

P.A. RESOURCES BERHAD (Company No. 664612-X)  
(Incorporated in Malaysia)

**P.A. RESOURCES BERHAD**  
UNAUDITED INTERIM FINANCIAL STATEMENT

**FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2012**

(The figures have not been audited)

	<b>As at 31-Dec-12 (Unaudited) RM'000</b>	<b>As at 31-Mar-12 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	77,071	75,370
Goodwill on consolidation	120	120
	<u>77,191</u>	<u>75,490</u>
<b>Current assets</b>		
Inventories	32,769	21,865
Trade receivables	18,697	25,901
Other receivables, deposits and prepayments	5,867	1,578
Tax refund receivables	1,287	1,691
Cash and bank balances	9,203	11,900
	<u>67,823</u>	<u>62,935</u>
<b>Total assets</b>	<u>145,014</u>	<u>138,425</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	86,053	98,743
Reserves	13,039	(58,692)
	<u>99,092</u>	<u>40,051</u>
Non-controlling interest	(253)	236
<b>Total equity</b>	<u>98,839</u>	<u>40,287</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	6,024	17,041
Deferred taxation	3	-
	<u>6,027</u>	<u>17,041</u>
<b>Current liabilities</b>		
Trade payables	7,150	8,962
Other payables and accruals	5,597	4,017
Borrowings	26,671	67,518
Provisions	600	600
Taxation	130	-
	<u>40,148</u>	<u>81,097</u>
<b>Total liabilities</b>	<u>46,175</u>	<u>98,138</u>
<b>Total equity and liabilities</b>	<u>145,014</u>	<u>138,425</u>
<b>Net assets per share attributable to equity holders of the Company (sen)</b>	<u>11.52</u>	<u>20.89</u>

The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2012**

(The figures have not been audited)

	<b>Quarter</b>		<b>Year-to-date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31-Dec-12</b> (Unaudited) <b>RM'000</b>	<b>31-Dec-11</b> (Unaudited) <b>RM'000</b>	<b>31-Dec-12</b> (Unaudited) <b>RM'000</b>	<b>31-Dec-11</b> (Unaudited) <b>RM'000</b>
<b>Revenue</b>	17,114	29,491	67,628	75,073
<b>Cost of sales</b>	(18,622)	(28,403)	(64,374)	(69,988)
<b>Gross profit / (loss)</b>	(1,508)	1,088	3,254	5,085
<b>Other income</b>	44	1,294	88	1,530
<b>Other operating expenses</b>	(639)	(1,022)	(1,470)	(1,144)
<b>Distribution and administrative expenses</b>	(1,609)	(1,153)	(5,546)	(3,374)
<b>Operating profit / (loss)</b>	(3,712)	207	(3,674)	2,097
<b>Finance costs</b>	(1,121)	(1,347)	(3,845)	(4,117)
<b>Loss before taxation</b>	(4,833)	(1,140)	(7,519)	(2,020)
<b>Tax expenses</b>	(133)	-	(133)	-
<b>Loss for the period</b>	(4,966)	(1,140)	(7,652)	(2,020)
<b>Other comprehensive income</b>				
Currency translation differences	-		-	20
<b>Total comprehensive loss for the period</b>	(4,966)	(1,140)	(7,652)	(2,000)
<b>Loss attributable to:</b>				
Owner of the Company	(4,542)	(1,154)	(7,153)	(1,943)
Non-controlling interest	(424)	14	(499)	(77)
	(4,966)	(1,140)	(7,652)	(2,020)
<b>Total comprehensive loss attributable to:</b>				
Owner of the Company	(4,542)	(1,154)	(7,153)	(1,923)
Non-controlling interest	(424)	14	(499)	(77)
	(4,966)	(1,140)	(7,652)	(2,000)
<b>Earnings per share for loss attributable to the owners of the Company:</b>				
Basic earnings per share (sen)	(0.93)	(0.60)	(2.45)	(1.01)

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

**P.A. RESOURCES BERHAD (664612-X)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2012**

(The figure have not been audited)

	Attributable to equity holders of the Company							Distributable Retained Earnings RM'000	Non- controlling interests RM'000	Total Equity RM'000
	<-----Non-distributable----->									
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Translation Reserve RM'000	Capital Redemption Reserve RM'000	Other Capital Reserve RM'000			
<b>Balance as at 1 April 2011</b>	98,743	3,804	(3,045)	4,134	(28)	-	-	(51,613)	511	52,506
Transfer to retained earnings	-	-	-	(64)	(25)	-	-	64	-	(25)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(11,919)	(275)	(12,194)
<b>As at 31 March 2012</b>	98,743	3,804	(3,045)	4,070	(53)	-	-	(63,468)	236	40,287
<b>As at 1 April 2012</b>	98,743	3,804	(3,045)	4,070	(53)	-	-	(63,468)	236	40,287
Cancellation of 5,780,700 treasury shares of RM 0.50 each	(2,890)	(3,045)	3,045	-	-	2,890	-	-	-	-
Share capital reduction via the cancellation of RM 0.40 of the par value of every existing ordinary share of RM 0.50 each	(76,682)	-	-	-	-	-	12,065	64,617	-	-
Right issue share of 894,623,100 new ordinary shares of RM 0.10 each on the basis of 2 for every 7 held	66,882	-	-	-	-	-	-	-	-	66,882
Corporate exercise transaction cost	-	(688)	-	-	-	-	-	-	-	(688)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	10	10
Total comprehensive loss for the period	-	-	-	-	-	-	-	(7,153)	(499)	(7,652)
<b>As at 31 DECEMBER 2012</b>	86,053	71	-	4,070	(53)	2,890	12,065	(6,004)	(253)	98,839

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 31 DECEMBER 2012**

(The figures have not been audited)

	<b>9 months ended</b>	
	<b>31-Dec-12</b>	<b>31-Dec-11</b>
	(Unaudited)	(Unaudited)
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt from customers and others	78,808	68,877
Payment to suppliers, contractors and employees	(86,722)	(55,981)
Interest paid	(3,740)	(4,062)
Income tax refund / (paid)	404	(4)
Net cash (used in ) / generated from operating activities	(11,250)	8,830
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	7	-
Purchase of property, plant and equipment (Note A)	(5,321)	(1,656)
Proceeds from disposal of property, plant and equipment	-	35
Acquisition of non controlling interests	10	-
Net cash used in investing activities	(5,304)	(1,621)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceed from trade bills payables	(7,886)	6,228
Repayment of term loans	(35,267)	(8,068)
Repayment of hire purchase liabilities	(91)	(14)
Corporate exercise transaction cost	(688)	-
Proceeds from issuance of right issues	66,882	-
Net cash generated from / (used in) financing activities	22,950	(1,854)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,396	5,355
Effect of foreign exchange fluctuations	(20)	(446)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	(97)	(3,425)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	6,279	1,484
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank overdrafts	-	(6,153)
Deposits, cash in hand and at banks	9,203	10,475
Fixed deposits pledged	(2,924)	(2,838)
	6,279	1,484

**NOTE TO THE CASH FLOW STATEMENTS**

**NOTE A - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

	<b>9 months ended</b>	
	<b>31-Dec-12</b>	<b>31-Dec-11</b>
	(Unaudited)	(Unaudited)
	<b>RM'000</b>	<b>RM'000</b>
The Group acquired property, plant and equipment by way of the following:		
Hire purchase	521	95
Cash equivalents payments	5,321	1,656
At cost	5,842	1,751

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE INTERIM FINANCIAL REPORT**  
(The figures have not been audited)

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the 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 financial year ended 31 March 2012 which was prepared in accordance with Financial Reporting Standards (“FRS”).

**2. SIGNIFICANT ACCOUNTING POLICIES**

The quarterly condensed financial report is the Group’s first MFRS condensed financial report for the part of the period covered by the Group’s first MFRS framework annual financial statements for the year ended 31 March 2013, and hence, MFRS 1 : First Time Adoption of Malaysian Financial Reporting Standards has been applied.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the financial year ended 31 March 2012. The transition from FRS to MFRS did not have material impact on comprehensive income, financial position and cash flows of the Group.

The following new Malaysian Financial Reporting Standards (FRSs) and Interpretations, and amendment to certain MFRSs and Interpretations which are applicable and relevant for the financial period beginning 1 January 2012 have been adopted by the Group during current period:-

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of Minimum Funding Requirement
Amendments to MFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to MFRS 7	Transfers of Financial Assets
Amendments to MFRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

As the date of authorization of these interim financial statements, the Group have not made early adoption of the following MFRSs, IC Interpretations and amendments to MFRSs, which have been issued and will be effective for the financial periods as stated below:-

		Effective date
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Disclosures -Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments	1 January 2015

The adoption of these new MFRSs, amendments and IC Interpretation, are not expected to have any significant changes in the accounting policies and presentation of the financial results of the Group.

**3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report for the audited financial statements of the Group for the financial year ended 31 March 2012 was not subject to any qualification.

**4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The business of the Group was not affected materially by any seasonally or cyclical factors for the financial quarter under review.

**5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There are no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter and financial period-to-date.

**6. CHANGES IN ESTIMATES**

There was no material changes in the estimates used for the presentation of this interim financial statement.

**7. DEBT AND EQUITY SECURITIES**

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM 19,170,495 to RM 86,053,165.90 by way of issuance of 668,826,709 ordinary shares of RM 0.10 each via a rights issue on the basis of seven rights shares for every two shares held on the entitlement date, and 26,312,306 additional warrants of the Company issued pursuant to the adjustments to the outstanding warrants in the Company as a consequence of the rights issue.

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**8. DIVIDENDS PAID**

No dividend was paid during the current financial period.

**9. SEGMENTAL INFORMATION**

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflects the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker, which is defined as the Executive Board.

The Group is focused in five areas of activity, extrusion and fabrication, aluminium billets and tolling, construction contract, renewable energy and others.

<b>9 months period ended 31-12.2012</b>	<b>Extrusion and fabrication RM'000</b>	<b>Aluminium billets and tolling RM'000</b>	<b>Construction contract RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>						
Total Sales	73,709	30,912	6,735	2,610	-	113,966
Inter-segment sales	(17,032)	(29,306)	-	-	-	(46,338)
External sales	<u>56,677</u>	<u>1,606</u>	<u>6,735</u>	<u>2,610</u>	<u>-</u>	<u>67,628</u>
<b>Results</b>						
Profit/(Loss) from operation	44	(2,130)	(1,890)	543	(241)	(3,674)
Finance costs	(2,998)	(797)	(39)	(11)	-	(3,845)
Taxation	-	-	-	(133)	-	(130)
<b>Loss after taxation</b>						<u>(7,652)</u>
<b>Assets</b>						
Segment assets	<u>94,185</u>	<u>35,634</u>	<u>8,908</u>	<u>4,043</u>	<u>2,124</u>	<u>144,894</u>
<b>Liabilities</b>						
Segment liabilities	<u>(36,140)</u>	<u>(6,619)</u>	<u>(2,452)</u>	<u>(698)</u>	<u>(266)</u>	<u>(46,175)</u>
<b>Other information:</b>						
Capital expenditure	5,680	39	84	39	-	5,842
Depreciation	<u>3,346</u>	<u>637</u>	<u>156</u>	<u>2</u>	<u>-</u>	<u>4,141</u>



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**9. SEGMENTAL INFORMATION (Cont'd)**

<b>9 months period ended 31-12.2011</b>	<b>Extrusion and fabrication RM'000</b>	<b>Aluminium billets and tolling RM'000</b>	<b>Construction contract RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>						
Total Sales	76,857	34,411	7,439	-	-	118,707
Inter-segment sales	(17,269)	(26,355)	(10)	-	-	(43,634)
External sales	<u>59,588</u>	<u>8,056</u>	<u>7,429</u>	<u>-</u>	<u>-</u>	<u>75,073</u>
<b>Results</b>						
Profit/(Loss) from operation	4,454	(1,889)	(187)	-	(282)	2,096
Finance costs	(3,026)	(1,077)	(14)	-	-	(4,117)
Taxation						-
<b>Loss after taxation</b>						<u>(2,020)</u>
<b>Assets</b>						
Segment assets	<u>98,419</u>	<u>38,832</u>	<u>7,522</u>	<u>-</u>	<u>176</u>	<u>144,499</u>
<b>Liabilities</b>						
Segment liabilities	<u>(71,286)</u>	<u>(19,883)</u>	<u>(2,827)</u>	<u>-</u>	<u>(116)</u>	<u>(94,112)</u>
<b>Other information:</b>						
Capital expenditure	1,407	83	166	-	-	1,656
Depreciation	<u>2,950</u>	<u>610</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>3,968</u>

**10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less accumulated depreciation.

The valuations of land and building have been brought forward without amendment from the previous audited financial statements.

**11. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current financial quarter.

**P.A. RESOURCES BERHAD (664612-X)**  
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**12. CHANGES IN COMPOSITION OF THE GROUP**

On 23 October 2012, the Group, via its subsidiary, P.A Extrusion (M) Sdn Bhd (PAE) acquired 100% equity interest in P.A. Solar Energy Sdn. Bhd, a private limited company incorporated in Malaysia, with an authorized capital of RM 100,000 comprising 100,000 ordinary shares of RM 1.00 each, of which 2 ordinary shares of RM 1.00 each have been issued and fully paid up, for a cash consideration of RM 2.00. On 23 October 2012, PAE subscribed 39,998 ordinary shares of RM 1.00 each, for a cash consideration of RM 1,057 and other consideration of RM 38,941, out of its allotment of RM 49,998 ordinary shares of RM 1.00 each.

**13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no material changes in contingent liabilities or contingent assets since the last statement of financial position as at 31 March 2012.

**14. CAPITAL COMMITMENTS**

Except for the purchase of plant and machinery for an amount of RM 2.3 million, there was no material capital commitment as at 31 December 2012.

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

**15. PERFORMANCE REVIEW**

	Period To Date 31-December Revenue		Period To Date 31-December Operating Profit / (Loss)	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	56,677	59,588	45	4,454
Aluminium billets and tolling	1,606	8,056	(2,130)	(1,888)
Construction contract	6,735	7,429	(1,889)	(187)
Renewable energy	2,610	-	543	-
Others	-	-	(241)	(282)
	<u>67,628</u>	<u>75,073</u>	<u>3,674</u>	<u>2,097</u>

**Extrusion and fabrication**

Year to date turnover was RM 56.7 million compared to RM 59.6 million for the same period in the previous year, a drop of 5%. Operating profit however was RM 45,000 compared to RM 4.4 million previously. The drop was mainly due to higher overhead and competitive pricing as a result of intense competition.

**Aluminium billet and tolling**

This sector recorded a turnover of RM 1.6 million compared to RM 8.0 million in the previous year, a drop of 80%. Operating losses was RM 2.1 million compared to RM 1.9 million. As mentioned previously, this was due to drop in sales.

**Construction contract**

This sector recorded a turnover of RM 6.7 million compared to 7.4 million in the previous year, a drop of 9%. Losses however increased to RM 1.9 million compared to RM 0.2 million previously. The higher losses was mainly due to additional cost incurred during the completion of some contracts.

**Renewable Energy**

This new business recorded sales of RM 2.6 million and an operating profit of RM 0.5 million during the period under review. Increased efforts are being made to secure higher sales for this sector.

**Others**

This was mainly expenses incurred by the holding company and other subsidiaries which were dormant.

**16. QUARTERLY RESULTS COMPARISON**

	Quarter ended 31-December Revenue		Quarter ended 31-December Operating Profit / (Loss)	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	13,428	24,549	(1,908)	1,608
Aluminium billets and tolling	801	2,640	(567)	(1,409)
Construction contract	275	2,302	(1,673)	71
Renewable energy	2,610	-	543	-
Others	-	-	(107)	(63)
	<u>17,114</u>	<u>29,491</u>	<u>(3,712)</u>	<u>207</u>

**Extrusion and fabrication**

Turnover for the quarter under review was RM 13.4 million compared to RM 24.5 million for the corresponding quarter in the preceding year, a drop of 45%. The lower turnover was due to major customers reducing its requirement during the year-end holidays. With the lower demand our products have to be priced competitively to maintain our market share. In line with the lower turnover, operating losses was RM 1.9 million compared to the profit of RM 1.6 million previously.

**Aluminium billet and tolling**

Turnover for the sector was RM 0.8 million compared to RM 2.6 million previously. The lower turnover was mainly due to the drop in sales.

**Construction contract**

Turnover for this sector was RM 0.2 million compared to RM 2.3 million previously. The turnover was relates mainly to the last stages of the contract billing. No new jobs were started during this period, hence the lower turnover. In line with the low turnover, this sector recorded losses of RM 1.7 million.

**Renewable Energy**

As mentioned previously this sector managed to secure sales of RM 2.6 million with profit of RM 0.5 million. More efforts will be put into this sector to secure higher sales.

**17. COMING QUARTER PROSPECTS**

**Extrusion and fabrication**

The group has invested substantially in this sector to be ready for growth in the future. New production lines are being installed and production processes are being constantly reevaluated and improved. More customers both local and foreign are being developed at the same time. It is hoped that all these efforts will result in a turnaround in this sector in the near future. .

**Aluminium billet and tolling**

This sector is expected to perform in line with the higher demand in the extrusion and fabrication sector. Improvement in the extrusion business should also help this sector turnaround.

**Construction contract**

The bulk of the effort in this sector is geared towards securing more contracts. At the same time we are also increasing the sub contractors' pool and improving purchasing efficiency. The following months should be critical to the success of this sector.

**Renewable Energy**

Being a new venture by the group, increased sales will be major thrust in this sector. This sector should continue to perform well and contribute positively to the group.

**18. PROFIT FORECAST OR PROFIT GUARANTEE**

No profit forecast or profit guarantee has been issued by the Group.

**19. RELATED PARTY TRANSACTIONS**

- (i) There were no related party transactions entered into by the Company and/or its subsidiaries during the financial period to date.
- (ii) There were no transactions with the directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

**20. TAXATION**

	<b>Current Quarter 31-December- 2012 RM'000</b>	<b>Current Year To Date 31-December-2012 RM'000</b>
Current period / year:		
- current taxation	130	130
- deferred taxation	3	3
	<u>133</u>	<u>133</u>

The taxation of the Group and the Company, is determined by applying the Malaysian income tax rate @ 25% to profit before taxation as stipulated in paragraph 2A, schedule 1, part 1 of the Income tax Act, 1967.

## 21. STATUS OF CORPORATE PROPOSALS

Pursuant to the Proposed Right Issue exercise, a total of 668,826,709 rights shares of RM 0.10 each and 26,312,306 additional warrants were issued and listed on the Main Market of Bursa Malaysia Securities Berhad on 22 November 2012.

The proceed for the right issue was utilized as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation RM'000	Deviation RM'000
Repayment of bank borrowings	50,000	45,872	Within 12 months	4,128
Working capital	38,462	20,323	Within 12 months	18,139
Expenses in relation to the corporation exercises	1,000	688	Within 1 month	312
	<u>89,642</u>	<u>66,883</u>		<u>22,579</u>

The actual right issue proceed is lower than the maximum scenario of RM 89,642,310, as disclosed and provided for in the Circular to shareholders.

## 22. GROUP BORROWINGS

The Group's borrowings as at 31 December 2012 comprise the following:-

	RM'000	RM'000
(a) Current		
Bank Overdraft (Secured)	-	
Trade bills payable (Secured)	14,385	
Revolving credit (Secured)	10,000	
Hire purchase liabilities	168	
Term loans (Secured)	<u>2,118</u>	
		26,671
(b) Non-current		
Term loans (Secured)	5,548	
Hire purchase liabilities	<u>476</u>	
		<u>6,024</u>
		<u>32,695</u>

The above banking facilities of the Group are secured by way of:-

- The Group's freehold land and factory buildings;
- The Group's leasehold land and building;
- Fixed deposits of the Group;
- Corporate guarantee given by the Company; and
- Joint and several guarantees by certain directors.

Included in trade bills payable is an amount of RM 4.64 million which is equivalent to USD 1.52 million, the currency in which the outstanding amount is denominated.

**23. REALISED AND UNREALISED PROFITS AND LOSSES**

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

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and format required.

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses, pursuant to the directive, is as follows:

	Period to date 31-December-2012 RM'000
Total accumulated losses of the Company and it's subsidiaries:	
- Realised	(126,274)
- Unrealised	689
	<u>(125,585)</u>
Consolidation adjustments	66,972
Share capital reduction	64,617
Accumulated losses as per financial statements	<u><u>( 6,004)</u></u>

**24. DIVIDEND**

No dividend has been recommended for the current financial quarter.

**25. EARNINGS PER SHARE**

The basic earnings per share for the financial period has been calculated by dividing the net profit/loss after tax and non-controlling interest attributable to shareholders by the weighted average number of ordinary shares in issue during the period (excluding treasury shares 5,780,700 retained by the Company for financial period / quarter ended 31 December 2012).

a. Basic earning per share	Quarter Ended		Year To Date	
	31-December- 2012	31-December- 2011	31-December- 2012	31-December- 2012
Net loss attributable to shareholders (RM'000)	(4,542)	(1,154)	(7,153)	(1,943)
Weighted average number of ordinary shares in issue ('000)	489,769	191,705	291,420	191,705
Basic earning per share (sen)	(0.93)	(0.60)	(2.45)	(1.01)

**b. Diluted earnings per share**

There is no potential ordinary shares that are diluted given that the average market price of ordinary shares during the period is less than the exercise price of the warrants.

**26. PROFIT / (LOSS) BEFORE TAXATION**

	Quarter Ended		Year Ended	
	31-December		31-December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>This is stated after charging :-</b>				
Depreciation on property, plant & equipment	1,419	1,311	4,141	3,868
Foreign exchange losses / (gain)				
- realised	(169)	(286)	(236)	(288)
- unrealised	3	958	40	484
Interest expense:				
- term loans	454	904	1991	2,851
- hire purchase	8	1	21	3
- bank overdrafts	272	108	781	334
- trade line facilities	200	165	538	437
- revolving credits	142	145	408	423
- factoring	-	-	-	15
And after crediting:-				
- allowance for doubtful debt	-	1,131	-	1,131
- agency fee, net of foreign exchange effect	3	139	1	309
- miscellaneous	-	3	2	14
- interest income	29	21	72	76

There was no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, impairment of receivables, written down of inventories, gain or loss on derivatives and exceptional items for the current quarter under review and financial year-to-date ended 31 December 2012.

**27. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of directors in accordance with a resolution of the directors on 26 February 2013.