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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2013

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2013

	Individual Quarter		Cumulative Quarter	
	(Unaudited) Current Year Quarter Ended 30-06-2013	(Unaudited) Restated Preceding Year Quarter Ended 30-06-2012	(Unaudited) Current Year To Date 30-06-2013	(Unaudited) Restated Preceding Year To Date 30-06-2012
	RM'000	RM'000	RM'000	RM'000
Revenue	**66,840**	**64,765**	**265,835**	**289,024**
Cost of sales	(50,512)	(41,468)	(169,008)	(158,754)
Gross profit	**16,328**	**23,297**	**96,827**	**130,270**
Other operating income	2,394	3,140	4,436	4,581
Administrative and other expenses	(12,638)	(13,845)	(32,459)	(28,819)
Profit from operations	**6,084**	**12,592**	**68,804**	**106,032**
Finance costs	(653)	(1,200)	(3,864)	(5,791)
Profit before tax ("PBT")	**5,431**	**11,392**	**64,940**	**100,241**
Tax expense	(2,132)	(715)	(9,012)	(17,574)
Profit for the financial period	**3,299**	**10,677**	**55,928**	**82,667**
Other comprehensive income, net of tax:-				
Items that may be reclassified subsequently to profit or loss				
• Fair value (loss)/gain on available-for-sale financial assets	(1)	(2)	5	(4)
• Foreign currency translations	4,138	5,590	268	6,652
Total comprehensive income	**7,436**	**16,265**	**56,201**	**89,315**
Profit attributable to:-				
• Owners of the parent	3,307	10,680	56,017	82,670
• Non-controlling interests	(8)	(3)	(89)	(3)
	3,299	**10,677**	**55,928**	**82,667**
Total comprehensive income attributable to:-				
• Owners of the parent	7,444	16,268	56,290	89,318
• Non-controlling interests	(8)	(3)	(89)	(3)
	7,436	**16,265**	**56,201**	**89,315**
Earnings per ordinary share attributable to equity holders of the Company (sen)				
• Basic	**0.4**	1.4	**7.0**	10.7
• Diluted	**0.4**	1.4	**7.0**	10.7

The unaudited condensed consolidated statement of profit or loss and other 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 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Unaudited As at 30-06-2013 RM'000	[(1)]Restated As At 30-06-2012 RM'000	[(1)]Restated As at 01-07-2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	214,078	240,059	245,314
Other investments	38	34	37
	214,116	240,093	245,351
Current assets			
Lands and properties held for sale	187,143	183,465	107,483
Inventories	2,920	2,461	7,457
Land reclamation WIP	17,000	16,933	1,170
Trade and other receivables	503,873	238,010	329,359
Fixed deposits	25,974	26,346	48,271
Cash and bank balances	14,190	104,172	21,515
	751,100	571,387	515,255
TOTAL ASSETS	**965,216**	**811,480**	**760,606**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	201,912	200,740	182,500
Non-distributable reserves/(losses)	15,060	11,220	(73,550)
Distributable reserve	336,321	304,429	237,810
Total equity attributable to owners of the parent	**553,293**	**516,389**	**346,760**
Non-controlling interests	2,908	3	-
TOTAL EQUITY	**556,201**	**516,392**	**346,760**
LIABILITIES			
Non-current liabilities			
Borrowings	11,723	29,311	43,701
Deferred tax liabilities	7,268	8,967	10,202
Trade and other payables	54,624	56,646	28,757
	73,615	**94,924**	**82,660**
Current liabilities			
Trade and other payables	163,162	141,828	167,237
Borrowings	19,538	18,865	19,211
Deferred revenue	152,521	37,809	125,126
Current tax liabilities	179	1,662	19,612
	335,400	**200,164**	**331,186**
TOTAL LIABILITIES	**409,015**	**295,088**	**413,846**
TOTAL EQUITY AND LIABILITIES	**965,216**	**811,480**	**760,606**
Net assets per RM0.25 share attributable to ordinary equity holders of the company	**0.69**	**0.64**	**0.48**

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 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2013

	ATTRIBUTABLE TO OWNERS OF THE PARENT										
	Non-Distributable Reserve							Distributable Reserve			
	Share Capital RM'000	Treasury Share RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Reverse Acquisition Reserve RM'000	Share Option Reserve RM'000	Available For-Sale Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non Controlling Interests Total RM'000	Total RM'000
As at 1 July 2011 (Restated)	**182,500**	**-**	**72,545**	**-**	**(146,070)**	**-**	**(25)**	**237,810**	**346,760**	**-**	**346,760**
Profit/(loss) for the financial year	-	-	-	-	-	-	-	82,670	82,670	(3)	82,667
Fair value of the available-for-sale financial assets	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Foreign currency translation	-	-	-	6,652	-	-	-	-	6,652	-	6,652
Total comprehensive income	**-**	**-**	**-**	**6,652**	**-**	**-**	**(4)**	**82,670**	**89,318**	**(3)**	**89,315**
Transactions with owners:-											
• issue of share capital pursuant to private placement	18,240	-	78,067	-	-	-	-	-	96,307	-	96,307
• share issue expenses – private placement	-	-	(513)	-	-	-	-	-	(513)	-	(513)
• Share options granted under ESOS	-	-	-	-	-	1,814	-	-	1,814	-	1,814
• Issuance of shares by subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	-	6	6
• share repurchased	-	(1,246)	-	-	-		-	-	(1,246)	-	(1,246)
• dividend paid	-	-	-	-	-		-	(16,051)	(16,051)	-	(16,051)
As at 30 JUNE 2012	**200,740**	**(1,246)**	**150,099**	**6,652**	**(146,070)**	**1,814**	**(29)**	**304,429**	**516,389**	**3**	**516,392**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2013 (*"CONT'D"*)

	ATTRIBUTABLE TO OWNERS OF THE PARENT										
	Non-Distributable Reserve							Distributable Reserve			
	Share Capital RM'000	Treasury Share RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Reverse Acquisition Reserve RM'000	Share Option Reserve RM'000	Available For-Sale Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non Controlling Interests Total RM'000	Total RM'000
As at 1 July 2012 (restated)	**200,740**	**(1,246)**	**150,099**	**6,652**	**(146,070)**	**1,814**	**(29)**	**304,429**	**516,389**	**3**	**516,392**
Funding from non-controlling interests	-	-	-	-	-	-	-	-	-	2,994	2,994
Profit for the financial year	-	-	-	-	-	-	-	56,017	56,017	(89)	55,899
Fair value of the available-for-sale financial assets	-	-	-	-	-	-	5	-	5	-	5
Foreign currency translation	-	-	-	268	-	-	-	-	268	-	297
Total comprehensive income	**-**	**-**	**-**	**268**	**-**	**-**	**5**	**56,017**	**56,290**	**(89)**	**56,201**
Transactions with owners:-											
• share option granted under ESOS	-	-	566	-	-	(566)	-	-	-	-	-
• ordinary shares issued pursuant to ESOS	1,172	-	3,798	-	-	-	-	-	4,970	-	4,970
• buy back of shares	-	(231)	-	-	-	-	-	-	(231)	-	(231)
• dividend paid	-	-	-	-	-	-	-	(24,125)	(24,125)	-	(24,125)
As at 30 June 2013	**201,912**	**(1,477)**	**154,463**	**6,920**	**(146,070)**	**1,248**	**(24)**	**336,321**	**553,293**	**2,908**	**556,201**

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 CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2013

	Unaudited 30 June 2013 RM'000	Restated 30 June 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
PBT	**64,940**	**100,241**
Adjustments for:-		
Depreciation of property, plant and equipment	10,907	10,831
Loss on disposal of property, plant and equipment	2,443	988
Gain on disposal of unit trust	(142)	-
Fixed assets impairment and written off	4,702	-
Non-cash and operating items	3,048	8,107
Operating profit before changes in working capital	**85,898**	**120,167**
Changes in working capital:-		
Inventories	(459)	4,996
Land reclamation work in progress	(67)	(15,763)
Land held for sale	(3,678)	(5,110)
Trade and other receivables	(258,157)	19,631
Trade and other payable	21,334	(7,750)
Deferred revenue	114,712	(87,317)
Cash (used in)/ generated from operations	**(40,417)**	**28,854**
Tax paid – net	(20,020)	(36,959)
Interest paid	(3,864)	(5,791)
Net cash used in operating activities	**(64,301)**	**(13,896)**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest and dividend received	1,866	1,809
Disposal of unit trust	142	-
Withdrawal/(Placement) of fixed deposits - pledged	2,332	(4,254)
(Repayments to)/ Advance from related parties	(2,022)	8,901
Disposal of property, plant and equipment	10,455	11,045
Purchase of property, plant and equipment	(1,106)	(10,204)
Net cash from investing activities	**11,667**	**7,297**
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of borrowings and trust receipts	-	5,349
Repayment of borrowings and hire-purchase – net	(18,908)	(21,001)
Dividend paid	(24,125)	(16,051)
Funding from non-controlling interests	2,994	6
Issue of new shares under ESOS	4,970	95,794
Shares repurchased	(231)	(1,247)
Net cash (used in)/ from financing activities	**(35,300)**	**62,850**
Net (decrease)/ increase in cash and cash equivalents	**(87,934)**	**56,251**
Cash and cash equivalents at beginning of period	110,792	54,315
Effects of exchange rate changes	(946)	226
Cash and cash equivalents at the end of period	**21,912**	**110,792**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH (4TH) QUARTER ENDED 30 JUNE 2013(CONT'D)

	Unaudited 30 June 2013 RM'000	Restated 30 June 2012 RM'000
Cash and cash equivalents comprise the following:-		
Cash and bank balances[(1)]	14,190	104,172
Fixed deposits		
• pledged	17,394	19,725
• not pledged	8,580	6,621
	40,164	130,518
Less: Fixed deposits pledged	(17,394)	(19,726)
	22,770	110,792
Less: Bank overdraft	(858)	-
	21,912	110,792

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 statements of cash flows 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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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 ended 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^{st}) 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 30 June 2012

	FRS as at 1 July 2012	Reclassifications	MFRS as at 1 July 2012
	RM'000	RM'000	RM'000
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 1 July 2011

	FRS as at 1 July 2011	Reclassifications	MFRS as at 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 Application of MFRS 118 in income recognition on disposal of land held for sale

Prior to current quarter, the Group recognised the income in relation to the disposal of land held for sale as other income upon the transfer of significant risk and rewards of ownership of the land and where the Group retained neither continuing managerial involvement over the land, which coincides with the delivery of land and acceptance by customers.

Upon transition to MFRSs, The Group, being the principal bearing the risks and rewards arising from ownership of the reclaimed land upon completion of its land reclamation services and receipt of the reclaimed land as compensation-in-kind, has classified such receipt of land as inventories (i.e. land held for sale) in pursuant to MFRS102. Hence, it is appropriate for the Group to view that any disposal of such transaction is being within the ordinary course of business, and shall be recognised as Revenue (MFRS 118). The corresponding cost in relation to the disposal of the land held for sale shall be recognised as Cost of Sales.

Accordingly, the revenue from disposal of land held for sale are categorised into two (2) identifiable components, i.e. reclaimed land component and infrastructure cost component, using a fair and equitable basis of allocation upon signing of SPA with buyer.

Revenue in relation to the reclaimed land component will initially be deferred and only be recognised in profit or loss upon transfer of significant risk and rewards of ownership to the buyer.

Revenue in relation to the infrastructure cost component shall be deferred and only be recognised in profit or loss upon rendering of services after transferring the significant risk and rewards of ownership to the buyer. This portion of revenue will be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to incur the infrastructure cost, the deferred revenue in relation to this portion would be reversed and recognised in profit of loss.

This has been accounted for retrospectively and had an immaterial impact on earnings per share for the comparative periods.

The reclassifications of the comparative periods are restated as follow to conform to current year presentation:-

2.2 Application of MFRS 118 in income recognition on disposal of land held for sale (Cont'd)

(a) Extract from Condensed Statement of Comprehensive Income for the

	As previously reported	Reclassifications	As restated
	RM'000	**RM'000**	**RM'000**
Third (3rd) Quarter Ended 31 March 2013 (prior interim period)			
Revenue	183,857	15,138	198,995
Cost of Sales	(107,675)	(10,821)	(118,496)
Other Operating Income	8,062	(6,020)	2,042
Profit for the Period **	54,332	(1,703)	52,629

** The decrease in profit for the 3rd quarter ended (RM1.7 million) mainly due to defer revenue recognition in relation to infrastructure component. The revenue will only be recognised upon rendering of service.

	As previously reported	Reclassifications	As restated
Financial Year Ended 30 June 2012			
Revenue	155,858	133,166	289,024
Cost of Sales	(89,767)	(68,987)	(158,754)
Other Operating Income	68,760	(64,179)	4,581

(b) Extract from Condensed Statement of Financial Position

	As previously reported	Reclassifications	As restated
	RM'000	**RM'000**	**RM'000**
As at 31 March 2013 (prior interim period Q3'13)			
Current Assets			
Trade and Other Receivables	362,007	115,392	477,399
Equity and Current Liabilities			
Distributable Reserve	334,717	(1,703)	333,014
Deferred Revenue	-	152,522	152,522
Trade and Other Payables	187,474	(35,427)	152,047
As at 30 June 2012			
Current Assets			
Trade and Other Receivables	200,201	37,809	238,010
Current Liabilities			
Deferred Revenue	-	37,809	37,809
As at 1 July 2011			
Current Assets			
Trade and Other Receivables	206,957	122,402	329,359
Current Liabilities			
Trade and Other Payables	169,961	(2,724)	167,237
Deferred Revenue	-	125,126	125,126

2.3 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:-

MFRS, Amendments to MFRS and IC Interpretation		**Effective for annual periods beginning on or after**
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 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 30 June 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 30 June 2013.

7. DIVIDENDS

At the Seventh (7th) 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.

8. SEGMENTAL REPORTING

The Group's segmental reporting for the current financial period ended 30 June 2013 is different from those reported in prior years.

The Group has previously arrived at three (3) reportable segments that are organised and managed separately according to the nature of the operation. The reportable segments are:-

a. Marine Construction
b. Vessel Chartering
c. Shipbuilding

However, due to the application of MFRS 118 in income recognition on disposal of land held for sale as described in para 2.2 above, the Marine Construction segments would be further breakdown into two(2) sub-segments as follows:-

a. Land Reclamation Service

   Providing marine construction related services such as:-

   - Land reclamation, dredging and beach nourishment;
   - Rock revetment work, shore protection work and breakwater construction;
   - Pre-bore and marine piling; and
   - Construction of marine structures, bridges, jetties, ports and other offshore and ancillary services
   - Sales of marine construction materials

b. Land Disposal

   Disposal of reclaimed land which receipt as compensation-in-kind from the land reclamation service performed

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8. SEGMENTAL REPORTING (Cont'd)

The Group's segmental report for the current financial period ended 30 June 2013 as follows:-

	Marine Construction		Vessel	Ship			
	Land Reclamation RM'000	**Land Disposal RM'000**	**Chartering RM'000**	**Building RM'000**	**Others RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue							
External – Sales	230,494	15,138	20,203	-	-	-	265,835
Inter - segment sales	86,649	-	54,863	9,603	-	(151,115)	-
Total revenue	317,143	15,138	75,066	9,603	-	(151,115)	265,835
Results							
Segment results	90,012	4,344	(17,971)	(7,609)	(1,838)		66,938
Interest and dividend income	1,617	-	14	23	212	-	1,866
Finance costs	(2,557)	-	(1,244)	(63)	-	-	(3,864)
Profit /(loss) before tax	**89,072**	**4,344**	**(19,201)**	**(7,649)**	**(1,626)**	**-**	**64,940**
Income tax expense	(7,734)	(1,086)	(191)	-	(1)	-	(9,012)
Profit /(loss) for the period	**81,338**	**3,258**	**(19,392)**	**(7,649)**	**(1,627)**		**55,928**

Other information

• Depreciation	(3,316)		(7,213)	(378)	-	-	(10,907)

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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.

At the current quarter, the Group has made an assessment on the carrying amounts of the vessels. A write down of RM4.7million is recognised as other expenses in the condensed consolidated statement of comprehensive income.

10. MATERIAL EVENTS NOT REFLECTED IN THE FINANCIAL STATEMENTS

There were no material events subsequent to the current financial quarter ended 30 June 2013 and up to 19 August 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 4.69 million new shares pursuant to the exercise of ESOS, at an average exercise price of RM1.18 and RM1.06 each respectively.

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

Date	Description	No. of shares ('000)	Average price paid (RM)	Total consideration paid (RM'000)
3 Sept 2012	Share buyback *(Note 1)*	(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 buyback *(Note 1)*	(10)	1.20	(12)
6 June 2013	Share issued pursuant to ESOS	245	1.06	260
19 June 2013	Share issued pursuant to ESOS	1,904	1.06	2,018
		4,493	1.06	4,741

Note 1:-
As at 30 June, the Company holds 1,344,900 shares as treasury shares at an average price of RM1.10.

11.2 End of Financial Period Ended 30 June 2013 And Up To LPD

- On 5 July 2013, the Company issued 217,000 shares pursuant to the exercise of share options by the eligible employees who have been granted the options.
- On 2 August 2013, the Company issued 139,000 shares pursuant to the exercise of share options by the eligible employees who have been granted the options.

11. DEBT AND EQUITY SECURITIES (Cont'd)

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 30 June 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 30 June 2013.

14. CAPITAL COMMITMENTS

There were no material capital commitments not provided for as at 30 June 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:-

Nature of transactions[1]	**Transaction value based on billings RM'000**	**Balance outstanding as at 30-06-2013 RM'000**
Provision of marine construction works (payment in kind) to companies in which certain directors of the company have substantial financial interest[2]	213,782	330,222
Purchase of vessels from companies in which certain directors of the company have substantial financial interest	-	(61,907)
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 Fourth (4th) Quarter 30 June 2013	Previous Fourth (4th) Quarter 30 June 2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	265,835	289,024	(23,189)	(8.02)
PBT	64,940	100,241	(35,301)	(35.22)

For the cumulative twelve (12) months ended 30 June 2013, the Group had shown a decrease of revenue by 8.02% against last year, with total revenue registered at RM265.84 million (FPE Q4'2012: RM289.02 million). The decrease in revenue was mainly due to:-

- Fewer number of land sale transactions recognised in current year (Q4'13:RM15.14million; Q4'12 :RM133.16million)
- Current year revenue was mainly contributed by the Sentosacove (65.22%) and Pulau Indah (9.95%) projects, as well as disposal of land (5.70%).

The cumulative 12 months recorded a PBT of RM64.94 million, representing a decrease of 35.22% against last year, mainly attributable by:-

Description	**RM' 000**	***Note***
Decrease in gross profit	(33,443)	*1*
Decrease in other operating income	(145)	
Increase in administrative and other expenses	(3,640)	*2*
Decrease in finance costs	1,927	
Net decrease in PBT	**(35,301)**	

Notes:-

(1) Decrease in gross profit was mainly due to factors as stated above.

(2) Increase in administrative and other expenses was mainly due to:-
- *Write down/ impairment losses of vessels RM4.7million (Q4'2012:nil)*

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

16.2 CURRENT YEAR QUARTER VERSUS PREVIOUS YEAR QUARTER

	Current Fourth (4th) Quarter 30 June 2013	Previous Fourth (4th) Quarter 30 June 2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	66,840	64,765	2,075	3.20
PBT	5,431	11,392	(5,961)	(52.33)

For the current quarter under review with comparison to last year corresponding quarter, the Group registered revenue of approximately RM66.84 million, representing an increase of RM3.20%. This was mainly due to the increase activity undertaken by the Sentosacove project, which increased by RM30.02million as compared to the previous year corresponding quarter. The increase is further set-off by the completion of certain projects located in Melaka.

The Group registered PBT of RM5.43 million (FPE Q4'2012:RM11.39 million) representing a decrease of RM5.96 million. The decrease against revenue was mainly due to:-

Description	RM' 000	*Note*
Decrease in gross profit	(6,969)	*1*
Decrease in other operating income	(746)	
Decrease in administrative and other expenses	1,207	*2*
Decrease in finance costs	547	
Net decrease in PBT	**(5,961)**	

Notes:-

(1) Decrease of gross profit was mainly due to:-
a. Decrease in profit margin on disposal of land sales by RM17.99million as there was no land sales in the current quarter; against
b. Increase in profit margin on reclamation service by RM11.02million

(2) Decrease in administrative and other was mainly due to:-
a. Lower unrealised and realised forex loss recognised in the current quarter. (Q4'13: RM355k; Q4'12: RM3.6million)
b. Decrease in administrative expenses by RM2.96million
c. Increase in impairment losses of vessels RM4.7million.

17. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Current Fourth (4th) Quarter 30 June 2013	Current Third (3rd) Quarter 31 March 2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	66,840	74,890	(8,050)	(10.75)
PBT	5,431	11,957	(6,526)	(54.58)

The current revenue of approximately RM66.84 million represents a decrease of RM8.05 million against preceding quarter revenue of RM74.89million. The decrease in revenue was mainly due to lesser progress of works recognition from the Pulau Indah and the completion of Swiss Horizon project in the current quarter.

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

The decrease of PBT which recorded a variance of RM6.53 million was mainly due to:-

Description	RM' million	Note
Decrease in gross profit	(2,923)	1
Increase in other operating income	1,891	2
Increase in administrative and other expenses	(5,677)	3
Decrease in finance cost	183	
Net decrease in PBT	**(6,526)**	

Notes:-

(1) Decrease in gross profit as factor stated above.

(2) Increase in other operating income mainly due to the recognition of deposit received from a forfeiture land sales dealing (RM1.9 million).

(3) Increase in administrative and other was mainly due to the impairment losses of vessels in current quarter.

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 10th 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:-

	Current Quarter RM'000	Year-To-Date RM'000
Interest income	385	1,613
Other income including investment income	1,970	2,498
Interest expense	(653)	(3,864)
Depreciation	(2,792)	(10,907)
Gain/loss on disposal of fixed assets	(806)	(2,443)
Gain/loss on unit trust investments	142	142
Unrealised exchange gain/loss– net	(482)	(1,050)
Realised exchange gain/ loss – net	(12)	(128)
Impairment losses of receivables	(1,813)	(1,813)
Impairment losses and write-off of assets	(4,702)	(4,702)
Write-down and write-off of inventories	N/A	N/A
Amortisation	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

	Current Quarter RM'000	Year-To-Date RM'000
Current income tax	(3,977)	(10,980)
Current deferred tax	1,505	1,628
Over/(under) provision of previous year	340	340
	(2,132)	(9,012)
Effective tax rate (%)	(1)39.26	(2)13.88

Note:-

(1) The higher effective tax rates than the statutory tax rate of 25% for the current quarter is mainly due to
a. under provision of tax recognised in prior quarter by certain subsidiaries in the Group
b. increase of certain expenses in the current quarter (e.g. provision of doubtful debt)that is non tax deductible

(2) 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 Disposal of land (16 parcel)

On 21 December 2012, the Group announced the proposal to dispose sixteen (16) parcels of leasehold land ("Proposal") 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.

The Proposal was approved by the shareholders of the Group at the extraordinary general meeting held on 11 June 2013.

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

22.2 Disposal of land (8 parcel)

On 10 July 2013, the Group announced the disposal of eight (8) pieces of leasehold vacant land, measuring in aggregate approximately 16.816 hectares, held by Heritage Land Sdn Bhd ("HLSB") a wholly-owned subsidiary of Benalec Sdn Bhd ("BSB"), which in turn is a wholly-owned subsidiary of Benalec to Highbond Capital Sdn Bhd ("HCSB") and Gigayear Revenue Sdn Bhd ("GRSB") for a total disposal consideration of RM54,314,528.

22.3 Utilisation of Proceeds from Private Placement

On 7 December 2011, the Group 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	(2) Reallocate of utilisation	Deviation		(3) Estimated timeframe for utilisation upon Listing	*Note*
	RM'000	RM'000	RM'000	RM'000	%		
Working capital	95,607	(95,731)	124	-	-	Within 24 months	*1*
Estimated expenses	700	(576)	(124)	-	-	Within 6 months	*2*
Total	**96,307**	**(96,307)**	**-**	**-**	**-**		

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 30 June 2013 presented as follows:-

	RM'000
Long Term Borrowings	
Secured:-	
• hire purchase and lease creditors	973
• term loans	10,750
	11,723
Short Term Borrowings	
Secured:-	
• hire purchase and lease creditors	677
• trust receipts	-
• bank overdraft	858
• term loans	18,003
	19,538
Total	**31,261**

The total borrowings denominated in foreign and local currency as at 30 June 2013 are: -

	RM'000
Foreign currency – SGD 139,982.36 @ RM2.5030/SGD1	350
Local currency	30,911
	31,261

24. MATERIAL LITIGATION

There was no pending material litigations as at the date of issuance of this quarterly report ended 30 June 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 30 June 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 presented as below:-

	Three (3) Months Ended 30-06-2013	Three (3) Months Ended 30-06-2012	Year-to-date Ended 30-06-2013	Year-to-date Ended 30-06-2012
Net profit attributable to ordinary shareholders for the period (RM'000)	**3,307**	10,680	**56,017**	82,670
Weighted average number of ordinary shares ('000)	**803,183**	770,825	**803,183**	770,825
Basic EPS (sen)	**0.4**	1.4	**7.0**	10.7

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 Ended 30-06-2013	Three (3) Months Ended 30-06-2012	Year-to-date Ended 30-06-2013	Year-to-date Ended 30-06-2012
Net profit attributable to ordinary shareholders for the period (RM'000)	**3,307**	10,680	**56,017**	82,670
Weighted average number of ordinary shares as per basic EPS ('000)	**803,183**	770,825	**803,183**	770,825
Effect of dilution on employee share options	*(1)* **2,147**	**1,291**	*(1)* **2,147**	**1,291**
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	**805,330**	772,116	**805,330**	772,116
Diluted EPS (sen)	**0.4**	1.4	**7.0**	10.7

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 10,279,500 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:-

	As at 31-03-2013 RM'000	As at 31-03-2012 (restated) RM'000
Total retained profits of the Company and its subsidiaries:-		
• realised	358,552	323,988
• unrealised	(8,318)	(11,318)
	350,234	312,670
Add: Consolidation adjustments	(13,913)	(8,241)
	336,321	304,429

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.