

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	As at 30-Jun-13 (Unaudited) RM'000	As at 31-Dec-12 (Audited) RM'000	As at 1-Jan-12 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	71,475	63,805	57,441
Investment in associates	10,503	11,103	9,734
Investment securities	3,649	4,318	5,446
Intangible assets	8,125	7,631	8,912
Deferred tax assets	615	615	-
	<u>94,367</u>	<u>87,472</u>	<u>81,533</u>
Current assets			
Inventories	137,732	129,651	113,570
Trade and other receivables	95,177	88,229	75,993
Tax recoverable	939	716	432
Cash and bank balance	23,101	21,969	20,693
	<u>256,949</u>	<u>240,565</u>	<u>210,688</u>
TOTAL ASSETS	<u>351,316</u>	<u>328,037</u>	<u>292,221</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	66,781	66,781	66,781
Treasury shares	(8,972)	(8,366)	(8,056)
Share premium	13,459	13,459	12,866
Reserves	997	(584)	2,583
Retained profits	116,362	106,544	90,689
Total equity attributable to owners of the parent	<u>188,627</u>	<u>177,834</u>	<u>164,863</u>
Non-controlling interests	<u>15,728</u>	<u>15,213</u>	<u>12,983</u>
Total equity	<u>204,355</u>	<u>193,047</u>	<u>177,846</u>
Non-current liabilities			
Bank borrowings	18,415	21,327	20,396
Deferred tax liabilities	654	704	870
	<u>19,069</u>	<u>22,031</u>	<u>21,266</u>
Current liabilities			
Trade and other payables	39,222	36,776	40,988
Bank borrowings	84,439	71,602	49,115
Tax payable	4,231	4,581	3,006
	<u>127,892</u>	<u>112,959</u>	<u>93,109</u>
Total liabilities	<u>146,961</u>	<u>134,990</u>	<u>114,375</u>
TOTAL EQUITY AND LIABILITIES	<u>351,316</u>	<u>328,037</u>	<u>292,221</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2013 RM '000	2012 RM '000	2013 RM '000	2012 RM '000
Revenue	56,022	56,006	107,619	105,448
Operating expenses	(45,338)	(46,193)	(88,463)	(88,411)
Other income	837	539	1,040	1,024
Operating profit	11,521	10,352	20,196	18,061
Interest expense	(1,778)	(1,390)	(3,122)	(2,289)
Interest income	36	12	87	69
Share of results of associates	20	312	262	905
Profit before tax	9,799	9,296	17,423	16,746
Tax expense	(2,686)	(2,497)	(4,788)	(4,543)
Profit for the period	7,113	6,799	12,635	12,203
Profit attributable to:				
Owners of the parent	6,093	5,791	10,834	10,418
Non-controlling interests	1,020	1,008	1,801	1,785
Profit for the period	7,113	6,799	12,635	12,203
Earnings per share (EPS) attributable to owners of the parent (sen):				
Basic EPS	5.04	4.80	8.96	8.66
Diluted EPS	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2013 RM '000	2012 RM '000	2013 RM '000	2012 RM '000
Profit for the period	7,113	6,799	12,635	12,203
Other comprehensive income / (expenses), net of tax:				
Currency translation differences arising from consolidation	371	1,156	1,697	(147)
Fair value movements on available for sale investments	(100)	(180)	(116)	21
Total comprehensive income for the period	7,384	7,775	14,216	12,077
Total comprehensive income attributable to:				
Owners of the parent	6,389	6,759	12,398	10,329
Non-controlling interests	995	1,016	1,818	1,748
	7,384	7,775	14,216	12,077

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)**

	Cumulative quarter 6 months ended 30 June	
	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	17,423	16,746
Adjustments for:		
Non-cash items and non-operating items	6,190	2,724
Operating profit before working capital changes	23,613	19,470
Inventories	(8,081)	(4,679)
Receivables and deposits	(6,879)	(13,158)
Payables	2,446	(2,840)
Cash generated from/(used in) operating activities	11,099	(1,207)
Interest paid	(3,122)	(2,291)
Tax paid	(4,647)	(2,670)
Net cash from/(used in) operating activities	3,330	(6,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	240	97
Interest received	87	69
Net of purchase and disposal of investment securities	389	574
Net of purchase and disposal of property, plant and equipment	(1,597)	(1,373)
Additional investment in subsidiary & associate	-	(857)
Additional of intangible assets	(494)	(66)
Purchase of treasury shares	(606)	(679)
Net cash used in investing activities	(1,981)	(2,235)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(226)	(791)
Proceeds from shares issued to non-controlling interests	60	124
Net changes in bank borrowings	5,055	5,391
Net cash generated from financing activities	4,889	4,724
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,238	(3,679)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	9,430	9,429
Effect of foreign exchange rates changes	612	3,243
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	16,280	8,993
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	23,101	16,654
Overdrafts	(6,821)	(7,661)
	16,280	8,993

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR SIX MONTHS ENDED 30 JUNE 2013 (UNAUDITED)**

(RM'000)	----- Non-distributable -----					----- Distributable -----				
	----- Attributable to owners of the parent -----									
	Share capital	Share premium	Treasury shares	Capital reserve	Exchange fluctuation reserve	Fair value adjustment reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2012	68,781	12,866	(8,056)	892	1,535	156	90,689	164,863	12,983	177,846
Purchase of treasury shares	-	-	(679)	-	-	-	-	(679)	-	(679)
Changes in equity interest	-	-	-	-	-	-	-	-	(303)	(303)
Dividends paid	-	-	-	-	-	-	-	-	(791)	(791)
Total comprehensive income for the period	-	-	-	-	(147)	21	10,455	10,329	1,748	12,077
Balance as at 30 June 2012	66,781	12,866	(8,735)	892	1,388	177	101,124	174,513	13,637	188,150
Balance as at 1 January 2013	66,781	13,459	(8,366)	892	(1,740)	264	106,544	177,834	15,213	193,047
Disposal of subsidiaries	-	-	-	-	-	-	(999)	(999)	(680)	(1,679)
Purchase of treasury shares	-	-	(606)	-	-	-	-	(606)	-	(606)
Changes in equity interest	-	-	-	-	-	-	-	-	(397)	(397)
Dividends paid	-	-	-	-	-	-	-	-	(226)	(226)
Total comprehensive income for the period	-	-	-	-	1,697	(116)	10,817	12,398	1,818	14,216
Balance as at 30 June 2013	66,781	13,459	(8,972)	892	(43)	148	116,362	188,627	15,728	204,355

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
NOTES TO THE INTERIM FINANCIAL REPORT
- SELECTED EXPLANATORY NOTES UNDER FRS 134 – INTERIM FINANCIAL REPORTING
A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. 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 year ended 31 December 2012.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2012 save for the following Malaysian Financial Reporting Standards (“MFRS”) which take effect from period on 1 July 2012 and 1 January 2013.

MFRS	Description	Effective dates for financial periods 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	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119 (2011)	Employee Benefits	1 January 2013
MFRS 127 (2011)	Separate Financial Statements	1 January 2013
MFRS 128 (2011)	Investments in Associates and Joint Ventures	1 January 2013
MFRS 3	Business Combinations (IFRS 3 issued by IASB in March 2004)	1 January 2013
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production of A Surface Mine	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRSs contained in the document entitled “Annual Improvements 2009 – 2011 Cycle”		1 January 2013

The adoption of the above standards and interpretations do not have material impact to the financial statements of the Group upon their initial application.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

A3 Auditors' report on preceding annual financial statements

The auditors' report of the annual financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group performance is not materially affected by 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 and financial period-to-date.

A6 Changes in estimates

There were no changes in estimates that have material effect in the current quarter and financial period-to-date results.

A7 Debt and equity securities

There were no issuances, resale and repayments of debt and equity securities during financial period ended 30 June 2013.

At the Annual General Meeting held on 20 June 2013, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the period ended 30 June 2013, the Company repurchased 517,700 own shares.

As at 30 June 2013, a total of 12,731,366 treasury shares, representing 9.53% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM8.972 million.

A8 Dividend paid

A first and final single tier dividend of 6.0 sen per share amounted RM7.281 million in respect of the financial year ended 31 December 2013 was paid on 25 July 2013.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

A9 Segment information

By business segment

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	87,754	3,505	10,783	5,577	-	107,619
Inter-segment revenue	23,625	120	1,366	-	(25,111)	-
Total revenue	111,379	3,625	12,149	5,577	(25,111)	107,619
Segment results	18,776	225	1,490	444	-	20,935
Unallocated expenses						(739)
Interest expense						(3,122)
Interest income						87
Share of results of associates						262
Profit before tax						17,423
Tax expense						(4,788)
Profit after tax						12,635
Non-controlling interests						(1,801)
Profit attributable to owners of the parent for financial period ended 30 June 2013						10,834

A10 Material post balance sheet events

There was no material events subsequent to the end of the financial period ended 30 June 2013 as at the date of this report save for on 19 August 2013, the Company had incorporated a 61.0% owned subsidiary namely Unimech Capital (Aust) Sdn. Bhd.. The remaining 39.0% equity interest is owned by Mr. Lau Chong Gee.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 June 2013 save for the followings:-

- i. On 3 January 2013, PT. Arita Prima Indonesia (“API”), a 85% owned subsidiary of Arita Engineering Sdn. Bhd. which in turn is a wholly owned subsidiary of the Company had acquired 30% of the remaining equity interest in PT. Arita Prima Kalbar (“APK”) from Mr. Harianto Sarjana Teknik for a cash consideration of IDR1,140,000,000 (equivalent to RM400,000). In consequent thereof, APK becomes a wholly owned subsidiary of API.
- ii. On 29 January 2013, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had subscribed 70,000 ordinary shares of RM1.00 each, representing 35% of the total issued and paid-up capital of Puremech Coating Sdn. Bhd. (“PCSB”), at par for a cash consideration of RM70,000 only.

On the same day, TCE Casting Sdn. Bhd., a 51% owned subsidiary of Unimech Engineering (K.L.) Sdn. Bhd. which in turn is a wholly owned subsidiary of the Company had also subscribed 70,000 ordinary shares of RM1.00 each, representing 35% of the total issued and paid-up capital of PCSB, at par for a cash consideration of RM70,000 only.

In consequent thereof, PCBS is effectively 52.85% indirectly owned by the Company.

- iii. On 6 February 2013, PT. Arita Prima Indonesia (“API”), a 85% owned subsidiary of Arita Engineering Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had disposed off 7,000 shares and 3,000 shares of IDR100,000 each representing 70% and 30% equity interest in PT. Arita Prima Teknindo (“APT”) to Kaya Selalu Holdings Sdn. Bhd. and Yibaifern Holdings Sdn. Bhd. for a cash consideration of IDR2,170,000,000 (equivalent to RM761,404) and IDR930,000,000 (equivalent to RM326,316) respectively (“the Disposal”).



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

Upon the Disposal, APT has ceased to be a subsidiary company of API.

- iv. On 6 February 2013, PT. Arita Prima Indonesia (“API”), a 85% owned subsidiary of Arita Engineering Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had disposed off 7,000 shares and 3,000 shares of IDR100,000 each representing 70% and 30% equity interest in PT. Arita Prima Gemilang (“APG”) to Kaya Selalu Holdings Sdn. Bhd. and Yibaifern Holdings Sdn. Bhd. for a cash consideration of IDR822,500,000 (equivalent to RM288,596) and IDR352,500,000 (equivalent to RM123,684) respectively (“the Disposal”).

Upon the Disposal, APG has ceased to be a subsidiary company of API.

- v. On 6 February 2013, PT. Arita Prima Indonesia (“API”), a 85% owned subsidiary of Arita Engineering Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had disposed off 7,000 shares of IDR100,000 each representing 70% equity interest in PT. Ragam Teknik (“RT”) to Kaya Selalu Holdings Sdn. Bhd. (“KSH”) for a cash consideration of IDR868,000,000 (equivalent to RM304,561) (“the Disposal”).

Upon the Disposal, RT has ceased to be a subsidiary company of API.

- vi. On 28 February 2013, Unimech Indonesia Holdings Sdn. Bhd. (“UIH”), a wholly owned subsidiary of the Company had subscribed 1,530 ordinary shares of IDR1,000,000 each representing 85% of the total issued and paid-up capital of PT Arita Global (“AG”) for a cash consideration of IDR1,530,000,000 only (equivalent to RM493,548) (“the Subscription”). In consequent thereof, AG becomes an 85% owned subsidiary of UIH.
- vii. On 4 April 2013, the Company together with remaining shareholders of Premium Heights Sdn. Bhd. (“PHSB”) namely Peak Hua Housing Sdn Bhd, Gee Tiu Fong, Ong Mee Lee and Wan Leong Sin had entered into a Share Sale Agreement with David Chew Keat Soon to dispose off a total of 4,993,451 ordinary shares of RM1.00 each in the capital of PHSB representing 100% of the issued and paid up capital of PHSB for a total cash consideration RM16,000,000.
- viii. On 9 April 2013, PT Arita Global (“AG”), a 85% owned subsidiary of Unimech Indonesia Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company had subscribed for 349,995,800 ordinary shares of IDR100 each representing 77.8% of the total issued and paid-up capital of PT Arita Prima Indonesia (“API”) for an amount of IDR34,999,580,000 (equivalent to RM11,666,527) only by way of capitalising the full amount owing by API to AG as at 31 March 2013.

A12 Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities for the Group since the last financial year ended 31 December 2012.

A13 Capital commitments

	30-Jun-13 RM'000
Property, plant and equipment	
Amount not contracted and not provided for	3,000
Contracted but not provided for	4,140
	<u>7,140</u>



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

A14 Related party transactions

	6 months ended 30-Jun-13 RM'000
Purchase of goods from a company in which the director of the Company has interests	37
Sale of goods to a company in which the director of the Company has interests	136



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

NOTES TO THE INTERIM FINANCIAL REPORT

- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of performance for current quarter and financial period-to-date

Current quarter

The Group reported revenue of RM56.022 million for the current quarter ended 30 June 2013, which was RM0.016 million higher as compared to the preceding year corresponding quarter ended 30 June 2012 of RM56.006 million.

The Group recorded a profit before tax of RM9.799 million for the current quarter which was RM0.503 million or 5.4% higher as compared to the preceding year corresponding quarter of RM9.296 million. A higher profit reported in current year was due mainly to the improvement in gross profit margin.

Financial period-to-date

The Group reported revenue of RM107.619 million for the financial period ended 30 June 2013, representing an increase of 2.1% as compared to previous financial period ended 30 June 2012 of RM105.448 million. The increase in revenue was due principally to the increase in demand in valves, instruments, fittings and related products in Indonesia market.

In tandem with the increase in revenue, the profit before tax for financial period ended 30 June 2013 improved by 4.0% to RM17.423 million as compared to last financial period ended 30 June 2012 of RM16.746 million.

B2 Comparison with preceding quarter's results

The revenue and profit before tax for the current quarter and preceding quarter are summarised as follows:

	3 months ended 30-Jun-13 RM'000	3 months ended 30-Mar-13 RM'000	Variance	
			RM'000	%
Revenue	56,022	51,597	4,425	8.6
Profit before tax	9,799	7,624	2,175	28.5

The revenue for the current quarter ended 30 June 2013 was increased by 8.6% as compared to preceding quarter. A higher revenue was reported in current quarter as compared to preceding quarter was due mainly to the improvement in sales of valves, fittings and related products. Profit before tax for current quarter increased by 28.5% was due mainly to the increase in revenue coupled with improvement in gross profit margin.

B3 Commentary on prospects for 2013

The global economy remains challenging as there is remain uncertainty in Eurozone which is the greatest threat to the world economy at the present. Although the global economic conditions are challenging, it is still expected to continue growing, albeit at a moderate pace. Barring a drastic change in the global economic conditions, the Group's core business is not expected to be significantly affected. The Group will continue with its competitive strategies of further developing its own brands to enhance its market positioning and concentrate on improving its operations efficiency to further enhance its competitiveness.

Taking into consideration the abovementioned factors and subject to the global economic conditions, the Board of Directors is cautiously optimistic that the Group will report a better financial performance and growth for the financial year ending 31 December 2013.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013
B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Income tax expense

	Current quarter 3 months ended 30-Jun-13 RM'000	Cumulative quarter 6 months ended 30-Jun-13 RM'000
Current period provision	2,698	4,838
Deferred tax	(12)	(50)
	2,686	4,788

The effective tax rate for current quarter and cumulative quarter are marginally higher than the statutory tax rate were due principally to losses of certain subsidiary companies can not be used to offset against profit of other companies in the Group.

B6 Status of corporate proposals and status of utilisation of proceeds raised

There was no corporate proposal being carried out during the period under review save for the followings:

i. Proposed rights issue of irredeemable convertible unsecured loan stock with warrants

On 19 April 2013, the Group proposed a renounceable rights issue of up to RM33,390,333 nominal value of 5-year 5.00% irredeemable convertible unsecured loan stock at 100% of its nominal value of RM1.00 each ("ICULS") on the basis of one (1) RM1.00 nominal value of ICULS for every four (4) ordinary shares of RM0.50 in Unimech held on an entitlement date to be determined later together with up to 66,780,666 free new warrants ("Warrants") on the basis of two (2) Warrants for every one (1) ICULS subscribed for ("Proposed Rights Issue of ICULS with Warrants").

The Proposed Rights Issue of ICULS with Warrants are conditional upon approvals being obtained from the following:

- a. Securities Commission Malaysia ("SC"), for the issuance of the ICULS;
- b. Bursa Securities, for the listing of and quotation for the ICULS and Warrants to be issued as well as the new Unimech Shares to be issued upon conversion of the ICULS and the exercise of the Warrants on the Main Market of Bursa Securities;
- c. Bank Negara Malaysia ("BNM"), for the issuance of Warrants to non-resident shareholders;
- d. The shareholders of Unimech;
- e. The approval of any other relevant authorities or parties, if required.

The approvals from SC, Bursa Securities, BNM and shareholders have been obtained on 7 June 2013, 20 May 2013, 22 May 2013 and 20 June 2013 respectively.

ii. Proposed listing of a subsidiary on Indonesia Stock Exchange ("IDX")

On 30 June 2013, the Group proposed to list its 85.0% indirectly owned subsidiary, PT Arita Prima Indonesia, Tbk, on the Indonesia Stock Exchange.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013****B7 Group borrowings and debt securities**

Total Group borrowings as at 30 June 2013 are as follows:

	Ringgit Malaysia RM'000	Singapore Dollar RM'000	Indonesia Rupiah RM'000	Thai Bath RM'000	Total RM'000
Current					
Secured borrowings	12,498	213	4,131	1,380	18,222
Unsecured borrowings	57,819	-	8,398	-	66,217
	<u>70,317</u>	<u>213</u>	<u>12,529</u>	<u>1,380</u>	<u>84,439</u>
Non-current					
Secured borrowings	13,449	1,323	3,643	-	18,415
Unsecured borrowings	-	-	-	-	-
	<u>13,449</u>	<u>1,323</u>	<u>3,643</u>	<u>-</u>	<u>18,415</u>
Total borrowings	<u>83,766</u>	<u>1,536</u>	<u>16,172</u>	<u>1,380</u>	<u>102,854</u>

B8 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

B9 Changes in material litigation

The Group is not engaged in any material litigation as at the date of this report.

B10 Dividend

No interim dividend has been declared for the financial period ended 30 June 2013.

B11 Earnings per share ("EPS")

	Current quarter 3 months ended 30-Jun-13	Cumulative quarter 6 months ended 30-Jun-13
Profit for the period (RM'000)	7,113	12,635
Profit attributable to non-controlling interests (RM'000)	(1,021)	(1,801)
Profit attributable to owners of the parent (RM'000)	<u>6,093</u>	<u>10,834</u>
Basic EPS		
Weighted average number of ordinary shares in issue ('000)	120,830	120,949
Basic EPS (sen)	5.04	8.96



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

B12 Breakdown of Realised and Unrealised Profits/Losses

	As at 30-Jun-13 (Unaudited) RM'000	As at 31-Dec-12 (Audited) RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	141,178	140,231
- Unrealised	(4,859)	(10,742)
Total retained profits from associate companies:		
- Realised	4,033	3,771
- Unrealised	-	-
	<u>140,352</u>	<u>133,260</u>
Less: Consolidation Adjustments	(23,990)	(26,716)
Total group retained profits as per consolidated accounts	<u><u>116,362</u></u>	<u><u>106,544</u></u>

B13 Notes to Condensed Consolidated Income Statements

	Current quarter 3 months ended 30-Jun-13 RM'000	Cumulative quarter 6 months ended 30-Jun-13 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Depreciation & amortisation	1,328	2,565
Dividend income	(9)	(240)
Loss on foreign exchange	192	294
Interest expense	1,778	3,122
Interest income	(36)	(87)
Rental income	(38)	(84)

By order of the Board

Dato' Lim Cheah Chooi
Chief Executive Officer

Dated this 29th August 2013