

DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD (12994-W)

Quarterly Report for the second quarter ended June 30, 2014

The Board of Directors is pleased to submit its quarterly report on the consolidated results of the Group for the second quarter ended June 30, 2014. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 Months ended		6 Months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	86,975	69,460	177,368	142,846
Operating profit	8,713	8,290	17,985	17,847
Finance costs	(465)	(235)	(888)	(449)
Share of results of an associate	104	16	145	175
Profit before tax	8,352	8,071	17,242	17,573
Income tax expense	(2,136)	(2,056)	(4,422)	(4,446)
Profit for the period	6,216	6,015	12,820	13,127
Other comprehensive income for the period, net of tax:				
Exchange differences arising on translation of foreign operations	25	(449)	193	(397)
Total comprehensive income for the period	6,241	5,566	13,013	12,730
Earnings per ordinary share attributable to owners of the Company				
- Basic (sen)	5.46	5.29	11.26	11.56

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Report for the financial year ended December 31, 2013 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As Of 30.06.2014 RM'000	Audited As Of 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	115,661	110,001
Land held for property development	2,807	2,807
Investment in an associate	23,901	23,756
Deferred tax assets	62	60
Total non-current assets	142,431	136,624
Current assets		
Inventories	59,919	57,349
Trade and other receivables	79,379	72,844
Tax recoverable	24	-
Derivative financial assets	10	118
Short-term deposits, cash and bank balances	5,427	13,669
Total current assets	144,759	143,980
Total assets	287,190	280,604
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	113,853	113,853
Share premium	2,941	2,910
Treasury shares	(479)	(167)
Translation reserve	5	(188)
Retained earnings	49,964	45,678
Total equity	166,284	162,086
Non-current liabilities		
Trade and other payables	86	75
Borrowings		
- interest bearing	13,284	11,546
Deferred tax liabilities	9,566	8,270
Total non-current liabilities	22,936	19,891
Current liabilities		
Trade and other payables	47,135	50,591
Derivative financial liabilities	20	-
Borrowings		
- bank overdraft (interest bearing)	902	211
- others (interest bearing)	48,049	45,969
Tax payable	1,864	1,856
Total current liabilities	97,970	98,627
Total liabilities	120,906	118,518
Total equity and liabilities	287,190	280,604

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the financial year ended December 31, 2013 and the accompanying explanatory notes attached to the interim financial statements.)

DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD (12994-W)

Quarterly Report for the second quarter ended June 30, 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Attributable to Owners of The Company</u>					Total Equity
	Issued Capital	Treasury Shares	Non-Distributable Reserves -		Distributable	
			Share Premium	Translation Reserve	Reserve - Retained Earnings	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as of January 1, 2014	113,853	(167)	2,910	(188)	45,678	162,086
Total comprehensive income for the financial period	-	-	-	193	12,820	13,013
Transactions with owners :						
Dividends paid to owners of the Company	-	-	-	-	(8,534)	(8,534)
Share buy-back	-	(696)	-	-	-	(696)
Disposal of treasury shares	-	384	31	-	-	415
Total transactions with owners	-	(312)	31	-	(8,534)	(8,815)
Balance as of June 30, 2014	113,853	(479)	2,941	5	49,964	166,284
Balance as of January 1, 2013	113,853	(1,052)	2,687	237	34,695	150,420
Total comprehensive income for the financial period	-	-	-	(397)	13,127	12,730
Transactions with owners :						
Dividends paid to owners of the Company	-	-	-	-	(8,530)	(8,530)
Share buy-back	-	(1,558)	-	-	-	(1,558)
Disposal of treasury shares	-	2,012	77	-	-	2,089
Total transactions with owners	-	454	77	-	(8,530)	(7,999)
Balance as of June 30, 2013	113,853	(598)	2,764	(160)	39,292	155,151

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the financial year ended December 31, 2013 and the accompanying explanatory notes attached to the interim financial statements.)

DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD (12994-W)

Quarterly Report for the second quarter ended June 30, 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 Months ended 30.06.2014 RM'000	Unaudited 6 Months ended 30.06.2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	173,479	139,226
Cash paid to suppliers, employees and other payables	(162,560)	(130,278)
Cash generated from operations	10,919	8,948
Interest received	5	8
Interest paid	(455)	(232)
Tax paid	(3,153)	(3,414)
Net Cash From Operating Activities	7,316	5,310
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	39	50
Acquisition of a subsidiary	#	-
Purchase of property, plant and equipment	(10,950)	(8,168)
Proceeds from disposal of property, plant and equipment	15	102
Net Cash Used In Investing Activities	(10,896)	(8,016)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Share buy-back	(696)	(1,558)
Proceeds from disposal of treasury shares	415	2,089
Drawdown of term loans	5,654	2,000
Repayment of term loans	(4,848)	(2,882)
Dividends paid to owners of the Company	(8,534)	(8,530)
Interest paid	(433)	(217)
Proceeds from short-term borrowings (net)	3,150	13,122
Repayment of finance leases	(138)	(131)
Net Cash (Used In)/From Financing Activities	(5,430)	3,893
Net (decrease)/increase in cash and cash equivalents	(9,010)	1,187
Cash and cash equivalents at beginning of financial year	13,458	4,796
Effect of exchange differences	77	(1)
Cash and cash equivalents at end of financial period	4,525	5,982
* Cash and cash equivalents at end of financial period consist of:-		
Short-term deposits with licensed banks	-	916
Cash and bank balances	5,427	5,092
Housing Development Account with licensed bank	-	166
Bank overdrafts	(902)	(192)
	4,525	5,982

Denotes RM3

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the financial year ended December 31, 2013 and the accompanying explanatory notes attached to the interim financial statements.)

DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD (12994 - W)
UNAUDITED QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED JUNE 30, 2014

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended December 31, 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended December 31, 2013.

The significant accounting policies and presentation adopted by the Group for the interim financial statements are consistent with those of the Group's consolidated audited financial statements for the financial year ended December 31, 2013 except for the adoption of the following:

Amendments to FRSs		Effective date
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities	January 1, 2014
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	January 1, 2014
Amendments to FRS 136	Recoverable Amount Disclosure for Non-Financial Assets	January 1, 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014

The adoption of the amendments to FRSs does not have significant financial impact on the financial statements of the Group and of the Company.

Malaysian Financial Reporting Standards ("MFRSs")

On November 19, 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after January 1, 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual financial periods beginning on or after January 1, 2013. On July 4, 2012, the MASB has decided to allow Transitioning Entities to defer the adoption of the MFRS Framework for another year. The MFRS Framework will therefore be mandated for all companies for annual financial periods beginning on or after January 1, 2014. On August 7, 2013, the MASB has decided to extend the transitional period for another year, i.e. the adoption of the MFRS Framework by all entities for annual financial periods beginning on or after January 1, 2015.

A subsidiary and an associate of the Group fall within the scope of definition of Transitioning Entities and have opted to defer the adoption of the new MFRS Framework and accordingly, the Group will be required to prepare its first set of financial statements using the MFRS Framework for the financial year ending December 31, 2015.

The three subsidiaries which are not Transitioning Entities had adopted MFRS on January 1, 2012.

A2 Audit report

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

A3 Seasonal or cyclical factors

The operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

A4 Unusual items

There were no items during this quarter affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

A5 Changes in estimates

The same estimates reported in the previous financial year were used in preparing the financial statements for the period under review.

A6 Debt and Equity Securities

During the current quarter, the Company repurchased 61,300 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM269,583 including transaction costs and has been deducted from equity. The repurchased transactions were financed by internally generated funds and the average price paid for the shares was RM4.40. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

A7 Dividend Paid

	6 months ended	
	30.6.2014	30.6.2013
	RM'000	RM'000
Fourth interim single tier dividend paid for the financial year 2013: 4.00 sen per ordinary share paid on March 28, 2014. (2013: 3.50 sen tax exempt per ordinary share for the financial year 2012 paid on April 12, 2013).	4,552	3,977
First interim single tier dividend paid for the financial year 2014: 3.50 sen per ordinary share paid on June 26, 2014. (2013: 4.00 sen tax exempt per ordinary share for the financial year 2013 paid on June 7, 2013).	3,982	4,553
	=====	=====

A8 Related party transactions

There were no significant related party transactions for the period under review.

A9 Contingent liabilities

As of June 30, 2014, the Company has issued a corporate guarantee for RM500,000 in respect of credit facility granted by a licensed bank to its subsidiary. Accordingly, the Company is contingently liable to the extent of the amount of the credit facility utilised by the subsidiary.

As the credit facility is no longer required by its subsidiary, the facility has been cancelled by the bank on July 17, 2014. Consequently, the corporate guarantee of RM500,000 is no longer applicable.

A10 Segmental analysis

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- Packaging - manufacture and marketing of flexible packaging materials
- Property development - development of land into residential and commercial building properties

Segment Revenue and Results

Segment information for the six months ended June 30, 2014 was as follows:

	<u>Packaging</u> RM'000	<u>Property development</u> RM'000	<u>Eliminations</u> RM'000	<u>Group</u> RM'000
2014				
Revenue	176,286	1,082	-	177,368
	=====	=====	=====	=====
Results				
Segment results	18,047	161	-	18,208
Unallocated costs				(223)

Profit from operations				17,985
Finance costs	(888)	-	-	(888)
Share of results of an associate	-	145	-	145

Profit before tax				17,242
				=====

Segment information for the six months ended June 30, 2013 was as follows:

	<u>Packaging</u> RM'000	<u>Property development</u> RM'000	<u>Eliminations</u> RM'000	<u>Group</u> RM'000
2013				
Revenue	140,854	1,992	-	142,846
	=====	=====	=====	=====
Results				
Segment results	17,805	257	-	18,062
Unallocated costs				(215)

Profit from operations				17,847
Finance costs	(449)	-	-	(449)
Share of results of an associate	-	175	-	175

Profit before tax				17,573
				=====

Unallocated costs represent common costs and expenses incurred in dormant subsidiaries.

Segment Assets and Liabilities

Segment assets and liabilities for the six months ended June 30, 2014 were as follows:

	<u>Packaging</u> RM'000	<u>Property</u> <u>development</u> RM'000	<u>Eliminations</u> RM'000	<u>Group</u> RM'000
2014				
Assets				
Segment assets	282,029	3,858	(22,684)	263,203
Investment in an associate	-	23,901	-	23,901
Unallocated assets				86

Consolidated total assets				287,190
				=====
Liabilities				
Segment liabilities	117,332	14,828	(22,684)	109,476
Unallocated liabilities				11,430

Consolidated total liabilities				120,906
				=====

Segment assets and liabilities for the six months ended June 30, 2013 were as follows:

	<u>Packaging</u> RM'000	<u>Property</u> <u>development</u> RM'000	<u>Eliminations</u> RM'000	<u>Group</u> RM'000
2013				
Assets				
Segment assets	238,952	10,672	(28,164)	221,460
Investment in an associate	-	23,511	-	23,511
Unallocated assets				429

Consolidated total assets				245,400
				=====
Liabilities				
Segment liabilities	84,726	22,594	(28,164)	79,156
Unallocated liabilities				11,093

Consolidated total liabilities				90,249
				=====

Segment assets consist primarily of property, plant and equipment, land held for development, inventories, operating receivables and cash, and exclude investment, tax recoverable, deferred tax assets and cash and bank balances for dormant subsidiaries. Segment liabilities comprise operating liabilities and exclude items such as tax payable, deferred tax liabilities and accrued expenses for dormant subsidiaries.

Geographical Information

The Group operates in three principal geographical areas - Malaysia (country of domicile), Australia and New Zealand.

The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical location information for the six months ended are as follows:

	Group	
	30.6.2014	30.6.2013
	RM'000	RM'000
Revenue		
Malaysia	155,990	123,711
Australia	20,946	19,135
New Zealand	432	-
	177,368	142,846
Non-current assets *		
Malaysia	118,308	90,845
Australia	153	221
New Zealand	7	-
	118,468	91,066

* Non-current assets excluding investment in an associate and deferred tax assets.

A11 Capital Commitments

Capital commitments not provided for in the financial statements as of June 30, 2014 were as follows: -

	RM'000
Property, plant and equipment	
- Authorised and contracted for	4,579
- Authorised but not contracted for	3,216
	=====

A12 Subsequent events

There were no material events subsequent to June 30, 2014 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A13 Changes in the Composition of the Group

On March 28, 2014, the Company incorporated a wholly-owned subsidiary in New Zealand, namely Daibochi New Zealand Limited with a paid up capital of New Zealand Dollar ("NZD") 1 comprising 1 ordinary share of NZD1.00 each.

There were no other changes in the composition of the Group including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring and discontinuing operations as at June 30, 2014.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of Performance

The Group's performance is primarily derived from the packaging segment as the property segment is being phased out. Thus, the review of the results will be focussed on the packaging segment.

The Group's performance for the quarter under review compared with the corresponding quarter of the previous financial year is as tabled below:

	Packaging			Property			Total		
	2Q14 RM'000	2Q13 RM'000	% Change	2Q14 RM'000	2Q13 RM'000	% Change	2Q14 RM'000	2Q13 RM'000	% Change
Revenue	86,435	69,214	+24.9	540	246	+119.5	86,975	69,460	+25.2
PBT	8,161	7,963	+2.5	191	108	+76.9	8,352	8,071	+3.5

Compared to the corresponding quarter last year, the packaging segment recorded 25% and 4% growth in revenue and in PBT respectively. This jump in top line was due to higher sales from existing customers as well as export contributions from new MNC customers in the F&B sector since the quarter ended September 2013. The slower growth in PBT was due to rising raw material prices and higher operating costs including wages and electricity tariffs.

The Group's half-yearly performance is as tabled below:

	Packaging			Property			Total		
	1H14 RM'000	1H13 RM'000	% Change	1H14 RM'000	1H13 RM'000	% Change	1H14 RM'000	1H13 RM'000	% Change
Revenue	176,286	140,854	+25.1	1,082	1,992	-45.7	177,368	142,846	+24.2
PBT	16,936	17,141	-1.2	306	432	-29.2	17,242	17,573	-1.9

The Group's revenue for the six months ended June 30, 2014 increased by 24% as compared to last year's corresponding period. However, Group PBT noted a marginal reduction of 2% to RM17.24 million as compared to RM17.57 million previously.

The **packaging segment** recorded revenue of RM176.29 million for the six months ended June 30, 2014 as compared to RM140.85 million for the corresponding period in the previous year, representing an increase of 25% in revenue. The growth in sales was from existing customers as well as export contributions from new MNC customers in the F&B sector. The revenue from the new customers materialised in the quarter ended September 2013.

There was a decline in PBT margin mainly due to the impact of higher raw material prices since the second half of 2013, particularly polyethylene and polypropylene resins and films. The effects of the electricity tariff hike in early 2014 and increased operating expenses due to higher wages also contributed towards the slight decline in PBT for the six months ended June 30, 2014.

There were no other material factors affecting the earnings and/or revenue of the Group for the current period.

B2 Material Changes in Profit Before Tax for the Quarter Reported On As Compared with the Immediate Preceding Quarter

The Group's current quarter performance as compared to that of the preceding quarter is as tabled below:

	Packaging			Property			Total		
	2Q14 RM'000	1Q14 RM'000	% Change	2Q14 RM'000	1Q14 RM'000	% Change	2Q14 RM'000	1Q14 RM'000	% Change
Revenue	86,435	89,851	-3.8	540	542	-0.4	86,975	90,393	-3.8
PBT	8,161	8,775	-7.0	191	115	+66.1	8,352	8,890	-6.1

In comparison with the preceding quarter, the **packaging segment** revenue in the current quarter reduced by 4%. The lower revenue was primarily attributed to the decline in export revenue, particularly from an MNC customer in South East Asia. The reduction in turnover resulted in lower PBT registered for the quarter under review. Furthermore, in the current quarter there were additional expenses incurred as the new plant commenced operations. All these factors have resulted in a slight decline in PBT in the current quarter under review.

B3 Prospects

Prices of certain major raw materials have been on the uptrend since the second quarter of 2013, Although the Company has a cost pass through mechanism for most of its customers, the continued uptrend in the prices of raw materials could result in some margin squeeze given the time lag in pricing mechanism.

In 2014, the Group is optimistic of the strong growth in revenue from new business opportunities with several MNC customers. We are currently at various stages of qualification and Daibochi is hopeful of securing a major portion of these businesses. By the last quarter of the year, export revenue from one of the business development activities is anticipated to materialise.

It is our Company's strategy to enhance business growth by focusing on the commercialisation of our innovative new products. We have received positive customer feedback on these product trials thus far. It is anticipated that the eventual commercialization of these new innovations will help to mitigate the rising costs, and at the same time differentiate Daibochi as a leading and innovative flexible packaging player in the region.

The Board is cautious of the adverse impact from any further increases in prices of major raw materials. However, the Board is optimistic of achieving another record year in turnover for 2014.

B4 Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee was provided.

B5 Profit Before Tax

Profit before tax is arrived at after (crediting)/charging:

	3 months ended		6 months ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(23)	(26)	(44)	(58)
Other operating income	(662)	(545)	(1,147)	(1,110)
Gain on disposal of property, plant and equipment	(15)	(61)	(15)	(77)
Interest expense	465	235	888	449
Depreciation of property, plant and equipment	2,802	2,366	5,295	4,707
Impairment loss on trade receivables	2	-	2	-
Inventories write-down/(Reversal of inventories write down) -net	355	(147)	325	4
Foreign exchange loss/(gain)	10	661	(486)	530
Foreign exchange gain on derivatives	(363)	(277)	(212)	(258)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B6 Income Tax Expense

	3 months ended		6 months ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Current:				
- Malaysian Tax	1,426	1,672	2,867	3,476
- Foreign Tax	117	18	258	191
- Under provision in prior year	1	2	1	2
	<u>1,544</u>	<u>1,692</u>	<u>3,126</u>	<u>3,669</u>
Deferred tax:				
- Current	592	364	1,296	777
	<u>2,136</u>	<u>2,056</u>	<u>4,422</u>	<u>4,446</u>

B7 Status of Corporate Proposals

There were no corporate proposals announced as of the date of this quarterly report.

B8 Group Borrowings

Details of the Group's borrowings as of June 30, 2014 were as follows:-

	Current RM'000	Non-Current RM'000
Unsecured - Ringgit Malaysia	32,985	13,185
Unsecured - United States Dollar	15,705	-
Secured - Ringgit Malaysia	261	99
	<u>48,951</u>	<u>13,284</u>

B9 Financial instruments

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuations on trade transactions.

As of June 30, 2014, the Group has the following outstanding derivatives:-

	Principal or Notional Amount RM'000	Fair Value RM'000	Net Loss RM'000
Foreign currency forward contracts:-			
Less than 1 year	8,494	8,504	<u>10</u>

There is no change to the Group's financial risk management policies in managing these derivatives, its related accounting policies and the market risk associated with these derivatives since the last financial year.

B10 Material litigation

There was no pending material litigation as of the date of this quarterly report.

B11 Dividends

The Board is pleased to declare a second interim single tier dividend of 3.50 sen for the financial year ending December 31, 2014 and the said dividend will be paid on September 11, 2014 (2013: 3.00 sen tax exempt) to shareholders whose names appear on the Company's Record of Depositors on August 18, 2014.

B12 Earnings Per Share

Basic earnings per share is calculated by dividing the profit for the financial period under review attributable to owners of the Company by the weighted average number of ordinary shares in issue during the said financial period, adjusted by the number of ordinary shares repurchased and disposed during the financial period under review.

	3 Months ended		6 Months ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
Profit attributable to owners of the Company (RM'000)	6,216	6,015	12,820	13,127
Weighted average number of ordinary shares in issue ('000):				
Issued ordinary shares as of January 1	113,853	113,853	113,853	113,853
Effect of treasury shares held	(70)	(98)	(78)	(268)
Weighted average number of ordinary shares as of June 30	113,783	113,755	113,775	113,585
Basic earnings per share (sen)	5.46	5.29	11.26	11.56

Diluted earnings per ordinary share are not presented as there are no dilutive potential ordinary shares outstanding during the financial periods.

B13 Disclosure of realised and unrealised earnings

The breakdown of retained earnings of the Group as of the reporting date, into realised and unrealised profits or losses, pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements, are as follows:

	30.6.2014 RM'000	31.12.2013 RM'000
Total retained earnings of the Group:-		
- Realised	63,066	57,709
- Unrealised	(10,032)	(8,913)
	53,034	48,796
Total share of retained earnings from an associate:-		
- Realised	1,342	1,184
- Unrealised	(9)	4
	54,367	49,984
Less: Consolidation adjustments	(4,403)	(4,306)
Total Group retained earnings	49,964	45,678

By Order of the Board

Ms TAN GAIK HONG, MIA 4621
Secretary
Melaka

Dated: July 23, 2014
c.c. Securities Commission