

# 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 31 December 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 ended 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 (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
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	94,895,160		94,895,160
Investment in associates	1,139,144		1,139,144
	-----		-----
	96,034,304		96,034,304
	-----		-----
<b>Current assets</b>			
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
	-----		-----
<b>TOTAL ASSETS</b>	<b>283,216,586</b>		<b>283,216,586</b>
	=====		=====
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
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
	-----		-----
<b>Net current assets</b>	<b>149,453,085</b>		<b>149,453,085</b>
	-----		-----
<b>Non-current liabilities</b>			
Loans and borrowings	2,868,064		2,868,064
Deferred tax liabilities	2,648,628		2,648,628
	-----		-----
	5,516,692		5,516,692
	-----		-----
<b>Total liabilities</b>	<b>43,245,889</b>		<b>43,245,889</b>
	-----		-----
<b>Net assets</b>	<b>239,970,697</b>		<b>239,970,697</b>
	-----		-----
<b>Equity attributable to owners of the parent</b>			
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
<b>Non-controlling interests</b>	<b>4,649,237</b>		<b>4,649,237</b>
	-----		-----
<b>Total equity</b>	<b>239,970,697</b>		<b>239,970,697</b>
	-----		-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>283,216,586</b>		<b>283,216,586</b>
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## (ii) 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
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	99,360,590		99,360,590
Investment in associates	1,212,037		1,212,037
	-----		-----
	100,572,627		100,572,627
	-----		-----
<b>Current assets</b>			
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
	-----		-----
<b>TOTAL ASSETS</b>	308,529,489		308,529,489
	=====		=====
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
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
	-----		-----
<b>Net current assets</b>	156,082,558		156,082,558
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<b>Non-current liabilities</b>			
Loans and borrowings	1,564,686		1,564,686
Deferred tax liabilities	2,239,361		2,239,361
	-----		-----
	3,804,047		3,804,047
	-----		-----
<b>Total liabilities</b>	55,678,351		55,678,351
	-----		-----
<b>Net assets</b>	252,851,138		252,851,138
	-----		-----
<b>Equity attributable to owners of the parent</b>			
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
	-----		-----
<b>Non-controlling interests</b>	4,758,572		4,758,572
	-----		-----
<b>Total equity</b>	252,851,138		252,851,138
	-----		-----
<b>TOTAL EQUITY AND LIABILITIES</b>	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 31 DECEMBER 2012

	Manufacturing RM	Engineering RM	Consolidated RM
Total revenue	91,250,526	92,094,041	183,344,567
Less: Inter-segment revenue	(10,465,529)	(6,169,914)	(16,635,443)
External revenue	80,784,997	85,924,127	166,709,124
Results	20,491,799	6,663,784	27,155,583
Finance costs	(74,485)	(219,175)	(293,660)
Share of results of associates	62,434	(7,721)	54,713
Profit before tax	20,479,748	6,436,888	26,916,636
Income tax expense	(5,262,177)	214,927	(5,047,250)
Profit after tax	15,217,571	6,651,815	21,869,386

**OTHER INFORMATION**

Interest income	962,024	1,762,727	2,724,751
Depreciation	2,012,416	2,900,408	4,912,824
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**RESULTS FOR PERIOD-TO-DATE ENDED 31 DECEMBER 2011**

	Manufacturing RM	Engineering RM	Consolidated RM
Total revenue	76,940,509	168,487,864	245,428,373
Less: Inter-segment revenue	(7,363,747)	(3,580,564)	(10,944,311)
	-----	-----	-----
External revenue	69,576,762	164,907,300	234,484,062
	-----	-----	-----
Results	11,331,377	51,383,454	62,714,831
Finance costs	(255,980)	(191,611)	(447,591)
Share of results of associates	(12,835)	145,728	132,893
	-----	-----	-----
Profit before tax	11,062,562	51,337,571	62,400,133
Income tax expense	(2,639,315)	(12,644,262)	(15,283,577)
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Profit after tax	8,423,247	38,693,309	47,116,556
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**OTHER INFORMATION**

Interest income	982,476	1,988,043	2,970,519
Depreciation	1,992,382	2,929,862	4,922,244
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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 ("KKBEP"), which is a dormant and wholly-owned subsidiary of KKB Engineering Berhad ("KKBEB"), KKBEP was struck off the Register on 9 October 2012, pursuant to Section 344 (Cap 50) of the Singapore Companies Act. Following the striking off, KKBEP has ceased to be the subsidiary of KKBEB.

**12. Contingent liabilities/Contingent assets as at 31 December 2012**

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

**13. Capital Commitments**

	As at 31/12/2012 RM	As At 31/12/2011 RM
Commitments in respect of capital expenditure:		
Approved and contracted for:		
Property, plant and equipment	5,138,836	8,657,599
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## 14. Related Party Transactions

	3 Months Ended		Cumulative 12 Months Ended	
	Current Quarter Ended 31/12/2012 RM	Comparative Quarter Ended 31/12/2011 RM	Current Period Ended 31/12/2012 RM	Comparative Period Ended 31/12/2011 RM
Transactions with an associate, Edisi Optima Sdn. Bhd.				
- Dividend income	-	-	80,000	80,000
- Project management fee income	-	21,501	-	561,704
- Sale of fabricated and galvanized steel products	-	1,172,934	-	19,200,681
- Provision of miscellaneous services such as machineries, equipments and labour	22,110	21,205	46,948	29,505
- Interest income	44	211	6,254	122,525
- Purchase of miscellaneous services such as machineries, equipments and labour	15,035	19,535	59,138	79,069
- Interest expense	73	48	440	78
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 Cement Sdn. Bhd.	-	218,587	-	390,434
CMS Clinker Sdn. Bhd.	156,400	-	156,400	584,853
CMS Quarries Sdn. Bhd., and CMS Infra Trading Sdn. Bhd.	7,800	-	99,900	1,856,700
CMS Wires Sdn. Bhd.	200	-	200	200
- Sales of steel pipes and pipe fittings to CMS Infra Trading Sdn. Bhd.	11,346,190	5,733,970	15,379,837	5,733,970
- Provision of earthworks to OM Materials (Sarawak) Sdn. Bhd.	-	23,812,305	22,977,877	23,812,305
- Purchase of steel and concrete Products from CMS Concrete Products Sdn. Bhd.	-	9,290	1,335	9,290
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	71,400	71,400
- KKB Realty Sdn. Bhd.	11,400	11,400	45,600	36,100
- Sepang Kaya Sdn. Bhd.	30,856	30,856	123,426	123,426
Rental expense paid to a director, Dato Kho Kak Beng	7,200	7,200	28,800	28,800
Professional services provided by Michael Chai & Co. in which Chai Woon Chew is a partner	-	1,755	-	1,755
	11,615,158	31,159,647	39,077,555	52,803,795

The 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 Group's revenue and profit before taxation of RM38.5 million (4Q11: RM69.4 million) and RM8.2 million (4Q11: RM9.7 million), were 44.5% and 15.5% respectively, lower compared to the preceding year quarter. The reduced revenue was mainly due to lower sales recorded for its Civil Construction and Steel Pipes businesses, which contributed combined revenue of RM24.4 million as compared to RM49.8 million recorded in the preceding year corresponding quarter, resulted in the overall decline in current quarter's profit.

#### Engineering Sector

Group revenue for the engineering sector has reduced by 49.0% to RM20.9 million compared to RM41.0 million in the preceding year corresponding quarter. Gross Profit has recorded a marginal decrease of 3.7% from RM5.4 million to RM5.2 million on the back of higher profit margin from the construction division.

The Construction Division's revenue for the quarter was mostly from progressive claims made on pipeline projects and other civil construction related works secured during the year. The RM10.2 million revenue recorded during the quarter (4Q11: RM27.4 million) was 62.8% lower over the preceding year quarter.

Steel Fabrication Division recorded quarter's revenue of RM10.2 million (4Q11: RM11.9 million), decline by 14.3% as compared to the preceding year corresponding quarter. Current quarter's revenue for Steel Fabrication division was mostly derived from major Structural Steel Works projects undertaken in Samalaju, Bintulu and for the supply and fabrication of Steel Pipes piles for a bridge project in Samarahan Division, Sarawak.

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 continue to rely on ad-hoc orders from walk-in customers.

#### Manufacturing Sector

Revenue for the quarter reached RM17.5 million (4Q11: RM28.4 million), a decrease of about 38.4%, mainly contributed by lower sales of LPG cylinders and steel pipes. However, consolidated year-to-date sales and gross profit for the Manufacturing Sector of RM80.8 million (FYE 2011: RM69.6 million) and RM25.4 million (FYE2011: RM15.7 million) improved by 16.1% and 61.8% respectively, compared against that achieved in the preceding year, 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 RM3.3 million (4Q11: RM6.0 million), bringing the year-to-date sales to slightly over RM15.4 million (FYE 2011: RM23.9 million), mainly due to lower offtake of LPG cylinders by key customers.

Quarter's revenue of RM14.2 million (4Q11: RM22.3 million) generated by the Group's Steel Pipes business under the two subsidiary companies, Harum Bidang Sdn Bhd and KKB Industries (Sabah) Sdn Bhd has recorded a decrease of 36.3% as they have fulfilled their major contract for the supply of Mild Steel Cement-Line Pipes and Pipes Specials for the Bekalan Air Luar Bandar project in Sarawak and Sabah. However, its year-to-date revenue has improved significantly, contributed an aggregate revenue of RM65.3 million (FYE 2011: RM45.5 million), representing an increase of 43.5%. Comparatively, its year-to-date gross profit improved significantly by 91.1% to register RM23.5 million (FYE2011: RM12.3 million), on the back of increased sales volume coupled with



improved margin partly due to prudent costs management particularly on procurement of steel raw materials.

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

The Group's current quarter revenue of RM38.5 million (3Q12: RM41.9 million) was lower by 8.1% as compared to the preceding quarter. Group's profit before tax for the current quarter shows a significant improvement from RM2.7 million in the preceding quarter to RM8.2 million, an increase of 203.7%. The improved performance was mainly driven by the Group's Civil Construction and Steel Pipes businesses, which contributed combined gross profit of RM11.1 million in 4Q12 against a gross loss of RM15K in 3Q12.

**17. Prospects**

With its sound expertise in the steel fabrication and engineering industry complete with its strategic plot of land at Lot 777, Block 5, Jalan Bako, Muara Tebas Land District, Kuching, fronting the Sarawak River and equipped with jetty facilities, the Group stand ready to expand further into Fabrication for the Oil and Gas Sector in the near future.

The strategy to expand further into steel fabrication activities to undertake larger and more complex steel structures will be our immediate focus and the Group is driven to achieve growth through its capacity expansion.

Year 2013 will be challenging amidst the tough operating environment and stiff competition within the industry. However, the Group's construction and steel fabrication division within the Engineering sector is expected to perform satisfactorily, with primary focus on the opportunities available in the Sarawak Corridor of Renewable Energy (SCORE), where energy intensive industries and the ongoing initiatives are taking place under the Government's Economic Transformation Programme throughout East Malaysia.

Whilst volatility of global raw material and steel prices will continue to impact on the group's profitability, and barring any unforeseen circumstances, the Group remained focused and optimistic to perform favourably towards a sustainable growth for the financial year ending 2013.

**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 12 Months Ended	
	Current Quarter Ended 31/12/2012 RM	Comparative Quarter Ended 31/12/2011 RM	Current Period Ended 31/12/2012 RM	Comparative Period Ended 31/12/2011 RM
Malaysian taxation				
- Current year	(77,195)	2,479,218	5,996,887	15,800,924
- Prior Year	-	(34,826)	(76,741)	(108,080)
Deferred tax	449,637	30,233	(872,896)	(409,267)
	<u>372,442</u>	<u>2,474,625</u>	<u>5,047,250</u>	<u>15,283,577</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 utilization of reinvestment allowance coupled with 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 30 November 2012 mutually agreed to extend the MOU for three (3) months effective from 1 December 2012 expiring on 28 February 2013.

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 31 December 2012 were as follows: -

Loans and Borrowings (denominated in Ringgit Malaysia)	Secured RM	Unsecured RM
<u>Current</u>		
Lease payables	1,537,107	-
Bankers' acceptances	-	7,000,000
	-----	-----
<u>Non-Current</u>		
Lease payables	2,205,204	-
	-----	-----
Total borrowings	<u>3,742,311</u>	<u>7,000,000</u>
	=====	=====

## 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

The Board of Directors has recommended a first and 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 2012 (FYE 2011: 10.0 sen per ordinary share of RM0.50 each, taxable at 25%).

The payment of this dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

The date of the Annual General Meeting and the dates of the dividend entitlement and payment will be announced at a later date.

## 26. Earnings per share

	3 Months Ended		Cumulative 12 Months Ended	
	Current Quarter Ended 31/12/2012	Comparative Quarter Ended 31/12/2011	Current Period Ended 31/12/2012	Comparative Period Ended 31/12/2011
Net profit attributable to owners of the parent (RM)	<u>7,317,879</u>	<u>6,700,863</u>	<u>20,493,587</u>	<u>46,607,221</u>
Weighted average number of ordinary shares in issue	<u>257,792,000</u>	<u>257,792,000</u>	<u>257,792,000</u>	<u>257,792,000</u>
Basic earnings per share for the period attributable to owners of the parent (sen)	<u>2.84</u>	<u>2.60</u>	<u>7.95</u>	<u>18.08</u>

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	(Restated) As at
	31/12/2012 RM	31/12/2011 RM
Total retained profits of the Company and its subsidiaries:		
- Realised	145,973,803	134,580,740
- Unrealised	(9,604,259)	(10,477,348)
	-----	-----
	136,369,544	124,103,392
Total share of retained profits from an associate:		
- Realised	1,070,152	1,081,815
- Unrealised	-	(6,376)
	-----	-----
	137,439,696	125,178,831
Less: Consolidation adjustments	(7,416,550)	(5,982,072)
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Total group retained profits as per consolidated accounts	<u>130,023,146</u>	<u>119,196,759</u>

**28. Additional Disclosures on Profit for the period**

	3 Months Ended		Cumulative 12 Months Ended	
	Current Quarter Ended 31/12/2012 RM	Comparative Quarter Ended 31/12/2011 RM	Current Period Ended 31/12/2012 RM	Comparative Period Ended 31/12/2011 RM
Profit for the period is arrived at after charging/(crediting):				
Interest income	(660,349)	(588,075)	(2,724,751)	(2,970,519)
Foreign exchange gain	(393,879)	(80,388)	(469,614)	(251,690)
Rental income	(1,800)	(2,100)	(6,700)	(28,015)
Gain on disposal of property, plant and equipment	-	(52,521)	-	(52,521)
Depreciation of property, plant and equipment	1,297,362	1,229,820	4,912,824	4,922,244
Interest expense	126,337	258,792	293,660	447,591
Impairment loss on trade receivables	344,818	188,718	618,552	188,718
Property, plant and equipment written off	1,397	-	1,505	973
Provision for doubtful debts	-	99,553	-	99,553
Bad debts written off	-	-	15,083	-
Reversal of provision for doubtful debts	(29,780)	-	(129,780)	-
Inventory written off	-	1,134	-	1,134

Other than the above items which have been included in the statement of comprehensive income, there were no 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 31 December 2012.