

PART A: EXPLANATORY NOTES AS PER FRS 134

A1. Basis of preparation of interim financial reports

The interim financial statements are prepared in accordance with the requirements of the Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2009.

The significant accounting policies adopted for the interim financial statements are consistent with those in the audited financial statements for the year ended 31 December 2009 except for the adoption of new standards, amendments to standards and IC Interpretations that are mandatory for the Group for the financial year beginning 1 January 2010.

In the current period ended 30 June 2010, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

FRSs, Amendments to FRSs and Interpretations

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101 (revised)	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events After the Balance Sheet Date
Amendments to FRS 116	Property, Plant and Equipments
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

A1. Basis of preparation of interim financial reports (continued)

Other than for the application of FRS 101 (revised), FRS 139, FRS 8 and Amendments to FRS 117, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentations of the financial results of the Group.

FRS 101 (revised), Presentation of Financial Statements

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in single statement. The adoption of this standard does not have any impact on the financial position and results of the Group.

FRS 139, Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognised and unrecognised in the prior financial year are classed into the following categories:

Pre-FRS 139	Post-FRS 139
1 Long-term equity investments	Available-for-sale investments
2 Long-term quoted debt instruments	Held-to-maturity investments
3 Private-debt instruments	Loans and receivables
4 Current investments	Financial assets at fair value through profit or loss
5 Unrecognised derivative assets	Financial assets at fair value through profit or loss
6 Long-term borrowings and bonds	Financial liabilities at amortised cost
7 Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction cost directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

Category	Measurement basis
1 Financial instruments at fair value through profit or loss	At fair value through profit or loss
2 Held-to-maturity investments	At amortised cost effective interest method
3 Loans and receivables	At amortised cost effective interest method
4 Available-for-sale investments	At fair value through other comprehensive income, unless fair value be reliably measured, in which case, they are measured at cost
5 Loans and other financial liabilities	At amortised cost effective interest method

A1. Basis of preparation of interim financial reports (continued)

Financial assets and financial liabilities designated as hedged items and hedging financial derivatives are accounted for using the specified hedge accounting requirements of FRS 139. All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of the remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity.

FRS 8, Operating Segments

The Group determined that the operating segments were the same as the business segments previously identified under FRS 114 Segment Reporting. Adoption of this Standard did not have any effect on the financial position or results of the Group.

Amendment to FRS 117, Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payment on the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. In making this judgment, the Directors have concluded that lands with an unexpired lease period of 50 years or more are finance lease because the present value of the minimum lease payments is substantially equal to the fair value of the land. Accordingly, the Group has changed the classification of long leasehold lands from operating leases to finance leases in the current quarter. This change in classification has no effect to the profit or loss of the current period ended 30 June 2010 or the comparative prior period. The effect of the reclassification to the comparative of the prior year's statement of financial position is as follows:

31 December 2009	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Prepaid land lease payments	7,969	(3,360)	4,609
Property, plant and equipment	577,425	3,360	580,785

A2. Qualification of financial statements

The preceding year annual financial statements were not subject to any qualification.

A3. Seasonal and cyclical factors

The group's results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual and extraordinary items

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cashflows during the current quarter under review.

A5. Material changes in estimates

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date including impairment of intangible assets, depreciation on property, plant and equipment, and deferred tax assets that could arise from unused tax losses and unabsorbed capital allowances.

There were no material changes in estimates reported in the current quarter under review.

A6. Issuance and repayment of debt and equity securities

Save as disclosed below, there were no issuances, cancellations, share buy-backs, resale of shares bought back or repayment of debt and equity securities:

(a) Share Capital

During the six-month period ended 30 June 2010, the issued and paid-up share capital of the Company increased from 1,086,800,574 ordinary shares of RM0.10 each to 1,173,580,420 ordinary shares of RM0.10 each by way of issuance of:

- i. 85,831,866 new ordinary shares of RM0.10 each pursuant to the conversion of 343,327,466 ICCLS of RM0.10 each on the basis of RM0.40 per ordinary share.
- ii. 947,000 new ordinary shares of RM0.10 each pursuant to the exercise of options granted under the ESOS at the option price of RM0.17 per ordinary share.
- iii. 980 new ordinary shares of RM0.10 each pursuant to the exercise of 980 Warrants of RM0.10 each at an exercise price of RM0.40 per warrant.

(b) Treasury Shares

There were no repurchase of the Company's shares during the current quarter.

A7. Dividends Paid

No dividends were paid during the current quarter.

A8. Segmental Information**Primary reporting format - business segments**

	Oilfield Services RM'000	Transport Solutions RM'000	Production Enhancement RM'000	Energy Logistics RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<u>2010</u>							
<u>Revenue</u>							
External sales	644,322	216,350	22,994	-	4,890	-	888,556
Inter-segment sales	72,616	-	-	-	12,469	(85,085)	-
Total revenue	<u>716,938</u>	<u>216,350</u>	<u>22,994</u>	<u>-</u>	<u>17,359</u>	<u>(85,085)</u>	<u>888,556</u>
<u>Results</u>							
Segment result	16,838	64,434	1,080	-	3,198	(57,785)	27,765
Finance income							1,090
Finance cost							(38,500)
Share of result of							
- associated companies	-	-	-	32,855	-	-	32,855
- jointly controlled entities	-	-	(1,801)	-	-	-	(1,801)
Profit before taxation							<u>21,409</u>
Taxation							<u>(2,905)</u>
Profit after taxation							<u>18,504</u>
<u>2009</u>							
<u>Revenue</u>							
External sales	709,600	277,940	18,305	33,442	134	-	1,039,421
Inter-segment sales	-	-	-	-	10,722	(10,722)	-
Total revenue	<u>709,600</u>	<u>277,940</u>	<u>18,305</u>	<u>33,442</u>	<u>10,856</u>	<u>(10,722)</u>	<u>1,039,421</u>
<u>Results</u>							
Segment result	66,308	57,051	(275)	(3,071)	109	(22,439)	97,683
Finance income							564
Finance cost							(44,886)
Share of result of							
- associated companies	-	-	-	14,516	-	-	14,516
- jointly controlled entities	-	-	937	-	-	-	937
Profit before taxation							<u>68,814</u>
Taxation							<u>(26,539)</u>
Profit after taxation							<u>42,275</u>

A9. Valuation of property, plant and equipment

There is no revaluation of property, plant and equipment, as the group does not adopt a revaluation policy on property, plant and equipment.

A10. Subsequent Events

There were no materials events subsequent to the end of the quarter under review.

A11. Changes in composition of the group

- (a) On 17 May 2010, Scomi Group Bhd ("SGB") incorporated a wholly-owned subsidiary known as Scomi Nigeria Pte Ltd ("Scomi Nigeria") in Singapore. The initial issued share capital of Scomi Nigeria is S\$2.00 comprising of 2 ordinary shares.
- (b) On 9 June 2010, SGB completed its acquisition of 10,000 ordinary shares of N20.00 each representing 2.0% equity interest in Oiltools Africa Limited ("OAL") from Scomi Oiltools Bermuda Limited ("SOBL") for a total cash consideration of USD350,000.
- (c) On 9 June 2010, Scomi Nigeria completed the following acquisitions:
 - (i) 490,000 ordinary shares of N20.00 each in OAL representing 98.0% of the entire issued ordinary shares of OAL from Scomi Oiltools (Africa) Limited ("SOAL") for a total cash consideration of USD17,150,000;
 - (ii) 249,500 ordinary shares ordinary shares of N20.00 each in Titan Tubulars Nigeria Limited ("TITAN") representing 49.9% of the entire issued ordinary shares of TITAN from SOBL for a total cash consideration of USD3,460,000; and
 - (iii) 1,000 ordinary shares ordinary shares of N20.00 each in TITAN representing 0.2% of the entire issued ordinary shares of TITAN from Wasco Oil Service Company Nigeria Limited for a total cash consideration of USD40,000.
- (d) On 30 June 2010, Scomi Engineering Bhd ("SEB"), a subsidiary of the Company, completed its disposal of Scomi OMS Oilfield Holdings Sdn Bhd and Scomi OMS Oilfield Services Pte Ltd (collectively known as the Machine Shop group).
- (e) On 19 July 2010, Scomi Engineering Bhd ("SEB"), a subsidiary of the Company, incorporated a wholly owned subsidiary company, Scomi Transit Projects Sdn Bhd ("STP"), with an authorized capital of RM1,000,000 and paid-up capital of RM100,000.

A12. Contingent liabilities

Details of contingent liabilities of the Group at the end of the quarter are as follows:

	RM`000
Bank guarantees given to third party in respect of performance guarantee given by subsidiaries	89,337
Various claims against subsidiaries	6,142
Share of contingent liabilities in associate	13,762
	<u>109,241</u>

Other than the above, Scomi Oiltools de Venezuela S.A, a wholly owned subsidiary of Scomi Oilfield Limited is defending a litigation claims brought on by several ex-employees on the termination of employment contracts. Based on the assessment by Directors of Scomi Oilfield Limited in consultation with legal counsel, no significant provision is required as the outcome of each case is uncertain at this juncture.

A13. Capital and operating lease commitments

Authorised capital commitments not provided for in the financial statements at the end of the quarter are as follows:

	Approved and contracted for RM`000	Approved but not contracted for RM`000	Total RM`000
Property, plant and equipment	2,183	32,421	34,604
Development expenditure	3,130	12,632	15,762
Others	-	14,564	14,564
Total	5,313	59,617	64,930

Operating lease commitments:

Future minimum lease rental payable	Due within 1 year RM'000	Due within 1 & 5 years RM'000	Due after 5 years RM'000	Total RM'000
Property	3,593	5,212	369	9,174
Plant and Machinery	884	3,536	1,325	5,745
Others	596	937	-	1,533
Total	5,073	9,685	1,694	16,452

A14. Related Party Transactions

The following are the significant related party transactions:

	2nd Quarter ended 30-June-10 RM'000	Year -to-date 30-June-10 RM'000
<i>Transactions with an associated company</i>		
- management fee charged	75	151
<i>Transactions with a company connected to a Director</i>		
- Purchase of airline ticketing services	320	1,860

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of performance for the quarter ended 30th June 2010

B1 should be read in conjunction with A8 above.

The Group recorded a turnover of RM429.3 million for the current quarter compared to RM518.9 million for the corresponding quarter in 2009. The revenue was mostly generated by the Oilfield Services Division and the Transport Solutions Division.

The Oilfield Services Division generated revenue of RM330.4 million for the current quarter, representing a decrease of RM9.6 million or 3% over RM340.0 million recorded in the corresponding quarter in 2009. The decrease was mainly due to lower sales in UK, Middle East and India, whilst Russia and Eastern Hemisphere performed fairly well. The weakening of USD against most currencies has also substantially impacted the revenue reported for the period.

Revenue from the Transport Solutions Division was RM87.4 million. This was RM63.8 million or 42% lower than the revenue in the previous year's corresponding quarter of RM151.2 million. The decrease was mainly due to lower revenue recorded in the ongoing monorail project and lower sales from the Machine Shop unit.

Net profit for the current quarter was RM3.6 million compared to RM20.9 million in the corresponding quarter last year, representing a decrease in net profit of RM17.3 million. Operationally, the decrease was mainly attributable to lower revenue achieved by Transport Solutions Division and cost revision resulting in an increase in the estimated costs to completion and reduction in the attributable profit of the monorail project. The adverse quarter performance in Machine Shop business in the same Division has also contributed to the lower net profit.

Also included in the net profit for the quarter are the adjustments for hyper-inflationary economy in Venezuela under Oilfield Services Division, which also adversely impacted the performance of the Group for the quarter.

B2. Variation of results against preceding quarter

The Group achieved a turnover of RM429.3 million for the current quarter compared to RM459.3 million in the preceding quarter, representing a decrease of RM30 million or 6%.

Net profit for the current quarter was RM3.6 million against a net profit of RM13.5 million in the preceding quarter.

B3. Current year prospects

The Group's performance in 2010 continues to be driven by the global economic conditions.

The **Oilfield Services Division's** in 2010 is expected to see gradual improvement from the sharp downcycle of 2009, on the back of increased global drilling activities. We continue to anticipate a busier second half in 2010, with the commencement of new development projects, particularly in the Eastern Hemisphere. Our operations are currently strongly supported by the Asian and Middle Eastern markets, and should cushion the adverse impact from business slowdown in Europe and Latin America. In the US, any tightening of offshore drilling regulations in the Gulf of Mexico has no direct impact on us as our US operations comprise mainly land rig activities.

The outlook for **Transport Solutions Division** in 2010 is expected to be challenging for the balance of the year. The Group will continuously pursue opportunities in monorail projects especially in Malaysia, Brazil and India and capitalize on the increasing demand and opportunities for global infrastructure development in these countries. The group is differentiating its brand through technology evolution and cost effectiveness to penetrate into international emerging markets.

With the improved economic climate, the **Energy Logistics Division** is cautiously optimistic as to the outlook for second half in 2010. The Division will continue to service existing contracts with coal logistics being the key driver. The offshore sector is slowly recovering and there are pockets of opportunities in Malaysia and Indonesia. Charter rates for this sector have stabilised. Management remained prudent in its management of business operations with focus on cost efficiencies while looking at opportunities that leverage on the Division's track record and expertise.

The **Production Enhancement Technology** line of business is expected to continue its business expansion plan providing niche production chemical and engineering services to key growth areas in Asia and the Middle East. It will leverage on the existing Oilfield Services infrastructure in areas where the opportunities are identified. The operations of the production clients are expected to be consistent along with the some seasonal changes in certain areas.

B4. Variance of actual and revenue or profit estimate

The Company has not announced or disclosed any revenue or profit estimate, forecast, projection or internal targets for the group for the period under review.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-10 RM`000	Preceding Year Quarter 30-Jun-09 RM`000	Current Year Quarter 30-Jun-10 RM`000	Preceding Year Quarter 30-Jun-09 RM`000
Current tax:				
Malaysian income tax	501	592	629	1,522
Foreign tax	7,219	12,757	16,978	19,329
	<u>7,720</u>	<u>13,349</u>	<u>17,607</u>	<u>20,851</u>
Under/(Over)provision of income tax in prior years	(11,562)	(46)	(11,562)	(112)
	<u>(3,842)</u>	<u>13,303</u>	<u>6,045</u>	<u>20,739</u>
Deferred tax	(4,035)	5,886	(3,140)	5,800
Total income tax expense	<u>(7,877)</u>	<u>19,189</u>	<u>2,905</u>	<u>26,539</u>

Domestic current income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the taxable profit for the year. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate of the Group for the current quarter was lower mainly due:-

- i. Certain income not subject to tax; and
- ii. Over provision of income and deferred tax in prior year.

B6. Unquoted investments and/or properties

There were no disposals of unquoted investments or properties during the period under review.

B7. Quoted and marketable investments

(a) Details of purchases and disposals of quoted securities are as follows:

	Individual Quarter		Cumulative Quarter	
	30-June-10 RM'000	30-June-09 RM'000	30-June-10 RM'000	30-June-09 RM'000
Purchases (at cost)	-	-	-	-
Sale proceeds	-	-	-	(1,500)
Gain/(loss) on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Details of investments in quoted securities as at the reporting date are as follows:

	RM`000
Total investments at cost	<u>2,594</u>
Total investments at carrying value	<u>160</u>
Total investments at market value	<u>160</u>

B8. Status of corporate proposals

Scomi Group Berhad

The status of utilisation of proceeds raised from the Irredeemable Convertible Secured Loan Stock ("ICSLS") is as follows:

Purpose	Proposed utilisation	Actual utilisation	Intended timeframe	Deviation		Note
	RM'000	RM'000		RM'000	%	
Subscription of SEB's rights issue	61,241	54,782	End March 2010	6,459	10.5	1
Issuance expenses and working capital	90,339	96,798	End April 2010	(6,459)	-7.1	1
	<u>151,580</u>	<u>151,580</u>		<u>-</u>		

Note:

- 1) Actual utilisation completed within the intended timeframe and is within the estimated utilisation amount.

Proposed Debt Rationalization

On 31st March 2010, CIMB, on behalf of the Company announced that Scomi Oilfield Limited ("**SOL**"), a 76.08% owned subsidiary of the Company will be undertaking a debt rationalisation exercise to further strengthen its financial position to capitalise on the improving business environment of the oil and gas sector ("Debt Rationalisation Exercise").

The Debt Rationalisation Exercise primarily involves the rationalisation of SOL's overall debt profile which would improve the cashflow position of SOL to enable it to capitalise on the abovementioned opportunities, and hence, to improve its liquidity position.

The Debt Rationalization Exercise is not subjected to shareholders approval.

On 14 June 2010, CIMB, on behalf of the Company announced that the Debt Rationalisation Exercise was completed on 14 June 2010.

B8. Status of corporate proposals (continued)

Proposed Acquisition of Nigerian Machine Shop

On 2 June 2010, the Company announced that Scomi Group Bhd had on the same date entered into a conditional share sale agreement with Scomi Oiltools Bermuda Limited ("SOBL") to acquire 10,000 ordinary shares of ₦20 each representing 2.0% equity interest in Oiltools Africa Limited ("OAL") from SOBL for a total cash consideration of USD350,000.

In addition, the Company announced that Scomi Nigeria Pte Ltd ("Scomi Nigeria"), a wholly owned subsidiary of the Company, had on 2 June 2010, entered into the following conditional agreements:

- (i) a conditional share sale agreement with Scomi Oiltools (Africa) Limited ("SOAL") to acquire 490,000 ordinary shares of ₦20 each representing 98% equity interest in OAL from SOAL for a total cash consideration of USD17,150,000;
- (ii) a conditional share sale agreement with SOBL to acquire 249,500 ordinary shares of ₦20 each representing 49.9% equity interest in Titan Tubulars Nigeria Limited ("Titan") from SOBL for a total cash consideration of USD3,460,000; and
- (iii) a conditional share sale agreement with Wasco Oil Service Company Nigeria Limited ("Wasco") to acquire 1,000 ordinary shares of ₦20 each representing 0.2% equity interest in Titan from Wasco for a total cash consideration of USD40,000.

The above acquisitions are collectively referred to as the "Proposed Acquisition of Nigerian Machine Shop".

The Proposed Acquisition of Nigerian Machine Shop form part of SGB Group's restructuring exercise to strengthen the balance sheet of the respective companies in the Group.

On 9 June 2010, the Company announced the completion of the Proposed Acquisition of Nigerian Machine Shop on the same date.

B8. Status of corporate proposals (continued)

Proposed Sale of Machine Shop Business by SEB

On 18 May 2010, Scomi Engineering Bhd ("**SEB**"), a direct subsidiary of the Company, had entered into a conditional share sale agreement ("**SSA**") with OMS Holdings Pte Ltd, a wholly owned subsidiary of Sumitomo Corporation Asia Pte Ltd ("**Purchaser**") for the sale of SEB's entire machine shop business of Scomi OMS Oilfield Holdings Sdn Bhd and Scomi OMS Oilfield Services Pte Ltd, both wholly-owned subsidiaries of the SEB ("**Machine Shop group**"), for a total cash consideration of approximately USD101.45 million (subject to adjustments, if any) ("Proposed Sale").

Approval of the shareholders of SEB was obtained in a general meeting on 28 June 2010.

The disposal of the Machine Shop group was completed on 30 June 2010 with all conditions precedent in the SSA being met. The final sales consideration is subject to post completion reconciliations of the actual debt, cash, tax and working capital of the Machine Shop group on completion date.

B9. Group borrowings and debt securities

The group borrowings and debt securities as at the end of the reporting period are as follows:

	<u>Current</u> RM'000	<u>Non- current</u> RM'000	<u>Total</u> RM'000
<u>Borrowings</u>			
Secured	535,083	848,461	1,383,544
<u>Debt securities</u>			
Secured	5,031	4,170	9,201
Unsecured	276	821	1,097
	<u>540,390</u>	<u>853,452</u>	<u>1,393,842</u>

The group borrowings and debt securities are denominated in the following currencies:

	RM`000
Ringgit Malaysia	1,100,162
US Dollar	226,825
Sterling Pound	25,662
Indian Rupee	40,717
Others	476
Total	<u>1,393,842</u>

B10. Derivative financial instruments

Summary of outstanding derivatives as at 30 June 2010 are as follows:

Type of derivatives	Contract/Notional value RM'000	Fair value RM'000
Cross Currency Interest Rate Swaps (CCIRS)		
- Less than 1 year	150,000	(738)
- 1 year to 3 years	463,500	5,780

B11. Change in material litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material adverse effect on the financial position of the Company or any of its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B12. Proposed Dividend

No dividend has been declared for the current quarter under review.

B13. Earnings per share

	Individual Quarter		Cumulative Quarter	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
Basic earnings per share				
Net profit attributable to shareholders (RM'000)	3,622	20,853	17,191	30,363
Weighted average number of shares ('000)	1,390,436	1,008,689	1,369,015	1,008,094
Basic earnings per share (sen)	0.26	2.07	1.26	3.01
Diluted earnings per share				
Net profit attributable to shareholders (RM'000)	3,622	20,853	17,191	30,363
Weighted average number of shares ('000)	1,390,436	1,008,689	1,369,015	1,008,094
Dilutive effect of unexercised share option and warrants (RM'000)	19,172	6,553	19,172	6,553
	1,409,608	1,015,242	1,388,187	1,014,647
Diluted earnings per share (sen)	0.26	2.05	1.24	2.99

B14. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 August 2010.