

ENG TEKNOLOGI HOLDINGS BHD.

Company No. 234669 M
(Incorporated in Malaysia)

Interim Financial Statements
31 March 2011

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONTENTS

	PAGE
CONDENSED CONSOLIDATED INCOME STATEMENTS	1
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	2
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3 - 4
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5 - 6
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	7 - 8
PART A - DISCLOSURE NOTES AS REQUIRED UNDER FRS 134	9 - 14
PART B - DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS	15 - 19

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS

Unaudited

	Note	3 months period ended 31 March	
		2011 RM'000	2010 RM'000
Revenue		120,299	153,528
Cost of sales		(106,336)	(123,311)
Gross profit		<u>13,963</u>	<u>30,217</u>
Other items of income			
Other income		1,463	1,736
Other items of expense			
Administrative expenses		(6,067)	(7,621)
Selling and marketing expenses		(2,604)	(2,380)
Other expenses		(1,053)	(2,339)
Finance costs		(170)	450
Share of profit of associates		56	4
Profit before tax		<u>5,588</u>	<u>20,067</u>
Income tax expense	20	(692)	(1,719)
Profit net of tax		<u><u>4,896</u></u>	<u><u>18,348</u></u>
 Profit attributable to:			
Owners of the parent		4,798	18,165
Minority interest		98	183
		<u><u>4,896</u></u>	<u><u>18,348</u></u>
 Earnings per share attributable to owners of the parent:			
Basic, for profit for the period (sen)	30	4.0	15.2
Diluted, for profit for the period (sen)	30	3.9	15.0
 The cost of sales, administrative expenses and other expenses were arrived at after:-			
(a) depreciation		(7,147)	(9,993)
(b) amortisation		(97)	(5)
 Included in the other expenses was:			
(a) net foreign exchange loss		(311)	(2,001)
 Included in the finance costs were:			
(a) interest expense		(334)	(441)
(b) net foreign exchange gain arising from financing activities		288	1,106

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited

	3 months period ended 31 March	
	2011 RM'000	2010 RM'000
Profit net of tax	4,896	18,348
Other comprehensive income, net of tax:		
Foreign currency translation	(2,824)	(3,665)
Total comprehensive income for the period	<u>2,072</u>	<u>14,683</u>
Total comprehensive income attributable to:		
Owners of the parent	2,017	14,609
Minority interest	55	74
	<u>2,072</u>	<u>14,683</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited

	Note	As At 31 March 2011 RM'000	As At 31 December 2010 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		115,367	116,817
Intangible assets		28,474	28,637
Interest in associates		3,109	3,070
Other investments		12	12
Retirement benefits plan assets		219	260
Deferred tax assets		3,356	3,303
		<u>150,537</u>	<u>152,099</u>
Current Assets			
Inventories		50,780	45,035
Trade receivables		102,873	107,044
Other receivables		4,341	4,147
Other current assets		10,687	8,326
Derivatives		1,272	916
Tax recoverable		1,988	1,601
Cash and bank balances		89,813	89,272
		<u>261,754</u>	<u>256,341</u>
TOTAL ASSETS		<u>412,291</u>	<u>408,440</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		122,444	122,042
Share premium		3,103	2,922
Treasury shares		(1,533)	(1,533)
Other reserves		(13,405)	(10,510)
Retained earnings		156,449	156,514
		<u>267,058</u>	<u>269,435</u>
Minority interest		2,129	2,074
Total equity		<u>269,187</u>	<u>271,509</u>
Non-current Liabilities			
Retirement benefits obligations		556	543
Loans and borrowings	24	9,888	9,293
Deferred tax liabilities		1,312	1,249
		<u>11,756</u>	<u>11,085</u>

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)

Unaudited

	Note	As At 31 March 2011 RM'000	As At 31 December 2010 RM'000
Current Liabilities			
Loans and borrowings	24	39,399	39,135
Trade payables		51,962	46,121
Other payables		33,605	30,538
Other current liabilities		5,728	9,750
Derivatives		137	1
Income tax payable		517	301
		<u>131,348</u>	<u>125,846</u>
Total liabilities		<u>143,104</u>	<u>136,931</u>
TOTAL EQUITY AND LIABILITIES		<u>412,291</u>	<u>408,440</u>
Net assets per share (RM)		2.20	2.22
Net assets per share attributable to owners of the parent (RM)		2.18	2.21

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Unaudited

	← Attributable to owners of the parent →					Minority Interest	Total Equity	
	Share Capital	Non-distributable Share Premium	Treasury Shares	Other Reserves	Distributable Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2011	122,042	2,922	(1,533)	(10,510)	156,514	269,435	2,074	271,509
Total comprehensive income	-	-	-	(2,781)	4,798	2,017	55	2,072
Transactions with owners								
Interim tax exempt dividend	-	-	-	-	(4,863)	(4,863)	-	(4,863)
Issue of ordinary shares pursuant to ESOS	402	58	-	-	-	460	-	460
Share options granted under ESOS	-	-	-	9	-	9	-	9
Transfer to share premium, arising from exercise of ESOS	-	123	-	(123)	-	-	-	-
Total transactions with owners	402	181	-	(114)	(4,863)	(4,394)	-	(4,394)
At 31 March 2011	122,444	3,103	(1,533)	(13,405)	156,449	267,058	2,129	269,187

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to the owners of the parent →					Minority Interest	Total Equity	
	← Non-distributable →			Distributable				
	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2010	119,272	1,042	(198)	(5,299)	122,764	237,581	2,204	239,785
Total comprehensive income	-	-	-	(3,556)	18,165	14,609	74	14,683
Transactions with owners								
Forfeiture of vested ESOS	-	-	-	(15)	15	-	-	-
Issue of ordinary shares pursuant to ESOS	754	350	-	-	-	1,104	-	1,104
Purchase of treasury shares	-	-	(87)	-	-	(87)	-	(87)
Share options granted under ESOS	-	-	-	26	-	26	-	26
Transfer to share premium, arising from exercise of ESOS	-	207	-	(207)	-	-	-	-
Total transactions with owners	754	557	(87)	(196)	15	1,043	-	1,043
At 31 March 2010	120,026	1,599	(285)	(9,051)	140,944	253,233	2,278	255,511

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

	3 months period ended 31 March	
	2011	2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,588	20,067
Adjustments for non-cash items	7,033	10,734
Operating profit before working capital changes	12,621	30,801
Increase in inventories	(6,193)	(1,832)
Decrease/(increase) in receivables	3,594	(7,423)
Increase/(payables) in payables	3,163	(541)
Decrease in long term receivable	28	70
Cash generated from operations	13,213	21,075
Tax refunded	-	3,740
Interest paid	(321)	(406)
Tax paid	(857)	(599)
Net cash generated from operating activities	12,035	23,810
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(11,942)	(3,284)
Acquisition of intangible assets	(52)	(39)
Interest received	249	87
Investment in an associate	(11)	-
Proceeds from disposal of property, plant and equipment	101	4
Net cash used in investing activities	(11,655)	(3,232)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid by a subsidiary to minority interest	(147)	-
Drawdown of loans	6,005	-
Net change in bank borrowings	(146)	(3,649)
Proceeds from issuance of shares for ESOS exercised	460	1,104
Purchase of treasury shares	-	(87)
Repayment of obligations under finance lease	(353)	(387)
Repayment of term loans	(4,645)	(5,043)
Net cash generated from/(used in) financing activities	1,174	(8,062)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,554	12,516
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(1,013)	(2,030)
CASH AND CASH EQUIVALENTS AS AT		
1 JANUARY	89,272	59,795
CASH AND CASH EQUIVALENTS AS AT		
31 MARCH	89,813	70,281

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise the following balance sheet amounts:

	As At 31 March	
	2011 RM'000	2010 RM'000
Cash and bank balances	89,813	70,281
Bank overdrafts	-	-
	<u>89,813</u>	<u>70,281</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

PART A – DISCLOSURE NOTES AS REQUIRED UNDER FRS 134

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of a property included in property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. 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 31 December 2010.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations by the Group with effect from 1 January 2011.

FRSs, Amendments to FRSs and Interpretations

- Amendments to FRS 132 Classification of Rights Issues
- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 3 Business Combinations (Revised)
- Amendments to FRS 2 Share-based Payment
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 127 Consolidated and Separate Financial Statements
- Amendments to FRS 138 Intangible Assets
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners
- Limited Exemption from Comparative FRS 7: Disclosures for First-time Adopters (Amendments to FRS1) Improving Disclosures about Financial Instruments (Amendments to FRS 7)
- FRS 1: Additional Exemptions for First-time Adopters (Amendments to FRS 1)
- FRS 2: Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)
- IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- Technical Release 3: Guidance on Disclosures of Transition to IFRSs
- Amendments to FRSs and Interpretation ‘Improvements to FRSs (2010)’

The application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in accounting policies and presentation of the financial results of the Group.

2. Changes in Accounting Policies (cont'd)

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group, which are:

Effective for financial periods 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

Effective for financial periods beginning on or after 1 January 2012

- IC Interpretation 15: Agreements for the Construction of Real Estate
- FRS 124 : Related Party Disclosures

The initial application of the above new FRSs and interpretations, and amendments to FRSs and Interpretations is not expected to have any significant impact on the Group.

3. Comparatives

The comparative figures are consistent with those previously announced and there is no event requiring restating of the comparative figures during the quarter under review.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

5. Segmental Information

Analysis by business segments:

3 months period ended 31 March 2011	Manufacturing RM'000	Trading RM'000	Others RM'000	Amalgamated RM'000	Elimination/ Adjustment RM'000	Consolidated RM'000
Revenue						
External sales	120,112	-	-	120,112	-	120,112
Inter-segment sales	34,952	-	409	35,361	(35,361)	-
	155,064	-	409	155,473	(35,361)	120,112
Unallocated revenue						187
Total revenue						<u>120,299</u>
Results						
Segment results	5,030	(26)	165	5,169	-	5,169
Interest income						256
Unallocated income						277
Finance costs						(170)
Share of profit of associates						56
Profit before tax						<u>5,588</u>
Income tax expense						(692)
Profit for the period						<u>4,896</u>

5. Segmental Information (cont'd)

3 months period ended 31 March 2010	Manufacturing RM'000	Trading RM'000	Others RM'000	Amalgamated RM'000	Elimination/ Adjustment RM'000	Consolidated RM'000
Revenue						
External sales	153,563	(53)	-	153,510	-	153,510
Inter-segment sales	(52)	-	421	369	(369)	-
	153,511	(53)	421	153,879	(369)	153,510
Unallocated revenue						18
Total revenue						<u>153,528</u>
Results						
Segment results	18,650	(78)	88	18,660	-	18,660
Interest income						100
Unallocated income						853
Finance costs						450
Share of profit of associate						4
Profit before tax						<u>20,067</u>
Income tax expense						<u>(1,719)</u>
Profit for the period						<u>18,348</u>

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

6. 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 ended 31 March 2011.

7. Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter's results.

8. Comments about Seasonal or Cyclical Factors

The Group is subjected to the cyclical effects of the global technology industry and the fluctuations of the metal prices used as raw materials.

9. Dividend Paid

There was no dividend paid during the financial period ended 31 March 2011.

10. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2010.

11. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the followings:

(a) Employee Share Options Scheme ("ESOS")

During the financial period ended 31 March 2011, the Company issued 401,800 fully paid-up ordinary shares of RM1 each for cash pursuant to the Company's ESOS.

<u>ESOS</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>	<u>Option 5</u>	<u>Option 6</u>	<u>Total</u>
Grant Date	23/10/2001	18/10/2002	23/05/2003	24/02/2004	15/08/2005	18/02/2008	
Expiry Date	22/10/2011	22/10/2011	22/10/2011	22/10/2011	22/10/2011	22/10/2011	
	('000)	('000)	('000)	('000)	('000)	('000)	('000)
As at 1/1/2011	779	25	155	570	2,873	716	5,118
Granted	-	-	-	-	-	-	-
Exercised	-	-	18	-	-	384	402
Foregone	-	-	-	-	-	-	-
As at 31/03/2011	779	25	137	570	2,873	332	4,716
Option price per Ordinary Share (RM)	1.62	1.40	1.48	2.90	1.84	1.13	

(b) Shares held as Treasury Shares

During the financial period ended 31 March 2011, there were no repurchase of issued share capital from the open market.

12. Changes in Composition of the Group

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

13. Commitments

The amount of commitments not provided for in the interim financial statements as at 31 March 2011 is as follows:

	As At 31 March 2011 RM'000
Approved and contracted for:	
Property, plant and equipment	6,840
Intangible assets	757
Future minimum rental payments for non-cancellable operating lease agreements	8,261

14. Changes in Contingent Liabilities and Contingent Assets

The total contingent liabilities as at 31 March 2011 for the Company are corporate guarantees for credit facilities granted to subsidiaries of RM42.9 million (31 December 2010: RM46.7million).

15. Subsequent Events

There were no material events subsequent to the end of the current quarter except for the following:

- (a) On 4 April 2011, the Board of Directors announced that the Memorandum of Understanding entered between the Company with the shareholders of Ceedtec Sdn Bhd on 18 October 2010 have been terminated by mutual consent as the parties have not been able to agree on the terms and conditions of the proposed Shareholders Agreement and the Share Sale Agreement.

ENG TEKNOLOGI HOLDINGS BHD.
(Incorporated in Malaysia)

**PART B – DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

16. Performance Review

The revenue and the profit before tax for the first quarter of FY2011 were RM120.3 million and RM5.6 million respectively. In the comparative period last financial year, revenue and profit before tax were RM153.5 million and RM20.1 million.

Compared to the corresponding quarter last financial year, revenue declined by 22% whilst the profit before tax dropped by 72%. Revenue contracted as a result of price erosion, adverse forex impact from depreciation of USD and lower volume in actuator sales. Profit before tax decreased significantly due to the drop in contribution as a result of the lower revenue. Product pricing was very competitive amidst hard disk drive industry consolidation during the reporting quarter.

17. Material Change in Profit Before Tax Against Preceding Quarter

The Group revenue for the reporting quarter at RM120.3 million dropped by 12% as compared to the preceding quarter of RM136.5 million. Profit before tax at RM5.6 million was down by 42% compared to the RM9.6 million in the preceding quarter.

The revenue slide RM16.2 million compared to the preceding quarter amidst continuing depreciation of USD and lower actuator sales from end of last financial year to this reporting quarter.

18. Prospects

The Group hopes to achieve further growth for FY2011 as the global demand of hard disk drive is expected to increase. While the Group is positive on its prospects, it remains cautious with impending consolidations in the hard disk drive industry, foreign exchange impacts and aluminium cost increase that may affect the performance of the Group. Management has implemented several plans including mechanization, cost containment and efficiency improvements to preserve product margins.

19. Profit Forecast or Profit Guarantee

Not applicable.

20. Income Tax Expense

	3 months period ended 31 March	
	2011 RM'000	2010 RM'000
Current tax:		
Malaysian income tax	440	1,030
Foreign income tax	242	386
	<u>682</u>	<u>1,416</u>
Deferred tax	10	303
Total income tax expense	<u>692</u>	<u>1,719</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year. The computation of deferred tax as at 31 March 2011 has reflected these changes.

The effective tax rate for the period ended 31 March 2011 was lower than the statutory tax rate principally due to certain income not subject to tax and incentives enjoyed by the local subsidiaries under the Income Tax Act, 1967 and by foreign subsidiaries under their respective tax legislations.

21. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the financial period ended 31 March 2011.

22. Quoted Securities

There were no purchase or sales of quoted securities during the financial period ended 31 March 2011 and no investment in quoted securities as at 31 March 2011.

23. Corporate Proposals

There have been no further developments to corporate proposals other than that already announced to Bursa Malaysia.

24. Borrowings

Details of the Group's borrowings as at 31 March 2011 are as follows:

	As At 31 March 2011 RM'000	As At 31 December 2010 RM'000
Short term		
Secured	17,146	20,006
Unsecured	22,253	19,129
	<u>39,399</u>	<u>39,135</u>
Long term		
Secured	9,888	9,293
	<u>49,287</u>	<u>48,428</u>

Borrowings denominated in foreign currency:

	As At 31 March 2011		As At 31 December 2010	
	Foreign currency '000	RM'000 equivalent	Foreign currency '000	RM'000 equivalent
Short term				
Secured	USD 3,265	9,880	USD 4,028	12,440
Secured	THB 427	42	THB 392	40
Unsecured	USD 5,906	17,863	USD 6,196	19,129
Long term				
Secured	USD 2,592	7,841	USD 1,769	5,463
Secured	THB 890	88	THB 1,021	104

25. Derivative Financial Instruments

As at 31 March 2011, the foreign currency contracts which have been entered into by the Group to hedge its foreign receivables and payables in foreign currencies are as follows:

	Contract Value RM'000	Fair Value RM'000	Assets RM'000
Forward Foreign Currency Contracts			
Less than 1 year:			
Used to hedge trade receivables	56,597	55,325	1,272
Used to hedge trade payables	19,191	19,054	(137)
Total			<u>1,135</u>

The fair value changes of derivative financial assets/ liabilities had resulted in a gain of RM221,963 for the current quarter ended 31 March 2011.

Derivative financial instruments are categorised as fair value through profit or loss and measured at their fair value with the gain or loss recognised in the profit or loss.

25. Derivative Financial Instruments (cont'd)

Forward currency contracts are valued using a valuation technique with market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Credit risk, or the risk of counterparties defaulting, is controlled by strictly limiting the Group's association to creditworthy financial institutions in Malaysia.

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

There are no significant credit and market risks posed by the above derivative financial instruments.

The Group will fund the cash requirements of these derivatives from its net cash flow from operating activities when the payments fall due.

26. Disclosure of Realised and Unrealised Profits

	As At 31 March 2011 RM'000	As At 31 December 2010 RM'000
Total retained profits of the Company and its subsidiaries:		
Realised	246,810	248,337
Unrealised	5,587	3,565
	<u>252,397</u>	<u>251,902</u>
Total share of retained profits from associated companies:		
Realised	16	(29)
Unrealised	38	34
	<u>252,451</u>	<u>251,907</u>
Less: Consolidation adjustments	(96,002)	(95,393)
Total Group retained profits as per consolidated accounts	<u>156,449</u>	<u>156,514</u>

27. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 18 May 2011, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

28. Changes in Material Litigation

There was no pending material litigation at the date of the report.

29. Dividend

The directors do not recommend any interim dividend for the financial period ended 31 March 2011.

30. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	3 months period ended 31 March	
	2011	2010
Profit attributable to owners of the parent (RM'000)	4,798	18,165
Weighted average number of ordinary shares in issue ('000)	121,312	119,313
Basic earnings per share (sen)	4.0	15.2

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of share options granted to employees.

	3 months period ended 31 March	
	2011	2010
Profit attributable to owners of the parent (RM'000)	4,798	18,165
Weighted average number of ordinary shares in issue ('000)	121,312	119,313
Effects of dilution:		
Share options	237	1,998
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	121,549	121,311
Diluted earnings per share (sen)	3.9	15.0

31. Authorisation for Issue

On 25 May 2011, the Board of Directors authorised the issue of these interim financial statements.

By Order of the Board
Eng Teknologi Holdings Bhd (234669 M)

THUM SOOK FUN (MAICSA 7025619)
Secretary
25 May 2011