Kwantas Corporation Berhad
(Company No: 356602-W)

Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 March 2011

	Note	3 months Ended 31.3.11 RM'000	3 months Ended 31.3.10 RM'000	9 months Ended 31.3.11 RM'000	9 months Ended 31.3.10 RM'000
Revenue	4	243,170	373,906	853,668	945,326
Cost of Sales		(204,519)	(340,217)	(709,870)	(878,670)
Gross Profit		38,651	33,689	143,798	66,656
Other Items of Income					
Interest Income		238	43	485	129
Other Operating Income		6,188	500	7,593	2,805
Other Items of Expense					
Selling Expenses		(8,230)	(6,909)	(24,227)	(27,800)
Administrative Expenses		(11,515)	(10,789)	(32,103)	(32,298)
Finance Costs		(6,681)	(7,598)	(21,721)	(21,760)
Profit/(Loss) Before Tax		18,651	8,936	73,825	(12,268)
Income Tax Expense	19	(3,820)	(4,802)	(13,820)	(5,302)
Profit/(Loss) For The Period	4	14,831	4,134	60,005	(17,570)
Other Comprehensive (Loss)/Profit:					
(Loss)/gain on fair value changes in derivatives		(711)	-	797	-
Foreign Currency Translation	`	6,672	6,359	-	-
		5,961	6,359	797	-
Total Comprehensive Profit/(Loss) For The Period		20,792	10,493	60,802	(17,570)
Profit/(Loss) Attributable To:					
Owners Of The Parent		14,884	4,191	60,253	(12,139)
Minority Interests		(53)	(57)	(248)	(5,431)
Profit/(loss) For The Period		14,831	4,134	60,005	(17,570)

Total Comprehensive Profit/(Loss) Attributable To:					
Owners Of The Parent		20,845	10,550	61,050	(12,139)
Minority Interests		(53)	(57)	(248)	(5,431)
Total Comprehensive Profit/(Loss) For The Period		20,792	10,493	60,802	(17,570)

Earnings/(Loss) Per Share Attributable to Owners Of The Parent (Sen Per Share):		**3 months Ended**		**9 months Ended**	
		31.3.11	**31.3.10**	**31.3.11**	**31.3.10**
Basic	28 (a)	4.78	1.34	19.33	(3.89)
Diluted	28 (b)	4.68	1.32	18.98	(3.82)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

Kwantas Corporation Berhad
(Company No: 356602-W)

Condensed Consolidated Statement of Financial Position
As At 31 March 2011

	Note	As at 31.3.11 RM'000	(Restated) As at 30.6.10 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	868,682	888,501
Biological assets	9	596,531	591,156
Investment properties	9	9,722	9,712
Other receivables		16,468	18,250
Deferred tax assets		5,554	6,929
		1,496,957	1,514,548
Current Assets			
Inventories		159,874	164,708
Derivative financial instruments		1,017	-
Trade receivables		116,249	88,210
Other receivables		14,855	33,280
Tax recoverable		1,790	7,600
Cash and bank balances		61,239	53,417
		355,024	347,215
TOTAL ASSETS		1,851,981	1,861,763
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		155,839	155,839
Share premium		53,727	53,727
Retained earnings	23	306,463	251,426
Other reserves		491,081	501,060
		1,007,110	962,052
Minority interests		189	437
Total Equity		1,007,299	962,489
Non-Current Liabilities			
Borrowings	24	190,000	62,571
Deferred tax liabilities		68,622	70,997
		258,622	133,568
Current Liabilities			
Borrowings	24	500,179	635,237
Trade payables		54,774	100,329
Other payables		31,107	30,140
		586,060	765,706
Total Liabilities		844,682	899,274
TOTAL EQUITY AND LIABILITIES		1,851,981	1,861,763

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

Kwantas Corporation Berhad
(Company No: 356602-W)

Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 March 2011

	Attributable to Owners of the Parent								
	Non-Distributable		Distributable	Non-Distributable					
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Other Reserves Total RM'000	Asset Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Equity Attributable to Owners of the Parent, Total RM'000	Minority Interests RM'000	Total Equity RM'000
At 1 July 2009	155,839	53,727	291,965	408,644	381,242	27,402	910,175	47,344	957,519
Loss for the period	-	-	(12,139)	-	-	-	(12,139)	(5,431)	(17,570)
Dividend paid	-	-	(6,233)	-	-	-	(6,233)	-	(6,233)
Total comprehensive loss for the Period	-	-	-	(21,778)	-	(21,778)	(21,778)	-	(21,778)
Premium paid on acquisition of minority interests	-	-	-	-	-	-	-	(41,395)	(41,395)
At 31 March 2010	155,839	53,727	273,593	386,866	381,242	5,624	870,025	518	870,543
At 1 July 2010	155,839	53,727	251,426	501,060	500,201	859	962,052	437	962,489
Effects of adopting FRS 139	-	-	220	-	-	-	220	-	220
As restated	155,839	53,727	251,646	501,060	500,201	859	962,272	437	962,709
Profit/(loss) for the period	-	-	60,253	-	-	-	60,253	(248)	60,005
Dividend paid	-	-	(6,233)	-	-	-	(6,233)	-	(6,233)
Total comprehensive profit/(loss) for the Period	-	-	797	(9,979)	-	(9,979)	(9,182)	-	(9,182)
At 31 March 2011	155,839	53,727	306,463	491,081	500,201	(9,120)	1,007,110	189	1,007,299

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows
For The Period Ended 31 March 2011

	9 months Ended	
	31.3.11	**31.3.10**
	RM'000	**RM'000**
Net cash generated from operating activities	39,391	68,274
Net cash used in investing activities	(16,594)	(85,855)
Net cash (used in)/generated from financing activities	(7,629)	78,155
Net increase in cash and cash equivalents	15,168	60,574
Effects of exchange rate differences	(7,346)	2,722
Cash and cash equivalents at beginning of year	53,417	50,025
Cash and cash equivalents at end of period	61,239	113,321

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the revaluation of land, buildings and plantation infrastructure included within property, plant and equipment and biological assets.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2010. These explanatory notes attached to the condensed consolidated 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 2010.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2010, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations:

FRSs, Amendments to FRSs and Interpretations effective for financial periods beginning on or after 1 January 2010

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First Time Adoption of FRSs
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 132	Financial Statements: Presentation
Amendment to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives
Improvements to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions

Amendments to FRS effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments: Presentation (Classification of Rights Issues)

FRSs and Amendments to FRSs effective for financial periods beginning on or after 1 July 2010

FRS 1	First Time Adoption of Financial Reporting Standards
FRS 3	Business Combination (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amended)
Amendment to FRS 2	Share-based Payment
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 138	Intangible Assets
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives

Amendments to FRSs and Interpretations effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1 First Time Adoption of FRSs
- Limited Exemption from Comparative FRS 7: Disclosure for First-time Adopters
- Additional Exemptions for First-time Adopters

Amendments to FRS 1	Additional Exception for First-time Adopters
Amendments to FRS 2	Group Cash – Settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

The adoption of the above FRSs, Amendments to FRSs and Interpretation do not result in any significant changes in the accounting policies and presentation of the financial results of the Group, except for the adoption of the following standards as set out below:

a) FRS 101 (Revised): Presentation of Financial Statements

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the condensed consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income.

The Standards also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group has selected to present in one single statement.

This revised FRS does not have any impact on the financial position and results of the Group.

b) Amendment to FRS 117: Leases

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the Group has reclassified its leasehold lands to property, plant and equipment. This change in classification has no effect on the results of the Group. The reclassification has been accounted for retrospectively in accordance with the transitional provision and certain comparative balances have been restated as follows:

Consolidated Balance Sheet As At 30 June 2010	**As previously stated RM '000**	**Effects of adoption of FRS 117 RM '000**	**As restated RM '000**
Property, plant and equipment	545,004	343,497	888,501
Prepaid land lease payments	343,497	(343,497)	-

c) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial Instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at the initial recognistion and for the purpose of the first adoption of the standard, as at transitional date on 1 July 2010.

Financial Assets
Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

The Group financial assets include cash and short-term deposits, financial assets at fair value through profit or loss, loans and receivables and available-for-sale. Financial assets are initially measured at fair value. The fair value is normally the transaction price or market price, plus transaction costs directly attributable to the acquisition of the financial assets.

Financial Assets at Fair Value through Profit or Loss
Financial assets classified as held-for-trading are catergorised as finance assets at fair value through profit or loss. Financial assets are held-for-trading if they are acquired for the purpose of selling in the near term. The carrying amount is marked to market with the difference taken to income statement.

Loans and Receivables
Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in income statement as a result of the amortisation process and when the loans and receivables are derecognised or impaired.

Financial Assets Held-to-Maturity
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity, when the Group has the expressed intention and ability to hold to maturity.

Investments which are intended to be held-to-maturity are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income statement as a result of the amortisation process, and when the investment are derecognised or impaired.

Financial Liabilities
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost using the EIR method. Financial liabilities at fair value are held-for-trading if the financial liabilities are incurred with the intention of repurchasing them in the near term.

The Group's financial liabilities include trade and other payables and, loans and borrowings.

Derecognition of Financial Liabilities
Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

Policy on Impairment Loss
The Group assess whether there is any objective evidence that a financial asset is impaired at each reporting date. Receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on the Group's past experience. If in a subsequent period, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2010 was not qualified.

4. Segmental Information

Segmental information for the current financial period ended 31 March 2011 is as followed:

	3 months ended		*9 months ended*	
	31.3.2011 RM'000	***31.3.2010 RM'000***	***31.3.2011 RM'000***	***31.3.2010 RM'000***
Segment Revenue				
Oil palm plantations and palm and soya bean product processing	178,875	341,645	665,946	879,414
Trading of industrial products	2,036	1,720	5,517	4,914
Biomass energy	551	2,617	2,498	6,806
Oleochemical products	64,228	32,261	187,655	65,912
Total revenue including inter-segment sales	245,690	378,243	861,616	957,046
Elimination of inter-segment sales	(2,520)	(4,337)	(7,948)	(11,720)
Total	**243,170**	**373,906**	**853,668**	**945,326**
Segment Results				
Oil palm plantations and palm and soya bean product processing	11,902	9,221	53,687	1,410
Trading of industrial products	6	15	38	45
Biomass energy	236	116	318	211
Oleochemical products	2,929	(5,087)	6,318	(18,980)
	15,073	4,265	60,361	(17,314)
Eliminations	(242)	(131)	(356)	(256)
Total	**14,831**	**4,134**	**60,005**	**(17,570)**

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2011.

6. Changes in Estimates

There were no material changes in estimates that have had a material effects in the current quarter results.

7. Comments About Seasonal or Cyclical Factors

The seasonal or cyclical factors affecting the results of the operations of the Group are general climatic conditions, age profile of oil palms and the cyclical nature of annual production.

8. Dividend Paid

At the Fifteenth Annual General Meeting held on 23 December 2010, the shareholders approved a first and final single tier dividend of 2 sen per ordinary share of RM0.50 each, amounting to RM6,233,545 paid on 16 March 2011 in respect of the financial year ended 30 June 2010.

9. Carrying Amount of Revalued Assets

The valuations of land, buildings and plantation infrastructure included within property, plant and equipment and biological assets have been brought forward without amendment from the financial statements for the financial year ended 30 June 2010.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 March 2011.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

12. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2011 is as follows:

	RM'000
Approved and contracted for	29,806

13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

The Company has provided corporate guarantees to secure banking facilities granted to the company and its subsidiary companies. The amount utilised and outstanding as at 31 March 2011 amounted to approximately RM336 million.

14. Subsequent Events

There were no material events subsequent to the end of the current quarter, except as follow:

1) The Company has fulfilled all the conditions precedent stipulated in the Conditional Sale Shares Agreement dated 6 January 2011 between Kwantas Corporation Berhad and Golden Agri Resources Sdn. Bhd. in respect of the disposal of entire 70% shareholding in Green Ace Resources Sdn. Bhd. (the "Disposal"). Hence, the Disposal was completed on 12 May 2011; and

2) On 18 May 2011, the Company acquired the remaining 30% equity interest in Miracle Harvest Sdn. Bhd. ("MHSB") for a total cash consideration of RM18.19 million. Subsequent to the Acquisition, MHSB became a wholly-owned subsidiary of the Company.

   The Board of Directors of the Company, having reasonably considered all aspects of the Acquisition, is in the best interest of the Company. The Acquisition is not subject to the approval of shareholders or any regulatory authorities.

15. Performance Review

For the quarter under review, revenue of the Group has decreased by RM130,736,000 or 35% from RM373,906,000 in Q3 FYE2010 to RM243,170,000 in Q3 FYE2011. The decrease was mainly due to the decrease in sales volume of palm products. The average CPO price traded for current quarter was RM3,441 per MT as compared to RM2,489 per MT in Q3 FYE2010.

Revenue from the Group's China operations for the 9-months period under review has increased by RM76,103,000 or 48% to RM236,008,000, as compared to RM159,905,000 in 9-months period ended FYE2010. The increase was mainly due to the sales contributed from oleochemical products.

16. Comment on Material Change in Profit Before Taxation

During the quarter, profit before taxation of the Group has increased by RM9,715,000 or 109% from RM8,936,000 in Q3 FYE2010 to RM18,651,000 in Q3 FYE2011. The increase was mainly due to higher prices of palm products. Hence, resulted in higher profit margin.

17. Commentary on Prospects

Based on the strong prices of palm products, the Board of Directors expects the results of the Group for the current financial year to be encouraging.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

19. Income Tax Expense

	3 months ended		*9 months ended*	
	31.3.2011	***31.3.2010***	***31.3.2011***	***31.3.2010***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Current income tax:				
Malaysian income tax	4,320	5,177	14,820	8,302
Deferred tax	(500)	(375)	(1,000)	(3,000)
Total income tax expense	3,820	4,802	13,820	5,302

In the current quarter, income tax expense increased along with higher plantation profits and normal provision of deferred tax as compare to the increased in provision of deferred tax income in Q3 FYE2010 due to unused tax losses in one of the subsidiary.

20. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the current quarter.

21. Quoted Securities

There was no purchase or disposal of marketable securities for the current quarter.

22. Corporate Proposals

There are no corporate proposals announced but not completed as at 25 May 2011.

23. Retained Earnings

The breakdown of retained profits of the Group as at 31 March 2011 is as follows:

	As at 31.3.2011 RM'000	***As at 30.9.2010 RM'000***
Total retained earnings of the Company and its subsidiaries:		
- Realised	381,405	333,733
- Unrealised	71,620	72,620
	453,025	406,353
Less: Consolidation adjustments	(146,562)	(146,562)
Total group retained earnings as per consolidated accounts	306,463	259,791

24. Borrowings

The Group borrowings, which is secured, was as follows:

	As at 31.3.2011 RM'000	*As at 30.6.2010 RM'000 (Audited)*
Short term borrowings		
- Secured	500,179	635,237
Long term borrowings		
- Secured	190,000	62,571
	690,179	697,808

Included in long term secured borrowings are RM60 million and RM130 million nominal value of Sukuk Ijarah and term loan respectively.

Borrowings denominated in foreign currency:

	USD '000	**RMB '000**	**RM'000 equivalent**
United States Dollars	89,162	-	271,810
Renminbi	-	26,996	12,459
Total	89,162	26,996	284,269

25. Off Balance Sheet Financial Instruments

	Notional amount as at 31.3.2011 RM '000
Contingent liabilities	-

Credit risk, or the risk of counterparties defaulting, is controlled by limiting the Group's association to creditworthy financial institutions in Malaysia.

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Exposure to market risk may be reduced through offsetting on and off balance sheet positions.

There are no significant credit and market risks posed by the above off balance sheet financial instruments.

26. Material Litigation

i) In response to a claim by Palm Energy Sdn. Bhd. (PESB), a wholly owned subsidiary of the Group for liquidated damages, loss of revenue and refurbishment costs totalling approximately RM8 million, the contractor counter claimed the balance of the original contract sum amounting to approximately RM1 million and variation order works totalling approximately RM1 million. The arbitration commenced on 10 October 2007 and completed in November 2008.

The Arbitrator delivered his award on 15 July 2009 and in his final award he found both parties were guilty of breaches of contract, the consequences of which both must accordingly bear according to its relative seriousness. The contractor has been awarded a counterclaim of RM420,087.25 whereby PESB is entitled to forfeit the remainder of the contract sum of RM950,000. PESB has decided to file a motion to the high court to set aside certain award given to the contractor pursuant to Section 24 (2) of the Arbitration Act, 1952 (the Act) or alternatively certain paragraph of the award be remitted for the reconsideration of the Learned Arbitrator pursuant to Section 23 (1) of the Act.

ii) A subsidiary of the Group, Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), a bulking tank operator in China, is disputing the demand for delivery 2500mt of refined palm oil product with market value of RM11.4 million (RMB24.8 million) from a customer, as DMGZ contending that the customer has no legal right to claim as the relevant sales contract has been cancelled earlier. On 29 June 2009, judgement was given in favour of the Plaintiff and DMGZ is in the process of filing its appeal. Legal proceeding is now in progress.

iii) DMGZ, a subsidiary of the Group, is defending a claim of 500mt of palm oil product (market value about RM2.1 million) from a third party who is claiming ownership of the cargo from a DMGZ's buyer. DMGZ contending that the cargo in question is no longer available as it has already been released earlier to the buyer.

iv) An import/export agent filed a claim on 26 May 2009 against DMGZ, a subsidiary of the Group, for releasing 4,500mt of RBD OLN (market value about RM17.7 million) without their consent. DMGZ contended that proper authorisation has been received for the release of goods. On 30 November 2010, judgement was awarded to DMGZ but the plaintiff filed his appeal on 16 December 2010. Legal proceeding is now in progress.

v) On 15 April 2010, a subsidiary of the Group, Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), received a claim to deliver 1,700mt of refined palm oil product with market value of RM8 million (RMB17.46 million) from the customer. The customer also claiming for interest loss due to non-delivery of goods amounting to approximately RM1.15 million (RMB2.5 million) calculated up to the date of affidavit. The plaintiff claimed that his agent stored the oil in DMGZ's tank but DMGZ contended that the oil stored by his agent has already been despatched to their customers based on the said agent's instruction. Legal proceeding is now in progress.

vi) A customer of Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), a subsidiary of the Group, is claiming approximately RM420,000 (RMB913,000) as excess payment to DMGZ. DMGZ counter-claimed the customer on 24 June 2010 for reimbursement of import duty and valued added tax as well as storage rental totalling RM928,000 (RMB2,017,917.12) and the customer has to pay to DMGZ the differential of RM508,000 (RMB1,104,917.12) after netting the abovementioned excess payment. On 19 November 2010, judgement was given in favour of the Plaintiff and DMGZ is in the process of filing its appeal. Legal proceeding is now in process.

Other than the above, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2010.

27. Dividend Payable

No interim dividend has been declared for the financial year ended 30 June 2011.

28. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	3 months ended		*9 months ended*	
	31.3.2011	***31.3.2010***	***31.3.2011***	***31.3.2010***
Profit/(loss) for the period attributable to ordinary equity holders of the parent (RM'000)	14,884	4,191	60,253	(12,139)
Weighted average number of ordinary shares in issue ('000)	311,677	311,677	311,677	311,677
Basic earnings/(loss) per share (sen)	4.78	1.34	19.33	(3.89)

(b) Diluted

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares and shares options granted to employees.

	3 months ended		*9 months ended*	
	31.3.2011	***31.3.2010***	***31.3.2011***	***31.3.2010***
Profit/(loss) for the period attributable to ordinary equity holders of the parent (RM'000)	14,884	4,191	60,253	(12,139)
Weighted average number of ordinary shares in issue ('000):	311,677	311,677	311,677	311,677
Effect of dilution: Share options	6,061	5,555	5,738	5,798
Adjusted weighted average number of ordinary shares in issue and issuable	317,738	317,232	317,415	317,475
Diluted earnings/(loss) per share (sen)	4.68	1.32	18.98	(3.82)

29. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 May 2011.