



KEJURUTERAAN SAMUDRA TIMUR BERHAD

**Interim Financial Report for
3rd Quarter Ended 31st March 2012
Pursuant to FRS 134 and Selected sections of Appendix 9B
of the Listing Requirements**



KEJURUTERAAN SAMUDRA TIMUR BERHAD

(Company No. 142241-X)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
THIRD FINANCIAL QUARTER ENDED 31 MARCH 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIODS ENDED 31 MARCH 2012 AND 2011**

	Third Quarter ended 31 March 2012	31 March 2011	Cumulative Nine Months ended 31 March 2012	31 March 2011
Note	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
<u>Continuing Operations</u>				
Revenue	17,237	12,376	68,211	35,381
Cost of sales	(14,849)	(11,517)	(51,786)	(34,479)
Gross profit	2,388	859	16,425	902
Other income	52	109	104	1,648
Administrative expenses	(646)	(1,417)	(5,813)	(3,642)
Other operating expenses	(1,498)	(1,307)	(4,590)	(3,636)
Finance cost	(1,017)	(1,090)	(3,364)	(3,500)
Profit / (Loss) before taxation	(721)	(2,846)	2,762	(8,228)
Income tax expense	(439)	207	(3,262)	(591)
Profit / (Loss) for the period from continuing operation	(1,160)	(2,639)	(500)	(8,819)
<u>Discontinued Operations</u>				
Profit / (Loss) for the period from discontinued operation	535	999	1,431	376
Total profit / (loss) for the period	(625)	(1,640)	931	(8,443)
Attributable to equity holders of the Company:				
- From continuing operations	(1,120)	(2,615)	(419)	(8,745)
- From discontinued operation	283	517	733	201
	(837)	(2,098)	314	(8,544)
Non-controlling interests / Minority interests	212	458	617	101
	(625)	(1,640)	931	(8,443)
Basic earnings/(loss) Per Share attributable to equity holders of the Company (sen)				
- From continuing operations	(0.79)	(1.83)	(0.29)	(6.43)
- From discontinued operation	0.20	0.36	0.51	0.15
	(0.59)	(1.47)	0.22	(6.28)
Diluted earnings/(loss) Per Share attributable to equity holders of the Company (sen)	N/A	N/A	N/A	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIODS ENDED 31 MARCH 2012 AND 2011**



	Third Quarter ended		Cumulative Nine Months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Profit /(Loss) for the period	(625)	(1,640)	931	(8,443)
Other Comprehensive Income:				
Currency translation differences	764	288	(416)	1,175
Total other comprehensive income / (loss)	<u>764</u>	<u>288</u>	<u>(416)</u>	<u>1,175</u>
Total comprehensive profit / (loss)	<u><u>139</u></u>	<u><u>(1,352)</u></u>	<u><u>515</u></u>	<u><u>(7,268)</u></u>
Attributable to:				
Equity holders of the Company	(77)	(1,790)	(100)	(7,284)
Non-controlling interests / Minority interests	216	438	615	16
	<u>139</u>	<u>(1,352)</u>	<u>515</u>	<u>(7,268)</u>

Note to the unaudited condensed consolidated statements of comprehensive income for the financial periods ended 31 March 2011 and 2012 pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

	Third Quarter ended		Cumulative Nine Months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
a) Interest income	-	-	4	6
b) Other income (excluding (a) above and (g) below)	365	1,560	1,050	1,715
c) Interest expense	(1,107)	(1,177)	(3,612)	(3,760)
d) Depreciation and amortisation	(4,238)	(4,621)	(13,359)	(14,239)
e) Provision for and write off of receivables	-	-	-	-
f) Provision for and write off of inventories	-	-	-	-
g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	-	1,485
h) Impairment of assets	-	-	-	-
i) Foreign exchange gain/(loss)	756	352	(8)	1,512
j) Gain/(loss) on derivatives	N/A	N/A	N/A	N/A
k) Exceptional items	-	-	-	-

N/A - This is not applicable to the Group

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012 AND 30 JUNE 2011**



		As at 31 March 2012 Unaudited RM'000	As at 30 June 2011 Audited RM'000
ASSETS	Note		
Non-current assets			
Property, plant and equipment	A10	89,084	112,550
Investment in jointly controlled entities	A16	-	-
Investment securities	A17	35	35
Goodwill on consolidation		-	5,242
Deferred tax assets		-	600
		<u>89,119</u>	<u>118,427</u>
Current assets			
Inventories		3,348	4,763
Trade receivables		23,721	18,318
Other receivables		4,940	5,978
Tax recoverable		238	1,088
Investment securities	A18	-	-
Cash and bank balances (including fixed deposits)		<u>2,471</u>	<u>2,365</u>
		34,718	32,512
Assets of disposal subsidiary classified as held for sale	A19	<u>34,699</u>	<u>-</u>
		69,417	32,512
TOTAL ASSETS		<u>158,536</u>	<u>150,939</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	A7	42,908	42,908
Share premium		8,412	8,412
Other reserves		4,766	5,180
Accumulated losses	B7	<u>(29,713)</u>	<u>(30,027)</u>
		26,373	26,473
Non-controlling interests / Minority interests		<u>6,627</u>	<u>7,158</u>
Total equity		<u>33,000</u>	<u>33,631</u>
Non-current liabilities			
Loans and borrowings	B8	20,561	26,266
Deferred tax liabilities		<u>3,866</u>	<u>3,702</u>
		24,427	29,968
Current liabilities			
Trade payables		11,778	10,458
Other payables		19,042	14,266
Loans and borrowings	B8	53,536	62,351
Tax payable		<u>1,179</u>	<u>265</u>
		85,535	87,340
Liabilities of disposal subsidiary classified as held for sale	A19	<u>15,574</u>	<u>-</u>
		101,109	87,340
Total liabilities		<u>125,536</u>	<u>117,308</u>
TOTAL EQUITY AND LIABILITIES		<u>158,536</u>	<u>150,939</u>
NET ASSETS PER SHARE (SEN)		<u>18.4</u>	<u>18.5</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTH FINANCIAL PERIOD ENDED 31 MARCH 2012**



	Attributable to equity holders of the Company					Total RM'000	Minority interest RM'000	Total equity RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000		
At 1 July 2011 (Audited)	42,908	8,412	4,468	712	(30,027)	26,473	7,158	33,631
Profit for the period	-	-	-	-	314	314	617	931
Other comprehensive income / (loss)	-	-	-	(414)	-	(414)	(2)	(416)
Total comprehensive profit / (loss) for the period	-	-	-	(414)	314	(100)	615	515
Transactions with owners in their capacity as owners:								
Dissolution of a subsidiary	-	-	-	-	-	-	(1,146)	(1,146)
At 31 March 2012 (Unaudited)	42,908	8,412	4,468	298	(29,713)	26,373	6,627	33,000

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTH FINANCIAL PERIOD ENDED 31 MARCH 2011**



	Attributable to equity holders of the Company					Minority interest	Total equity	
	Non-distributable			Distributable				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	
At 1 July 2009	31,944	9,283	4,468	(652)	(15,902)	29,141	6,749	35,890
Effect arising from adoption FRS 139	-	-	-	-	(883)	(883)	-	(883)
At 1 July 2010 (restated)	31,944	9,283	4,468	(652)	(16,785)	28,258	6,749	35,007
Loss for the period	-	-	-	-	(8,544)	(8,544)	101	(8,443)
Other comprehensive income / (loss)	-	-	-	1,260	-	1,260	(85)	1,175
Total comprehensive profit / (loss) for the period	-	-	-	1,260	(8,544)	(7,284)	16	(7,268)
Transactions with owners in their capacity as owners:								
Issuance of new ordinary shares pursuant to the rights issue	10,964	-	-	-	-	10,964	-	10,964
Corporate exercise expenses for capital reduction and rights issue	-	(871)	-	-	-	(871)	-	(871)
Total transactions with owners	10,964	(871)	-	-	-	10,093	-	10,093
At 31 March 2011 (Unaudited)	42,908	8,412	4,468	608	(25,329)	31,067	6,765	37,832

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 9 MONTH FINANCIAL PERIOD ENDED 31 MARCH 2012 AND 2011**



	9 months ended	
	31 March 2012	31 March 2011
	Unaudited RM'000	Unaudited RM'000
Cash Flows From Operating Activities		
Profit / (Loss) before taxation		
- From continuing operations	2,762	(7,732)
- From discontinued operations	1,918	-
	<u>4,680</u>	<u>(7,732)</u>
Adjustments for non-cash and non-operating items:		
- Depreciation of property, plant and equipment	13,359	14,239
- Gain on disposal of assets held for sale	-	(1,485)
- Interest expense	3,612	3,760
- Unrealised loss / (gain) on foreign exchange	301	(2,454)
- Others	822	733
	<u>22,774</u>	<u>7,061</u>
Operating profit before changes in working capital	22,774	7,061
Changes in working capital:		
- Decrease/(Increase) in inventories	(735)	218
- Decrease/(Increase) in trade and other receivables	(16,060)	(3,402)
- (Decrease)/Increase in trade and other payables	9,918	(10,215)
Interest paid	(2,786)	(3,097)
Interest received	4	5
Net change in taxation	(1,703)	(1,029)
	<u>11,412</u>	<u>(10,459)</u>
Net cash from / (used in) operating activities	11,412	(10,459)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment and/or assets held for sale	389	4,900
Purchase of property, plant and equipment	(5,115)	(2,623)
Minority interest from dissolution of a subsidiary	(1,146)	-
	<u>(5,872)</u>	<u>2,277</u>
Net cash (used in) / from investing activities	(5,872)	2,277
Cash Flows From Financing Activities		
Proceeds from issue of ordinary shares net of share issuance expenses	-	10,093
Increase / (Decrease) in loans and borrowings	2,016	(4,277)
	<u>2,016</u>	<u>5,816</u>
Net cash from financing activities	2,016	5,816
Net Change in Cash and Cash Equivalents	7,556	(2,366)
Cash and Cash Equivalents at Beginning of Period	(5,608)	(7,549)
Effects of exchange rate changes	(714)	3,629
Cash and Cash Equivalents at End of Period	1,234	(6,286)
Analysis of Cash and Cash Equivalents:		
Cash and bank balances	2,757	2,354
Deposits with licensed financial institutions	348	307
Bank overdrafts	(1,871)	(8,947)
	<u>1,234</u>	<u>(6,286)</u>
Cash and Cash Equivalents	1,234	(6,286)

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134



A1 Basis of Preparation and Accounting Policies

The interim financial statements have been prepared on a going concern basis and in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011 and the accompanying explanatory notes. These explanatory notes attached to the interim financial statements 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 30 June 2011.

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2011 except for the adoption of the following amendments to FRSs and IC interpretations applicable to the Group:

Effective for annual financial period beginning on or after 1 January 2011

- Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1 : Additional Exemptions for First-time Adopters
- Amendments to FRS 2 : Group Cash-settled Share-based Payment Transactions

Effective for annual financial period beginning on or after 1 July 2011

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

The adoption of the above mentioned amendments to FRSs, IC Interpretation and amendment to IC Interpretation do not have any significant financial impact on the results and the financial position of the Group for the current quarter.

A2 Comparative for Unaudited Condensed Consolidated Statements of Comprehensive Income

On 31 January 2012, the Company had entered into a conditional shares sale agreement ("SSA") with Marubeni-Itochu Tubulars Asia Pte Ltd and Hendroff Holdings Sdn Bhd ("Purchasers") to dispose of its 51% equity interest comprising 4,335,000 ordinary shares of RM1.00 each in Sobena Inc Offshore Sdn Bhd ("Sobena") for a total cash consideration of RM14 million (hereinafter referred to as the "Proposed Disposal").

In accordance with FRS 5 Non-current Assets Held For Sale and Discontinued Operation, Sobena is classified as Disposal subsidiary held for sale / discontinued operation. The comparative of the Discontinued operation in the corresponding financial quarter and cumulative nine month period have been reclassified and presented as follows:-

Condensed consolidated statement of comprehensive income:-

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**A2 Comparative for Unaudited Condensed Consolidated Statements of Comprehensive Income (cont'd)**

(All in RM'000)	Corresponding Quarter ended 31 March 2011		
	As previously reported	Disposal Subsidiary	As reclassified
Revenue	16,805	4,429	12,376
Cost of sales	(15,748)	(4,231)	(11,517)
Gross profit	1,057	198	859
Other income	1,560	1,451	109
Administrative expenses	(1,622)	(205)	(1,417)
Other operating expenses	(1,613)	(306)	(1,307)
Finance cost	(1,177)	(87)	(1,090)
Profit / (Loss) before taxation	(1,795)	1,051	(2,846)
Income tax expense	155	(52)	207
Profit / (Loss) for the period from continuing operations	(1,640)	999	(2,639)
Profit / (Loss) for the period from discontinued operation	-		999
(All in RM'000)	Cumulative Nine Months ended 31 March 2011		
	As previously reported	Disposal Subsidiary	As reclassified
Revenue	49,427	14,046	35,381
Cost of sales	(47,796)	(13,317)	(34,479)
Gross profit	1,631	729	902
Other income	3,206	1,558	1,648
Administrative expenses	(4,267)	(625)	(3,642)
Other operating expenses	(4,542)	(906)	(3,636)
Finance cost	(3,760)	(260)	(3,500)
Profit / (Loss) before taxation	(7,732)	496	(8,228)
Income tax expense	(711)	(120)	(591)
Profit / (Loss) for the period from continuing operations	(8,443)	376	(8,819)
Profit / (Loss) for the period from discontinued operation	-		376

A3 Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report of the financial statements for the financial period ended 30 June 2011 was not qualified.

A4 Seasonal or Cyclical Factors

Overall, the business operations of the Group were not affected by any seasonal or cyclical factor.

A5 Unusual Items Due to Their Nature, Size or Incidence

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

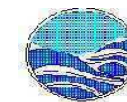
A6 Changes in Accounting Estimates

During the financial period under review, there was no change in accounting estimates adopted by the Group.

A7 Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period under review.

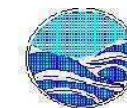
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A8 Segmental Information

UNAUDITED RESULTS FOR FOR 9-MONTH PERIOD ENDED 31.3.2012	Continuing Operations						Discontinued Operation	Consolidated RM'000
	Tubular handling services RM'000	Inspection & maintenance services RM'000	Land rig services RM'000	Oilfield fishing & others RM'000	Adjustments and Elimination RM'000	Total RM'000	Oil & gas pipes threading services RM'000	
I) BUSINESS SEGMENT								
Revenue								
- External	47,964	6,753	13,494	-	-	68,211	21,220	89,431
- Inter-segment	822	514	-	-	(1,336)	-	1	1
- Elimination at Discontinued operation	-	-	-	-	-	-	-	(1)
Total revenue	<u>48,786</u>	<u>7,267</u>	<u>13,494</u>	<u>-</u>	<u>(1,336)</u>	<u>68,211</u>	<u>21,221</u>	<u>89,431</u>
Results								
- Segment results	8,436	287	(2,592)	(5)	-	6,126	2,166	8,292
- Finance cost	(2,164)	-	(1,200)	-	-	(3,364)	(248)	(3,612)
Profit before taxation						2,762	1,918	4,680
- Taxation						(3,262)	(487)	(3,749)
Profit/(Loss) after taxation						(500)	1,431	931
Non-controlling interests / Minority interest						81	(698)	(617)
Profit/(Loss) for the period attributable to equity holders of the Company						<u>(419)</u>	<u>733</u>	<u>314</u>
Assets								
Segment assets	124,129	13,496	82,866	172	(91,610)	129,053	29,457	158,510
Unallocated corporate assets								26
Consolidated Assets								<u>158,536</u>
Liabilities								
Segment liabilities	64,549	1,305	117,700	7,024	(82,149)	108,429	15,574	124,003
Unallocated corporate liabilities								1,533
Consolidated Liabilities								<u>125,536</u>

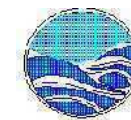
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A8 Segmental Information (Cont'd)

UNAUDITED RESULTS FOR FOR 9-MONTH PERIOD ENDED 31.3.2012	Continuing Operations						Discontinued Operation	Consolidated RM'000
	Tubular handling services RM'000	Inspection & maintenance services RM'000	Land rig services RM'000	Oilfield fishing & others RM'000	Elimination RM'000	Total RM'000	Oil & gas pipes threading services RM'000	
II) GEOGRAPHICAL SEGMENT								
Revenue from External Customers								
- Malaysia	47,964	6,753	-	-	-	54,717	19,669	74,386
- Indonesia	-	-	13,494	-	-	13,494	-	13,494
- Singapore	-	-	-	-	-	-	1,551	1,551
Total revenue	<u>47,964</u>	<u>6,753</u>	<u>13,494</u>	<u>-</u>	<u>-</u>	<u>68,211</u>	<u>21,220</u>	<u>89,431</u>
Non-current Assets								
- Malaysia	23,233	1,325	-	20	-	24,578	14,577	39,155
- Indonesia	-	-	64,541	-	-	64,541	-	64,541
	<u>23,233</u>	<u>1,325</u>	<u>64,541</u>	<u>20</u>	<u>-</u>	<u>89,119</u>	<u>14,577</u>	<u>103,696</u>
III) INFORMATION ON MAJOR EXTERNAL CUSTOMERS								
Contribute equal or > 10% of revenue for each business segment								
- Single largest customer	34,257	2,565	9,924	-	-	-	16,286	
- 2nd largest customer	-	735	2,876	-	-	-	3,999	
- 3rd largest customer	-	-	-	-	-	-	-	
- 4th largest customer	-	-	-	-	-	-	-	

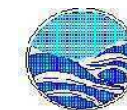
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A8 Segmental Information (Cont'd)

AUDITED RESULTS FOR FOR 9-MONTH PERIOD ENDED 31.3.2011	Continuing Operations						Discontinued Operation	Consolidated RM'000
	Tubular handling services RM'000	Inspection & maintenance services RM'000	Land rig services RM'000	Oilfield fishing & others RM'000	Adjustments and Elimination RM'000	Total RM'000	Oil & gas pipes threading services RM'000	
I) BUSINESS SEGMENT								
Revenue								
- External	21,520	6,700	7,161	-	-	35,381	14,046	49,427
- Inter-segment	42	290	-	-	(332)	-	17	17
- Elimination at Discontinued operation	-	-	-	-	-	-	-	(17)
Total revenue	<u>21,562</u>	<u>6,990</u>	<u>7,161</u>	<u>-</u>	<u>(332)</u>	<u>35,381</u>	<u>14,063</u>	<u>49,427</u>
Results								
- Segment results	305	2,330	(7,350)	(13)	-	(4,728)	756	(3,972)
- Finance cost	(2,226)	-	(1,274)	-	-	(3,500)	(260)	(3,760)
Profit/(Loss) before taxation						(8,228)	496	(7,732)
- Taxation						(591)	(120)	(711)
Profit/(Loss) after taxation						(8,819)	376	(8,443)
Non-controlling interests / Minority interest						74	(175)	(101)
Profit/(Loss) for the period attributable to equity holders of the Company						<u>(8,745)</u>	<u>201</u>	<u>(8,544)</u>
Assets								
Segment assets	113,166	12,532	90,182	229	(87,151)	128,958	24,735	153,693
Unallocated corporate assets								37
Consolidated Assets								<u>153,730</u>
Liabilities								
Segment liabilities	60,089	1,037	129,111	7,081	(93,725)	103,593	10,790	114,383
Unallocated corporate liabilities								1,515
Consolidated Liabilities								<u>115,898</u>

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A8 Segmental Information (Cont'd)

AUDITED RESULTS FOR FOR 9-MONTH PERIOD ENDED 31.3.2011	Continuing Operations						Discontinued Operation	Consolidated RM'000
	Tubular handling services RM'000	Inspection & maintenance services RM'000	Land rig services RM'000	Oilfield fishing & others RM'000	Elimination RM'000	Total RM'000	Oil & gas pipes threading services RM'000	
II) GEOGRAPHICAL SEGMENT								
Revenue from External Customers								
- Malaysia	21,520	6,700	-	-	-	28,220	10,129	38,349
- Indonesia	-	-	7,161	-	-	7,161	-	7,161
- Singapore	-	-	-	-	-	-	3,917	3,917
Total revenue	<u>21,520</u>	<u>6,700</u>	<u>7,161</u>	<u>-</u>	<u>-</u>	<u>35,381</u>	<u>14,046</u>	<u>49,427</u>
Non-current Assets								
- Malaysia	33,867	1,318	-	58	-	35,243	14,228	49,471
- Indonesia	-	-	71,970	-	-	71,970	-	71,970
	<u>33,867</u>	<u>1,318</u>	<u>71,970</u>	<u>58</u>	<u>-</u>	<u>107,213</u>	<u>14,228</u>	<u>121,441</u>
III) INFORMATION ON MAJOR EXTERNAL CUSTOMERS								
Contribute equal or > 10% of revenue for each business segment								
- Single largest customer	15,482	1,330	7,161	-	-	-	13,771	
- 2nd largest customer	3,196	1,263	-	-	-	-	-	
- 3rd largest customer	-	1,115	-	-	-	-	-	
- 4th largest customer	-	742	-	-	-	-	-	

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A9 Dividend Paid

There were no dividends paid or declared during the financial period under review.

A10 Property, Plant and Equipment and Non-Current Assets Held for Sale

The valuations of certain property, plant and equipment have been brought forward, without amendment from the financial statements for the year ended 30 June 2011.

A11 Events Subsequent to the Balance Sheet Date

In the opinion of the Directors, no transaction or event of a material or unusual nature had occurred between 31 March 2012 up to 24 May 2012 other than as disclosed in Note A16 on Investment in Jointly Controlled Entities, Note B6 on Status of Corporate Proposal Announced, Note B8 on Loans and Borrowings and Note B9 on Changes in Material Litigation.

A12 Changes in Composition of the Group

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

A13 Changes in Contingent Liabilities and Contingent Assets

	As at 31 March 2012 Unaudited RM'000	As at 30 June 2011 Audited RM'000
<u>Unsecured</u>		
a) Bank guarantees in favour of third parties	4,086	3,997

The unsecured contingent liabilities are mainly related to performance guarantees for oil and gas support services undertaken by the Group.

A14 Capital Commitments

	As at 31 March 2012 Unaudited RM'000	As at 30 June 2011 Audited RM'000
Approved, contracted but unpaid costs for the purchase of tools, machineries and equipment:		
- for the Oil Country Tubular Goods end-finishing business	94	316
- for the tubular handling business	1,215	210
	<u>1,309</u>	<u>526</u>

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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A15 Related Party Transactions

	3 months ended		9 months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Transactions by a subsidiary with one of its substantial corporate shareholders :-				
a) Rendering of threading services and sales	6,346	3,890	16,286	13,771
b) Purchase of materials	1,414	302	2,187	898
c) Rental and storage charges and fees	238	1,368	755	1,368
Transactions with companies in which certain Directors have interest :-				
a) Purchase of air ticket from a company	178	142	453	376
b) IT related services	33	25	92	106
c) Transportation, freight and handling services	303	168	1,068	935
d) Interest payable to a director	28	-	161	13

Interest payable to a director is in respect of the advances amounted to RM3,093,581 made by the director which were unsecured, bore interest rate lower than the prevailing bank overdraft's rate per annum and had no fixed term of repayment.

The Directors of the Company are of the opinion that the above transactions were in the normal course of business and have been established under terms that are not more favourable to the related parties.

A16 Investment in Jointly Controlled Entities

	As at	As at
	31 March 2012	30 June 2011
	Unaudited RM'000	Audited RM'000
Unquoted shares at cost	440	440
Net amount due from jointly controlled entities	23,083	23,083
	23,523	23,523
Share of post-acquisition reserves	(23,523)	(23,523)
	-	-

Details of the jointly controlled entities are as follows:

Name of Jointly Controlled Entities	Principal Activities	Country of Incorporation	Porportion of Ownership Interest	
			31 March 2012	30 June 2011
KST Gagie Sdn Bhd ("KSTGSB")^	Oilfield fishing services	Malaysia	50%	50%
KST Gagie Labuan Ltd. ("KSTGLL")*	Oilfield fishing services	Labuan	51%	51%

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A16 Investment in Jointly Controlled Entities (Cont'd)

- ^ - Pursuant to a Shareholders' Agreement entered into between Gagie Corporation S.A. ("Gagie") and the Company dated 19 December 2005, the control of KSTGSB was joint, as evidenced by inter alia, the quorum required for Board of Directors meetings and shareholders meetings and the requirement of joint bank signatories. The said Shareholders' Agreement has been unilaterally terminated by the Company on 5 April 2007 and Gagie has accepted the Company's "repudiation" of the Shareholders' Agreement. Notwithstanding the above, the parties have agreed to refer matters arising from the repudiation/termination to arbitration and until the resolution of the arbitration, the management of the Company continues to deem the control of KSTGSB as joint.
- * - Notwithstanding KSTGLL is owned 51% by the Company, however, pursuant to the Shareholders' Agreement entered into between Gagie and the Company dated 19 December 2005, the control of KSTGLL was joint, as evidenced by inter alia, the quorum required for Board of Directors meetings and shareholders meetings and the requirement of joint bank signatories. The said Shareholders' Agreement has been unilaterally terminated by the Company on 5 April 2007 and Gagie has accepted the Company's "repudiation" of the Shareholders' Agreement. Notwithstanding the above, the parties have agreed to refer matters arising from the repudiation/termination to arbitration and until the resolution of the arbitration, the management of the Company continues to deem the control of KSTGLL as joint.

The Group has discontinued the oilfield fishing operations in KSTGSB and KSTGLL subsequent to the terminations of the shareholders' agreements on 5 April 2007 due to various disputes. The termination was announced on 6 April 2007 by the Company to Bursa.

The joint venture partner, namely Gagie has accepted the termination/repudiation of the shareholders' agreements by the Company and both parties have agreed to refer the matters arising from the termination/repudiation to arbitration. Gagie and the Company have on 21 January 2008 formalised the appointment of an arbitrator for the aforesaid dispute whilst preliminary meeting between lawyers of both parties and the arbitrator was held in April 2008. The arbitration hearing exercise which commenced on 19 May 2009 has been completed and is currently pending delivery of arbitration judgement by the arbitrator.

A17 Investment Securities - Non-current

	As at 31 March 2012 Unaudited RM'000	As at 30 June 2011 Audited RM'000
Available for sale investment - Unquoted shares	60	60
Less: Accumulated impairment loss	(25)	(25)
	<u>35</u>	<u>35</u>

A18 Investment Securities - Current

	As at 31 March 2012 Unaudited RM'000	As at 30 June 2011 Audited RM'000
Held to maturity investment - Subordinated bonds	3,000	3,000
Less: Accumulated impairment loss	(3,000)	(3,000)
	<u>-</u>	<u>-</u>

The Company has subscribed for subordinated bonds amounting to RM3,000,000 in respect of a special purpose entity pertaining to the participation of the Company in a Collateralised Loan Obligations ("CLO") program in which RM30,000,000 term loan was granted to the Company. The subordinated bonds which have no fixed coupon rate were suspended by the Trustee of the CLO Program upon maturity on 26 January 2012 without any redemption payment as there was insufficiency of funds under the CLO program to redeem such class of bonds.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A19 Discontinued Operation and Disposal Subsidiary Classified as Held for Sale

As mentioned in Note A2 on Comparative for Unaudited Condensed Consolidation Statements of Comprehensive Income, Sobena is Disposal subsidiary classified as held for sale.

As at 31 March 2012, the assets and liabilities related to Sobena have been presented in the unaudited condensed consolidated statement of financial position of the Group as "Assets of disposal subsidiary classified as held for sale" and "Liabilities of disposal subsidiary classified as held for sale" and its results are presented separately on the unaudited condensed consolidated statements of comprehensive income as "Profit for the period from discontinued operation".

The revenue and results of the Disposal subsidiary or Sobena are as follows:

(All in RM'000)	Third Quarter ended		Cumulative Nine Months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Revenue	7,116	4,429	21,220	14,046
Cost of sales	(6,008)	(4,231)	(18,572)	(13,317)
Gross profit	1,108	198	2,648	729
Other income	312	1,451	949	1,558
Administrative expenses	(282)	(205)	(434)	(625)
Other operating expenses	(343)	(306)	(997)	(906)
Finance cost	(90)	(87)	(248)	(260)
Profit before taxation	705	1,051	1,918	496
Income tax expense	(170)	(52)	(487)	(120)
Profit for the period	535	999	1,431	376

The major classes of assets and liabilities of Sobena classified as held for sale and the associated goodwill on consolidation of the Group for Sobena as at 31 March 2012 are as follows:

	RM'000
Assets	
Property, plant and equipment	13,977
Deferred tax assets	600
Inventories	2,151
Receivables	11,695
Tax recoverable	400
Cash and bank balances (including fixed deposits)	634
	<u>29,457</u>
Goodwill on consolidation (Group)	5,242
Assets of disposal subsidiary classified as held for sale	<u>34,699</u>
Liabilities	
Payables	4,620
Loans and borrowings	10,435
Tax payable	519
Liabilities of disposal subsidiary classified as held for sale	<u>15,574</u>

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (CONT'D)



A19 Discontinued Operation and Disposal Subsidiary Classified as Held for Sale (Cont'd)

The cash flows attributable to Sobena are as follows:

	9 months ended	
	31 March 2012 Unaudited RM'000	31 March 2011 Unaudited RM'000
Cash flows from operating activities	(1,658)	607
Cash flows from investing activities	(2,569)	(835)
Cash flows from financing activities	4,109	459
Net cash (outflows)/inflows	<u>(118)</u>	<u>231</u>

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**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**



B1 Review of Performance

As explained in Note A19 of Part A, in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued operation, Sobena is a disposal group held for sale and accordingly classified as Discontinued operation.

a) Continuing operations

For the current financial quarter under review, the Group's Continuing operations registered a total revenue of approximately RM17.24 million an increase of about 39% when compared to the corresponding financial quarter. This was mainly due to better service performance reported by its tubular handling services which has recorded increase in revenue of about 144% when compared to the revenue achievement in the corresponding financial quarter. This improved revenue performance and lower gross loss reported by the land rig services have enabled the Group's Continuing operations to register a gross profit of RM2.39 million as compared to RM0.86 million achieved in the corresponding financial quarter. With reduction in administrative expenses arising from recognition of higher net gain on foreign exchange and limited increase in other operating expenses, the Group's Continuing operations registered a lower pre-tax loss and net loss for the period of RM0.72 million and RM1.16 million respectively as compared to pre-tax loss and net loss for the period of RM2.85 million and RM2.64 million respectively incurred in the corresponding financial quarter.

The financial improvement as elaborated above has further enhanced the performance of the Group's Continuing operation for the year-to-date period ended 31 March 2012 with a pre-tax profit of RM2.76 million as compared to a loss before taxation incurred in the corresponding year-to-date period of approximately RM8.23 million. The loss after taxation for the Group's Continuing operations stood at RM0.50 million when compared to RM8.82 million chalked up in the corresponding year-to-date period ended 31 March 2011.

For the current financial quarter, the tubular handling services' performance improved substantially with a segment profit before interest of about RM0.85 million when compared to a segment loss before interest reported in the corresponding financial quarter. This was mainly attributable to surge in volume of work orders that resulted in greater utilisation of tools and equipment as well as existing pool of technician and specialists as evidenced by the increase in revenue for the current financial quarter of about 144% to RM13.94 million when compared to the corresponding financial quarter. The aforesaid continuous improvement of its performance for the current financial quarter has enabled the tubular handling services to further enhance its segment profit before interest for the current year-to-date period to approximately RM8.44 million, an increase of about 2666% when compared to approximately RM0.31 million reported in the corresponding year-to-date period.

The inspection and maintenance services recorded a segment loss of RM0.30 million as compared to segment profit before interest of about RM0.25 million registered in the corresponding financial quarter due principally to decline in revenue earned and lower gross profit margin for work performed during the current financial quarter. For the current year-to-date period, its segment profit before interest has shown a decline of approximately 88% to RM0.29 million from a segment profit before interest of RM2.33 million registered in the corresponding year-to-date period, which was boosted by a gain on disposal or de-recognition of a non-current assets held for sale of approximately RM1.48 million.

The land rig services reported a decline in revenue of approximately 70% to about RM1.34 million when compared to the corresponding financial quarter following completion of the drilling project at Kalimantan in the preceding financial quarter and the said rig was on warm stack-up during the current financial period. However, the land rig services reported a lower segment loss before interest of RM0.25 million as compared to RM1.70 million recorded in the corresponding financial quarter due mainly to recognition of higher net gain on foreign exchange and reduction in administrative and cost of sale as the rigs are on charter and warm stack-up. For the current year-to-date period, it reported a drop in segment loss before interest of about 65% to approximately RM2.59 million from RM7.35 million incurred in the corresponding year-to-date period.

b) Discontinued operation

The pipes threading services recorded about 61% increase in revenue to approximately RM7.12 million when compared to the corresponding financial quarter. However it achieved a lower segment profit before interest of RM0.80 million as compared to RM1.14 million reported in the corresponding financial quarter due to lower other income earned of approximately RM0.31 million, a reduction of about 78% over RM1.45 million recorded in the corresponding financial quarter. For the current year-to-date period, the pipes threading services accumulated a segment profit before interest of approximately RM2.17 million, and increase of about 187% of that reported in the corresponding year-to-date period.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**



B2 Variation of Results Against Preceding Quarter

a) Continuing operations

For the current financial quarter under review, the Group's Continuing operations registered a total revenue of approximately RM17.24 million a decline of about 21% when compared to the preceding financial quarter. This reduction was mainly attributable to the decrease in revenue of about 26% to approximately RM1.96 million for its inspection and maintenance services while its land drilling rig services turned in a lower turnover of about RM1.34 million, a decline of approximately 73% when compared to the preceding financial quarter's revenue of RM4.98 million. The aforesaid declines together with lower gross profit margin recorded by its tubular handling services on a revenue almost similar to that of the preceding financial quarter have resulted in Group's Continuing operations reporting a reduction of about 59% in gross profit to approximately RM2.67 million when compared to the preceding financial quarter. The aforesaid effects was partly cushioned by recognition of a higher net gain on foreign exchange of approximately RM0.90 million as compared to approximately RM0.11 recognised in the preceding financial quarter. Consequently the Group's Continuing operations reported a loss before taxation of RM0.72 million as compared to a profit before taxation position of RM1.42 million achieved in the preceding financial quarter.

The tubular handling services' segment profit before interest declined by about 68% to approximately RM0.85 million for the current financial quarter, as compared to about RM2.69 million reported for the preceding financial quarter due mainly to lower gross profit margin earned as a result of increase in consumption of material and parts as well as hiring of equipment and tools cost.

The inspection and maintenance services reported a segment loss before interest of approximately RM0.30 million as compared to a segment profit before interest position of about RM0.35 registered in the preceding financial quarter. The aforesaid was due to lower revenue earned and increasing cost pressure for provision of such services.

The land rig services reported a reduction in segment loss before interest of about 25% from approximately RM0.33 million recorded in the preceding financial quarter to approximately RM0.25 million despite of lower revenue earned during the current financial quarter, as there were reduction in administrative expenses and recognition of higher net gain on foreign exchange of approximately RM0.58 million as compared to RM0.30 taken up in the preceding financial quarter.

b) Discontinued operation

The pipe threading services recorded a lower segment profit before interest of approximately RM0.80 million during the current financial quarter, a reduction of about 59% over RM1.96 million segment profit before interest achieved in the preceding financial quarter. This was mainly due to lower volume of premium thread joints serviced during the current financial quarter.

B3 Prospects for Financial Year ending 30 June 2012 (Financial Year 2012)

Against the backdrop of a renewed concern on the economic conditions of the United States and containment of the debts crisis in Eurozone, the Board of Directors ("Board") is cautiously optimistic on a sustainable improvement in the domestic and global oil exploration activities which are directly related to the Group's operations.

The Group will continue its effort to maintain and extend the existing stream of service orders and contracts with its existing clients and new players operating in the domestic market and Asia Pacific region to ensure better utilisation of its existing core revenue plant and machinery and pool of technicians and specialists. Nonetheless, the Group will be cautious in expanding its core revenue plant and machinery to meet any short term service requirement of its existing and prospective clients and expand regionally. More importantly, the Group will accelerate its efforts while exercising due care to consider all options to address the challenging land rig operation including time charter of the rigs and/or joint venture with oil contractors / operators to enhance utilisation of the land rigs as well as looking for suitable investors to invest in its land rig services and/or to buy out its land rig business/assets.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)



B4 Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

B5 Income Tax Expense

	3 months ended		9 months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Based on financial period profit/(loss)				
<u>Continuing operations</u>				
Taxation				
- Current financial period	439	199	3,057	893
- Under/(Over) provision in the previous years	-	(406)	41	(302)
Deferred taxation - under provision in the previous years	-	-	164	-
	<u>439</u>	<u>(207)</u>	<u>3,262</u>	<u>591</u>
<u>Discontinued operation</u>				
Taxation - current financial period	<u>170</u>	<u>52</u>	<u>487</u>	<u>120</u>
Total tax expenses for the period	<u>609</u>	<u>(155)</u>	<u>3,749</u>	<u>711</u>

Domestic income tax is calculated at the Malaysian Statutory tax rate of 25% (31.12.2010: 25%) of the estimated assessable profit for the period. Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

B6 Status of Corporate Proposal Announced

The corporate proposal announced that is pending implementation and completion is as follows:-

Proposed disposal of 51% equity interest in Sobena Offshore Inc Sdn Bhd ("Sobena")

The Company has on 31 January 2012 entered into a conditional shares sale agreement ("SSA") with Marubeni-Itochu Tubulars Asia Pte Ltd and Hendroff Holdings Sdn Bhd ("Purchasers") to dispose of its 51% equity interest comprising 4,335,000 ordinary shares of RM1.00 each in Sobena for a total cash consideration of RM14 million (hereinafter referred to as the "Proposed Disposal").

The Proposed Disposal is subject to the following being obtained:-

- i) approval of the shareholders of the Company at the forthcoming extraordinary general meeting; and
- ii) any other approvals, waivers and/or consents from any other relevant authorities and/or persons, where required.

The approval of the Ministry of Trade and Industry in respect of the Proposed Disposal was obtained via a letter dated 25 April 2012. The Proposed Disposal was approved by the shareholders of the Company at an Extraordinary meeting held on 24 May 2012.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**



B7 Realised and Unrealised Profits / (Losses)

	Current Year - Quarter Ended	
	31 March 2012	31 Dec 2011
	Unaudited	Unaudited
	RM'000	RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries		
- Realised	(21,889)	(20,198)
- Unrealised	(7,824)	(8,678)
Total retained profits / (accumulated losses) as per consolidated accounts	<u>(29,713)</u>	<u>(28,876)</u>

B8 Loans and borrowings

	As at	As at
	31 March 2012	30 June 2011
	Unaudited	Audited
	RM'000	RM'000
a) Short term borrowings		
Repayable within twelve months		
- Secured	22,728	21,962
- Unsecured	30,808	40,389
	<u>53,536</u>	<u>62,351</u>
b) Long term borrowings		
Repayable after twelve months		
- Secured	20,561	26,266
- Unsecured	-	-
Portion repayable after one year	-	-
	<u>20,561</u>	<u>26,266</u>
Borrowings denominated in foreign currency:		
United States Dollars (USD'000)	14,049	14,840
Ringgit Malaysia equivalent (RM'000)	<u>42,978</u>	<u>44,824</u>

Included in the unsecured short term borrowings above is the RM30.0 million term loan that granted under a Collateralised Loan Obligations program ("CLO Loan") arranged by a licensed financial institution.

As one of the conditions to participate in the Collateralised Loan Obligations program, the Company subscribed for subordinated bonds amounting to RM3.0 million or equivalent to 10% of the term loan granted, in a special purpose entity as mentioned in Note A18.

The Company has since the last financial year engaged with the lender of the CLO Loan with a view for an agreement to restructure and repay the term loan payable in January 2012. The lender has on 5 January 2012 approved the settlement proposal submitted by the Company on 26 September 2011 ("CLO Proposal"). While the preparation of the documentation for the CLO Proposal is ongoing, the lender is deliberating an alternative option that will hasten the settlement process set forth in the CLO Proposal. Appropriate announcement to Bursa will be made upon execution of the relevant and required agreement and documents with the lender.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**



B9 Changes in Material Litigation

Subsequent to the terminations mentioned in Note A15, the Company has procured its wholly owned subsidiary, namely KST Fishing Services Sdn Bhd ("KSTFS") to continue with the implementation of the oilfield fishing contracts pending the resolution of disputes with Gagie through legal proceedings. This was challenged by Gagie through the Suit elaborated below.

On 22 May 2007, the Company announced that the Company, Dato' Chee Peck Kiat @ Chee Peck Jan (a shareholder and director of the Company and a director of KSTFS) and KSTFS (collectively be referred to as the "Defendants") had on 18 May 2007 been served with a Writ and Statement of Claim filed by Gagie and KSTGSB (collectively be referred to as the "Plaintiffs") in the High Court of Malaya at Kuala Lumpur (Suite No. D8-22-613-2007 or "the Suit") as well as an ex-parte injunction application by the Plaintiffs against the Defendants. The Suit was commenced arising from the termination by the Company of the Shareholders' Agreement dated 19 December 2005 entered into between Gagie and the Company to govern the rights of the parties in relation to KSTGSB on 5 April 2007.

The injunction application was heard on various dates and on 1 November 2007, the High Court granted various interim injunctions against the Defendants. The grant of the interim injunctions by the High Court on 1 November 2007 had the effect of, inter alia, restraining the Defendants, until trial of the action or further order from:

- i) diverting or attempting to divert to KSTFS or any other companies related to any of the Defendants, all trade receivables due and owing to KSTGSB for services rendered under any existing or prospective business opportunities in relation to oil well fishing operations which belong to the Plaintiffs;
- ii) dealing with fishing tools and equipment belonging to KSTGSB and/or KSTGLL procured for the use of the joint venture without the consent of the Plaintiffs or in a manner inconsistent with the rights of the Plaintiffs or amounting to a denial of the Plaintiffs' rights; and
- iii) publishing any words which reflect adversely on the Plaintiffs' trade and business.

The Plaintiffs were required to deposit a sum of USD1 million into an interest bearing fixed deposit account by way of fortification of the Plaintiff's undertaking as to damages before 1 December 2007. The sum was not paid.

On 12 June 2007, the Defendants filed an application to strike out the claims made by KSTGSB in the D8 Suit and the order was successfully obtained on 27 February 2008. The Senior Assistant Registrar further ordered KSTGSB (failing which, their lawyers) to pay to the Defendants the costs incurred in this application. The Plaintiffs' appeal against the order was dismissed with costs on 13 May 2008 but the court agreed to vary the order to the extent that the Plaintiffs' lawyers would not be liable for the said costs.

On 12 November 2007, on the advice of the lawyers acting for the Company, KSTGLL filed a suit against Gagie, Mr George Gair Nicoll and Mr Thomas White Doig in the High Court of Malaya at Kuala Lumpur (Suit No. D7-22-1534-2007) for alleged wrongful and/or tortious acts in and against KSTGLL including to have them account for the tools and equipment that they have taken from KSTGLL.

Gagie, Mr George Gair Nicoll and Mr Thomas White Doig (the "D7 Defendants") have through their lawyer, filed their defence and their counterclaim against KSTGLL, the Company and KSTFS in respect of the D7 Suit. In their counterclaim, the D7 Defendants have inter alia, sought the delivery of the fishing equipment and tools to them or alternatively, judgment in the sum of their current replacement value of USD270,316.66 and general damages to be assessed.

The Company has been advised by its lawyers that with respect to the Company's defence to the Suit, the Company has valid defences to the various claims by the Plaintiffs although it is not possible to predict the outcome of the litigation. The lawyers are of the view that even if the Plaintiffs were to succeed in their claims or some of their claims, the damages would not be material. Accordingly, no provision has been made in respect of the claims of damages by Gagie in the financial statements.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**



B10 Dividend

No dividend has been declared for the current financial period under review.

B11 Earning / (Loss) Per Share

Basic earning / (loss) per share is calculated by dividing profit / (loss) for the period attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the financial periods as follows: -

	3 months ended		9 months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Unaudited	Unaudited	Unaudited	Unaudited
Profit / (Loss) for the period attributable to equity holders of the parent (RM'000)				
- From continuing operations	(1,120)	(2,615)	(419)	(8,745)
- From discontinued operation	283	517	733	201
	<u>(837)</u>	<u>(2,098)</u>	<u>314</u>	<u>(8,544)</u>
Weighted average number of ordinary shares in issue ('000)	<u>143,027</u>	<u>143,027</u>	<u>143,027</u>	<u>135,957</u>
Basic earning/(loss) per share attributable to equity holders of the parent (sen)				
- From continuing operations	(0.79)	(1.83)	(0.29)	(6.43)
- From discontinued operation	0.20	0.36	0.51	0.15
	<u>(0.59)</u>	<u>(1.47)</u>	<u>0.22</u>	<u>(6.28)</u>

The calculations of diluted earnings per share is not applicable as the Company does not have any share option in issue.

BY ORDER OF THE BOARD

Darmendran Kunaretnam
Executive Director
Kuala Lumpur
24 May 2012