

CAB CAKARAN CORPORATION BERHAD
(583661-W)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 DECEMBER 2012**

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER 3 months ended 31 December		CUMULATIVE QUARTER 3 months ended 31 December	
		2012	2011	2012	2011
		RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)
Revenue	9	138,010	136,666	138,010	136,666
Cost of sales		(131,129)	(125,732)	(131,129)	(125,732)
Gross profit		6,881	10,934	6,881	10,934
Other income		1,342	396	1,342	396
Distribution costs		(3,855)	(4,364)	(3,855)	(4,364)
Administrative expenses		(3,678)	(3,678)	(3,678)	(3,678)
Other expenses		(253)	(3)	(253)	(3)
Profit from operations	9	437	3,285	437	3,285
Investment revenue		88	519	88	519
Other gains and losses		(83)	187	(83)	187
Finance costs		(1,506)	(1,374)	(1,506)	(1,374)
(Loss)/profit before taxation		(1,064)	2,617	(1,064)	2,617
Tax income/(expense)	19	131	(970)	131	(970)
(Loss)/profit for the period	27	(933)	1,647	(933)	1,647
Other comprehensive income					
Exchange difference on translating foreign operations		(5)	(3)	(5)	(3)
Total comprehensive (loss)/ income for the period		(938)	1,644	(938)	1,644
(Loss)/profit attributable to:					
Owners of the Company		(916)	1,678	(916)	1,678
Non-controlling interests		(17)	(31)	(17)	(31)
		(933)	1,647	(933)	1,647
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(918)	1,678	(918)	1,678
Non-controlling interests		(20)	(34)	(20)	(34)
		(938)	1,644	(938)	1,644
Basic (loss)/earnings per ordinary share (sen)	25	(0.70)	1.28	(0.70)	1.28
Diluted earnings per ordinary share (sen)	25	Not applicable	Not applicable	Not applicable	Not applicable

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2012 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December 2012 RM'000 (Unaudited)	As at 30 September 2012 RM'000 (Audited)
	Note		
ASSETS			
Non-Current Assets			
Property, plant and equipment		177,094	175,222
Investment properties		46,819	46,819
Prepaid lease payments on leasehold land		8,402	8,455
Goodwill		1,670	1,670
Other financial asset		260	260
Agricultural development expenditure		284	285
Deferred tax assets		269	269
Total non-current assets		234,798	232,980
Current Assets			
Inventories		28,654	26,126
Trade and other receivables		56,749	57,390
Derivative financial asset	22	1	2
Current tax assets		2,264	1,734
Other assets		3,518	3,789
Short-term deposits with licensed banks		5,476	5,418
Cash and bank balances		7,332	8,428
		103,994	102,887
Non-current assets classified as held for sale		125	125
Total current assets		104,119	103,012
TOTAL ASSETS		338,917	335,992
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		65,890	65,890
Treasury shares		(69)	(69)
Reserves		39,789	39,949
Retained earnings	26	23,102	23,860
Equity attributable to owners of the Company		128,712	129,630
Non-controlling interests		20,270	20,290
Total Equity		148,982	149,920
NON-CURRENT LIABILITIES			
Borrowings	21	32,269	32,068
Deferred tax liabilities		6,660	7,016
Total non-current liabilities		38,929	39,084
CURRENT LIABILITIES			
Trade and other payables		64,514	64,921
Borrowings	21	86,022	81,893
Derivative financial liability	22	4	-
Current tax liabilities		466	174
Total current liabilities		151,006	146,988
TOTAL LIABILITIES		189,935	186,072
TOTAL EQUITY AND LIABILITIES		338,917	335,992
Net assets per share of RM0.50 each attributable to ordinary equity holders of the parent company (RM)		0.98	0.98

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2012 and the accompanying explanatory notes attached to the interim financial report.

CAB CAKARAN CORPORATION BERHAD (583661-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(The figures have not been audited)

Three (3) Months Ended December 31, 2012

	←----- Attributable to owners of the Company -----→								
	←----- Non-distributable -----→			Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
As at October 1, 2012	65,890	(69)	71	39,901	(23)	23,860	129,630	20,290	149,920
Loss for the period	-	-	-	-	-	(916)	(916)	(17)	(933)
Other comprehensive loss	-	-	-	-	(2)	-	(2)	(3)	(5)
Total comprehensive loss for the period	-	-	-	-	(2)	(916)	(918)	(20)	(938)
Transfer to retained earnings	-	-	-	(158)	-	158	-	-	-
Balance as at December 31, 2012	65,890	(69)	71	39,743	(25)	23,102	128,712	20,270	148,982
As at October 1, 2011	65,890	(69)	71	5,115	(21)	26,636	97,622	14,147	111,769
Profit/(loss) for the period	-	-	-	-	-	1,678	1,678	(31)	1,647
Other comprehensive loss	-	-	-	-	-	-	-	(3)	(3)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	1,678	1,678	(34)	1,644
Transfer to retained earnings	-	-	-	(35)	-	35	-	-	-
Balance as at December 31, 2011	65,890	(69)	71	5,080	(21)	28,349	99,300	14,113	113,413

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2012 and the accompanying explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended December 31, 2012 RM'000 (Unaudited)	3 months ended December 31, 2011 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the period	(933)	1,647
Adjustments for:		
Depreciation and amortization of non-current assets	2,438	2,311
Interest expense	1,368	1,250
Inventories written off	46	-
Net fair value loss/(gain) on derivative financial asset or liability	5	(17)
Tax (income)/ expense recognized in profit or loss	(131)	970
Interest revenue recognized in profit or loss	(45)	(39)
Unrealised gain on foreign exchange	(23)	(23)
Gain on disposal of property, plant and equipment	-	(87)
Reversal of impairment loss recognized on receivables	-	(36)
	2,725	5,976
Movement in working capital		
Inventories	(2,574)	(2,315)
Trade and other receivables	620	(7,158)
Other assets	271	(1,495)
Trade and other payables	244	6,866
Effect of exchange rate changes on working capital	-	(5)
Cash generated from operations	1,286	1,869
Interest received	3	3
Interest paid	(1,463)	(1,222)
Net of income tax paid and refunded	(463)	(850)
Net cash used in operating activities	(637)	(200)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	34	31
Payments for property, plant and equipment, prepaid land least and investment properties	(4,165)	(3,261)
Proceeds from disposal of property, plant and equipment	-	552
Net cash used in investing activities	(4,131)	(2,678)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in short-term borrowings	5,765	3,393
Net change in hire-purchase	(1,257)	(1,072)
Repayment to a director	(600)	(15)
Net change in long-term loans	(202)	(112)
Short-term deposits pledged as security	(58)	(27)
Net cash generated from financing activities	3,648	2,167
NET DEREASE IN CASH AND CASH EQUIVALENTS	(1,120)	(711)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	7,027	5,272
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5,907	4,561

(FORWARD)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

	3 months ended December 31, 2012 RM'000 (Unaudited)	3 months ended December 31, 2011 RM'000 (Unaudited)
REPRESENTED BY:-		
Short-term deposits with licensed banks	5,476	4,308
Cash and bank balances	7,332	5,793
Bank overdrafts classified as cash equivalents	(1,425)	(1,232)
	11,383	8,869
Less: Short-term deposits pledged as security	(5,476)	(4,308)
	5,907	4,561

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements of the Group for the financial year ended September 30, 2012 and the accompanying explanatory notes attached to the interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED DECEMBER 31, 2012

PART A : EXPLANATORY NOTES AS PER FRS 134 - INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS134, Interim Financial Reporting 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 financial statements of the Group for the year ended September 30, 2012. The 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 financial year ended September 30, 2012.

2. Changes in Accounting Policies

Adoption of new and revised Financial Reporting Standards

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended September 30, 2012 except for the adoption of the following Financial Reporting Standards ("FRSs"), amendments to FRSs and Issues Committee ("IC") Interpretations which were effective for the Group's financial period beginning on October 1, 2012.

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to severe hyperinflation and removal of fixed dates for first-time adopters)
FRS 7	Financial Instruments: Disclosures (Amendments relating to disclosures: transfers of financial assets)
FRS 101	Presentation of Financial Statements (Amendments relating to presentation of item of other comprehensive income)
FRS 112	Income Taxes (Amendments relating to deferred tax: recovery of underlying assets)
FRS 124	Related Party Disclosures (revised)

The adoption of the above new and revised Standards and IC Interpretations have not significantly affected the amounts reported on the financial statements of the Group and of the Company.

Standards and IC Interpretations in issue but not yet effective

The new and revised standard and IC Interpretations which were in issue but not yet effective and not earlier adopted by the Group are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to government loans) ^(a)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to Repeated application of FRS 1 and Borrowing Costs) ^(a)
FRS 7	Financial Instruments: Disclosures (Amendments relating to disclosures: offsetting financial assets and financial liabilities) ^(a)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ^(b)
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ^(b)
FRS 10	Consolidated Financial Statements ^(a)
FRS 10	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12) ^(a)
FRS 11	Joint Arrangements ^(a)
FRS 11	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12) ^(a)

2. Changes in Accounting Policies (Cont'd)

FRS 12	Disclosure of Interests in Other Entities ^(a)
FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance (Amendments to FRS 10, FRS 11 and FRS 12) ^(a)
FRS 13	Fair Value Measurement ^(a)
FRS 101	Presentation of Financial Statements (Amendments relating to Clarification of the requirements for comparative information) ^(a)
FRS 116	Property, Plant and Equipment (Amendments relating to Classification of servicing equipment) ^(a)
FRS 119	Employee Benefits (2011) ^(a)
FRS 127	Separate Financial Statements (2011) ^(a)
FRS 128	Investment in Associates and Joint Ventures (2011) ^(a)
FRS 132	Financial instruments Presentation (Amendments relating to Tax effect of distribution to holders of equity instruments) ^(a)
FRS 132	Financial instruments Presentation (Amendments relating to offsetting financial assets and financial liabilities) ^(c)
FRS 134	Interim Financial Reporting (Amendments relating to Interim financial reporting and segment information for total assets and liabilities) ^(a)
IC Interpretation 2	Members' Shares in CO-operative Entities and Similar Instruments (Amendments relating to Tax effect of equity distributions) ^(a)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ^(a)

^(a) Effective for annual periods beginning on or after January 1, 2013

^(b) Effective for annual periods beginning on or after January 1, 2015 instead of January 1, 2013 immediately upon the issuance of Amendments to FRS 9 (IFRS 9 issued by IASB on November 2009 and October 2010 respectively) and FRS 7 relating to "Mandatory Effective Date of FRS 9 and Transition Disclosures" on March 1, 2012

^(c) Effective for annual periods beginning on or after July 1, 2014

The directors anticipate that the abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these FRSs and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as discussed in the audited financial statements of the Group for the year ended September 30, 2012.

3. Audit opinion

The auditors' report on the financial statements of the Group for the financial year ended September 30, 2012 was not subject to any audit qualification.

4. Seasonal or cyclical factors

The Group's financial performance in the current quarter was not significantly affected by any seasonal or cyclical factor.

5. Unusual items

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flows of the Group in the current quarter ended December 31, 2012.

6. Material change in estimates

There were no material changes in estimates of amounts reported in the prior quarter and/ or financial year that have a material effect on the Group in the current quarter ended December 31, 2012.

7. Changes in debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities by the company for the current quarter ended December 31, 2012.

At the Annual General Meeting held on March 29, 2012, the shareholders of the Company had approved the Proposed Renewal of Share Buy Back Authority for the Company to purchase its own ordinary shares of RM0.50 each as may be determined by the Directors of the Company up to a maximum of 10% of the issued and paid up capital of the Company. The mandate will expire upon the conclusion of the next Annual General Meeting of the Company.

The Company did not repurchase any treasury shares during the current quarter under review.

As at ended December 31, 2012, a total of 218,200 shares were repurchased and held as treasury shares and carried at cost of RM69,304.

8. Dividends paid

There were no dividends paid for the current year to date.

9. Segmental information

The analysis of contribution by business activities of the Group is as follows:-

	Investment holding RM'000	Integrated poultry farming and processing RM'000	Supermarket RM'000	Value added food products manufacturing and trading RM'000	Marine products RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Three (3) Months ended December 31, 2012								
Segment revenue								
External revenue	-	100,487	24,624	10,762	1,484	653	-	138,010
Inter-segment revenue	30	4,891	12	534	239	195	(5,901)	-
Total revenue	30	105,378	24,636	11,296	1,723	848	(5,901)	138,010
Segment results	(24)	(1,415)	708	602	198	171	197	437
As at December 31, 2012								
Segment assets	42,464	293,023	21,163	32,233	7,135	1,156	(66,266)	330,908
Segment liabilities	76	45,465	12,758	4,115	1,977	132	(5)	64,518
Three (3) Months ended December 31, 2011								
Segment revenue								
External revenue	-	96,463	21,932	12,678	4,969	624	-	136,666
Inter-segment revenue	30	6,234	22	576	261	195	(7,318)	-
Total revenue	30	102,697	21,954	13,254	5,230	819	(7,318)	136,666
Segment results	(9)	2,129	37	729	86	81	232	3,285
As at December 31, 2011								
Segment assets	38,963	236,886	20,362	33,197	5,908	1,070	(63,330)	273,056
Segment liabilities	79	38,127	12,623	3,084	3,088	129	(5)	57,125

(FORWARD)

9. Segmental information (Cont'd)

The analysis of contribution by geographical locations of the Group is as follows:-

	Three (3) Months ended December 31, 2012	
	RM'000	%
Revenue		
By Geographical Locations		
Malaysia	135,664	98.3%
United States of America	1,517	1.1%
Others	829	0.6%
Consolidated	<u>138,010</u>	<u>100.0%</u>

The Directors are of the opinion that all inter-segment transfers have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Those transfers are eliminated on consolidation.

10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. There was no revaluation of property, plant and equipment for the current quarter under review.

The valuation of land and buildings has been brought forward without any amendment from the previous audited financial statements.

11. Material events subsequent to the end of the interim period

There were no material events which have occurred subsequent to the end of current quarter ended December 31, 2012 until the date of the interim financial report.

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year up to the quarter under review.

13. Changes in contingent liabilities and assets

As at December 31, 2012, the Company issued corporate guarantees amounting to RM182.971 million (December 31, 2011: RM152.532 million) as security to financial institutions and suppliers for banking facilities and/ or credit terms respectively granted to its subsidiary companies.

14. Capital commitments

The capital commitments of the Group as at December 31, 2012 are as follows:-

	RM'000
Property, plant and equipment:	
Authorised but not contracted for	4,074
Approved and contracted for	<u>1,968</u>
Total	<u>6,042</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED DECEMBER 31, 2012

PART B : ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. Review of performance

For the first quarter ended December 31, 2012, the Group recorded revenue of RM138.010 million, representing an increase of about 1% over the prior year corresponding quarter's revenue of RM136.666 million. The higher revenue in the current quarter as compared to the prior year's corresponding quarter was due mainly to the increase in sales of integrated poultry farming and processing division. Despite the higher sales in the current quarter, the Group recorded a lower profit from operations of RM0.437 million as compared with the prior year's corresponding quarter's profit from operations of RM3.285 million.

The higher revenue of integrated poultry farming and processing division was mainly attributed to the increase in the production and sales of broilers. However, the integrated poultry farming and processing division recorded a loss from operations of RM1.415 million due to the lower average selling price of broilers coupled with the higher feed cost as compared to the preceding quarter has eroded its operating margin.

In tandem with the higher revenue in the current quarter under review, the supermarket division recorded a higher segment result of RM0.708 million. The better performance in revenue as well as its segmental result as compared to the prior year's corresponding quarter was mainly due to the improve performance of most of the supermarket outlets.

As a result of the competitive pricing environment, which invariably had a negative impact on profit margin, the value added food products manufacturing and trading division recorded a lower revenue and segment result. The division recorded a lower revenue of RM11.296 million and segment result of RM0.602 million as compared to the preceding corresponding quarter.

Despite the lower revenue recorded by the marine products division, the division showed an increase in the segment result of RM0.198 million in the current quarter. This was due to the better margin achieved by marine products during the quarter under review.

16. Comment on material change in (loss)/ profit before taxation

The comparison of the Group's revenue and (loss)/ profit before taxation for the current quarter and preceding quarter is summarised as follows:-

	2013 Quarter 1 RM'000 (Unaudited)	2012 Quarter 4 RM'000 (Audited)	Variance RM'000	%
Revenue	138,010	137,421	589	0.4%
(Loss)/ profit before taxation	(1,064)	7,075	(8,139)	>-100%

For the current quarter ended December 31, 2012, the Group's revenue was slightly higher as compared to the preceding quarter mainly due to the higher sales achieved by value added food products manufacturing and trading division.

However, the Group recorded a loss before tax of RM1.064 million as compared to profit of RM7.075 million achieved in the preceding quarter. This was due to the inclusion of gain on fair value adjustment of investment properties amounting to RM13.737 million in the preceding quarter. Excluding the gain on fair value adjustment of investment properties, the Group would have recorded a lower loss before taxation mainly due to the better result achieved by all divisions.

17. Commentary on prospects

The performance of the integrated poultry farming and processing division in the next quarter will be affected by the low ex-farm price of broilers and is not expected to show significant improvement although the price of feed which has dropped by 5.5% will help to reduce the cost of production. Moving forward, we expect the price of feed to increase in the next couple of months which may result in farms cutting down on production. This may have a favourable impact on the ex-farm price of broilers which should help the division to turn around.

The supermarket division is expected to improve its performance due to continuous growth in sales. A new outlet will be opened in Padang Serai, Kedah in the third quarter, making a total of six outlets.

The value added food product manufacturing and trading division is expected to show improvement in its performance as the recent introduction of more high value added product is beginning to witness a pick up in sales. The upward adjustment in prices of existing products during the last quarter has helped to improve margin and contribute positively to the bottom line.

The marine division is expected to see a slow down in orders in the next quarter after the year end festive season which traditionally is the division's peak period. The unavailability of suitable supply source will further impact the division's performance negatively.

18. Variance of actual profit from profit forecast

Not applicable as no profit forecast was published.

19. Tax (income)/ expense

	3 months ended		3 months ended	
	31.12.12	31.12.11	31.12.12	31.12.11
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current	432	1,200	432	1,200
- Prior years	(207)	-	(207)	-
	225	1,200	225	1,200
Deferred taxation	(356)	(230)	(356)	(230)
	(131)	970	(131)	970

For the current quarter under review, the Group has reduced the provision for deferred tax liabilities due to the availability of unabsorbed capital allowance and business losses. The Group made provision for the current year taxation as business profit of certain subsidiary companies cannot be used to offset the business loss of other subsidiary companies. The effective tax rate of the relevant subsidiaries is higher than the statutory tax rate due mainly to certain expenses being disallowed for tax purpose.

20. Corporate proposals

There were no corporate proposals announced but not completed in the current quarter ended December 31, 2012 and up to the date of this interim financial report.

21. Group borrowings and debt securities

The Group's total bank borrowings as at December 31, 2012 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:			
Bank overdrafts	8,413	714	9,127
Bankers' acceptance	40,433	27,954	68,387
Foreign currency trade loan	263	-	263
Hire purchase payables	4,681	-	4,681
Term loans	3,564	-	3,564
Sub-total	57,354	28,668	86,022
Long-term borrowings:			
Hire purchase payables	6,488	-	6,488
Term loans	25,781	-	25,781
Sub-total	32,269	-	32,269
Total borrowings	89,623	28,668	118,291

The foreign currency exposure profile of borrowings is as follows:

	RM'000
Ringgit Malaysia	118,028
United States Dollar	263
	<u>118,291</u>

22. Derivative financial instruments

The derivative financial asset and liability as at December 31, 2012 are carried at fair value through profit or loss as follows:

Financial instruments	Contracted Amount RM'000	Fair Value Gain RM'000
Forward Foreign Exchange Contracts:		
Sales Contracts - Less than 1 year	274	(1)
Purchase Contracts - Less than 1 year	195	(2)

For the quarter ended December 31, 2012, there have been no significant changes to the Group's exposure to credit risk, market risk, liquidity risk and foreign currency risk from the previous financial year. The Group's financial risk management objectives or policies have also not been changed since the previous financial year.

23. Changes in material litigation

There were no material litigations as at the date of the interim financial report.

24. Proposed Dividend

No interim dividend has been declared during the current quarter ended December 31, 2012.

25. Basic (loss)/ earnings per share

The basic earnings per ordinary share and diluted earnings per ordinary share are calculated based on the Group's net profit attributable to ordinary shareholders over the weighted average number of ordinary shares in issue as follows:-

	Current Year Quarter December 31, 2012	Prior Year Quarter December 31, 2011	Current Year To Date December 31, 2012	Preceding Year Corresponding Period December 31, 2011
Net (loss)/ profit attributable to shareholders (RM'000)	(916)	1,678	(916)	1,678
Weighted average number of shares				
Basic Weighted average number of ordinary shares in issue ('000)	131,561	131,561	131,561	131,561
Basic (loss)/ earnings per ordinary share (sen)	(0.70)	1.28	(0.70)	1.28

26. Retained earnings

The breakdown of the retained earnings of the Group into realized and unrealized amounts, pursuant to the directive from Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	Current Quarter Ended December 31, 2012 RM'000 (Unaudited)	As At September 30, 2012 RM'000 (Audited)
Total retained earnings		
Realised	27,800	28,694
Unrealised	23,436	23,212
	51,236	51,906
Less: Consolidation adjustments	(28,134)	(28,046)
Total retained earnings as per statement of financial position	23,102	23,860

27. (Loss)/ profit for the period

(Loss)/ profit for the period has been arrived at:

	3 months ended		3 months ended	
	December 31, 2012 RM'000	December 31, 2011 RM'000	December 31, 2012 RM'000	December 31, 2011 RM'000
After charging/(crediting):-				
Depreciation and amortization of non-current assets	2,438	2,311	2,438	2,311
Interest expenses	1,368	1,250	1,368	1,250
Inventories written off	46	-	46	-
Net fair value loss/(gain) on derivative financial asset or liability	5	(17)	5	(17)
Interest revenue recognized in profit or loss	(45)	(39)	(45)	(39)
Unrealised gain on foreign exchange	(23)	(23)	(23)	(23)
Gain on disposal of property, plant and equipment	-	(87)	-	(87)
Reversal of impairment loss recognized on receivables	-	(36)	-	(36)

28. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution dated February 22, 2013.