Carotech
Berhad

Carotech Berhad (Company no: 200964 W)

Condensed consolidated statement of financial position (unaudited)
for the financial year ended 30 June 2011

	As at current quarter ended 30 June 2011 RM '000	As at preceding financial year ended 30 June 2010 (Audited) RM '000
Non-current assets		
Property, plant and equipment	281,443	295,189
Product development expenditure	355	378
	281,798	**295,567**
Current assets		
Inventories	36,924	62,821
Trade receivables	5,353	14,532
Other receivables, deposits and prepayments	3,484	2,612
Amount owing by related companies	2,517	2,517
Cash and bank balances	6,134	730
	54,412	**83,212**
Current liabilities		
Trade payables	1,973	13,135
Other payables and accruals	26,058	25,063
Amount owing to related companies	24,829	24,692
Loans & Borrowings	262,295	270,750
Tax payable	151	162
	315,306	**333,802**
Net current assets	**(260,894)**	**(250,590)**
Non-current liabilities		
Loans & Borrowings	10	136
	10	**136**
	20,894	**44,841**
Financed by:		
Capital and reserves		
Share capital	91,229	91,229
Share premium	4,200	4,200
Revaluation reserve	11,598	11,598
Exchange fluctuation reserve	429	681
Retained earnings	(86,562)	(62,867)
	20,894	**44,841**
Net assets per share attributable to ordinary equity holders of the parent (sen)	**2.3**	**4.9**

The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the notes to the interim financial statements

Carotech Berhad

Carotech Berhad (Company no: 200964 W)

Condensed consolidated income statement (unaudited) for the financial year ended 30 June 2011

	Individual quarter 3 months ended 30 June		Cumulative quarter 12 months ended 30 June	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
Revenue	10,603	53,096	40,010	243,140
Other operating income	1	(12,763)	1	(12,739)
Operating expenses	(11,400)	(152,753)	(37,728)	(299,117)
(Loss)/Profit from operations	**(796)**	**(112,420)**	**2,283**	**(68,716)**
Depreciation & amortisation	(3,442)	1,505	(13,822)	(18,114)
Finance costs	(152)	(4,336)	(12,136)	(14,725)
Loss before taxation	**(4,390)**	**(115,251)**	**(23,675)**	**(101,555)**
Taxation	15	11,644	(20)	9,075
Loss after tax and before minority interest	**(4,375)**	**(103,607)**	**(23,695)**	**(92,480)**
Minority interest	-	-	-	-
Net loss for the period/year	**(4,375)**	**(103,607)**	**(23,695)**	**(92,480)**
Loss per share (sen) (Note B13)				
- Basic	(0.48)	(14.35)	(2.60)	(12.80)
- Diluted	n/a	n/a	n/a	n/a

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the notes to the interim financial statements

Carotech Berhad

Carotech Berhad (Company no: 200964 W)

Condensed consolidated statement of comprehensive income (unaudited) for the financial year ended 30 June 2011

	Individual quarter 3 months ended 30 June		Cumulative quarter 12 months ended 30 June	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
Net loss for the period/year	(4,375)	(103,607)	(23,695)	(92,480)
Foreign exchange translation	(249)	(661)	(252)	(661)
Other comprehensive income for the period, net of tax	(249)	(661)	(252)	(661)
Total comprehensive income for the period	**(4,624)**	**(104,268)**	**(23,947)**	**(93,141)**
Total comprehensive income attributable to:				
Equity holders of the Company	(4,624)	(104,268)	(23,947)	(93,141)
Minority interest	-	-	-	-
Total comprehensive income for the period	**(4,624)**	**(104,268)**	**(23,947)**	**(93,141)**

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the notes to the interim financial statements

Carotech Berhad

Carotech Berhad (Company no: 200964 W)

Condensed consolidated statement of changes in equity (unaudited)
for the financial year ended 30 June 2011

	Issued and fully paid ordinary shares of RM0.10 each		Non-distributable			Distributable	Total Equity
	Number of shares 000	Nominal value RM '000	Share premium RM '000	Translation reserve RM '000	Revaluation reserve RM '000	Retained earnings RM '000	RM '000
At 1 July 2009	**456,144**	**45,614**	**4,702**	**1,342**	**11,598**	**29,613**	**92,869**
Total comprehensive income for the period				(661)		(92,480)	(93,141)
Rights Issue	456,144	45,615					45,615
Expenses relating to Rights Issue			(502)				(502)
At 30 June 2010/ 1 July 2010 (Nominal value of RM0.10 per share)	**912,288**	**91,229**	**4,200**	**681**	**11,598**	**(62,867)**	**44,841**
Total comprehensive income for the period				(252)		(23,695)	(23,947)
At 30 June 2011 (Nominal value of RM0.10 per share)	**912,288**	**91,229**	**4,200**	**429**	**11,598**	**(86,562)**	**20,894**

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the notes to the interim financial statements

Carotech Berhad

Carotech Berhad (Company no: 200964 W)

Condensed consolidated cash flow statement (unaudited)
for the financial year ended 30 June 2011

		Cumulative 12 months ended 30 June	
	Note	2011 RM '000	2010 RM '000
Cash generated from/ (used in) operations		15,170	(229)
Net cash used in investing activities		(56)	(2,008)
Net cash generated from financing activities		(636)	10,813
Net increase in cash and cash equivalents during the year		14,478	8,576
Effect of exchange differences		(250)	(744)
Cash and cash equivalents at beginning of year		(8,094)	(15,926)
Cash and cash equivalents at end of year	(I)	6,134	(8,094)

Note:

(I) Cash and cash equivalents comprises:

	RM '000	RM '000
Cash and bank balances	6,134	730
Bank overdrafts	(0)	(8,824)
	6,134	(8,094)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the notes to the interim financial statements

Carotech Berhad (Company no: 200964 W)
Explanatory Notes as per FRS 134, Interim Financial Reporting

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and Chapter 9 Part K 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad for the ACE Market. The interim financial report should be read in conjunction with the annual audited financial statements for the year ended 30 June 2010.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the annual audited financial statements for the year ended 30 June 2010 except for the adoption of the following new /revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 July 2010:-

(a) **FRS 101 (revised) - Presentation of Financial Statements**

The revised FRS 101 introduces changes in the presentation and disclosure of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity to be presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised directly in equity, to be presented either in one single statement, or in two statements. The Group has elected to show other comprehensive income in a separate statement from the income statement. The adoption of this standard does not have any impact on the financial position and results of the Group.

(b) **Amendments to FRS 117 - Leases**

The amendments to FRS 117 clarify the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease.

The Group has reassessed and determined that all leasehold land are in substance of finance lease and has reclassified the leasehold land to property, plant and equitment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions and has no effect on reported profit or equity.

The following comparative figures have been restated following the adoption of the amendments to FRS 117:

	As previously reported	Adoption of FRS 117	As restated at 30 June 2010
	RM '000	RM '000	RM '000
Property, plant and equipment	285,483	9,706	295,189
Prepaid interest in lease land	9,706	(9,706)	-

(c) **FRS 139 - Financial Instruments : Recognition and Measurement**

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the reporting date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when the Group becomes a party to the contractual provisions of the instruments. The recognition, derecognition and measurement are applied prospectively from 1 July 2010.

The applications of the other new and revised FRSs, IC Interpretations and Amendments do not have significant impact on the Group's consolidated financial statements for the current quarter or the comparative consolidated financial statements for the prior financial year.

Carotech Berhad

Carotech Berhad (Company no: 200964 W)
Explanatory Notes as per FRS 134, Interim Financial Reporting

A2 Status of financial statements qualification

The Company's auditors, Messrs KPMG have expressed a disclaimer opinion in the Company's audited financial statements for the financial year ended 30 June 2010.

Prior to this, the Board of Directors of Carotech Berhad ("Board") had announced on 1 July 2010, pursuant to the Guidance Note 5 ("GN5") of the Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("ACE LR") that the Company have defaulted on the repayment of certain borrowings which were due for payment during the financial year ended 30 June 2010. The Company also sought the assistance of Corporate Debt Restructuring Committee ("CDRC") to mediate between the Company and its lenders on its Proposed Debt Restructuring scheme ("the Proposed Scheme"). The CDRC has agreed to mediate and allowed a period of 6 months from 1 July 2010 to complete the proposed scheme. The Board had announced on 4 April 2011 that the Company had executed a conditional debt restructuring agreement with its financiers and a debenture between the Company and Malaysian Trustees Berhad as agent and trustee for the financiers on 1 April 2011 in relation to the Proposed Scheme.

On 29 October 2010, the Board announced that the Company is an affected listed company pursuant to the Guidance Note 3 ("GN3") of the ACE LR of Bursa Securities based on the criteria as prescribed under Rule 2.1(b), (c) and (f).

The audited report on the financial statements for the year ended 30 June 2010 was subjected to qualifications.

Basis for Disclaimer of opinion

The auditors' report for Financial Year Ended 30 June 2010 disclaimed the following :-

(i) The Group and the Company incurred a net loss of RM92,480,000 and RM93,021,000 respectively for the year ended 30 June 2010 and, as of that date, the current liabilities of the Group and the Company exceeded their current assets by RM250,590,000 and RM250,213,000 respectively.

(ii) As disclosed in Note 13 to the financial statements, as at 30 June 2010, the Group and the Company have defaulted on the repayment of certain borrowings which were due for payment during the financial year. On 1 July 2010, the Board made an announcement pursuant to the GN5 of Bursa Securities ACE Market Listing Requirements, regarding the defaults on repayment and has sought the assistance of CDRC to mediate between the Company and its lenders on its Proposed Debt Restructuring scheme ("the proposed scheme"). The CDRC has agreed to mediate and allowed a period of 6 months from 1 July 2010 to complete the proposed scheme. The lenders are currently reviewing and considering the proposed scheme but no decision has been made as at the date of this report.

(iii) The above events may affect the ability of the Group and the Company to obtain continued financial support from the lenders and also to attain sufficient positive cash flows in the future to fulfill their obligations as and when they fall due. Although it is the intention of the Directors to continue operating the Group and the Company as going concern, this cannot be assured.

(iv) In view of the matters set out in the preceding paragraphs, there are significant material uncertainties on the ability of the Group and the Company to continue as a going concerns and therefore, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

(v) The appropriateness of using the going concern assumption for the preparation of the financial statements is therefore highly dependent upon the continuing financial support from its holding company, bankers and creditors, the timely successful implementation of an approved debt restructuring scheme and the ability of the Group and the Company to attain sufficient positive cash flow in the future.

Carotech Berhad (Company no: 200964 W)
Explanatory Notes as per FRS 134, Interim Financial Reporting

(vi) Accordingly, the financial statements of the Group and the Company do not include any adjustments relating to the recoverability and classification of assets and the classification of liabilities that might be necessary should the Group and the Company be unable to continue as going concerns.

(vii) The appropriateness of the quantum of allowance for slow-moving work-in-progress and finished goods inventories of RM91,677,000 and RM6,061,000 respectively made by the Group and the Company as disclosed in Note 8 of the financial statements.

(viii) The Group and the Company have also temporarily scaled back their biodiesel production, leading to significantly lower operations in their Lumut facility subsequent to the year end. Consequently, the carrying amount of the property, plant and equipment of the Group and the Company of RM285,483,000 and RM285,427,000 respectively may be impaired because of uncertainty in their recoverable amounts.

A3 Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the quarter under review.

A4 Unusual items affecting assets, liabilities, equities, net income or cash flow

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

A5 Material changes in estimates

There were no changes in estimates that have had material effect in the current quarter under review.

A6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year.

A7 Dividends

No dividend has been declared or recommended in respect of the financial period under review.

Carotech Berhad

Carotech Berhad (Company no: 200964 W)
Explanatory Notes as per FRS 134, Interim Financial Reporting

A8 Segment information

The Group's primary reporting format is based on business segment, and is operating in the phytonutrients and oleochemicals / bio-diesel industries.

	Individual quarter 30 June		Cumulative quarter 30 June	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
Turnover				
Phytonutrients	10,279	12,531	38,836	38,621
Oleochemicals/bio-diesel	324	40,565	1,174	204,519
Total	10,603	53,096	40,010	243,140
Loss before tax				
Phytonutrients	336	(18,011)	(7,933)	(16,131)
Oleochemicals/bio-diesel	(4,726)	(97,240)	(15,742)	(85,424)
Total	(4,390)	(115,251)	(23,675)	(101,555)
Loss after tax				
Phytonutrients	350	(16,217)	(7,952)	(14,690)
Oleochemicals/bio-diesel	(4,725)	(87,390)	(15,743)	(77,790)
Total	(4,375)	(103,607)	(23,695)	(92,480)

A9 Valuation of property, plant and equipment

The company did not carry out any revaluation on its property, plant and equipment in the reporting quarter.

A10 Material subsequent events

There were no material subsequent events since 30 June 2010 until the date of this report except for
(i) the announcement on 1 July 2010 pursuant to GN5 of the Bursa Securities ACE LR and the acceptance by the CDRC to mediate between the Company and its financial creditors; and

(ii) On 29 October 2010, the Board announced that the Company is an affected listed company pursuant to the GN3 Bursa Securities ACE LR based on the criteria as prescribed under Rule 2.1(b), (c) and (f) of GN3.

(iii) On 10 January 2011, the Board announced that Liaoning Carotech Bio Energy Co. Ltd, a wholly-owned subsidiary of CAROTECH which is incorporated in China, will be wound up by way of members' voluntary winding-up pursuant to The People's Republic of China Company Law.

(iv) On 4 April 2011, the Board announced that the Company had executed a conditional debt restructuring agreement with its financiers and a debenture between the Company and Malaysian Trustees Berhad as agent and trustee for the financiers on 1 April 2011 in relation to the proposed debt restructuring undertaken by the Company.

Carotech Berhad

Carotech Berhad (Company no: 200964 W)
Explanatory Notes as per FRS 134, Interim Financial Reporting

A11 Changes in the composition of the group

There are no changes to the composition of the Group for the financial period under review.

A12 Contingent liabilities or assets

There were no material contingent liabilities as at the date of this report.

A 13 Capital commitments

Capital commitments as at 30 June 2011 are as follows:-

	RM '000
Authorised and contracted :	
Leasehold land	-
Building	72
Plant and machinery	64
Laboratory and office equipment, furniture & fittings	10
	146

A14 Significant related parties transactions

The group has the following significant transactions with its related company, Hovid Berhad, based on terms agreed between the parties:-

	Individual quarter 30 June		Cumulative quarter 30 June	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
Sales of goods	740	164	1,820	1,229
Purchase of goods	(48)	(11)	(51)	(330)
Reallocation of steam cost	90	90	360	360
Interest expense	(459)	(292)	(1,690)	(1,479)
Reallocation of common costs	(148)	633	(424)	(170)

Carotech Berhad

Carotech Berhad (Company no: 200964 W)

Explanatory Notes Pursuant to the Listing Requirement of Bursa Malaysia Securities Berhad

B1 Review of performance

	Individual quarter 3 months ended 30 June		Cumulative 12 months ended 30 June	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
Revenue	**10,603**	**53,096**	**40,010**	**243,140**
EBITDA	**(796)**	**(112,420)**	**2,283**	**(68,716)**
Loss before Tax ("LBT")	*(4,390)*	*(115,251)*	*(23,675)*	*(101,555)*
Unrealised foreign exchange gain	*368*	*779*	*10,728*	*13,007*
LBT, exclude unrealised foreign exchange gain	**(4,758)**	**(116,030)**	**(34,403)**	**(114,562)**

Compared to the preceding year's corresponding quarter, the Group's posted a lower revenue at RM10.6 million as compared to RM53 million previously recorded. The Group has also recorded a loss before tax ("LBT") of RM4.4 million in the current reporting quarter compared to LBT of RM115.3 million in the same quarter last year.

The loss recorded in the current reporting quarter was mainly due to production cost incurred to further process existing work-in-progress stocks into the required concentration for sales. Excluding the impact of unrealised loss and gain on foreign exchange in both financial quarters, the Group posted a LBT of RM4.8 million as compared to a RM116 million loss in the preceding year's corresponding quarter.

For the financial year ended 30 June 2011, the Group posted an improved EBITDA of RM2.3 million during the financial year against loss of RM68.7 million in last financial year. The improvement was attributed to the ongoing cost containment exercises throughout the year. The Group registered an annual revenue and LBT of RM 40 million and RM23.7 million respectively. Excluding the impact on unrealised gain or loss on foreign exchange in both financial years, the Group posted a lower LBT of RM34.4 million as compare to RM114.6 million in last financial year.

The significant reduction in revenue was due to the lack of working capital while the debts in the Company is being restructured with the lenders of the Company. With the lack of working capital, the Company has not been able to keep it's operations at an optimal level and therefore, has not been able to process fresh raw materials and is highly dependent on the sale of it's nutrient stocks over the last 12 months.

B2 Variation of results against the preceding quarter

	Quarter ended	
	30 June 2011 RM '000	31 Mar 2011 RM '000
Revenue	**10,603**	**8,587**
EBITDA	**(796)**	**(3,725)**
Loss before Tax ("LBT")	*(4,390)*	*(11,671)*
Unrealised foreign exchange gain	*368*	*2,393*
LBT, exclude unrealised foreign exchange gain	**(4,758)**	**(14,064)**

The Group posted a higher revenue of RM10.6 million in the current reporting quarter as compared to RM8.6 million in the immediate preceding quarter. The revenue were mainly attributed to sale of phytonutrients from existing stocks.

The Group recorded a LBT of RM4.4 million in the current reporting quarter, against a loss of RM11.7 million reported in the immediate preceding quarter.

B3 Commentary on prospects

The Board of Directors anticipates the coming financial year will be challenging with the debt restructuring exercise under the mediation of CDRC presently in progress and the continued poor economic sentiments globally.

Nevertheless, the Group will continue to work with it's lenders and the CDRC to arrive at an amicable solution for the debt restructuring.

Carotech Berhad

Carotech Berhad (Company no: 200964 W)

Explanatory Notes Pursuant to the Listing Requirement of Bursa Malaysia Securities Berhad

B4 Profit forecast, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any public document or any announcements made.

B5 Taxation

	Individual quarter 3 months ended 30 June		Cumulative 12 months ended 30 June	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
Income taxation	(15)	24	20	43
Deferred taxation	-	(11,668)	-	(9,118)
	(15)	(11,644)	20	(9,075)

The effective tax rate of the Company for the financial period is lower than the statutory rate applicable mainly due to unutilised tax allowances.

B6 Profit/(Loss) on sale of unquoted investments and/or properties

There was no disposal of unquoted investments and/ or properties for the current quarter and financial year.

B7 Particulars on quoted securities
(other than securities in existing subsidiaries and associated companies)

There was no purchase or disposal of quoted securities for the current quarter and financial year.

B8 Status of corporate proposal as at 25 August 2011
(being the latest practicable date prior to the quarterly report announcement)

There are no corporate proposals announced but not completed for the quarter under review other than the following:-

(a) On 6 February 2006, the Company entered into a Sale and Purchase Agreement with Lumut Maritime Terminal Sdn Bhd to acquire four (4) plots of land for a cash consideration of RM9,785,230. An information circular was dispatched to shareholders on 5 April 2006. The final proceeds of 5% is not paid pending the perfection of land purchase documentation.

(b) On 24 December 2007, the Company's wholly owned subsidiary, Liaoning Carotech Bio Energy Co. Ltd ("LC") (formerly known as Ying Kou Carotech Bio Energy Co. Ltd) entered into a Sale and Purchase Agreement with Liaoning Dayang Bio Energy Co. Ltd. to acquire an industrial land in Ying Kou, Liaoning Province, China for a consideration of Renminbi (RMB) 14,666,740 (equivalent to approximately RM6,670,000). An announcement was made to the Bursa Malaysia on 26 December 2007. The balance proceeds of 50% is not paid pending the issuance of qualified individual document of title and the finalisation of shareholders agreement for the issue of ordinary shares in LC for the settlement of balance proceeds of 50%.

Due to the delay in the enactment of the biodiesel policy in the People’s Republic of China and despite the Company is negotiating with both the local provincial government and industrial park on returning the land, the Directors have adopted a prudent view by making an allowance for the recovery of the amounts paid.

On 10 January 2011, the Board announced that LC will be wound up by way of members’ voluntary winding-up pursuant to The People’s Republic of China Company Law.

(c) On 29 October 2010, the Board announced that the Company is an affected listed company pursuant to GN3 of the Bursa Securities ACE LR based on the criteria as prescribed under Rule 2.1(b), (c) and (f). The Company has yet to formalise a regularisation plan to address its GN3 status, save to the Proposed Scheme currently being reviewed and considered by the lenders of the Company. Appropriate announcements on the regularisation plan shall be announced by the Company in due course.

(d) On 4 April 2011, the Board announced that the Company had executed a conditional debt restructuring agreement with its financiers and a debenture between the Company and Malaysian Trustees Berhad as agent and trustee for the financiers on 1 April 2011 in relation to the proposed debt restructuring of the Company.

Carotech Berhad

Carotech Berhad (Company no: 200964 W)

Explanatory Notes Pursuant to the Listing Requirement of Bursa Malaysia Securities Berhad

B9 Borrowings and debt securities

Details of Group's bank borrowings as at 30 June 2011 are as follows :-

	Current	Non-current	Total
	RM '000	RM '000	RM '000
Secured			
- Hire purchases	126	10	136
- Term loans	262,169	0	262,169
	262,295	10	262,305
Total borrowings	262,295	10	262,305

The bank borrowings denominated in foreign currency is as follows:-

Denominated in US Dollar	129,871

On 1 July 2010, the Board made an announcement pursuant to the GN5 of the Bursa Securities ACE LR, that the Company has defaulted on its bank borrowings during the financial year and has sought the assistance of the CDRC to mediate with the banks on a proposed debt restructuring scheme ("Proposed Scheme") to regularise its borrowings.

Despite the involvement of CDRC to mediate with a timeframe of six (6) months from 1 July 2010 to complete the proposed scheme, the Company has reclassified the non-current portion of its term loans as current liability in compliance with the provision under FRS 101, Presentation of Financial Statements, pending the finalisation of the Proposed Scheme.

Subsequently, on 29 October 2010, the Board made an announcement pursuant to the GN3 of the Bursa Securities ACE LR, that the Company is an Affected Listed Company based on the criteria as prescribed under Rule 2.1(b), (c) and (f) of GN3 in the ACE LR.

On 9 February 2011, the CDRC had via its letter informed that an extension of time had been granted for the execution of the Debt Restructuring Agreement with its major lenders until 1 March 2011 which the Board had announced on the same date. A further extension of time was announced on 1 March 2011.

On 4 April 2011, the Board announced that the Company had executed a conditional debt restructuring agreement with its financiers and a debenture between the Company and Malaysian Trustees Berhad as agent and trustee for the financiers on 1 April 2011 in relation to the proposed debt restructuring of the Company.

B10 Off balance sheet financial instruments

The Company entered into the following:

foreign currency exchange rates for receivables, sale contracts and term loan commitments.

(b) Commodity hedging contracts to manage exposure to fluctuations in the purchase price of crude palm oil ("CPO")

As at 25 Aug 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of the quarterly report), the Company had no outstanding foreign currency forward and commodity hedging contracts.

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at exchange rates ruling at the balance sheet date.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities, and the gain or loss arising from commodity hedging are included in the income statement.

The Company does not foresee any significant credit and market risks posed by the above off balance sheet financial instruments.

There is no cash requirement as the Company uses fixed forward foreign exchange contracts and commodity hedging contracts as its hedging instruments.

Carotech Berhad (Company no: 200964 W)

Explanatory Notes Pursuant to the Listing Requirement of Bursa Malaysia Securities Berhad

B11 Material litigation

There were no material litigation up to 25 Aug 2011.

B12 Dividend

No dividend has been declared or recommended in respect of the financial period under review.

B13 Loss per share

The basic earnings per share of the Group is calculated by dividing the net profit/ (loss) attributable to shareholders by the weighted average number of ordinary shares in issue for the current financial year ended 30 June 2011.

	Individual quarter 3 months ended 30 June		Cumulative quarter 12 months ended 30 June	
	2011	**2010**	**2011**	**2010**
Basic (loss)/ earnings per share				
Net (loss)/ profit attributable to shareholders (RM'000)	(4,375)	(103,607)	(23,695)	(92,480)
Weighted average number of ordinary shares ('000)	912,288	722,228	912,288	722,228
Basic (loss)/ earnings per share (sen)	(0.48)	(14.35)	(2.60)	(12.80)

B14 Realised and unrealised profits and losses

	Quarter ended	
	30 June 2011	**31 Mar 2011**
	RM '000	**RM '000**
Total (accumulated losses) / retained earnings		
Realised	*(96,253)*	*(91,553)*
Unrealised	*10,728*	*10,360*
	(85,525)	(81,193)
Consolidation adjustments	*(1,037)*	*(993)*
Total group accumulated losses	(86,562)	(82,186)

Authorisation for issue

On 29 Aug 2011, the Board of Directors authorised this report for issue.

By Order of the Board

Goh Tian Hock
Ng Yuet Seam
Joint Secretaries