



COASTAL CONTRACTS BHD (Company No. 517649-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013**

	Note	INDIVIDUAL		CUMULATIVE	
		3 months ended 31.03.2013 RM'000 (unaudited)	3 months ended 31.03.2012 RM'000 (unaudited)	3 months ended 31.03.2013 RM'000 (unaudited)	3 months ended 31.03.2012 RM'000 (unaudited)
Revenue	8	168,884	232,849	168,884	232,849
Cost of sales and services		(135,819)	(200,368)	(135,819)	(200,368)
Gross profit		<u>33,065</u>	<u>32,481</u>	<u>33,065</u>	<u>32,481</u>
Other income		1,145	2,384	1,145	2,384
Administrative expenses		(2,924)	(2,596)	(2,924)	(2,596)
Other expenses		(195)	(1,914)	(195)	(1,914)
Finance costs		(33)	(35)	(33)	(35)
Profit before tax	8, 18	<u>31,058</u>	<u>30,320</u>	<u>31,058</u>	<u>30,320</u>
Income tax expense	19	47	439	47	439
Profit for the period		<u><u>31,105</u></u>	<u><u>30,759</u></u>	<u><u>31,105</u></u>	<u><u>30,759</u></u>
Attributable to: Owners of the parent		<u><u>31,105</u></u>	<u><u>30,759</u></u>	<u><u>31,105</u></u>	<u><u>30,759</u></u>
Earnings per share attributable to owners of the parent:					
- basic (sen)	26	6.44	6.37	6.44	6.37
- diluted (sen)	26	<u>6.44</u>	<u>6.37</u>	<u>6.44</u>	<u>6.37</u>

The above Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	INDIVIDUAL		CUMULATIVE	
	3 months ended 31.03.2013 RM'000 (unaudited)	3 months ended 31.03.2012 RM'000 (unaudited)	3 months ended 31.03.2013 RM'000 (unaudited)	3 months ended 31.03.2012 RM'000 (unaudited)
Profit for the period	31,105	30,759	31,105	30,759
Other comprehensive income / (loss):				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Currency translation differences arising from consolidation	14(a) 7,387	(20,158)	7,387	(20,158)
Net loss on available-for-sale financial assets	(7)	-	(7)	-
Total comprehensive income for the period	<u>38,485</u>	<u>10,601</u>	<u>38,485</u>	<u>10,601</u>
Attributable to:				
Owners of the parent	<u>38,485</u>	<u>10,601</u>	<u>38,485</u>	<u>10,601</u>

The above Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	As at 31.03.2013 RM'000 (unaudited)	As at 31.12.2012 RM'000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	73,389	74,861
Investment properties	3,999	4,019
Intangible asset	5,884	5,884
Investment securities	14(b) 357	365
Deferred tax assets	395	371
Other receivable	502	962
	<u>84,526</u>	<u>86,462</u>
Current assets		
Inventories	14(c) 773,077	801,466
Trade receivables	14(d) 12,759	12,930
Other receivables	14(e) 93,682	50,997
Tax recoverable	693	570
Cash and bank balances	139,275	208,322
	<u>1,019,486</u>	<u>1,074,285</u>
TOTAL ASSETS	8 <u>1,104,012</u>	<u>1,160,747</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	96,654	96,654
Treasury shares	(344)	(303)
Currency translation reserve	3,340	(4,047)
Fair value adjustment reserve	21	28
Warrant reserve	25,269	25,269
Retained earnings	20 735,427	717,849
Total equity	<u>860,367</u>	<u>835,450</u>
Non-current liabilities		
Borrowings	22 6,690	7,519
Deferred tax liabilities	3,246	3,558
	<u>9,936</u>	<u>11,077</u>
Current liabilities		
Borrowings	22 3,791	4,018
Trade payables	35,570	18,223
Other payables	14(f) 193,964	291,692
Income tax payable	384	287
	<u>233,709</u>	<u>314,220</u>
Total liabilities	8 <u>243,645</u>	<u>325,297</u>
TOTAL EQUITY AND LIABILITIES	<u>1,104,012</u>	<u>1,160,747</u>
Net assets per share (RM)	<u>1.7809</u>	<u>1.7293</u>

The above Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

Note	Attributable to owners of the parent						
	Non distributable					Distributable	Total
	Share capital	Treasury shares	Currency translation reserve	Fair value adjustment reserve	Warrant reserve	Retained earnings	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>3 months ended 31 March 2012 (unaudited)</u>							
Balance at 1 January 2012	96,654	(82)	17,711	-	25,269	630,881	770,433
Purchase of treasury shares	-	(129)	-	-	-	-	(129)
Total comprehensive (loss) / income for the period	-	-	(20,158)	-	-	30,759	10,601
Balance at 31 March 2012	<u>96,654</u>	<u>(211)</u>	<u>(2,447)</u>	<u>-</u>	<u>25,269</u>	<u>661,640</u>	<u>780,905</u>
<u>3 months ended 31 March 2013 (unaudited)</u>							
Balance at 1 January 2013	96,654	(303)	(4,047)	28	25,269	717,849	835,450
Purchase of treasury shares	6	(41)	-	-	-	-	(41)
Total comprehensive income / (loss) for the period	-	-	7,387	(7)	-	31,105	38,485
Interim dividend for the financial year ended 31 December 2012	7	-	-	-	-	(13,527)	(13,527)
Balance at 31 March 2013	<u>96,654</u>	<u>(344)</u>	<u>3,340</u>	<u>21</u>	<u>25,269</u>	<u>735,427</u>	<u>860,367</u>

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013**

	CUMULATIVE	
	3 months ended 31.03.2013 RM'000 (unaudited)	3 months ended 31.03.2012 RM'000 (unaudited)
<u>Operating Activities</u>		
Profit before tax	31,058	30,320
Adjustments for non-cash items	1,503	2,635
Operating cash flows before changes in working capital	32,561	32,955
Changes in working capital:		
Decrease in inventories	36,763	80,936
Increase in receivables	(41,110)	(3,047)
Decrease in payables	(83,521)	(75,072)
Cash flows (used in) / from operations	(55,307)	35,772
Interest paid	(151)	(235)
Income tax paid	(317)	(76)
Net cash flows (used in) / from operating activities	(55,775)	35,461
<u>Investing Activities</u>		
Interest received	151	124
Proceeds from disposal of property, plant and equipment	1	-
Purchase of property, plant and equipment	(160)	(229)
Net cash flows used in investing activities	(8)	(105)
<u>Financing Activities</u>		
Purchase of treasury shares	(41)	(129)
Dividends paid on ordinary shares	(13,527)	-
Proceeds from borrowings	-	5,660
Repayment of borrowings	(1,059)	(1,028)
Net cash flows (used in) / from financing activities	(14,627)	4,503
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(70,410)	39,859
Effect of foreign exchange rate changes	1,363	(3,663)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	208,322	150,000
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	139,275	186,196

* Cash and cash equivalents at end of financial period comprise the following:

Fixed deposits	86,554	126,709
Cash and bank balances	52,721	59,487
Cash and cash equivalents at end of financial period	139,275	186,196

Subsequent to 31 March 2013, RM47.6 million of fixed deposits were utilised for payment to contractors and suppliers.

The above Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



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Explanatory Notes

FOR THE QUARTER ENDED 31 MARCH 2013

1 Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared under the historical cost convention except for certain financial assets that are stated at fair value.

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

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

2 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised MFRSs

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2012 except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs") and Interpretation, and amendments to certain MFRSs and Interpretation where applicable to the Group's financial period beginning 1 January 2013:

MFRS 10 *Consolidated Financial Statements*

MFRS 11 *Joint Arrangements*

MFRS 12 *Disclosure of Interests in Other Entities*

MFRS 13 *Fair Value Measurement*

MFRS 119 *Employee Benefits*

MFRS 127 *Separate Financial Statements*

MFRS 128 *Investments in Associates and Joint Ventures*

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards - Government Loans*

Amendments to MFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 10 *Consolidated Financial Statements: Transition Guidance*

Amendments to MFRS 11 *Joint Arrangements: Transition Guidance*

Amendments to MFRS 12 *Disclosure of Interests in Other Entities: Transition Guidance*

Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*

IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*

Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle

The adoption of the abovementioned MFRSs, Interpretation, Amendments to MFRS and Interpretation, where applicable, will have no material impact on the financial statements of the Group except for the following:

Amendments to MFRS 101 *Presentation of Financial Statements* (Annual Improvements 2009 - 2011 Cycle)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.



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3 Seasonal or Cyclical Factors

The Group's performance is affected by the global and regional economic conditions. The demand for vessels as well as shiprepair and charter services are closely associated with the economic climate.

4 Unusual Items Affecting the Financial Statements

There were no items affecting assets, liabilities, equity, net income or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

5 Change in Accounting Estimate

There were no changes in estimates that have had material effects in the financial period under review.

6 Debt and Equity Securities

For the period ended 31 March 2013, 20,000 ordinary shares of RM0.20 each were repurchased in the open market at an average price of RM2.02 per share. The total consideration paid for the repurchase including transaction costs amounted to RM40,494 and were financed by internally generated funds. The shares repurchased are retained as treasury shares of the Company. As at 31 March 2013, the total number of treasury shares held was 170,000 ordinary shares of RM0.20 each.

Save as disclosed above, there were no other issue, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

7 Dividend Paid

The following dividend was paid during the financial year-to-date:

	RM'000
Second interim tax exempt dividend of 14% equivalent to 2.8 sen per ordinary share paid on 28 March 2013 for the financial year ended 31 December 2012	<u>13,527</u>

8 Segment Information

Segment information is presented in respect of the Group's primary business segments, which is based on the Company's management and internal reporting structure.

	Shipbuilding and Shiprepair RM'000	Vessel Chartering RM'000	Eliminations RM'000	Consolidated RM'000
<u>3 months ended 31 March 2013</u>				
Revenue				
External revenue	164,636	4,248	-	168,884
Inter-segment revenue	36	1,909	(1,945)	-
Total revenue	<u>164,672</u>	<u>6,157</u>	<u>(1,945)</u>	<u>168,884</u>
Results				
Profit before tax	<u>29,254</u>	<u>1,804</u>	-	<u>31,058</u>
Total Assets				
31 March 2013	1,055,611	48,401	-	1,104,012
31 December 2012	<u>1,108,192</u>	<u>52,555</u>	-	<u>1,160,747</u>
Total Liabilities				
31 March 2013	235,823	7,822	-	243,645
31 December 2012	<u>316,265</u>	<u>9,032</u>	-	<u>325,297</u>



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9 Subsequent Event

There was no material event subsequent to the end of the current quarter.

10 Changes in the Composition of the Group

There was no change in the composition of the Group for the financial period under review.

11 Contingent Liabilities and Contingent Assets

	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiaries	<u>247,734</u>

As at 31 March 2013, the Company is contingently liable for RM7,408,000 of banking facilities utilised by its subsidiaries.

12 Capital Commitments

There was no material capital commitment as at the end of the current quarter.

13 Related Party Transactions

	Individual 3 months ended 31 March 2013 RM'000	Cumulative 3 months ended 31 March 2013 RM'000
<i>Transactions with a company in which certain Directors of the Company have financial interests:</i>		
<i>- Top Pride Sdn. Bhd.</i>		
Rent of premises	2	2
 <i>Transactions with a person connected with certain Directors of the Company:</i>		
<i>- Ng Lai Whoon</i>		
Rent of premises	5	5
 <i>Transactions with a Director of the Company:</i>		
<i>- Ng Chin Shin</i>		
Rent of premises	<u>5</u>	<u>5</u>

The above transactions were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

14 Detailed Analysis of Performance

For the three months ended 31 March 2013, Coastal Group made a net profit of RM31.1 million, a surge of 10% from RM28.4 million booked in the fourth quarter of 2012 (4Q2012). Compared against the first quarter of 2012 (1Q2012), net profit has slightly increased by 1% from RM30.8 million.

Current quarter's net profit was increased despite a 13% and 27% drop in revenue to RM168.9 million from 4Q2012's RM193.7 million and 1Q2012's RM232.8 million, respectively. The improved performance was vastly driven by higher operating margins from the Shipbuilding Division.

Shipbuilding and Shiprepair Division

The division registered RM164.6 million of revenue in the current quarter, which was lower than the RM190.4 million and RM230.9 million recorded in 4Q2012 and 1Q2012, a decrease of 14% and 29% respectively. A total of 4 units of vessels were delivered in the current quarter (4Q2012: 4 units; 1Q2012: 7 units).



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The division's profit margin before tax for 1Q2013 of 18% (RM29.3 million) was greater than the 15% (RM28.2 million) achieved in 4Q2012 owing to higher operating margins and lower administrative expenses. Year-on-year, the profit margin before tax has raised 4% from 14% (RM31.5 million) as a result of the higher margins derived from the sale of vessels.

Vessel Chartering Division

The division recorded a 27% increase in revenue to RM4.2 million from RM3.3 million in 4Q2012, on the back of the full charter income earned from a contract throughout the quarter as compared to partial income earned in 4Q2012 (the said contract was started in December 2012). Against 1Q2012, the revenue has jumped more than two-fold from RM1.9 million. The better showing was principally due to higher income earned from the charter of offshore support vessels.

The division achieved a profit margin before tax of 42% (RM1.8 million) in 1Q2013 as compared to the loss margin before tax of 3% (RM0.1 million in loss) incurred in 4Q2012, as a result of the greater bareboat charter income earned as well as lower administrative expenses incurred. For 1Q2012, the division incurred a loss margin before tax of 64% (RM1.2 million in loss) owing to lower income earned, loss on foreign exchange transactions and impairment loss on financial assets.

- (a) Currency translation differences arising from consolidation were a result of exchange differences arising on the translation of the financial statements of foreign operations.
- (b) The Group's investment securities comprises available-for-sale investment in quoted shares.
- (c) Included in inventories of the Group were finished goods of RM240.7 million (31 December 2012: RM327.4 million) and vessels work-in-progress of RM514.7 million (31 December 2012: RM461.9 million). For the current quarter under review and financial year-to-date, there were no provisions made for obsolete or slow-moving inventories or work-in-progress write-off.
- (d) Out of the RM12.8 million of trade receivables as at 31 March 2013, RM3.0 million was subsequently received by the Group.
- (e) Included in other receivables of the Group were payments made to suppliers and contractors totalling RM56.0 million (31 December 2012: RM31.1 million) to secure the supply of input materials, equipment and services intended for the Group's rolling vessel building programme.
- (f) Included in other payables were advance payments received from vessel buyers totalling RM183.2 million (31 December 2012: RM279.9 million). The Group currently has a healthy vessel sales order book that will deliver progressive revenue and earnings until 2014.

15 Material Change in Profit Before Tax

The Group reported a profit before tax of RM31.1 million in the current quarter, a 11% increase quarter-on-quarter from RM28.1 million on the back of lower administrative expenses incurred. Against 1Q2012, profit before tax has marginally increased by 3% from RM30.3 million owing to higher margins derived from the sale of vessels by Shipbuilding Division.

16 Prospects

Global economic prospects for 2013 are more promising when compared to that in 2012, although the risks of uncertainties and vulnerabilities continue to persist. As for oil and gas sector, the management foreseen the medium to long term fundamentals remain favourable, underpinned by favourable oil prices and growing energy demand from developing economies. The global oil and gas upstream capex spending on exploration and production is expected to rise in 2013, compared with the lacklustre spending in 2012. In addition to the anticipated upbeat exploration and production activities, the demand for OSV is expected to grow, especially for more sophisticated OSV. This is given that current OSV fleet may not be capable in meeting current demand, due to charterers' increasingly demanding requirements and the push for younger and more environmentally-friendly vessels by regulators.



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Moving forward, the Group will focus on building and selling more technologically advanced and deepwater-capable OSV that can withstand harsher environment. The management expects sustained recovery in the OSV market soon, especially for higher-end OSV. At the meantime, the Group is working in tandem to pursue opportunities for extending its participation in the lucrative offshore oil and gas value chain, especially for the offshore drilling segment.

17 Explanatory Notes for Variance of Forecast and Profit Guarantee

The Company did not issue any profit forecast or profit guarantee and therefore, this note is not applicable.

18 Profit Before Tax

The following items have been included in arriving at profit before tax:

	Individual 3 months ended 31 March 2013 RM'000	Cumulative 3 months ended 31 March 2013 RM'000
Interest income	151	151
Other income	157	157
Depreciation and amortisation	1,793	1,793
Foreign exchange gain (net)	738	738

There were no impairment loss on receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives and other exceptional items for the current quarter under review and financial year-to-date.

19 Income Tax Expense

	Individual 3 months ended 31 March 2013 RM'000	Cumulative 3 months ended 31 March 2013 RM'000
Income tax expense comprises:		
Current tax charge	290	290
Deferred tax reversal	(337)	(337)
	(47)	(47)

The effective tax rates for the current quarter and the financial year-to-date were lower than the statutory tax rate in Malaysia due to the different income tax rate applicable to subsidiaries of the Group in other jurisdictions.

20 Retained Earnings

The retained earnings as at 31 March 2013 and 31 December 2012 were further analysed as follows:

	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
Total retained earnings of the Group:		
- Realised	791,314	774,077
- Unrealised	(1,359)	(1,890)
	789,955	772,187
Consolidation adjustments	(54,528)	(54,338)
Total Group retained earnings as per consolidated accounts	735,427	717,849



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21 Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 28 May 2013.

22 Group Borrowings and Debt Securities

The Group's borrowings as at the end of the quarter were as follows:

	As at 31 March 2013 RM'000
Secured	
Short term	3,791
Long term	6,690
Total	<u><u>10,481</u></u>

All the borrowings are denominated in Ringgit Malaysia.

The debt-equity ratio of the Group has reduced to 0.012 from last quarter's 0.014. The reduction was mainly due to repayment of short term borrowings and lower utilisation of credit facilities. Internally generated funds derived from operations were utilised to sustain the Group's working capital requirements during the quarter under review.

The current gearing is within management comfort level.

23 Financial Instruments

(a) Derivatives

There were no outstanding derivatives as at 31 March 2013.

(b) Gains or Losses Arising from Fair Value Changes of Financial Liabilities

As the Group did not have any financial liabilities measured at fair value through profit or loss, there were no gains or losses arising from fair value changes of financial liabilities for the current quarter and financial year-to-date.

24 Material Litigation

As announced on 26 September 2012, the Company's wholly-owned subsidiary, Seri Modalwan Sdn Bhd ("SM"), had on 24 September 2012 received a Writ of Summons and Statement of Claim dated 20 September 2012 from a customer, namely PT Mainstream Indonesia ("PTMI") and its affiliate, Mainstream Venture Sdn Bhd ("collectively referred to as the Plaintiffs") pertaining to the loss of use and damage to PTMI's vessel while under repair at SM's premises. The Plaintiffs alleged that the damage to the subject vessel by fire was due to negligence of SM, which allegation was denied by SM. The Plaintiffs claim for the sum of RM7,927,314.46 being the cost of the subject vessel and the loss of income for the subject vessel from September 2011 to July 2012 and other relevant costs, interest, cost and such other relief as may be appropriate or just. As announced on 19 November 2012, SM had via its solicitors filed a Statement of Defence on 16 November 2012 in response to the Statement of Claim served by the Plaintiffs. Subsequently on 30 November 2012, the Plaintiffs served a Statement of Reply against SM. The trial of litigation proceedings has been fixed on 11 November 2013 and 12 November 2013 in the High Court at Sandakan. There is no further development on the above litigation proceedings as of to-date.

The Group is not engaged in other material litigation and is not aware of any proceedings which materially affect the position or business of the Group as at 28 May 2013.



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25 Dividend

On 25 February 2013, the Directors declared a second interim tax exempt dividend of 14% equivalent to 2.8 sen per ordinary share in respect of the financial year ended 31 December 2012. This dividend was paid on 28 March 2013 to depositors registered in the Records of Depositors at close of business on 13 March 2013. The dividend declared in the corresponding period of last year was 3.8 sen.

Inclusive of the first interim tax exempt dividend of 2.8 sen per ordinary share paid on 27 September 2012, the total tax exempt dividend distribution per ordinary share in respect of the financial year ended 31 December 2012 was 5.6 sen.

26 Earnings Per Share

Basic earnings per share attributable to owners of the parent

Basic earnings per share of the Group was calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	Individual 3 months ended 31 March 2013	Cumulative 3 months ended 31 March 2013
<i>Basic earnings per share</i>		
Profit attributable to owners of the parent (RM'000)	31,105	31,105
Weighted average number of ordinary shares in issue ('000)	483,110	483,110
Basic earnings per share (sen)	6.44	6.44

Diluted earnings per share attributable to owners of the parent

For diluted earnings per share calculation, the weighted average number of ordinary shares in issue was adjusted to assume that the maximum number of new ordinary shares have been issued pursuant to the share options granted under the warrants ("Warrants"). The dilutive portion of the ordinary shares deemed issued pursuant to the Warrants are accounted for in the diluted earnings per share calculation. The Warrants will have a dilutive effect only when the average market price of ordinary shares of the Company during the period exceeds the exercise price of the options granted. As the average market price of ordinary shares during the period (RM2.01) was lower than the exercise price of the options (RM3.18), the options were not assumed to be exercised because they were antidilutive in the period.

As at the end of the quarter, there was only one class of shares in issue and they ranked pari passu among each other.

27 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Group's most recent annual audited financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

28 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 28 May 2013.