

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010**

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 9 MONTHS ENDED	
	31/03/2010 RM'000	31/03/2009 RM'000	31/03/2010 RM'000	31/03/2009 RM'000
<b>Revenue</b>	282,774	269,729	867,196	746,554
Operating expenses	(251,930)	(247,361)	(782,908)	(689,028)
Other operating income	2,249	1,860	6,161	4,490
Share of results of jointly controlled entities and associates	8,554	6,420	23,316	20,591
Finance costs	(544)	(287)	(1,528)	(679)
<b>Profit before tax</b>	41,103	30,361	112,237	81,928
Tax expense	(7,324)	(5,318)	(20,149)	(13,559)
<b>Net profit for the period</b>	<u>33,779</u>	<u>25,043</u>	<u>92,088</u>	<u>68,369</u>
<b>Attributable to:</b>				
Equity holders of the Company	31,840	20,801	87,402	61,694
Minority interests	1,939	4,242	4,686	6,675
	<u>33,779</u>	<u>25,043</u>	<u>92,088</u>	<u>68,369</u>
Basic earnings per ordinary share of RM0.10 each (sen) (Note A)	<u>1.61</u>	<u>1.06</u>	<u>4.45</u>	<u>3.14</u>
Diluted earnings per ordinary share of RM0.10 each (sen) (Note A)	<u>1.61</u>	<u>1.06</u>	<u>4.44</u>	<u>3.14</u>

Note A: The weighted average number of ordinary shares used in the calculation of the current and preceding periods have been adjusted for the effect of the bonus issue of 2 for 5 which was completed on 17 February 2010. See A7 for detail.

*(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

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**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010**

	NOTE	31/03/2010 RM'000	30/06/2009 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		142,887	144,692
Prepaid lease payments for land		10,526	10,666
Intangible assets		5,258	8,650
Investment in jointly controlled entities		48,337	23,042
Investment in associates		79,918	82,813
Other investments		2,433	2,434
Deferred tax assets		12,733	7,878
		<u>302,092</u>	<u>280,175</u>
<b>CURRENT ASSETS</b>			
Inventories		17,995	21,132
Trade and other receivables	A16	310,738	272,715
Current tax assets		7,840	3,946
Cash and cash equivalents	A17	269,163	178,714
		<u>605,736</u>	<u>476,507</u>
<b>TOTAL ASSETS</b>		<u>907,828</u>	<u>756,682</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		197,963	141,321
Reserves		286,514	308,764
Treasury shares		(320)	(9,489)
		484,157	440,596
Minority interests		32,439	30,816
<b>TOTAL EQUITY</b>		<u>516,596</u>	<u>471,412</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	B9	57,903	44,811
Deferred tax liabilities		1,539	4,319
		<u>59,442</u>	<u>49,130</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	A18	301,074	218,375
Borrowings	B9	8,797	7,207
Current tax payable		21,919	10,558
		<u>331,790</u>	<u>236,140</u>
<b>TOTAL LIABILITIES</b>		<u>391,232</u>	<u>285,270</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>907,828</u>	<u>756,682</u>

*(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2010**

	Attributable To Equity Holders Of The Company							Total equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Other Reserves RM'000	Retained profits RM'000	Total RM'000	Minority interests RM'000	
<b>Balance as at 1 July 2009</b>	141,321	25,043	(9,489)	7,873	275,848	440,596	30,816	471,412
Foreign currency translation	–	–	–	(6,697)	–	(6,697)	(1,772)	(8,469)
Income recognised directly in equity	–	–	–	(6,697)	–	(6,697)	(1,772)	(8,469)
Net profit for the period	–	–	–	–	87,402	87,402	4,686	92,088
Total recognised income for the period	–	–	–	(6,697)	87,402	80,705	2,914	83,619
Appropriation :-								
Final dividend for FY2009	–	–	–	–	(24,951)	(24,951)	–	(24,951)
Share options granted under ESOS	–	–	–	3,134	–	3,134	–	3,134
Share options exercised	82	896	–	(246)	–	732	(9)	723
Share issue expenses	–	(351)	–	–	–	(351)	–	(351)
Shares repurchased	–	–	(15,708)	–	–	(15,708)	–	(15,708)
Special share dividend	–	(24,877)	24,877	–	–	–	–	–
Bonus shares issued	56,560	–	–	–	(56,560)	–	–	–
Reversal of MI upon reclassification of a former subsidiary as jointly controlled entity	–	–	–	–	–	–	(1,282)	(1,282)
<b>Balance as at 31 March 2010</b>	<b>197,963</b>	<b>711</b>	<b>(320)</b>	<b>4,064</b>	<b>281,739</b>	<b>484,157</b>	<b>32,439</b>	<b>516,596</b>
<b>Balance as at 1 July 2008</b>	141,321	25,043	(8,576)	4,266	217,195	379,249	22,149	401,398
Foreign currency translation	–	–	–	(5,681)	–	(5,681)	1,053	(4,628)
Income recognised directly in equity	–	–	–	(5,681)	–	(5,681)	1,053	(4,628)
Net profit for the period	–	–	–	–	61,694	61,694	6,675	68,369
Total recognised income for the period	–	–	–	(5,681)	61,694	56,013	7,728	63,741
Appropriation :-								
Final dividend for FY2008	–	–	–	–	(20,697)	(20,697)	–	(20,697)
Share options granted under ESOS	–	–	–	2,798	–	2,798	–	2,798
Shares repurchased	–	–	(98)	–	–	(98)	–	(98)
Issuance of shares to minority shareholders	–	–	–	–	–	–	40	40
Acquisition of a subsidiary	–	–	–	–	–	–	1,538	1,538
<b>Balance as at 31 March 2009</b>	<b>141,321</b>	<b>25,043</b>	<b>(8,674)</b>	<b>1,383</b>	<b>258,192</b>	<b>417,265</b>	<b>31,455</b>	<b>448,720</b>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2010**

	<b>31/03/2010</b>	<b>31/03/2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	112,237	81,928
Adjustments for :		
Depreciation and amortisation expenses	12,884	11,702
Share of results of jointly controlled entities and associates	(23,316)	(20,591)
Other non-cash items	3,218	2,722
Interest paid and received	78	(330)
	105,101	75,431
Operating profit before working capital changes		
Changes in working capital :		
Net change in current assets	(36,966)	(1,489)
Net change in current liabilities	86,512	19,979
	154,647	93,921
<b>Cash generated from operations</b>		
Dividend and interest received	28,404	35,381
Tax paid	(20,062)	(17,022)
Tax refund	39	196
	163,028	112,476
<b>Net cash generated from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of a former subsidiary, net of cash acquired	103	1,829
Additional purchase of other investment	(33)	(1,200)
Additional investment in jointly controlled entity	(13,200)	–
Net advances to jointly controlled entities	(16,621)	(15,441)
Net change in deposits with licensed banks	1,156	(720)
Proceeds from disposal of property, plant and equipment	792	760
Proceeds from disposal of an associate	–	1,400
Net purchase of property, plant and equipment	(14,033)	(20,169)
	(41,836)	(33,541)
<b>Net cash used in investing activities</b>		

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2010 (CONT'D)**

	<b>31/03/2010</b>	<b>31/03/2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,482)	(551)
Dividend paid	(24,951)	(20,697)
Net bank borrowings	14,923	29,981
Proceeds from issuances of shares	723	40
Share issue expenses	(351)	–
Shares repurchased	(15,708)	(98)
	<b>(26,846)</b>	<b>8,675</b>
<b>Net cash (used in)/ generated from financing activities</b>		
	<b>94,346</b>	<b>87,610</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>94,346</b>	<b>87,610</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		
As previously reported	174,568	76,600
Effects of exchange rate changes on cash and cash equivalents	(2,741)	198
As restated	171,827	76,798
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (Note A17)</b>	<b>266,173</b>	<b>164,408</b>

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and accompanying explanatory notes attached to the Interim Financial Statements.)*

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa”) and should be read in conjunction with the Group’s annual audited financial report for the financial year ended 30 June 2009. 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 30 June 2009.

**A2 Changes in accounting policies**

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group’s audited financial statements for the financial year ended 30 June 2009 except for the adoption of the following new FRS issued by the Malaysian Accounting Standards Board (“MASB”) that are effective for the Group’s financial statements commencing 1 July 2009:-

FRS 8 Operating Segments

FRS 8, which replaced FRS 114<sub>2004</sub> Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segments and to assess their performance. The Group determines that the operating segments are based on geographical location of its customers and assets. Adoption of this new standard did not have any material effect on the financial position or performance of the Group.

**A3 Auditors’ report of preceding annual audited financial statements**

The auditors’ report on preceding year’s audited financial statements was not subject to any qualification.

**A4 Seasonal or cyclical factors**

The Group’s operations are not affected by seasonal or cyclical factors.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

**A6 Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current financial period.

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**INTERIM FINANCIAL REPORT**

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**A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D**

**A7 Debt and equity securities**

Changes in debt and equity securities during the current financial period were as follows:-

- (i) The issued and paid-up share capital has been increased from RM141,321,004 to RM197,962,967 by:
  - a) the allotment of 819,300 new ordinary shares of RM0.10 each pertaining to the exercise of 819,300 shares under the Employees' Share Option Scheme, and
  - b) the issuance of 565,600,333 new ordinary shares of RM0.10 each by way of bonus issue on the basis of two (2) new ordinary shares of RM0.10 each for every five (5) ordinary shares of RM0.10 each held, by capitalising firstly RM34,396,684 from the revaluation reserve account whilst the balance of RM22,163,349 from the retained profits of the Company.
- (ii) The Company repurchased a total of 12,511,400 ordinary shares of RM0.10 each from the open market for a total consideration of RM15,708,232. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.
- (iii) The Company distributed a total of 27,721,522 of its treasury shares to entitled shareholders as share dividends on 23 December 2009 pursuant to the tax exempt Special Share Dividend declared on 7 October 2009.

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period.

**A8 Dividends paid**

The Company paid the following dividends for the previous financial year ended 30 June 2009:-

- (i) A final dividend of 24% per ordinary share of RM0.10 each, less 25% tax, amounting to RM24,950,786 was paid on 23 December 2009; and
- (ii) Special single tier exempt share dividend of one (1) treasury share for every fifty (50) existing ordinary shares of RM0.10 each held, totalling to 27,721,522 share dividends amounting to RM24,877,380 (determined based on weighted average cost of the treasury shares) was distributed to entitled shareholders on 23 December 2009.

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**A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D**

**A9 Operating segments**

The Group operates principally in the oil, gas and petrochemical industry in Malaysia and other countries.

Segment information in respect of the Group's operating segments is as follows :-

	<b>Malaysia RM'000</b>	<b>Other Countries RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
Revenue from external customers	496,814	370,382	–	867,196
Inter-segment revenue	631	25,878	(26,509)	–
<b>Total revenue</b>	<b>497,445</b>	<b>396,260</b>	<b>(26,509)</b>	<b>867,196</b>
Segment results	60,791	28,130	–	88,921
Share of results in jointly controlled entities and associates				<u>23,316</u>
Profit before tax				112,237
Tax expense				<u>(20,149)</u>
Net profit for the financial period				<u><u>92,088</u></u>
Total segment assets	640,074	267,754	–	907,828

**A10 Property, plant and equipment**

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

**A11 Material events subsequent to the end of the interim period**

On 30 April 2010, the Group acquired the remaining 40% equity interest in Multi-Cad Engineering Sdn Bhd ("Multi-Cad"), comprising 200,000 ordinary shares of RM1.00 each in Multi-Cad, for a total cash consideration of RM571,000. After the acquisition, Multi-Cad becomes a wholly-owned subsidiary of the Group.

There were no other material events subsequent to the current financial period ended 31 March 2010 and up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**A12 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial quarter ended 31 March 2010.



**DIALOG GROUP BERHAD**

Company No. 178694 – V

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D****A13 Commitments****31-03-10  
RM'000**

## i) Capital commitments

Capital expenditure in respect of property, plant and equipment :  
- contracted but not provided for1,597

## ii) Operating lease commitments

## a) The Group as lessee

- not later than one year  
- later than one year and not later than five years  
- after five years

6,116

5,872

8,944

20,932

## b) The Group as lessor

- not later than one year  
- later than one year and not later than five years

276

84

360

## iii) Investment in tank terminals business

Contracted but not provided for

34,100**A14 Changes in contingent liabilities and contingent assets**

The Company provides corporate guarantee up to a total amount of RM348,681,569 (as at 30.06.09: RM352,612,000) to licensed banks for banking facilities granted to certain subsidiary companies. Consequently, the Company is contingently liable for the amount of banking facilities utilised by these subsidiary companies totalling RM96,796,642 (as at 30.06.09: RM98,397,266).

The Company has also given corporate guarantees amounting to RM40,340,000 (as at 30.06.09: RM43,460,000) to third parties for supply of goods and warehouse licenses for certain subsidiary companies. Consequently, the Company is contingently liable for the amount owing by these subsidiary companies to the third parties totalling RM9,163,729 (as at 30.06.09: RM15,244,725).

**A15 Significant related party transactions****9 months ended  
31-03-10  
RM'000**

## Associates:

Subcontracts works received

2,021

## Jointly controlled entities:

Subcontract works received

86,160

Interest receivable

522

Commission received

151

Purchase of assets management system

(600)

Purchases and services

(482)

**DIALOG GROUP BERHAD**

Company No. 178694 – V

(Incorporated in Malaysia)

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**A EXPLANATORY NOTES PURSUANT TO FRS 134 – CONT'D****A16 Trade and other receivables**

	<b>31-03-10</b>
	<b>RM'000</b>
Amount due from customers for contract works	55,871
Trade receivables	215,196
Other receivables, deposits and prepayments	11,140
Amount due from associates	519
Amount due from jointly controlled entities	28,012
	<u>310,738</u>

As at the date of this report, the Group has subsequently collected RM76.6 million from the trade receivables which represents 36% of its total outstanding balance.

**A17 Cash and cash equivalents**

	<b>31-03-10</b>
	<b>RM'000</b>
Deposits, cash and bank balances	269,163
Less: Deposits pledged to licensed banks	(2,990)
	<u>266,173</u>

**A18 Trade and other payables**

	<b>31-03-10</b>
	<b>RM'000</b>
Amount due to customers for contract works	67,451
Trade payables	187,228
Amount due to associates	581
Amount due to a jointly controlled entity	1,114
Accruals and other payables	44,700
	<u>301,074</u>

**A19 Employees' Share Option Scheme ("ESOS")**

The Company has implemented an ESOS scheme to attract and retain qualified and experienced employees. The scheme was approved by the shareholders at an Extraordinary General Meeting held on 25 July 2007 and shall be in force for a period of ten (10) years until 29 July 2017.

In compliance with Financial Reporting Standard, FRS 2 on Share-based payment, a total ESOS cost for share options amounted to RM3,134,046 was charged to income statements for the current financial period. (FY2009: RM2,798,629 for the same corresponding period).

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1 Review of performance**

The Group posted a 5% growth in revenue to RM282.8 million from RM269.7 million recorded in the corresponding financial quarter last year. Profit after tax for the reporting quarter increased by 35% to RM33.8 million from RM25.0 million recorded for the same financial quarter last year.

For the cumulative nine-month period, revenue was up by 16% to RM867.2 million from RM746.6 million while profit after tax also registered a higher growth of 35% to RM92.1 million from RM68.4 million recorded for the same period last year.

The better performance achieved for the current quarter and the cumulative nine-month period were mainly attributable to the increase in E&C and Plant Maintenance works.

**B2 Variation of results against preceding quarter**

The Group's profit before tax of RM41.1 million for the current financial quarter was 12% higher when compared to the preceding financial quarter mainly as a result of an increase of works performed by Plant Maintenance and higher Specialist Products sales for the current financial quarter both in Malaysia and other countries.

**B3 Prospects**

Being an integrated specialist technical services provider to the oil, gas and petrochemical industry, the Group remains focused on the recurring businesses in the plant maintenance and catalyst handling services and the provision of specialist products and services. In addition, the Group continues to seek opportunities to grow its businesses with long term sustainable income, such as its investments in tank terminal business.

Barring any unforeseen circumstances, the Group's performance will be favourable for the financial year ending 30 June 2010 in view of the term contracts secured for most of our business activities above.

**B4 Profit forecast and profit guarantee**

The Group did not announce any profit forecast nor profit guarantee for the current financial period.

**B5 Taxation**

	<b>3 months ended</b>	<b>9 months ended</b>
	<b>31-03-10</b>	<b>31-03-10</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax expense	11,805	28,785
Deferred tax income	(4,407)	(8,114)
Over provision in prior periods	(74)	(522)
Total tax expense	<u>7,324</u>	<u>20,149</u>

Overall effective tax rates of the Group for the current quarter and the cumulative nine-month period are lower than the statutory tax rate of 25% due to lower tax rates in certain foreign jurisdictions.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D**

**B6 Unquoted investment and properties**

There were no disposals of unquoted investment and/or properties during the current financial period.

**B7 Quoted securities**

There were neither purchase nor disposal of quoted securities during the current financial period.

**B8 Status of corporate proposals / contracts**

i) Memorandum of Understanding with The State Government of Johor Darul Ta'zim and The State Secretary, Johor (Incorporated), and Vopak Asia Pte Ltd

The Company had on 8 June 2009 entered into a Memorandum of Understanding (“MOU”) with the State Government of Johor Darul Ta'zim (“the Johor State Government”) and the State Secretary, Johor (Incorporated) (“S.S.I”). Then on 20 July 2009, the Company had entered into a MOU with Vopak Asia Pte. Ltd., which is part of the Royal Vopak group (“VOPAK”).

The MOUs are to facilitate the Company together with the Johor State Government, S.S.I. and VOPAK to conduct a feasibility study and an environmental impact assessment with the aim of developing an independent deepwater petroleum terminal with harbour port, jetty and other marine facilities with water depth up to 26 meters capable of handling Ultra Large Crude Carriers, Very Large Crude Carriers and other vessels, and with tankage facilities for the handling, storage, processing and distribution of crude oil, petroleum, petrochemicals and chemical products in Tanjung Ayam and Tanjung Kapal, Pengerang in Johor.

The technical part of the feasibility study has been completed and concluded that the site is suitable for reclamation and the construction of the proposed terminal. The other parts of the feasibility study and the environmental impact assessment are in progress.

ii) Bonus Issue

The Bonus Issue of two (2) new ordinary shares of RM0.10 each for every five (5) existing ordinary shares of RM0.10 each was completed on 17 February 2010 with the listing and quotation of 565,600,333 bonus shares on the Main Market of Bursa Malaysia Securities Berhad.

There were no other corporate proposals announced but not completed as at the date of this announcement.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D****B9 Borrowings and debt securities**

As at 31 March 2010, the Group's secured borrowings are denominated in the following currencies:

	<b>FC'000</b>	<b>RM'000</b>
Short term borrowings:		
Sterling Pound	7	34
Singapore Dollar	1,029	2,407
Thailand Baht	114	12
Ringgit Malaysia		<u>6,344</u>
		<u>8,797</u>
Long term borrowings:		
Sterling Pound	10	51
Singapore Dollar	1,264	2,957
Ringgit Malaysia		<u>54,895</u>
		<u>57,903</u>
		<u>66,700</u>

**B10 Off balance sheet financial instruments**

As at 31 March 2010, the Group entered into optional forward foreign exchange contracts with maturity less than a year as follow:

	<b>Contract value</b>	
	<b>FC'000</b>	<b>RM'000</b>
Forward foreign exchange contract:		
Sterling Pound	896	4,728
Singapore Dollar	25	66
United States Dollar	4,435	15,087
Euro	<u>181</u>	<u>883</u>

These forward contracts are to hedge the foreign currency risk associated with its trade receivable / payable balances.

There is no change to the credit risk, market risk and liquidity risk associated with the forward foreign exchange contract as disclosed in audited financial statement for financial year ended 30 June 2009.

There is no cash requirement for the above forward foreign exchange contract. These contracts are recognised in the accounts upon settlement.

There has been no change by the Group in the policy as disclosed in the audited financial statements for the year ended 30 June 2009, to mitigate or control those risks associated with the above mentioned derivatives.

**B11 Material litigation**

The Group is not engaged in any material litigation and is not aware of any proceeding that might materially affect the financial position or business of the Group.

**INTERIM FINANCIAL REPORT****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D****B12 Dividends**

- a) The Board of Directors declared an interim dividend of 13% less 25% tax (previous corresponding period: 12% less 25% tax) per ordinary share in respect of the financial year ending 30 June 2010. The interim dividend of 13% less 25% tax per ordinary share is based on the enlarged share capital after reflecting the bonus issue of 2 for 5 which was completed on 17 February 2010.

The entitlement to the interim dividend will be determined based on the shareholders registered in the record of depositors as at 1 June 2010 and the date of payment will be on 15 June 2010.

- b) The total dividend for the current financial period to date is 13% less 25% tax per ordinary shares of RM0.10 each.

**B13 Earnings per share**

The basic earnings per share for the current period is calculated by dividing the net profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares after deducting treasury shares (adjusted for the effect of the bonus issue of 2 for 5 for the previous corresponding period).

	<b>31-03-10</b>	<b>31-03-09</b>
Net profit for the financial period attributable to ordinary equity holders of the Company (RM)	<u>87,401,634</u>	<u>61,693,716</u>
Weighted average number of ordinary shares in issue	<u>1,965,417,887</u>	<u>1,964,087,532</u>

Diluted earnings per share for the financial period is calculated by dividing the net profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue and issuable (adjusted for the effect of the bonus issue of 2 for 5 for the previous corresponding period). The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial period. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between share price and exercise price.

	<b>31-03-10</b>	<b>31-03-09</b>
Net profit for the financial period attributable to ordinary equity holders of the Company (RM)	<u>87,401,634</u>	<u>61,693,716</u>
Weighted average number of ordinary shares in issue	1,965,417,887	1,964,087,532
Weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise	<u>2,112,124</u>	<u>294,213</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1,967,530,011</u>	<u>1,964,381,745</u>

Date: 12 May 2010