

**PART A: EXPLANATORY NOTES PERSUANT TO FINANCIAL REPORTING STANDARD 134 (“FRS 134”)****A1. Basis of preparation**

The interim financial statements of Resintech Berhad (“RB”) are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 – Interim Financial Reporting issued by the Malaysian Accounting standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 March 2012. 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 period ended 31 March 2012.

The accounting policies and methods of computation adopted in this quarterly financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial period ended 31 March 2012 except for the adoption of the followings:-

<b>FRSs/IC Interpretations</b>	<b>Effective date</b>
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised): Government Loans	1 January 2013
Amendments to FRS 7: Disclosures - Transfers of Financial Assets	1 January 2010 1 January 2012
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 And Transition Disclosures	1 January 2015
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 15 Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20 Stripping Costs in the Production Phase Of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011

**Notes - other quarter ended 30 September 2012**

**A2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted in this interim financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial period ended 31 March 2012.

**A3. Qualification of Annual Financial Statements**

There were no audit qualifications on the financial statements of the Company for the financial period ended 31 March 2012.

**A4. Seasonal and cyclical factors**

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

**A5. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**A6. Material changes in estimates**

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

**A7. Issuances and repayment of debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

**A8. Dividend Paid**

No dividend was proposed during the quarter under review.

**A9. Segment information**

Operating Segment

In determining the operating segments of the Group, segment revenue is based on the products and services provided.

## Notes - other quarter ended 30 September 2012

## A9. Segment information (continued)

The Group's financial information analysed by operating segment as at 30 Sep 2012 was as follows:

	Current Year Quarter Ended 30 Sep 2012				Consolidation adjustment RM'000	Group RM'000
	Manufacturing and Trading RM'000	Services RM'000	Food and Beverage RM'000	Others RM'000		
Revenue						
- External	20,757	-	376	-		21,133
- Inter-segment	10,665	98	-	-	(10,437)	-
Overseas operation						
	<u>31,422</u>	<u>98</u>	<u>376</u>	<u>-</u>		<u>21,133</u>
Results						
Segment results	2,548	55	(388)	(93)	1	2,123
Finance costs	<u>(453)</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>(453)</u>
Profit/(Loss) before taxation	2,095	55	(388)	(93)		1,670
Share of loss of associate					(142)	(142)
Income tax expense						<u>(453)</u>
Profit after taxation						<u>1,075</u>

	Current Year To-Date Ended 30 Sep 2012				Consolidation adjustment RM'000	Group RM'000
	Manufacturing and Trading RM'000	Services RM'000	Food and Beverage RM'000	Others RM'000		
Revenue						
- External	42,159	-	783	-		42,942
- Inter-segment	21,393	195	-	-	(21,588)	-
Overseas operation						
	<u>63,552</u>	<u>195</u>	<u>783</u>	<u>-</u>		<u>42,942</u>
Results						
Segment results	4,279	148	(342)	(162)	46	3,969
Finance costs	<u>(926)</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>(926)</u>
Profit/(Loss) before taxation	3,353	148	(342)	(162)		3,043
Share of loss of associate					(111)	(111)
Income tax expense						<u>(673)</u>
Profit after taxation						<u>2,259</u>

## A10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

There were no revaluation of property, plant and equipment in these financial statements.

## Notes - other quarter ended 30 September 2012

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

There were no material events subsequent to the current financial quarter ended 30 Sep 2012 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**A12. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter under review.

**A13. Changes in contingent liabilities and contingent assets**

As at the date of this announcement, there were no material contingent liabilities and contingent assets incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

**A14. Capital Commitments**

	<b>Current Quarter 30 Sep 2012 RM' 000</b>	<b>Current Year To-Date 30 Sep 2012 RM' 000</b>
Acquisition of plant and machineries Approved and contracted for	558	558
	<hr/>	<hr/>

**A15. Contingent Liabilities**

	<b>Current Quarter 30 Sep 2012 RM' 000 Group</b>	<b>Current Quarter 30 Sep 2012 RM' 000 Company</b>
Corporate guarantees given to licensed bank for banking facilities granted to subsidiaries	17,595	-
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**A16. Significant Related Party Transactions**

There were no significant related party transactions during the financial period under review.

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**Notes - other quarter ended 30 September 2012**

**A17. Cash and cash equivalents**

	<b>At 30 Sep 2012 RM' 000</b>
Cash and bank balances	2,466
Fixed deposits	5,446
Bank overdrafts	<u>(4,319)</u>
	<u>3,593</u>

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS****B1. Review of performance**

The Group achieved revenue of RM42.94 million for the period ended 30 Sep 2012 as compared to RM41.04 million recorded for the period ended 31 Aug 2011. The marginal increase of RM1.9 million is partly contributed by the increase in revenue from the food and beverage segment by approximately RM0.48 million and the remaining is contributed mainly by the manufacturing and trading segment. The Group's main revenue contributor is from the manufacturing and trading segment which accounted for approximately 98.18% of its revenue for the period ended 30 Sep 2012. The Group recorded a profit before taxation of RM2.93 million and profit after taxation of RM2.26 million during this period under review as compared to RM1.77 million and RM1.32 million respectively in the previous period ended 31 Aug 2011. The improved in profit before and after taxation is mainly due to the realised gain in disposal of asset held for sale as well as lower cost of sales. The improvement is partly offset by increase in the income tax expense.

**B2. Variation of results against preceding quarter**

The Group achieved revenue of RM21.13 million for the current quarter under review as compared to RM20.41 million in the previous quarter. The Group recorded profit before taxation RM1.53 million and profit after taxation of RM1.08 million for current financial period under review as compared profit before taxation of RM0.86 million and profit after taxation of RM0.64 million for previously. The improved in profit before taxation is mainly due to the realised gain in disposal of asset held for sale as well as lower cost of sales. However, the income tax expense for this quarter has doubled up as compared to the preceding quarter due to reduction in certain tax savings.

**B3. Current year prospects**

Barring any unforeseen circumstances, the Board expects the Group to continue to achieve satisfactory performance.

**B4. Variance of actual and forecast profit**

The disclosure requirements for the explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

**B5. Income tax**

	<b>Current Quarter 30 Sep 2012 RM' 000</b>	<b>Current Year To-Date 30 Sep 2012 RM' 000</b>
Current tax expense	476	719
Deferred tax recognised	(23)	(46)
	<u>453</u>	<u>673</u>

Tax expense for the current period ended 30 Sep 2012 is derived based on management's best estimate of the tax rate for the financial period. The effective tax rate for the period presented above is lower than

**RESINTECH BERHAD (341662-X)**

**Notes - other quarter ended 30 September 2012**

the statutory tax rate principally due to the tax savings arising from the reinvestment allowances available

**B6. Realised and Unrealised Profits**

	<b>Current Quarter 30 Sep 2012 RM' 000</b>	<b>Current Year To-Date 30 Sep 2012 RM' 000</b>
After charging/(crediting):		
Interest income	(52)	(54)
Interest expense	454	927
Depreciation	1,679	3,212
Amortisation of intangible asset	29	44
Gain on disposal of asset held for sale	(210)	(826)
Unrealised gain on foreign exchange	3	(14)
Realised gain on foreign exchange	(142)	(224)
Share of loss of associate	142	111

**B7. Notes to Comprehensive Income Statement**

	<b>Current Year To-Date 30 Sep 2012 RM' 000</b>
Total retained profits:	
Realised	20,568
Unrealised	(9,461)
	<hr/> 11,105
Total share of retained (losses)/profit of an associate	
Realised	(111)
Unrealised	-
	<hr/> 10,994
Less: Consolidation adjustment	44
	<hr/> <hr/> <b>10,838</b>

**B8. Status of corporate proposal**

There were no corporate proposals announced for the financial period under review.

**B9. Group borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

	<b>Short-Term (Secured) RM'000</b>	<b>Long-Term (Secured) RM'000</b>
Bank overdrafts	4,319	-
Hire purchase	140	89

## Notes - other quarter ended 30 September 2012

Trust receipts and bankers' acceptances	17,895	-
Term loans	3,355	7,871
Total	<u>25,709</u>	<u>7,960</u>

**B10. Material litigation**

Save as disclosed below, neither our Group or our subsidiary companies is engaged in any litigation either as plaintiff or defendant pending since the previous financial period which might materially affect the position or business of the Company or any of its subsidiaries:-

- (i) On 5 August 2010, Tenaga Nasional Berhad ("TNB") has filed a suit against our subsidiary, Resintech Engineering Sdn Bhd ("RESB") for RM4,380,147.59 together with interest for arrears owing for the consumption of electricity at a land and factory. RESB, being the previous occupant of the land and factory had previously applied to TNB for the supply of electricity. Subsequently, the property was occupied by Crystal Bright Plastics Sdn Bhd ("the Third Party") at the material time and the arrears owing to TNB thereof are attributable to the Third Party although the account holder is RESB. RESB had filed and served its Statement of Defense on 13 September 2010. RESB had filed its Third Party proceedings against the Third Party to pay the arrears claimed by TNB as the Third Party were occupying the property at the material time.

The solicitors of RESB are of the opinion that RESB has a good defense and has high chances to dismiss TNB's claim.

**B11. Dividends**

There was no dividend declared during the financial period under review.

**B12. Basic earnings per share**

The basic earnings per share for the current quarter and cumulative year to date are computed as follow:-

	<b>Individual Current Year Quarter 30 Sep 2012 RM'000</b>	<b>Cumulative Current Year To-Date 30 Sep 2012 RM'000</b>
Profit attributable to holders of the parent for the period	<u>1,081</u>	<u>2,265</u>
Number of ordinary shares of RM0.50 each in issue	<u>137,200,000</u>	<u>137,200,000</u>
Basic earnings per share based on the number of shares in issue (sen)	<u>0.79</u>	<u>1.65</u>

Diluted earnings per share is not disclosed herein as the options under the warrants have not been exercised as at 30 Sep 2012.



**B13. Authorisation for issue**

This quarterly report was authorised for issue by the Board of Directors in accordance with the resolution of the directors duly passed.

By order of the Board  
**RESINTECH BERHAD**  
Pang Chia Tyng (MAICSA 7034545)  
Company Secretary  
Kuala Lumpur