

HIAP TECK VENTURE BERHAD
(Company No:421340-U)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for 4th quarter from 1 May 2014 to 31 July 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/7/2014	31/7/2013	31/7/2014	31/7/2013
	RM'000	RM'000	RM'000	RM'000
Revenue	284,172	273,939	1,110,490	1,107,318
Cost of Sales	(261,059)	(245,964)	(1,013,868)	(1,016,920)
Gross Profit	23,113	27,975	96,622	90,398
Other Income	6,564	10,208	34,021	25,933
Operating Expenses	(13,453)	(13,619)	(52,123)	(48,540)
Other Expenses	(2,570)	(816)	(2,765)	(4,999)
Profit from Operations	13,654	23,748	75,755	62,792
Finance Costs	(7,111)	(6,126)	(26,388)	(24,792)
Share of profit/(loss) of jointly controlled entity	2,327	(1,970)	484	(3,772)
Profit Before Tax	8,870	15,652	49,851	34,228
Income tax	1,781	(3,284)	(4,286)	(9,936)
Profit for the Period	10,651	12,368	45,565	24,292
Other Comprehensive Income				
Net (loss)/gain on available-for-sale financial assets				
- fair value changes	(5)	350	(845)	610
Foreign currency translation	41	902	(670)	500
	36	1,252	(1,515)	1,110
Total Comprehensive Income	10,687	13,620	44,050	25,402
Profit Attributable to:				
Owners of the parent	10,651	12,368	45,565	24,292
Total Comprehensive Income Attributable to:				
Owners of the parent	10,687	13,620	44,050	25,402
Earnings Per Share (EPS)				
(a) Basic (sen)	1.50	1.75	6.42	3.43
(b) Diluted (sen)	N/A	N/A	N/A	N/A

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

HIAP TECK VENTURE BERHAD
(Company No:421340-U)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position as at 31 July 2014

	31/7/2014 (Unaudited)	31/7/2013 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	288,188	307,627
Investment in jointly controlled entity	132,869	132,385
Investment properties	7,794	7,952
Available-for-sale - financial assets	2,451	3,247
Deferred tax assets	2,670	2,677
Trade and other receivables (Amount due from jointly controlled entity)	466,678	367,562
	<u>900,650</u>	<u>821,450</u>
Current assets		
Inventories	354,840	406,983
Trade and other receivables	276,502	264,781
Tax recoverable	1,056	1,902
Available-for-sale - financial assets	27,879	56,759
Cash and cash equivalents	56,677	51,449
	<u>716,954</u>	<u>781,874</u>
Total assets	<u>1,617,604</u>	<u>1,603,324</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	358,978	356,871
Share premium	38,143	37,973
Treasury shares	(7,495)	(7,494)
Warrant reserve	18,459	18,459
Foreign reserve	(107)	563
Share option reserve	2,591	1,047
Fair value adjustment reserve	(36)	809
Equity component of redeemable convertible secured bonds, net of tax	(353)	(353)
Retained profits	542,453	501,138
Total equity	<u>952,633</u>	<u>909,013</u>
Non-current liabilities		
Borrowings	127,758	124,451
Deferred tax liabilities	11,750	12,772
	<u>139,508</u>	<u>137,223</u>
Current liabilities		
Borrowings	449,974	509,440
Trade and other payables	75,489	47,648
	<u>525,463</u>	<u>557,088</u>
Total liabilities	<u>664,971</u>	<u>694,311</u>
Total equity and liabilities	<u>1,617,604</u>	<u>1,603,324</u>
Net assets per share attributable to owners of the parent (RM)	1.34	1.28

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statement.

HIAP TECK VENTURE BERHAD
(Company No:421340-U)
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Condensed Consolidated Statements of Cash Flows for the period ended 31 July 2014

	Current Year To-date 31/7/2014 RM'000	Preceding Year Corresponding Period 31/7/2013 RM'000
<u>Operating Activities</u>		
Profit Before Tax	49,851	34,228
Adjustments for:		
Dividend income	(100)	(330)
Depreciation of investment property	158	157
Depreciation of property, plant and equipment	23,638	21,747
Equity-settled share based payments	1,713	1,047
Fair value changes on derivatives	-	(156)
Gain on disposal of property, plant and equipment	(2,272)	(680)
Interest expense	26,388	24,792
Finance income:		
Available-for-sale financial assets	(1,008)	(2,177)
Deposits	(329)	(248)
Jointly controlled entity	(18,031)	(8,822)
Net overdue interest income	(175)	(101)
Net unrealised foreign exchange (gain)/loss	(1,698)	3,856
Property, plant and equipment written off	57	2
Reversal of allowance for doubtful debts	(2)	(23)
Property, plant and equipment written off	-	-
Write-down of inventories	916	-
Share of (profit)/loss of jointly controlled entity	(484)	3,772
Operating profit before changes in working capital	78,622	77,064
Net change in current assets	45,569	(19,941)
Net change in current liabilities	27,852	(1,534)
Cash generated from operations	152,043	55,589
Interest paid	(24,865)	(25,050)
Net overdue interest income received	175	101
Taxes paid, net of taxes refunded	(4,487)	(3,132)
Net cash from operating activities	122,866	27,508
<u>Investing Activities</u>		
Finance income:		
Available-for-sale financial assets	1,008	2,177
Deposits	329	248
Jointly controlled entity	18,031	8,822
Dividend income	100	330
Investment in available-for-sale financial assets	(49)	-
Proceeds from disposal of property, plant and equipment	3,327	4,152
Proceeds from disposal of available-for-sale financial assets	28,880	116,404
Purchase of property, plant and equipment	(5,305)	(20,736)
Advances to jointly controlled entity	(99,116)	(218,579)
Net cash used in investing activities	(52,795)	(107,182)
<u>Financing Activities</u>		
Corporate exercise expenses	-	(13)
Dividends paid	(4,250)	(4,250)
Issuance of ordinary shares	2,108	-
Purchase of treasury shares	(1)	(10)
(Repayment)/drawdown of borrowings	(62,520)	71,703
Net cash (used in)/from financing activities	(64,663)	67,430
Net Change in Cash and Cash Equivalents	5,408	(12,244)
Effect of exchange rate changes	(180)	1,119
Cash and Cash Equivalents at beginning of period	51,449	62,574
Cash and Cash Equivalents at end of period	56,677	51,449

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Changes in Equity for the period ended 31 July 2014

	----- Attributable to equity holders of the parent -----							Equity Component of Redeemable Convertible Secured Bonds, net of tax RM'000	<-Distributable-> Retained Profits RM'000	Total Equity RM'000
	----- Non-distributable -----					<-Distributable->				
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Warrant Reserve RM'000	Foreign Reserve RM'000	Share Option Reserve RM'000	Fair Value Adjustment Reserve RM'000			
As at end of current quarter ended 31 July 2014										
Opening balance as at 1 August 2013	356,871	(7,494)	37,973	18,459	563	1,047	809	(353)	501,138	909,013
Total comprehensive income	-	-	-	-	(670)	-	(845)	-	45,565	44,050
Transactions with owners										
Share options exercised	2,106	-	-	-	-	-	-	-	-	2,106
Issue of ordinary shares	1	-	1	-	-	-	-	-	-	2
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	-	(1)
Transfer to share premium for share options exercised	-	-	169	-	-	(169)	-	-	-	-
Equity-settled share based payments	-	-	-	-	-	1,713	-	-	-	1,713
Final dividend for the financial year ended 31 July 2013 (Single tier of 1.2%)	-	-	-	-	-	-	-	-	(4,250)	(4,250)
Transactions with owners	2,107	(1)	170	-	-	1,544	-	-	(4,250)	(430)
Closing balance as at 31 July 2014	358,978	(7,495)	38,143	18,459	(107)	2,591	(36)	(353)	542,453	952,633
As at preceding year corresponding quarter ended 31 July 2013										
Opening balance as at 1 August 2012	356,871	(7,484)	37,986	18,459	63	-	199	(353)	481,096	886,837
Total comprehensive income	-	-	-	-	500	-	610	-	24,292	25,402
Transactions with owners										
Corporate exercise expenses	-	-	(13)	-	-	-	-	-	-	(13)
Purchase of treasury shares	-	(10)	-	-	-	-	-	-	-	(10)
Equity-settled share based payments	-	-	-	-	-	1,047	-	-	-	1,047
Final dividend for the financial year ended 31 July 2012 (Single tier of 1.2%)	-	-	-	-	-	-	-	-	(4,250)	(4,250)
Transactions with owners	-	(10)	(13)	-	-	1,047	-	-	(4,250)	(3,226)
Closing balance as at 31 July 2013	356,871	(7,494)	37,973	18,459	563	1,047	809	(353)	501,138	909,013

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2013 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Company No: 421340-U)

Notes to the Quarterly Report ó 31 July 2014

PART A : EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

1. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 July 2013.

This interim financial report has been prepared based on accounting policies and methods of computation which are consistent with those adopted in the annual audited financial statements for the year ended 31 July 2013, except for the adoption of the following new and revised MFRSs, IC Interpretations and Amendments to MFRSs and IC Interpretation which are applicable to the financial statements:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, Consolidated Financial Statements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits (2011)
- MFRS 127, Separate Financial Statements (2011)
- MFRS 128, Investments in Associates and Joint Ventures (2011)
- Amendments to MFRS 7, Financial Instruments: Disclosures ó Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards ó Government Loans
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)

1. Basis of preparation (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013 (cont'd)

- Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance

The adoption of above Standards and Interpretations did not have any significant effect on the financial statements of the Group.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to MFRS 132, Financial Instruments: Presentation ó Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Impairment of Assets ó Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Financial Instruments: Recognition and Measurement ó Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 119, Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 2, Share-based Payment (Annual Improvements to MFRSs 2010 ó 2012 Cycle)
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRSs 2010 ó 2012 Cycle)
- Amendments to MFRS 8, Operating Segments (Annual Improvements to MFRSs 2010 ó 2012 Cycle)
- Amendments to MFRS 13, Fair Value Measurement (Annual Improvements to MFRSs 2010 ó 2012 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements to MFRSs 2010 ó 2012 Cycle)

1. Basis of preparation (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014 (cont'd)

- Amendments to MFRS 124, Related Party Disclosures (Annual Improvements to MFRSs 2010 ó 2012 Cycle)
- Amendments to MFRS 138, Intangible Assets (Annual Improvements to MFRSs 2010 ó 2012 Cycle)
- Amendments to MFRS 1, First-time Adoption of International Financial Reporting Standards (Annual Improvements to MFRSs 2011 ó 2013 Cycle)
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRSs 2011 ó 2013 Cycle)
- Amendments to MFRS 13, Fair Value Measurement (Annual Improvements to MFRSs 2011 ó 2013 Cycle)
- Amendments to MFRS 140, Investment Property (Annual Improvements to MFRSs 2011 ó 2013 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- Amendments to MFRS 7, Financial Instruments: Disclosures ó Mandatory Effective Date of MFRS 9 and Transition Disclosures

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, Regulatory Deferral Accounts
- Amendments to MFRS 116 and MFRS 118, Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 11, Accounting for Acquisitions of Interests in Joint Operations

2. Audit qualification

There were no audit qualifications on the annual financial statements of the Group for the year ended 31 July 2013.

3. Seasonal or cyclical factors

The Group's business operations are not materially affected by any major seasonal factors except during Hari Raya, Christmas and Chinese New Year festive seasons where business activities generally slow down.

4. Material unusual items

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flows during the quarter.

5. Material changes in estimates

There were no material changes in estimates of amount reported in prior interim period that have material impact in the current quarter under review.

6. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review except the following:

- a) Issuance of 4,212,000 new ordinary shares at par of RM0.50 each for cash arising from the exercise of Employeesø Share Options Scheme (øESOSø) at an exercise price of RM0.50 each;
- b) Issuance of 2,733 new ordinary shares at par of RM0.50 each for cash arising from the exercise of Warrants 2012/2017 at an exercise price of RM0.69 each;
- c) As at quarter ended 31 July 2014, a total of 5,481,000 buy-back shares were held as treasury shares and carried at cost.

7. Dividend paid

No dividend has been paid during the quarter under review.

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8. Segment information

The Group's activities are identified into the following business segments:

	← 12 months ended 31 July 2014 →					
	Trading	Manufacturing	Property and Investment	Transportation	Elimination	Group
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
SALES						
- External sales	536,188	573,192	120	990	-	1,110,490
- Intersegment sales	1,938	18,042	17,760	2,949	(40,689)	-
Total sales	<u>538,126</u>	<u>591,234</u>	<u>17,880</u>	<u>3,939</u>	<u>(40,689)</u>	<u>1,110,490</u>
RESULTS						
Finance income	669	517	18,167	15	-	19,368
Finance costs	6,926	9,526	9,936	-	-	26,388
Dividend income	-	-	100	-	-	100
Depreciation & amortisation	3,341	18,140	1,961	354	-	23,796
Share of loss of jointly controlled entity	-	-	-	-	-	484
Segment profit	<u>4,837</u>	<u>37,277</u>	<u>6,809</u>	<u>444</u>	<u>484</u>	<u>49,851</u>

9. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendments from the previous annual report.

10. Significant events

There were no material events subsequent to the end of the interim period up to the date of this report.

11. Changes in the composition of the Group

A wholly owned subsidiary of the Company, Hiap Teck Management Services Sdn. Bhd., has changed its name to Hiap Teck Resources Sdn. Bhd. effective from 19 May 2014.

Huatraco Industries Sdn. Bhd. (øHIö), a wholly owned subsidiary of Huatraco Scaffold Sdn. Bhd. (øHSö), which in turn a wholly owned subsidiary of the Company, has at its Extraordinary General Meeting held on 16 June 2014, obtained shareholdersø approval to commence Membersø Voluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act 1965. The winding up of HI is not expected to have significant impact to the Group.

Hiap Teck Resources Sdn Bhd (formerly known as Hiap Teck Management Services Sdn Bhd) (øHTRSBö), a wholly-owned subsidiary of the Company, has on 18 September 2014, entered into a Subscription Agreement with Vista Mining Sdn Bhd (øVistaö) for the subscription of 550,000 new ordinary shares of RM1.00 each in Vista at an issue price of RM1.00 per share for a total subscription price of RM550,000 (øShare Subscriptionö). Upon completion of the Share Subscription, Vista will become a 55% owned indirect subsidiary of HTVB.

Save for the above, there were no significant changes in the composition of the Group as at the date of this report.

12. Changes in contingent liabilities and assets

The contingent liabilities as at 31 July 2014 are as follow:

Unsecured Contingent Liabilities :-	Group	
	31.07.14 RM'000	31.07.13 RM'000
In respect of indemnity provided for bank guarantees issued	6,751	27,331
In respect of guarantees issued in favour of Royal Custom and Excise Department	3,000	3,000
In respect of corporate guarantees issued to a jointly controlled entity	35,329	-
Total	45,080	30,331

13. Capital commitments

Share of capital commitments of the jointly controlled entity as at 31 July 2014 are as follow:

	RM'000
<u>Capital expenditure:</u>	
Approved and contracted for	49,940
Approved but not contracted for	3,402
	<u>53,342</u>

14. Related party transactions

Related party transactions for the quarter under review in which certain Directors have direct/indirect interest are as follows:

	Group	
	Current year quarter	Current year-to- date
	31.07.14	31.07.14
	RM'000	RM'000
Sales of steel products	260	1,981
Purchases of steel products	10,874	80,870

These transactions have been entered into in the normal course of business and at arms length basis and on terms no more favourable to the related party than those generally available to the public and are not detrimental to minority shareholders.

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**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA
SECURITIES BERHAD LISTING REQUIREMENTS**

15. Review of performance

a) Comparison results of current quarter and preceding year corresponding quarter

The Group achieved revenue of RM284.1 million in Q4FY2014. This represents a 3.7% increase over the RM273.9 million achieved in Q4FY2013 and was mainly due to the Trading Division which recorded a 7.3% growth in revenue to RM144.2 million (Q4FY2013 : RM134.4 million). Volume growth achieved in the Trading Division, however, was higher at 12.6% but due to different product mix and lower average selling prices arising from keen competition translated to a lower growth in revenue in the current quarter.

The Manufacturing Division maintained its sales performance with approximately the same sales volume but with slightly lower revenue of RM138.9 million as compared to RM139.5 million in the preceding year corresponding quarter.

While revenue showed improvement, the Group registered a lower profit before tax of RM8.9 million in Q4FY2014 as compared to RM15.6 million in Q4FY2013 due to weaker margins and a lower other income. In the preceding year corresponding quarter, the Group's result included a one-time compensation gain from a lawsuit settlement of RM2.8 million.

b) Comparison results of current year-to-date and previous year-to-date

The Group's revenue of RM1.1 billion in FY2014 was consistent with the RM1.1 billion achieved in FY2013. While, the Manufacturing Division recorded a 6.0% growth in revenue to RM573.2 million (FY2013: RM540.6 million), the Trading Division posted a 5.4% decline to RM536.1 million from RM566.5 million, previously.

Group Profit before tax for FY2014, however, displayed a 45.8% increase to RM49.9 million as compared to RM34.2 million recorded in the previous financial year. The increase was principally due to improved margins arising from continuous improvements in operating efficiency, and a share of profit of RM0.48 million from jointly-controlled entity as against a loss of RM3.77 million in FY 2013.

16. Comparison with immediate preceding quarter's results

For the quarter under review, the Group achieved revenue of RM284.1 million as compared to RM296.7 million in the immediate preceding quarter. The decline in revenue was mainly due lower sales volume.

The Group's lower profit before tax of RM8.9 million in the Q4FY2014 (Q3FY2014 : RM11.7 million) was attributable primarily to the recognition of RM1.54 million of ESOS expenses in the current quarter.

17. Prospects

The outlook for the global steel market remains challenging on the back of the oversupply situation. As China's economy continues to be soft and the modest growth of the developed economies, global steel demand is not expected to improve significantly in the near term. International steel prices are expected to remain weak in the near future.

Local steel companies are impacted by the challenging environment caused by the global oversupply of steel products. Steel products from major steel producing countries especially China continues to penetrate the ASEAN market including Malaysia. Increased intensity of cheaper steel imports, in particular, from China has caused prices to remain weak for the industry. On a positive note, the government's ongoing infrastructure projects and other private sector projects in the country will provide some support for the industry.

The Group will continue its focus on improving its performance by strengthening its procurement and inventory management, increase productivity as well as effective cost control. The Group will strive to maintain a satisfactory performance for the new financial year.

18. Variance of actual and forecast profit

Not applicable.

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19. Tax

	Group	
	Current year quarter	Current year-to- date
	31.07.14	31.07.14
	RM'000	RM'000
Income tax	(489)	5,322
Deferred tax	(1,292)	(1,036)
	(1,781)	4,286

The Group's effective tax rate was lower than the statutory income tax rate due additional tax incentive on a subsidiary.

20. Status of corporate proposal

There was no corporate exercise as at the date of this announcement.

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21. Borrowings

The Group's borrowings as at 31 July 2014 are as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
Secured:			
Bankers' Acceptances	-	386,039	386,039
Bank overdrafts	-	1,736	1,736
Revolving credit	-	60,000	60,000
Liability component of redeemable convertible secured bonds	127,758	2,199	129,957
	<u>127,758</u>	<u>449,974</u>	<u>577,732</u>

Bankers' Acceptances, bank overdrafts and revolving credit are secured by corporate guarantees of the Company.

As at 31 July 2014, the Company has extended corporate guarantees amounting to RM447.8 million to financial institutions for banking facilities granted to certain subsidiaries. The financial impact of the guarantees is not material as the subsidiaries concerned are in positive financial standings to meet their obligations as and when they fall due.

Redeemable convertible secured bonds are constituted by a Trust Deed entered into between the Company and the trustee. Pursuant to the Trust Deed dated 21 March 2012, the Company will create the security documents to secure the bonds. The appointed Security Trustee has agreed to act as security trustee and to hold the benefit of the security documents and the security thereby created on trust for the secured parties in the manner and upon the terms and conditions in the deed.

22. Material litigation

There is no material litigation for the quarter under review.

23. Dividend

The Board of Directors is pleased to propose a Single Tier Final Dividend of 0.6 sen per share for the Financial Year ended 31 July 2014, subject to shareholders' approval at the forthcoming Annual General Meeting.

24. Earnings per share (“EPS”)

a) Basic EPS

The basic earnings per share has been calculated by dividing the Group’s net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares in issue.

	Current Year Quarter 31.07.14	Current Year to-date 31.07.14
Profit attributable to owners of the parent (RM'000)	10,651	45,565
Weighted average number of ordinary shares in issue ('000)	711,896	709,376
Basic earnings per share (sen)	1.50	6.42

b) Diluted EPS

The diluted earnings per share has been calculated by dividing the Group’s net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares that would have been in issue upon full exercise of the remaining options under ESOS, warrants and redeemable convertible secured bonds, adjusted for the number of such ordinary shares that would have been issued at fair value.

No diluted earnings per share is disclosed as there are no dilutive potential ordinary shares.

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25. Realised and unrealised profit disclosure

	Current Year Quarter 31.07.14 RM'000	Immediate Preceding Quarter 30.04.14 RM'000
Realised	589,703	585,890
Unrealised	4,998	1,188
	594,701	587,078
Less: Consolidation adjustments	(52,248)	(55,276)
Total retained profits	542,453	531,802

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26. Profit from operations

	Current Year Quarter 31.07.14 RM'000	Current Year- to-date 31.07.14 RM'000
<i>Profit for the year is arrived at after charging:</i>		
Depreciation of property, plant and equipment	5,844	23,638
Depreciation of investment property	39	158
Equity-settled share based payments	1,545	1,713
Finance costs	7,111	26,388
Net foreign exchange loss		
Realised	416	-
Unrealised	604	-
Write down of inventories	916	916
Property, plant and equipment written off	31	57
<i>and after crediting:</i>		
Gain on disposal of property, plant and equipment	601	2,272
Finance income:		
Available-for-sale financial assets	389	1,008
Deposits	57	329
Jointly controlled entity	4,649	18,031
Net foreign exchange gain		
Realised	-	3,341
Unrealised	-	1,698
Rental income	188	742
Dividend income	50	100
Reversal of allowance for doubtful debts	-	2