



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE THIRD
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Note	Individual quarter		Cumulative quarter	
		Current year quarter	Preceding year corresponding quarter	Current year todate	Preceding year todate
		30.09.2012	30.09.2011 (Restated)	30.09.2012	30.09.2011 (Restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		109,062	105,769	346,167	335,232
Cost of sales		(98,720)	(93,820)	(313,739)	(288,331)
Gross profit		<u>10,342</u>	<u>11,949</u>	<u>32,428</u>	<u>46,901</u>
Other (expense)/gain	B12	636	(943)	321	(632)
Depreciation and amortisation		(1,580)	(1,517)	(4,735)	(4,509)
Administrative expenses		(2,432)	(1,731)	(7,521)	(7,539)
Selling & distribution expenses		(2,836)	(2,979)	(8,110)	(7,647)
Finance costs		(78)	(288)	(184)	(856)
Profit before taxation		<u>4,052</u>	<u>4,491</u>	<u>12,199</u>	<u>25,718</u>
Tax expense	B6	(1,182)	(484)	(3,377)	(5,069)
Profit for the period		<u><u>2,870</u></u>	<u><u>4,007</u></u>	<u><u>8,822</u></u>	<u><u>20,649</u></u>
Other comprehensive income:					
Revaluation of land		-	-	-	-
Total comprehensive income		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Profit attributable to:					
Owners of the Company		<u><u>2,870</u></u>	<u><u>4,007</u></u>	<u><u>8,822</u></u>	<u><u>20,649</u></u>
Total comprehensive income attributable to:					
Owners of the Company		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Earnings per share attributable to owners of the Company:					
a) Basic (sen)	B11(a)	2.63	3.68	8.10	18.93
b) Diluted (sen)	B11(b)	N/A	N/A	N/A	N/A

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	Note	As at 30.09.2012 (Unaudited) RM'000	As at 31.12.2011 (Restated) RM'000	As at 01.01.2011 (Restated) RM'000
ASSETS				
Non-current Assets				
Property, plant and equipment		120,169	122,495	120,201
Land use rights		3,237	3,332	3,439
Investment properties		2,570	2,570	2,280
Goodwill on consolidation		87	87	87
		<u>126,063</u>	<u>128,484</u>	<u>126,007</u>
Current Assets				
Inventories		148,971	179,581	187,874
Trade and other receivables		137,055	126,391	114,617
Current tax assets		3,527	1,426	1,926
Derivative		-	9	-
Other assets		282	398	280
Cash and cash equivalents		19,390	10,163	5,172
		<u>309,225</u>	<u>317,968</u>	<u>309,869</u>
TOTAL ASSETS		<u>435,288</u>	<u>446,452</u>	<u>435,876</u>
Current Liabilities				
Trade and other payables		11,934	9,705	17,280
Borrowings	B8	2,000	20,331	21,550
Current tax liabilities		16	228	77
Derivative		62	-	47
		<u>14,012</u>	<u>30,264</u>	<u>38,954</u>
Non-current Liabilities				
Deferred tax liabilities		13,924	12,682	12,564
		<u>13,924</u>	<u>12,682</u>	<u>12,564</u>
TOTAL LIABILITIES		<u>27,936</u>	<u>42,946</u>	<u>51,518</u>
Equity attributable to owners of the company				
Share capital		109,903	109,903	109,903
Treasury shares		(1,446)	(1,374)	(1,121)
Reserves		19,244	19,244	18,951
Retained earnings	B13	279,651	275,733	256,625
		<u>407,352</u>	<u>403,506</u>	<u>384,358</u>
TOTAL EQUITY AND LIABILITIES		<u>435,288</u>	<u>446,452</u>	<u>435,876</u>
Net Tangible Assets Per Share (RM)		3.74	3.70	3.52
Net Assets Per Share (RM)		3.74	3.70	3.52

(The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 9 MONTHS
ENDED 30 SEPTEMBER 2012 (UNAUDITED)

	30.09.2012	30.09.2011
	RM'000	(Restated) RM'000
Cash Flows from Operating Activities		
Cash received from customers	377,534	370,608
Cash payments for inventory/to suppliers	(316,072)	(331,465)
Cash paid for operating expenses and to employees	(22,849)	(27,032)
Cash generated from/(used in) operations	38,613	12,111
Income tax paid	(4,907)	(5,592)
Income tax refund	459	462
Interest received	371	239
Net Cash Flows From Operating Activities	34,536	7,220
Cash Flows from Investing Activities		
Proceeds from disposal of land use rights and property plant and equipment	652	1,974
Repo interest income	145	59
Purchase of property, plant and equipment	(2,609)	(6,787)
Purchase of investment property	-	(299)
Purchase of land use rights	(6)	(1,700)
Net Cash Flows From Investing Activities	(1,818)	(6,753)
Cash Flows from Financing Activities		
Net (repayment)/proceeds from short-term borrowings	(18,331)	10,069
Finance cost paid	(184)	(856)
Dividends paid	(4,904)	(4,907)
Repurchase of own shares	(72)	(253)
Net Cash Flows From Financing Activities	(23,491)	4,053
Net (decrease)/increase in cash and cash equivalents	9,227	4,520
Cash and Cash Equivalents at beginning of period	10,163	5,172
Cash and Cash Equivalents at end of period	19,390	9,692
Cash and cash equivalents comprise:		
Cash and bank balances	19,390	9,692
Cash and Cash Equivalents at end of period	19,390	9,692



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 9 MONTHS
ENDED 30 SEPTEMBER 2012 (UNAUDITED) (CONT'D)

Note: Reconciliation of operating profit to cash flows from operations:

Profit before taxation	12,199	25,718
Adjustments for non-cash flow:-		
Allowance for doubtful debts	192	13
Allowance for doubtful debts no longer required	(177)	(600)
Amortisation of land use rights	102	65
Bad debts written off	-	33
Depreciation of property, plant and equipment	4,633	4,444
Finance costs	184	856
Fair value loss/(gain) on financial instruments	71	(112)
Gain on disposal of land use rights and property plant and equipment	(352)	(68)
Interest income from overdue accounts	(371)	(239)
Net write down/(back) of inventories	1,347	(4,815)
Repo interest income	(145)	(59)
Property, plant and equipment written off	2	6
Unrealised (gain)/ loss on foreign exchange	(41)	1,097
Total adjustments	5,445	621
Operating Profit Before Changes In Working Capital	17,644	26,339
<u>Changes In Working Capital :</u>		
Inventories	29,263	16,892
Trade and other receivables	(10,638)	(24,188)
Other assets	115	59
Trade and other payables	2,229	(6,991)
Total changes in working capital	20,969	(14,228)
Cash flows from operations	38,613	12,111
Income tax paid	(4,907)	(5,592)
Income tax refund	459	462
Interest received	371	239
Net Cash Flows From Operating Activities	34,536	7,220

The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements).



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to Owners of the Company						Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	Non-distributable			Distributable	
			Share Premium RM '000	Revaluation Reserve RM '000	General Reserve RM '000	Retained Earnings RM '000	
Opening Balance At 1 Jan 2012 (restated)	109,903	(1,374)	17,765	293	1,186	275,733	403,506
Total comprehensive income for the period	-	-	-	-	-	8,822	8,822
Dividends paid	-	-	-	-	-	(4,904)	(4,904)
Transactions with owners							
Purchase of treasury shares	-	(72)	-	-	-	-	(72)
Total transactions with owners	-	(72)	-	-	-	-	(72)
Closing Balance at 30 Sep 2012	109,903	(1,446)	17,765	293	1,186	279,651	407,352
Opening Balance At 1 Jan 2011	109,903	(1,121)	17,765	-	1,186	256,625	384,358
Effects of adopting MFRS	-	-	-	-	-	-	-
Restated balance	109,903	(1,121)	17,765	-	1,186	256,625	384,358
Total comprehensive income for the period	-	-	-	-	-	20,649	20,649
Dividends paid	-	-	-	-	-	(4,907)	(4,907)
Transactions with owners							
Purchase of treasury shares	-	(253)	-	-	-	-	(253)
Total transactions with owners	-	(253)	-	-	-	-	(253)
Closing Balance at 30 Sep 2011 (restated)	109,903	(1,374)	17,765	-	1,186	272,367	399,847

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim statements).



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EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements, other than for financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to MFRS 139 Financial Instruments: Recognition and Measurement.

The interim financial report has 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 (Bursa Malaysia).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 of the Group and the accompanying notes attached to the interim financial statements. The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with Financial Reporting standards (FRS). As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011.

(i) Application of MFRS 1

These interim financial statements are the Group’s first MFRS compliant financial statements prepared under the MFRS framework and hence, MFRS 1 : First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied in adoption of the MFRSs. The date of transition to the MFRS framework is 1 January 2011. The Group reviewed its accounting policies made on the transition date and considered the transitional opportunities under MFRS 1. The MFRS did not result in any financial impact to the Group as the accounting policies adopted under the previous FRS framework were already in line with the requirements of the MFRS framework.

(ii) MFRS, IC Interpretation and Amendments to MFRSs adopted by the Group during the current quarter:

The following MFRS, IC Interpretation and Amendments to MFRSs have been adopted by the Group during the current period:

MFRSs, Amendments to MFRSs and IC Interpretations **Effective for annual periods beginning on or after**

IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 March 2012
MFRS 1 (Amendments) : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 March 2012
MFRS 7 (Amendments) : Disclosures - Transfers of Financial Assets	1 March 2012
MFRS 112 (Amendments) : Deferred tax: Recovery of Underlying Assets	1 March 2012



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A1 Basis of preparation (Cont'd)

(ii) *MFRS, IC Interpretation and Amendments to MFRSs adopted by the Group during the current quarter (Cont'd):*

The adoption of the Amendments to MFRSs above did not have any financial impact on the Group as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

(iii) *MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective*

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for annual periods beginning on or after
MFRS 3 : Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 9 : Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10 : Consolidated Financial Statements	1 January 2013
MFRS 11 : Joint Arrangements	1 January 2013
MFRS 12 : Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 : Fair Value Measurement	1 January 2013
MFRS 119 : Employee Benefits	1 January 2013
MFRS 127 : Separate Financial Statements	1 January 2013
MFRS 128 : Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101 : Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

A2 Auditor's report on preceding annual financial statements

The preceding year's audit report for the year ended 31 December 2011 was not qualified.

A3 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.

A4 Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the third quarter ended 30 September 2012.



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A5 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.

A6 Capital management, issuances, repurchases, and repayments of debts and equity instruments

For the current quarter, the Company did not repurchase any ordinary shares from the open market. As at 30 September 2012, a total of 952,225 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.

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

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, which is net debt divided by total capital plus net debts. The Group includes within net debt, loan and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the equity holders of the Group less the fair value adjustment reserve. The Group's strategy is to maintain a low gearing ratio.

The gearing ratios as at 30 September 2012 and 30 September 2011, which are within the Group's objectives for capital management, are as follows:

	30 September 2012 (RM'000)	30 September 2011 (RM'000)
Borrowings	2,000	31,619
Trade and other payables	11,934	10,289
Less : Cash and bank balances	(19,390)	(9,692)
Net debts	(5,456)	32,216
Equity attributable to the owners of the parent	407,352	399,847
Capital and net debts	401,896	432,063
Gearing ratio (%)	(1%)	7%

A7 Dividends paid

A final ordinary dividend of 6% per share less 25% Malaysian income tax amounting to RM4,903,819.83 in respect of financial year ended 31 December 2011 was paid on 22 August 2012.



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A8 Operating segment information

Segment information is presented in respect of the Group's operating segments.

The Group comprises the following main operating segments:

- (i) Manufacturing Processing of steel coils into steel products and fabrication of steel products
- (ii) Trading Dealing in hardware and construction materials

Segment information for the current financial period ended 30 September 2012 is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue - external customers	201,235	144,932	346,167
Intersegment revenue	17,354	23,021	40,375
Reportable segment profit	7,201	5,542	12,743
Unallocated corporate expenses			(360)
Finance costs			(184)
Profit before taxation			12,199

Segment information for the previous financial period ended 30 September 2011 is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue - external customers	202,080	133,152	335,232
Intersegment revenue	17,592	34,039	51,631
Reportable segment profit	12,226	14,905	27,131
Unallocated corporate expenses			(557)
Finance costs			(856)
Profit before taxation			25,718



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A8 Operating segment information (Cont'd)

Segment assets and liabilities as at 30 September 2012 is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Segment assets	228,194	181,520	409,714
Unallocated corporate assets			25,574
Total assets			<u>435,288</u>
Segment liabilities	5,048	8,885	13,933
Unallocated corporate liabilities			14,003
Total liabilities			<u>27,936</u>

Segment assets and liabilities as at 30 September 2011 (restated) is as follows:-

	Trading RM'000	Manufacturing RM'000	Total RM'000
Segment assets	258,984	171,555	430,539
Unallocated corporate assets			24,915
Total assets			<u>455,454</u>
Segment liabilities	17,565	24,344	41,909
Unallocated corporate liabilities			13,698
Total liabilities			<u>55,607</u>

A9 Material events subsequent to the end of the interim period

The were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the interim financial statements.

A10 Effects of changes in composition of the group

There were no changes in composition of the Group for the current financial quarter.

A11 Contingent assets and contingent liabilities

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



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A12 Capital commitments

Authorised capital commitments not recognized in the interim financial statements as at 30 September 2012 are as follows:

	RM'000
Capital expenditure :	
Contracted but not provided for	5,900
Approved but not contracted for	21,100
	<u>27,000</u>

A13 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 RM'000	Current year todate RM'000
Sales of steel products	202	682
Rental	211	619
	<u>413</u>	<u>1,301</u>

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.

A14 Write back of inventories to net realizable values

Total net inventories written down to either net realizable value or replacement cost for the financial period ended 30 September 2012 was RM1,347,338 compared to a write-back of RM4,815,364 for the financial period ended 30 September 2011.



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

B1 Review of the performance of the company and its principal subsidiaries

a) Current quarter vs. Previous year corresponding quarter

For the quarter under review, the Group recorded revenue of RM109.1 million for the quarter ended 30.09.2012 (“3Q 2012”), compared to revenue of RM105.8 million for the quarter ended 30.09.2011 (“3Q 2011”), an increase of RM3.3 million (3.1%). The increase was mainly contributed by the stocking up of inventory by stockists and sales of construction materials for an ongoing property development project.

Despite the higher sales volume, the Group's profit before taxation for 3Q 2012 decreased by RM0.4 million to RM4.1 million as compared to 3Q 2011 of RM4.5 million. This was mainly attributed by higher cost of raw materials and operating overheads which eroded profit margins.

The performance of the respective operating business segments of the Group for 3Q 2012 as compared to 3Q 2011 is analysed as follows:

Manufacturing

Manufacturing operations comprise processing of steel coils into steel products and fabrication of steel products. The manufacturing operations recorded a revenue of RM43.5 million in 3Q 2012, an increase of RM2.6 million (6.3%) compared to RM40.9 million in 3Q 2011. The increase is mainly due to the stocking up of inventory by stockists.

Trading

Trading operations comprise dealings in hardware and construction materials. The trading operations recorded a revenue of RM65.6 million in 3Q 2012, an increase of RM0.7 million (1.1%) compared to RM64.9 in 3Q 2011. The marginal increase is mainly due to higher sales volume of construction materials for an ongoing housing development project in the central region.

b) Current year-to date vs. Previous year-to date

For the 9 months ended 30.09.2012 (“YTD 3Q 2012”), the Group recorded revenue of RM346.2 representing an increase of RM11.0 million as compared to revenue of RM335.2 million recorded in the 9 months ended 30.09.2011 (“YTD 3Q 2011”). The increase was mainly contributed by the sales of water line pipes from the national water project.

The Group's profit before taxation for YTD 3Q 2012 meanwhile decreased by RM13.5 million to RM12.2 million as compared to YTD 3Q 2011 of RM25.7 million despite the higher metric tonne sales. This was mainly due to the lower selling prices which offset the higher metric tonne sales and mirrored the current weak market sentiments where steel prices are languishing at lower levels. Higher production cost incurred for the manufacturing division as a result of higher cost of raw materials and operating overheads further eroded profit margins.



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b) Current year-to date vs. Previous year-to date (Cont'd)

The performance of the respective operating business segments of the Group for YTD 3Q 2012 as compared to YTD 3Q 2011 is analysed as follows:

Manufacturing

Manufacturing operations comprise processing of steel coils into steel products and fabrication of steel products. The manufacturing operations recorded a revenue of RM144.9 million in YTD 3Q 2012, an increase of 8.8% compared to RM133.1 million in YTD 3Q 2011. The increase is mainly due to the higher sales volume of water line pipes for the national water project.

Trading

Trading operations comprise dealings in hardware and construction materials. The trading operations recorded a revenue of RM201.3 million in YTD 3Q 2012, a marginal decrease of 0.4% compared to RM202.1 in YTD 3Q 2011. The marginal YTD decrease is mainly due to the overall softer construction sector as compared to previous year-to date 2011.

B2 Comparison with preceding quarter's results

The Group's revenue for 3Q 2012 of RM109.1 million decreased by RM18.1 million or 14.2% as compared to 2Q 2012 of RM127.2 million, while profit before taxation of RM4.1 million was recorded for 3Q 2012, with an increase of RM1.0 million as compared with RM3.1 million in 2Q 2012. The decrease in revenue was a result of the slowdown in sales due to the Hari Raya festive season and lower demand for water line pipes compared to preceding quarter. The increase in profit before taxation was mainly contributed by the gain on disposal of property, plant and equipment and unrealised translation gain on forward contracts (trade purposes).

B3 Current year prospects and progress on previously announced revenue or profit forecast

a) Prospects for 2012 (commentary on the remaining year 2012)

The global economic outlook is expected to further moderate during the second half of 2012, as growth trend continues to be hampered by the euro zone protracted debt crisis and the sapping economic struggles in the US. The tepid economic growth is further undermined by softening growth in the emerging markets. Similarly, the Malaysian economy is likely to grow at a modest pace in the second half of the year due to slowing industrial output and exports. Growth will continue to be heavily dependent on domestic demand which is expected to be supported by the government stimulus measures and should remain resilient in the face of the challenging external environment.

The steel sector in Malaysia will be challenging where domestic selling prices are also under pressure from the influx of cheaper importations from China. Projects under the government Economic Transformation Programme (ETP) will have a major impact on the steel market performance in terms of prices and margins while bolstering demand for steel products.



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B3 Current year prospects and progress on previously announced revenue or profit forecast (Cont'd)

a) Prospects for 2012 (commentary on the remaining year 2012)(Cont'd)

The Group performance for the coming months will continue to be challenging and will depend on global steel and raw material prices as well as the roll out of projects by the Government. The Group will continue with its business strategy of improving on competitiveness through higher productivity and operational efficiency in coping with the external and internal challenges.

b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B4 Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced

There was no revenue or profit forecast announced by the Group.

B5 Variance of actual profit from forecast profit or profit guarantee

There were no profit forecast or profit guarantee issued by the Group.

B6 Taxation

Tax charges comprise:

	Current year Quarter RM'000	Financial year to date RM'000
Income tax		
- current quarter / year	347	2,135
Deferred tax		
- current quarter / year	835	1,242
Tax expenses	1,182	3,377

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period. The effective tax rate for the year to date under review was higher than statutory tax rate due to the effect of expenses not deductible for tax purposes.

B7 (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.



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B8 Group borrowings and debt securities

Details of Group's borrowings as at 30 September 2012 are as follows:-

Short-term borrowings

	RM'000	
Trade loan	-	Unsecured
Bankers' acceptance	2,000	Unsecured
	2,000	

Borrowings are denominated in the following currencies:

	RM'000	
- United States Dollar	-	Unsecured
- Ringgit Malaysia	2,000	Unsecured
	2,000	

The Group has no debt securities as at 30 September 2012.

B9 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.

B10 Dividends proposed

There was no dividend proposed in the current quarter.

B11 Earnings per share (EPS)

(a) Basic earnings per share

		3 months ended		9 months ended	
		30.09.2012	30.09.2011	30.09.2012	30.09.2011
Profit attributable to the owners of the Company	(RM'000)	2,870	4,007	8,822	20,649
Weighted average number of ordinary shares in issue	('000)	108,948	109,000	108,973	109,095
Basic earnings per share	(sen)	2.63	3.68	8.10	18.93

(b) Diluted earnings per share

Not applicable.



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B12 Other (Expense)/Gain

	3 months ended		9 months ended	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Interest on :				
Customer overdue account	177	138	371	239
Repo	57	31	145	59
Allowance for doubtful debts	(192)	-	(192)	(13)
Write-back allowance for doubtful debts	65	136	177	600
Fair valuation for forward contracts	195	80	(62)	65
(Loss)/Gain on disposal of property, plant and equipment	343	32	352	68
Trade compensation	10	14	13	14
Income from rental of property	20	19	59	57
Realised gain/(loss) on foreign exchange	(104)	(138)	(586)	(624)
Unrealised (loss)/gain on foreign exchange	65	(1,255)	41	(1,097)
Others	-	-	3	-
	<u>636</u>	<u>(943)</u>	<u>321</u>	<u>(632)</u>

B13 Realised and unrealised profit or losses disclosure

The breakdown of the retained profits of the Group as at the end of the reporting period, into realised and unrealised profit or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and are as follows:-

	As at 30-09-2012 RM'000	As at 31-12-2011 RM'000
- Realised	281,325	279,084
- Unrealised	18,146	16,790
	<u>299,471</u>	<u>295,874</u>
Less : Consolidation adjustments	(19,820)	(20,141)
Total group retained earnings	<u><u>279,651</u></u>	<u><u>275,733</u></u>

B14 Authorisation for issue

The interim financial statements were authorised on 23 November 2012 for issue by the Board of Directors.