

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2012**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2012**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Revenue	13,094	12,151	62,329	52,259
Cost of sales	(8,845)	(8,079)	(38,977)	(34,933)
Gross profit	<u>4,249</u>	<u>4,072</u>	<u>23,352</u>	<u>17,326</u>
Operating expenses	(1,228)	(1,471)	(6,801)	(6,504)
Other operating income	223	200	549	1,085
Profit before taxation	<u>3,244</u>	<u>2,801</u>	<u>17,100</u>	<u>11,907</u>
Taxation	(436)	(581)	(3,828)	(2,600)
Profit and total comprehensive income for the period	<u><u>2,808</u></u>	<u><u>2,220</u></u>	<u><u>13,272</u></u>	<u><u>9,307</u></u>
<b>Attributable to:</b>				
Owners of the Company	2,808	2,220	13,272	9,307
Non-controlling interest	-	-	-	-
	<u><u>2,808</u></u>	<u><u>2,220</u></u>	<u><u>13,272</u></u>	<u><u>9,307</u></u>
<b>Earning per share</b>				
Basic earnings per share (sen)	<u><u>2.33</u></u>	<u><u>1.85</u></u>	<u><u>11.04</u></u>	<u><u>7.76</u></u>
Diluted earnings per share (sen)	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

N/A - Not applicable

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2012**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

	(Unaudited) As At End Of Current Quarter 31.12.2012 RM'000	(Restated) As At Preceding Financial Year End 31.12.2011 RM'000	(Restated) As At Preceding Financial Year as at 1.1.2011 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	52,634	49,388	50,569
Intangible asset	878	878	878
<b>Total non-current assets</b>	<b>53,512</b>	<b>50,266</b>	<b>51,447</b>
<b>Current Assets</b>			
Trade and other receivables	4,933	5,078	6,978
Financial assets at fair value through profit or loss	-	-	185
Prepayments paid	941	1,033	1,248
Inventories	25,156	26,125	24,036
Cash and cash equivalents	21,724	19,127	20,504
<b>Total current assets</b>	<b>52,754</b>	<b>51,363</b>	<b>52,951</b>
<b>Total assets</b>	<b>106,266</b>	<b>101,629</b>	<b>104,398</b>
<b>EQUITY</b>			
Share capital	60,250	60,250	60,250
Treasury shares	-	(311)	(311)
Share premium	441	303	303
Retained earnings	37,241	34,491	35,984
Total equity attributable to owners of the Company	97,932	94,733	96,226
Non-controlling interest	-	-	-
<b>Total equity</b>	<b>97,932</b>	<b>94,733</b>	<b>96,226</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	3,277	3,489	3,684
<b>Total non-current liabilities</b>	<b>3,277</b>	<b>3,489</b>	<b>3,684</b>
<b>Current Liabilities</b>			
Trade and other payables	4,002	2,859	4,008
Financial liabilities at fair value through profit or loss	-	39	-
Prepayments received	313	169	249
Current tax liabilities	742	340	231
<b>Total current liabilities</b>	<b>5,057</b>	<b>3,407</b>	<b>4,488</b>
<b>Total liabilities</b>	<b>8,334</b>	<b>6,896</b>	<b>8,172</b>
<b>Total equity and liabilities</b>	<b>106,266</b>	<b>101,629</b>	<b>104,398</b>
Net assets per share (RM)	0.81	0.79	0.80

Notes :

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2012**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 2012  
(The figures have not been audited)**

	Share Capital RM'000	Non- distributable Share Premium RM'000	Treasury Share RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
<b>At 1 January 2012</b>					
- as previously stated	60,250	303	(311)	30,640	90,882
- effect of transition to MFRSS	-	-	-	3,851	3,851
<b>At 1 January 2012, as restated</b>	<u>60,250</u>	<u>303</u>	<u>(311)</u>	<u>34,491</u>	<u>94,733</u>
Treasury shares	-	138	311	-	449
Dividends to the owners of the Company	-	-	-	(10,522)	(10,522)
Profit and total comprehensive income for the period	-	-	-	13,272	13,272
<b>At 31 Dec 2012</b>	<u><u>60,250</u></u>	<u><u>441</u></u>	<u><u>-</u></u>	<u><u>37,241</u></u>	<u><u>97,932</u></u>
<b>At 1 January 2011</b>					
- as previously stated	60,250	303	(311)	32,133	92,375
- effect of transition to MFRSS	-	-	-	3,851	3,851
<b>At 1 January 2011, as restated</b>	<u>60,250</u>	<u>303</u>	<u>(311)</u>	<u>35,984</u>	<u>96,226</u>
Dividends to the owners of the Company	-	-	-	(10,800)	(10,800)
Profit and total comprehensive income for the period	-	-	-	9,307	9,307
<b>At 31 Dec 2011</b>	<u><u>60,250</u></u>	<u><u>303</u></u>	<u><u>(311)</u></u>	<u><u>34,491</u></u>	<u><u>94,733</u></u>

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FORTH QUARTER  
ENDED 31 DECEMBER 2012**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 DECEMBER 2012  
(The figures have not been audited)**

	Current Year-to-date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	17,100	11,907
Adjustments for :		
Depreciation of property, plant and equipment	2,660	2,770
Gain on disposal of property, plant and equipment	(50)	(3)
Interest income	(430)	(435)
Unrealised foreign exchange loss	160	272
Operating profit before working capital changes	<u>19,440</u>	<u>14,511</u>
Changes in working capital :		
- Inventories	970	(1,874)
- Trade and other payables	1,569	(1,109)
- Trade and other receivables	(244)	1,732
Cash generated from operations	<u>21,735</u>	<u>13,260</u>
Income taxes paid	(3,638)	(2,686)
Interest received	430	435
Net cash generated from operating activities	<u>18,527</u>	<u>11,009</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,983)	(1,600)
Proceeds from disposal of property, plant and equipment	126	14
Proceeds from disposal of treasury shares	449	-
Net cash used in investing activities	<u>(5,408)</u>	<u>(1,586)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(10,522)	(10,800)
Net cash used in financing activities	<u>(10,522)</u>	<u>(10,800)</u>
Net increase/(decrease) in cash and cash equivalents	2,597	(1,377)
Cash and cash equivalents at the beginning of period	<u>19,127</u>	<u>20,504</u>
Cash and cash equivalents at the end of period (Note 1)	<u><u>21,724</u></u>	<u><u>19,127</u></u>

Note 1

	RM'000	RM'000
Cash and bank balances	10,425	4,640
Highly liquid investment with non-bank financial institution	<u>11,299</u>	<u>14,487</u>
	<u><u>21,724</u></u>	<u><u>19,127</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the Interim Financial Statements.

## NOTES TO THE INTERIM FINANCIAL REPORT

### PART A : EXPLANATORY NOTES AS PER MFRS 134

#### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB), International Accounting Standard ("IAS") 134: Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and Chapter 9 Part K of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 of Classic Scenic Berhad ("CSCENIC" or "the Company"), which were prepared under Financial Reporting Standards (FRSs). The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

With effect from 1 January 2012, the Group has adopted the MFRS framework issued by the MASB. The MFRS framework introduced by the MASB has fully converged Malaysia's existing FRS framework with the International Financial Reporting Standards ("IFRS") framework issued by the IASB. The FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, except there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The financial effects of convergence to the MFRS framework and any consequential changes in accounting policies as a result of the convergence are discussed in Note A2 and Note A14.

The following MFRSs, IC Interpretations and Amendments to MFRSs have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:

#### Effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, *Presentation of Items of Other Comprehensive Income*

#### Effective for annual periods beginning on or after 1 January 2013

- MFRS 3, *Business Combination* (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (as amended in June 2011)
- MFRS 127, *Separate Financial Statements* (as amended by IASB in May 2011)
- MFRS 127, *Consolidated and Separate Financial Statements* (IAS 27 as revised by IASB in December 2004)
- MFRS 128, *Investments in Associates and Joint Ventures* (as amended by IASB in May 2011)
- Amendments to MFRS 1, *Government Loans*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 10, MFRS 11 and MFRS 12, *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance*
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to MFRSs and IC Interpretations contained in the documents entitled "*Annual Improvements 2009-2011 Cycle*"

#### Effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, *Offsetting Financial Assets and Financial Liabilities*

#### Effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments* (IFRS 9 issued by IASB in November 2009)
- MFRS 9, *Financial Instruments* (IFRS 9 issued by IASB in October 2010)

#### A2. Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2011 save as follows:-

##### (a) Property, plant and equipment

In the previous years, the Group measured its freehold lands at cost. Upon transition to MFRSs, the Group elected to apply the optional exemption to measure the freehold lands at fair value at the date of transition as its deemed cost.

The aggregate fair value of the freehold lands at 1 January 2011 (date of transition) was determined at RM20,061,000 compared to the carrying amount of RM16,210,000 recognised previously.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A : EXPLANATORY NOTES AS PER MFRS 134**

**A2. Significant Accounting Policies (Con't)**

(a) Property, plant and equipment (Con't)

The impact arising from the change is summarised as follows:

	Note	01.01.2011 RM'000	31.12.2011 RM'000
<b>Consolidated statement of financial position</b>			
Increase in property, plant and equipment	A14(a)	3,851	3,851
Adjustment to retained earnings	A14(b)	<u>3,851</u>	<u>3,851</u>

**A3. Auditors' Report**

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

**A4. Seasonal and Cyclical factors**

The Group's performance is not subject to seasonality or cyclicity.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review and financial year to date.

**A6. Material Changes in Estimates**

There were no changes in accounting estimates that have had material effect in the current quarter under review and financial year to date.

**A7. Issuances and Repayment of Debt and Equity Securities**

There were no issuance and repayment of debts and equity securities, shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares during the current quarter under review.

As at 31 December 2012, the Company resold 499,000 of its own treasury shares to open market at the average selling price of RM0.91 per share, totalling RM451,562 and no treasury share was held.

**A8. Dividends Paid**

During the financial year ended 31 December 2012, a second interim dividend comprising franked dividend of 6% or 3 sen, less 25% tax per ordinary share and tax-exempt dividend of 4% or 2 sen per ordinary share totalling RM5.1 million in respect of the financial year ended 31 December 2011 was paid on 22 May 2012.

An interim tax-exempt dividend of 9% or 4.5 sen per ordinary share totalling RM5.4 million in respect of the financial year ended 31 December 2012 was paid on 29 October 2012.

**A9. Segmental Reporting**

The Group's Executive Directors ("ED") review the operation in three reportable geographical segments as follow:-

	North America Current Year To Date 31.12.2012 RM'000	Asia Pacific Current Year To Date 31.12.2012 RM'000	Other regions Current Year To Date 31.12.2012 RM'000	Total Current Year To Date 31.12.2012 RM'000
Segment revenue	48,192	11,002	3,135	62,329
Segment trade receivables	2,767	1,375	429	4,571

Since the reportable segment of the Group is primarily confined within one business, which is the manufacturing and sale of wooden picture frame moulding and timber products and its operation are carried out solely in Malaysia, it is not practicable for the Group to incur excessive cost to develop the necessary information, which is not available, for the disclosure of segment profit and segment asset (other than trade receivables) and it is not included in the internal management reports that are reviewed by the ED.



**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A : EXPLANATORY NOTES AS PER MFRS 134**

**A10. Subsequent Events**

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the interim financial statements.

**A11. Change in The Composition of The Group**

There were no changes in the composition of the Group for the quarter ended 31 December 2012 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operation.

**A12. Contingent Liabilities and Contingent Assets**

As at 31 December 2012, the contingent liabilities of a material nature are as follow:-

RM'000

Corporate guarantee granted by the Company in favour of  
licensed banks for credit facilities granted to its subsidiaries

8,527

**A13. Capital Commitments Outstanding Not Provided In The Interim Financial Report**

As at  
31.12.2012  
RM'000

Property, plant and equipment :

Approved and contracted for

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A : EXPLANATORY NOTES AS PER MFRS 134**

**A14. Explanation on transition to MFRSs**

As stated in Note A1, these are the Group's first consolidated interim financial statements prepared in accordance with MFRSs.

In preparing the opening MFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with the previous FRSS. An explanation of how the transition from the previous FRSS to the new MFRSs has affected the Group's financial position is set out in the following table and the notes that accompany this table.

There are no material differences in the statement of profit or loss and other comprehensive income and the statement of cash flows upon transition to MFRSs.

**(a) Reconciliation of statement of financial position**

		FRSs	Effect of transition	MFRSs	FRSs	Effect of transition	MFRSs
	Note	01.01.2011	to MFRSs	01.01.2011	31.12.2011	to MFRSs	31.12.2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, plant and equipment	A2	46,718	3,851	50,569	45,537	3,851	49,388
Intangible asset		878		878	878		878
<b>Total non-current assets</b>		<b>47,596</b>	<b>3,851</b>	<b>51,447</b>	<b>46,415</b>	<b>3,851</b>	<b>50,266</b>
<b>Current Assets</b>							
Trade and other receivables		6,978		6,978	5,078		5,078
Financial assets at fair value through profit and loss		185		185	-		-
Prepayments paid		1,248		1,248	1,033		1,033
Inventories		24,036		24,036	26,125		26,125
Cash and cash equivalents		20,504		20,504	19,127		19,127
<b>Total current assets</b>		<b>52,951</b>	<b>-</b>	<b>52,951</b>	<b>51,363</b>	<b>-</b>	<b>51,363</b>
<b>Total assets</b>		<b>100,547</b>	<b>3,851</b>	<b>104,398</b>	<b>97,778</b>	<b>3,851</b>	<b>101,629</b>
<b>EQUITY</b>							
Share capital		60,250		60,250	60,250		60,250
Treasury shares		(311)		(311)	(311)		(311)
Share premium		303		303	303		303
Retained earnings	A14(b)	32,133	3,851	35,984	30,640	3,851	34,491
Total equity attributable to owners of the Company		92,375	3,851	96,226	90,882	3,851	94,733
Non-controlling interest		-		-	-		-
<b>Total equity</b>		<b>92,375</b>	<b>3,851</b>	<b>96,226</b>	<b>90,882</b>	<b>3,851</b>	<b>94,733</b>
<b>LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
Deferred tax liabilities		3,684		3,684	3,489		3,489
<b>Total non-current liabilities</b>		<b>3,684</b>	<b>-</b>	<b>3,684</b>	<b>3,489</b>	<b>-</b>	<b>3,489</b>
<b>Current Liabilities</b>							
Trade and other payables		4,008		4,008	2,859		2,859
Dividend Payable		-		-	-		-
Financial liabilities at fair value through profit and loss		-		-	39		39
Prepayments received		249		249	169		169
Current tax liabilities		231		231	340		340
<b>Total current liabilities</b>		<b>4,488</b>	<b>-</b>	<b>4,488</b>	<b>3,407</b>	<b>-</b>	<b>3,407</b>
<b>Total liabilities</b>		<b>8,172</b>	<b>-</b>	<b>8,172</b>	<b>6,896</b>	<b>-</b>	<b>6,896</b>
<b>Total equity and liabilities</b>		<b>100,547</b>	<b>3,851</b>	<b>104,398</b>	<b>97,778</b>	<b>3,851</b>	<b>101,629</b>

**(b) Retained earnings**

The changes that affected the retained earnings are as follows:

		01.01.2011	31.12.2011
	Note	RM'000	RM'000
Fair valuation of freehold land	A2	3,851	3,851
<b>Increase in retained earnings</b>		<b>3,851</b>	<b>3,851</b>



**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review Of Performance**

The Group registered revenue of RM13.2 million for the current quarter, an increase of RM1 million or 8.2% compared to the preceding year corresponding quarter of RM12.2 million mainly due to higher sales revenue from wooden picture frame moulding and timber products. The Group's profit before tax was RM3.2 million, an increase of RM0.4 million or 14.3% compared to RM2.8 million in the preceding year corresponding quarter. The increase in profit before tax is in tandem with the increase in sales revenue.

For the financial year ended 31 December 2012, the Group's revenue was RM62.4 million, an increase of RM10.1 million or 19.3% compared to the preceding year corresponding period of RM52.3 million mainly due to higher sales revenue from export of wooden picture frame moulding. The Group's profit before tax was RM17.1 million, an increase of RM5.2 million or 43.7% compared to RM11.9 million in the preceding year corresponding period. The increase in profit before tax was mainly due to higher sales revenue and savings derived from sourcing less expensive alternative raw materials and more efficient use of materials.

As disclosed in Note A9, the Group is primarily involved in the manufacturing and sale of wooden picture frame moulding and timber products, and its operations are carried out solely in Malaysia. Hence, there is no detailed analysis on revenue and earnings of other business operating segments.

**B2. Variation of Results Against Preceding Quarter**

The Group recorded a revenue of RM13.2 million for the current quarter under review, a reduction of RM5.4 million or 29% from RM18.6 million in the preceding quarter mainly due to lower sales revenue from export of wooden picture frame moulding. The Group's profit before tax for the current quarter under review was RM3.2 million, a decrease of RM2.1 million or 39.6% compared to RM5.3 million in the preceding quarter. The decrease in profit before tax was mainly attributable to lower sales revenue and the weakening of the US Dollar against Malaysian Ringgit.

**B3. Current Year Prospects**

With the implementation of the minimum wage policy in January 2013, we expect sustaining the company performance in the year ahead to be challenging. In addition, the contracting growth rate of the EURO zone together with the sluggish recovery of the US economy are not expected to boost the level of consumer confidence globally. Nevertheless, the group is expected to stay resilient by counting on both performance-driven measures and prudent expense controls to perform favorably for the financial year ending 31 December 2013.

**B4. Profit Forecast and Estimates Announced or Disclosed**

Not applicable as there were no profit forecast or estimates that have been announced or disclosed for the financial year ended 31 December 2011.

**B5. Variance of Actual and Forecast Profit**

Not applicable as there were no profit forecast and profit guarantee published.

**B6. Taxation**

	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Current tax expense				
- current	487	723	4,040	2,833
- prior	-	(38)	-	(38)
Deferred tax expense				
Origination and reversal of temporary differences				
- current	(51)	(34)	(212)	(125)
- prior	-	(70)	-	(70)
	<u>436</u>	<u>581</u>	<u>3,828</u>	<u>2,600</u>

The effective tax rate for the quarter under review and current year to date was 13% and 22% respectively. The current year to date effective tax rate was lower than the statutory income tax rate of 25% mainly due to the tax incentives claimed by one of its subsidiaries under Promotion of Export, Promotion of Investment Act 1986.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B7. Status of Corporate Proposal**

There were no announced corporate proposals not completed as at the date of this report.

**B8. Group Borrowings and Debt Securities**

As at 31 December 2012, the Group does not have any bank borrowings.

**B9. Derivative Financial Instruments**

As at 31 December 2012, the Group does not have any outstanding derivatives financial instruments.

**B10. Material Litigation**

Since the last Audited Financial Statements for the year ended 31 December 2011, the Group does not have any material litigation until the date of this report.

**B11. Dividends**

The Board had declared a first interim tax-exempt dividend of 9% or 4.5 sen per ordinary share totalling RM5.4 million in respect of the financial year ended 31 December 2012, which was paid on 29 October 2012.

The Board is declaring a second interim dividend comprising franked dividend of 14.4% or 7.2 sen, less 25% tax per ordinary share and tax exempt dividend of 1.2% or 0.6 sen per ordinary share totalling RM7.2 million in respect of the financial year ended 31 December 2012. The dividend will be payable on 22 May 2013 to depositors registered in the Record of Depositors on 10 May 2013.

The total net dividend declared for the financial year ended 31 December 2012 was 10.5 sen (2011: 8.25 sen) per ordinary share and the dividend payout ratio was 95% (2011: 106%).

**B12. Basis of Calculation of Earnings Per Share**

	Current Year Quarter 31.12.2012	Preceding Year Corresponding Quarter 31.12.2011	Current Year To Date 31.12.2012	Preceding Year Corresponding Period 31.12.2011
<b>Basic earnings per share</b>				
Net profit attributable to equity holders (RM'000)	2,808	2,220	13,272	9,307
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	120,500	120,001	120,267	120,001
Basic Earnings Per Share (sen)	2.33	1.85	11.04	7.76

There was no dilution in the earnings per share.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B13. Realised and unrealised retained earnings**

The breakdown of the Group's retained earnings as at the reporting date, into realised and unrealised, pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on 25 March 2010 is as follows:-

	As at 31.12.2012 RM'000	(Restated) As at 31.12.2011 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	53,492	53,969
- Unrealised	2,209	2,393
	<u>55,701</u>	<u>56,362</u>
Less: Consolidation adjustments	(18,460)	(21,871)
Total group retained earnings as per consolidated accounts	<u><u>37,241</u></u>	<u><u>34,491</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 Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, issued by the Malaysian Institute of Accountants on 20 December 2010, and presented based on the format prescribed by Bursa Securities.

**B14. Profit for the Period**

	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
<b>Profit and total comprehensive income for the period is arrived at after crediting/(charging):</b>				
Interest income	106	130	430	435
Depreciation of property, plant and equipment	(633)	(688)	(2,660)	(2,770)
(Loss)/Gain on foreign exchange	(36)	(102)	(540)	85
Gain on derivatives	74	100	550	489
Gain on disposal of property, plant and equipment	49	-	50	3
	<u><u>49</u></u>	<u><u>-</u></u>	<u><u>50</u></u>	<u><u>3</u></u>

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

By order of the Board

CHOW CHOOI YOONG  
Company Secretary  
MAICSA 0772574  
Date: 26 February 2013