



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Individual quarter		Cumulative quarter	
	Current year quarter 30.09.2010 <u>RM'000</u>	Preceding year corresponding quarter 30.09.2009 <u>RM'000</u>	Current year todate 30.09.2010 <u>RM'000</u>	Preceding year corresponding period 30.09.2009 <u>RM'000</u>
Revenue	108,486	102,103	306,172	301,014
Other (expense)/income	(108)	112	(1,107)	744
Operating expenses	(111,750)	(85,135)	(285,232)	(282,461)
Finance costs	(296)	(201)	(665)	(595)
(Loss)/Profit before taxation	<u>(3,668)</u>	<u>16,879</u>	<u>19,168</u>	<u>18,702</u>
Tax expense	<u>(1,559)</u>	<u>(5,858)</u>	<u>(6,065)</u>	<u>(6,412)</u>
(Loss)/Profit for the period	<u><u>(5,227)</u></u>	<u><u>11,021</u></u>	<u><u>13,103</u></u>	<u><u>12,290</u></u>
Attributable to:				
Owners of the parent	<u><u>(5,227)</u></u>	<u><u>11,021</u></u>	<u><u>13,103</u></u>	<u><u>12,290</u></u>
(Losses)/Earnings per share:				
a) Basic (sen)	(4.61)	10.48	12.37	11.64
b) Diluted (sen)	N/A	N/A	N/A	N/A

(The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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	Individual quarter		Cumulative quarter	
	Current year quarter <u>30.09.2010</u> RM'000	Preceding year corresponding quarter <u>30.09.2009</u> RM'000	Current year todate <u>30.09.2010</u> RM'000	Preceding year corresponding period <u>30.09.2009</u> RM'000
(Loss)/Profit for the period	(5,227)	11,021	13,103	12,290
Other comprehensive income, net of tax				
Fair value of short-term investment	-	-	1	-
Total comprehensive (loss)/income for the period	<u>(5,227)</u>	<u>11,021</u>	<u>13,104</u>	<u>12,290</u>
Total comprehensive (loss)/income attributable to:				
Owners of the parent	<u>(5,227)</u>	<u>11,021</u>	<u>13,104</u>	<u>12,290</u>

(The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	As at 30 Sep 2010 (Unaudited) RM'000	As at 31 Dec 2009 (Audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	117,664	112,670
Prepaid interests in leased land	5,397	4,950
Investment properties	2,280	2,280
Goodwill on consolidation	87	87
	<u>125,428</u>	<u>119,987</u>
Current Assets		
Inventories	189,503	179,831
Trade and other receivables	125,548	111,624
Current tax assets	1,603	2,255
Short-term investment	-	2,000
Cash and cash equivalents	2,169	7,258
	<u>318,823</u>	<u>302,968</u>
TOTAL ASSETS	<u>444,251</u>	<u>422,955</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	109,903	109,903
Reserves attributable to capital	17,830	18,153
Retained earnings	253,933	245,547
	<u>381,666</u>	<u>373,603</u>
Non-current Liabilities		
Retirement benefits obligation	-	568
Deferred tax liabilities	13,408	11,796
	<u>13,408</u>	<u>12,364</u>
Current Liabilities		
Trade and other payables	11,502	13,037
Borrowings	37,463	23,580
Foreign currency forward contracts	22	-
Current tax liabilities	190	371
	<u>49,177</u>	<u>36,988</u>
TOTAL LIABILITIES	<u>62,585</u>	<u>49,352</u>
TOTAL EQUITY AND LIABILITIES	<u>444,251</u>	<u>422,955</u>
Net Tangible Assets Per Share (RM)	3.50	3.55
Net Assets Per Share (RM)	3.50	3.55

(The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

	Period ended 30 Sep 2010	Period ended 30 Sep 2009
	RM'000	RM'000
Profit before taxation	19,168	18,702
Adjustments for non-cash flow:-		
Non-cash items	8,752	5,430
Non-operating items	665	595
Interest income from operating activities	(137)	(371)
Operating Profit Before Changes In Working Capital	<u>28,448</u>	<u>24,356</u>
Changes In Working Capital :		
Net Change in Current Assets	(29,322)	32,255
Net Change in Current Liabilities	(1,531)	15,643
Income tax paid	(3,981)	(2,148)
Retirement benefits paid	-	(52)
Interest income	137	371
Net Cash (Used In)/Generated From Operating Activities	<u>(6,249)</u>	<u>70,425</u>
Investing Activities :		
Purchase of property, plant and equipment	(10,165)	(3,464)
Purchase of unquoted investment	(1,500)	-
Rental received	81	24
Interest received	560	33
Proceeds from disposal of unquoted investment	3,516	-
Proceeds from disposal of property, plant and equipment	496	82
Net Cash Used In Investing Activities	<u>(7,012)</u>	<u>(3,325)</u>
Financing Activities :		
Proceeds from/(repayment of) bank borrowings	13,686	(58,946)
Finance cost paid	(665)	(595)
Dividends paid	(4,723)	(4,744)
Repurchase of own shares	(323)	(881)
Net Cash Generated From/(Used In) Financing Activities	<u>7,975</u>	<u>(65,166)</u>
Net Change in Cash and Cash Equivalents	(5,286)	1,934
Cash and Cash Equivalents at beginning of year	<u>7,258</u>	<u>4,977</u>
Cash and Cash Equivalents at end of period	<u><u>1,972</u></u>	<u><u>6,911</u></u>

(The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to Owners of the Parent ----- >					Total Equity RM '000
	Share Capital RM '000	Non-distributable		Distributable		
		Treasury Shares RM '000	Share Premium RM '000	General Reserve RM '000	Retained Earnings RM '000	
Balance as at 1 January 2010	109,903	(7,148)	24,115	1,186	245,547	373,603
Effects of applying FRS 139					5	5
Restated balance	109,903	(7,148)	24,115	1,186	245,552	373,608
Total comprehensive income for the period	-	-	-	-	13,104	13,104
Dividends	-	-	-	-	(4,723)	(4,723)
Buy-back of ordinary shares	-	(323)	-	-	-	(323)
Share dividend of one (1) treasury share for every twenty-five (25) existing ordinary shares of RM1.00 each held in the Company in respect of the financial year ended 31.12.2009	-	-	(6,350)	-	-	-
Balance as at 30 September 2010	109,903	(1,121)	17,765	1,186	253,933	381,666
Dividend distribution per ordinary share for the year to date is 4.5 sen.						
Balance as at 1 January 2009	109,903	(6,188)	24,115	1,186	230,797	359,813
Total comprehensive income for the period	-	-	-	-	12,290	12,290
Dividends	-	-	-	-	(4,744)	(4,744)
Buy-back of ordinary shares	-	(881)	-	-	-	(881)
Balance as at 30 September 2009	109,903	(7,069)	24,115	1,186	238,343	366,478
Dividend distribution per ordinary share for the year to date is 4.5 sen.						

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

A1 Accounting Policies and Methods of Computation

The interim financial report has been prepared in accordance with FRS 134, “Interim Financial Reporting” and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia). The figures for the cumulative period in the current quarter to 30 September 2010 have not been audited.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2009 except for the followings:

(i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

In the current period ended 30 September 2010, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

FRSs/IC Interpretations	Effective date
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 101 : Presentation of Financial Statements (revised)	1 January 2010
FRS 123 : Borrowing Costs (revised)	1 January 2010
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127 : First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 117 : Leases	1 January 2010
Amendments to FRS 132 : Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139 and FRS 7 : Financial Instruments: Recognition and Measurement and Financial Instruments: Disclosures	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2 – Group and Treasury Share Transactions	1 January 2010

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

FRS 101 (revised) Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of an income statement, a balance sheet, a cash flow statement, a statement of changes in equity and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial report presented consist of a statement of comprehensive income, a statement of financial position, a statement of cash flows, a statement of changes in equity and notes to the financial statements.



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Dividend per share that was previously presented on the face of the income statement is removed and presented on the face of the statement of changes in equity.

The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

With the adoption of the revised FRS 101, a new capital disclosure is made to explain the Group's capital management objectives, policies and strategies; how it manages capital and whether the objectives for capital management have been achieved. The details of the capital management disclosures are provided in Note A5.

FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognized at contract dates when, and only when, the Group becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognized and unrecognized in the prior financial year are classed into the following categories:

	Pre-FRS 139	Post-FRS 139
1	Long-term equity investments	Available-for-sale investments
2	Long-term quoted debt instruments	Held-to-maturity investments
3	Private-debt instruments	Loans and receivables
4	Current investments	Financial assets at fair value through profit or loss
5	Unrecognised derivative assets	Financial assets at fair value through profit or loss
6	Long-term borrowings and bonds	Financial liabilities at amortised cost
7	Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current period. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

	Category	Measurement basis
1	Financial assets or liabilities at fair value through profit or loss	At fair value through profit or loss
2	Held-to-maturity investments	At amortised cost effective interest method
3	Loans and receivables	At amortised cost effective interest method
4	Available-for-sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Financial liabilities at amortised cost	At amortised cost effective interest method



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

Financial assets and financial liabilities designated as hedged items and hedging financial derivatives are accounted for using the specified hedge accounting requirements of FRS 139. All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, decognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of the remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity.

FRS 7 Financial Instruments: Disclosures

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132 Financial Instruments: Disclosures and Presentation. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. Additional disclosures regarding fair value measurements are required in the year end financial statements.

FRS 132 Financial Instruments: Presentation

Prior to the adoption of the revised FRS 132, the Group allocated the proceeds of a compound financial instrument using the relative fair value method. With the adoption of the revised FRS 132, this basis has been changed to the residual valuation of equity method, whereby the fair value of the liability component is measured first and the balance of the proceeds is then allocated to the equity component. This change in basis has no material effect on the compound instruments recognized in the financial statements.

IC Interpretation 10 Impairment and Interim Financial Reporting

Prior to the adoption of IC Interpretation 10, impairment losses for equity investments recognized in an earlier interim period were reversed in a later interim period when tests revealed that the losses have reversed. With the adoption of IC Interpretation 10 and FRS 139 on 1 January 2010, the policy has been changed to conform to the impairment requirements of FRS 139. Impairment losses recognized for available-for-sale equity investments in an interim period are not reversed in a subsequent period. This change in basis has no effect to the profit or loss of the current financial period ended 30 September 2010.

Amendment to FRS 116 and Amendment to FRS 140

Prior to the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, properties that were being constructed or developed for use as investment properties were treated as capital-work-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140. This change in basis of recognition has no effect to the profit or loss in the current financial period ended 30 September 2010 or the comparative prior period.



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The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no effect to the Group's consolidated financial statements for the current quarter or the comparative consolidated financial statements for the prior financial year.

(ii) The following FRSs were issued but not yet effective and have not been applied by the Group

FRSs/IC Interpretations	Effective date
FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2 : Share-based Payment	1 July 2010
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives	1 July 2010

A2 Seasonality or Cyclicity of Operations

The level of business activities usually varies with the festivals at the end and beginning of each year subject to the level of underlying demand and prevailing prices.

A3 Unusual items

There were no material items of an unusual nature and amount for the current quarter and financial year to date.

A4 Material Changes in Estimates of Amounts Reported

There were no material changes in the estimates used in the current quarter compared to the estimates used in the previous financial year, which have a material effect in the current quarter or the financial year to date.

A5 Capital Management, Issuances, Repurchases, and Repayments of Debts and Equity Instruments

During the current financial quarter, the Company had repurchased a total of 180,500 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM1.7921 per share. The total consideration paid for the share buy-back was RM323,467 and was financed by internally generated funds. As at 30 September 2010, a total of 741,525 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

On 20 August 2010, a total of 4,198,375 treasury shares were distributed pursuant to the share dividend for the financial year ended 31 December 2010.

There were no issues of debt or equity securities for the current financial year to date.



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and long-term liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The Group's strategy is to maintain a low gearing ratio.

The gearing ratios as at 30 September 2010 and 31 December 2009, which are within the Group's objectives for capital management, are as follows:

	30 September 2010	31 December 2009
Total liabilities (RM'000)	62,585	49,352
Total equity (RM'000)	381,666	373,603
Total equity and liabilities (RM'000)	444,251	422,955
Gearing ratio (%)	16	13

The increase in the gearing ratio in the current period ended 30 September 2010 arises primarily from the increases in bank borrowings which exceed the corresponding increases in comprehensive income. The details of the issuance and repayment of debt in the current period are as follows:

	30 September 2010
	RM'000
(a) Drawdown on bank borrowings	13,686

A6 Dividends Paid

The final ordinary dividend of 6% per share less 25% tax amounting to RM4,723,385 in respect of financial year ended 31 December 2009 was paid on 20 August 2010.



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

A7 Operating Segment Information

Segment information for the current financial period ended 30 September 2010 is as follows:-
By Operating Segments :

	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue - external customers	176,421	129,751	306,172
Intersegment revenue	9,423	28,303	37,726
Reportable segment profit	12,671	7,992	20,663
Unallocated corporate expenses			(830)
Finance costs			(665)
Profit before taxation			19,168

A8 Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment in the financial year to date and the value of property, plant and equipment has been brought forward, without amendment from the previous annual financial statements.

A9 Material Events Subsequent to the End of the Interim Period

There were no material subsequent events that have not been reflected in the financial statements for the year at the date of issue of the quarterly report.

A10 Effects of Changes in Composition of the Group

The Company announced on 26 May 2010 that its wholly-owned subsidiary, Choo Bee Hardwares Sdn Berhad (“CBH”) has acquired the entire issued and paid-up share capital of Choo Bee Hardware (Sel) Sdn Bhd (“CBS”) comprising 4 ordinary shares of RM1 each for a total cash consideration of RM4, resulting in CBS becoming a wholly-owned subsidiary of CBH.

A11 Changes in Contingent Liabilities or Contingent Assets since the last annual statement of financial position date

There were no contingent liabilities or contingent assets at the date of issue of the quarterly report.



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

A12 Capital Commitments

Authorised capital commitments not recognized in the interim financial statements as at 30 September 2010 are as follows:

	RM'000
Capital expenditure :	
Contracted but not provided for	4,497
Approved but not contracted for	-
	<u>4,497</u>

A13 Write down of Inventories to Net Realizable Values

Total net inventories write down to either net realizable value or replacement cost for the period ended 30 September 2010 was RM5,458,000.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B1 Review of the Performance of the Company and its Principal Subsidiaries

The Group achieved a turnover of RM306.2 million for the YTD 3Q 2010, a slight increase of 2% when compared to the turnover achieved of RM301.0 million for YTD 3Q 2009. The Group also recorded revenue of RM108.5 million in 3Q 2010, an increase of RM6.4 million or 6% (3Q 2009 : RM102.1 million) largely due to the increase in volume to 43,000 mt on the back of declining average selling prices.

Correspondingly, profit before taxation for the YTD 3Q 2010 increased to RM19.2 million (YTD 3Q 2009 : RM18.7 million). However, for 3Q 2010, there was a loss before taxation of RM3.7 million as compared to a profit before taxation of RM16.9 million in 3Q 2009. This is mainly due to higher write down of inventories and poorer margin.

B2 Comparison with preceding quarter's results

While the Group's revenue for 3Q 2010 of RM108.5 million was an increase of RM10.4 million or 11% as compared to 2Q 2010 of RM98.1 million, loss before taxation of RM3.7 million was recorded for 3Q 2010 (2Q 2010 : Profit before taxation of RM9.5 million). The reduction in profit before taxation is mainly due to lower margin for the current quarter.

B3 Prospects for the remaining period of the current financial year

The prices for steel products fell in 3Q 2010 after holding up well in first 2 quarters for the year. The prices have stabilized in the 4Q 2010. Export performance to US is expected to reduce whilst the Group continues its focus to Singapore and local markets.

The Group remains focused on increased productivity and optimum operational efficiency to consolidate market share and increase business competitiveness.

Barring any unforeseen circumstances, the Group expects to be profitable for the remaining 2010.

B4 Variance of Actual Profit from Forecast Profit or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B5 Taxation

Tax charges comprise:

	Current Quarter RM'000	Financial Year todate RM'000
Income tax		
- current year	501	3,828
- underprovision in prior years	625	625
Deferred tax		
- current year	433	1,612
Net provision for taxation	<u>1,559</u>	<u>6,065</u>

The effective tax rate for the current quarter and the year todate under review was higher than the statutory tax rate because of the underprovision of tax payable in prior years.

B6 Profits/(Losses) On Sale of Unquoted Investments and/or Properties

The sale of unquoted investment for the year todate resulted in a gain on sale of RM10,000 which was recognized in other income.

B7 Purchase or Disposals of Quoted Securities

There were no purchases or disposals of quoted securities by the Group.

B8 (a) Status of Corporate Proposals announced but not completed

There were no corporate proposals at the date of issue of the quarterly report.

(b) Status of utilization of proceeds raised from any corporate proposal

Not applicable.

B9 Group Borrowings and Debt Securities

Details of Group's borrowings as at 30 September 2010 are as follows:-

Short-term borrowings

	RM'000
Bankers' acceptances	37,266 Unsecured
Bank overdraft	197 Unsecured
	<u>37,463</u>

The Group has no debt securities as at 30 September 2010.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B10 Financial Instruments

With the adoption of FRS 139, financial instruments are recognized on their respective contract dates. The related accounting policies are disclosed in Note 1 in the section on Notes to the Interim Report. There are no off-balance sheet financial instruments.

Details of forward contracts which have not matured for the Group as at 30 September 2010 are as follows:

Type of instruments	Contract/Notional amount RM'000	Fair value RM'000	Fair value loss RM'000	Purpose
Foreign currency forward purchase contract (USD)				For hedging
- Less than 1 year	1,929	1,907	22	currency risk

The foreign currency forward contracts are transacted with the Group's bankers. Credit risk for non-performance by the financial institutions in these instruments is minimal.

The Group's trade receivables denominated in foreign currencies are exposed to currency risk. The Group's strategy for minimizing this risk is to hedge each foreign trade receivable by a forward sale contract. There were no contracts outstanding as at 30 September 2010.

B11 Changes in Material Litigation (including status of any pending material litigation)

There was no material litigation against the Group as at the date of this report.

B12 Dividends Proposed

Other than the dividends paid in the current quarter (as disclosed in Note A6), the Board of Directors has not recommended any dividend for the current financial period ended 30 September 2010.

B13 Report of Auditors

The preceding annual financial statements of the Group were reported on without any qualification.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B14 Earnings per share (EPS)

(a) Basic earnings per share

		3 months ended		9 months ended	
		30.09.2010	30.09.2009	30.09.2010	30.09.2009
Net (loss)/profit for the period attributable to owners of the parent	(RM'000)	(5,227)	11,021	13,103	12,290
Weighted average number of ordinary shares in issue	('000)	113,359	105,197	105,937	105,539
Basic (losses)/earnings per share	(sen)	(4.61)	10.48	12.37	11.64

(b) Diluted earnings per share

Not applicable.