



## RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2012

The Board of Directors is pleased to announce the Group's un-audited quarterly report on consolidated results for the financial period ended 30 June 2012.

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 30.06.2012 RM'000	Quarter ended 30.06.2011 (Restated) RM'000	Year to date ended 30.06.2012 RM'000	Year to date ended 30.06.2011 (Restated) RM'000
<b>Revenue</b>		<b>54,622</b>	<b>59,333</b>	<b>108,640</b>	<b>113,043</b>
Cost of sales		(38,589)	(44,375)	(80,405)	(84,468)
Gross profit		16,033	14,958	28,235	28,575
Other operating income		3,755	2,834	7,240	5,902
Operating expenses		(9,558)	(9,283)	(19,306)	(17,773)
Finance costs		(395)	(363)	(664)	(749)
<b>Profit before tax</b>		<b>9,835</b>	<b>8,146</b>	<b>15,505</b>	<b>15,955</b>
Tax expense	20	(378)	(995)	(1,953)	(1,635)
<b>Net profit for the period</b>		<b>9,457</b>	<b>7,151</b>	<b>13,552</b>	<b>14,320</b>
Other comprehensive income, net of tax					
Revaluation surplus on PPE		-	-	-	22,126
Foreign currency translations		192	39	(14)	39
<b>Total comprehensive income for the period</b>		<b>9,649</b>	<b>7,190</b>	<b>13,538</b>	<b>36,485</b>
Profit attributable to :					
Owners of the parent		9,457	7,069	13,552	14,151
Non-controlling interest		-	82	-	169
<b>Net profit for the period</b>		<b>9,457</b>	<b>7,151</b>	<b>13,552</b>	<b>14,320</b>
Total comprehensive income attributable to :					
Owners of the parent		9,649	7,108	13,538	36,316
Non-controlling interest		-	82	-	169
<b>Total comprehensive income for the period</b>		<b>9,649</b>	<b>7,190</b>	<b>13,538</b>	<b>36,485</b>
<b>Earnings per share attributable to equity holders of the Company:</b>	26				
Basic (sen)		12.58	9.41	18.03	18.83
Diluted (sen)		N.A.	N.A.	N.A.	N.A.

*(The Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)*

- Quarterly Report on consolidated results for the financial period ended 30 June 2012
- Page 2

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Un-Audited As at 30.06.2012 RM'000	Restated As at 31.12.2011 RM'000	Restated As at 01.01.2011 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	207,985	202,164	194,740
Prepaid lease payments for land	1,392	1,434	1,519
Investment properties	9,789	9,500	8,300
Available for sale financial assets	130	130	83
Deferred tax assets	224	222	-
Intangible asset	9,704	9,786	15,487
	229,224	223,236	220,129
<b>Current Assets</b>			
Inventories	37,950	36,754	41,868
Trade receivables	43,334	44,603	55,567
Other receivables, deposits & prepayments	7,161	5,807	3,383
Current tax assets	163	154	3
Cash and cash equivalents	44,774	35,502	33,328
	133,382	122,820	134,149
<b>Non-current assets held for sale</b>	537	540	-
<b>Total Assets</b>	<u>363,143</u>	<u>346,596</u>	<u>354,278</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	75,157	75,157	75,157
Reserves			
<u>Non-Distributable:</u>			
Share premium	4,210	4,210	4,210
Revaluation reserve	42,832	42,832	35,639
Foreign exchange translation reserve	158	172	-
Available for sale reserve	47	47	-
<u>Distributable:</u>			
Retained profits	180,311	166,759	156,724
	227,558	214,020	196,573
<b>Non-controlling Interest</b>	-	-	2,597
<b>Total Equity</b>	<u>302,715</u>	<u>289,177</u>	<u>274,327</u>
<b>Non-Current Liabilities</b>			
Borrowings (interest bearing)	22 5,292	7,655	11,903
Deferred tax liabilities	15,097	15,242	14,748
	20,389	22,897	26,651
<b>Current Liabilities</b>			
Trade payables	7,057	6,679	10,944
Other payables & accruals	5,084	6,696	6,839
Borrowings (interest bearing)	22 25,631	19,329	35,050
Derivative liabilities	-	42	-
Current tax liabilities	2,267	1,776	467
	40,039	34,522	53,300
<b>Total Liabilities</b>	<u>60,428</u>	<u>57,419</u>	<u>79,951</u>
<b>Total Equity and Liabilities</b>	<u>363,143</u>	<u>346,596</u>	<u>354,278</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	4.03	3.85	3.62

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year to date ended 30.06.2012 RM'000</b>	<b>Year to date ended 30.06.2011 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit before tax	15,505	15,955
Adjustments for:-		
Depreciation and amortization	9,393	8,874
Fair value adjustment on derivative instruments	(42)	-
Interest income	(403)	(310)
Interest paid	664	749
Net gain on disposal of property, plant and equipment	(87)	(106)
Property, plant and equipment written off	44	22
Reversal of impairment loss on trade and other receivables	(1)	(31)
Bad debts written off	9	329
Unrealised (gain) / loss on foreign exchange differences	(190)	-
Operating profit before changes in working capital	24,892	25,482
Net change in current assets	(1,102)	3,060
Net change in current liabilities	(1,234)	(2,199)
Tax paid	(1,615)	(1,668)
<b>Net cash generated from operating activities</b>	20,941	24,675
<b>Cash Flow From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	87	184
Purchase of property, plant and equipment	(15,419)	(11,380)
Interest received	403	310
<b>Net cash used in investing activities</b>	(14,929)	(10,886)
<b>Cash Flow From Financing Activities</b>		
Interest paid	(664)	(749)
Drawdown / (Repayment) of short term borrowings	4,636	(7,912)
Dividend paid	-	(7,516)
(Repayment of) / proceeds from hire purchase	(29)	22
Repayment of term loan	(669)	(1,004)
<b>Net cash from / (used in) financing activities</b>	3,274	(17,159)

**CONSOLIDATED STATEMENTS OF CASH FLOWS** (continued)

	<b>Year to date ended 30.06.2012 RM'000</b>	<b>Year to date ended 30.06.2011 RM'000</b>
Net increase / (decrease) in cash and cash equivalents	9,286	(3,370)
Effect of exchange rate changes on cash & cash equivalents	(14)	39
Cash and cash equivalents at beginning of the financial period	35,502	33,328
<b>Cash and cash equivalents at end of the financial period</b>	<b>44,774</b>	<b>29,997</b>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	21,853	15,460
Short term placements	22,921	14,537
	<b>44,774</b>	<b>29,997</b>

*(The Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)*

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to equity holders of the parent								
	Non-distributable					Distributable			
	Share capital	Share premium	Revaluation reserve	Available for sale reserve	Foreign exchange translation reserve	Retained Profits	Total	Non controlling interest	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	75,157	4,210	13,513	-	-	156,746	249,626	2,597	252,223
Profit for the financial period	-	-	-	-	-	14,151	14,151	169	14,320
Foreign currency translations	-	-	-	-	39	-	39	-	39
Revaluation/Fair Value on PPE	-	-	22,126	-	-	-	22,126	-	22,126
Total comprehensive income	-	-	22,126	-	39	14,151	36,316	169	36,485
Dividend	-	-	-	-	-	(7,516)	(7,516)	-	(7,516)
<b>At 30 June 2011(restated)</b>	<b>75,157</b>	<b>4,210</b>	<b>35,639</b>	<b>-</b>	<b>39</b>	<b>163,381</b>	<b>278,426</b>	<b>2,766</b>	<b>281,192</b>
At 1 January 2012	75,157	4,210	42,832	47	172	166,759	289,177	-	289,177
Profit for the financial period	-	-	-	-	-	13,552	13,552	-	13,552
Foreign currency translations	-	-	-	-	(14)	-	(14)	-	(14)
Total comprehensive income	-	-	-	-	(14)	13,552	13,538	-	13,538
<b>At 30 June 2012</b>	<b>75,157</b>	<b>4,210</b>	<b>42,832</b>	<b>47</b>	<b>158</b>	<b>180,311</b>	<b>302,715</b>	<b>-</b>	<b>302,715</b>

*(The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)*

## **PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134, INTERIM FINANCIAL REPORTING**

### **1 Basis of preparation**

The interim financial report has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysia Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2011.

The significant accounting policies and methods of computation applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2011.

### **2 Adoption of Malaysian Financial Reporting Standards**

The significant accounting policies applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2011 except for the effects of newly issued Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 January 2012:

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contract
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events after the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant & Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investment in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interest in Joint Ventures

## 2 Adoption of Malaysian Financial Reporting Standards (continued)

MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instrument: Recognition and Measurement
MFRS 140	Investment Property
MFRS 141	Agriculture
IC Int. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 4	Determining Whether an Arrangement Contains a Lease
IC Int. 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Int. 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IC Int. 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 12	Service Concession Arrangements
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Int. 15	Agreements for the Construction of Real Estate
IC Int. 16	Hedges of a net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners
IC Int. 18	Transfers of Assets from Customers
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int. 107	Introduction of the Euro
IC Int. 110	Government Assistance – No Specific Relation to Operating Activities
IC Int. 112	Consolidation – Special Purpose Entities
IC Int. 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers
IC Int. 115	Operating Leases- Incentives
IC Int. 125	Income Taxes – Change in the Tax Status of an Entity or its Shareholders
IC Int. 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Int. 129	Service Concession Arrangements: Disclosures
IC Int. 131	Revenue – Barter Transactions Involving Advertising Services
IC Int. 132	Intangible Assets – Web Site Costs

## 2 Adoption of Malaysian Financial Reporting Standards (continued)

The adoption of the above MFRSs and IC Interpretations did not have any significant effects on the financial statements of the Group except for the following:

(a) Significant accounting policies and application of MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRSS. Except for certain differences, the requirements under FRSS and MFRS are similar. In preparing the opening consolidated statement of financial position as at 1 January 2011, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with FRSS.

The significant accounting policies adopted in preparing these consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as mentioned below:

(i) Property, plant and equipment

Under FRSS, the Group measured its property, plant and equipment except for land and buildings at cost less accumulated depreciation and impairment losses, if any. Land and buildings are stated at valuation, which is the fair value at the date of valuation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the revaluation model except for motor vehicles using the cost model under MFRS 116 *Property, Plant and Equipment*. The revaluation surplus of RM22,664,454 and its related deferred tax liability of RM 538,269 arising from land & buildings were restated on 1 January 2011.

The Group had carried out a valuation exercise in 2011. Hence, the revalued amount of land and buildings as at 31 December 2011 was used as deemed cost under MFRS at the date of transition.

(ii) Intangible assets

Previously, computer software was included under property, plant and equipment. MFRS 138 *Intangible Assets* requires reclassification of computer software, which is not an integral part of a related hardware, as an intangible asset and is amortised over its useful life.

The costs and depreciation relating to expenditure on such software has been reclassified from property, plant and equipment to intangible assets. A reclassification of RM147,730 was made on transition to MFRS on 1 January 2011 and further reclassification of RM 1,247,591 was made on 31 December 2011 .



## 2 Adoption of Malaysian Financial Reporting Standards (continued)

The effect of the adoption of MFRS on the consolidated statement of financial position are as follows:

	As previously reported RM'000	Effects of adoption of MFRS RM'000	As Restated RM'000
<u>Statement of Financial Position as at 1 Jan 2011</u>			
Property, plant and equipment	172,223	22,517	194,740
Intangible asset	15,339	148	15,487
Revaluation surplus	13,513	22,126	35,639
Deferred tax liabilities	14,210	538	14,748

### Statement of Financial Position as at 31 Dec 2011

Property, plant and equipment	203,411	(1,247)	202,164
Intangible asset	8,539	1,247	9,786

The Group has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations which were in issued but not yet effective:

	<u>Effective Date</u>	
MFRS 9	Financial Instruments	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 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 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosure – 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 MFRS132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Int. 20	Stripping Costs in the Production Phase Of a Surface Mine	1 January 2013

## 3 Qualified audit report

The financial statements for the financial year ended 31 December 2011 was not qualified.

#### 4 Seasonal or cyclical factors

The Group's operation is not significantly affected by seasonal or cyclical factors.

#### 5 Unusual items

Other than those stated in the notes, there are no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

#### 6 Changes in estimates

There is no significant change in estimates of amounts reported in prior interim periods of the current or previous financial year.

#### 7 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current quarter under review.

#### 8 Dividends paid

There were no dividends paid during the quarter under review.

#### 9 Segmental information

By Business Segment	Quarter ended		Year to date ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Trading	33,369	42,075	66,520	81,049
- Manufacturing	41,288	36,727	82,765	70,112
- Investment	4,568	52,455	8,770	56,010
Elimination of inter segment revenue	(24,603)	(71,924)	(49,415)	(94,128)
Total Segment Revenue	54,622	59,333	108,640	113,043
<u>Segment Results</u>				
- Trading	(537)	630	(1,193)	1,347
- Manufacturing	9,595	4,753	15,684	15,454
- Investment	1,173	55,487	1,679	55,719
- Others	(1)	(11)	(1)	(16)
Consolidated Adjustment	-	(52,350)	-	(55,800)
Total Segment Results	10,230	8,509	16,169	16,704
Finance Costs	(395)	(363)	(664)	(749)
Group Results	9,835	8,146	15,505	15,955

## 9 Segmental information (continued)

By Geographical Segment	Quarter ended		Year to date ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	53,986	59,333	108,850	113,043
- Overseas	854	-	1,581	-
Elimination of inter segment revenue	(218)	-	(1,791)	-
Total Segment Revenue	54,622	59,333	108,640	113,043
<u>Segment Results</u>				
- Malaysia	10,994	8,633	17,684	16,828
- Overseas	(764)	(124)	(1,515)	(124)
Total Segment Results	10,230	8,509	16,169	16,704
Finance Costs	(395)	(363)	(664)	(749)
Group Result	9,835	8,146	15,505	15,955

## 10 Valuation of property, plant and equipment and investment properties

The valuation of land and buildings has been brought forward, without any amendment to the previous annual financial statements.

## 11 Subsequent events

In the opinion of the Directors, no item, transaction or event of a material nature has arisen during the period from the end of the reporting period to 26 July 2012 which is likely to affect substantially the results of the operations of the Group for the financial period ended 30 June 2012.

## 12 Changes in the composition of the Group

There is no change in the composition of the Group.

## 13 Changes in contingent liabilities - unsecured

The contingent liabilities of the Company are as follows:

	Company	
	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	30,913	26,946
Guarantee in favour of third parties for supply of goods to subsidiary companies	260	-
	<u>31,173</u>	<u>26,946</u>

**14 Capital commitments**

	<b>Group As at 30.06.2012 RM'000</b>
Contracted but not provided for in respect of :	
- construction of warehouse	4,772
- plant and equipment	<u>7,280</u>
	<u>12,052</u>

**PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)****15 Review of performance**

For the second quarter of 2012, the Group recorded total revenue of RM54.6 million which was 7.9% lower as compared to RM59.3 million in the corresponding quarter last year. Total revenue for the six months was RM108.6 million which was 3.9% lower as compared to RM113.0 million in the corresponding period last year. The decrease in revenue was mainly due to reduction in the revenue contribution upon the disposal of trading subsidiary, New Kean Tat Auto Parts Sdn Bhd in the third quarter of 2011.

The Group recorded Profit Before Tax of RM9.8 million in the current quarter under review as compared to RM8.1 million in the corresponding quarter last year, representing an increase of 21.0%. The increase in profit was mainly due to higher income from sale of steel scrap as well as the strengthening of US Dollar against Ringgit Malaysia. Total Profit Before Tax for the cumulative six months was RM15.5 million as compared to RM16.0 million in the corresponding period last year, a decrease of 3.1%.

**16. Segmental performance review****Trading segment**

For the current quarter under review, the revenue recorded by the trading segment was RM33.4 million, which was 20.7% lower as compared to RM42.1 million in the corresponding quarter last year. Total revenue for the six months of 2012 was RM66.5 million which was 17.9% lower as compared to RM81.0 million in the corresponding period last year. The decrease in revenue was mainly due to reduction in the revenue contribution upon the disposal of trading subsidiary, New Kean Tat Auto Parts Sdn Bhd in the third quarter of 2011.

The trading segment recorded a Loss Before Tax of RM0.5 million in the current quarter under review compared to Profit Before Tax of RM0.6 million in the corresponding quarter last year. Total Loss Before Tax for the cumulative six months was RM1.2 million as compared to Profit Before Tax of RM1.3 million in the corresponding period last year. The decreased in profit was mainly due to operating losses from the two overseas subsidiaries as mentioned above and higher personnel expenses.

## 16. Segmental performance review (continued)

### Manufacturing segment

The revenue generated by the manufacturing segment during the current quarter under review was RM41.3 million, an increase of 12.5% compared to RM36.7 million in the corresponding quarter last year. Total revenue for the six months was RM82.8 million which was 18.1% higher as compared to RM70.1 million in the corresponding period last year. The increase was mainly contributed from the increase in exports for the current quarter by 24.2% as compared to the corresponding quarter last year, and 32.4% against the corresponding period last year.

The manufacturing segment recorded an increase of 100.0% in its Profit Before Tax of RM9.6 million for the current quarter under review compared to RM4.8 million in the corresponding quarter last year. The increase in profit was mainly due to higher income from sale of steel scrap, strengthening of US Dollar against Ringgit Malaysia resulting in lower foreign exchange loss, as well as lower steel prices. Total Profit Before Tax for the cumulative six months was RM15.7 million, which was substantially the same as the result recorded in the corresponding period last year.

## 17 Variation of results against preceding quarter

Compared to the immediate preceding quarter, the Group's Profit Before Tax increased by 71.9% from RM5.7 million to RM9.8 million. The increase in profit in the current quarter was mainly due to lower steel prices and strengthening of US Dollar resulting in lower foreign exchange loss and higher margins as compared to the last quarter.

## 18 Current year prospects

With the positive performance in the first half of 2012, the Group will continue to focus its efforts to improve the performance of the overseas subsidiaries as well as to work towards the enhancement of operational cost efficiencies. The Group envisages the second half of 2012 to continue to be challenging and competitive with the uncertainties of the global market. However, the Group is optimistic that it will be able to maintain its positive performance for the remainder of the financial year.

## 19 Profit forecast

Not applicable as no profit forecast was published.

## 20 Tax expenses

	Quarter ended 30.06.2012 RM'000	Year to date ended 30.06.2012 RM'000
Tax expenses	259	2,097
Deferred tax liabilities	119	(144)
	<u>378</u>	<u>1,953</u>

The effective tax rate of the Group for the current quarter is 3.8% and year to date is 12.6%. This is lower than the statutory tax rate mainly due to the utilisation of export incentive by a subsidiary company of the Group.

## 21 Status of corporate proposal

- There were no corporate proposals announced but not completed as at 26 July 2012.
- Utilisation of proceeds raised from corporate proposals: Not applicable.

**22 Group borrowings and debt securities (unsecured)**

	<b>As at 30.06.2012 RM'000</b>
<b>Current</b>	
Term loans	6,778
Bankers' acceptance	18,844
Hire purchase	9
	<u>25,631</u>
<b>Non-current</b>	
Term loans	<u>5,292</u>
	<u>30,923</u>
<b>Total Borrowings</b>	
Term Loans	12,070
Bankers' acceptance	18,844
Hire purchase	9
	<u>30,923</u>

There are no borrowings denominated in foreign currency except for hire purchase which is denominated in Indonesian Rupiah.

**23 Changes in fair value of financial instruments**

The carrying amounts of the financial instruments of the Group as at balance sheet date approximate their fair values due to relatively short term maturity of these financial instruments except as set out below:

	<b>Group Carrying amount RM'000</b>	<b>Fair Value RM'000</b>
<b>At 30 June 2012</b>		
Fixed Rate Term loans	<u>953</u>	<u>911</u>

Fair value is determined by using estimated discounting future cash flows at the current market interest rate available to the Group for similar instruments.

**24 Material litigation**

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at 26 July 2012.

**25 Dividends**

The Board of Directors has not recommended any interim dividend for the financial quarter ended 30 June 2012.

**26 Earnings per share**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended</u> <b>30.06.2012</b>	<u>Quarter ended</u> <b>30.06.2011</b>	<u>Year to date ended</u> <b>30.06.2012</b>	<u>Year to date ended</u> <b>30.06.2011</b>
Net profit attributable to equity holders of the Company (RM'000)	9,457	7,069	13,552	14,151
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	12.58	9.41	18.03	18.83

**27 Realised and Unrealised Profits / Losses Disclosure**

	<u>As At</u> <b>30.06.2012</b>	<u>Restated</u> <u>As At</u> <b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Company and its subsidiaries :		
- Realised	251,583	236,732
- Unrealised	(8,792)	(8,851)
	242,791	227,881
Less : Consolidated adjustments	(62,480)	(61,122)
Total group retained profits as per consolidated financial statements	180,311	166,759

**28 Profit before taxation**

	<u>Quarter ended</u> <b>30.06.2012</b>	<u>Year to date ended</u> <b>30.06.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before tax is arrived at after charging /(crediting) :		
Amortisation of prepaid lease payment	22	43
Bad debts written off	9	9
Depreciation of property, plant and equipment	4,743	9,350
Reversal of fair value adjustment on derivative instruments	-	(42)
Net gain on disposal of property, plant and equipment	(87)	(87)
Interest income	(222)	(403)
Investment income :		
- rental income	(94)	(189)
Property, plant and equipment written off	5	44
Realised (gain)/loss on foreign exchange transactions	(172)	138
Unrealised gain on foreign exchange translations	(296)	(190)

By Order of the Board

YEOH CHONG KEAT  
REBECCA LEONG SIEW KWAN  
Secretaries  
Kuala Lumpur  
2 August 2012