

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED
30 JUNE 2010**

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
	30/06/2010 RM'000	30/06/2009 RM'000	30/06/2010 RM'000	30/06/2009 RM'000
Revenue	271,950	357,967	1,139,146	1,104,521
Operating expenses	(243,503)	(322,856)	(1,026,411)	(1,011,884)
Other operating income	49	(206)	6,210	4,284
Share of results of jointly controlled entities and associates	10,970	6,992	34,286	27,583
Finance costs	(654)	(369)	(2,182)	(1,048)
Profit before tax	38,812	41,528	151,049	123,456
Tax expense	(8,426)	(8,412)	(28,575)	(21,971)
Net profit for the period	<u>30,386</u>	<u>33,116</u>	<u>122,474</u>	<u>101,485</u>
Attributable to:				
Equity holders of the Company	28,709	30,242	116,111	91,936
Minority interests	1,677	2,874	6,363	9,549
	<u>30,386</u>	<u>33,116</u>	<u>122,474</u>	<u>101,485</u>
Basic earnings per ordinary share of RM0.10 each (sen) (Note A)	<u>1.45</u>	<u>1.54</u>	<u>5.90</u>	<u>4.68</u>
Diluted earnings per ordinary share of RM0.10 each (sen) (Note A)	<u>1.45</u>	<u>1.54</u>	<u>5.90</u>	<u>4.68</u>

Note A: The weighted average number of ordinary shares used in the calculation of the current and preceding periods have been adjusted for the effect of the bonus issue of 2 for 5 which was completed on 17 February 2010. See A7 for detail.

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010

	NOTE	30/06/2010 RM'000	30/06/2009 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		153,711	155,358
Intangible assets		8,437	8,650
Investment in jointly controlled entities		56,239	23,042
Investment in associates		87,541	82,813
Other investments		2,430	2,434
Deferred tax assets		5,432	7,878
		<u>313,790</u>	<u>280,175</u>
CURRENT ASSETS			
Inventories		20,667	21,132
Trade and other receivables	A16	290,857	272,715
Current tax assets		5,167	3,946
Cash and cash equivalents	A17	261,062	178,714
		<u>577,753</u>	<u>476,507</u>
TOTAL ASSETS		<u>891,543</u>	<u>756,682</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		198,052	141,321
Reserves		296,495	308,764
Treasury shares		(19,158)	(9,489)
		475,389	440,596
Minority interests		34,688	30,816
TOTAL EQUITY		<u>510,077</u>	<u>471,412</u>
NON-CURRENT LIABILITIES			
Borrowings	B9	65,864	44,811
Deferred tax liabilities		5,935	4,319
		<u>71,799</u>	<u>49,130</u>
CURRENT LIABILITIES			
Trade and other payables	A18	287,062	218,375
Borrowings	B9	9,539	7,207
Current tax payable		13,066	10,558
		<u>309,667</u>	<u>236,140</u>
TOTAL LIABILITIES		<u>381,466</u>	<u>285,270</u>
TOTAL EQUITY AND LIABILITIES		<u>891,543</u>	<u>756,682</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Attributable To Equity Holders Of The Company							Total equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Other Reserves RM'000	Retained profits RM'000	Total RM'000	Minority interests RM'000	
Balance as at 1 July 2009	141,321	25,043	(9,489)	7,873	275,848	440,596	30,816	471,412
Foreign currency translations	–	–	–	(7,962)	–	(7,962)	(1,905)	(9,867)
Expense recognised directly in equity	–	–	–	(7,962)	–	(7,962)	(1,905)	(9,867)
Net profit for the year	–	–	–	–	116,111	116,111	6,363	122,474
Total recognised income for the year	–	–	–	(7,962)	116,111	108,149	4,458	112,607
Appropriation :-								
Final dividend for FY2009	–	–	–	–	(24,951)	(24,951)	–	(24,951)
Interim dividend for FY2010	–	–	–	–	(19,241)	(19,241)	–	(19,241)
Share options granted under ESOS	–	–	–	4,106	–	4,106	277	4,383
Share options exercised	171	2,241	–	(780)	–	1,632	(35)	1,597
Share issue expenses	–	(356)	–	–	–	(356)	–	(356)
Shares repurchased	–	–	(34,546)	–	–	(34,546)	–	(34,546)
Special share dividend	–	(24,877)	24,877	–	–	–	–	–
Dividend paid to minority shareholders	–	–	–	–	–	–	(828)	(828)
Bonus shares issued	56,560	–	–	–	(56,560)	–	–	–
Balance as at 30 June 2010	198,052	2,051	(19,158)	3,237	291,207	475,389	34,688	510,077
Balance as at 1 July 2008	141,321	25,043	(8,576)	4,266	217,195	379,249	22,149	401,398
Foreign currency translations	–	–	–	1,364	–	1,364	1,344	2,708
Income recognised directly in equity	–	–	–	1,364	–	1,364	1,344	2,708
Net profit for the year	–	–	–	–	91,936	91,936	9,549	101,485
Total recognised income for the year	–	–	–	1,364	91,936	93,300	10,893	104,193
Appropriation :-								
Final dividend for FY2008	–	–	–	–	(20,697)	(20,697)	–	(20,697)
Interim dividend for FY2009	–	–	–	–	(12,586)	(12,586)	–	(12,586)
Share options granted under ESOS	–	–	–	2,243	–	2,243	345	2,588
Shares repurchased	–	–	(913)	–	–	(913)	–	(913)
Issuance of shares to minority shareholders	–	–	–	–	–	–	40	40
Acquisition of a subsidiary	–	–	–	–	–	–	1,538	1,538
Dividend paid to minority shareholders	–	–	–	–	–	–	(4,149)	(4,149)
Balance as at 30 June 2009	141,321	25,043	(9,489)	7,873	275,848	440,596	30,816	471,412

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	30/06/2010	30/06/2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	151,049	123,456
Adjustments for :		
Depreciation and amortisation expenses	17,952	16,141
Share of results of jointly controlled entities and associates	(34,286)	(27,583)
Other non-cash items	11,771	4,795
Interest paid and received	(269)	(481)
	146,217	116,328
Operating profit before working capital changes		
Changes in working capital :		
Net change in current assets	(25,852)	(59,078)
Net change in current liabilities	75,082	56,283
	195,447	113,533
Cash generated from operations		
Dividend and interest received	29,349	58,556
Tax paid	(23,142)	(21,287)
Tax refund	246	519
	201,900	151,321
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	103	1,829
Purchase of other investment	(33)	(1,792)
Investment in jointly controlled entity	(37,323)	(18,188)
Purchase of intangible assets	(677)	-
Acquisition of additional shares from minority interest	(571)	-
Net change in deposits with licensed banks	1,158	(1,692)
Proceeds from disposal of property, plant and equipment	1,140	837
Proceeds from disposal of an associate	-	1,400
Net purchase of property, plant and equipment	(20,104)	(24,826)
	(56,307)	(42,432)
Net cash used in investing activities		

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010 (CONT'D)

	30/06/2010	30/06/2009
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,080)	(885)
Dividend paid	(44,192)	(33,283)
Dividend paid to minority shareholders	(828)	(4,149)
Net bank borrowings	23,649	26,708
Proceeds from issuances of shares	1,597	40
Share issue expenses	(356)	–
Shares repurchased	(34,546)	(913)
	(56,756)	(12,482)
Net cash used in financing activities		
	(56,756)	(12,482)
NET INCREASE IN CASH AND CASH EQUIVALENTS	88,837	96,407
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		
As previously reported	174,568	76,600
Effects of exchange rate changes on cash and cash equivalents	(5,330)	1,561
As restated	169,238	78,161
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note A17)	258,075	174,568

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and accompanying explanatory notes attached to the Interim Financial Statements.)

INTERIM FINANCIAL REPORT

NOTES TO THE INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa”) and should be read in conjunction with the Group’s annual audited financial report for the financial year ended 30 June 2009. The 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 2009.

A2 Changes in accounting policies

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group’s audited financial statements for the financial year ended 30 June 2009 except for the adoption of the following new FRS issued by the Malaysian Accounting Standards Board (“MASB”) that are effective for the Group’s financial statements commencing 1 July 2009:-

i) FRS 8 Operating Segments

FRS 8, which replaced FRS 114₂₀₀₄ Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segments and to assess their performance. The Group determines that the operating segments are based on geographical location of its customers and assets. Adoption of this new standard did not have any material effect on the financial position or performance of the Group.

The Group had also opted for early adoption of Amendment to FRS 117 which takes effective for annual periods beginning on or after 1 January 2010.

ii) Amendment to FRS 117 : Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land was treated as operating lease and the considerations paid were classified as prepaid lease payment for land. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has reclassified the prepaid lease payment for land to property, plant and equipment. The reclassification has been accounted for retrospectively in accordance with the transitional provision and certain comparative balances have been restated.

The effects of the reclassification of the comparative figures following the adoption of the Amendment to FRS 117 as mentioned above are as below:

	As previously reported RM'000	Effects RM'000	As restated RM'000
<u>Balance Sheet as at 30.06.09</u>			
Property, plant and equipment	144,692	10,666	155,358
Prepaid lease payments for land	10,666	(10,666)	-

INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D

A3 Auditors' report of preceding annual audited financial statements

The auditors' report on preceding year's audited financial statements was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operations are not affected by seasonal or cyclical factors.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current financial year.

A7 Debt and equity securities

Changes in debt and equity securities during the current financial year were as follows:-

- (i) The issued and paid-up share capital has been increased from RM141,321,004 to RM198,052,323 by:
 - a) the allotment of 1,712,860 new ordinary shares of RM0.10 each pertaining to the exercise of 1,712,860 shares under the Employees' Share Option Scheme, and
 - b) the issuance of 565,600,333 new ordinary shares of RM0.10 each by way of bonus issue on the basis of two (2) new ordinary shares of RM0.10 each for every five (5) ordinary shares of RM0.10 each held, by capitalising firstly RM34,396,684 from the revaluation reserve account whilst the balance of RM22,163,349 from the retained profits of the Company.
- (ii) The Company repurchased a total of 30,443,600 ordinary shares of RM0.10 each from the open market for a total consideration of RM34,546,676. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.
- (iii) The Company distributed a total of 27,721,522 of its treasury shares to entitled shareholders as share dividends on 23 December 2009 pursuant to the tax exempt Special Share Dividend declared on 7 October 2009.

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year.

INTERIM FINANCIAL REPORT**A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D****A8 Dividends paid**

The dividends paid during the financial year were as follows:-

- (i) A final dividend of 24% per ordinary share of RM0.10 each, less 25% tax, amounting to RM24,950,786 in respect of financial year ended 30 June 2009 was paid on 23 December 2009;
- (ii) Special single tier exempt share dividend of one (1) treasury share for every fifty (50) existing ordinary shares of RM0.10 each held, totalling to 27,721,522 share dividends amounting to RM24,877,380 (determined based on weighted average cost of the treasury shares) in respect of financial year ended 30 June 2009 was distributed to entitled shareholders on 23 December 2009; and
- (iii) A interim dividend of 13% per ordinary share of RM0.10 each, less 25% tax, amounting to RM19,240,989 in respect of the current financial year was paid on 15 June 2010.

A9 Operating segments

The Group operates principally in the oil, gas and petrochemical industry in Malaysia and other countries.

Segment information in respect of the Group's operating segments is as follows :-

	Malaysia	Other		Total
	RM'000	Countries	Elimination	RM'000
		RM'000	RM'000	
Revenue from external customers	634,335	504,811	-	1,139,146
Inter-segment revenue	1,212	30,865	(32,077)	-
Total revenue	635,547	535,676	(32,077)	1,139,146
Segment results	86,629	30,134	-	116,763
Share of results in jointly controlled entities and associates	34,258	28	-	34,286
Profit before tax				151,049
Tax expense				(28,575)
Net profit for the financial year				122,474
Total segment assets	604,728	286,815	-	891,543

INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D**A10 Property, plant and equipment**

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

A11 Material events subsequent to the end of the interim period

There were no material events subsequent to the current financial year ended 30 June 2010 and 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

On 30 April 2010, the Group acquired the remaining 40% equity interest in Multi-Cad Engineering Sdn Bhd ("Multi-Cad"), comprising 200,000 ordinary shares of RM1.00 each, for a total cash consideration of RM571,000. After the acquisition, Multi-Cad becomes a wholly-owned subsidiary of the Group.

Save for the above, there were no other changes in the composition of the Group during the current financial year.

A13 Commitments

	30-06-10
	RM'000
i) Capital commitments	
Capital expenditure in respect of property, plant and equipment :	
- contracted but not provided for	<u>1,029</u>
ii) Operating lease commitments	
a) The Group as lessee	
- not later than one year	10,550
- later than one year and not later than five years	10,144
- after five years	<u>8,615</u>
	<u>29,309</u>
b) The Group as lessor	
- not later than one year	410
- later than one year and not later than five years	<u>78</u>
	<u>488</u>
iii) Investment in tank terminals business	
Contracted but not provided for	<u>27,100</u>

INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D**A14 Changes in contingent liabilities and contingent assets**

The Company provides corporate guarantee up to a total amount of RM348,288,569 (as at 30.06.09: RM352,612,000) to licensed banks for banking facilities granted to certain subsidiary companies. Consequently, the Company is contingently liable for the amount of banking facilities utilised by these subsidiary companies totalling RM93,720,876 (as at 30.06.09: RM98,397,266).

The Company has also given corporate guarantees amounting to RM40,340,000 (as at 30.06.09: RM43,460,000) to third parties for supply of goods and warehouse licenses for certain subsidiary companies. Consequently, the Company is contingently liable for the amount owing by these subsidiary companies to the third parties totalling RM20,093,306 (as at 30.06.09: RM15,244,725).

In addition, the Company also provides a Letter of Undertaking to a jointly controlled entity for the provision of cash flow deficiency support up to RM37.4 million for banking facilities secured by a subsidiary company of this jointly controlled entity.

A15 Significant related party transactions

Significant related party transactions which were entered into on agreed terms and prices for the current year ended 30 June 2010 are set out below. The relationship of the related parties are as disclosed in the annual audited financial statements for the financial year ended 30 June 2009 and the approved shareholders' mandate in the circular dated 26 October 2009 for recurrent related party transactions.

	12 months ended 30-06-10 RM'000
Transactions with associates:	
Subcontracts works received	2,407
Transactions with jointly controlled entities:	
Subcontract works received	94,489
Interest receivable	757
Commission received	194
Services rendered	125
Purchases and services	(679)
Transactions with related parties in relation to approved shareholders' mandate for recurrent related party transactions:	
Provision of IT and related services	2,910
Subcontracts works	9,412
Management services	2,927
Provision of intellectual property right	563

DIALOG GROUP BERHAD

Company No. 178694 – V

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D**A16 Trade and other receivables**

	30-06-10
	RM'000
Amount due from customers for contract works	54,759
Trade receivables	194,730
Other receivables, deposits and prepayments	12,131
Amount due from associates	743
Amount due from jointly controlled entities	28,494
	<u>290,857</u>

As at the date of this report, the Group has subsequently collected RM78.7 million from the trade receivables which represents 40% of its total outstanding balance.

A17 Cash and cash equivalents

	30-06-10
	RM'000
Deposits, cash and bank balances	261,062
Less: Deposits pledged to licensed banks	(2,987)
	<u>258,075</u>

A18 Trade and other payables

	30-06-10
	RM'000
Amount due to customers for contract works	63,093
Trade payables	172,759
Amount due to an associate	581
Amount due to jointly controlled entities	502
Accruals and other payables	50,127
	<u>287,062</u>

A19 Employees' Share Option Scheme ("ESOS")

The Company has implemented an ESOS scheme to attract and retain qualified and experienced employees. The scheme was approved by the shareholders at an Extraordinary General Meeting held on 25 July 2007 and shall be in force for a period of ten (10) years until 29 July 2017.

In compliance with Financial Reporting Standard, FRS 2 on Share-based payment, a total ESOS cost for share options amounted to RM4,382,905 was charged to income statements for the current financial year (FY2009: RM2,588,302).

INTERIM FINANCIAL REPORT

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of performance

The Group closed the financial year ended 30 June 2010 with a revenue of RM1.14 billion and profits after tax rose by 20.7% to RM122.5 million from RM101.5 million a year ago.

The outstanding financial results were contributed by the plant maintenance division which saw significant work performed and completed during the financial year both in Malaysia and Singapore. The commencement of operation by Langsung Terminal (One) Sdn Bhd in Tanjung Langsung, Johor in September 2009 for its Phase 1 and in April 2010 for its Phase 2, had also contributed positively to the Group's financial results in the current financial year.

The Group's revenue and profits after tax for the current financial quarter of RM272.0 million and RM30.4 million were down by 24% and 8% respectively when compared to the same corresponding period last year. This was following the completion of some engineering & construction works during the financial quarter.

B2 Variation of results against preceding quarter

The Group's revenue and profits before tax for the current financial quarter of RM272.0 million and RM38.8 million were down by 4% and 6% respectively when compared to the preceding financial quarter. This was following the completion of some engineering & construction works during the financial quarter.

B3 Prospects

Being an integrated specialist technical services provider to the oil, gas and petrochemical industry, the Group will continue to focus on and grow its core businesses i.e. logistics services (tank terminals & supply base), specialist products and services, catalyst handling services, plant maintenance, engineering & construction, fabrication and ePayment technology & solutions. In addition, the Group will continue to strengthen and widen its presence in existing markets and penetrate new ones in Africa, North and South America. At the same time, the Group will continue to invest in businesses with long term sustainable income.

Barring any unforeseen circumstances, the Group is optimistic that its performance will be favourable for the financial year ending 30 June 2011.

B4 Profit forecast and profit guarantee

The Group did not announce any profit forecast nor profit guarantee for the current financial year.

INTERIM FINANCIAL REPORT

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D**B5 Taxation**

	3 months ended	12 months ended
	30-06-10	30-06-10
	RM'000	RM'000
Current tax	(3,870)	24,915
Deferred tax	11,834	3,720
Under/ (Over) provision in prior year	462	(60)
Total tax expense	<u>8,426</u>	<u>28,575</u>

Overall effective tax rates of the Group for the current quarter and current year are lower than the statutory tax rate of 25% due to lower tax rates in certain foreign jurisdictions.

B6 Unquoted investment and properties

There were no disposals of unquoted investment and/or properties during the current financial year.

B7 Quoted securities

There were neither purchases nor disposal of quoted securities during the current financial year.

B8 Status of corporate proposals / contractsMemorandum of Understanding with The State Government of Johor Darul Ta'zim and The State Secretary, Johor (Incorporated), and Vopak Asia Pte Ltd

The Company had on 8 June 2009 entered into a Memorandum of Understanding ("MOU") with the State Government of Johor Darul Ta'zim ("the Johor State Government") and the State Secretary, Johor (Incorporated) ("S.S.I"). Then on 20 July 2009, the Company had entered into a MOU with Vopak Asia Pte. Ltd., which is part of the Royal Vopak group ("VOPAK").

The MOUs are to facilitate the Company together with the Johor State Government, S.S.I. and VOPAK to conduct a feasibility study and an environmental impact assessment with the aim of developing an independent deepwater petroleum terminal with harbour port, jetty and other marine facilities with water depth up to 26 meters capable of handling Ultra Large Crude Carriers, Very Large Crude Carriers and other vessels, and with tankage facilities for the handling, storage, processing and distribution of crude oil, petroleum, petrochemicals and chemical products in Tanjung Ayam and Tanjung Kapal, Pengerang in Johor.

The technical part of the feasibility study has been completed and concluded that the site is suitable for reclamation and the construction of the proposed terminal. The other parts of the feasibility study and the environmental impact assessment are still in progress.

There were no other corporate proposals announced but not completed as at the date of this announcement.

INTERIM FINANCIAL REPORT

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D**B9 Borrowings and debt securities**

As at 30 June 2010, the Group's secured borrowings are denominated in the following currencies:

	FC'000	RM'000
Short term borrowings:		
Sterling Pound	6	34
Singapore Dollar	875	2,038
Thailand Baht	57	6
Ringgit Malaysia		<u>7,461</u>
		<u>9,539</u>
Long term borrowings:		
Sterling Pound	7	35
Singapore Dollar	1,078	2,512
Ringgit Malaysia		<u>63,317</u>
		<u>65,864</u>
		<u>75,403</u>

B10 Off balance sheet financial instruments

As at 30 June 2010, the Group entered into optional forward foreign exchange contracts with maturity less than a year as follow:

	Contract value	
	FC'000	RM'000
Forward foreign exchange contract:		
Euro	174	753
Sterling Pound	496	2,505
United States Dollar	<u>2,226</u>	<u>7,430</u>

These forward contracts are to hedge the foreign currency risk associated with its trade receivable / payable balances.

There is no change to the credit risk, market risk and liquidity risk associated with the forward foreign exchange contract as disclosed in audited financial statement for financial year ended 30 June 2009.

There is no cash requirement for the above forward foreign exchange contract. These contracts are recognised in the accounts upon settlement.

There has been no change by the Group in the policy as disclosed in the audited financial statements for the year ended 30 June 2009, to mitigate or control those risks associated with the above mentioned derivatives.

B11 Material litigation

The Group is not engaged in any material litigation and is not aware of any proceeding that might materially affect the financial position or business of the Group.

INTERIM FINANCIAL REPORT

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B12 Dividends

- (a) The Board recommends a final single tier dividend of 18% (previous corresponding year: 24% less 25% tax) per ordinary share of RM0.10 each in respect of the current financial year for approval of the shareholders at the forthcoming Annual General Meeting.
- (b) The total net dividend for the current financial year of 27.75% was higher compared to last financial year of 27%. This year's total dividend comprises of the following:-
- (i) Interim dividend of 13% less 25% tax per ordinary share of RM0.10 each.
 - (ii) Proposed final single tier dividend of 18% per ordinary share of RM0.10 each.

B13 Earnings per share

The basic earnings per share for the current year is calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares after deducting treasury shares (adjusted for the effect of the bonus issue of 2 for 5 for the previous corresponding year).

	30-06-10	30-06-09
Net profit for the financial year attributable to ordinary equity holders of the Company (RM)	<u>116,110,778</u>	<u>91,936,553</u>
Weighted average number of ordinary shares in issue	<u>1,967,564,140</u>	<u>1,964,057,780</u>

Diluted earnings per share for the current financial year is calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue and issuable (adjusted for the effect of the bonus issue of 2 for 5 for the previous corresponding year). The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between share price and exercise price.

	30-06-10	30-06-09
Net profit for the financial year attributable to ordinary equity holders of the Company (RM)	<u>116,110,778</u>	<u>91,936,553</u>
Weighted average number of ordinary shares in issue	1,967,564,140	1,964,057,780
Weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise	<u>1,957,776</u>	<u>208,619</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1,969,521,916</u>	<u>1,964,266,399</u>

Date: 19 August 2010