

**METROD HOLDINGS BERHAD (916531-A)**

Interim report for the fourth quarter ended 31 December 2012

**Condensed Consolidated Statements of Comprehensive Income***The figures for the individual quarters have not been audited but figures for the cumulative quarters have been audited.*

	<b>Current Quarter 31/12/2012 RM'000</b>	<b>Comparative Quarter 31/12/2011 RM'000</b>	<b>Current Year To Date 31/12/2012 RM'000</b>	<b>Comparative Year To Date 31/12/2011 RM'000</b>
Revenue	<b>303,367</b>	494,038	<b>1,279,885</b>	2,151,015
Operating expenses	<b>-307,285</b>	-472,125	<b>-1,277,528</b>	-2,098,621
Other operating income	<b>87</b>	2,772	<b>4,080</b>	6,644
Other gain / loss (net)	<b>3,265</b>	-40,653	<b>49,279</b>	-43,256
Profit from operations	<b>-566</b>	-15,968	<b>55,716</b>	15,782
Finance costs	<b>-511</b>	-3,502	<b>-4,080</b>	-14,640
Profit before tax	<b>-1,077</b>	-19,470	<b>51,636</b>	1,142
Taxation	<b>6</b>	15,862	<b>-2,577</b>	7,228
Profit after tax	<b>-1,071</b>	-3,608	<b>49,059</b>	8,370
Minority interest	<b>0</b>	0	<b>0</b>	0
Net profit for the period attributable to owners of the parent	<b>-1,071</b>	-3,608	<b>49,059</b>	8,370
Other comprehensive income	<b>766</b>	-4,185	<b>1,459</b>	-3,091
Other comprehensive income for the financial period	<b>766</b>	-4,185	<b>1,459</b>	-3,091
Total comprehensive income for the period attributable to owners of the parent	<b>-305</b>	-7,793	<b>50,518</b>	5,279
Earnings per share (Sen)				
- Basic	<b>-0.89</b>	-3.01	<b>40.88</b>	6.98
- Diluted	<b>N.A</b>	N.A	<b>N.A</b>	N.A

*N.A - Not Applicable**The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011*

**METROD HOLDINGS BERHAD (916531-A)**

Interim report for the fourth quarter ended 31 December 2012

**Condensed Consolidated Statements of Financial Position**

	Note	As at Current Financial Period end 31/12/2012 AUDITED RM'000	Restated As at Preceding Financial Year end 31/12/2011 RM'000	Restated As at The date of Transition on 1/01/2011 RM'000
<b>Non current assets</b>				
Property, plant and equipment		45,234	78,135	259,465
Deferred tax assets		14,704	15,731	30,278
Intangible assets		0	1,616	1,848
Goodwill on consolidation		0	0	20,411
		<u>59,938</u>	<u>95,482</u>	<u>312,002</u>
<b>Current assets</b>				
Inventories		157,841	103,431	216,714
Trade and other receivables		189,791	145,068	239,818
Derivative financial assets		379	1,744	4,297
Deposits, bank and cash balances		215,160	52,847	140,403
Tax recoverable		1,112	280	3,085
		<u>564,283</u>	<u>303,370</u>	<u>604,317</u>
Assets of disposal group classified as held-for-sale		0	390,178	0
		<u>564,283</u>	<u>693,548</u>	<u>604,317</u>
<b>Less : Current Liabilities</b>				
Trade and other payables		74,228	44,199	128,795
Provision		6,065	377	1,290
Derivative financial liabilities		48	250	78
Current tax liabilities		0	86	179
Post-employment benefit obligations		280	264	141
Short term bank borrowings (interest bearing)		165,148	136,547	287,552
		<u>245,769</u>	<u>181,723</u>	<u>418,035</u>
Liabilities of disposal group classified as held-for-sale		0	241,318	0
		<u>245,769</u>	<u>423,041</u>	<u>418,035</u>
<b>Net Current Assets</b>		<u>318,514</u>	<u>270,507</u>	<u>186,282</u>
<b>Less: Non current liabilities</b>				
Term loan		0	27,799	121,123
Post-employment benefit obligations		2,974	4,725	25,495
Deferred tax liabilities		593	819	1,406
Non current tax liabilities		0	0	12,174
Deferred income		0	1,080	4,599
		<u>3,567</u>	<u>34,423</u>	<u>164,797</u>
		<u>374,885</u>	<u>331,566</u>	<u>333,487</u>
<b>Capital and reserves</b>				
Share capital		60,000	60,000	60,000
Share premium		96,563	96,563	96,563
Currency translation reserve		-6,533	-7,846	-4,153
Retained earnings		321,401	279,395	277,623
Internal reorganisation reserve		-96,546	-96,546	-96,546
		<u>374,885</u>	<u>331,566</u>	<u>333,487</u>

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011*

**METROD HOLDINGS BERHAD (916531-A)**

Interim report for the fourth quarter ended 31 December 2012

**Condensed Consolidated Statements of Cash Flow**

	<b>AUDITED</b>	
	<b>Current</b>	
	<b>Year To Date</b>	<b>Year To Date</b>
	<b>ended</b>	<b>ended</b>
	<b>31/12/2012</b>	<b>31/12/2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><i>Operating Activities</i></b>		
Cash from operations	-48,016	95,303
Interest paid	-3,546	-14,271
Tax refund	7	4,687
Tax paid	-2,393	-5,090
Net cash flow from operating activities	<b>-53,948</b>	<b>80,629</b>
<b><i>Investing Activities</i></b>		
Purchase of property, plant and equipment	-1,825	-7,540
Proceeds from disposal of property, plant and equipment	37,308	5
Realisation of investment in subsidiaries	136,299	0
Interest & dividend received	2,153	2,098
Net cash flow from investing activities	<b>173,935</b>	<b>-5,437</b>
<b><i>Financing Activities</i></b>		
(Repayment)/ drawdown of short term borrowings (net)	59,930	-59,306
Deposits released from securities (net)	7,898	-923
(Repayment) / drawdown of term loan (net)	-54,060	-42,790
Dividends paid to shareholders	-7,200	-7,200
Net cash flow from financing activities	<b>6,568</b>	<b>-110,219</b>
Changes in cash and cash equivalents	<b>126,555</b>	<b>-35,027</b>
Currency translation differences	-6,566	488
<b>Cash and cash equivalents</b>		
- at start of year	<b>84,485</b>	<b>119,024</b>
- at end of year	<b>204,474</b>	<b>84,485</b>

*The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011*

**METROD HOLDINGS BERHAD (916531-A)**

Interim report for the fourth quarter ended 31 December 2012

**Condensed Consolidated Statement of Changes in Equity**

*The figures are audited.*

Note	Attributable to the owners of the parent					
	Share Capital RM'000	Share premium RM'000	Non-distributable Currency translation reserves RM'000	Internal Reorganisation Reserve * RM'000	Distributable Retained earnings RM'000	Total RM'000
<b>12 months ended 31/12/2012</b>						
At 01/01/2012, as previously stated	60,000	96,563	-7,846	-96,546	271,473	323,644
Adjustment on application of MFRS1 Exemption & early adoption of Amendment to MFRS119	0	0	0	0	7,923	7,923
At 01/01/2012, as restated	60,000	96,563	-7,846	-96,546	279,396	331,567
Net profit for the year	0	0	0	0	49,059	49,059
Other comprehensive incomes (net of tax)						
- Disposal of subsidiaries	0	0	4,617	0	0	4,617
- Actuary gain from defined benefits plan	0	0	0	0	146	146
Total comprehensive income for the period	0	0	1,313	0	49,205	50,518
Dividends for the year ended 31 December 2011	0	0	0	0	-7,200	-7,200
Balance at 31/12/2012	60,000	96,563	-6,533	-96,546	321,401	374,885
<b>12 months ended 31/12/2011</b>						
At 01/01/2011, as previously stated	60,000	96,563	-4,153	-96,546	270,187	326,051
Adjustment on application of MFRS1 Exemption & early adoption of Amendment to MFRS119	0	0	0	0	7,436	7,436
At 01/01/2011, as restated	60,000	96,563	-4,153	-96,546	277,623	333,487
<b>Net profit for the year</b>						
As previously stated	0	0	0	0	8,486	8,486
Depreciation arising from use of "fair value deemed cost" exemption for land & building					-42	-42
Recognition of previously unrecognised past service costs	0	0	0	0	-74	-74
As restated	0	0	0	0	8,370	8,370
Other comprehensive income (net of tax)						
- Cumulative translation difference	0	0	-3,693	0	0	-3,693
- Actuary gain from defined benefits plan	0	0	0	0	602	602
Total comprehensive income for the period	0	0	-3,693	0	8,972	5,279
Dividends for the year ended 31 December 2010	0	0	0	0	-7,200	-7,200
Balance at 31/12/2011	60,000	96,563	-7,846	-96,546	279,395	331,566

\*- This represents the difference between the cost of acquisition and the aggregate carrying value of assets and liabilities of the original Metrod Group.

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011*

## **METROD HOLDINGS BERHAD (916531-A)**

Interim report for the fourth quarter ended 31 December 2012

*Notes:-*

### **1) Basis of preparation and Accounting Policies**

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed reports also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed reports are the Group's first MFRS compliant condensed consolidated interim financial statements for the period covered by the Group's first MFRS annual financial statements for year ending 31 December 2012. MFRS 1: First Time Adoption of Malaysian Financial Reporting Standards ("MFRS") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of event and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

#### **Application of MFRS1**

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS1: The impact of the transition from FRS to MFRS is described as below

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance to FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2011, except as discussed below:-

#### **Deemed cost for Property, plant and equipment (PPE)**

The Group elected to apply the optional transition to measure certain property, plant, and equipment at fair value at the date of transition to MFRS and use that fair value as deemed cost under MFRS.

The aggregate fair value of these property, plant and equipment at 1 January 2011 was determined to be RM21,880,000 compared to the then carrying amount of RM8,688,445 under FRS.

### Early adoption of amendment to MFRS119: Employee benefits

During the financial year, the Group has early adopted Amendment to MFRS 119 “Employee Benefits” (effective from 1 January 2013) and has applied this standard from financial period beginning 1 January 2012. The amendment to MFRS 119 “Employee Benefits” makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment. The effect of the early adoption of this standard is as disclosed below.

### Impact of transition to MFRS and early adoption of Amendment to MFRS 119 “Employee Benefits”

The following tables represent the reconciliations from FRSs to MFRSs for the respective years for the Group for property plant and equipment, deferred tax assets and liabilities, post-employment benefit obligations, equity and total comprehensive income.

	At 1 Jan 2011	(RM'000) At 31 Dec 2011
(1) <u>Property, plant and equipment</u>		
As previously stated	246,273	65,000
Fair value as deemed cost adjustments to property, plant and equipment	13,192	13,135
As restated	<u>259,465</u>	<u>78,135</u>
(2) <u>Deferred tax assets</u>		
As previously stated	32,760	18,804
Early adoption of Amendment to MFRS 119	816	211
Fair value as deemed cost adjustments to property, plant and equipment	(3,298)	(3,284)
As restated	<u>30,278</u>	<u>15,731</u>
(3) <u>Post employment benefit obligations – non current</u>		
As previously stated	22,219	3,814
Recognition of previously unrecognized actuarial Losses due to early adoption of amendment to MFRS 119	3,276	911
As restated	<u>25,495</u>	<u>4,725</u>
(4) <u>Deferred tax liabilities</u>		
As previously stated	1,409	836
Early adoption of Amendment to MFRS 119	(3)	(17)
As restated	<u>1,406</u>	<u>819</u>

(5) Reconciliation of equity

	At 1 Jan 2011	(RM'000) At 31 Dec 2011
Equity as reported under FRS	326,051	323,644
<u>Add/(less): Transitioning adjustments:</u>		
Fair value as deemed cost for property, plant and equipment	13,192	13,136
Deferred tax arising from adjustments to the value of property, plant and equipment.	(3,298)	(3,284)
	9,894	9,852
Total as per the interim financial report for the period ended 31 March 2012	335,945	333,496
<u>Add/(less): Early adoption of Amendment on MFRS 119:</u>		
Recognition of previously unrecognized actuarial gains and losses.	(3,276)	(2,572)
Deferred tax arising from adjustment to defined benefit Plans	819	643
	(2,457)	(1,929)
Equity on transition to MFRS	<u>333,487</u>	<u>331,537</u>

(6) Reconciliation of total comprehensive income

	(RM'000) Year ended 31 Dec 2011
Profit for the year	8,486
Currency translation differences	(3,693)
Total comprehensive income as reported under FRS	<u>4,793</u>
<u>Add/(less): Transitioning adjustments:</u>	
Depreciation arising from fair value as deemed cost adjustment to property, plant and equipment	(56)
Tax impact of transitioning adjustment to the value of property, plant & Equipment	14
	(42)
<u>Add/(less): Early adoption of Amendment on MFRS 119:</u>	
Recognition of previously unrecognized past service costs	(99)
Tax impact of transitioning adjustment to retirement benefit plans	25
	(74)
Recognition of previously unrecognized actuarial gains	803
Tax impact of transitioning adjustment to retirement benefit plans	(21)
	602
Total comprehensive income upon transition to MFRS	<u>5,279</u>

**MFRSs amendments to MFRSs and IC interpretations issued but not yet effective:**

At the date of authorization of these interim financial statements, the followings MFRSs, amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been adopted by the Group :

<b>MFRSs</b>	<b>Amendments to MFRSs and IC interpretations</b>	<b>Effective for the annual periods beginning on or after</b>
MFRS 9	Financial Instruments (IFRS9 issued by IASB In November 2009 to October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
Amendments to MFRS 7	Disclosures – offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS101	Presentation of items of other comprehensive income	1 July 2012
Amendments To MFRS132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

**2) Audit qualification of preceding annual financial statements**

The auditors' report for the preceding annual financial statements for the year ended 31 December 2012 was not subject to any qualification.

**3) Seasonal or cyclical factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the interim period.

**4) Unusual items**

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

**5) Changes in estimates**

There were no changes in estimates of amounts reported in prior financial years, that have a material effect in the interim period.

**6) Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period.

**7) Dividends**

No dividend was paid during financial quarter ended 31 December 2012.

The Directors now recommend the payment of a final dividend of 6 sen per share on 120,000,004 ordinary shares amounting to RM 7,200,000 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company will be paid on 17 July 2013 to shareholders registered on the Company's Register of Members at the close of business on 28 June 2013.

**8) Segment Reporting**

The Board of Directors is the Group's chief operating decision maker. Management has determined the operating segments based on geographical areas of operations and the information reviewed by the Board of Directors for the purpose of allocating resources and assessing performance. The Board reviews internal management reports at least on a quarterly basis. Performance is measured based on segment's profit before interest and tax



as management believes that such information is most relevant in evaluating the results of the segments. Information regarding results of each reportable segment is included below.

Segment reporting	Continuing Operations		Discontinued Operations			Eliminations RM'000	Group RM'000
	Malaysia RM'000	Others (RM'000)	Rest of Asia RM'000	European Union RM'000	North America RM'000		
<b>Financial year ended 31.12.2012</b>							
<b>Revenue</b>							
External	1,152,450	0	32,144	95,291	0	0	1,279,885
Inter segment revenue	148,190	0	0	78	0	(148,268)	0
<b>Total revenue</b>	<b>1,300,640</b>	<b>0</b>	<b>32,144</b>	<b>95,369</b>	<b>0</b>	<b>(148,268)</b>	<b>1,279,885</b>
<b>Results</b>							
Segment Results	491	(169)	943	6,102	0	1,207	8,574
Gain on disposal of discontinued operations (net)							47,142
Finance cost							(4,080)
Tax expense							(2,577)
<b>Net profit for the period</b>							<b>49,059</b>
<b>As 31.12.2012</b>							
Segment assets	623,007	44,061	0	0	0	(58,663)	608,405
Unallocated assets							15,816
<b>Total assets</b>							<b>624,221</b>
Segment liabilities	93,991	11,306	0	0	0	(21,703)	83,594
Unallocated liabilities							165,742
<b>Total liabilities</b>							<b>249,336</b>
<b>Other Information</b>							
Depreciation	2,643	0	1,231	1,655	0	0	5,529
Interest income	(3,307)	(106)	(8)	(88)	0	167	3,342
Impairment of property plant and equipment	1,617						1,617
Write back of impairment of property, plant and equipment	(990)						(990)
Amortisation of intangible Assets	0	0	0	0	0	0	0
Interest expenses	2,748	169	533	799	0	(169)	4,080
Capital expenditure	1,173	0	49	609	0	0	1,831

**9) Carrying amount of revalued assets**

As disclosed in Note 1 above, the Group has adopted the transition exemption under MFRS1 by measured certain Property, Plant and Equipment (PPE) at the date of transition at their fair values and use that fair values as deemed costs at that date.

**10) Material subsequent events**

There were no material events subsequent to the end of the interim period reported on, that have not been reflected in the financial statements for the said interim period.

**11) Changes in composition of the Group**

There were no changes in the composition of the Group during the fourth quarter ended 31 December 2012, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

**12) Contingent liabilities / assets**

**a) Bank Guarantee and Letter of Comfort**

Contingent liability of EUR 10.0 million (approximately RM40.4 million) (2011: Nil) exists in the form of a Bank Guarantee issued by HSBC Bank Malaysia Bhd on behalf of Metrod Singapore Pte Ltd ("Metrod Singapore") (a wholly-owned subsidiary of the Company) and Letter of Comfort issued by Metrod Singapore in favour of of GEP II Beteiligungs GmbH ("GEP"), the counterparty to the disposal by Metrod Singapore of the international operations of the Metrod Group ("Disposal"). This Guarantee and Letter of Comfort is issued to cover claims against Metrod Singapore relating to representations, warranties, covenants and indemnifications as set out in the notarial deed agreement dated 23 December 2011 ("Agreement") in relation to the Disposal.

**b) Corporate Guarantees**

The Company has issued corporate guarantees of RM 179.5 million (2011: nil) to banks for credit facilities granted to its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the bank if the subsidiaries fail to make principal or interest payments when due in accordance with the term of the facilities drawn. The financial guarantees have not been recognised in the financial statements of the Company as the requirements to reimburse are remote and the Company does not expect to incur material losses under these corporate guarantees.

**13) Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2012 is as follows :

	<u>RM'000</u>
	<b>2012</b>
Property, plant and equipment :-	
Authorised and contracted for	0
Authorised but not contracted for	750
<b>Total :</b>	<b>750</b>

**14) Review of the performance of the Company and its principal subsidiaries**

Cumulatively, Group's pre-tax profit of RM51.636 million was significantly higher as compared to corresponding previous year pre-tax profit of RM1.142 million mainly due to gain on disposal of international operations. Cumulative revenue was lower as compared to corresponding previous year mainly due to disposal of international operations during first quarter this year. The Group accounted for cumulative exchange translation loss of RM8.566 million (Q4 : RM2.172 million) on the sale proceeds being held in US\$ arising from disposal of international operations earlier 2012. For the fourth quarter under review, the Group recorded a pre-tax loss of RM1.077 million and turnover of RM303.367 million. However, the Group recorded a pre-tax profit of RM1.095 million before the said exchange translation loss during the fourth quarter.

Demand in Malaysia during current quarter remained weak coupled with global turmoil. Competition arising from over capacity remained intense. Credit, commercial and security risks remain high due to the difficult conditions in financial markets and volatile copper prices.

Subject to above, in the opinion of the Directors, the results of the operations for the Group have not been substantially affected by any item, transaction or event of a material and unusual nature as at the date of this report.

**15) Material Changes in Quarterly Results**

The Group incurred a pre-tax loss for the quarter of RM1.077 million as compared to preceding quarter's pre-tax loss of RM0.698 million mainly due to product mix.

**16) Current year Prospects**

With the completion of disposal of international operations and assets in United States of America, Metrod is focusing on its current Malaysian operations. We expect the domestic market in Malaysia to hold although the uncertainties associated with recession in EU and slowdown in US, China and India remains. Competition remains high. Credit, commercial and security risks are expected to remain high due to volatile copper prices.

The Board is assessing and evaluating plans for the use of cash proceeds with the objective of maximizing shareholders' value.

The Board expects the performance of the Group for the financial year 2013 to be reasonable in the above context.

**17) Profit forecast and variance**

There was no profit forecast or profit guarantee issued during the financial period to-date.

**18) Taxation**

	Current year Quarter 31.12.2012 RM'000	Comparative Quarter 31.12.2011 RM'000	Current year YTD 31.12.2012 RM'000	Comparative YTD 31.12.2011 RM'000
In respect of current period				
- Income tax	(40)	(19,317)	1,452	(10,743)
- Deferred tax	(127)	3,629	964	3,689
	(167)	(15,688)	2,416	(7,054)
In respect of prior years				
- Income tax	17	(38)	17	(38)
- Deferred tax	144	(136)	144	(136)
	161	(174)	161	(174)
Total	(6)	(15,862)	2,577	(7,228)

The low effective tax rate for current year was mainly due to gain on disposal of international operations.

**19) Corporate proposals (status as at 14 February 2013)**

There are no other corporate proposal announced but not completed as at 14 February 2013.

**20) Group Borrowings and Debt Securities**

Group borrowings and debt securities as at 31 December 2012 are as follows:-

	Amount RM'000	Denominated in Foreign Currency		Secured / Unsecured
		Foreign Currency	Foreign Currency Amount ('000)	
Short-term borrowings:				
- Foreign Currency Trade Loan	165,148	USD	54,000	Unsecured

**21) Changes in Material litigation (including status of any pending material litigation)**

Neither Metrod nor any of its subsidiaries are engaged in any litigation, claims or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of Metrod and the Group as of 14<sup>th</sup> February 2013 except as per the announcement on 19 July 2012 that the indirect subsidiary company, Metrod (Singapore) Pte Ltd (Metrod Singapore) has received a statement of claim from GEP II Beteiligungs

(GEP) for alleged breach of certain guarantees, representations and warranties, indemnifications and covenants as set out in the notarial deed agreement dated 23 December 2011 in relation to the disposal by Metrod Singapore of the international operation of the Group. Metrod Singapore and its legal counsel have already submitted its response and rebuttal to the claim. It is now under arbitration with Vienna International Arbitral Centre as per the terms of Sale and Purchase Agreement. The claim is not expected to have any material adverse operational impact on the Group.

## 22) Earnings per share

	Current Year Quarter 31/12/12 RM'000	Comparative Year Quarter 31/12/11 RM'000	Current Year To Date 31/12/12 RM'000	Comparative Year To Date 31/12/11 RM'000
<b>Basic</b>				
Net profit for the period (RM'000)	(1,071)	(3,608)	49,059	8,370
Weighted average number of ordinary shares in issue ('000)	120,000	120,000	120,000	120,000
Basic earnings per share (sen)	(0.89)	(3.01)	40.88	6.98

Redistribution of total comprehensive income of the Group for the year between Continuing Operations and Discontinued Operations is as follows :

	RM'000		
	Continued Operations	Discontinued Operations	Total
Net profit for the year attributable to owners for the parent	(321)	49,380	49,059
Other comprehensive income for the financial year	(2,423)	31,882	1,459
Total comprehensive income for the year attributable to owners of the parent	(2,744)	53,262	50,518
Basic earnings per share (sen)	(0.27)	41.15	40.88

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

## 23) Profit Before Tax

Profit before tax is arrived at after (crediting)/ charging the following (incomes) / expenses:

	Current Quarter 31/12/2012 RM'000	Comparative Quarter 31/12/2011 RM'000	Current Year To Date 31/12/2012 RM'000	Comparative Year To Date 31/12/2011 RM'000
Interest income	(1,202)	(690)	(3,342)	(2,369)
Other income	(1,025)	(2,174)	(2,091)	(4,444)
Interest expense	512	3,503	4,080	14,640
Depreciation and amortization	724	5,298	5,529	27,513
Provision for and write off of receivables	0	0	0	0
Provision for and write off of inventories	71	107	71	107
(Gain)/ loss on disposal of quoted or unquoted investments or properties	0	16	(5,855)	16
Impairment of assets	(896)	27,059	(896)	27,059
Foreign exchange (gain) /loss (net)	1,631	9,417	4,964	6,375
(Gain) / loss on derivatives (net)	359	(3,326)	(548)	2,336
<b>Exceptional items</b>				
Gain in disposal of subsidiaries	0	0	(47,142)	0

**24) Disclosure of realised and unrealised profits/losses pursuant to the directive issued by Bursa Malaysia Securities Berhad**

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

The retained earnings as at year end is analysed as follows:

	<b>Group Quarter ended 31.12.2012 RM'000</b>	<b>Group Year ended 31.12. 2011 RM'000</b>
Total retained profits of the Company and its subsidiaries		
- Realised	316,054	265,447
- Unrealised	5,347	17,722
	<u>321,401</u>	<u>283,168</u>
Less: Consolidation adjustments	0	(3,773)
Total retained profits as per consolidated accounts	<u>321,401</u>	<u>279,395</u>

**25) Authorisation for issue**

The interim financial statements were issued by the Board of Directors in accordance with a resolution of the directors on **21 February 2013**.