

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134 – INTERIM FINANCIAL REPORTING**

**1. First-time adoption of Malaysian Financial Reporting Standards (“MFRS”)**

The condensed consolidated interim financial statements (“Condensed Report”) have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The Condensed Report is the Group’s first MFRS compliant Condensed Report for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. Hence, MFRS1: First- Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At the transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. Save as disclosed in Note 2.1 below, the transition from FRS to MFRS did not have material impact on the Condensed Report upon their initial application.

The Condensed Report are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM’000).

**2. Significant accounting policies**

**2.1 Application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

**(a) Definition of Cash and Cash Equivalents**

Under FRS, the Group defined all its cash at bank and on hand, demand deposits and short-term, highly liquid investments as cash and cash equivalents where they are readily convertible to known amount of cash and are subject to insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group’s cash management.

Upon transition to MFRS, the Group redefined its cash and cash equivalents to mean cash at bank, and on hand, short term deposits for purposes of meeting short term funding requirements and highly liquid investments where they are readily convertible to known amount of cash and are subject to insignificant risk of changes in value. These include bank overdrafts that form an integral part of the Group’s cash management and exclude fixed deposits that are pledged with bank for banking facilities.

The comparative information for the relevant periods in the condensed consolidated statements of cash flow has been restated accordingly.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**NOTES (cont'd)**

**2. Significant accounting policies (cont'd)**

**2.1 Application of MFRS 1 (cont'd)**

**(a) Definition of Cash and Cash Equivalents (cont'd)**

	<b>FRS for period ended 30.09.2011 RM'000</b>	<b>Reclassifications RM'000</b>	<b>MFRS for period ended 30.09.2011 RM'000</b>
Fixed deposits pledged with a bank	-	(60)	(60)
Net cash used in financing activities	(2,485)	(60)	(2,545)
Cash and cash equivalents at end of period	2,385	(279)	2,106

**(b) Property, plant and equipment**

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, plant and Equipment. By virtue of this transitional provision, the Group had recorded certain buildings and concrete jetty at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings and concrete jetty on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments. Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of buildings and concrete jetty as at 28 June 2000 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date.

**(c) Prepaid land lease payments**

The Group accounts for its leasehold land using the cost model. This land was previously revalued in the year 1994 as part of a revaluation exercise conducted for the purpose of an Initial Public Offering and revalued in 2000 as part of a revaluation exercise conducted for the purpose of rights issue. As permitted under the transitional provisions of IAS 16 (Revised) Property, Plant and Equipment, the land was stated on the basis of that valuation. In 2006, the Group retained the unamortised revalued amount of leasehold land as the surrogate carrying amount of prepaid land lease payments in accordance with the transitional provisions of FRS 117 Leases. Upon transition to MFRS, the Group has elected to measure its prepaid land lease payments using the cost model under MFRS 117 Leases. At the date of transition to MFRS, the Group elected to regard the revalued amounts of these land as at 28 June 2000 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date.

Summary

The revaluation surplus of RM3,685,220 (30 September 2011: RM3,685,220 ; 31 December 2011: RM3,685,220 ) was transferred to retained earnings on date of transition to MFRS.

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012****NOTES (cont'd)****2. Significant accounting policies (cont'd)****2.1 Application of MFRS 1 (cont'd)**

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

**Reconciliation of equity as at 1 January 2011**

	<b>FRS as at 1.01.2011 RM'000</b>	<b>Reclassifications RM'000</b>	<b>MFRS as at 1.01.2011 RM'000</b>
<b>Equity</b>			
Revaluation reserve	3,685	(3,685)	-
Accumulated losses	(27,957)	3,685	(24,272)

**Reconciliation of equity as at 30 September 2011**

	<b>FRS as at 30.09.2011 RM'000</b>	<b>Reclassifications RM'000</b>	<b>MFRS as at 30.09.2011 RM'000</b>
<b>Equity</b>			
Revaluation reserve	3,685	(3,685)	-
Accumulated losses	(27,083)	3,685	(23,398)

**Reconciliation of equity as at 31 December 2011**

	<b>FRS as at 31.12.2011 RM'000</b>	<b>Reclassifications RM'000</b>	<b>MFRS as at 31.12.2011 RM'000</b>
<b>Equity</b>			
Revaluation reserve	3,685	(3,685)	-
Accumulated losses	(27,844)	3,685	(24,159)

**2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective**

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
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: Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures- Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012****NOTES (cont'd)****3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

**4. Segmental information****Results for 3 months ended 30 September 2012**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter-segment sales	12,295	-	2,199	-	14,494
Less: Inter-segment sales	(1,138)	-	-	-	(1,138)
External revenue	<u>11,157</u>	<u>-</u>	<u>2,199</u>	<u>-</u>	<u>13,356</u>
<b>Segment Results</b>					
Results	331	(9)	(206)	(2)	114
Finance costs	(292)	-	-	-	(292)
Share of results of an associate					-
Loss before tax					(178)
Income tax expense			(2)		(2)
Loss after tax					<u>(180)</u>
<b>Other information</b>					
Interest income	89	-	-	-	89

**Results for 3 months ended 30 September 2011**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter-segment sales	11,332	-	122	-	11,454
Less: Inter-segment sales	(44)	-	-	-	(44)
External revenue	<u>11,288</u>	<u>-</u>	<u>122</u>	<u>-</u>	<u>11,410</u>

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012****NOTES (cont'd)****4. Segmental information (cont'd)****Results for 3 months ended 30 September 2011 (cont'd)**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Results</b>					
Results	210	(13)	(27)	(2)	168
Finance costs	(258)	-	-	-	(258)
Share of results of an associate					-
Loss before tax					(90)
Income tax expense					-
Loss after tax					(90)
<b>Other information</b>					
Interest income	6	-	-	-	6

**Results for 9 months ended 30 September 2012**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter- segment sales	40,824	-	5,092	-	45,916
Less: Inter-segment sales	(1,814)	-	-	-	(1,814)
External revenue	39,010	-	5,092	-	44,102
<b>Segment Results</b>					
Results	408	(26)	(450)	(4)	(72)
Finance costs	(871)	-	-	-	(871)
Share of results of an associate					-
Loss before tax					(943)
Income tax expense			(2)		(2)
Loss after tax					(945)
<b>Other information</b>					
Interest income	117	-	-	-	117

**SARAWAK CONSOLIDATED INDUSTRIES BERHAD** (25583-W)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**NOTES (cont'd)**

**4. Segmental information (cont'd)**

**Results for 9 months ended 30 September 2011**

	<b>Manu- facturing RM'000</b>	<b>Property trading RM'000</b>	<b>Const- ruction RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>					
Total revenue including inter-segment sales	32,870	-	1,001	-	33,871
Less: Inter-segment sales	(341)	-	-	-	(341)
External revenue	<u>32,529</u>	<u>-</u>	<u>1,001</u>	<u>-</u>	<u>33,530</u>
<b>Segment Results</b>					
Results	1,547	(28)	239	(2)	1,756
Finance costs	(806)	-	-	-	(806)
Share of results of an associate					-
Profit before tax					<u>950</u>
Income tax expense			(76)		<u>(76)</u>
Profit after tax					<u>874</u>
<b>Other information</b>					
Interest income	92	-	-	-	92

**5. Unusual items due to their nature, size and incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2012 except as disclosed in Note 2.

**6. Changes in estimates**

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

**7. Comments about seasonal or cyclical factors**

The business of the Group was not affected by any significant seasonal or cyclical factors.

**8. Dividend**

The Company did not declare or pay any dividend during the quarter and financial period ended 30 September 2012.

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**NOTES (cont'd)**

**9. Acquisitions and disposals of property, plant and equipment**

During the quarter and financial period ended 30 September 2012, the Group acquired property, plant and equipment with an aggregate cost of RM52,189 (3rd Quarter 30 September 2011: RM146,073) and RM1,240,130 (Period ended 30 September 2011: RM255,672) respectively. There were RM64,250 disposals of property, plant and equipment by the Group for the quarter and financial period ended 30 September 2012 (30 September 2011: Nil).

**10. Related party disclosures**

Transactions with companies in which certain directors of the Company have financial interest:

	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
<b>Income</b>				
Sale of construction materials to:				
- Zecon Berhad	-	597	15	5,275
- Zecon Dredging Sdn. Bhd.	146	3	226	166
- Petra Jaya Properties Sdn. Bhd.	-	-	-	14
- Oricon Sdn. Bhd.	310	-	565	-
<b>Expenditure</b>				
Insurance premium paid to Transnational Insurance Brokers (M) Sdn. Bhd.	73	74	99	180
Management fees paid to Santubong Suites Sdn. Bhd.	6	6	18	18

**11. Investment in an associate**

	As At 30.09.2012 RM'000	As At 31.12.2011 RM'000
Unquoted shares, at cost	3,000	3,000
Share of post-acquisitions reserves	(15)	(15)
	<u>2,985</u>	<u>2,985</u>

Details of the associate are as follows:

Name of associate	Country of incorporation	Principal activities	Proportion of ownership interest	
			As at 30.09.2012 %	As at 31.12.2011 %
<b>Held through SCIB Properties Sdn. Bhd. :</b>				
Influx Meridian Sdn. Bhd.	Malaysia	Property development	40%	40%

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**NOTES (cont'd)**

**12. Debt and equity securities**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial period-to-date.

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

Sarawak Consolidated Industries Berhad ("SCIB") has on 30 May 2012 acquired two(2) ordinary shares of RM1.00 each in the share capital of SCIB Industrialised Building System Sdn. Bhd. ("SIBS"), at a total cash consideration of RM2.00 from its wholly-owned subsidiary, SCIB Holdings Sdn. Bhd. SCIB has also on the event date subscribed 750,000 new ordinary shares of RM1.00 each in the share capital of SIBS. Subsequent to the acquisition and subscription of the said shares, the entire issued and paid-up share capital of SIBS is directly 100% owned by SCIB.

**14. Capital commitments**

	<b>As At 30.09.2012 RM'000</b>	<b>As At 31.12.2011 RM'000</b>
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	422	843
Approved but not contracted for	507	-
	<u>929</u>	<u>843</u>
	=====	=====

**15. Contingent liabilities – Unsecured**

	<b>As At 30.09.2012 RM'000</b>	<b>As At 31.12.2011 RM'000</b>
Corporate guarantee given to bank for credit facilities granted to a subsidiary	14,600	12,750
	=====	=====

**16. Subsequent event**

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



**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**NOTES (con'd)**

**PART B -ADDITIONAL INFORMATION PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**17. Performance review**

The Group reported revenue of RM13.3 million in the third quarter of 2012, as compared to RM11.4 million in the corresponding quarter of 2011, representing an increase of 17% or RM1.9 million. The Group's revenue continued to be driven by the manufacturing division followed by the construction division. Higher revenue was also attributed by its construction division which constitutes 16% of the 3rd quarter's Group revenue driven by commencement of certain construction projects. The Group registered a loss before tax of RM180,000 in this quarter under review as compared to loss before tax of RM90,000 recorded in the corresponding quarter last year due to an increase in operational costs which does not correlate into an increase in selling price due to stiff competition.

On a year-to-date basis, the Group reported revenue of RM44.1 million for the period ended 30<sup>th</sup> September 2012, as compared to RM33.5 million in the corresponding period last year. The manufacturing division being the key driver and largest contributor to the Group's revenue registered a higher revenue in the 9 months period ended 30 September 2012 as compared to the same period in prior year mainly due to higher sales volume for its foundation piles and increased in demand for industrialised building system components. However, the Group achieved a loss before tax of RM943,000 as compared to profit before tax of RM950,000 recorded in the corresponding period last year primarily due to lower contribution from the Industrialised building system products of the manufacturing division and also recognition of impairment losses on trade receivables amounting to RM844,000. There was no contribution from the Properties division as the Group's associate in the property development industry, namely Influx Meridian Sdn. Bhd. has yet to commence its development works. The net assets of the Group as at 30 September 2012 stood at RM53.6 million which translates to RM0.73 net assets value per share.

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

The Group registered a net loss of RM178,000 from a revenue of RM13.3 million for the current quarter as compared to a net loss of RM849,000 from a revenue of RM17 million in the preceding quarter. Despite lower revenue achieved, the Group posted a lower net loss in the current quarter mainly due to charge off of impairment losses on trade receivables totaling to RM844,000 in the preceding quarter.

**19. Prospects for the remaining quarter**

The Malaysian economy is expected to experience a moderate growth rate in 2012 despite the uncertainties in the global economy. The rolling out of major projects under the 10<sup>th</sup> Malaysia Plan and Sarawak Corridor Of Renewable Energy will provide greater opportunities for the Group by virtue of our leadership position in pre-cast concrete products and Industrialised Building System components in Sarawak. Hence, the Group shall focus on managing its cost structure and to actively seek for more projects to add to the existing order book of RM18 million. The Board of directors expects better performance for the remaining financial quarter barring any future increase in costs.

**20. (a) Variance of actual profit from forecast profit**

Not applicable

**(b) Shortfall in the profit guarantee**

Not applicable

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**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**NOTES (con'd)**

**21. Income tax expense**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax	-	-	-	60
Underprovision of tax in prior year	2	-	2	16
	<u>2</u>	<u>-</u>	<u>2</u>	<u>76</u>
Deferred tax	-	-	-	-
Total income tax expense	<u>2</u>	<u>-</u>	<u>2</u>	<u>76</u>

**22. Corporate Proposals**

*Status of corporate proposal announced*

The Internal Group Rationalisation exercise has been completed including the legal transfer of the land and buildings .

**23. Borrowings**

	<b>As at</b>	<b>As at</b>
	<b>30.09.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Secured	4,698	3,492
Unsecured	101	-
	<u>4,799</u>	<u>3,492</u>
<b>Long term borrowings</b>		
Secured	10,211	9,257
	<u>15,010</u>	<u>12,749</u>

All of the above borrowings are denominated in Ringgit Malaysia.

**24. Derivatives financial instruments**

There were no outstanding derivatives as at the end of the reporting period.

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**NOTES (con'd)**

**25. Material litigation**

- On 6 November 2003, the Company announced that it had entered into a Conditional Sale Share Agreement (“SSA”) to acquire the entire issued and paid-up capital of Eurologic Sdn Bhd. Eurologic Sdn Bhd has 65% interest in N S Water Konsortium Sdn Bhd (“**Konsortium**”), the water concession company which has been granted the exclusive rights and responsibilities to undertake the privatisation of water supply in the State of Negeri Sembilan upon the terms and conditions to be agreed upon between the State Government of Negeri Sembilan and the Konsortium.

On 16 January 2008, the Company through its solicitor had demanded refund of all monies paid under the SSA amounting RM5.8 million as the vendors failed to fulfill the conditions precedent. On 21 January 2008, the Company received Letter of Settlement from Tiara Senja Sdn Bhd. On 14 March 2008, the Writ of Summons was filed and served on Alcovest Connection Sdn Bhd and Orionsun Gains Sdn Bhd. The RM5.8 million paid has been fully provided as doubtful debts in 2007.

- A claim by the Konsortium and two individuals (“**the Plaintiffs**”) was filed against the Company, Zecon Bhd. and a director of the Company (“**the Defendants**”) for breach of fiduciary duties, breach of confidential information and for committing tort of conspiracy, whereby causing injury to the Plaintiffs. The Plaintiffs claimed that certain contract works relating to the Privatisation project in Negeri Sembilan has been obtained by Zecon Bhd via Zecon Bhd’s access to confidential information obtained from the Company in view of a director’s relationship with Zecon Bhd and intended acquisition of Eurologic Sdn. Bhd as mentioned above. In consultation with the Company’s solicitor, both the Plaintiffs and the Defendants signed a notice of discontinuance on 9 March 2012 without cost and liberty to refile the aforesaid.

**26. Dividend payable**

No interim ordinary dividend has been declared for the financial period ended 30 September 2012 (30 September 2011: Nil).

**27. Basic (loss)/ profit per share**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
(Loss)/ profit attributable to ordinary equity holders of the Company	<u>(180)</u>	<u>(90)</u>	<u>(945)</u>	<u>874</u>

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
Weighted average number of ordinary shares in issue	73,582,500	73,582,500	73,582,500	73,582,500

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**NOTES (cont'd)**

**27. Basic (loss)/ profit per share (cont'd)**

	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	Sen	Sen	Sen	Sen
Basic and diluted (loss)/ profit per share for (loss)/ profit for the period	<u>(0.24)</u>	<u>(0.12)</u>	<u>(1.28)</u>	<u>1.19</u>

**28. Breakdown of accumulated losses of the Group as at the reporting date into realised and unrealised**

	As at 30.09.2012 RM'000	As at 31.12.2011 RM'000 (Restated)
Total accumulated losses		
- Realised	23,433	22,537
- Unrealised	<u>-</u>	<u>-</u>
	<u>23,433</u>	<u>22,537</u>
Total share of loss of an associate		
- Realised	15	15
- Unrealised	<u>-</u>	<u>-</u>
	<u>15</u>	<u>15</u>
Total losses before consolidation adjustments	23,448	22,552
Consolidation adjustments	<u>1,656</u>	<u>1,607</u>
Total Group accumulated losses as per consolidated accounts	<u>25,104</u>	<u>24,159</u>

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, Determination of Realised and unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

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**NOTES (cont'd)**

**29. Additional disclosures on (loss)/ profit for the period**

(Loss)/ profit for the period is arrived at after charging/(crediting):

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2012</b>	<b>30.09.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of prepaid land lease payments	116	116	347	347
Bad debts written back, net off bad debts written off	-	-	(36)	-
Depreciation of property, plant and equipment	853	858	2,550	2,600
Impairment loss on trade receivables	-	(41)	844	118
Property, plant and equipment written off	-	4	6	4
(Gain) /loss on disposal of property, plant and equipment	(6)	-	(6)	-
Inventories written off	-	-	-	136
Interest expense	292	258	871	806
Interest income	(89)	(6)	(117)	(92)

**30. 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 30 November 2012.