

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013

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DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013

RM'000	Quarter and year-to-date ended	
	31/03/2013	31/03/2012
	Unaudited	Unaudited
Revenue	86,502	82,776
Cost of sales	(66,593)	(58,911)
Gross profit	19,909	23,865
Other operating income	563	533
Selling and distribution costs	(4,648)	(4,178)
Administrative expenses	(9,399)	(8,187)
Other operating expenses	1,312	(237)
Profit from operation	7,737	11,796
Finance costs	(423)	(326)
Share of post tax profits of associates	3,830	3,805
Profit before tax	11,144	15,275
Income tax expense	(1,901)	(3,354)
Profit for the period	9,243	11,921
Other comprehensive income		
Currency translation differences	175	(1,313)
Total comprehensive income for the period	9,418	10,608
Profit attributable to:		
- Equity holders of the Company	6,837	10,018
- Non-controlling interests	2,406	1,903
	9,243	11,921
Total comprehensive income attributable to:		
- Equity holders of the Company	6,943	9,118
- Non-controlling interests	2,475	1,490
	9,418	10,608
Earnings per share (EPS) attributable to equity holders of the Company (sen)		
- Basic EPS	4.56	10.02
Number of shares issued	150,000	100,000

The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

RM'000	As at 31/03/2013	As at 31/12/2012
	Unaudited	Audited
ASSETS		
Property, plant and equipment	106,482	97,154
Investment properties	929	935
Intangible assets	1,762	1,619
Associates	44,344	46,526
Deferred tax assets	2,265	2,262
Non-current Assets	155,782	148,496
Inventories	31,991	15,867
Amounts due from associates	1,124	1,124
Trade receivables	122,586	141,881
Deferred cost	5,549	3,007
Other receivables, deposits and prepayments	12,337	18,024
Tax recoverable	4,875	4,803
Deposits with licensed banks	59,781	68,626
Cash and bank balances	10,857	12,191
Current Assets	249,100	265,523
TOTAL ASSETS	404,882	414,019
EQUITY AND LIABILITIES		
Share capital	150,000	150,000
Equity - share based payment	17	11
Retained earnings	111,297	119,460
Merger deficit	(50,000)	(50,000)
Currency translation differences	(3,417)	(3,523)
Equity attributable to equity holders of the Company	207,897	215,948
Non-controlling interests	28,564	30,347
Total Equity	236,461	246,295
Borrowings	2,033	3,368
Deferred tax liabilities	7,647	7,236
Non-current Liabilities	9,680	10,604
Trade payables	116,698	109,133
Deferred revenue	10,458	8,397
Other payables and accruals	11,544	18,371
Dividend payable	575	140
Taxation	3,874	5,487
Borrowings	15,592	15,592
Current Liabilities	158,741	157,120
Total Liabilities	168,421	167,724
TOTAL EQUITY AND LIABILITIES	404,882	414,019
Net assets per share attributable to equity holders of the Company (RM)		
	1.39	1.44
Number of shares issued	150,000	150,000

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013

	← Attributable to equity holders of the Company →					Non-controlling interests	Total equity	
	-----Non-distributable-----			Distributable				
RM'000	Share capital	Share based payment	Currency translation differences	Merger deficit	Retained earnings	Total		
At 1 January 2012	100,000	0	(2,597)	(50,000)	141,510	188,913	25,288	214,201
Total comprehensive income for the period	0	0	(900)	0	10,018	9,118	1,490	10,608
Dividend	0	0	0	0	(9,000)	(9,000)	0	(9,000)
At 31 March 2012	<u>100,000</u>	<u>0</u>	<u>(3,497)</u>	<u>(50,000)</u>	<u>142,528</u>	<u>189,031</u>	<u>26,778</u>	<u>215,809</u>
At 1 January 2013	150,000	11	(3,523)	(50,000)	119,460	215,948	30,347	246,295
Total comprehensive income for the period	0	0	106	0	6,837	6,943	2,475	9,418
Dividend	0	0	0	0	(15,000)	(15,000)	(4,258)	(19,258)
Share based payment	0	6	0	0	0	6	0	6
At 31 March 2013	<u>150,000</u>	<u>17</u>	<u>(3,417)</u>	<u>(50,000)</u>	<u>111,297</u>	<u>207,897</u>	<u>28,564</u>	<u>236,461</u>

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013

RM'000	Quarter and year-to-date ended	
	31/03/2013	31/03/2012
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	142,119	78,254
Cash payments to suppliers	(101,953)	(32,130)
Cash payments to employees and for operating expenses	(30,502)	(19,980)
Cash generated from operations	9,664	26,144
Interest paid	(251)	(300)
Tax paid	(3,142)	(3,093)
Net cash generated from operating activities	6,271	22,751
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	335	373
Property, plant and equipment		
- Purchases	(2,812)	(1,173)
- Deposits paid	(39)	0
Dividends received from associates	6,186	0
Net cash generated from / (used in) investing activities	3,670	(800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(1,424)	(1,427)
Repayment of hire purchase under finance lease	(4)	0
Dividends paid to:		
- Shareholders	(15,000)	(9,000)
- Non-controlling interest	(4,258)	0
Increase in restricted cash	(458)	(319)
Net cash used in financing activities	(21,144)	(10,746)
Net (decrease) / increase in cash and cash equivalents	(11,203)	11,205
Effects of exchange rate changes	566	(483)
Cash and cash equivalents at beginning of period	80,293	70,088
Cash and cash equivalents at end of period	69,656	80,810
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits	59,781	69,644
Cash and bank balances	10,857	11,997
	70,638	81,641
Restricted cash	(982)	(831)
Cash and cash equivalents at end of period	69,656	80,810

The above consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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PART A, APPENDIX 9B OF LISTING REQUIREMENT
NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

RM'000	Quarter and year-to-date ended	
	31/03/2013	31/03/2012
(a) Interest income	(335)	(373)
(b) Other income including investment income	(228)	(160)
(c) Interest expense	423	326
(d) Depreciation and amortisation	3,610	3,673
(e) Reversal of provision for receivables	(112)	0
(f) Foreign exchange gain	(912)	(403)
(g) Reversal of provision for inventories	(5)	0

Other than as presented in the consolidated statement of comprehensive income and as disclosed above, there were no impairment of assets and gain or loss on derivatives .

DELEUM BERHAD (715640-T)
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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2013**

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards No.134 – “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the attached explanatory notes. These explanatory notes 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 2012. The results of the associates are based on management accounts.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2012, together with the standards and amendments to published standards effective for financial year beginning on 1 January 2013 that are applicable and adopted by the Group as follows:

MFRS 10	Consolidated financial statements
MFRS 12	Disclosures of interests in other entities
MFRS 13	Fair value measurement
Revised MFRS 127	Separate financial statements
Revised MFRS 128	Investments in associates and joint ventures
Amendment to MFRS 101	Presentation of items of other comprehensive income
Amendment to MFRS 119	Employees benefits
Amendment to MFRS 7	Financial Instruments: Disclosures

The adoption of the above MFRSs and Amendments to MFRSs has no material impact to the Group.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A2. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's operation is not affected by any significant seasonal or cyclical factors in the financial period under review. It should be noted that the Group operates predominantly in the oil and gas sector in Malaysia. Accordingly, the level of the Group's business activities is closely co-related with that of the oil and gas operators and contractors in Malaysia. Any change in their level of activities will likewise have an impact on the Group.

A3. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows during the financial year-to-date.

A4. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

The purchase price allocation on the acquisition of Deleum Primera Sdn. Bhd. ("DPSB") on 5 October 2012 was determined provisionally in the prior year. The fair value exercise and purchase price allocation in respect of the said acquisition was completed in the quarter ended 31 March 2013. The effect of the fair value adjustment during the quarter is as follows:

	Provisional 31/12/2012 RM'000	Final 31/03/2013 RM'000
Purchase consideration	3,180	3,088
Fair value of intangible assets which comprise of contracts and distributorship agreement	2,192	2,066
Deferred tax arising from fair valuation of intangible assets	(548)	(514)

The changes to the fair values of the intangible assets resulted in a net write back of amortisation charged to the Income Statement of RM312,634 for the quarter ended 31 March 2013.

Save as disclosed above, there were no other material changes to estimates that had any material effect on the financial year-to-date results of the Group.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A5. EQUITY AND DEBT SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year-to-date.

A6. OUTSTANDING DERIVATIVES

The Group had not entered into any new type of derivative in the current interim quarter that was not disclosed in the preceding year's annual financial statements. In addition, the Group did not have any outstanding derivative as at 31 March 2013.

A7. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group did not have any financial liabilities measured at fair value through profit and loss as at 31 March 2013.

A8. DIVIDEND PAID

During the current quarter under review, the Company paid the following second interim single tier dividend of 10 sen per share of RM1.00 each on 150,000,000 ordinary shares, in respect of the financial year ended 31 December 2012.

	RM'000
Second interim single tier dividend of 10 sen per share on 150,000,000 ordinary shares, paid on 25 March 2013	<u>15,000</u>

A9. SEGMENT INFORMATION

The segments of the Group are as follows:

- Power and Machinery – Mainly consists of provision of gas turbine packages, supply of gas turbine parts, gas turbine overhaul, maintenance and technical services, combined heat and power plant, supply, repair, maintenance and installation of valves and flow regulators and other production related equipment and services.
- Oilfield Services – Mainly consists of provision of wireline equipment and services, integrated wellhead maintenance services, oilfield chemicals, drilling equipment and services and other oilfield products and technical services.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A9. SEGMENT INFORMATION (Cont'd)

- Maintenance, Repair and Overhaul – Mainly consists of repair, servicing, maintenance and overhaul of motors, generators, transformers and pumps. Upon completion of the acquisition of DPSB on 5 October 2012, this segment has further expanded to include services in integrated corrosion, inspection and mitigation, primarily using Sponge Jet technology.

Tax expense is not allocated to the business segments as they are measured at the entity level.

Segmental information for the financial year-to-date ended 31 March 2013 is as follows:

	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
<u>Segment Revenue</u>		
Power and Machinery		
External revenue	65,588	51,375
Power and Machinery	65,588	51,375
Oilfield Services		
External revenue	17,582	28,080
Oilfield Services	17,582	28,080
Maintenance, Repair and Overhaul		
External revenue	3,332	3,321
Maintenance, Repair and Overhaul	3,332	3,321
Total Group revenue	86,502	82,776

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A9. SEGMENT INFORMATION (Cont'd)

	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
<u>Segment Results</u>		
Power and Machinery	6,749	9,963
Oilfield Services	3,017	3,305
Maintenance, Repair and Overhaul	(161)	(111)
Segment results	9,605	13,157
Unallocated income ^	145	120
Unallocated corporate expenses #	(2,436)	(1,807)
Share of results of associates	3,830	3,805
Tax expense	(1,901)	(3,354)
Profit for the financial period	9,243	11,921

^ Unallocated income comprises interest earned by the Company.

Unallocated corporate expenses represent the Company's corporate expenses including depreciation of property, plant and equipment of corporate assets that are not driven by business segments.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

No property, plant and equipment were revalued as at 31 March 2013.

A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING DATE

There were no other material events that took place subsequent to the end of the reporting date.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial year-to-date.

A13. CONTINGENT LIABILITIES / ASSETS

As at 31 March 2013, the Group did not have any contingent liabilities or assets except for contingent liabilities for guarantees in respect of credit facilities from licensed financial institutions of RM23.1 million (31 December 2012: RM22.6 million) for guarantees given to third parties in relation to operating requirements, utilities and maintenance contracts.

A14. COMMITMENTS

Capital commitments for property, plant and equipment not provided for as at 31 March 2013 were as follows:

	As at 31/03/2013 RM'000	As at 31/12/2012 RM'000
Authorised but not contracted for	10,733	11,123
Authorised and contracted for	584	2,415
	11,317	13,538

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A15. RELATED PARTY TRANSACTIONS

The following transactions were with a party related to a corporate shareholder of a subsidiary of the Group, Turboservices Sdn. Bhd.

	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Purchases and technical services from Solar Turbines International Company	72,518	26,733

The following transactions were with a corporate shareholder and affiliate companies of a corporate shareholder of a subsidiary of the Group, Penaga Dresser Sdn. Bhd.

	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Purchases from Dresser Italia S.R.L	213	204
Purchases from related parties of Dresser Italia S.R.L	4,259	2,710

The remuneration of the key management personnel during the quarter were as follows:

	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Directors' fees	232	188
Salaries, bonuses, allowances and other staff related expenses	1,846	1,228
Defined contribution plan	200	129
	2,278	1,545

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**UNAUDITED INTERIM FINANCIAL REPORT
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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1. PERFORMANCE REVIEW

(A) Performance of the current quarter against the corresponding quarter and year to date

Revenue	Q1'13 RM'000	Q1'12 RM'000	Variance RM'000	Variance %
Power and Machinery	65,588	51,375	14,213	27.7
Oilfield Services	17,582	28,080	(10,498)	(37.4)
Maintenance, Repair and Overhaul	3,332	3,321	11	0.3
	<u>86,502</u>	<u>82,776</u>	<u>3,726</u>	<u>4.5</u>

The Group's revenue was primarily contributed by the Power and Machinery segment. Contributions from this segment increased by RM14.2 million compared to the corresponding quarter mainly attributable to the higher sales of exchange engines, gas turbine parts and services and deliveries of valves and flow regulators.

The Oilfield Services segment experienced a reduction in revenue of RM10.5 million in the current quarter largely due to lower wireline jobs and its related products. In addition, there was a one-off sale of critical spares under the wellhead maintenance contract of RM3.9 million in the corresponding quarter.

The revenue contribution from the Maintenance, Repair and Overhaul segment was consistent with the corresponding quarter and included contribution of RM2.4 million from DPSB, a subsidiary, acquired in the fourth quarter of 2012. The revenue contribution from Deleum Rotary Services Sdn. Bhd. ("DRSSB") declined from RM3.3 million to RM0.9 million due to lower activities during the quarter.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

B1. PERFORMANCE REVIEW (Cont'd)

(B) Profit before tax for the current quarter against the corresponding quarter and year to date

	Q1'13 RM'000	Q1'12 RM'000	Variance RM'000	Variance %
Power and Machinery	6,749	9,963	(3,214)	(32.3)
Oilfield Services	3,017	3,305	(288)	(8.7)
Maintenance, Repair and Overhaul	(161)	(111)	(50)	45.0
Segment results	<u>9,605</u>	<u>13,157</u>	<u>(3,552)</u>	<u>(27.0)</u>
Share of associates' results	3,830	3,805	25	0.7
Profit before tax	<u>11,144</u>	<u>15,275</u>	<u>(4,131)</u>	<u>(27.0)</u>

The reduction for the current quarter was due to the lower segment results, mainly attributed to Power and Machinery segment.

Power and Machinery segment recorded a result of RM6.7 million for the current quarter compared to RM10.0 million in the corresponding quarter. The lower result was mainly attributable to softer revenue from retrofit projects and the deferment of certain oil and gas projects to the next quarters. The reduction was mitigated by an increase in earnings from gas turbine parts and services and deliveries of valves and flow regulators in line with revenue expansion and lower operating expenses incurred in the quarter mainly due to foreign exchange gain of RM0.9 million.

Oilfield Services segment recorded a result of RM3.0 million for the current quarter compared to the corresponding quarter result of RM3.3 million. Gross margin increased marginally despite a reduction in revenue as the reduction consisted mainly of lower margin third party wireline product sales. The higher margin was offset by higher operating expenses, mainly attributable to an increase in foreign exchange loss by RM0.3million.

Maintenance, Repair and Overhaul segment recorded a higher loss of RM0.16 million for the current quarter as compared to a loss of RM0.11 million in the corresponding quarter on the back of higher operating expenses. The segment results included contribution of RM0.8 million from DPSB, a subsidiary acquired in the fourth quarter of 2012. The segment loss from DRSSB increased from RM0.1 million to RM1.0 million due to lower activities during the quarter.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B1. PERFORMANCE REVIEW (Cont'd)

(B) Profit before tax for the current quarter against the corresponding quarter and year to date (Cont'd)

Share of associates' results was consistent with the corresponding quarter of RM3.8 million.

B2. MATERIAL CHANGE IN THE PROFIT BEFORE TAX AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER PROFIT BEFORE TAX

	Q1 '13 RM'000	Q4 '12 RM'000	Variance RM'000	Variance %
Power and Machinery	6,749	21,342	(14,593)	(68.4)
Oilfield Services	3,017	(1,459)	4,476	(306.8)
Maintenance, Repair and Overhaul	(161)	(628)	467	(74.4)
Segment results	<u>9,605</u>	<u>19,255</u>	<u>(9,650)</u>	<u>(50.1)</u>
Share of associates' results	3,830	3,588	242	6.7
Profit before tax	<u>11,144</u>	<u>19,310</u>	<u>(8,166)</u>	<u>(42.3)</u>

The segments recorded a lower result of RM9.6 million for the current quarter compared to RM19.3 million in the preceding quarter.

Power and Machinery segment recorded a lower result of RM6.7 million for the current quarter compared to RM21.3 million in the preceding quarter. The decrease of RM14.6 million was mainly attributable to higher retrofit projects completed and deliveries of valves and flow regulators in the preceding quarter. There were also lower overhaul activities and revenue from field service representatives in the current quarter under review. The contraction in revenue and margin was mitigated by lower operating expenses, mainly due to foreign exchange gain of RM0.9 million derived during the current quarter and an impairment of doubtful debts of RM1.0 million in the corresponding quarter.

Oilfield Services segment recorded a result of RM3.0 million for the current quarter compared to a loss of RM1.5 million in the preceding quarter. The increase was mainly attributable to higher deployment of wireline equipment and services, survey job, oilfield chemicals activities and wellhead maintenance services on the back of increased drilling and production activities. The higher segment result is also attributed to lower operating expenses in the current quarter due to lower personnel cost of RM0.7 million.

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

**B2. MATERIAL CHANGE IN THE PROFIT BEFORE TAX AS COMPARED WITH THE IMMEDIATE
PRECEDING QUARTER PROFIT BEFORE TAX (Cont'd)**

Maintenance, Repair and Overhaul segment recorded a lower loss of RM0.2 million for the current quarter against a loss of RM0.6 million recorded in the preceding quarter mainly attributable to lower operating expenses.

Share of associates' results had increased from RM3.6 million in the preceding quarter to RM3.8 million in the current quarter and was attributable to higher contribution from Malaysian Mud and Chemicals Sdn. Bhd.

B3. PROSPECTS

The Group's performance in the current quarter under review is in tandem with lower orders secured and the deferment of certain projects by oil and gas operators in Malaysia. However, the ongoing outlook for the Malaysian oil and gas industry is satisfactory with PSC s stepping up efforts to increase the recovery rate of producing fields and development of new fields. These developments are positive to the Group's prospects and we are well positioned to compete for the upcoming opportunities.

B4. PROFIT FORECAST

The Group has not issued any profit forecast for the current financial year and therefore no comparison is available.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

B5. INCOME TAX EXPENSE

	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Current tax	1,458	2,694
Over provision in prior year	0	(202)
Deferred tax – origination and reversal of temporary differences	443	862
Total income tax expense	1,901	3,354

Including the associates' results which are presented net of tax, the effective tax rate of the Group for the financial period ended 31 March 2013 is lower than the statutory tax rate as shown below.

	Quarter and year-to-date ended	
	31/03/2013 %	31/03/2012 %
Numerical reconciliation between the effective tax rate and the Malaysian tax rate		
Malaysian tax rate	25	25
<u>Tax effects of:</u>		
- Expenses not deductible for tax purposes	2	1
- Over provision in prior years	0	(1)
- Income not subject to tax	(1)	0
- Share of results of associates	(9)	(6)
- Deferred tax asset not recognised	0	3
Effective tax rate	17	22

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B6. PROFIT ON SALES OF UNQUOTED INVESTMENTS AND / OR PROPERTIES

There were no sales of unquoted investments and / or properties during the financial year-to-date.

B7. QUOTED SECURITIES

There were no sales or purchases of quoted securities during the financial year-to-date.

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced as of 15 May 2013 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this report).

B9. GROUP BORROWINGS

The Group borrowings as at 31 March 2013 were as follows:

	Short Term RM '000	Long Term RM '000	Total RM '000
<u>31/03/2013</u>			
Borrowings - secured	5,792	2,033	7,825
- unsecured	9,800	0	9,800
	<u>15,592</u>	<u>2,033</u>	<u>17,625</u>
<u>31/12/2012</u>			
Borrowings - secured	5,792	3,368	9,160
- unsecured	9,800	0	9,800
	<u>15,592</u>	<u>3,368</u>	<u>18,960</u>

The borrowings were all denominated in Ringgit Malaysia.

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B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 March 2013.

B11. CHANGES IN MATERIAL LITIGATION

There was no material litigation as at 15 May 2013 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this report).

B12. DIVIDEND

The Directors, on 26 February 2013 declared a second interim single tier dividend of 10 sen per share of RM1.00 each in respect of the financial year ended 31 December 2012, totaling RM15,000,000. The dividend was paid on 25 March 2013.

No dividend was declared during the quarter under review for the financial year ending 31 December 2013.

B13. EARNINGS PER SHARE (“EPS”)

The calculations of basic earnings per share for the reporting periods are computed as follows:

RM '000	Quarter and year-to-date ended	
	31/03/2013 RM'000	31/03/2012 RM'000
Basic earnings per share		
Profit attributable to equity holders of the Company	6,837	10,018
Weighted average number of ordinary shares	150,000	100,000
Basic earnings per share	4.56 sen	10.02 sen

The diluted earnings per share for the Group is not presented as there is no dilutive potential ordinary shares during the current financial year-to-date under review.

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B14. REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

RM'000	Cumulative Quarter Ended 31/03/2013	Cumulative Quarter Ended 31/12/2012
Total retained profits of the Company and its subsidiaries:		
Realised	102,778	107,601
Unrealised	(6,418)	(5,915)
	96,360	101,686
Total share of retained profits from associated companies:		
Realised	42,613	45,010
Unrealised	(3,050)	(3,091)
	39,563	41,919
Less: Consolidation adjustments	(24,626)	(24,145)
Total Group's retained profits	111,297	119,460

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

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

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

B15. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2012 was unqualified.

B16. AUTHORISATION OF ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated on 22 May 2013.

By order of the Board

Lee Sew Bee (MAICSA no. 0791319)
Lim Hooi Mooi (MAICSA no. 0799764)
Company Secretaries
Kuala Lumpur
22 May 2013