

**TECNIC GROUP BERHAD**

(Company no: 302675-A)

**Condensed consolidated statements of comprehensive income for the three-month period ended 31 March 2012**

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31 March 2012 Unaudited RM '000	31 March 2011 Unaudited RM '000	31 March 2012 Unaudited RM '000	31 March 2011 Unaudited RM '000
<b>Revenue</b>		42,598	52,430	42,598	52,430
Cost of sales		(33,079)	(42,723)	(33,079)	(42,723)
<b>Gross profit</b>		9,519	9,707	9,519	9,707
Other operating income		185	286	185	286
Operating expenses		(5,044)	(5,228)	(5,044)	(5,228)
<b>Operating profit</b>		4,660	4,765	4,660	4,765
Finance costs		(48)	(35)	(48)	(35)
Profit before tax	8	4,612	4,730	4,612	4,730
Income tax expense	9	(643)	(254)	(643)	(254)
<b>Profit for the period</b>		3,969	4,476	3,969	4,476
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period, net of tax</b>		3,969	4,476	3,969	4,476
Total comprehensive income for the period, net of tax attributable to:					
Owners of the parent		3,969	4,476	3,969	4,476
Non-controlling interests		-	-	-	-
		3,969	4,476	3,969	4,476
Earnings per share attributable to owners of the parent (sen per share):					
Basic	10	9.82	11.08	9.82	11.08
Diluted	10	N/A	N/A	N/A	N/A

**(The condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)**

**TECNIC GROUP BERHAD**

(Company no: 302675-A)

**Condensed consolidated statements of financial position for the three-month period ended 31 March 2012**

		31 March 2012	31 December	1 January 2011
	Note	Unaudited RM'000	2011 Unaudited RM'000 (restated)	Unaudited RM'000 (restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	54,559	56,051	46,179
Land use rights		5,709	5,740	5,872
Available-for-sale financial assets	15	100	122	139
		<u>60,368</u>	<u>61,913</u>	<u>52,190</u>
<b>Current assets</b>				
Inventories		12,380	12,283	15,748
Trade and other receivables		39,918	42,814	44,696
Other current assets		667	265	422
Tax recoverable		333	263	103
Cash and cash equivalents	13	18,819	17,657	4,454
		<u>72,117</u>	<u>73,282</u>	<u>65,423</u>
<b>TOTAL ASSETS</b>		<u>132,485</u>	<u>135,195</u>	<u>117,613</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		40,397	40,397	40,397
Reserves		56,020	52,051	40,001
		96,417	92,448	80,398
<b>Non-controlling interests</b>		-	-	-
<b>Total equity</b>		<u>96,417</u>	<u>92,448</u>	<u>80,398</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	15	2,040	2,560	-
Deferred tax liabilities		4,068	4,068	1,760
		<u>6,108</u>	<u>6,628</u>	<u>1,760</u>
<b>Current liabilities</b>				
Trade and other payables		27,674	32,397	32,844
Interest-bearing loans and borrowings	15	2,080	3,516	2,131
Income tax payable		206	206	480
		<u>29,960</u>	<u>36,119</u>	<u>35,455</u>
<b>TOTAL LIABILITIES</b>		<u>36,068</u>	<u>42,747</u>	<u>37,215</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>132,485</u>	<u>135,195</u>	<u>117,613</u>
<b>Net asset per share (RM)</b>		2.39	2.29	1.99

(The condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

**TECNIC GROUP BERHAD**

(Company no: 302675-A)

**Condensed consolidated statements of changes in equity for the three-month period ended 31 March 2012**

	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Retained earnings RM'000</b>	<b>Non- Controlling interests RM'000</b>	<b>Equity, total RM'000</b>
<b>Opening balance at 1 January 2011</b>	40,397	-	40,001	-	80,398
Total comprehensive income	-	-	4,476	-	4,476
<b>Closing balance at 31 March 2011</b>	40,397	-	44,477	-	84,874
<b>Opening balance at 1 January 2012</b>	40,397	-	52,051	-	92,448
Total comprehensive income	-	-	3,969	-	3,969
<b>Closing balance at 31 March 2012</b>	40,397	-	56,020	-	96,417

**(The condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)**

**TECNIC GROUP BERHAD**

(Company no: 302675-A)

**Condensed consolidated statements of cash flows for the three-month period ended 31 March 2012**

	Note	3 months ended	
		31 March 2012 Unaudited RM'000	31 March 2011 Unaudited RM'000
<b>Operating activities</b>			
<b>Profit before tax</b>		4,612	4,730
<u>Adjustments for:-</u>			
Depreciation of property, plant and equipment		1,694	1,560
Amortisation of land use rights		31	35
Interest income		(24)	-
Interest expense		48	35
Loss/(gain) on disposal of property, plant and equipment	12	3	(20)
Gain on disposal of other investment	14	(32)	-
Total adjustments		1,720	1,610
<b>Operating cash flow before changes in working capital</b>		6,332	6,340
<u>Changes in working capital</u>			
Increase in inventories		(97)	(1,921)
Decrease/(increase) in trade and other receivables		2,494	(5,074)
(Decrease)/increase in trade and other payables		(4,723)	3,956
Total changes in working capital		(2,326)	(3,039)
<b>Cash flows from operations</b>		4,006	3,301
Income taxes paid		(713)	(234)
Interest paid		(48)	(35)
<b>Net cash flows from operations</b>		3,245	3,032
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment	11	46	43
Purchase of property, plant and equipment	11	(251)	(7,304)
Proceeds from disposal of other investment	14	54	-
Interest received		24	-
<b>Net cash flows used in investing activities</b>		(127)	(7,261)
<b>Financing activities</b>			
Repayment of obligation under finance leases		-	(12)
Repayment of short term borrowings		(1,956)	(1,431)
<b>Net cash flows used in financing activities</b>		(1,956)	(1,443)
<b>Net increase/(decrease) in cash flows and cash equivalents</b>		1,162	(5,672)
<b>Cash and cash equivalents 1 January</b>		17,657	4,454
<b>Cash and cash equivalents at 31 March</b>		18,819	(1,218)

(The condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

## **TECNIC GROUP BERHAD**

(Company no: 302675-A)

### **Explanatory notes pursuant to MFRS 134 For the three-month period ended 31 March 2012**

#### **1. Corporate information**

Tecnic Group Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 May 2012.

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

These condensed interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the 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”).

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company registered office at 308, Block A (3<sup>rd</sup> Floor), Kelana Business Centre, 97, Jalan SS7/2, Kelana Jaya, Selangor Darul Ehsan.

These condensed consolidated interim financial statements are the Group’s first 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.

Adoption of the above standards did not have any effect on the financial performance or position of the Group.

**Explanatory notes pursuant to MFRS 134  
For the three-month period ended 31 March 2012**

**3. 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 recognised under FRS is not adjusted.

**(b) 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.

**4. Changes in estimates**

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

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

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

**TECNIC GROUP BERHAD**

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**Explanatory notes pursuant to MFRS 134  
For the three-month period ended 31 March 2012****6. Segment information**

	Injection moulding		Mould making		Total		Adjustments and eliminations		Per condensed consolidated financial statements	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>										
External customers	38,602	46,373	3,996	6,057	42,598	52,430	-	-	42,598	52,430
Inter-segment	-	-	1,530	250	1,530	250	(1,530)	(250)	-	-
Total revenue	38,602	46,373	5,526	6,307	44,128	52,680	(1,530)	(250)	42,598	52,430
Segment profit (Note A)	4,210	4,844	608	477	4,818	5,321	(206)	(591)	4,612	4,730

**Note A**

Segment profit is reconciled to profit before tax presented in the condensed consolidated statements of comprehensive income as follows:

	31 March 2012	31 March 2011
	RM'000	RM'000
Segment profit	4,818	5,321
Unallocated cost	(158)	(556)
Finance costs	(48)	(35)
Profit before tax	4,612	4,730

**Explanatory notes pursuant to MFRS 134  
For the three-month period ended 31 March 2012**

**6. Segment information (continued)**

The Group is organised into business units based on their products and services, and has two operating segments as follow:

- (a) The injection moulding segment is involved in the manufacture and supply of plastics products in the areas of household, consumers, industrial and electronics.
- (b) The mould making segment is involved in the manufacture, fabrication and sale of moulds in the areas of electronics, automobile and plastic injection moulding.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

**Injection moulding**

The injection moulding segments remained the Group's main source of revenue and operating profit, contributing 91% (31 March 2011: 88%) of the revenue of the Group and 87% (31 March 2011: 91%) of the operating profit of the Group.

Segment revenue of RM38.6 million for the first quarter in 2012 declined 17% compared to RM46.4 million was mainly due to lower customers' orders on the electronic and electrical (E&E) products. However gross margin improved on products mix and improvement in production efficiency.

We expect demand to gradually improve and with our business strategies in place, we expect revenue and operating profit for this E&E to improve in the coming months.

**Mould making**

The mould making segment contributed 9% (31 March 2011: 12%) of the revenue of the Group and 13% (31 March 2011: 9%) of the operating profit of the Group.

Even though revenue recorded was lower, profit improved by 27% as compared to corresponding quarter of 2011, this is mainly due to better margin, improve efficiency and mould services.

**Consolidated profit before tax**

The Group's current quarter profit before tax of RM4.6 million (31 March 2011: RM4.7 million) has declined by 2%.

The main factors which have affected the current quarter's profit before tax have been discussed above.



**TECNIC GROUP BERHAD**

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**Explanatory notes pursuant to MFRS 134  
For the three-month period ended 31 March 2012****7. Seasonality of operations**

The business operations of the Group are not significantly affected by any seasonal factors.

**8. Profit before tax**

Included in the profit before tax are the following items:

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 3 months ended</b>	
	<b>31 March 2012 RM '000</b>	<b>31 March 2011 RM '000</b>	<b>31 March 2012 RM '000</b>	<b>31 March 2011 RM '000</b>
Interest income	(24)	-	(24)	-
Other income (including investment income)	(112)	(98)	(112)	(98)
Interest expense	48	35	48	35
Depreciation of property, plant and equipment	1,694	1,560	1,694	1,560
Amortisation of land use rights	31	35	31	35
Provision for and write-off of receivables	-	-	-	-
Provision for and write-off of inventories	-	-	-	-
Loss/(gain) on disposal of quoted or unquoted investments or properties	3	(20)	3	(20)
Gain on disposal of other investment	(32)	-	(32)	-
Impairment of assets	-	-	-	-
Foreign exchange gain or loss – realised	(17)	(168)	(17)	(168)
Derivatives losses/(gains)	-	-	-	-
Exceptional items	-	-	-	-

**TECNIC GROUP BERHAD**

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**Explanatory notes pursuant to MFRS 134  
For the three-month period ended 31 March 2012****9. Income tax expense**

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 3 months ended</b>	
	<b>31 March 2012</b>	<b>31 March 2011</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Current tax:				
Malaysian income tax	643	254	643	254
Deferred tax	-	-	-	-
	<u>643</u>	<u>254</u>	<u>643</u>	<u>254</u>

The effective tax rate of the Group for the current quarter and financial year-to-date is lower than the statutory tax rate due to the utilisation of unabsorbed losses, capital allowances and reinvestment allowances of subsidiaries brought forward from previous year of assessment.

**10. Earnings Per Share**

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 3 months ended</b>	
	<b>31 March 2012</b>	<b>31 March 2011</b>	<b>31 March 2012</b>	<b>31 March 2011</b>
Profit net of tax attributable to owners of the parent used in the computation of earnings per share (RM'000)	<u>3,969</u>	<u>4,476</u>	<u>3,969</u>	<u>4,476</u>
Weighted average number of ordinary shares in issue ('000)	40,397	40,397	40,397	40,397
Effects of dilution	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Basic earnings per share (sen per share)	<u>9.82</u>	<u>11.08</u>	<u>9.82</u>	<u>11.08</u>
Diluted earnings per share (sen per share)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

## TECNIC GROUP BERHAD

(Company no: 302675-A)

### Explanatory notes pursuant to MFRS 134 For the three-month period ended 31 March 2012

#### 11. Property, plant and equipment

During the three months ended 31 March 2012, the Group acquired assets at a cost of RM251,000 (31 March 2011: RM7,304,000).

Assets with a carrying amount of RM49,000 were disposed of by the Group during the three months ended 31 March 2012 (31 March 2011: RM23,000), resulting in a loss/(gain) on disposal of RM3,000 (31 March 2011: (RM20,000)), recognised and included in operating expenses/(other operating income) in the statements of comprehensive income.

#### 12. Inventories

There was no write-down of inventories to net realizable value for the current quarter (31 March 2011: Nil).

#### 13. Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	31 March 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Cash at bank and in hand	7,019	16,657	4,454
Short term deposits	11,800	1,000	-
<b>Total cash and cash equivalents</b>	<b>18,819</b>	<b>17,657</b>	<b>4,454</b>

#### 14. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs that are based on observable market data, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial assets that are measured at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 March 2012				
<b>Available-for-sale financial assets</b>				
Golf club memberships	100	-	100	-
31 December 2011				
<b>Available-for-sale financial assets</b>				
Golf club memberships	122	-	122	-
1 January 2011				
<b>Available-for-sale financial assets</b>				
Golf club memberships	139	-	139	-

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

## TECNIC GROUP BERHAD

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### Explanatory notes pursuant to MFRS 134 For the three-month period ended 31 March 2012

#### 14. Fair value hierarchy (continued)

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

Asset with a carrying amount of RM22,000 was disposed of by the Group during the three months ended 31 March 2012 (31 March 2011: Nil), resulting in a gain on disposal of RM32,000 (31 March 2011: Nil), recognised and included in other operating income in the statements of comprehensive income.

#### 15. Interest-bearing loans and borrowings

	31 March 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
<b>Short term borrowings</b>			
Secured:			
Obligations under finance leases	-	-	18
Bankers' acceptances	-	1,436	2,113
Revolving credit	2,080	2,080	-
	<u>2,080</u>	<u>3,516</u>	<u>2,131</u>
<b>Long term borrowings</b>			
Secured:			
Revolving credit	2,040	2,560	-
	<u>4,120</u>	<u>6,076</u>	<u>2,131</u>

There were no borrowings in foreign currency.

#### 16. Dividends

No interim ordinary dividend has been declared for the financial period ended 31 March 2012 (31 March 2011 : Nil).

On 29 February 2012, the Board of Directors had announced their recommendation to propose a final tax exempt dividend of 25 sen per share in respect of the financial year ended 31 December 2011 subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current quarter do not reflect this proposed dividend.

This proposed dividend if approved by the shareholders at the Annual General Meeting, will be paid on 10 August 2012 to the depositors who are registered in the Record of Depositors at the close of business on 18 July 2012. It would be accounted for in shareholders' equity as an appropriation of retained profits in the current financial year ending 31 December 2012.

The Company endeavour to maintain a dividend policy of paying a minimum 50% dividend payout of its profit after tax annually to shareholders with effect from the financial year 2010. The Company will endeavour to maintain the policy in the future subject to a number of factors such as the availability of distributable reserves as well as the Company's future cash flow or capital expenditure requirements, investment opportunities, regulations and market conditions.

**Explanatory notes pursuant to MFRS 134**  
**For the three-month period ended 31 March 2012**

**17. Commitments**

The Group did not have any material commitment for contracted capital expenditure which might have a material impact on the financial position or business of the Group.

**18. Contingencies**

There were no contingent assets and no changes in the contingent liability since 31 December 2011.

**19. Related party transactions**

Transactions that have been entered into are in the normal course of business and have been established under mutually agreed terms that are not materially different from those obtainable in transactions with unrelated parties.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A for the three-month period ended 31 March 2012**

**20. Events after the reporting period**

Subsequent to the end of the current quarter, the Company acquired 100% equity interest in Bangi Plastics Sdn. Bhd. (“BPSB”) for a total cash consideration of RM2,509,598 comprising 2,300,000 ordinary shares of RM1.00 each. The acquisition was duly completed on 18 April 2012. As a result, the Company held entire shares in BPSB instead of holding BPSB’s shares through its wholly-owned subsidiaries, Sun Tong Seng Mould-Tech Sdn. Bhd. and Plastictecnic (M) Sdn. Bhd.

**21. Performance review**

Explanatory comment on the performance of each of the Group’s business activities is provided in Note 6.

**22. Comment on material change in profit before tax**

In respect of the current quarter, the Group recorded revenue of RM42.6 million and profit before tax of RM4.6 million as compared to revenue of RM48.1 million and profit before tax of RM4.4 million recorded in the immediate preceding quarter. The reason of the revenue decreased by 11.4% was mainly due to reduce sales volumes on the E&E products. However, the Group recorded better profit before tax margin of 10.8% as compared to the immediate preceding quarter of 9.2%, which was mainly due to the impairment of trade receivables of RM1.0 million being recorded in the immediate preceding quarter.

**23. Commentary on prospects**

For the financial year ended 31 December 2012, the Group continues to improve overall efficiency and product quality to maintain its competitive edge. The Group will also capitalise on its expanded production facility to diversify customer base, grow revenue and improve profit margins. Prospects remain promising and the Directors are cautiously optimistic of improving the overall performance of the Group for the current financial year.

**24. Profit forecast or profit guarantee**

Not applicable as no profit forecast or profit guarantee announced as at the date of this quarterly report.

**25. Corporate proposals**

There were no corporate proposals announced but not completed as at to date.

**26. Changes in material litigation**

There were no material litigations as at the date of this quarterly report.

**27. Dividend payable**

Please refer to Note 16 for details.

**28. Disclosure of nature of outstanding derivatives**

There was no outstanding derivative as at the reporting period.

## TECNIC GROUP BERHAD

(Company no: 302675-A)

### Explanatory notes pursuant to Bursa Malaysia Listing Requirement: Chapter 9, Appendix 9B, Part A for the three-month period ended 31 March 2012

#### 29. Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 31 March 2012 or the previous financial year ended 31 December 2011.

#### 30. Risks and policies of derivatives

The Group did not enter into any derivatives during the period ended 31 March 2012 or the previous financial year ended 31 December 2011.

#### 31. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2012 and 31 December 2011.

#### 32. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 31 March 2012 and 31 December 2011 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on 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, as issued by the Malaysia Institute of Accountants.

	<b>Current quarter ended 31 March 2012 RM'000</b>	<b>Previous financial year ended 31 December 2011 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
-Realised	64,416	60,899
-Unrealised	(4,357)	(4,309)
	<u>60,059</u>	<u>56,590</u>
Less : Consolidation adjustment	(4,039)	(4,539)
Total group retained profits as per financial statements	<u>56,020</u>	<u>52,051</u>

#### 33. Auditors' report on preceding annual financial statements

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