

KKB ENGINEERING BERHAD

(Company no: 26495-D)
(Incorporated in Malaysia)

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Selected explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting

1. First-time adoption of Malaysian Financial Reporting Standards

These condensed consolidated interim financial statements, for the period ended 30 September 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. 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").

These condensed consolidated interim financial statements are the Group's MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial performance, financial position and cash flows is set out in Note 2 below. These notes include 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. The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and the statement of cash flows.

2. Significant Accounting Policies and 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 these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognized under FRS is not adjusted.

(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 which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded leasehold land and certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those land and buildings 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 land and buildings during the year 1999 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM6,985,109 (30 September 2011: RM6,985,109; 31 December 2011: RM6,985,109) was transferred to retained earnings on date of transition to MFRS.

(c) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

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 in the following pages:

(i) Reconciliation of equity as at 1 January 2011

	FRS as at 1 January 2011 RM	Note 2(b) Property, plant and equipment RM	MFRS as at 1 January 2011 RM
ASSETS			
Non-current assets			
Property, plant & equipment	94,895,160		94,895,160
Investment in associates	1,139,144		1,139,144
	-----		-----
	96,034,304		96,034,304
	-----		-----
Current assets			
Inventories	38,674,288		38,674,288
Trade and other receivables	44,971,301		44,971,301
Other current assets	27,880		27,880
Cash and bank balances	103,508,813		103,508,813
	-----		-----
	187,182,282		187,182,282
	-----		-----
TOTAL ASSETS	283,216,586		283,216,586
	=====		=====
EQUITY AND LIABILITIES			
Current liabilities			
Amount due to customers for contract work	4,273,555		4,273,555
Loans and borrowings	1,480,144		1,480,144
Trade and other payables	27,058,836		27,058,836
Income tax payable	4,916,662		4,916,662
	-----		-----
	37,729,197		37,729,197
	-----		-----
Net current assets	149,453,085		149,453,085
	-----		-----
Non-current liabilities			
Loans and borrowings	2,868,064		2,868,064
Deferred tax liabilities	2,648,628		2,648,628
	-----		-----
	5,516,692		5,516,692
	-----		-----
Total liabilities	43,245,889		43,245,889
	-----		-----
Net assets	239,970,697		239,970,697
	-----		-----
Equity attributable to owners of the parent			
Share capital	128,896,000		128,896,000
Other reserves	6,985,832	(6,985,109)	723
Retained earnings	99,439,628	6,985,109	106,424,737
	-----		-----
	235,321,460		235,321,460
Non-controlling interests	4,649,237		4,649,237
	-----		-----
Total equity	239,970,697		239,970,697
	-----		-----
TOTAL EQUITY AND LIABILITIES	283,216,586		283,216,586
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(ii) Reconciliation of equity as at 30 September 2011

	FRS as at 30 Sept 2011 RM	Note 2(b) Property, plant and equipment RM	MFRS as at 30 Sept 2011 RM
ASSETS			
Non-current assets			
Property, plant & equipment	97,574,211		97,574,211
Investment in associates	1,199,966		1,199,966
	-----		-----
	98,774,177		98,774,177
	-----		-----
Current assets			
Inventories	46,508,913		46,508,913
Trade and other receivables	51,920,112		51,920,112
Other current assets	1,250,725		1,250,725
Cash and bank balances	91,349,529		91,349,529
	-----		-----
	191,029,279		191,029,279
	-----		-----
TOTAL ASSETS	289,803,456		289,803,456
	=====		=====
EQUITY AND LIABILITIES			
Current liabilities			
Amount due to customers for contract work	84,455		84,455
Loans and borrowings	3,868,144		3,868,144
Trade and other payables	23,846,245		23,846,245
Income tax payable	2,627,503		2,627,503
	-----		-----
	30,426,347		30,426,347
	-----		-----
Net current assets	160,602,932		160,602,932
	-----		-----
Non-current liabilities			
Loans and borrowings	1,842,395		1,842,395
Deferred tax liabilities	2,209,128		2,209,128
	-----		-----
	4,051,523		4,051,523
	-----		-----
Total liabilities	34,477,870		34,477,870
	-----		-----
Net assets	255,325,586		255,325,586
	-----		-----
Equity attributable to owners of the parent			
Share capital	128,896,000		128,896,000
Other reserves	6,986,055	(6,985,109)	946
Retained earnings	115,177,987	6,985,109	122,163,096
	-----		-----
	251,060,042		251,060,042
	-----		-----
Non-controlling interests	4,265,544		4,265,544
	-----		-----
Total equity	255,325,586		255,325,586
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TOTAL EQUITY AND LIABILITIES	289,803,456		289,803,456
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(iii) Reconciliation of equity as at 31 December 2011

	FRS as at 31 December 2011 RM	Note 2(b) Property, plant and equipment RM	MFRS as at 31 December 2011 RM
ASSETS			
Non-current assets			
Property, plant & equipment	99,360,590		99,360,590
Investment in associates	1,212,037		1,212,037
	-----		-----
	100,572,627		100,572,627
	-----		-----
Current assets			
Inventories	67,706,552		67,706,552
Trade and other receivables	64,128,896		64,128,896
Other current assets	788,857		788,857
Cash and bank balances	75,332,557		75,332,557
	-----		-----
	207,956,862		207,956,862
	-----		-----
TOTAL ASSETS	308,529,489		308,529,489
	=====		=====
EQUITY AND LIABILITIES			
Current liabilities			
Amount due to customers for contract work	1,587,460		1,587,460
Loans and borrowings	24,957,301		24,957,301
Trade and other payables	24,156,210		24,156,210
Income tax payable	1,173,333		1,173,333
	-----		-----
	51,874,304		51,874,304
	-----		-----
Net current assets	156,082,558		156,082,558
	-----		-----
Non-current liabilities			
Loans and borrowings	1,564,686		1,564,686
Deferred tax liabilities	2,239,361		2,239,361
	-----		-----
	3,804,047		3,804,047
	-----		-----
Total liabilities	55,678,351		55,678,351
	-----		-----
Net assets	252,851,138		252,851,138
	-----		-----
Equity attributable to owners of the parent			
Share capital	128,896,000		128,896,000
Other reserves	6,984,916	(6,985,109)	(193)
Retained earnings	112,211,650	6,985,109	119,196,759
	-----		-----
	248,092,566		248,092,566
	-----		-----
Non-controlling interests	4,758,572		4,758,572
	-----		-----
Total equity	252,851,138		252,851,138
	-----		-----
TOTAL EQUITY AND LIABILITIES	308,529,489		308,529,489
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3. Auditors' Report on Preceding Annual Financial Statements

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

4. Seasonal or cyclical factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors in the current quarter and financial year to date.

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group in the current quarter and financial year to date.

6. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years which have a material effect in the current quarter and financial year to date.

7. Debt and equity securities

There were no issuances and repayments of debt and equity securities, share buy backs, shares cancellation, shares held as treasury shares and resale of treasury shares in the current quarter and financial year to date.

8. Dividend paid

On 5 June 2012, the Company paid a final dividend of 5.0 sen per ordinary share of RM0.50 each, taxable at 25%, in respect of the financial year ended 31 December 2011, hence brought the total dividend paid to 10.0 sen per ordinary share of RM0.50 each, in respect of the financial year ended 31 December 2011.

Saved for the above, no dividend has been paid in the current quarter.

9. Segmental Reporting

The information for business segments predominantly conducted in Malaysia for the current financial year to date was as follows:

RESULTS FOR PERIOD-TO-DATE ENDED 30 SEPTEMBER 2012

	Manufacturing RM	Engineering RM	Consolidated RM
Total revenue	73,311,406	65,516,182	138,827,588
Less: Inter-segment revenue	(10,073,256)	(512,733)	(10,585,989)
External revenue	63,238,150	65,003,449	128,241,599
Results	14,675,667	4,284,560	18,960,227
Finance costs	(60,529)	(106,794)	(167,323)
Share of results of associates	(28,444)	(4,359)	(32,803)
Profit before tax	14,586,694	4,173,407	18,760,101
Income tax expense	(3,622,925)	(1,051,883)	(4,674,808)
Profit after tax	10,963,769	3,121,524	14,085,293

OTHER INFORMATION

Interest income	745,051	1,319,351	2,064,402
Depreciation	1,577,978	2,037,484	3,615,462
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RESULTS FOR PERIOD-TO-DATE ENDED 30 SEPTEMBER 2011

	Manufacturing RM	Engineering RM	Consolidated RM
Total revenue	43,481,502	125,137,610	168,619,112
Less: Inter-segment revenue	(2,312,915)	(1,205,874)	(3,518,789)
	-----	-----	-----
External revenue	41,168,587	123,931,736	165,100,323
	-----	-----	-----
Results	3,285,966	49,513,628	52,799,594
Finance costs	(29,538)	(159,261)	(188,799)
Share of results of associates	(63,263)	184,085	120,822
	-----	-----	-----
Profit before tax	3,193,165	49,538,452	52,731,617
Income tax expense	(658,490)	(12,150,462)	(12,808,952)
	-----	-----	-----
Profit after tax	2,534,675	37,387,990	39,922,665
	=====	=====	=====

OTHER INFORMATION

Interest income	771,944	1,610,500	2,382,444
Depreciation	1,480,170	2,212,254	3,692,424
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10. Material subsequent events

There were no material subsequent events as at the date of this announcement.

11. Changes in composition of the Group

Further to our application to the Register of Companies of Accounting and Corporate Regulatory Authority in Singapore for striking off KKB Energy Pte Ltd ("KKBEPL"), which is a dormant and wholly-owned subsidiary of KKB Engineering Berhad ("KKBEB"), KKBEPL was struck off the Register on 9 October 2012, pursuant to Section 344 (Cap 50) of the Singapore Companies Act. Following the striking off, KKBEPL has ceased to be the subsidiary of KKBEB.

12. Contingent liabilities/Contingent assets as at 30 September 2012

There were no material contingent liabilities or contingent assets as at the date of this announcement.

13. Capital Commitments

	As at 30/09/2012 RM	As At 30/09/2011 RM
Commitments in respect of capital expenditure:		
Approved and contracted for:		
Property, plant and equipment	10,800,026	8,443,880
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14. Related Party Transactions

	3 Months Ended		Cumulative 9 Months Ended	
	Current Quarter Ended 30/09/2012 RM	Comparative Quarter Ended 30/09/2011 RM	Current Period Ended 30/09/2012 RM	Comparative Period Ended 30/09/2011 RM
Transactions with an associate, Edisi Optima Sdn. Bhd.				
- Dividend income	-	-	80,000	80,000
- Project management fee income	-	212	-	540,203
- Sale of fabricated and galvanized steel products	-	-	-	18,027,747
- Provision of miscellaneous services such as machineries, equipments and labour	14,541	8,300	24,838	8,300
- Interest income	-	24,052	6,210	122,314
- Purchase of miscellaneous services such as machineries, equipments and labour	16,801	13,060	44,103	59,534
- Interest expense	132	12	367	30
Transactions with an associate and subsidiaries of an associate investor, Cahya Mata Sarawak Bhd.				
- Sales of structural steel works and steel fabricated products to CMS Cements Sdn. Bhd.	-	171,847	-	171,847
CMS Clinker Sdn. Bhd.	-	332,981	-	584,853
CMS Quarries Sdn. Bhd., and CMS Wires Sdn. Bhd.	-	150,400	92,100	1,856,700
-	-	200	-	200
- Sales of steel pipes and pipe fittings to CMS Infra Trading Sdn. Bhd.	-	-	4,033,647	-
- Provision of earthworks to OM Materials (Sarawak) Sdn. Bhd.	9,911,374	-	22,977,877	-
- Purchase of steel and concrete Products from CMS Concrete Products Sdn. Bhd.	1,335	-	1,335	-
Rental expense paid to companies in which certain directors of the Company have substantial financial interest and/or are also directors				
- KKB Development Sdn. Bhd.	17,850	17,850	53,550	53,550
- KKB Realty Sdn. Bhd.	11,400	24,700	34,200	24,700
- Sepang Kaya Sdn. Bhd.	30,856	30,856	92,570	92,570
Rental expense paid to a director, Dato Kho Kak Beng				
	7,200	7,200	21,600	21,600
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	10,011,489	781,670	27,462,397	21,644,148
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The above transactions have been entered into with related parties on terms and conditions that are not more favourable to the related party than those generally available to the public.

Explanatory notes pursuant to Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Detailed Review of performance

The 3rd Quarter 2012 revenue of RM41.9 million comprised sales by the Engineering and Manufacturing Sectors of RM26.9 million and RM14.9 million, respectively. The quarter's revenue was 30.4% lower as compared to 3Q2011 revenue of RM60.2 million, mainly due to the lower revenue registered by Civil Construction Division, hence lower the group's current quarter profit before taxation to RM2.7 million, compared to RM11.3 million in the preceding year third quarter.

Engineering Sector

Revenue for the quarter of RM26.9 million (3Q2011: RM38.5 million) was 30.1% lower compared to the preceding year quarter mainly due to lower sales registered by the Civil Construction Division.

The Construction Division's revenue for the quarter was from progressive claims made on both the existing projects which are nearing completion and newly secured projects which have just commenced in the third quarter of 2012. Accordingly, sales contributions from the tail end of these projects are significantly lower with revenue recorded of RM12.8 million (3Q2011: RM24.8 million) and RM2.4 million contributed from the new secured projects.

For Steel Fabrication Division, the current quarter's revenue of RM13.5 million recorded an improvement of about 16.4% as compared to the preceding year corresponding quarter. Current quarter's revenue for Steel Fabrication division was mostly derived from both the existing and newly secured Structural Steel Works projects which recently commenced in the third quarter of 2012. The improved revenue also boosted its gross profit, which registered an impressive 371.4% increase over the preceding year corresponding quarter.

HDG division recorded a decrease in revenue due to lower business volume as its contract for the supply of Hot-Dip Galvanised High and Low tension Poles has been fulfilled and remaining ad-hoc orders.

Manufacturing Sector

Revenue for the quarter reached RM14.9 million (3Q2011: RM21.7 million), a decrease of about 31.3%, mainly contributed by lower sales of LPG cylinders and steel water pipes compared to 3Q2011. However, consolidated year-to-date sales for the Manufacturing Sector of RM63.2 million was 53.4% higher as compared to the previous year corresponding period's revenue of RM41.2 million, approximately 80.9% of the sales were derived from steel water pipes business manufacturing unit. Similarly, the sector has also recorded an increase in its gross profit to reach RM4.3 million in 3Q2012 (3Q2011: RM3.1 million) and year-to-date of RM18.6 million (9 months 2011: RM5.9 million), on the back of improved margin for its steel pipes manufacturing business.

The LPG Division current quarter's sales drifted lower to record a sum of RM3.6 million (3Q2011: RM5.6 million), bringing the year-to-date sales to slightly over RM12.1 million, mainly due to lower offtake of LPG cylinders by key customers.

Steel Pipes business has improved significantly, contributed an aggregate revenue of RM51.1 million for the nine months period of this year as compared to RM23.2 million recorded in the preceding year corresponding period. The increased business volumes coupled with prudent costs management particularly on procurement of steel raw materials have propelled the nine month's gross profit to RM17.1 million, recorded an impressive increase of 402.9% over the preceding year corresponding period.

16. Material changes in the quarterly results compared to the results of the preceding quarter

The Group's current quarter revenue of RM41.9 million (2Q2012: RM33.9 million) was 23.6% higher as compared to the preceding quarter. This quarter shows a substantial shift in the proportion of revenue contribution on the overall group activities from the Manufacturing sector of 36% (2Q2012: 52%) to the Engineering sector of 64% (2Q2012: 48%).

The higher overall sales compared with 2Q2012 was mainly due to the growth in revenue from the Construction and Steel Fabrication division within the Engineering sector of RM10.6 million and RM3.1 million respectively but partly offset by lower revenue contribution from the Manufacturing Sectors, in particular its Steel Pipes and LPG Cylinders manufacturing businesses.

The Group registered a lower pre-tax profit of RM2.7 million (2Q2012: RM5.4 million) as new projects undertaken during the current quarter are still at the preliminary stage to have any significant contribution to the overall Group's earnings.

17. Prospects

Going forward, both the Engineering and Manufacturing sectors are expected to continue to grow at a moderate pace taking into consideration a more challenging external environment and the lingering uncertainties over the euro-zone's debt crisis.

The Group's construction and steel fabrication division within the Engineering sector is expected to perform satisfactorily, with primary focus on the opportunities in the Sarawak Corridor of Renewable Energy (SCORE), especially in energy intensive industries and the ongoing initiatives under the Government's Economic Transformation Programme throughout East Malaysia.

While order book replenishment remains encouraging following the recent award of major contracts under the Engineering and Manufacturing sectors during the third quarter of 2012, the Group's financial performance for the remaining period of financial year ending 2012 continues to remain satisfactory, barring any unforeseen circumstances or adverse developments beyond our control.

18. Variances from profit forecast and profit guarantee

Not applicable to the Group as no profit forecast and profit guarantee were published.

19. Commentary on the company's progress to achieve the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the revenue or profit estimate, forecast, projection or internal targets

Not applicable to the Group as no announcements or disclosures were published in a public document as to the revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

20. Statement of the Board of Directors' opinion as to whether the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved

Not applicable to the Group as no announcements or disclosures were published in a public document as to the revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

21. Taxation

	3 Months Ended		Cumulative 9 Months Ended	
	Current Quarter Ended 30/09/2012 RM	Comparative Quarter Ended 30/09/2011 RM	Current Period Ended 30/09/2012 RM	Comparative Period Ended 30/09/2011 RM
Malaysian taxation				
- Current year	1,820,173	2,934,546	6,074,082	13,321,706
- Prior Year	(83,249)	(73,254)	(76,741)	(73,254)
Deferred tax	(985,936)	(54,655)	(1,322,533)	(439,500)
	<u>750,988</u>	<u>2,806,637</u>	<u>4,674,808</u>	<u>12,808,952</u>

The Group's effective tax rate for the current financial year to date is marginally lower than the statutory tax rate principally due to certain income are exempted for taxation purposes.

22. Status of Corporate Proposals

On 30 November 2011, KKB Engineering Berhad entered into a Memorandum of Understanding ("MOU") with Brooke Dockyard & Engineering Works Corporation.

The Company and Brooke Dockyard & Engineering Works Corporation had on 10 May 2012 mutually agreed to extend the MOU for another six (6) months effective from 1 June 2012 expiring on 30 November 2012.

Discussion is on-going between both parties on the framework and areas of potential collaboration identified pertaining to the above MOU.

Save as disclosed above, there were no new or outstanding corporate proposals announced, which have not been completed as at the date of this announcement.

23. Group's Borrowings and Debt Securities

Total Group's loans and borrowings as at 30 September 2012 were as follows: -

Loans and Borrowings (denominated in Ringgit Malaysia)	Secured RM	Unsecured RM
<u>Current</u>		
Lease payables	2,295,475	-
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<u>Non-Current</u>		
Lease payables	1,916,274	-
	-----	-----
Total borrowings	4,211,749	-
	=====	=====

24. Material Litigations

Status update on the Writ of Summons dated 26 June 2012 served by Global Upline Sdn Bhd ("the Plaintiff") to the Company's wholly owned subsidiary, KKB Builders Sdn Bhd:-

Further to the announcements made on 4 July 2012, 6 July 2012 and 9 July 2012 in relation to the above Writ of Summons, the Kuching High Court has on 21 September 2012 allowed KKB Builders Sdn Bhd's application to stay the Plaintiff's action and for the dispute to be referred to arbitration. The Court made an Order that the action be stayed under Section 10 of the Arbitration Act 2005 pending arbitration.

The Company is of the opinion that there is no material financial impact on the Group as the Plaintiff's claim is without basis, frivolous and vexatious.

Save as disclosed above, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position.

25. Dividend

No interim dividend has been recommended for payment in the current quarter and financial year-to-date.

26. Earnings per share

	3 Months Ended		Cumulative 9 Months Ended	
	Current Quarter Ended 30/09/2012	Comparative Quarter Ended 30/09/2011	Current Period Ended 30/09/2012	Comparative Period Ended 30/09/2011
Net profit attributable to owners of the parent (RM)	1,755,864	8,516,143	13,175,708	39,906,358
Weighted average number of ordinary shares in issue	257,792,000	257,792,000	257,792,000	257,792,000
Basic earnings per share for the period attributable to owners of the parent (sen)	0.68	3.30	5.11	15.48

There is no dilution in its earnings per ordinary share in the current quarter and financial year to date as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

27. Realised and Unrealised Profits/Losses

	As at 30/09/2012 RM	(Restated) As at 31/12/2011 RM
Total retained profits of the Company and its subsidiaries:		
- Realised	137,725,482	134,580,740
- Unrealised	(9,154,623)	(10,477,348)
	-----	-----
	128,570,859	124,103,392
Total share of retained profits from an associate:		
- Realised	984,349	1,081,815
- Unrealised	(1,713)	(6,376)
	-----	-----
	129,553,495	125,178,831
Less: Consolidation adjustments	(6,848,228)	(5,982,072)
	-----	-----
Total group retained profits as per consolidated accounts	122,705,267	119,196,759
	=====	=====

28. Additional Disclosures on Profit for the period

	Current Quarter Ended 30/09/2012 RM	Current Period Ended 30/09/2012 RM
Profit for the period is arrived at after charging/(crediting):		
Interest income	(623,154)	(2,064,402)
Foreign exchange loss/(gain)	7,221	(75,735)
Rental income	(1,500)	(4,900)
Depreciation of property, plant and equipment	1,256,213	3,615,462
Interest expense	41,818	167,323
Impairment loss on trade receivables	49,066	273,734
Property, plant and equipment written off	-	108
Provision for doubtful debts	-	15,083
Reversal of provision for doubtful debts	-	(100,000)

Other than the above items which have been included in the statement of comprehensive income, there were no provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and period ended 30 September 2012.