11,541</u>	5,335	<u>25,435</u>	11,602
Over provision of prior years	-	-	-	(74)
	<u>11,541</u>	5,335	<u>25,435</u>	11,528

The Group's effective tax rate for the financial period is 36%, which is higher than the statutory tax rate of 25% principally due to certain expenses which were not deductible for tax purposes.

B22. Corporate Proposals**(i) Shareholding Spread**

On 13 June 2012, the public shareholding spread stood at 25.76% which is in compliance with the public shareholding spread requirement.

(ii) Novation Agreement between Pharmaniaga Logistics Sdn Bhd ("PLSB") and Idaman Pharma Manufacturing Sdn Bhd ("IPMSB") with Idaman Pharma Sdn Bhd ("IPSB")

On 23 March 2012, the Company announced that the Novation Agreement become unconditional and the novation of the PLSB-IPSB Supply Agreement by IPSB to IPMSB was effective on the same date. The Novation Consideration of RM30.0 million ("First Tranche Payment") was settled on 18 April 2012 while the remaining balance of RM21.083 million ("Second Tranche Payment") will be paid 1 year after the payment of the First Tranche Payment together with the interest rate of 4.5% per annum on the Second Tranche Payment. The interest rate shall accrue from the date of payment of First Tranche Payment until the date of the payment of the Second Tranche Payment.

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

B23. Borrowings and Debt Securities - Unsecured

	30 June 2012 RM'000	31 December 2011 RM'000
Current:		
Overdraft	5,000	-
Bankers' acceptances	97,913	100,892
Revolving credits	167,449	50,000
Short term foreign time loan	38,131	37,305
	<u>308,493</u>	<u>188,197</u>

Short term foreign time loan of RM38.1 million (2011: RM37.3 million) is denominated in Indonesian Rupiah (IDR) and is equivalent to IDR113,485 million (2011: IDR107,625 million).

B24. Realised and Unrealised Profits of the Group

The retained profits as at 30 June 2012 is analysed as follows:

	30 June 2012 RM'000	31 December 2011 RM'000 Restated
Total retained profits of the Group and its subsidiaries:		
- realised profits	397,843	414,274
- unrealised profits	7,022	1,383
	<u>404,865</u>	<u>415,657</u>
Less: Consolidation adjustments	(56,380)	(78,032)
Total Group retained profits as per consolidated accounts	<u>348,485</u>	<u>337,625</u>

B25. Additional Disclosures

For the quarter ended 30 June 2012	Current Period		Cumulative Period	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Depreciation and amortisation	14,433	5,207	22,558	9,482
Provision for and write off of receivables	435	104	7,721	202
Provision for and write off of inventories	3,016	1,181	4,082	10,068
Foreign exchange gain	611	(2,280)	225	(1,150)

Other than the items mentioned above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on derivatives, gain or loss on disposal of subsidiaries and exceptional items included in the results for the current quarter ended 30 June 2012.

B26. Economic Profit ("EP") Statement

For the quarter ended 30 June 2012	Cumulative Period	
	2012 RM'000	2011 RM'000
Economic profit	<u>25,347</u>	<u>17,691</u>

B27. Profit Forecast

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B28. Earnings Per Share (“EPS”)**

For the quarter ended 30 June 2012	Current Period		Cumulative Period	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit attributable to shareholders of the Company	15,713	13,920	44,398	29,404
Weighted average number of ordinary shares in issue ('000)	117,674	117,674	117,674	117,674
Basic earnings per share (sen)	13.35	11.83	37.73	24.99

The weighted average number of ordinary shares in issue for the purpose of the computation of the earnings per share as tabulated above had been adjusted retrospectively to reflect the Company's bonus issue which was completed on 20 February 2012.

B29. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 August 2012.

By Order of the Board

**Kuala Lumpur
8 August 2012**

**SHARIFAH MALEK (LS00448)
YANTI IRWANI ABU HASSAN (MACS01349)
Joint Secretaries**