



HAI-O ENTERPRISE BHD
Company No: 22544-D
(Incorporated in Malaysia)

Unaudited Interim Financial Report
31 October 2013



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2013**

	AS AT END OF CURRENT QUARTER 31/10/2013 (RM'000)	(Audited) AS AT PRECEDING FINANCIAL YEAR ENDED 30/04/2013 (RM'000)
ASSETS		(Restated)
Non-current assets		
<i>Property, Plant and Equipment</i>	63,461	62,167
<i>Investment properties</i>	41,649	42,425
<i>Investment in jointly control entity</i>	2,285	2,340
<i>Investment in an associates</i>	-	6
<i>Other Investments</i>		
<i>Financial assets at fair value through profit or loss</i>	1,625	1,478
<i>Available-for-sale investment</i>	186	186
<i>Goodwill arising from consolidation</i>	85	85
<i>Trade receivables - non current</i>	393	515
<i>Deferred tax assets</i>	2,303	2,348
	111,987	111,550
Current Assets		
<i>Inventories</i>	56,984	49,541
<i>Assets classified as held for sale</i>	-	5,695
<i>Trade and other receivables</i>	22,820	20,057
<i>Other Investments</i>		
<i>Financial assets at fair value through profit or loss</i>	62,657	53,792
<i>Cash and Cash Equivalents</i>	64,432	64,252
	206,893	193,337
TOTAL ASSETS	318,880	304,887
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
<i>Share capital</i>	101,095	101,095
<i>Treasury Shares</i>	(10,045)	(9,748)
<i>Other reserve</i>	413	586
<i>Retained earnings</i>	166,955	147,633
	258,418	239,566
Non-controlling interest	11,375	11,090
Total Equity	269,793	250,656
Non-current Liabilities		
<i>Borrowings</i>	3,877	5,316
<i>Deferred tax</i>	57	78
	3,934	5,394
Current Liabilities		
<i>Trade & other payables</i>	34,978	34,785
<i>Short term borrowings</i>	4,554	6,927
<i>Short-term provision</i>	2,387	3,399
<i>Current tax payable</i>	3,234	3,726
	45,153	48,837
Total Liabilities	49,087	54,231
TOTAL EQUITY AND LIABILITIES	318,880	304,887
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.31	1.22

The Condensed Consolidated Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.



HAI-O ENTERPRISE BHD (Co.No. 22544-D)

Quarterly report on consolidated results for the financial period ended 31 October 2013
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 OCTOBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2013	(restated) 31/10/2012	31/10/2013	(restated) 31/10/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	65,601	65,305	120,284	125,909
Cost of sales	(41,905)	(39,894)	(74,531)	(77,348)
Gross Profit	23,696	25,411	45,753	48,561
Other income	2,305	7,140	4,239	8,890
Depreciation	(770)	(661)	(1,477)	(1,418)
Administrative expenses	(4,604)	(4,892)	(10,012)	(9,077)
Selling & distribution expenses	(5,872)	(6,174)	(11,624)	(12,384)
Other expenses	(150)	(504)	(711)	(571)
Operating Profit	14,605	20,320	26,168	34,001
Interest income	223	259	559	495
Finance costs	(111)	(163)	(235)	(340)
Share of profit of equity-accounted investee, net of tax	(79)	47	(59)	137
Profit before taxation	14,638	20,463	26,433	34,293
Income tax expenses	(3,744)	(3,965)	(6,813)	(7,457)
Profit for the period	10,894	16,498	19,620	26,836
Profit attributable to:				
Owner of the parent	10,538	16,101	19,330	26,374
Non-controlling interest	356	397	290	462
	10,894	16,498	19,620	26,836
Earnings Per Share attributable to equity holders of the parent				
- Basic	5.35	8.11	9.80	13.29
- Diluted	N.A.	N.A.	N.A.	N.A.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.



HAI-O ENTERPRISE BHD (Co.No. 22544-D)

Quarterly report on consolidated results for the financial period ended 31 October 2013
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 OCTOBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2013	(Restated) 31/10/2012	31/10/2013	(Restated) 31/10/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	10,894	16,498	19,620	26,836
Other comprehensive income				
- Foreign currency translation differences for foreign operations	(150)	(24)	(173)	(24)
Total comprehensive Income for the period	10,744	16,474	19,447	26,812
Total comprehensive income attributable to:				
Owner of the parent	10,388	10,249	19,157	10,249
Non-controlling Interest	356	65	290	65
	10,744	10,314	19,447	10,314

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 OCTOBER 2013**

	-----Attributable to Equity Holders of the Parent-----					Non- controlling interest	Total Equity	
	Share Capital	Treasury shares	Non distributa Exchange fluctuation reserve	Capital reserve	Distributable Retained Earnings			Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
6 month ended 31 October 2013								
Balance as at 30 April 2013	101,095	(9,748)	(71)	657	147,633	239,566	11,090	250,656
Profit for the period	-	-	-	-	19,330	19,330	290	19,620
Other comprehensive income for the period	-	-	(173)	-	-	(173)	-	(173)
Total comprehensive income for the period	-	-	(173)	-	19,330	19,157	290	19,447
Acquisition on additional interest in a subsidiary from non-controlling interest	-	-	-	-	(8)	(8)	(5)	(13)
Purchase of Company's own shares	-	(297)	-	-	-	(297)	-	(297)
Balance at end of financial period	101,095	(10,045)	(244)	657	166,955	258,418	11,375	269,793
6 month ended 31 October 2012								
Balance as at 30 April 2012	101,095	(5,939)	(174)	657	126,040	221,679	9,727	231,406
Profit for the period	-	-	-	-	26,374	26,374	462	26,836
Other comprehensive income for the period	-	-	91	-	-	91	-	91
Total comprehensive income for the period	-	-	91	-	26,374	26,465	462	26,927
Acquisition of interest in a subsidiary by non-controlling interest	-	-	-	-	-	-	489	489
Acquisition on additional interest in a subsidiary from non-controlling interest	-	-	-	-	-	-	(34)	(34)
Purchase of Company's own shares	-	(2,849)	-	-	-	(2,849)	-	(2,849)
Balance at end of financial period	101,095	(8,788)	(83)	657	152,414	245,295	10,644	255,939

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

**HAI-O ENTERPRISE BHD (Co.No. 22544-D)****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 31 OCTOBER 2013**

	2014 6 month ended 31/10/2013 (RM '000)	2013 6 month ended 31/10/2012 (RM '000)
Profit before tax	26,433	(Restated) 34,293
Adjustment for :-		
Depreciation	1,525	1,418
Dividend income	(573)	(995)
Fair value (gain)/loss on other investments	(458)	(269)
Finance costs	235	340
Finance income	(559)	(495)
Gain on disposal of shares	-	(50)
Gain on disposal of property, plant and equipment	(751)	(4,929)
Loss on disposal of property, plant and equipment	-	17
Property, plant and equipment written off	46	-
Share of profit of equity-accounted investee, net of tax	61	(135)
Unrealised foreign exchange differences	390	293
Operating profit before changes in working capital	26,349	29,488
Changes in working capital		
<i>Inventories</i>	(7,443)	(7,116)
<i>Net Change in trade and other receivables</i>	(2,303)	1,678
<i>Net Change in trade and other payables</i>	(1,209)	(2,103)
<i>Tax paid</i>	(7,619)	(4,302)
	(18,574)	(11,843)
Net cash flows from operating activities	7,775	17,645
Investing Activities		
Proceeds from disposal of other investment	-	1,063
<i>Purchase of other investment</i>	(8,554)	(7,892)
<i>Purchase of property, plant and equipment</i>	(2,163)	(2,360)
<i>Proceeds from disposal of property, plant and equipment</i>	6,497	6,532
<i>Dividend received</i>	573	995
<i>Interest received</i>	559	495
<i>Acquisition of interests from non-controlling interest</i>	(8)	(34)
<i>Accretion of interests in subsidiaries by non-controlling Interest</i>	-	489
Net cash used in investing activities	(3,096)	(712)
Financing Activities		
<i>Purchase of Company's own share</i>	(297)	(2,849)
<i>Interest paid</i>	(235)	(340)
<i>Borrowing</i>	(3,812)	824
Net cash used in financing activities	(4,344)	(2,365)
Net Changes in Cash & Cash Equivalents	335	14,568
Effect of exchange rate & fluctuations on cash held	(155)	82
Cash & Cash Equivalents at beginning of financial period	64,252	52,594
Cash & Cash Equivalents at end of the financial period	64,432	67,244

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.



A. Notes To The Interim Financial Report

A1 Basis of preparation

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”). This interim financial statement also complies with IAS 34, Interim Financial Reporting issued by the International Accounting Statements Board (“IASB”).

The interim financial report should be read in conjunction with the most recent annual financial statements of the Group for the year ended 30 April 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 30 April 2013.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 April 2013 except for the adoption of new standards, amendments and interpretation that have been issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for the Group effective for annual periods beginning on or after 1 January 2013.

The MFRSs which are effective commencing 1 January 2013 and have significant impact on the financial statements of the Group are:

MFRS 11, Joint Arrangements

The Group adopted MFRS 11, *Joint Arrangements* in the current quarter. As a result, joint arrangements are classified and accounted for as follows:

A joint arrangement is classified as “joint operation” when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group or the Company accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

A joint arrangement is classified as “joint venture” when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

In the previous financial years, for jointly controlled entity, the Group accounted for its interest using the proportionate consolidation method.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 11. The adoption of MFRS 11 has no significant impact to the financial statements of the Group and does not affect the basic and diluted earnings per ordinary share for the current and prior periods.



The effects from the adoption of MFRS 11 are disclosed below:

Impact on opening balance

Statement of Financial Position

	As previously reported	Effects of adoption of MFRS11	As restated
	30.4.2013 RM '000	RM '000	30.4.2013 RM '000
<u>Assets</u>			
Property, plant and equipment	64,908	(2,741)	62,167
Investment in Joint Venture	0	2,340	2,340
Inventories	49,939	(398)	49,541
Trade and other receivables	20,199	(142)	20,057
Cash and cash equivalent	64,931	(679)	64,252
<u>Non-Liabilities</u>			
Borrowings	6,429	(1,113)	5,316
Deferred tax	129	(51)	78
<u>Current Liabilities</u>			
Short term borrowings	6,990	(63)	6,927
Trade and other payables	35,178	(393)	34,785



Impact on Income Statement dated 31.10.2012

Statement of Comprehensive Income

	As previously reported	Effects of adoption of MFRS11	As restated
	31.10.2012 RM '000	RM '000	31.10.2012 RM '000
Revenue	127,000	(1,091)	125,909
Costs of sales	(77,796)	448	(77,348)
Gross Profit	49,204		48,561
Other income	8,890	-	8,890
Depreciation	(1,442)	24	(1,418)
Administrative expenses	(9,330)	254	(9,076)
Selling & distribution expenses	(12,588)	205	(12,383)
Other expenses	(571)	-	(571)
Operating Profit	34,163		34,003
Interest Income	523	(28)	495
Finance Costs	(340)	-	(340)
Share of profit of equity-accounted Investee, net of tax	-	135	135
Profit before taxation	34,346		34,293
Income tax expenses	(7,510)	53	(7,457)
Profit for the period	26,836		26,836

The adoption of other standards, amendments and interpretation has no effect to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year.

A3 Audit report of preceding annual financial statement

The preceding year annual financial statements were not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's interim business operations are not significantly affected by seasonal or cyclical factors for the quarter under review except for some consumer products, which are affected by major festive seasons.



A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

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

A6 Material changes in estimates

There was no material changes in estimates of amounts reported in prior interim period of the current or previous financial years.

A7 Debt and equity securities

There have been no other issuance, cancellation, repurchases, resale and repayments of debts and equity securities during the quarter under review except for the following:-

The details of shares held as treasury shares for the period ended 31 July 2013 are as follows:

	Number of Treasury shares	Total Considerations RM
Balance as at 1 Aug 2013	5,247,888	9,833,368
Repurchased during the quarter	83,300	211,589
Balance as at 31 Oct 2013	5,331,188	10,044,957

The repurchase transactions were financed by internally generated funds.

As at 11 December 2013, the treasury shares held were 5,380,288 ordinary shares with total purchase consideration of RM 10,174,686.

A8 Dividend paid

A final single tier dividend of 8 sen, amounting to RM 15,748,728 in respect of the previous financial year as approved by the shareholders at the Annual General Meeting held on 23 October 2013 was paid on 27 November 2013.



A9 Segment information

Details of segmental analysis for the year ended 31 October 2013 are as follows:

	Multi-Level Marketing	Wholesale	Retail	Others	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE						
Revenue from external customers	73,066	26,306	17,571	3,341	-	120,284
Inter-segment revenue	-	32,274	2	4,107	(36,383)	-
Total revenue	73,066	58,580	17,573	7,448	(36,383)	120,284
RESULT						
Segment result	13,252	8,611	934	3,446	(75)	26,168
Finance costs						(235)
Interest income						559
Share of profit of equity-accounted investee, net of tax						(59)
Profit before taxation						26,433
Income tax expenses						(6,813)
Net profit for the period						19,620
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Segment assets	106,420	163,801	28,790	19,869	-	318,880
Segment liabilities	19,549	25,537	1,331	2,670	-	49,087

A10 Property, plant and equipment

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

A11 Material events subsequent to the end of the interim period

There was no material events subsequent to the current financial quarter ended 31 October 2013.



A12 Changes in the composition of the Group

There was no change in the composition of the Group during the interim period except for the following:

The Company had acquired additional 3,000 ordinary shares of RM 1.00 each in the share capital of Hai-O Raya Bhd, for a total cash consideration of RM 7,500 during the quarter.

A13 Contingent liabilities

The changes in contingent liabilities of the Company and the Group since the last annual Statement of Financial Position date are as follows :-

<u>Company</u>	As at 11 Dec 2013	As at 31 Oct 2013	As at 30 Apr 2013
	RM'000	RM'000	RM'000
Corporate guarantee in respect of credit facilities granted to subsidiary companies	Nil	Nil	Nil
<u>Group</u>	As at 11 Dec 2013	As at 31 Oct 2013	As at 30 Apr 2013
	RM'000	RM'000	RM'000
Bank guarantee given to third parties in respect of services rendered to the Company	1,049	1,049	1,179
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	1,049	1,049	1,179

A14 Capital commitment

The capital commitment of the Group for the period ended 31 October 2013 is as follows:

	RM'000
Approved and contracted for in respect of capital expenditure.	2,450



Additional Information Required By The BMSB - Listing Requirements

B1 A detailed analysis of performance of operating segments of the Group, setting out material factors affecting the earnings and/or revenue of each segment for the current quarter and financial year-to-date

Current quarter compared to the preceding year's corresponding quarter

For the second quarter under review, the continued slowdown in domestic consumption had resulted the Group's revenue being maintained at approximately RM 65 million. However, the profit margin had decreased by 3% to 36% as compared to the preceding year's corresponding quarter:

(i) Multi-level marketing ("MLM") division

Pre-tax profit increased by about 12% in the quarter under review as compared to previous year's corresponding quarter. This was primarily attributed to lower operating costs incurred in the 2nd quarter.

(ii) Wholesale division

Revenue in the wholesale division increased by 16% mainly contributed by higher demand in Chinese medicated tonic and Chinese tea. However, the overall pre-tax profit was offset by the drop in inter-segments sales' profit contribution. Weakening of Ringgit Malaysia against USD currency had resulted higher imported cost of goods sold which had further reduced the pre-tax profit margin.

(iii) Retail division

The financial performance of the retail division did not have much improvement since the previous quarter. Revenue of the retail division was maintained at about RM 10 million and pre-tax profit reduced from RM 1.4 million to RM 1.1 million due to higher operating costs as compared to the preceding year's corresponding quarter.

(iv) Other division

Due to lower sales volume and high set-up costs of the new GMP factory, the financial performance of the manufacturing division was lower in the 2nd quarter. As for the investment properties division, it had realised a marginal gain of RM 0.60 million on the disposal of a property in this 2nd quarter, as opposed to an exceptional gain of RM 4.8 million from the disposal of a property in the preceding year's corresponding quarter. Overall this division recorded lower profit of RM 2.2 million as compared to the preceding year's corresponding quarter of RM 6.8 million.



Current financial period compared to the preceding year's corresponding period

For the first half of the current financial year as compared to preceding year's corresponding period, the Group's revenue and pre-tax profit narrowed down the drop by 4% and 10% respectively (this percentage excluding the exceptional gain on disposal of a property amounting to RM 4.8 million recorded in the previous year):

(i) Multi-level marketing ("MLM") division

The reason for the drop in revenue and pre-tax profit by 10% and 8% respectively was mainly due to the change in marketing strategy in this current financial year by promoting more "small ticket" items in order to neutralise its over dependency on "big ticket" items. In a short-term, this strategy may have unfavourable impact on revenue and profit margin. However, in a long-run the division is optimistic that the growth in sales will be sustainable which will attract more new members as it requires lower initial capital costs.

Currently, revenue generated from the "small ticket" items had contributed approximately 50% of the total portfolio.

(ii) Wholesale division

External revenue had increased by about 13% mainly contributed by higher sales in Chinese medicated tonic and Chinese tea in the consumer market. However pre-tax profit had decreased by almost 9% due to the drop in profit contribution from inter-segment sales, weakening of Ringgit Malaysia against USD currency and higher operating costs.

(iii) Retail division

Domestic consumption has not improved since the first quarter and with stiff competition, the revenue was maintained at about RM 17 million in the current financial period. Operating costs has continued to escalate for the retail industries and hence the division's pre-tax profit reduced to about RM 1 million as compared to RM 1.6 million of the preceding year.

(iv) Other division

The manufacturing division is at break-even level, after excluding the one-off compensation of RM 0.57 million received in the previous year. Currently, the division is in the midst of near completion of its new GMP factory which is due for commissioning soon, thus it had incurred additional factory expenses. Lower sales volume in the current quarter had also further affected the bottom line.

Last year, investment properties division received higher gain on disposal of a property amounting to RM 4.8 million. However, RM 0.6 million was realised as a gain on the disposal of a property in the 2nd quarter. Hence the pre-tax profit had reduced to RM 3.4 million as compared to that of the previous year of RM 8.6 million.



B2 Material changes for the current quarter as compared with the immediate preceding quarter

For the second quarter under review, the Group recorded higher revenue and pre-tax profit of RM 65.6 million and RM 14.6 million as compared to RM 54.7 million and RM 11.8 million of the immediate preceding quarter, represent an increase of approximately 20% and 25% respectively, which was mainly attributable to the higher contribution from MLM and retail divisions:

MLM division – The effective incentive trip campaign promotion in the 2nd quarter boosted higher revenue by about 18% and pre-tax profit by 40% as compared with the immediate preceding quarter, mainly contributed by higher revenue from the sales of “small ticket” items which had received good response from existing distributors and new members. New recruited members have grown by almost 17% as compared with the immediate preceding quarter.

Wholesale division -- Despite the increase in revenue by about 16% mainly contributed by higher sales in Chinese medicated tonic and Chinese tea in consumer market, pre-tax profit had dropped by 20% due to lower contribution from inter-segment sales which had offset the contribution from higher sales in Chinese medicated tonic and Chinese tea.

Retail division -- The division had turn-around from loss-making in the previous quarter to pre-tax profit of RM 1.1 million in the 2nd quarter and higher sales generated from members’ sales promotion in the 2nd quarter had resulted much better performance for the division.

Other division -- The pre-tax profit increased by about RM 2.2 million as compared with immediate preceding quarter, gain on disposal of a property by about RM 0.6 million, higher dividend income received coupled with higher rental received from investment properties were the main contributors for the higher profit.

B3 Commentary on prospects

The Group will continue to re-adjust its current strategies to mitigate the impact of the recent 2014 budget announcement and subsidy rationalisation implemented by government with the objective of improving the country’s fiscal position. However, the weakening of Ringgit Malaysia against USD currency will continue to impact the Group’s profit margin negatively.

The MLM division has recently revised its strategy in promoting the “small ticket” items which required lower initial capital costs for MLM entrepreneur and hence will attract more new members to join the MLM business. Moreover, the enlarge members base will help to sustain its growth momentum. Besides, it will continue to introduce new products to strengthen the product mix and enhance its earnings base. As Chinese New Year festive season is approaching soon, the wholesale and retail divisions are working more aggressively to carry out effective A&P programmes and is expecting to bring in more revenue to the Group in next quarter.

In view thereof, the Board of Directors is of the opinion that the prospect of the Group will remain profitable in the next quarter.



B4 Profit Forecast

There is no profit forecast.

B5 Taxation

The provision for income tax is based on the business income earned for the period under review.

For the current quarter, the effective tax rate of the Group is higher than the statutory tax rate due mainly to certain expenses which are not deductible for tax purpose and losses of certain subsidiary companies which cannot be set off against profits of certain subsidiaries as no Group relief is available for tax purposes.

	Current Quarter Ended 31 October 2013 (RM '000)	Current year to date 31 October 2013 (RM '000)
Profit before taxation	14,638	26,433
Taxation at applicable tax rate – 25%	3,660	6,608
Adjustment mainly due to certain non-allowable expenses and unutilised tax losses not recognised as deferred tax assets.	84	205
Total income Tax expenses	3,744	6,813

B6 Corporate Proposals

There were no corporate proposals for the period under review .

B7 Group Borrowings and Debts Securities

The Group borrowings and debts securities as at the end of the reporting financial period are:

Group Borrowings	Currency	Secured/ Unsecured	RM'000
Short Term Borrowings	Ringgit Malaysia	Unsecured	1,725
Short Term Borrowings	Ringgit Malaysia	Secured	2,829
Long Term Borrowings	Ringgit Malaysia	Secured	3,877
Total			8,431



B8 Material Litigation

The Group has not engaged in any material litigation, claims or arbitration, including those pending or threatened against our Group, either as plaintiff or defendant, which has a material effect on the financial position of the Group.

B9 Dividend payable

The Board of Directors is pleased to declare an interim single tier dividend of 4 sen per share in respect of the financial year ending 30 April 2014 (31/10/2012: 4 sen interim single tier and 2 sen special single tier dividend).

B10 Realised and Unrealised Profits/Losses Disclosure

In accordance with the directive of BMSB and Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of Disclosure Pursuant to BMSB Listing Requirements, as issued by Malaysian Institute of Accountants, the Company is required to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting year and the previous financial year, on a group basis, into realised and unrealised profits or losses in the notes to its quarterly report.

The disclosure is based on the prescribed format by the BMSB.

	As at 31.10.2013 RM'000	As at 30.04.2013 RM'000 (Audited)
Total retained profits of the Company and its subsidiaries:		
- Realised	170,316	151,168
- Unrealised	1,763	2,685
	172,079	153,853
Total share of retained profits of an associate		
- Realised	0	6
Total share of retained profits of jointly controlled entities:		
- Realised	1,526	1,579
	173,605	155,438
Less: Consolidation adjustments	(6,650)	(7,805)
Total Group retained profits as per consolidated accounts	166,955	147,633



B11 Earnings per share (EPS)

Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Oct-13	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-12	CURRENT YEAR TO DATE 31-Oct-13	PRECEDING YEAR CORRESPONDING YEAR 31-Oct-12
<i>Earnings</i>				
Net profit for the year attributable to equity holders of the parent (RM'000)	10,538	16,101	19,330	26,374
Weighted average number of shares ('000)	197,154	198,510	197,154	198,510
Basic earnings per share (sen)	5.35	8.11	9.80	13.29

Diluted earnings per share is not applicable as there were no dilutive potential ordinary shares during the reporting period.