

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

Condensed Consolidated Statements of Comprehensive Income for 2nd quarter from 1 November 2012 to 31 January 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/01/2013	31/01/2012	31/01/2013	31/01/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	280,991	252,906	554,030	548,942
Cost of Sales	(265,429)	(235,557)	(521,510)	(503,366)
Gross Profit	15,562	17,349	32,520	45,576
Other Income	5,599	2,382	10,583	4,881
Operating Expenses	(10,193)	(12,458)	(21,607)	(27,993)
Other Expenses	(745)	(1,905)	(1,887)	(1,631)
Profit from Operations	10,223	5,368	19,609	20,833
Finance Costs	(5,903)	(4,271)	(12,307)	(9,470)
Share of loss of jointly controlled entity	(193)	-	(877)	-
Profit Before Tax	4,127	1,097	6,425	11,363
Income tax	(2,341)	(313)	(3,625)	(3,068)
Profit for the Period	1,786	784	2,800	8,295
Other Comprehensive Income				
Net (loss) / gain on available-for-sale financial assets				
- fair value changes	(89)	530	(230)	177
Foreign currency translation	7	(8)	(8)	(6)
	(82)	522	(238)	171
Total Comprehensive Income	1,704	1,306	2,562	8,466
Profit Attributable to:				
Owners of the parent	1,786	1,601	2,800	9,709
Non-controlling interests	-	(817)	-	(1,414)
	1,786	784	2,800	8,295
Total Comprehensive Income Attributable to:				
Owners of the parent	1,704	2,123	2,562	9,880
Non-controlling interests	-	(817)	-	(1,414)
	1,704	1,306	2,562	8,466
Earnings Per Share (EPS)				
(a) Basic (sen)	0.25	0.40	0.40	2.69
(b) Diluted (sen)	N/A	0.39	N/A	2.63

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 July 2012 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 January 2013

	31/01/2013 (Unaudited)	31/7/2012 (Restated)	01/08/2011 (Restated)
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	308,894	314,680	457,971
Investment in jointly controlled entity	135,280	136,157	-
Investment properties	5,486	5,537	5,641
Available-for-sale - financial assets	2,407	2,637	3,090
Deferred tax assets	5,655	6,487	2,988
Intangible	-	-	50,556
	<u>457,722</u>	<u>465,498</u>	<u>520,246</u>
Current assets			
Inventories	355,066	421,978	443,184
Trade and other receivables	272,269	227,889	232,484
Amount due from jointly controlled entity	253,446	148,982	-
Derivative assets	-	49	107
Tax recoverable	2,662	6,288	11,326
Available-for-sale - financial assets	33,481	173,163	83,221
Cash and cash equivalents	45,960	62,574	48,696
	<u>962,884</u>	<u>1,040,923</u>	<u>819,018</u>
Total assets	<u>1,420,606</u>	<u>1,506,421</u>	<u>1,339,264</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	356,871	356,871	163,700
Share premium	37,986	37,986	25,341
Treasury shares	(7,489)	(7,484)	(7,479)
Warrant reserve	18,459	18,459	-
Foreign reserve	55	63	6
Fair value adjustment reserve	(31)	199	414
Equity component of redeemable convertible secured bonds, net of tax	(353)	(353)	-
Retained profits	<u>479,646</u>	<u>481,096</u>	<u>487,967</u>
	<u>885,144</u>	<u>886,837</u>	<u>669,949</u>
Non-controlling interest	-	-	46,798
Total equity	<u>885,144</u>	<u>886,837</u>	<u>716,747</u>
Non-current liabilities			
Borrowings	122,907	121,412	27,443
Deferred tax liabilities	13,179	14,164	41,483
	<u>136,086</u>	<u>135,576</u>	<u>68,926</u>
Current liabilities			
Borrowings	350,847	434,620	479,152
Trade and other payables	48,421	49,183	73,789
Derivative liabilities	108	205	650
	<u>399,376</u>	<u>484,008</u>	<u>553,591</u>
Total liabilities	<u>535,462</u>	<u>619,584</u>	<u>622,517</u>
Total equity and liabilities	<u>1,420,606</u>	<u>1,506,421</u>	<u>1,339,264</u>
Net assets per share attributable to owners of the parent (RM)	1.25	1.25	2.23

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2012 and the accompanying explanatory notes attached to the interim financial statement.

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

Condensed Consolidated Statements of Cash Flows for the period ended 31 January 2013

	Current Year To-date 31/01/2013 RM'000	Preceding Year Corresponding Period 31/01/2012 RM'000
<u>Operating Activities</u>		
Profit Before Tax	6,425	11,363
Adjustments for:		
Dividend income	(45)	-
Depreciation of investment property	52	52
Depreciation of property, plant and equipment	10,470	11,704
Fair value changes on derivatives	(48)	(153)
(Gain) / loss on disposal of property, plant and equipment	(257)	137
Interest expense	12,025	9,234
Finance income:		
Available-for-sale financial assets	(1,607)	(1,149)
Deposits	(77)	(53)
Net overdue interest income	(44)	-
Net unrealised foreign exchange loss	1,789	968
Reversal of allowance for doubtful debts	(21)	(81)
Property, plant and equipment written off	-	25
Share of loss of jointly controlled entity	877	-
Operating profit before changes in working capital	29,539	32,047
Net change in current assets	23,704	77,077
Net change in current liabilities	(762)	(23,608)
Cash generated from operations	52,481	85,516
Interest paid	(13,680)	(9,234)
Net overdue interest income received	44	-
Taxes paid, net of taxes refunded	(152)	(1,970)
Net cash from operating activities	38,693	74,312
<u>Investing Activities</u>		
Finance income:		
Available-for-sale financial assets	1,607	1,149
Deposits	77	53
Dividend income	45	-
Investment in available-for-sale financial assets	-	(88,366)
Proceeds from disposal of property, plant and equipment	3,367	1,482
Proceeds from disposal of available-for-sale financial assets	139,682	-
Purchase of property, plant and equipment	(7,793)	(60,726)
Advances to jointly controlled entity	(104,463)	-
Net cash from / (used in) investing activities	32,522	(146,408)
<u>Financing Activities</u>		
Corporate exercise expenses	-	(2,913)
Dividends paid	(4,250)	(4,829)
Issuance of ordinary shares	-	24,232
Issuance of rights issue of shares	-	32,196
Issuance of redeemable convertible secured bonds	-	177,073
Purchase of treasury shares	(5)	-
Repayment of borrowings	(83,762)	(125,078)
Net cash (used in) / from financing activities	(88,017)	100,681
Net Change in Cash and Cash Equivalents	(16,802)	28,585
Effect of exchange rate changes	188	465
Cash and Cash Equivalents at beginning of period	62,574	48,696
Cash and Cash Equivalents at end of period	45,960	77,746

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2012 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statements of Changes in Equity for the period ended 31 January 2013

	Attributable to equity holders of the parent		Non-distributable				Distributable		Total Equity		
	Share Capital	Treasury Shares	Share Premium	Warrant Reserve	Revaluation Reserve	Foreign Reserve	Fair Value Adjustment Reserve	Equity Component of Redeemable Convertible Bonds, net of tax	Retained Profits	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at end of current quarter ended 31 January 2013	356,871	(7,484)	37,986	18,459	-	63	199	(353)	481,096	-	886,837
Opening balance as at 1 August 2012	-	-	-	-	-	(8)	(230)	-	2,800	-	2,562
Total comprehensive income	-	-	-	-	-	-	-	-	2,800	-	2,562
Transactions with owners	-	(5)	-	-	-	-	-	-	(5)	-	(5)
Purchase of treasury shares	-	(5)	-	-	-	-	-	-	(4,250)	-	(4,250)
Final dividend for the financial year ended 31 July 2012 (Single tier of 1.2%)	-	-	-	-	-	-	-	-	(4,250)	-	(4,250)
Transactions with owners	-	(5)	-	-	-	-	-	-	(4,250)	-	(4,255)
Closing balance as at 31 January 2013	356,871	(7,489)	37,986	18,459	-	55	(31)	(353)	479,646	-	885,144
As at preceding year corresponding quarter ended 31 January 2012	163,700	(7,479)	25,341	-	31,635	6	414	-	456,332	46,798	716,747
Opening balance as at 1 August 2011	-	-	-	-	-	(6)	177	-	9,709	(1,414)	8,466
Total comprehensive income	-	-	-	-	-	-	-	-	9,709	(1,414)	8,466
Transactions with owners	16,098	-	16,098	-	-	-	-	-	-	-	32,196
Issue of ordinary shares	177,073	-	-	18,459	-	-	-	-	(18,459)	-	177,073
Issue of rights issue of shares	-	-	(2,913)	-	-	-	-	-	-	-	(2,913)
Corporate exercise expenses	-	-	-	-	-	-	-	-	-	-	-
Issuance of new subsidiary shares to minority interests	-	-	-	-	-	-	-	-	-	24,232	24,232
Final dividend for the financial year ended 31 July 2011 (Single tier of 3%)	-	-	-	-	-	-	-	-	(4,829)	-	(4,829)
Transactions with owners	193,171	-	13,185	18,459	-	-	-	-	(23,288)	24,232	225,759
Closing balance as at 31 January 2012	356,871	(7,479)	38,526	18,459	31,635	-	591	-	442,753	69,616	950,972

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2012 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 January 2013

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 2012.

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 2012, except for the adoption of Malaysian Financial Reporting Standards (“MFRS”) framework issued by MASB. This MFRS framework was introduced by the MASB in order to fully converge with Malaysia’s existing Financial Reporting Standards with the International Financial Reporting Standards framework issued by the International Accounting Standards Board (IASB).

The adoption of MFRS framework did not result in any significant effect on the financial position and financial performance of the Group other than those as described hereunder:

a) Property, plant and equipment

Under FRS, the Group recorded its land and buildings at valuation. Upon the adoption of MFRS, the property of the Group comprising land and building are stated at cost. The Group uses previous revaluation at or before the date of transition as deemed cost at the date of revaluation. The revaluation surplus was reclassified to retained profits.

1. Basis of preparation (cont'd)

a) Property, plant and equipment (cont'd)

The following comparative figures have been restated following the adoption of MFRS:

Condensed consolidated statement of financial position as at 1 August 2011

	As at 31/7/2011 (Audited) RM'000	Effect of MFRS adoption RM'000	As at 1/8/2011 (Restated) RM'000
<hr/>			
<i>Equity</i>			
Revaluation reserve	31,635	(31,635)	-
Retained profits	456,332	31,635	487,967
=====			

Condensed consolidated statement of financial position as at 31 July 2012

	As at 31/7/2012 (Audited) RM'000	Effect of MFRS adoption RM'000	As at 31/7/2012 (Restated) RM'000
<hr/>			
<i>Equity</i>			
Revaluation reserve	31,635	(31,635)	-
Retained profits	449,461	31,635	481,096
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1. Basis of preparation (cont'd)

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

Effective for financial periods beginning on or after 1 January 2013

MFRS 3: Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)

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 (as amended by IASB in May 2011)

MFRS 127: Consolidated and Separate Financial Statements (IAS 127 Consolidated and Separate Financial Statements revised by IASB in December 2003)

MFRS 128: Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures ó Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangement and Disclosure of Interest in Other Entities: Transition Guidance

Annual Improvement to IC Interpretations and MFRSs 2009 ó 2011 Cycle

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)

2. Audit qualification

There were no audit qualifications on the annual financial statements of the Group for the year ended 31 July 2012.

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.

As at 31 January 2013, a total of 5,470,000 buy-back shares were held as treasury shares and carried at cost.

	No. of Shares Purchased	Average Purchase Price (RM)	Consideration Paid (RM)
As at 1.8.2012	5,460,000	1.37	7,484,382
December 2012	10,000	0.47	4,746
As at 31.1.2013	5,470,000	1.37	7,489,128

7. Dividend paid

A single tier final dividend of 1.2% totaling RM4,249,633 in respect of the financial year ended 31 July 2012 was paid on 18 January 2013.

8. Segment information

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

	← 6 months ended 31 January 2013 →					
	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	287,134	266,830	60	6	-	554,030
- Intersegment sales	3,561	32,540	11,540	1,948	(49,589)	-
Total sales	<u>290,695</u>	<u>299,370</u>	<u>11,600</u>	<u>1,954</u>	<u>(49,589)</u>	<u>554,030</u>
RESULTS						
Finance income	283	203	1,187	11	-	1,684
Finance costs	3,625	3,882	4,800	-	-	12,307
Dividend income	-	-	45	-	-	45
Depreciation & amortisation	656	8,846	953	67	-	10,522
Share of loss of jointly controlled entity	-	-	-	-	-	(877)
Segment profit	<u>2,693</u>	<u>4,042</u>	<u>215</u>	<u>352</u>	<u>(877)</u>	<u>6,425</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

There were no material changes in the composition of the Group since the previous financial year ended 31 July 2012.

12. Changes in contingent liabilities and assets

The contingent liabilities as at 31 January 2013 are as follow:

Unsecured Contingent Liabilities :-	Group	
	31.01.13 RM'000	31.07.12 RM'000
In respect of indemnity provided for bank guarantees issued	17,879	17,562
In respect of guarantees issued in favour of Royal Custom and Excise Department	3,000	6,000
Total	20,879	23,562

13. Capital commitments

Share of capital commitments of the jointly controlled entity as at 31 January 2013 are as follow:

	RM'000
<u>Capital expenditure:</u>	
Approved and contracted for	231,899
Approved but not contracted for	21,335
	253,234

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
	31.01.13	31.01.13
	RM'000	RM'000
Purchases of steel products	48,746	89,322

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

During the quarter under review, the Group recorded revenue of RM281.0 million, an increase of 11% from RM252.9 million for the corresponding quarter of the preceding year.

The increase was mainly attributable to trading revenue which grew by 22% to RM148.8 million for the current quarter compared to RM121.9 million for the corresponding quarter of the preceding year. Manufacturing revenue remained relatively unchanged at RM132.2 million as compared to RM131.0 million, previously.

The significant improvement in revenue was due solely to increases in tonnage sold in both the trading and manufacturing divisions. Average selling prices of steel products, however, were significantly lower due to a sluggish international market and the influx of cheaper imports. The lower selling prices compressed margin with gross profit for the current quarter declining to RM15.6 million from RM17.3 million for the corresponding quarter of the preceding year, despite higher revenue.

The Group posted a profit before tax of RM4.1 million for the current quarter compared to RM1.1 million recorded for the corresponding quarter of the preceding year. The higher profit before tax was mainly due to cost efficiency measures undertaken which led to lower operating expenses incurred during the quarter under review.

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

For the 6-month period ended 31 January 2013, the Group recorded revenue of RM554.0 million compared to RM548.9 million for the corresponding period of the preceding year. Tonnage sold recorded significant growth in both the trading and manufacturing divisions for the period under review, but however, revenue was dampened by lower average selling prices.

The Group recorded a lower profit before tax of RM6.4 million compared to RM11.3 million for the corresponding period of the preceding year as a result of lower gross margin due to weak market conditions, and higher finance cost attributable primarily to the redeemable convertible secured bonds issued in April 2012.

16. Comparison with preceding quarter's results

Revenue for the current quarter increased by 3% to RM281.0 million compared to RM273.0 million in the preceding quarter. Lower average selling prices again offset improvement in tonnage sold for the quarter under review.

The Group profit before tax of RM4.1 million for the quarter under review compares favourably with RM2.3 million for the immediate preceding quarter as a result of lower operating expenses and finance costs.

17. Prospects

While the recent improvement in global steel prices may have brought some comfort, the outlook for the steel industry remains challenging and will largely depend on the performance of the U.S economy, developments in the Eurozone debt crisis and stimulus measures to be undertaken by China's new leadership. On the local front, key drivers will continue to be supported by the implementation of various public and private projects, while risks of price volatility and the influx of cheaper imports will remain and pose challenges to the domestic steel players.

The Group is well aware of the challenges ahead and will stay focus on working its assets harder, while continuing to improve productivity and operational efficiency to boost its competitiveness and performance.

18. Variance of actual and forecast profit

Not applicable.

19. Tax

	Group	
	Current year quarter	Current year-to- date
	31.01.13	31.01.13
	RM'000	RM'000
Income tax	1,536	3,777
Deferred tax	805	(152)
	2,341	3,625

19. Tax (cont'd)

The Group's effective tax rate was higher than the statutory income tax rate due to non-deductibility of certain expenses and reversal of deferred taxation after adjustment on temporary differences during the period under review.

20. Status of corporate proposal

Except for the ESOS implementation, the rest of the corporate exercises have been completed.

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21. Utilisation of proceeds from corporate exercise

As of 31 January 2013, the status of utilisation of proceeds raised from the corporate exercise was as follows:

	As approved	Amount Utilised as at 31.01.13	Amount transferred as advances	Amount Unutilised	Timeframe for utilisation
	RM'000 (a)	RM'000 (b)	RM'000 (c)	RM'000 (a) - (b) - (c)	
<u>Private placement:</u>					
- to subscribe to a fund raising exercise to be undertaken by a jointly controlled entity, Eastern Steel Sdn. Bhd.	31,996	31,996	-	-	12 months
- to defray estimated expenses incidental to the private placement *	200	30	170	-	1 month
	32,196	32,026	170	-	
<u>Rights issue with warrants</u>					
project plant under Eastern Steel Sdn. Bhd.	137,222	137,222	-	-	12 months
- to refinance existing bank borrowings *	35,651	32,123	3,528	-	3 months
- to defray estimated expenses incidental to the rights issue with warrants *	4,200	3,411	789	-	1 month
	177,073	172,756	4,317	-	
<u>Redeemable convertible secured bonds</u>					
- to be on-lent to Eastern Steel Sdn. Bhd. to part finance the project plant	143,800	115,164	(5,233)	33,869	12 months
- to defray estimated expenses incidental to the issuance of bonds *	3,200	2,454	746	-	1 month
	147,000	117,618	(4,487)	33,869	
	356,269	322,400	-	33,869	

* Any variation in the amount raised and estimated expenses will be adjusted against the amount allocated for the fund raising exercise to be undertaken by a jointly controlled entity, Eastern Steel Sdn. Bhd.

22. Borrowings

The Group's borrowings as at 31 January 2013 are as follows:

	Long Term	Short Term	Total
	RM'000	RM'000	RM'000
<u>Secured:</u>			
Bankers' Acceptances	-	318,648	318,648
Revolving credit (RM denominated)	-	30,000	30,000
Liability component of redeemable convertible secured bonds	122,907	2,199	125,106
	<u>122,907</u>	<u>350,847</u>	<u>473,754</u>

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

As at 31 January 2013, the Company has extended corporate guarantees amounting to RM348.6 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.

23. Material litigation

There is no material litigation for the quarter under review.

24. Dividend

The Board of Directors does not recommend any dividend for the quarter under review.

25. 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 31.01.13	Current Year to-date 31.01.13
Profit attributable to owners of the parent (RM'000)	1,786	2,800
Weighted average number of ordinary shares in issue ('000)	708,277	708,280
Basic earnings per share (sen)	0.25	0.40

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 warrants and redeemable convertible secured bonds, adjusted for the number of such ordinary shares that would have been issued at fair value.

There was no dilution effect on earnings per share for the current period on the assumption that no exercise of warrants and conversion of redeemable convertible secured bonds as the exercise price of warrants and conversion price of redeemable convertible secured bonds were higher than the market price.

26. Realised and unrealised profit disclosure

	Current Year Quarter 31.01.13 RM'000	Immediate Preceding Quarter 31.10.12 RM'000
Realised	530,865	528,155
Unrealised	2,723	4,309
	533,588	532,464
Less: Consolidation adjustments	(53,942)	(50,354)
Total retained profits	479,646	482,110

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27. Profit from operations

	Current Year Quarter 31.01.13 RM'000	Current Year- to-date 31.01.13 RM'000
<i>Profit for the year is arrived at after charging:</i>		
Depreciation of property, plant and equipment	5,277	10,470
Depreciation of investment property	26	52
Finance costs	5,903	12,307
Fair value changes on derivatives	112	-
Net foreign exchange loss		
Unrealised	680	1,789
<i>and after crediting:</i>		
Fair value changes on derivatives	-	48
Gain on disposal of property, plant and equipment	113	257
Finance income:		
Available-for-sale financial assets	411	1,607
Deposits	27	77
Net foreign exchange gain		
Realised	2,008	3,353
Rental income	194	382
Dividend income	-	45
Reversal of allowance for doubtful debts	14	21