GLOBALTEC FORMATION BERHAD

(Formerly known as Temasek Formation Berhad)

(Incorporated in Malaysia)

Company No: 953031-A

QUARTERLY UNAUDITED FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

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Condensed unaudited consolidated statement of comprehensive income for the financial year ended 30 June 2012

RM in thousand (RM'000)	[1] Current quarter 30.06.2012	[2] Preceding year corresponding quarter	[3] Current year 30.06.2012	[2] Preceding year
Revenue	47,999	-	216,119	-
Cost of sales	(40,265)	-	(184,217)	-
Gross profit	7,734	-	31,902	-
Operating expenses	(7,820)	-	(26,474)	-
Other operating income	2,584	-	12,012	-
Results from operating activities	2,498	-	17,440	-
Finance income	74	-	443	-
Finance costs	(674)	-	(2,871)	-
Profit from operations	1,898	-	15,012	-
Share of loss of equity-accounted investee, net of tax	(79)	-	(79)	-
Profit before tax	1,819	-	14,933	-
Income tax expense	(186)	-	(2,176)	-
Profit for the period	1,633	-	12,757	-
Other comprehensive income, net of tax:				
Foreign currency translation gain on foreign operations	66	-	66	-
Total comprehensive income for the period	1,699	-	12,823	-
Profit/(Loss) attributable to:				
Owners of the Company	1,618	-	13,075	-
Non-controlling interests	15	-	(318)	-
Profit for the period	1,633	-	12,757	-

Condensed unaudited consolidated statement of comprehensive income for the financial year ended 30 June 2012 (continued)

RM in thousand (RM'000)	[1] **Current quarter 30.06.2012**	[2] **Preceding year corresponding quarter**	[3] **Current year 30.06.2012**	[2] **Preceding year**
Total comprehensive income/(expense) attributable to:				
Owners of the Company	1,665	-	13,122	-
Non-controlling interests	34	-	(299)	-
Total comprehensive income for the period	1,699	-	12,823	-
Basic earnings per ordinary share (sen)	0.051	-	0.623	-
Diluted earnings per ordinary share (sen)	0.050	-	0.617	-

Notes:

[1] Please refer Explanatory Note A1 (iii) (b)
[2] Please refer Explanatory Note A1 (ii)
[3] Please refer Explanatory Note A1 (iii) (a)

Condensed unaudited consolidated statement of financial position as at 30 June 2012

RM in thousand (RM'000)	**As at 30.06.2012**	***As at end of preceding financial year**
Non-current assets		
Property, plant and equipment	270,561	-
Investment property	11,045	-
Intangible assets	117,046	-
Investment in associate	7,216	-
Investment in jointly controlled entity	646	-
Deferred tax assets	786	-
	407,300	-
Current assets		
Inventories	48,856	-
Other investments	732	-
Current tax assets	4,849	-
Receivables, deposits and prepayments	89,557	-
Cash and cash equivalents	30,790	-
	174,784	-
TOTAL ASSETS	582,084	-
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	527,365	-
Share premium	105,473	-
Business combination deficit	(157,064)	-
Reserves	(66,925)	-
Total shareholders' equity	408,849	-
Non-controlling interests	22,469	-
TOTAL EQUITY	431,318	-
Non-current liabilities		
Borrowings	36,632	-
Government grant	137	-
Deferred tax liabilities	16,541	-
	53,310	-
Current liabilities		
Borrowings	33,466	-
Government grant	57	-
Provisions	1,282	-
Payables and accruals	60,915	-
Taxation	1,736	-
	97,456	-
TOTAL LIABILITIES	150,766	-
TOTAL EQUITY AND LIABILITIES	582,084	-
Net assets per share attributable to owners of the Company (RM)	0.078	-

Note:
*	Please refer Explanatory Note A1 (ii)

Condensed unaudited consolidated statement of cash flows for the financial year ended 30 June 2012

	Current year 30.06.2012	[2] Preceding year
RM in thousand (RM'000)		
Cash flows from operating activities		
Profit before tax	14,933	-
Adjustments for :		
Amortisation of development costs	71	-
Amortisation of government grant	(9)	-
Change in fair value of derivatives	134	-
Change in fair value of investment	(10,326)	-
Depreciation	21,421	-
Dividend income	(441)	-
Finance costs	2,871	-
Finance income	(443)	-
Gain on disposal of property, plant and equipment	(19)	-
Inventories written off	214	-
Property, plant and equipment written off	903	-
Provision for warranties	401	-
Reversal of allowance for doubtful debts	(21)	-
Share of loss of equity-accounted investee	79	-
Unrealised gain of foreign exchange	(767)	-
Operating profit before working capital changes	29,001	-
Changes in working capital:		
Net change in current assets	6,528	-
Net change in current liabilities	(5,474)	-
Cash generated from operations	30,055	-
Taxes paid	(4,272)	-
Warranties paid	(242)	-
Net cash generated from operating activities	25,541	-
Cash flows from investing activities		
Additions in development cost	(402)	-
Addition in investment properties	(12)	-
Acquisitions of property, plant and equipment	(16,721)	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	20,153	-
Proceeds from disposals of property, plant and equipment	8	-
Dividends received	441	-
Interest received	443	-
Net cash generated from investing activities	3,910	-
Cash flows from financing activities		
Interest paid	(2,871)	-
Increase in deposits pledged	(53)	-
Net repayment of borrowings	(17,749)	-
Net cash used in financing activities	(20,673)	-
Net increase in cash and cash equivalents	8,778	-
Effects of exchange rate fluctuations on cash held	(34)	-
Cash and cash equivalents at beginning of year	15,722	-
Cash and cash equivalents at end of year	24,466	-

Condensed unaudited consolidated statement of cash flows for the financial year ended 30 June 2012 (continued)

RM in thousand (RM'000)	(1) **Current year 30.06.2012**	(2) **Preceding year**
Cash and cash equivalents at end of year comprise:		
Deposits	8,808	-
Cash and bank balances	21,982	-
	30,790	-
Less: Pledged deposits	(4,119)	-
Bank overdrafts	(2,205)	-
	24,466	-

Notes:

(1) Please refer Explanatory Note A1 (iii) (a)
(2) Please refer Explanatory Note A1 (ii)

Condensed unaudited consolidated statement of changes in equity for the financial year ended 30 June 2012

	←				Attributable to owners of Company			→			
	←			Non-Distributable			→	Distributable			
RM in thousand (RM'000)	**Share Capital**	**Share Premium**	**Capital Reserve**	**Revaluation Reserve**	**Foreign Exchange Translation Reserve**	**Fair Value Adjustment Reserve**	**Business Combination Deficit**	**Accumulated Losses**	**Sub-Total**	**Non-Controlling Interest**	**Total**
At 1 January 2011	173,873	4,437	6,041	1,302	-	-	-	(51,492)	134,161	10,108	144,269
Shares issued	353,492	101,036	-	-	-	-	-	-	454,528	-	454,528
Total comprehensive income for the year	-	-	-	-	47		-	13,075	13,122	(299)	12,823
Fair value adjustment on shares issued as consideration	-	-	-	-	-	(40,155)	-	-	(40,155)	-	(40,155)
Effects of the Merger [(1)]	-	-	-	-	-	-	(157,064)	-	(157,064)	12,537	(144,527)
Revaluation surplus arising on revaluation of land and buildings	-	-	-	4,257	-	-	-	-	4,257	123	4,380
At 30 June 2012	527,365	105,473	6,041	5,559	47	(40,155)	(157,064)	(38,417)	408,849	22,469	431,318

Notes:

Current year : Please refer Explanatory Note A1 (iii) (c)
Comparative year : Please refer Explanatory Note A1 (ii)

[(1)] Please refer Explanatory Note A11

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

i) This interim financial report of Globaltec Formation Berhad ("GFB" or the "Company") and its subsidiaries ("Group") is unaudited, has been prepared in accordance with the Financial Reporting Standard ("FRS") 134, *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements"), do not include all the information required for the full annual financial statements.

ii) The Company was incorporated on 15 July 2011 and the financial period from the date of incorporation to 30 June 2012, represents the first reporting financial period of the Company. As such there are no comparative financial information.

iii) In addition, the Company completed the Merger (as defined in Note A11 below) on 31 May 2012. As AIC Corporation Sdn Bhd (formerly known as AIC Corporation Berhad), one of the companies involved in the Merger, is determined to be the 'accounting' acquirer in accordance with FRS 3, *Business Combinations*:

a) the financial results and cash flows for the current year represents the consolidated financial results and cash flows of:
- the Company from the date of incorporation to 30 June 2012;
- AIC and its group of companies for the eighteen (18) months financial year from 1 January 2011 to 30 June 2012; and
- Jotech (as defined in Note A11) and its group of companies and AutoV (as defined in Note A11) and its group of companies for the one (1) month financial period from 1 June 2012 to 30 June 2012;

b) the financial results and cash flows for the current quarter represents the consolidated financial results and cash flows of:
- the Company for the current quarter;
- AIC and its group of companies for the current quarter; and
- Jotech and its group of companies and AutoV and its group of companies for the one (1) month financial period from 1 June 2012 to 30 June 2012

c) the consolidated statement of changes in equity represents the changes in equity of the Group for the eighteen (18) months financial year from 1 January 2011 to 30 June 2012 and the opening balances comprise the equity balances of AIC and its group of companies as at 1 January 2011.

A2. Significant Accounting Policies

As AIC is deemed to be the accounting acquirer, save as disclosed below, the significant accounting policies adopted and the basis of preparation of this interim financial report are consistent with those of the audited consolidated financial statements of AIC for the financial year ended 31 December 2010.

Significant changes in accounting policies are as below:

i) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

From 1 January 2011 the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Under FRS 3 (revised), the definition of a business has been broadened, which will result in more acquisitions being treated as business combinations.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any minority (will be known as non-controlling) interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Any non-controlling interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and /or future service.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

ii) Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be recognised as cost on initial measurement of the investment.

iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

The above changes in accounting policies do not have any effect on the financial statements for the current year. The above changes in accounting policies do not have any impact on the current period's basic and diluted earnings per share.

Whereas the significant new accounting policies adopted are as follows:

i) Plantation development expenditure

Expenditure incurred on new planting, estate administration and upkeep of plantation up to maturity are capitalised as plantation development expenditure. The cost of matured planted area is not amortised as its estimated useful life would be maintained through replanting. Replanting expenditure is charged to the income statement when incurred.

ii) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control. Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting.

The Group has not applied the following accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- Amendments to IC 14, *Prepayments of a Minimum Funding Requirement*
- IC 19, *Extinguishing Financial Liabilities with Equity Instruments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*

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

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Disclosures-Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Government Loans*

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

- Amendments to FRS 132, *Offsetting Financial Assets and Financial Liabilities*

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

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- Amendments to FRS 7, *Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures*

The Group's financial statements for the financial year beginning on 1 July 2013 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board and International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above FRSs, Interpretations and amendments. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group.

A3. Qualified audit report

Not applicable as the Company is preparing its first audited financial statements which is for the financial year ended 30 June 2012.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year ended 30 June 2012.

A5. Seasonal and cyclical factors

There were no material seasonal or cyclical factors affecting the income and performance of the Group.

A6. Changes in estimates

There were no changes in the estimates of amounts which give a material effect for the current quarter and financial year ended 30 June 2012.

A7. Dividends

The Board does not recommend any dividend for the financial year ended 30 June 2012.

A8. Valuation of property, plant and equipment

As at 30 June 2012, the carrying value of the Group's land and buildings are based on valuations carried out by independent professional valuers using the comparison and costs basis. On 30 August 2012, the Company announced the details of these valuations.

A9. Material events subsequent to the year end

There were no material events subsequent to the financial year end.

A10. Segmental information

Analysis by business segments being the primary basis of the Group's segmental reporting for the financial year ended 30 June 2012 is as follows:

RM in thousand (RM'000)	Investment holding	Integrated manufacturing services	Resources	Consolidation adjustments	Consolidated
External revenue	2,714	212,850	555	-	216,119
Inter-segment revenue	13,034	-	-	(13,034)	-
Total revenue	15,748	212,850	555	(13,034)	216,119
Segment profit/(loss)	5,719	9,177	89	(52)	14,933
Segment assets	25,737	370,010	70,760	(41)	466,466
Excess of fair value of consideration over net assets of acquirees					115,618
Consolidated total assets					582,084

A11. Changes in composition of the Group

i) On 15 September 2011, the Company entered into a definitive merger agreement with AIC, Jotech Holdings Sdn Bhd (formerly known as Jotech Holdings Berhad) ("Jotech") and AutoV Corporation Sdn Bhd (formerly known as AutoV Corporation Berhad) ("AutoV") to acquire their respective entire business and undertakings, including all assets and liabilities of AIC ("AIC Business"), Jotech ("Jotech Business") and AutoV ("AutoV Business") at a consideration of RM632.84 million ("Consideration"), for the purposes of achieving the merger of the businesses and undertakings of Jotech, AIC and AutoV ("Merger").

   The Consideration was satisfied via the issuance of 5,273,646,228 ordinary shares of RM0.10 each in GFB ("GFB Shares") at an issue price of RM0.12 for each GFB Share.

   Pursuant to the Merger, which was completed on 31 May 2012, AIC, Jotech and AutoV have become wholly owned subsidiaries of the Company. Consequently, the subsidiaries of AIC, Jotech and AutoV are also subsidiaries of the Company. However, as mentioned in Note A1(iii), AIC is deemed to be the accounting acquirer and Jotech and AutoV the acquirees.

The effects of the Merger on the completion date were as follows:

	Acquisition of:	
	AIC	Jotech and AutoV
	RM'000	RM'000
Value of consideration (net)	311,595	321,243
Fair value adjustment on consideration for acquirees	-	(40,156)
Adjusted value of consideration (net)	311,595	281,087
Less: Fair value of net identifiable assets	154,531	190,389
Business Combination Deficit/Excess of consideration over net assets	157,064	90,698

The fair value of the net identifiable assets and liabilities of the acquirees at the completion date of the Merger are as follows:

	Pre-acquisition carrying amounts RM'000	Fair value adjustments RM'000	Recognised values on acquisition RM'000
Assets	295,088	15,972	311,060
Liabilities	(114,045)	(6,626)	(120,671)
Net identifiable assets	181,043		190,389

The acquirees have contributed the following results to the Group:

	Current quarter RM'000	Financial year RM'000
Revenue	18,193	18,193
Loss attributable to owners of the Company	21	21

As the Consideration was satisfied in GFB Shares, the net cash inflow on acquisition of RM20.15 million arose from the cash and cash equivalents of the acquirees.

The initial accounting for the Merger currently has been determined provisionally. The fair values of the identifiable assets, liabilities and contingent liabilities will only be determined via a purchase price allocation.

ii) The Company had acquired the entire equity interest, comprising 2 ordinary shares of RM1.00 each in Apex Discovery Sdn Bhd (now known as Globaltec Plantations Sdn Bhd) for a cash consideration of RM2 on 15 June 2012.

Save as disclosed above, there were no changes in the Group structure for the financial year and up to the date of this report.

A12. Debt and equity securities

Save as disclosed below, there were no issuances, cancellations, share splits, repurchases and repayments of the Company's debt or equity securities for the financial year ended 30 June 2012.

i) On 28 March 2012, the Company implemented a share split involving the sub-division of one (1) ordinary share of RM1.00 each to ten (10) GFB Shares; and

ii) On 25 May 2012, the Company allotted and issued 5,273,646,228 GFB Shares at an issue price of RM0.12 for each GFB Shares as satisfaction of the Consideration.

There are 10.9 million redeemable convertible preference shares of AutoV Systems Sdn Bhd ("ASSB"), a wholly owned subsidiary ("ASSB RCPS"), which are convertible to GFB Shares at a conversion ratio of 119 GFB Shares for every 6 ASSB RCPS held. The ASSB RCPS were issued as part of the consideration on the acquisition of Proreka (M) Sdn Bhd ("Proreka") by AutoV. The conversion period for the ASSB RCPS is up to 31 December 2013, upon inter-alia the profit guarantee from the vendors of Proreka being met. Any unconverted ASSB RCPS shall be automatically redeemed upon expiry of the conversion period.

A13. Contingent liabilities/assets

As at 30 June 2012, the Company had executed a corporate guarantee in favour of a licensed bank of up to a limit of RM5.0 million for a credit facility granted to the investment in a jointly controlled entity. This corporate guarantee represents a form of provision of financial assistance by the Company in accordance to paragraph 8.23(1)(ii) of the Listing Requirements. As at 30 June 2012, this credit facility was yet to be utilised and hence no financial impact to the Group.

A14. Capital commitments

Capital commitments as at 30 June 2012 were as follows:

	RM'000
Purchase of plant and equipment:	
- Approved and contracted for	2,710
- Approved but not contracted for	2,537
Lease agreement ^	6,223
Total	11,470

Note:

^ *Based on the remaining lease obligation of AIC with CIMB Islamic Trustee Berhad (formerly known as CIMB Trustee Berhad) (As Trustee for the Amanah Raya Real Estate Investment Trust) ("CIMB Trustee") to lease certain leasehold land and buildings from CIMB Trustee.*

OTHER NOTES PURSUANT TO BURSA MALAYSIA'S MAIN MARKET LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

B1. Review of performance

Revenue

The Group achieved a revenue of RM48.0 million and RM216.1 million respectively for the current quarter and financial year ended 30 June 2012. The integrated manufacturing services ("IMS") division and resources division (oil palm plantations) of the Group contributed revenue of RM212.9 million and RM0.6 million respectively.

IMS

The revenue of IMS division is derived from the sales of the following multi-disciplinary manufacturing services:

(i) precision metal stamping;
(ii) precision machining and assembly of radio frequency ("RF") microwave, photonics and medical components;
(iii) design and fabrication of precision tooling and automation equipment;
(iv) injection moulding and blow moulding;
(v) test and assembly of semiconductors and smart card modules; and
(vi) design, manufacturing and assembly of automotive components and module/systems.

This business segment contributed about RM212.9 million or 98.5% to the Group's revenue for financial year ended 30 June 2012.

Resources

The revenue of oil palm plantations business is generated from the harvesting and selling of fresh fruit bunches. The oil palm plantations of resources division contributed about RM0.6 million or 0.3% to the Group's revenue for financial year ended 30 June 2012.

Investment holding

The income of investment holding business comprises mainly rental income and dividend income. The investment holding segment contributed about RM2.7 million or 1.2% to the Group's revenue for financial year ended 30 June 2012.

Results

The Group registered RM1.6 million and RM13.1 million of net profit for the current quarter and financial year ended 30 June 2012 respectively. The IMS, oil palm plantations and investment holdings divisions contributed net profit of RM7.3 million, RM0.1 million and RM5.7 million respectively to the Group. Included in the net profit of the Group for the current quarter and financial year is a fair value gain on investment of RM1.9 million and RM10.3 million respectively.

B2. Material changes from the preceding quarter

No comparative figures were presented for the immediate preceding quarter as this is the first consolidated results of the Group being presented.

B3. Prospects

The current slowing global economy growth continues to pose significant uncertainties and a challenging outlook to the business environment.

The Board is of the opinion that the Group's performance for the financial year ending 30 June 2013 shall be satisfactory as the Group seeks to capitalise on the financial strength of the enlarged Group and integrated businesses of the major industries that the Group is in, mainly in the semiconductor, automotive, electrical and electronics and plantation industries.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Corporate proposals

There were no corporate proposals announced but not completed within 7 days from the date of issue of this report.

B6. Taxation

The tax expense for the current quarter and financial year are as follows:

	Current quarter 30.06.2012 RM'000	Financial year 30.06.2012 RM'000
Current tax expense		
Malaysia – current year	1,013	3,802
– prior year	-	(297)
Overseas – current year	136	136
Total current tax	1,149	3,641
Deferred tax income		
Malaysia – current year	(963)	(1,465)
Total deferred tax	(963)	(1,465)
Total income tax expense	186	2,176

The effective tax rate for both current quarter and financial year are lower than the statutory tax rate principally due to certain non-taxable income, which mainly comprised of the increase in fair value of the investment.

B7. Borrowings

The Group's borrowings as at 30 June 2012, which were all secured, were as follows:

	RM'000
Short-term	33,466
Long-term	36,632
Total Group Borrowings	70,098

The borrowings denominated in foreign currencies and RM as at 30 June 2012 were as follows:

	RM'000
Foreign Currencies:	
- [1] USD1,361,000 @ RM3.2065/USD1	4,364
- [2] RMB8,570,000 @ RM0.5002/RMB1	4,286
- [3] IDR19,366,644,000@ RM0.0338/IDR100	6,552
RM	54,896
Total Group Borrowings	70,098

Currencies

[1] USD	United States of America Dollar
[2] RMB	Renminbi of The People's Republic of China
[3] IDR	Indonesian Rupiah of the Republic of Indonesia

B8. Material litigation

There is no material litigation as at the date of this report.

B9. Notes to the statement of comprehensive income

	Current quarter 30.06.2012 RM'000	Financial year 30.06.2012 RM'000
Profit for the period is arrived at after charging:		
Changes in fair value of derivatives	38	134
Depreciation and amortisation	4,047	21,492
Inventories written off	-	214
Property, plant and equipment written off	883	903
and after crediting:		
Change in fair value of investment	1,856	10,326
Dividend income	3	441
Gain on disposal of property, plant and equipment	11	19
Net foreign exchange gain	382	1,568
Rental income	312	2,276
Reversal of allowance for doubtful debts	-	21

B10. Realised and unrealised losses

The breakdown of accumulated losses of the Group into realised and unrealised losses are as follows:

	As at 30.06.2012 RM'000
Total accumulated losses of the Company and its subsidiaries	
-Realised	(30,187)
-Unrealised	(8,026)
	(38,213)
Total share of accumulated losses from jointly controlled entity	
-Realised	(79)
Consolidation adjustments	(125)
Total accumulated losses	(38,417)

B11. Earnings per share

Basic earnings per share
The basic earnings per share for the Group is computed as follows:

	Current quarter 30.06.2012	Financial year 30.06.2012
Profit attributable to owners of the Company (RM'000)	1,618	13,075
Weighted average number of ordinary shares ('000)	3,176,008	2,097,070
Basic earnings per share (sen)	0.051	0.623

Diluted earnings per share
The diluted earnings per share of the Group is arrived as follows:

	Current quarter 30.06.2012	Financial year 30.06.2012
Profit attributable to owners of the Company (RM'000)	1,618	13,075
Weighted average number of ordinary shares (basic) ('000)	3,176,008	2,097,070
Effect of conversion of ASSB RCPS ('000)	87,899	21,914
Weighted average number of ordinary shares (diluted) ('000)	3,263,907	2,118,984
Diluted earnings per share (sen)	0.050	0.617