



**BENALEC HOLDINGS BERHAD**  
(702653-V)  
(Incorporated in Malaysia)

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD (3<sup>rd</sup>) QUARTER ENDED 31 MARCH 2013**

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**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD (3<sup>RD</sup>)  
QUARTER ENDED 31 MARCH 2013**

|  | Individual Quarter  |   | Cumulative Quarter  |   |
|--|---|---|---|---|
|  | (Unaudited)<br>Current<br>Year Quarter<br>Ended<br>31-03-2013<br>RM'000 | (Unaudited)<br>Preceding Year<br>Quarter<br>Ended<br>31-03-2012<br>RM'000 | (Unaudited)<br>Current<br>Year<br>To Date<br>31-03-2013<br>RM'000 | (Unaudited)<br>Preceding<br>Year<br>To Date<br>31-03-2012<br>RM'000 |
| <b>Revenue</b>   | <b>59,752</b>   | <b>28,911</b>   | <b>183,857</b>  | <b>130,384</b>  |
| Cost of sales  | (44,818)  | (13,787)  | (107,675)   | (69,577)  |
| <b>Gross profit</b>                                      | <b>14,934</b>   | <b>15,124</b>   | <b>76,182</b>   | <b>60,807</b>   |
| Other operating income                                   | 6,523   | 12,311  | 8,062   | 47,608  |
| Administrative and other expenses                        | (6,961)   | (6,630)   | (19,821)  | (14,974)  |
| <b>Profit from operations</b>                            | <b>14,496</b>   | <b>20,805</b>   | <b>64,423</b>   | <b>93,441</b>   |
| Finance costs  | (836)   | (1,377)   | (3,211)   | (4,591)   |
| <b>Profit before tax ("PBT")</b>                         | <b>13,660</b>   | <b>19,428</b>   | <b>61,212</b>   | <b>88,850</b>   |
| Income tax expense                                       | (3,148)   | (5,206)   | (6,880)   | (16,859)  |
| <b>Profit for the period</b>                             | <b>10,512</b>   | <b>14,222</b>   | <b>54,332</b>   | <b>71,991</b>   |
| <b>Other comprehensive income, net of tax:-</b>          |   |   |   |   |
| • fair value loss on available-for-sale financial assets | 6   | 2   | 6   | (2)   |
| • foreign currency translations                          | 2,090   | (157)   | (3,870)   | 1,062   |
| <b>Total comprehensive income for the period</b>         | <b>12,608</b>   | <b>14,067</b>   | <b>50,468</b>   | <b>73,051</b>   |
| <b>Profit attributable to:-</b>                          |   |   |   |   |
| • equity holders of the Company                          | 10,512  | 14,222  | 54,413  | 71,991  |
| • non-controlling interest                               | -   | -   | (81)  | -   |
|  | <b>10,512</b>   | <b>14,222</b>   | <b>54,332</b>   | <b>71,991</b>   |
| <b>Total comprehensive income attributable to:-</b>      |   |   |   |   |
| • equity holders of the Company                          | 12,608  | 14,067  | 50,549  | 73,051  |
| • non-controlling interest                               | -   | -   | (81)  | -   |
|  | <b>12,608</b>   | <b>14,067</b>   | <b>50,468</b>   | <b>73,051</b>   |
| <b>Earnings Per Share (sen)</b>                          |   |   |   |   |
| • basic earnings per RM0.25 share                        | <b>1.3</b>  | 1.9   | <b>6.8</b>  | 9.5   |
| • diluted earnings per RM0.25 share                      | <b>1.3</b>  | 1.9   | <b>6.8</b>  | 9.5   |

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial reports.



**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2013**

|   | Unaudited<br>As at<br>31-03-2013<br>RM'000 | <sup>(1)</sup> Restated<br>As At<br>30-6-2012<br>RM'000 | <sup>(1)</sup> Restated<br>As at<br>1-7-2011<br>RM'000 |
|---|--|---|--|
| <b>ASSETS</b>   |  |   |  |
| <b>Non-current assets</b>   |  |   |  |
| Property, plant and equipment   | 220,280                                    | 240,059   | 241,731  |
| Other investments   | 40   | 34  | 37   |
|   | <u>220,320</u>                             | <u>240,093</u>  | <u>241,768</u>   |
| <b>Current assets</b>   |  |   |  |
| Lands and properties held for sale  | 186,473                                    | 183,465   | 107,483  |
| Inventories   | 3,231                                      | 2,461   | 11,040   |
| Land reclamation work in progress   | 20,570                                     | 16,933  | 1,170  |
| Trade and other receivables   | 362,007                                    | 200,201   | 206,957  |
| Fixed deposit   | 20,571                                     | 26,346  | 48,271   |
| Cash and bank balances  | 18,585                                     | 104,172   | 21,515   |
|   | <u>611,437</u>                             | <u>533,578</u>  | <u>396,436</u>   |
| <b>TOTAL ASSETS</b>   | <b><u>831,757</u></b>                      | <b><u>773,671</u></b>                                   | <b><u>638,204</u></b>                                  |
| <b>EQUITY AND LIABILITIES</b>   |  |   |  |
| Equity attributable to equity holders   |  |   |  |
| Share capital   | 201,375                                    | 200,740   | 182,500  |
| Non-distributable reserves  | 9,183                                      | 11,220  | (73,550)   |
| Distributable reserve   | 334,717                                    | 304,429   | 237,810  |
| <b>Total equity attributable to owners of the Company</b>                                 | <b><u>545,275</u></b>                      | <b><u>516,389</u></b>                                   | <b><u>346,760</u></b>                                  |
| Non-controlling interests   | 2,916                                      | 3   | -  |
|   | <u>548,191</u>                             | <u>516,392</u>  | <u>346,760</u>   |
| <b>Non-current liabilities</b>  |  |   |  |
| Borrowings  | 12,442                                     | 29,311  | 43,701   |
| Deferred tax liabilities  | 8,844                                      | 8,967   | 10,202   |
| Trade and other payables  | 54,273                                     | 56,646  | 28,757   |
|   | <u>75,559</u>                              | <u>94,924</u>   | <u>82,660</u>  |
| <b>Current liabilities</b>  |  |   |  |
| Trade and other payables  | 187,474                                    | 141,829   | 169,961  |
| Borrowings  | 20,526                                     | 18,865  | 19,211   |
| Tax liabilities   | 7  | 1,661   | 19,612   |
|   | <u>208,007</u>                             | <u>162,355</u>  | <u>208,784</u>   |
| <b>TOTAL LIABILITIES</b>  | <b><u>283,566</u></b>                      | <b><u>257,279</u></b>                                   | <b><u>291,444</u></b>                                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b><u>831,757</u></b>                      | <b><u>773,671</u></b>                                   | <b><u>638,204</u></b>                                  |
| <b>Net assets per RM0.25 share attributable to ordinary equity holders of the company</b> | <b><u>0.68</u></b>                         | <b><u>0.64</u></b>                                      | <b><u>0.48</u></b>                                     |

**Note:-**

(1) Restated due to adoption of the MFRS Framework.

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial reports.

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2013

|  | ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY |                             |                            |  |   |  |   | Total<br>RM'000 | Non<br>Controlling<br>interests<br>Total<br>RM'000 | Total<br>RM'000 |
|--|---|-----------------------------|----------------------------|--|---|--|---|-----------------|--|-----------------|
|  | Non-Distributable<br>Reserve                  |                             |                            | Distributable<br>Reserve                 |   |  |   |                 |  |                 |
|  | Share<br>Capital<br>RM'000                    | Treasury<br>Share<br>RM'000 | Share<br>Premium<br>RM'000 | Foreign<br>Exchange<br>Reserve<br>RM'000 | Reverse<br>Acquisition<br>Reserve<br>RM'000 | Available<br>For-Sale<br>Reserve<br>RM'000 | Distributable<br>Retained<br>Earnings<br>RM'000 |                 |  |                 |
| <b>As at 1 July 2011 (Restated)</b>                    | <b>182,500</b>                                | <b>-</b>                    | <b>72,545</b>              | <b>-</b>                                 | <b>(146,070)</b>                            | <b>(25)</b>                                | <b>237,810</b>                                  | <b>346,760</b>  | <b>-</b>   | <b>346,760</b>  |
| Profit/(loss) for the financial year                   | -   | -                           | -                          | -  | -   | -  | 71,991  | 71,991          | -  | 71,991          |
| Fair value of the available-for-sale financial assets  | -   | -                           | -                          | -  | -   | (2)  | -   | (2)             | -  | (2)             |
| Foreign currency translation                           | -   | -                           | -                          | 1,062                                    | -   | -  | -   | 1,062           | -  | 1,062           |
| <b>Total comprehensive income</b>                      | <b>-</b>                                      | <b>-</b>                    | <b>-</b>                   | <b>1,062</b>                             | <b>-</b>                                    | <b>(2)</b>                                 | <b>71,991</b>                                   | <b>73,051</b>   | <b>-</b>   | <b>73,051</b>   |
| <b>Transactions with owners:-</b>                      |   |                             |                            |  |   |  |   |                 |  |                 |
| • issue of share capital pursuant to private placement | 18,240  | -                           | 78,067                     | -  | -   | -  | -   | 96,307          | -  | 96,307          |
| • share issue expenses – private placement             | -   | -                           | (511)                      | -  | -   | -  | -   | (511)           | -  | (511)           |
| • share repurchased                                    | -   | (427)                       | -                          | -  | -   | -  | -   | (427)           | -  | (427)           |
| • dividend paid  | -   | -                           | -                          | -  | -   | -  | (16,051)  | (16,051)        | -  | (16,051)        |
| <b>As at 31 March 2012</b>                             | <b>200,740</b>                                | <b>(427)</b>                | <b>150,101</b>             | <b>1,062</b>                             | <b>(146,070)</b>                            | <b>(27)</b>                                | <b>293,750</b>                                  | <b>499,129</b>  | <b>-</b>   | <b>499,129</b>  |



**UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2013 (“CONT’D”)**

|   | ← Non-Distributable Reserve → |                          |                         |                                    |                                       |                                |                                      | Distributable Reserve                     |                 | Non Controlling interests<br>Total<br>RM'000 | Total<br>RM'000 |
|---|-------------------------------|--------------------------|-------------------------|------------------------------------|---------------------------------------|--------------------------------|--------------------------------------|---|-----------------|--|-----------------|
|   | Share Capital<br>RM'000       | Treasury Share<br>RM'000 | Share Premium<br>RM'000 | Foreign Exchange Reserve<br>RM'000 | Reverse Acquisition Reserve<br>RM'000 | Share Option Reserve<br>RM'000 | Available For-Sale Reserve<br>RM'000 | Distributable Retained Earnings<br>RM'000 | Total<br>RM'000 |  |                 |
| <b>As at 1 July 2012 (restated)</b>                   | <b>200,740</b>                | <b>(1,246)</b>           | <b>150,099</b>          | <b>6,652</b>                       | <b>(146,070)</b>                      | <b>1,814</b>                   | <b>(29)</b>                          | <b>304,429</b>                            | <b>516,389</b>  | <b>3</b>                                     | <b>516,392</b>  |
| Funding from non-controlling interests                | -                             | -                        | -                       | -                                  | -                                     | -                              | -                                    | -   | -               | 2,994  | 2,994           |
| Profit for the financial year                         | -                             | -                        | -                       | -                                  | -                                     | -                              | -                                    | 54,413                                    | 54,413          | (81)   | 54,332          |
| Fair value of the available-for-sale financial assets | -                             | -                        | -                       | -                                  | -                                     | -                              | 6                                    | -   | 6               | -  | 6               |
| Foreign currency translation                          | -                             | -                        | -                       | (3,870)                            | -                                     | -                              | -                                    | -   | (3,870)         | -  | (3,870)         |
| <b>Total comprehensive income</b>                     | <b>-</b>                      | <b>-</b>                 | <b>-</b>                | <b>(3,870)</b>                     | <b>-</b>                              | <b>-</b>                       | <b>6</b>                             | <b>54,413</b>                             | <b>50,549</b>   | <b>(81)</b>                                  | <b>50,468</b>   |
| <b>Transactions with owners:-</b>                     |                               |                          |                         |                                    |                                       |                                |                                      |   |                 |  |                 |
| • share option granted under ESOS                     | -                             | -                        | 307                     | -                                  | -                                     | (307)                          | -                                    | -   | -               | -  | -               |
| • share issuance for ESOS                             | 635                           | -                        | 2,058                   | -                                  | -                                     | -                              | -                                    | -   | 2,693           | -  | 2,693           |
| • buy back of shares                                  | -                             | (231)                    | -                       | -                                  | -                                     | -                              | -                                    | -   | (231)           | -  | (231)           |
| • dividend paid                                       | -                             | -                        | -                       | -                                  | -                                     | -                              | -                                    | (24,125)                                  | (24,125)        | -  | (24,125)        |
| <b>As at 31 March 2013</b>                            | <b>201,375</b>                | <b>(1,477)</b>           | <b>152,464</b>          | <b>2,782</b>                       | <b>(146,070)</b>                      | <b>1,507</b>                   | <b>(23)</b>                          | <b>334,717</b>                            | <b>545,275</b>  | <b>2,916</b>                                 | <b>548,191</b>  |

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial reports.

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOW  
FOR THE THIRD(3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2013**

|  | Unaudited<br>31 March 2013<br>RM'000 | Unaudited<br>31 March 2012<br>RM'000 |
|--|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |                                      |                                      |
| <b>PBT</b>   | <b>61,212</b>                        | <b>88,850</b>                        |
| Adjustments for:-  |                                      |                                      |
| Depreciation   | 8,115                                | 19,489                               |
| Gain on disposal of lands                                      | (6,020)                              | (46,166)                             |
| Non-cash and operating items                                   | 3,940                                | 3,386                                |
| <b>Operating profit before working capital changes</b>         | <b>67,247</b>                        | <b>65,559</b>                        |
| <b>Changes in working capital:-</b>                            |                                      |                                      |
| Inventories  | (770)                                | (295)                                |
| Land reclamation work in progress                              | (3,637)                              | (15,268)                             |
| Land held for sale   | 3,012                                | -                                    |
| Trade and other receivables                                    | (155,064)                            | (17,814)                             |
| Trade and other payables                                       | 45,646                               | (17,728)                             |
| <b>Cash (used in)/ generated from operations</b>               | <b>(43,566)</b>                      | <b>14,454</b>                        |
| Tax paid – net   | (15,258)                             | (34,320)                             |
| Interest paid  | (3,211)                              | (4,591)                              |
| <b>Net cash used in operating activities</b>                   | <b>(62,035)</b>                      | <b>(24,457)</b>                      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                     |                                      |                                      |
| Interest and dividend received                                 | 1,477                                | 770                                  |
| Withdrawal/(Placement) of fixed deposits - pledged             | 3,155                                | 1,206                                |
| Advance from / (Repayments to) related parties                 | (2,373)                              | 2,672                                |
| Disposal of property, plant and equipment                      | 9,194                                | 10,439                               |
| Purchase of property, plant and equipment                      | (560)                                | (6,658)                              |
| <b>Net cash generated from/ (used in) investing activities</b> | <b>10,893</b>                        | <b>8,429</b>                         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                     |                                      |                                      |
| Drawdown of borrowings and trust receipts                      | -                                    | 3,200                                |
| Repayment of borrowings and hire-purchase – net                | (16,744)                             | (13,930)                             |
| Dividend paid  | (24,125)                             | (16,051)                             |
| Funding from non-controlling interests                         | 2,994                                | -                                    |
| Issue of new shares under ESOS                                 | 2,693                                | 95,796                               |
| Shares repurchased   | (231)                                | (427)                                |
| <b>Net cash generated from/ (used in) financing activities</b> | <b>(35,413)</b>                      | <b>68,588</b>                        |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>   | <b>(86,555)</b>                      | <b>52,560</b>                        |
| Cash and cash equivalents at the beginning of period           | 110,792                              | 54,315                               |
| Effects of exchange rate changes                               | (2,638)                              | 2,042                                |
| <b>Cash and cash equivalents at the end of period</b>          | <b>21,599</b>                        | <b>108,917</b>                       |



**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2013 (CONT'D)**

|   | <b>Unaudited<br/>31 March 2013<br/>RM'000</b> | <b>Unaudited<br/>31 March 2012<br/>RM'000</b> |
|---|---|---|
| <b>Cash and cash equivalents comprise the following:-</b> |   |   |
| Cash and bank balances <sup>(1)</sup>                     | 18,585  | 96,617  |
| Fixed deposits  |   |   |
| • pledged   | 16,571  | 14,265  |
| • not pledged   | 4,000   | 12,300  |
|   | <u>39,156</u>                                 | <u>123,182</u>                                |
| Less: Fixed deposits pledged                              | <u>(16,571)</u>                               | <u>(14,265)</u>                               |
|   | 22,585  | 108,917                                       |
| Less: Bank overdraft                                      | (986)   | -   |
|   | <u><u>21,599</u></u>                          | <u><u>108,917</u></u>                         |

**Note:**

- (1) *Included in the cash and bank balances are unit trusts quoted in Malaysia, which are held by the Group which are highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents.*

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial reports.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT PURSUANT TO MFRS 134**

**1. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”)**

This interim financial report is unaudited and has been prepared in accordance with MFRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

For the periods up to and including the financial year ended 30 June 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards (“**FRS**”). This interim financial report is the Group’s first MFRS compliant for the period covered by the Group’s first MFRS framework annual financial statements for the year ending 30 June 2013 and hence MFRS 1: First Time Adoption of Malaysian Financial Reporting Standards (“**MFRS 1**”) has been applied.

The MFRSs are effective for the Group from 1 July 2012 and the date of transition to the MFRS Framework for the purpose of the first (1<sup>st</sup>) MFRS compliant Interim Financial Report is 1 July 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note 2.1 below.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The audited financial statements of the Group for the financial year ended 30 June 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial report are consistent with those of the audited financial statements for the financial year ended 30 June 2012 except as discussed below:-

**2.1. Application of MFRS 1 – Foreign Currency Translation**

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Foreign currency translation differences were adjusted to retained earnings.

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:-

**(a) Reconciliation of equity as at 1 July 2012**

|                              | <b>FRS as at<br/>1 July 2012</b> | <b>Reclassifications</b> | <b>MFRS as at<br/>1 July 2012</b> |
|------------------------------|----------------------------------|--------------------------|-----------------------------------|
|                              | <b>RM’000</b>                    | <b>RM’000</b>            | <b>RM’000</b>                     |
| Exchange translation reserve | 747                              | 5,905                    | 6,652                             |
| Retained earnings            | 310,334                          | (5,905)                  | 304,429                           |





**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.1. Application of MFRS 1 – Foreign Currency Translation (Cont'd)**

**(b) Reconciliation of equity as at 31 March 2012**

|                              | FRS as at<br>31 March 2012 | Reclassifications | MFRS as at<br>31 March 2012 |
|------------------------------|----------------------------|-------------------|-----------------------------|
|                              | RM'000                     | RM'000            | RM'000                      |
| Exchange translation reserve | (4,843)                    | 5,905             | 1,062                       |
| Retained earnings            | 299,655                    | (5,905)           | 293,750                     |

**(c) Reconciliation of equity as at 1 July 2011**

|                              | FRS as at<br>1 July 2011 | Reclassifications | MFRS as at<br>1 July 2011 |
|------------------------------|--------------------------|-------------------|---------------------------|
|                              | RM'000                   | RM'000            | RM'000                    |
| Exchange translation reserve | (5,905)                  | 5,905             | -                         |
| Retained earnings            | 243,715                  | (5,905)           | 237,810                   |

**2.2. MFRS, Amendments to MFRS and IC Interpretation**

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

| <b>MFRS, Amendments to MFRS and IC Interpretation</b> |   | <b>Effective for annual<br/>periods beginning<br/>on or after</b> |
|---|---|---|
| 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 1                                  | Government Loans  | 1 January 2013  |
| Amendments to MFRS 7                                  | Disclosures – Offsetting Financial Assets and Financial Liabilities             | 1 January 2013  |
| 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  |



**3. QUALIFICATION OF AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report for the preceding annual financial statements was not subject to any qualification.

**4. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS**

The Group's interim operations and performance were not materially affected by any seasonal or cyclical factors for the current quarter under review.

**5. NATURE AND AMOUNT OF ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS THAT ARE UNUSUAL BECAUSE OF THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period ended 31 March 2013.

**6. CHANGES IN ESTIMATES OF AMOUNTS REPORTED IN PRIOR INTERIM PERIODS OF THE CURRENT FINANCIAL YEAR OR IN PRIOR FINANCIAL YEARS**

There were no changes in estimates that had any material effect on the current financial period ended 31 March 2013.

**7. DIVIDENDS**

At the Seventh (7<sup>th</sup>) Annual General Meeting of the Company, a final tax exempt (single tier) dividend in respect of the financial year ended 30 June 2012 of RM0.03 on 801,625,100 ordinary shares of RM0.25 each, amounting of RM24,048,753 was approved by the shareholders on 19 December 2012 and paid on 15 March 2013 to shareholders whose name appear in the Record of Depositors on 19 February 2013.

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## 8. SEGMENTAL REPORTING

The Group's segmental report for the current financial period ended 31 March 2013 as follows:-

|                                      | <b>Marine<br/>Construction<br/>RM'000</b> | <b>Vessel<br/>Chartering<br/>RM'000</b> | <b>Ship<br/>Building<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--------------------------------------|---|---|-------------------------------------|--------------------------|-------------------------------|-------------------------|
| <b>Revenue</b>                       |   |   |                                     |                          |                               |                         |
| External – Sales                     | 164,969                                   | 18,888                                  | -                                   | -                        | -                             | 183,857                 |
| Inter - segment sales                | 64,651                                    | 49,440                                  | 4,500                               | -                        | (118,591)                     | -                       |
| <b>Total revenue</b>                 | <b>229,620</b>                            | <b>68,328</b>                           | <b>4,500</b>                        | <b>-</b>                 | <b>(118,591)</b>              | <b>183,857</b>          |
| <b>Results</b>                       |   |   |                                     |                          |                               |                         |
| Segment results                      | 79,651                                    | (10,382)                                | (5,109)                             | (1,214)                  | -                             | 62,946                  |
| Interest and dividend income         | 1,236                                     | 10                                      | 16                                  | 215                      | -                             | 1,477                   |
| Finance costs                        | (2,110)                                   | (1,039)                                 | (62)                                | -                        | -                             | (3,211)                 |
| <b>Profit /(loss) before tax</b>     | <b>78,777</b>                             | <b>(11,411)</b>                         | <b>(5,155)</b>                      | <b>(999)</b>             | <b>-</b>                      | <b>61,212</b>           |
| Income tax expense                   | (6,734)                                   | (146)                                   | -                                   | -                        | -                             | (6,880)                 |
| <b>Profit /(loss) for the period</b> | <b>72,043</b>                             | <b>(11,557)</b>                         | <b>(5,155)</b>                      | <b>(999)</b>             | <b>-</b>                      | <b>54,332</b>           |

Following are the major components included in the respective segmental results:-

**Depreciation:-**

|   |         |         |       |   |   |         |
|---|---------|---------|-------|---|---|---------|
| • Depreciation charge for financial quarter ended 31 March 2013 | (2,452) | (5,380) | (283) | - | - | (8,115) |
|---|---------|---------|-------|---|---|---------|

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**9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment loss.

There were no valuations of the property, plant and equipment in the current financial quarter ended 31 March 2013.

**10. MATERIAL EVENTS NOT REFLECTED IN THE FINANCIAL STATEMENTS**

There were no material events subsequent to the current financial quarter ended 31 March 2013 and up to 23 May 2013, being the latest practicable date (“**LPD**”) which is not earlier than seven (7) days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report, except as disclosed in Note 22.

**11. DEBT AND EQUITY SECURITIES**

**11.1 Current Financial Period**

During the current quarter and financial period to date, the Group buy back of 196,700 shares and issued additional 2.541 million new shares pursuant to the exercise of ESOS, at an average exercise price of RM1.19 and RM1.06 each respectively.

The movement of shares by the Group during the current financial year to-date were as follows:-

| <b>Date</b> | <b>Description</b>            | <b>No. of shares ('000)</b> | <b>Average price paid (RM)</b> | <b>Total consideration paid (RM'000)</b> |
|-------------|-------------------------------|-----------------------------|--------------------------------|--|
| 3 Sept 2012 | Share buy back                | (187)                       | 1.17                           | (219)                                    |
| 1 Nov 2012  | Share issued pursuant to ESOS | 250                         | 1.06                           | 265                                      |
| 16 Nov 2012 | Share issued pursuant to ESOS | 623                         | 1.06                           | 660                                      |
| 22 Nov 2012 | Share issued pursuant to ESOS | 243                         | 1.06                           | 258                                      |
| 30 Nov 2012 | Share issued pursuant to ESOS | 462                         | 1.06                           | 490                                      |
| 17 Dec 2012 | Share issued pursuant to ESOS | 332                         | 1.06                           | 352                                      |
| 31 Dec 2012 | Share issued pursuant to ESOS | 315                         | 1.06                           | 334                                      |
| 16 Jan 2013 | Share issued pursuant to ESOS | 316                         | 1.06                           | 335                                      |
| 28 Feb 2013 | Share buy back<br>(Note 1)    | (10)                        | 1.20                           | (12)                                     |
|             |                               | <b>2,344</b>                | <b>1.05</b>                    | <b>2,463</b>                             |

**Note 1:-**

As at 31 March 2013, the Company holds 1,344,900 shares as treasury shares at an average price of RM1.13.

Other than as disclosed above, the Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares during the current financial period and subsequent to the end of the current financial period ended and up to the LPD which is not earlier than seven (7) days from the date of issuance of this quarterly report.



**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current financial period ended 31 March 2013, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no material contingent liabilities or contingent assets as at 31 March 2013.

**14. CAPITAL COMMITMENTS**

There were no material capital commitments not provided for as at 31 March 2013.

**15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The related party transactions during the financial year under review in which certain directors of the Company have substantial financial interest as presented below:-

| <b>Nature of transactions<sup>(1)</sup></b>  | <b>Transaction value based on billings RM'000</b> | <b>Balance outstanding as at 31-03-2013 RM'000</b> |
|--|---|--|
| Provision of marine construction works (payment in kind) to companies in which certain directors of the company have substantial financial interest <sup>(2)</sup> | 156,461   | 284,099  |
| Purchase of vessels from companies in which certain directors of the company have substantial financial interest   | -   | (61,559)   |
| Provision of marine construction work from a company in which certain directors of the company have substantial financial interest                                 | -   | (19)   |

**Notes:-**

(1) *The related party transactions reflect transactions of all the subsidiaries with the respective group of companies; and*

(2) *This amount represents the value of the land portion pending land Alienation Process which the Group entities to receive as settlement for the marine construction contracts. It would subsequently reclassified as "land held for sale" following the alienation process.*

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**16. REVIEW OF PERFORMANCE OF THE GROUP**

**16.1 CURRENT YEAR-TO-DATE VERSUS PREVIOUS YEAR-TO-DATE**

|         | Current<br>Third (3 <sup>rd</sup> ) Quarter<br>31 March 2013<br>RM'000 | Previous<br>Third (3 <sup>rd</sup> ) Quarter<br>31 March 2012<br>RM'000 | Variance |         |
|---------|--|---|----------|---------|
|         |  |   | RM'000   | %       |
| Revenue | 183,857  | 130,384   | 53,473   | 41.01   |
| PBT     | 61,212   | 88,850  | (27,638) | (31.11) |

For the cumulative nine (9) months ended 31 March 2013, the Group had shown increase of revenue by 41.01% against last year, with total revenue registered at RM183.86 million (FPE Q3'2012: RM130.38 million). The increase in revenue was mainly due to:-

- kick-off of 2 new projects during the current year, namely the Pulau Indah and Swiss Horizon, which contributed RM25.97 million and RM6.36 million respectively to the current revenue;
- Current year revenue was mainly contributed by the Sentosacove (78.90%) Pulau Indah (15.74%) and Swiss-Horizon (3.86%) projects.

The cumulative 9 months recorded a PBT of RM61.21 million, representing a decrease of 31.11% against last year. The decrease in PBT was mainly attributable by:-

| Description                                     | RM' 000         | Note |
|---|-----------------|------|
| Increase in gross profit                        | 15,375          | 1    |
| Decrease in other operating income              | (39,546)        | 2    |
| Increase in selling and administrative expenses | (4,847)         | 3    |
| Decrease in finance costs                       | 1,380           |      |
| <b>Net decrease in PBT</b>                      | <b>(27,638)</b> |      |

**Notes:-**

- (1) Increase in gross profit was mainly due to factors as stated above.
- (2) Decrease in other income was mainly due to fewer number of land sale transactions recognised in current year (Q3'2013: 6.02 million; Q3'2012: 46.17million.)
- (3) Increase in selling and administrative expenses was mainly due to:-
  - one-off loss on disposal of vessels of RM1.65 million (Q3'2012:nil)
  - increase in unrealised & realised loss of RM0.68 million

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**16. REVIEW OF PERFORMANCE OF THE GROUP (Cont'd)**

**16.2 CURRENT YEAR QUARTER VERSUS PREVIOUS YEAR QUARTER**

|         | Current<br>Third (3 <sup>rd</sup> ) Quarter<br>31 March 2013<br>RM'000 | Previous<br>Third (3 <sup>rd</sup> ) Quarter<br>31 March 2012<br>RM'000 | Variance |         |
|---------|--|---|----------|---------|
|         |  |   | RM'000   | %       |
| Revenue | 59,752   | 28,911  | 30,841   | 106.68  |
| PBT     | 13,660   | 19,428  | (5,768)  | (29.69) |

For the current quarter under review with comparison to last year corresponding quarter, the Group registered revenue of approximately RM59.75 million (FPE Q3'2012: RM28.91 million), representing an increase of RM106.68%. This was mainly due to the increase activity undertaken by the Sentosacove project, which increased by RM30.74 million as compared to the previous year corresponding quarter.

The Group registered PBT of RM13.66 million (FPE Q2'2012:RM19.43 million) representing a decrease of RM5.77 million. The decrease was mainly due to:-

| Description                                     | RM' 000        | Note |
|---|----------------|------|
| Decrease in gross profit                        | (190)          |      |
| Decrease in other operating income              | (5,788)        | 1    |
| Increase in selling and administrative expenses | (331)          | 2    |
| Decrease in finance costs                       | 541            |      |
| <b>Net decrease in PBT</b>                      | <b>(5,768)</b> |      |

**Notes:-**

- (1) *Decrease in other income was mainly due lower gain on disposal of land recognised in current year (Q3'13: 6.02 million; Q3'2012: 12.55 million.)*
- (2) *Increase in selling and administrative expenses was mainly due to one-off loss on disposal of vessels of RM1.65 million (Q2'2012:nil)*

**17. VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

|         | Current<br>Third (3 <sup>rd</sup> ) Quarter<br>31 March 2013<br>RM'000 | Current<br>Second (2 <sup>nd</sup> ) Quarter<br>31 December 2012<br>RM'000 | Variance |         |
|---------|--|--|----------|---------|
|         |  |  | RM'000   | %       |
| Revenue | 59,752   | 66,357   | (6,605)  | (9.95)  |
| PBT     | 13,660   | 21,520   | (7,860)  | (36.52) |

The current revenue of approximately RM59.75 million represents a decrease of RM6.61 million against preceding quarter revenue of RM66.36 million. The decrease in revenue was mainly due to lesser progress of works recognition from the Sentosacove project in the current quarter.

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**17. VARIATION OF RESULTS AGAINST PRECEDING QUARTER (Cont'd)**

The decrease of PBT which recorded a variance of RM7.86 million was mainly due to:-

| Description                                     | RM' million    | Note |
|---|----------------|------|
| Decrease in gross profit                        | (12,894)       | 1    |
| Increase in other operating income              | 6,078          | 2    |
| Increase in selling and administrative expenses | (1,271)        | 3    |
| Decrease in finance cost                        | 227            |      |
| <b>Net decrease in PBT</b>                      | <b>(7,860)</b> |      |

**Notes:-**

- (1) *Decrease in gross profit as factor stated above.*
- (2) *Increase in other operating income mainly due to the gain in disposal of land of RM6.02 million.*
- (3) *Increase in selling and administrative expenses was mainly due to the increase in admin expenses.*

**18. PROSPECTS**

**18.1 OVERVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY**

The Malaysian economy recorded a steady pace of growth of 5.1% in 2011 (2010:7.2%), despite the challenging international economic environment. Domestic demand registered a strong growth of 8.2% in 2011 (2010:6.3%), driven by both household, business spending and higher public sector consumption. Private consumption is strengthened in 2011, growing by 6.9% (2010:6.5%), supported by a broad-based growth in income following the overall improvement in labour market conditions and higher commodity prices.

Malaysia's economy is projected to experience a steady pace of growth of 4% - 5% in 2012. Domestic demand is expected to remain resilient and will continue to be the anchor for growth. Several measures announced in Budget 2012 are expected to provide support to private consumption. Private investment will be supported by domestic oriented industries and the ongoing implementation of projects under the Economic Transformation Programmes. The public sector will remain supportive of growth in 2012, with higher capital expenditure by both the Federal Government and the non-financial public enterprises. The implementation of the Special Stimulus Package through Private Financing Initiative that was announced in 2012 Budget would provide further impetus to real activity during the year.

**(Source: Bank Negara Malaysia Annual Report 2011)**

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## **18. PROSPECTS (Cont'd)**

### **18.2 OVERVIEW AND OUTLOOK OF THE MALAYSIAN PROPERTY MARKET**

The Malaysian property market had shown remarkable growth in 2011. The property market had maintained double digit growth 14.3% in volume and 28.3% in value. Year 2011 had registered 430,403 transactions worth RM137.83 billion, surpassing year 2010 of 376,583 transactions worth RM107.44 billion. All property sub-sectors recorded positive growths. Residential and development land sub-sectors recorded double digit growth of 18.9% and 14.7% respectively and followed by commercial sub-sector of 9.7%, industry sub-sector of 6.5% and agriculture sub-sector of 4.6%.

The better property market was supported by various implementations of ETP Projects. The newly launched infrastructure projects, such as the Klang Valley Mass Rapid Transit project starting with Sungai Buloh-Kajang Line, Senai-Pasir Gudang-Desaru Expressway and coastal road connection Johor Bahru and Nusajaya stimulated market activities in the Klang Valley and Johor Bahru respectively. This development activities will served as attraction for investment to the multinational corporation.

The residential sub-sector spearheaded the property market activities taking up 62.7% share of the activity. Residential transaction of below RM250,000 formed 75.5% share of the market transactions. Government's initiatives to promote home ownership through My First Home Schemes as well as accommodative interest rates were supportive of housing activity. Loan disbursed by commercial banks for residential properties increased from 57.8% to 64.5%.

*(Source: Property Market Report 2011, Valuation and Property Services Department, Ministry of Finance)*

### **18.3 OVERVIEW AND OUTLOOK OF OIL AND GAS SECTORS IN MALAYSIA**

The oil, gas and energy sector was identified as one of the twelve National Key Economic Areas ("NKEAs") under the ETP which was launched in October 2010. The oil, gas and energy sector NKEA is targeting 5% annual growth from 2010 to 2010. Moving forward, oil, gas and energy sectors NKEA has set various critical critigal targets to bolster the oil and gas industry. Furthermore, the implementation of Malaysian Government's initiatives under the 10<sup>th</sup> Malaysian Plan 2011 – 2015 and the ETP and the prospects of world oil demand and supply will see renewed activities in the oil and gas sector and construction sector shall augur well for Benalec Group's land reclamation in relation to the concession rights secured from UPENJ for a proposed petroleum and petrochemical hubs and maritime industrial parks, which is strategically situated at the coasts of Tanjung Piai and Pengerang with an area measuring 5,245 acres which is adjacent to the vibrant petrochemical hub in Jurong is expected to provide the Group a sustainable order-book for the next 10 to 15 years.

The Group is positive on its outlook given Malaysia's stable economic forecast for 2012. With the Government's commitment towards property markets and oil, gas and energy sectors, Benalec will continue to focus on its goal to enhance its performance level while continuously strengthening our balance sheet. On operational front, the Group is set to be integrated service provider in land reclamation works, focus to streamline its operational activities with effort towards effective cost saving measures. While on international front, Benalec is optimistic to achieve collaborations with established foreign partners which result in positive outcomes.

## **19. PROFIT FORECAST AND PROFIT GUARANTEE**

The Group did not issue any profit forecast or profit guarantee in any public document.



## 20. PROFIT FOR THE PERIOD

Included in the PBT for the period are as presented below:-

|  | <b>Current Quarter<br/>RM'000</b> | <b>Year-To-Date<br/>RM'000</b> |
|--|-----------------------------------|--------------------------------|
| Interest income  | 571                               | 1,228                          |
| Other income including investment income                             | 17                                | 528                            |
| Interest expense   | (836)                             | (3,211)                        |
| Depreciation   | (2,646)                           | (8,115)                        |
| Gain/loss on disposal of fixed asset                                 | -                                 | (1,637)                        |
| Gain/loss on disposal of land  | 6,020                             | 6,020                          |
| Unrealised exchange gain/loss– net                                   | 196                               | (568)                          |
| Realised exchange gain/ loss – net                                   | 7                                 | (116)                          |
| Amortisation   | N/A                               | N/A                            |
| Provision for and write off of receivables                           | N/A                               | N/A                            |
| Provision for and write off of inventories                           |                                   |                                |
| Gain or loss on disposal of quoted or unquoted investment properties | N/A                               | N/A                            |
| Impairment of assets   | N/A                               | N/A                            |
| Gain or loss on derivatives  | N/A                               | N/A                            |
| Exceptional items  | N/A                               | N/A                            |

**Note:**

N/A = Not applicable.

## 21. TAXATION

|                        | <b>Current Quarter<br/>RM'000</b> | <b>Year-To-Date<br/>RM'000</b> |
|------------------------|-----------------------------------|--------------------------------|
| Current year tax       | (3,148)                           | (6,880)                        |
|                        | <u>(3,148)</u>                    | <u>(6,880)</u>                 |
| Effective tax rate (%) | <u><sup>(1)</sup>23.05</u>        | <u><sup>(1)</sup>11.24</u>     |

**Note:-**

(1) The lower effective tax rates of the Group than the prevailing statutory tax rate is mainly due to lower tax rate in accordance with Labuan Offshore Business Activity Act 1990 for vessel chartering division.

## 22. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS

### 22.1 Proposed Land Disposal

On 21 December 2012, the Group announced the proposal to dispose sixteen (16) parcels of leasehold land ("Proposed Land Disposal") measuring in aggregate approximately 79.49 Acres held by Oceanview Project Sdn Bhd ("OPSB"), Oceanview Realty Sdn Bhd ("ORSB"), Heritage Land Sdn Bhd ("HLSB"), Heritage Property Sdn Bhd ("HPSB") (collectively "the Vendors"), wholly-owned subsidiaries of Benalec Sdn Bhd ("BSB") which in turn is a wholly-owned subsidiary of Benalec, to Oceancove Development Sdn Bhd ("OCDSB"), Strategic Property Sdn Bhd ("SPSB") and Oceanfront Development Sdn Bhd ("OFDSB") (collectively "the Purchasers") for a total disposal consideration of RM96,952,363 to be satisfied entirely in cash.



**22. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS (Cont'd)**

**22.1 Proposed Land Disposal (Cont'd)**

The Proposed Land Disposal is conditional upon approval being obtained from the following:-

- i. The approval of the directors and shareholders of each Vendor being obtained;
- ii. The approval of the directors and shareholders of each Purchaser being obtained;
- iii. Shareholders of Benalec at the forthcoming Extraordinary General Meeting ("EGM"); and
- iv. Any other relevant authorities, if required.

The notice of EGM and the circular to the shareholders in relation to the proposed land disposal were given 17 May 2013. The EGM will be held at the Glenmarie Ballroom, Lobby Level, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Tuesday, 11 June 2013 at 10.00am.

**22.2 Utilisation of Proceeds from Private Placement**

On 7 December 2011, the Company announced the completion of the Private Placement upon the listing and quotation of the first and final tranche, comprising 72,960,000 new Benalec shares on the Main Market of the Bursa Securities.

The utilisation of gross proceeds of RM96,307,200 raised from the Private Placement by the Company as at the LPD as presented below:-

| Description        | Proposed utilisation | Actual utilisation | <sup>(2)</sup> Reallocate of utilisation | Deviation     |              | <sup>(3)</sup> Estimated timeframe for utilisation upon Listing | Note |
|--------------------|----------------------|--------------------|--|---------------|--------------|---|------|
|                    | RM'000               | RM'000             | RM'000                                   | RM'000        | %            |   |      |
| Working capital    | 95,607               | (82,146)           | 124                                      | 13,585        | 14.21        | Within 24 months  | 1    |
| Estimated expenses | 700                  | (576)              | (124)                                    | -             | -            | Within 6 months   | 2    |
| <b>Total</b>       | <b>96,307</b>        | <b>(82,722)</b>    | <b>-</b>                                 | <b>13,585</b> | <b>14.11</b> |   |      |

**Notes:-**

(1) Working capital mainly utilised for the following:-

- (i) land reclamation projects, purchase of vessels, purchase of materials such as diesel, spare parts for the repairs of vessels as well as plant and machinery, sand, rocks, materials such as brick, cement, culverts, hardware, piles and other materials utilised in the Group's operations, transport and consumables;
- (ii) the payment for sub-contracted services for loading, unloading and levelling sea sand, rock revetment/replacement works, electrical infrastructure, earthwork, dredging and land reclamation and lorry hire;

(2) The estimated expenses consist of professional fees, fees payable to authorities and other miscellaneous expenses. Any variation in the actual amount of the estimated expenses will be adjusted in the portion of the proceeds to be utilised for working capital and vice versa. The total private placement expenses were RM0.576 million, approximately RM0.513 million and RM0.063 million was written off against share premium account and expensed off respectively in the current period. The excess of approximately RM0.124 million will be re-allocated for working capital purposes; and

(3) Estimated timeframe for utilisation:-

- (i) From the date of full receipt of the gross proceeds on 8 December 2011 pursuant to the completion of the Private Placement;
- (ii) On 28 November 2012, the Company announced the extension of time for utilisation of the balance of proceeds arising from the Private Placement for another twelve (12) months until 7 December 2013.

**23. BORROWINGS**

The Group's borrowings as at 31 March 2013 presented as follows:-

|                                     | <b>RM'000</b>        |
|-------------------------------------|----------------------|
| <b>Long Term Borrowings</b>         |                      |
| Secured:-                           |                      |
| • hire purchase and lease creditors | 600                  |
| • term loans                        | 11,842               |
|                                     | <u>12,442</u>        |
| <b>Short Term Borrowings</b>        |                      |
| Secured:-                           |                      |
| • hire purchase and lease creditors | 665                  |
| • trust receipts                    | -                    |
| • bank overdraft                    | 986                  |
| • term loans                        | 18,875               |
|                                     | <u>20,526</u>        |
| <b>Total</b>                        | <b><u>32,968</u></b> |

The total borrowings denominated in foreign and local currency as at 31 March 2013 as presented below: -

|   | <b>RM'000</b> |
|---|---------------|
| Foreign currency – SGD 166,895.53 @ RM2.4958/SGD1 | 417           |
| Local currency                                    | 32,551        |
|   | <u>32,968</u> |

**24. MATERIAL LITIGATION**

There was no pending material litigations as at the date of issuance of this quarterly report ended 31 March 2013 that have a material effect on the financial position of the Group. The Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings, which might materially affect the position or business of the Group.

**25. DIVIDEND**

The Board does not recommend any interim dividend for the current period ended 31 March 2013.

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**26. EARNINGS PER SHARE (“EPS”)**

**26.1 Basic EPS**

The basic earnings per share are calculated based on the net profit attributable to ordinary shareholders for the period divided by the weighted average number of ordinary shares and as presented in next page:-

|  | Three (3) Months    |                     | Year-to-date        |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | Ended<br>31-03-2013 | Ended<br>31-03-2012 | Ended<br>31-03-2013 | Ended<br>31-03-2012 |
| Net profit attributable to ordinary shareholders for the period (RM'000) | <b>10,512</b>       | 14,222              | <b>54,413</b>       | 71,991              |
| Weighted average number of ordinary shares ('000)                        | <b>802,754</b>      | 760,497             | <b>802,754</b>      | 760,497             |
| Basic EPS (sen)  | <b>1.3</b>          | 1.9                 | <b>6.8</b>          | 9.5                 |

**26.2 Diluted EPS**

The diluted earnings per share has been calculated by dividing the Group's profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares as presented below:-

|   | Three (3) Months            |                     | Year-to-date                |                     |
|---|-----------------------------|---------------------|-----------------------------|---------------------|
|   | Ended<br>31-03-2013         | Ended<br>31-03-2012 | Ended<br>31-03-2013         | Ended<br>31-03-2012 |
| Net profit attributable to ordinary shareholders for the period (RM'000)                              | <b>10,512</b>               | 14,222              | <b>54,413</b>               | 71,991              |
| Weighted average number of ordinary shares as per basic EPS ('000)                                    | <b>802,754</b>              | 760,497             | <b>802,754</b>              | 760,497             |
| Effect of dilution on employee share options  | <sup>(1)</sup> <b>1,264</b> | -                   | <sup>(1)</sup> <b>1,264</b> | -                   |
| Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share | <b>804,018</b>              | 760,497             | <b>804,018</b>              | 760,497             |
| Diluted EPS (sen)   | <b>1.3</b>                  | 1.9                 | <b>6.8</b>                  | 9.5                 |

**Note:-**

- (1) *The diluted earnings per share has been calculated by dividing the Group's profit attributable to owners of the parent by the weighted average number of shares that would have been issue upon full exercise of the balance of 12,743,500 options under the ESOS granted, adjusted for the number of such shares that would have been issued at fair value.*

**27. REALISED AND UNREALISED PROFIT / LOSSES DISCLOSURE**

The breakdown of the retained profits of the Group is presented below:-

|  | <b>As at<br/>31-03-2013</b> | <b>As at<br/>31-03-2012<br/>(restated)</b> |
|--|-----------------------------|--|
|  | <b>RM'000</b>               | <b>RM'000</b>                              |
| Total retained profits of the Company and its subsidiaries:- |                             |  |
| • realised   | 358,269                     | 309,061                                    |
| • unrealised   | (9,412)                     | (9,343)                                    |
|  | <u>348,857</u>              | <u>299,718</u>                             |
| Add: Consolidation adjustments                               | (14,140)                    | (5,968)                                    |
|  | <u><u>334,717</u></u>       | <u><u>293,750</u></u>                      |

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