

**TEKALA CORPORATION BERHAD**

(Company no. 357125-D)

(Incorporated in Malaysia)

**Interim Financial Report**

**For The First Quarter Ended 30 June 2010**

**TEKALA CORPORATION BERHAD** (357125-D)  
Interim financial report for the first quarter ended 30 June 2010

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**Condensed Consolidated Statement of Comprehensive Income**

|   | Note | Individual Quarter |            | Financial Year-to-date |            |
|---|------|--------------------|------------|------------------------|------------|
|   |      | 3 months ended     |            | 3 months ended         |            |
|   |      | 30/06/2010         | 30/06/2009 | 30/06/2010             | 30/06/2009 |
|   |      | RM'000             | RM'000     | RM'000                 | RM'000     |
| Revenue   | 8    | 37,323             | 25,763     | 37,323                 | 25,763     |
| Cost of sales   |      | (31,546)           | (22,013)   | (31,546)               | (22,013)   |
| Gross profit  |      | 5,777              | 3,750      | 5,777                  | 3,750      |
| Other income  |      | 772                | 32         | 772                    | 32         |
| Distribution costs  |      | (307)              | (205)      | (307)                  | (205)      |
| Other expenses  |      | (71)               | (83)       | (71)                   | (83)       |
| Administrative expenses   |      | (2,284)            | (2,368)    | (2,284)                | (2,368)    |
| Profit from operations  |      | 3,887              | 1,126      | 3,887                  | 1,126      |
| Interest on fixed deposits  |      | 170                | 229        | 170                    | 229        |
| Finance costs   |      | (1,274)            | (2,107)    | (1,274)                | (2,107)    |
| Share of (loss)/profit of an associate                            |      | (815)              | 1,639      | (815)                  | 1,639      |
| Profit before taxation  |      | 1,968              | 887        | 1,968                  | 887        |
| Income tax expense  | 13   | (49)               | (20)       | (49)                   | (20)       |
| Profit for the period   |      | 1,919              | 867        | 1,919                  | 867        |
| Other comprehensive income, net of tax:                           |      |                    |            |                        |            |
| Foreign currency translation                                      |      | -                  | (1,719)    | -                      | (1,719)    |
| Total comprehensive income for the period                         |      | 1,919              | (852)      | 1,919                  | (852)      |
| Profit attributable to:   |      |                    |            |                        |            |
| Equity holders of the Company                                     |      | 509                | (291)      | 509                    | (291)      |
| Minority interests  |      | 1,410              | 1,158      | 1,410                  | 1,158      |
|   |      | 1,919              | 867        | 1,919                  | 867        |
| Total comprehensive income attributable to:                       |      |                    |            |                        |            |
| Equity holders of the Company                                     |      | 509                | (2,010)    | 509                    | (2,010)    |
| Minority interests  |      | 1,410              | 1,158      | 1,410                  | 1,158      |
|   |      | 1,919              | (852)      | 1,919                  | (852)      |
| Earnings per share attributable to equity holders of the Company: | 14   | Sen                | Sen        | Sen                    | Sen        |
| - Basic   |      | 0.36               | (0.20)     | 0.36                   | (0.20)     |
| - Diluted   |      | -                  | (0.20)     | -                      | (0.20)     |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report.

**TEKALA CORPORATION BERHAD** (357125-D)

Interim financial report for the first quarter ended 30 June 2010

**Condensed Consolidated Statement of Financial Position**

| <b>ASSETS</b>  | <b>Note</b> | <b>AS AT<br/>30/06/2010<br/>RM'000</b> | <b>AS AT<br/>31/03/2010<br/>RM'000</b> |
|--|-------------|--|--|
| <b>Non-current Assets</b>  |             |  |  |
| Property, plant and equipment  |             | 186,131                                | 188,313                                |
| Investment in an associate   | 15          | 58,592                                 | 59,408                                 |
| Other investments  |             | 125                                    | 125                                    |
|  |             | <u>244,848</u>                         | <u>247,846</u>                         |
| <b>Current Assets</b>  |             |  |  |
| Inventories  |             | 25,849                                 | 21,722                                 |
| Trade receivables  |             | 7,082                                  | 4,768                                  |
| Other receivables  |             | 10,073                                 | 7,161                                  |
| Tax refundable   |             | 1,892                                  | 1,956                                  |
| Short-term investments   |             | 3,117                                  | 6,595                                  |
| Fixed deposits   |             | 29,375                                 | 40,035                                 |
| Cash and bank balances   |             | 3,135                                  | 3,230                                  |
|  |             | <u>80,523</u>                          | <u>85,467</u>                          |
| <b>Total Assets</b>  |             | <u>325,371</u>                         | <u>333,313</u>                         |
| <b>EQUITY AND LIABILITIES</b>  |             |  |  |
| <b>Equity attributable to equity holders of the Company</b>                    |             |  |  |
| Share capital  |             | 152,983                                | 152,983                                |
| Reserves   |             | 55,097                                 | 54,588                                 |
| Treasury shares  | 7           | (7,970)                                | (7,523)                                |
|  |             | <u>200,110</u>                         | <u>200,048</u>                         |
| <b>Minority Interests</b>  |             | 31,402                                 | 29,992                                 |
| <b>Total Equity</b>  |             | <u>231,512</u>                         | <u>230,040</u>                         |
| <b>Non-current Liability</b>   |             |  |  |
| Bank borrowings  | 17          | 63,122                                 | 68,046                                 |
| Deferred tax liabilities   |             | 526                                    | 526                                    |
|  |             | <u>63,648</u>                          | <u>68,572</u>                          |
| <b>Current Liabilities</b>   |             |  |  |
| Trade payables   |             | 8,365                                  | 5,854                                  |
| Other payables   |             | 3,680                                  | 10,681                                 |
| Bank borrowings  | 17          | 18,146                                 | 18,146                                 |
| Current tax payable  |             | 20                                     | 20                                     |
|  |             | <u>30,211</u>                          | <u>34,701</u>                          |
| <b>Total Liabilities</b>   |             | <u>93,859</u>                          | <u>103,273</u>                         |
| <b>Total Equity and Liabilities</b>  |             | <u>325,371</u>                         | <u>333,313</u>                         |
| <b>Net assets per share attributable to equity holders of the Company (RM)</b> |             | 1.41                                   | 1.40                                   |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report.

## Condensed Consolidated Statement of Changes in Equity

| Note                                      | < -----Attributable to Equity Holders of the Company-----> |               |                 |                |                      |                |               |                    |              |
|---|--|---------------|-----------------|----------------|----------------------|----------------|---------------|--------------------|--------------|
|   | <i>Non-distributable</i>                                   |               |                 |                | <i>Distributable</i> |                |               | Minority Interests | Total Equity |
|   | Share Capital  | Share Premium | Treasury Shares | Other Reserves | Retained Profits     | Total          |               |                    |              |
| RM'000                                    | RM'000   | RM'000        | RM'000          | RM'000         | RM'000               | RM'000         | RM'000        | RM'000             |              |
| <b>At 1 April 2009</b>                    | 152,983  | 16,515        | (6,396)         | 25,935         | 13,053               | 202,090        | 24,169        | 226,259            |              |
| Total comprehensive income for the period | -  | -             | -               | (1,719)        | (291)                | (2,010)        | 1,158         | (852)              |              |
| Purchase of treasury shares               | -  | -             | (491)           | -              | -                    | (491)          | -             | (491)              |              |
| Share-based payment under ESOS            | -  | -             | -               | 21             | -                    | 21             | -             | 21                 |              |
| <b>At 30 June 2009</b>                    | <u>152,983</u>   | <u>16,515</u> | <u>(6,887)</u>  | <u>24,237</u>  | <u>12,762</u>        | <u>199,610</u> | <u>25,327</u> | <u>224,937</u>     |              |
| <b>At 1 April 2010</b>                    | 152,983  | 16,549        | (7,523)         | 23,280         | 14,759               | 200,048        | 29,992        | 230,040            |              |
| Total comprehensive income for the period | -  | -             | -               | -              | 509                  | 509            | 1,410         | 1,919              |              |
| Purchase of treasury shares 7             | -  | -             | (447)           | -              | -                    | (447)          | -             | (447)              |              |
| <b>At 30 June 2010</b>                    | <u>152,983</u>   | <u>16,549</u> | <u>(7,970)</u>  | <u>23,280</u>  | <u>15,268</u>        | <u>200,110</u> | <u>31,402</u> | <u>231,512</u>     |              |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report.

**Condensed Consolidated Statement of Cash Flows**

|   | <b>3 months ended</b> |                   |
|---|-----------------------|-------------------|
|   | <b>30/06/2010</b>     | <b>30/06/2009</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>Cash flows from operating activities</b>                     |                       |                   |
| Profit before taxation  | 1,968                 | 887               |
| <b>Adjustments for:</b>   |                       |                   |
| Amortisation of land lease prepayments                          | 56                    | 56                |
| Depreciation of property, plant and equipment                   | 2,305                 | 2,288             |
| Dividend income   | (5)                   | (9)               |
| Equipment scrapped  | 1                     | 1                 |
| Finance cost  | 1,274                 | 2,107             |
| Gain on disposal of short-term investments                      | (7)                   | -                 |
| Interest on fixed deposits                                      | (170)                 | (229)             |
| Share of loss/(profit) of an associate                          | 815                   | (1,639)           |
| Share-based payment under ESOS                                  | -                     | 21                |
| Unrealised gain on foreign exchange                             | (544)                 | -                 |
| Operating profit before working capital changes                 | <u>5,693</u>          | <u>3,483</u>      |
| Increase in inventories   | (4,126)               | (877)             |
| Increase in receivables   | (5,177)               | (2,959)           |
| (Decrease)/Increase in payables                                 | (4,491)               | 2,388             |
| Cash (used in)/generated from operations                        | <u>(8,101)</u>        | <u>2,035</u>      |
| Income tax paid   | (20)                  | (217)             |
| Refund of income tax  | 35                    | -                 |
| Net cash (used in)/generated from operating activities          | <u>(8,086)</u>        | <u>1,818</u>      |
| <b>Cash flows from investing activities</b>                     |                       |                   |
| Dividend income   | 5                     | 9                 |
| Interest on fixed deposits received                             | 170                   | 229               |
| Purchase of property, plant and equipment                       | (179)                 | (306)             |
| Net cash used in investing activities                           | <u>(4)</u>            | <u>(68)</u>       |
| <b>Cash flows from financing activities</b>                     |                       |                   |
| Finance cost  | (1,274)               | (2,107)           |
| Purchase of treasury shares                                     | (447)                 | (491)             |
| Repayment of bank borrowings                                    | (4,422)               | -                 |
| Net cash used in financing activities                           | <u>(6,143)</u>        | <u>(2,598)</u>    |
| <b>Net decrease in cash and cash equivalents</b>                | (14,233)              | (848)             |
| <b>Effect of foreign exchange rate changes</b>                  | -                     | (2)               |
| <b>Cash and cash equivalents at beginning of financial year</b> | <u>49,860</u>         | <u>64,250</u>     |
| <b>Cash and cash equivalents at end of financial period</b>     | 16 <u>35,627</u>      | <u>63,400</u>     |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial report.

## **(A) Notes to the interim financial report**

### **1) Basis of preparation**

This interim financial report is unaudited and has been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2010. These explanatory notes attached to the interim financial report provide an explanation of events 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 March 2010.

### **2) Accounting Policies**

The accounting policies and presentation adopted for the interim financial reporting are consistent with those adopted for the audited financial statements for the year ended 31 March 2010.

Further, the Group has adopted applicable financial reporting standards and pronouncements which are effective in respect of the current financial year including the following:

#### **(i) FRS 8: Operating Segment**

FRS 8 replaces FRS 114<sub>2004</sub>: *Segment Reporting* and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments.

The chief operating decision maker which is defined as the Group's Executive Committee, relies on internal reports which are similar to those segmental information disclosed. There are no changes in the basis of segmentation and the measurement of segment profit or loss in the current interim financial statements.

#### **(ii) FRS 101: Presentation of Financial Statements (revised)**

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

The Group has elected to present the condensed consolidated statement of comprehensive income in one single statement.

**2) Accounting Policies (Cont'd.)**

**(iii) FRS 139: Financial Instruments: Recognition and Measurement, FRS7:Financial Instruments: disclosures and Amendments to FRS 139:Financial Instruments: Recognition and Measurement, FRS7:Financial Instruments: Disclosures**

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

In accordance with the respective transition provisions, the Group is exempted from disclosing the possible impact to the financial statements upon the initial applications.

**(iv) Amendment to FRS 117: Leases**

The Group has adopted the Amendment to FRS 117 and reclassified the leasehold lands to property, plant and equipment as the existing leasehold lands of the Group are in substance finance leases. As a result of the adoption of the Amendments to FRS 117, comparative balances have been restated as follows:

|                               | As<br>previously<br>reported<br>RM'000 | Increase/(Decrease)<br>Amendment to<br>FRS 117<br>RM'000 | As restated<br>RM'000 |
|-------------------------------|--|--|-----------------------|
| <b>Non-current assets</b>     |  |  |                       |
| Property, plant and equipment | 169,156                                | 19,157   | 188,313               |
| Land lease prepayments        | 19,157                                 | (19,157)   | -                     |
|                               |  |  |                       |

The application of the new/revised applicable standards and pronouncements did not result in any significant impact on the Groups' financial statements upon their initial applications.

Comparative figures and items in the financial statements of the Group, where applicable, have been presented and reclassified following the adoption of the relevant standards and pronouncements.

**3) Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements of the Company for the preceding financial year ended 31 March 2010 was not subject to any qualification.

**4) Seasonal and cyclical factors**

The Group's operations are not seasonal and cyclical in nature.



**5) Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the interim period under review.

**6) Changes in estimates of amounts reported**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or the prior financial year that have a material effect in the interim period under review.

**7) Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim period under review except for the following:

Share Buy-back

During the interim period, the Company repurchased 607,000 of its issued ordinary shares from the open market at an average price of RM0.73 per share. The total consideration paid for the repurchase including transaction costs was RM447,220 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 30 June 2010, 10,872,800 out of the total 152,983,300 issued and fully paid ordinary shares were held as treasury shares by the Company and the total consideration paid including transaction costs was RM7,969,989. The number of outstanding ordinary shares in issue and fully paid is therefore 142,110,500 ordinary shares of RM1 each.

**8) Segmental information**

*Business Segments*

|                                  | 3 months ended 30 June 2010    |                          |                                 |                  |                       | Consolidated<br>RM'000 |
|----------------------------------|--------------------------------|--------------------------|---------------------------------|------------------|-----------------------|------------------------|
|                                  | Timber<br>processing<br>RM'000 | Oil and<br>Gas<br>RM'000 | Investment<br>holding<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 |                        |
| <b>Revenue</b>                   |                                |                          |                                 |                  |                       |                        |
| External                         | 31,437                         | 5,886                    | -                               | -                | -                     | 37,323                 |
| Inter-segment                    | -                              | -                        | -                               | 270              | (270)                 | -                      |
| Total                            | 31,437                         | 5,886                    | -                               | 270              | (270)                 | 37,323                 |
| <b>Results</b>                   |                                |                          |                                 |                  |                       |                        |
| Segment results                  | 1,016                          | 5,133                    | -                               | 292              | (270)                 | 6,171                  |
| Administrative expenses          |                                |                          |                                 |                  |                       | (2,284)                |
| Interest on fixed deposits       |                                |                          |                                 |                  |                       | 170                    |
| Finance costs                    |                                | (1,274)                  |                                 |                  |                       | (1,274)                |
| Share of loss of an<br>associate |                                | (815)                    |                                 |                  |                       | (815)                  |
| Profit before taxation           |                                |                          |                                 |                  |                       | 1,968                  |
| Income tax expense               |                                |                          |                                 |                  |                       | (49)                   |
| Profit for the period            |                                |                          |                                 |                  |                       | 1,919                  |

**9) Valuations of property, plant and equipment**

The above is not applicable as the Group's property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses.

**10) Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the interim period other than the announcement on 22 July 2010 in respect of the final meeting for the members' voluntary liquidation of non-operating subsidiaries. The surplus arising from the voluntary liquidation was RM3,166,842.

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

There were no changes in the composition of the Group during the interim period under review.

**12) Contingent Liabilities**

There were no changes in contingent liabilities since the last balance sheet date, 31 March 2010 to 23 August 2010, the latest practicable date which is not earlier than 7 days from the issue of this interim financial report.

**13) Income tax expense**

|                               | <b>Individual Quarter</b> |                   | <b>Financial Year-to-date</b> |                   |
|-------------------------------|---------------------------|-------------------|-------------------------------|-------------------|
|                               | <b>3 months ended</b>     |                   | <b>3 months ended</b>         |                   |
|                               | <b>30.06.2010</b>         | <b>30.06.2009</b> | <b>30.06.2010</b>             | <b>30.06.2009</b> |
|                               | <b>RM'000</b>             | <b>RM'000</b>     | <b>RM'000</b>                 | <b>RM'000</b>     |
| In respect of current period: |                           |                   |                               |                   |
| - Income tax                  | 49                        | 20                | 49                            | 20                |
|                               | <u>49</u>                 | <u>20</u>         | <u>49</u>                     | <u>20</u>         |

The Group's effective tax rate for the current quarter and period differed from the statutory income tax rate in Malaysia principally due to losses of subsidiaries which cannot be set off against taxable profits made by other subsidiaries within the Group and the Group's offshore subsidiary is subject to tax at a nominal amount.

**14) Earnings per share**

|  | Individual Quarter |                | Financial Year-to-date |                |
|--|--------------------|----------------|------------------------|----------------|
|  | 3 months ended     | 3 months ended | 3 months ended         | 3 months ended |
|  | 30.06.2010         | 30.06.2009     | 30.06.2010             | 30.06.2009     |
| <b>(a) Basic earnings/(loss) per share</b>   |                    |                |                        |                |
| Profit/(loss) for the period (RM'000)  | 509                | (291)          | 509                    | (291)          |
| Weighted average number of ordinary shares in issue, excluding treasury shares ('000)  | 142,488            | 143,985        | 142,488                | 143,985        |
| Basic earnings/(loss) per share (sen)  | 0.36               | (0.20)         | 0.36                   | (0.20)         |
| <b>(b) Diluted earnings/(loss) per share</b>   |                    |                |                        |                |
| Profit/(loss) for the period (RM'000)  | 509                | (291)          | 509                    | (291)          |
| Adjusted weighted average number of ordinary shares in issue and issuable for dilutive effects of share options granted ('000) | 142,488            | 143,985        | 142,488                | 143,985        |
| Diluted loss per share (sen)   | -                  | (0.20)         | -                      | (0.20)         |

Diluted earnings per share for the current quarter and period have not been presented as the Company has no potential ordinary shares in issue as at the end of financial period as the Company's Employees' Share Options Scheme had expired on 21 November 2009.

**15) Investment in an associate**

|  | As at<br>30.06.2010<br>RM'000 |
|--|-------------------------------|
| <u>Offshoreworks Holdings Sdn Bhd</u>                |                               |
| Unquoted shares in Malaysia, at cost                 | 16,017                        |
| Share of post-acquisition reserves                   | 42,575                        |
|  | 58,592                        |
| Represented by:                                      |                               |
| Share of net assets other than goodwill in associate | 44,999                        |
| Share of goodwill in associate                       | 813                           |
|  | 45,812                        |
| Goodwill on acquisition of ordinary shares           | 12,780                        |
|  | 58,592                        |

**16) Cash and Cash Equivalents**

|                        | As at<br>30.06.2010<br>RM'000 |
|------------------------|-------------------------------|
| Short-term investments | 3,117                         |
| Fixed deposits         | 29,375                        |
| Cash and bank balances | 3,135                         |
|                        | 35,627                        |

**17) Bank Borrowings**

These are stated in note 9 of part (B) of the interim financial report.

## **(B) Additional information required by Bursa Malaysia Securities Berhad's Listing Requirements**

### **1. Review of Performance of the Company and its Principal Subsidiaries**

For the current quarter and period ended 30 June 2010, the Group recorded a revenue of RM37.32 million as compared to the previous corresponding quarter and period of RM25.76 million and profit before taxation of RM1.97 million as compared to profit before taxation of RM887,000 in the previous corresponding quarter and period. The increase in performance as compared to the previous corresponding quarter and period was mainly due to better performance by the plywood division.

### **2. Material Changes in Quarterly Results compared to the Results of the Preceding Quarter**

The Group recorded a profit before taxation of RM1.97 million for the current quarter as compared to the immediate preceding quarter profit before taxation of RM4.34 million. The decrease in profit before taxation was mainly due to share of loss from the associate for the current quarter under review.

### **3. Commentary on Prospects**

Barring any unforeseen circumstances, the Directors expect the Group's results for the current financial year to be affected by the challenging business environment of the Group.

### **4. Profits Forecast and Profit Guarantee**

The above is not applicable as no profit forecast and profit guarantee were provided.

### **5. Income Tax Expense**

This is stated in note 13 to the interim financial report.

### **6. Sale of Unquoted Investments and/or Properties**

There were no sale of unquoted investments and/or properties for the current quarter and interim period ended 30 June 2010.

### **7. Quoted Securities**

(a) There were no purchases or disposals of quoted securities for the current quarter and interim period ended 30 June 2010.

(b) There was no investment in quoted securities as at 30 June 2010.

### **8. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 23 August 2010, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report.

**9. Group Borrowings and Debt Securities**

The Group did not have any borrowings and debt securities as at 30 June 2010 other than the secured bank borrowings as follows:

|   | <b>As at<br/>30.06.2010<br/>RM'000</b> | <b>As at<br/>30.06.2009<br/>RM'000</b> |
|---|--|--|
| <b>Short term borrowings</b>                |  |  |
| Secured                                     | 18,146                                 | -                                      |
| <b>Long term borrowings</b>                 |  |  |
| Secured                                     | 63,122                                 | -                                      |
|   | <u>81,268</u>                          | <u>-</u>                               |
| Borrowings denominated in foreign currency: |  |  |
|   | <b>USD'000</b>                         | <b>RM'000<br/>Equivalent</b>           |
| United States Dollars                       | 24,948                                 | <u>81,268</u>                          |

**10. Off Balance Sheet Financial Instruments**

The Group did not have any off balance sheet financial instruments as at 23 August 2010, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report.

**11. Changes in Material Litigation**

The Group did not have any material litigation as at 23 August 2010, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report.

**12. Dividends**

The Directors do not recommend the payment of dividend for the period under review.

**13. Earnings per share**

This is stated in note 14 to the interim financial report.

**(C) Authorisation for issue of interim financial report**

The Board of Directors of the Company had authorised this unaudited interim financial report for issue on 27 August 2010.