# JOTECH HOLDINGS BERHAD

**(Company No. 334818-P)**

# QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

# JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

**QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS**
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
**For the three months ended 31 March 2011 – unaudited**

| | Three months ended | | Period ended | |
|---|---|---|---|---|
| *RM in thousand (RM'000)* | **31.3.2011** | **31.3.2010** | **31.3.2011** | **31.3.2010** |
| **Continuing operations** | | | | |
| Revenue | 26,446 | 30,878 | 26,446 | 30,878 |
| Cost of sales | (22,170) | (25,923) | (22,170) | (25,923) |
| **Gross profit** | 4,276 | 4,955 | 4,276 | 4,955 |
| Operating expenses | (3,910) | (3,187) | (3,910) | (3,187) |
| Other operating expense | (796) | (260) | (796) | (260) |
| Other operating income | 12,660 | 229 | 12,660 | 229 |
| **Results from operating activities** | 12,230 | 1,737 | 12,230 | 1,737 |
| Finance income | 19 | 39 | 19 | 39 |
| Finance costs | (539) | (330) | (539) | (330) |
| **Profit/(Loss) from operations** | 11,710 | 1,446 | 11,710 | 1,446 |
| Share of profit/(loss) of associates, net of tax | 690 | 465 | 690 | 465 |
| **Profit / (Loss) before tax** | 12,400 | 1,911 | 12,400 | 1,911 |
| Income tax expense | (4,708) | (347) | (4,708) | (347) |
| **Profit / (Loss) from continuing operations** | 7,692 | 1,564 | 7,692 | 1,564 |
| **Discontinued operation** | | | | |
| Profit/(Loss) from discontinued operation, net of tax | 126 | - | 126 | - |
| **Profit/(Loss) for the period** | 7,818 | 1,564 | 7,818 | 1,564 |
| **Profit/(Loss) attributable to:** | | | | |
| Owners of the Company | 7,826 | 1,539 | 7,826 | 1,539 |
| Minority Interests | (8) | 25 | (8) | 25 |
| **Profit/(Loss) for the period** | 7,818 | 1,564 | 7,818 | 1,564 |
| Basic earnings per ordinary share (sen) | 0.709 | 0.167 | 0.709 | 0.167 |

# JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

**QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS**
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For the three months ended 31 March 2011 – unaudited (continued)**

| | Three months ended | | Period ended | |
|---|---|---|---|---|
| *RM in thousand (RM'000)* | **31.3.2011** | **31.3.2010** | **31.3.2011** | **31.3.2010** |
| **Profit / (Loss) for the period** | 7,818 | 1,564 | 7,818 | 1,564 |
| Foreign currency translation gain/(loss) for foreign operations | 39 | (1,190) | 39 | (1,190) |
| Other comprehensive income/(loss) for the period, net of tax | 39 | (1,190) | 39 | (1,190) |
| **Total comprehensive income for the period** | 7,857 | 374 | 7,857 | 374 |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the Company | 7,953 | 654 | 7,953 | 654 |
| Minority Interests | (96) | (280) | (96) | (280) |
| **Total comprehensive income for the period** | 7,857 | 374 | 7,857 | 374 |

(The Condensed Unaudited Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

# JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

**QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS**
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
**As at 31 March 2011 – unaudited**

| *RM in thousand (RM'000)* | **As at the end 31.3.2011** | **As at the end 31.12.2010 restated** |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 124,073 | 55,737 |
| Investment in associates | 37,293 | 36,602 |
| Intangible assets | 1,835 | 2,122 |
| Advance to associate | 829 | 707 |
| | 164,030 | 95,168 |
| **Current Assets** | | |
| Inventories | 10,614 | 12,410 |
| Trade and other receivables | 22,001 | 26,379 |
| Tax recoverable | 242 | 248 |
| Other investments | 1,603 | 1,740 |
| Cash and cash equivalents | 19,915 | 22,568 |
| | 54,375 | 63,345 |
| **TOTAL ASSETS** | 218,405 | 158,513 |
| | | |
| **EQUITY AND LIABILITIES** | | |
| **Equity attributable to equity holders of the parent** | | |
| Share capital | 110,430 | 92,430 |
| Reserves | 30,262 | 17,287 |
| Total Shareholders' Equity | 140,692 | 109,717 |
| Minority interests | 6,168 | 6,264 |
| Total Equity | 146,860 | 115,981 |
| | | |
| **Non-current liabilities** | | |
| Borrowings | 36,965 | 16,536 |
| Deferred tax liabilities | 6,509 | 1,939 |
| | 43,474 | 18,475 |
| **Current Liabilities** | | |
| Trade and other payables | 12,122 | 14,019 |
| Short term borrowings | 14,904 | 9,316 |
| Taxation | 1,045 | 722 |
| | 28,071 | 24,057 |
| **Total liabilities** | 71,545 | 42,532 |
| **TOTAL EQUITY AND LIABILITIES** | 218,405 | 158,513 |
| | | |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.127 | 0.119 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2010)

# JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

**QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS**
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
**For the three months ended 31 March 2011 – unaudited**

| *RM in thousand (RM'000)* | **Period ended 31.3.2011** | **Period ended 31.3.2010** |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit / (Loss) before tax from: | | |
| - continuing operations | 12,400 | 1,911 |
| - discontinued operation | 126 | - |
| | 12,526 | 1,911 |
| Adjustments for : | | |
| Allowance for diminution in value of other investments | 184 | 74 |
| Reversal of allowance for diminution in value of other investments | (82) | - |
| Negative goodwill of investments | (12,525) | - |
| Unrealised (profit)/loss on foreign exchange | (45) | 187 |
| Share of profit of equity accounted associate | (690) | (465) |
| Gain on disposal of quoted investments | (77) | (75) |
| Gain on disposal of property, plant and equipment | - | (4) |
| Loss on disposal of subsidiary | 426 | - |
| Property, plant and equipment written off | 49 | - |
| Depreciation and amortisation | 1,569 | 1,679 |
| Finance costs | 539 | 330 |
| Finance income | (19) | (39) |
| Dividend income | (39) | (82) |
| **Operating profit before working capital changes** | 1,816 | 3,516 |
| Changes in working capital: | | |
| Net change in current assets | 4,599 | (335) |
| Net change in current liabilities | (1,022) | (1,987) |
| **Cash generated from operations** | 5,393 | 1,194 |
| Taxes – (paid)/refunded | (169) | (218) |
| **Net cash generated from operating activities** | 5,224 | 976 |
| | | |
| **Cash flow from investing activities** | | |
| Acquisition of property, plant and equipment | (3,514) | (817) |
| Acquisition of other investments | (243) | (866) |
| Acquisition of associate | - | (271) |
| Acquisition of subsidiary, net of cash and cash equivalents acquired | (8,970) | (170) |
| Loan to associate | (123) | - |
| Proceeds from disposal of discontinued operation, net of cash and cash equivalents | 6,351 | - |
| Proceeds from disposals of other investments | 354 | 626 |
| Dividends received | 39 | 82 |
| Interest received | 19 | 39 |
| Proceeds from disposal of property, plant and equipment | - | 49 |
| **Net cash used in investing activities** | (6,087) | (1,328) |
| | | |
| **Cash flow from financing activities** | | |
| Interest paid | (539) | (330) |
| Payment of hire purchase liabilities | (138) | (100) |
| Net drawdown/(repayment) of borrowings | (1,670) | (2,476) |
| **Net cash used in financing activities** | (2,347) | (2,906) |
| | | |
| Net decrease in cash and cash equivalents | (3,210) | (3,258) |
| Effects of exchange rate fluctuations on cash held | 557 | (388) |
| Cash and cash equivalents at beginning of period | 22,568 | 26,463 |
| **Cash and cash equivalents at end of period** | 19,915 | 22,817 |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
**For the three months ended 31 March 2011 – unaudited**
**(continued)**

| *RM in thousand (RM'000)* | **Period ended** **31.3.2011** | **31.3.2010** |
|---|---|---|
| **Cash and cash equivalents at end of period comprise:** | | |
| Cash and bank balances | 18,431 | 12,303 |
| Placements with licensed banks and approved financial institutions | 1,484 | 10,514 |
| | 19,915 | 22,817 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2010)

# JOTECH HOLDINGS BERHAD

(Company No. 334818-P)

**QUARTERLY UNAUDITED REPORT ON CONSOLIDATED RESULTS**
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
**For the three months ended 31 March 2011 – unaudited**

| | **Attributable to owners of Company** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | ***Non-Distributable*** | | | | ***Distributable*** | | | |
| *RM in thousand (RM'000)* | **Share Capital** | **Share Premium** | **Capital Reserve** | **Translation Reserve** | **Retained Profit** | **Sub-total** | **Minority Interest** | **Total** |
| At 1 January 2010 | | | | | | | | |
| - as previously stated | 92,430 | 2,284 | - | 243 | 7,145 | 102,102 | 6,365 | 108,467 |
| - effect of adopting FRS 139 | - | - | - | - | 284 | 284 | - | 284 |
| At 1 January 2010, restated | 92,430 | 2,284 | - | 243 | 7,429 | 102,386 | 6,365 | 108,751 |
| Total comprehensive income for the period | - | - | - | (1,699) | 9,030 | 7,331 | (101) | 7,230 |
| At 31 December 2010/ 1 January 2011 | 92,430 | 2,284 | - | (1,456) | 16,459 | 109,717 | 6,264 | 115,981 |
| Issue of ordinary shares | 18,000 | - | 5,022 | - | - | 23,022 | - | 23,022 |
| Total comprehensive income for the period | - | - | - | 127 | 7,826 | 7,953 | (96) | 7,857 |
| At 31 March 2011 | 110,430 | 2,284 | 5,022 | (1,329) | 24,285 | 140,692 | 6,168 | 146,860 |

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 31 December 2010)

## NOTES TO THE INTERIM FINANCIAL REPORT

### A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The quarterly financial report do not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2010.

### A2 Changes in Accounting Policies

Save as disclosed below, the significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010.

#### i) Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 January 2011 the Group has applied FRS 3, *Business Combinations* (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Under FRS 3 (revised), the definition of a business has been broadened, which will result in more acquisitions being treated as business combinations.

***Acquisitions on or after 1 January 2011***

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any minority (will be known as non-controlling) interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

## NOTES TO THE INTERIM FINANCIAL REPORT (continued)

### A2 Changes in Accounting Policies (continued)

#### i) Accounting for business combinations (continued)

***Acquisitions on or after 1 January 2011 (continued)***

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Any non-controlling interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and /or future service.

***Acquisitions between 1 January 2006 and 1 January 2011***

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

***Acquisitions prior to 1 January 2006***

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

#### ii) Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements* (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

## NOTES TO THE INTERIM FINANCIAL REPORT (continued)

### A2 Changes in Accounting Policies (continued)

#### ii) Loss of control (continued)

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be recognised as cost on initial measurement of the investment.

#### iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements* (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed the their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

The Group has not applied the following accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011**

- Amendments to IC 14, *Prepayments of a Minimum Funding Requirement*
- IC 19, *Extinguishing Financial Liabilities with Equity Instruments*

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012**

- FRS 124, *Related Party Disclosures* (revised)
- IC 15, *Arrangements for the Construction of Real Estate*

The Group plans to apply the abovementioned standards, amendments and interpretations from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012 except for IC Interpretation 19, Amendments to IC Interpretation 14 and IC Interpretation 15 which are not applicable to the Group.

## NOTES TO THE INTERIM FINANCIAL REPORT (continued)

### A2 Changes in Accounting Policies (continued)

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impact to the current and prior periods' financial statements upon their first adoption.

Following the announcement by the Malaysian Accounting Standards Board on 1 August 2008, the Group's financial statements will be prepared in accordance with the International Financial Reporting Standards ("IFRS") framework for annual periods beginning on 1 January 2012.

### A3. Audit report

The preceding financial statements for the year ended 31 December 2010 were reported on without any qualification.

### A4. Seasonal or cyclical factors

There were no material seasonal or cyclical factors affecting the performance of the Group for the period ended 31 March 2011.

### A5. Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year to date.

### A6. Material changes in estimates

There were no material changes in estimates in the prior financial year which have a material effect in the period ended 31 March 2011.

### A7. Debt and equity securities

There were no issuances, cancellations, repurchases and resale of the Company's debt or equity securities for the period ended 31 March 2011.

### A8. Dividend paid

Since the end of the previous financial year, no dividend was paid by the Company.

## NOTES TO THE INTERIM FINANCIAL REPORT (continued)

### A9. Segmental information

Segmental information is presented in respect of the Group's business segments. Inter-segment pricing is determined base on a negotiated basis.

For the three months ended 31 March 2011:

| (In thousands of RM) | ← Continuing operations | | → | Discontinued operation | | | | |
|---|---|---|---|---|---|---|---|---|
| | Investment Holding | Precision Stamping | Plantation | Precision stamping | Eliminations | Consolidated | Less: Discontinued operations | Continuing operations |
| External revenue | 39 | 25,906 | 501 | 2,011 | - | 28,457 | (2,011) | 26,446 |
| Inter segment revenue | 185 | 565 | - | - | (750) | - | - | |
| Total revenue | 224 | 26,471 | 501 | 2,011 | (750) | 28,457 | (2,011) | 26,446 |
| **Segment results** | | | | | | **12,381** | **(151)** | **12,230** |
| Finance costs | | | | | | (540) | 1 | (539) |
| Finance income | | | | | | 19 | - | 19 |
| Share of net profit of associate | | | | | | 690 | - | 690 |
| **Profit before tax** | | | | | | **12,550** | **(150)** | **12,400** |
| Income tax expense | | | | | | (4,732) | 24 | (4,708) |
| **Profit for continuing operations** | | | | | | **7,818** | **(126)** | **7,692** |
| Other comprehensive income for the period | | | | | | 39 | - | 39 |
| Total comprehensive income for the period | | | | | | 7,857 | (126) | 7,731 |
| Minority interest | | | | | | 96 | - | 96 |
| **Total comprehensive income attributable to owners of the Company** | | | | | | **7,953** | **(126)** | **7,827** |

## NOTES TO THE INTERIM FINANCIAL REPORT (continued)

### A10. Valuation of property, plant and equipment

The Group accounts its property, plant and equipment at cost less accumulated depreciation and does not adopt a policy to revalue its property, plant and equipment.

### A11. Material events subsequent to the end of the interim period

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

### A12. Changes in composition of the Group

(a) Jotech Metal Fabrication Industries Sdn Bhd, a wholly owned subsidiary of the Group, had on 18 March 2011 completed the disposal of its entire equity interest held in JP Metal Sdn Bhd.

The disposal had the following effects on the financial position of the Group:

| | Financial year-to-date 31.3.2011 RM'000 |
|---|---|
| Total disposal consideration | 7,000 |
| Less: | |
| Carrying amount of subsidiary | (7,139) |
| Goodwill disposed | (287) |
| Loss on disposal | (426) |

(b) The Group completed the acquisition of Malgreen Progress Sdn Bhd (“MPSB”) and Cergas Fortune Sdn Bhd (“CFSB”) on the 22 March 2011 and both companies are now wholly-owned subsidiaries of the Group. MPSB and CFSB are in the business of oil palm plantation.

The effects on the acquisition date are as follows:

| | RM'000 | RM'000 |
|---|---|---|
| Cash paid | | 9,156 |
| Share consideration | 18,000 | |
| Fair value adjustment | 5,022 | |
| Fair value of share consideration | | 23,022 |
| Fair value of total consideration | | 32,178 |
| Fair value of net identifiable assets acquired | | (44,703) |
| Negative goodwill | | (12,525) |

## NOTES TO THE INTERIM FINANCIAL REPORT (continued)

### A12. Changes in composition of the Group (continued)

(b) (continued)

The fair value of the net identifiable assets and liabilities on the acquisition date comprise of the following:

| | RM'000 |
|---|---|
| Total assets | 73,955 |
| Total liabilities | (29,252) |
| Net identifiable assets and liabilities | 44,703 |

The cash outflow on acquisition is as follows:

| | Financial year-to-date 31.3.2011 RM'000 |
|---|---|
| Purchase consideration satisfied by cash | 9,156 |
| Cash and cash equivalents of subsidiaries acquired | (186) |
| Net cash outflow of the Group | 8,970 |

The acquired subsidiaries have contributed the following results to the Group:

| | Current quarter 31.3.2011 RM'000 | Financial year-to-date 31.3.2011 RM'000 |
|---|---|---|
| Revenue | 501 | 501 |
| Profit for the period | 157 | 157 |

### A13. Contingent liabilities/Contingent assets

There were no contingent liabilities/assets since the last annual balance sheet date.

### A14. Capital commitment

There was no material capital commitment as at 31 March 2011.

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

### B1. Review of performance

The Group registered revenue of RM26.4 million for the current quarter compared to RM30.9 million achieved in the corresponding quarter last year. This was mainly due to revenue of a subsidiary which had been disposed in March 2011 was not consolidated in the current quarter. The said subsidiary company contributed RM3.8m revenue in the corresponding quarter last year. The revenue decline was also attributable to the currency translation effect from the strengthening of Ringgit against US Dollar, Indonesia Rupiah and China Renmenbi revenue of the foreign subsidiary companies.

The Group achieved a net profit of RM7.8 million for the current quarter compared to RM1.6 million registered in the corresponding quarter last year. The main contributing factor for the substantial increase in net profit for the current quarter was a RM8.2 million negative goodwill net of deferred tax recognized from the accretion in fair value of the investment in oil palm plantation at the completion the acquisition.

### B2. Comparison with preceding quarter’s results

The Group registered RM32.0 million revenue in the preceding quarter, representing a decline of RM5.6m against the current quarter revenue of RM26.4m. The revenue posted in the preceding quarter by the disposed subsidiary was RM2.9 million. The other attributing factor to the revenue decrease was the general trend of slower business in the first quarter compared to the final quarter of the year.

The negative goodwill recognized in the current quarter was the main factor for the Group’s increase in net profit compared to the previous quarter reported net profit of RM3.0 million.

### B3. Prospects

With the positive contribution expected from the Group’s newly acquired oil palm plantation subsidiary companies for the remaining quarters of the financial year, the Board of Directors anticipates that the Group’s performance will be satisfactory for FY2011.

### B4. Variance of actual profit from forecast profit / shortfall in profit guarantee

Not applicable as no profit forecast was published.

### B5. Taxation

The taxation for the current quarter and year-to-date are as follows:-

| | Current quarter 31.3.2011 RM'000 | Financial year-to-date 31.3.2011 RM'000 |
|---|---|---|
| Current tax expense | | |
| Malaysia | 4,358 | 4,358 |
| Overseas | 350 | 350 |
| | 4,708 | 4,708 |

The effective tax rate being higher than the statutory tax rate is principally due to the effect of the deferred tax provided on the negative goodwill recognised during the quarter.

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

### B6. Sale of unquoted investments or properties

There was no sale of unquoted investments or properties in the current quarter and financial year-to-date.

### B7. Purchase and disposal of quoted investments

(a) Total purchases of quoted investments for the current quarter and financial year-to date were as follows:

| | Current quarter 31.3.2011 RM'000 | Financial year-to-date 31.3.2011 RM'000 |
|---|---|---|
| Purchase of quoted shares | 243 | 243 |

(b) Total disposals of quoted investments for the current quarter and financial year-to-date were as follows:

| | Current quarter 31.3.2011 RM'000 | Financial year-to-date 31.3.2011 RM'000 |
|---|---|---|
| Sales proceeds of quoted shares | 354 | 354 |
| Cost of quoted shares | (277) | (277) |
| Gain on disposal of quoted shares | 77 | 77 |

(c) Total investment in quoted shares as at 31 March 2011:

| | Cost RM `000 | Book Value RM `000 | Market Value RM `000 |
|---|---|---|---|
| Total quoted shares | 2,813 | 1,603 | 1,603 |

### B8. Corporate proposals

There are no corporate proposals which have been announced but not yet completed within 7 days from the date of issue of this report.

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

### B9. Group borrowings

The Group borrowings as at 31 March 2011 were as follows:-

| | RM'000 |
|---|---|
| Secured | 50,811 |
| Unsecured | 1,058 |
| Total Group Borrowings | 51,869 |

| | RM'000 |
|---|---|
| Short Term | 14,904 |
| Long Term | 36,965 |
| Total Group Borrowings | 51,869 |

The total borrowings denominated in foreign and local currency as at 31 March 2011 were as follows:-

| | RM'000 |
|---|---|
| Foreign Currency: | |
| - USD350,000 @ RM3.0253/USD1 | 1,059 |
| - CNY16,300,000 @ RM0.4620/CNY1 | 7,530 |
| - IDR7,311,142,496@ RM0.0347/IDR100 | 2,539 |
| Local Currency | 40,741 |
| Total Group Borrowings | 51,869 |

### B10. Financial Instruments

a) Derivatives

There were no new or existing derivatives as at the end of the reporting period.

b) Gains/(losses) arising from fair value changes in financial liabilities

There were no gains or losses arising from fair value changes in financial liabilities in this reporting period.

### B11. Material litigation

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

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)**

**B12. Earnings per share**

| | Current Year Quarter | Preceding Year Quarter | Current Year To Date | Preceding Year To Date |
|---|---|---|---|---|
| | 31.3.2011 | 31.3.2010 | 31.3.2011 | 31.3.2010 |
| **Profit attributable to equity holders of the parent** | RM'000 | RM'000 | RM'000 | RM'000 |
| From continuing operations | 7,826 | 1,539 | 7,826 | 1,539 |
| **Basic** | | | | |
| Weighted average number of ordinary shares @ 10 sen ('000) | 1,104,300 | 924,300 | 1,104,300 | 924,300 |
| **Basic earnings per share (sen)** | | | | |
| From continuing operations | 0.709 | 0.167 | 0.709 | 0.167 |

* The diluted earnings per share were not presented as the effect of the assumed conversion of warrants outstanding would be anti-dilutive.

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT (continued)

### B13. Realised and unrealised profits/losses

The format of disclosure of the breakdown of realised and unrealised profits or losses is prescribed in Bursa Malaysia's directive dated 20 December 2010.

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

| | As at 31.3.2011 RM'000 |
|---|---|
| Total retained profits/accumulated losses of the Company and its subsidiaries | |
| -Realised | 19,447 |
| -Unrealised | (1,411) |
| | 18,036 |
| Total share of retained profits/(accumulated losses) from associated companies | |
| -Realised | 3,206 |
| -Unrealised | (963) |
| | 20,279 |
| Consolidation adjustments | 4,006 |
| Total retained earnings | 24,285 |