

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the financial period ended 31 March 2013**

	Individual Quarter		Cumulative Quarters	
	Jan -Mar 2013	Jan -Mar 2012	Jan -Mar 2013	Jan -Mar 2012
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
<b>Revenue</b>				
- sales of goods	48,108	49,103	48,108	49,103
- services	170	156	170	156
	<b>48,278</b>	<b>49,259</b>	<b>48,278</b>	<b>49,259</b>
Cost of sales				
- sales of goods	(49,053)	(48,243)	(49,053)	(48,243)
- services	-	-	-	-
	(49,053)	(48,243)	(49,053)	(48,243)
<b>Gross (Loss)/Profit</b>	<b>(775)</b>	<b>1,016</b>	<b>(775)</b>	<b>1,016</b>
Operating expenses	(3,158)	(3,369)	(3,158)	(3,369)
<b>Operating Loss</b>	<b>(3,933)</b>	<b>(2,353)</b>	<b>(3,933)</b>	<b>(2,353)</b>
Interest expense	(1,117)	(1,655)	(1,117)	(1,655)
Interest income	3	31	3	31
Share of results of Associates	(5)	(7)	(5)	(7)
<b>Loss before tax</b>	<b>(5,052)</b>	<b>(3,984)</b>	<b>(5,052)</b>	<b>(3,984)</b>
Income tax expense	-	-	-	-
<b>Net Loss for the period</b>	<b>(5,052)</b>	<b>(3,984)</b>	<b>(5,052)</b>	<b>(3,984)</b>
<b>Other Comprehensive Income/(Loss):</b>				
Currency translation differences arising from:				
- consolidation	198	(727)	198	(727)
Available for sale ("AFS") quoted investments	(5,698)	(10,083)	(5,698)	(10,083)
Income tax relating to components of other comprehensive income/(loss)	-	-	-	-
<b>Other Comprehensive Loss net of tax</b>	<b>(5,500)</b>	<b>(10,810)</b>	<b>(5,500)</b>	<b>(10,810)</b>
<b>Total Comprehensive Loss for the period</b>	<b>(10,552)</b>	<b>(14,794)</b>	<b>(10,552)</b>	<b>(14,794)</b>
(Loss)/Profit attributable to:				
Owners of the Company	(4,432)	(4,120)	(4,432)	(4,120)
Non controlling interests	(620)	136	(620)	136
	<b>(5,052)</b>	<b>(3,984)</b>	<b>(5,052)</b>	<b>(3,984)</b>
Total Comprehensive (Loss)/Income attributable to:				
Owners of the Company	(9,932)	(14,930)	(9,932)	(14,930)
Non controlling interests	(620)	136	(620)	136
	<b>(10,552)</b>	<b>(14,794)</b>	<b>(10,552)</b>	<b>(14,794)</b>
<b>Loss per share attributable to owners of the Company</b>				
- Basic (sen)	<b>(0.82)</b>	<b>(0.82)</b>	<b>(0.82)</b>	<b>(0.82)</b>
- Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 31 March 2013**

	<b>As at 31.03.13 RM'000</b>	<b>Audited As at 31.12.12 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	57,410	58,078
Investment property	9,363	9,435
Exploration & evaluation assets	3,217	3,217
Intangible asset	52	52
Investment in Associates	1,035	1,040
Other financial assets	17,913	23,611
Deferred tax assets	600	600
	<b>89,590</b>	<b>96,033</b>
<b>Current assets</b>		
Inventories	49,885	41,997
Trade receivables	24,063	33,927
Other receivables, deposits and prepayments	3,789	4,595
Tax recoverable	286	243
Fixed deposits	940	932
Cash and bank balances	23,088	21,991
	<b>102,051</b>	<b>103,685</b>
<b>TOTAL ASSETS</b>	<b>191,641</b>	<b>199,718</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the Company:		
Share capital	107,457	107,418
Reserves	(30,440)	(20,508)
	<b>77,017</b>	<b>86,910</b>
Non controlling interests	(6,454)	(5,834)
<b>TOTAL EQUITY</b>	<b>70,563</b>	<b>81,076</b>
<b>Non-current liabilities</b>		
Hire purchase and finance lease liabilities	166	180
Retirement benefits obligation	1,574	1,689
	<b>1,740</b>	<b>1,869</b>
<b>Current liabilities</b>		
Trade payables	32,440	31,537
Other payables	12,592	12,838
Hire purchase and finance lease liabilities	62	63
Amount due to associates	2,551	2,546
Short term borrowings	71,688	69,736
Tax payable	5	53
	<b>119,338</b>	<b>116,773</b>
<b>TOTAL LIABILITIES</b>	<b>121,078</b>	<b>118,642</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>191,641</b>	<b>199,718</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

<b>Net Assets per share (RM)</b>	<b>0.14</b>	<b>0.16</b>
<b>Net Tangible Assets per share (RM)</b>	<b>0.14</b>	<b>0.15</b>

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the financial period ended 31 March 2013**

← ← **Attributable to Shareholders of the Company** → →  
**Non Distributable**

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Employee share option reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Exchange fluctuation reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non controlling interests RM'000	Total equity RM'000
<b><u>Current Year's 3 months ended 31.03.13</u></b>												
At 1 January 2013	107,418	18,639	6,380	(59)	366	13,640	(13,640)	(135)	(45,699)	86,910	(5,834)	81,076
Share options granted to employees: - converted into ordinary shares	39	11	-	-	(11)	-	-	-	-	39	-	39
Total comprehensive loss for the financial period ended 31 March 2013	-	-	-	(5,698)	-	-	-	198	(4,432)	(9,932)	(620)	(10,552)
<b>At 31 March 2013</b>	<b>107,457</b>	<b>18,650</b>	<b>6,380</b>	<b>(5,757)</b>	<b>355</b>	<b>13,640</b>	<b>(13,640)</b>	<b>63</b>	<b>(50,131)</b>	<b>77,017</b>	<b>(6,454)</b>	<b>70,563</b>
<b><u>Preceding Year's 3 months ended 31.03.12</u></b>												
At 1 January 2012	97,451	10,535	8,971	(8,194)	430	13,640	(13,640)	203	(15,562)	93,834	(4,263)	89,571
Increase in share capital via rights issue of ordinary shares	9,745	-	-	-	-	-	-	-	-	9,745	-	9,745
Increase in share premium via rights issue of ordinary shares	-	8,039	-	-	-	-	-	-	-	8,039	-	8,039
Share options granted to employees: - converted into ordinary shares	133	37	-	-	(37)	-	-	-	-	133	-	133
Total comprehensive loss for the financial period ended 31 March 2012	-	-	-	(10,083)	-	-	-	(727)	(4,120)	(14,930)	136	(14,794)
<b>At 31 March 2012</b>	<b>107,329</b>	<b>18,611</b>	<b>8,971</b>	<b>(18,277)</b>	<b>393</b>	<b>13,640</b>	<b>(13,640)</b>	<b>(524)</b>	<b>(19,682)</b>	<b>96,821</b>	<b>(4,127)</b>	<b>92,694</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

**HO WAH GENTING BERHAD (272923-H)**  
**Condensed Consolidated Cash Flow Statement**  
**for the financial period ended 31 March 2013**

<u>NOTE</u>	<b>31.03.2013</b> <b>RM'000</b>	<b>31.03.2012</b> <b>RM'000</b>
<b>Cash flows from/(used in) operating activities</b>		
Loss before taxation	(5,052)	(3,984)
Adjustments for:		
Amortisation of prepaid lease payments	-	59
Depreciation	1,695	2,492
Interest expense	1,115	1,655
Interest income	(3)	(31)
Loss on disposal of property, plant and equipment	37	127
Provision for retirement benefits	55	55
Payments for retirement benefits	(188)	-
Share of results of associates	5	7
Unrealised gain on foreign exchange	(302)	(46)
Unrealised loss on foreign exchange	155	99
<b>Operating (loss)/profit before working capital changes</b>	<b>(2,483)</b>	<b>433</b>
Increase in inventories	(7,365)	(5,860)
Decrease in trade and other receivables	11,126	1,426
Increase in trade and other payables	288	11,878
<b>Cash flows generated from operations</b>	<b>1,566</b>	<b>7,877</b>
Income tax paid	(7)	(30)
Income tax refunded	-	29
Interest paid	(1,115)	(1,655)
Interest received	3	31
<b>Net cash generated from operating activities</b>	<b>447</b>	<b>6,252</b>
<b>Cash flows from/(used in) investing activities</b>		
Increase in fixed deposits pledged and sinking funds	(1,234)	(919)
Payment for exploration and evaluation assets	-	(182)
Payment for mine development expenditure	-	(7)
Purchase of property, plant and equipment	(752)	(1,003)
Proceeds from disposal of property, plant and equipment	31	68
<b>Net cash used in investing activities</b>	<b>(1,955)</b>	<b>(2,043)</b>
<b>Cash flows from/(used in) financing activities</b>		
Advance(s) from associate(s)	5	7
Proceeds from placement of ordinary shares	-	17,784
Proceeds from conversion of share options into ordinary shares	39	133
Proceeds from trade finance	3,091	-
Repayments of trade finance	-	(4,594)
Repayments of term loan(s)	(2,003)	(1,962)
Repayments of hire purchase and finance lease liabilities	(16)	(29)
<b>Net cash from financing activities</b>	<b>1,116</b>	<b>11,339</b>
Exchange differences	(9)	(34)
Net (decrease)/increase in cash and cash equivalents	(401)	15,514
Cash and cash equivalents at beginning of year	5,407	4,908
<b>Cash and cash equivalents at end of period</b>	<b>5,006</b>	<b>20,422</b>

**NOTE**

**1. Cash and cash equivalents**

Cash and cash equivalents comprise of :

	<b>31.03.2013</b> <b>RM'000</b>	<b>31.03.2012</b> <b>RM'000</b>
Cash and bank balances	23,088	35,432
Deposits with licensed banks	940	630
Bank overdrafts	24,028	36,062
Deposits pledged as security & sinking funds	(693)	(1,470)
	(18,329)	(14,170)
	<b>5,006</b>	<b>20,422</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

**HO WAH GENTING BERHAD (272923-H)****DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES**

	As at 31 Mar 2013	As at 31 Dec 2012
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits/(accumulated losses) of HWGB and its subsidiaries:		
- Realised	(66,873)	(61,686)
- Unrealised	347	207
	<b>(66,526)</b>	<b>(61,479)</b>
Total share of accumulated losses from associated companies:		
- Realised	(1,365)	(1,360)
- Unrealised	-	-
	<b>(67,891)</b>	<b>(62,839)</b>
Consolidation adjustments	17,760	17,140
<b>Total group accumulated losses as per financial statements</b>	<b>(50,131)</b>	<b>(45,699)</b>

**HO WAH GENTING BERHAD (“HWGB”)**

**Company No: 272923-H  
(Incorporated In Malaysia)**

**NOTES TO FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared and presented in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“BMSB”) Listing Requirements. The interim financial report does not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2012.

**2. Significant Accounting Policies**

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2012.

**3. Qualification of Financial Statements**

There has not been any qualification made by the auditors on the annual financial statements of the Group for the year ended 31 December 2012.

**4. Seasonality or Cyclicity of Operations**

Based on past historical trend, sales of the manufacturing division, the main contributor of revenue to the Group would gradually increase in the second quarter and normally peak in the third quarter arising from increase in customer demand in anticipation of the festive seasons towards year end and subsequently, demand would slowly decline in the fourth quarter before reaching its plateau in the first quarter of the following year.

**5. Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no items of unusual nature affecting the assets, liabilities, equity, net income, or cash flows of the Group during the current quarter.

**6. Material Change in Estimates**

There were no changes in estimates that had a material effect in the results of the current quarter.

## 7. Issuance and Repayment of Debt and Equity Securities

During the current quarter, a total of 197,300 employee share options (“ESOS”) had been converted into 197,300 new ordinary shares of RM0.20 par value each in HWGB and a total proceeds of RM39,460 had been raised.

Other than the above, there was no issuance, cancellation, repurchase, resale nor repayment of debt and equity securities, share buy-backs during the current quarter.

## 8. Dividends Paid

No dividend was paid in the current quarter.

## 9. The Status of Corporate Proposal

On 2 April 2013, the Company had announced to BMSB that it proposed to implement a private placement of up to 53,728,400 new ordinary shares of RM0.20 each in HWGB (“Placement Shares”) to independent third party investor(s) to be identified at a later date.

The indicative price of the Placement Shares is at RM0.21 per Placement Share and the gross proceeds is approximately RM11,282,964.

The proposed private placement is subject to the approvals being obtained from the following:-

- (a) BMSB, for the listing of and quotation for the Placement Shares to be issued pursuant to the proposed private placement on the Main Market of BMSB; and
- (b) Any other relevant persons or authorities, if required.

The listing application for the Placement Shares had been submitted to BMSB on 29 April 2013 and the Company is targeting to complete the private placement by end of the second quarter of the current financial year.

## 10. Segmental Reporting

Analysis of the Group’s segment revenue and segment result for business segments for the current quarter ended 31 March 2013 are given as follows: -

	Segment Revenue RM’000	Profit/(Loss) Before Tax RM’000
Investments	170	(1,293)
Manufacturing	44,787	(2,492)
Mining	495	(1,197)
Trading	2,826	(65)
	<b>48,278</b>	<b>(5,047)</b>
Share in results of associates		(5)
		<b>(5,052)</b>

#### **11. Valuations of Property, Plant and Equipment**

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the previous audited financial statements.

#### **12. Material Events Subsequent to the End of the Interim Period**

There is no material event subsequent to the end of the current quarter.

#### **13. Changes in the Composition of the Group**

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

#### **14. Contingent Liabilities and Contingent Assets**

There were no material contingent liabilities and contingent assets for the Company and the Group during the current quarter.

#### **15. Capital Commitments**

The tin mining division of the Group had capital commitments amounting to RM1.6 million which was not provided for in the financial statements as at 31 March 2013.

Other than the aforesaid, there were no material capital commitments for the Company and the Group at the end of the current quarter.



## **ADDITIONAL INFORMATION REQUIRED BY THE BMSB'S LISTING REQUIREMENTS**

### **1. Review of Performance for the first quarter and current financial period to date**

For the first quarter of the current financial year, the Group recorded revenue of RM48.28 million and loss before taxation of RM5.05 million as compared to its preceding year's corresponding period revenue of RM49.26 million and loss before taxation of RM3.98 million.

The Group's manufacturing division recorded operating revenue of RM44.79 million and loss before taxation of RM2.49 million for the current financial period ended 31 March 2013 as compared to its preceding year's corresponding period operating revenue of RM33.10 million and loss before taxation of RM3.01 million.

The increase of 35% in operating revenue had resulted in a lower loss position for the Group's manufacturing division.

However, the lackluster consumer spending in the US due to a decline in household income and high unemployment rates, a slow pace recovery in the US housing market, deterioration in margin and inflationary cost pressure had continued to affect our manufacturing division which recorded a loss for the current financial period ended 31 March 2013.

The Group's trading division posted operating revenue of RM2.83 million and loss before taxation of RM65,000 for the current financial period ended 31 March 2013 as compared to its preceding year's corresponding period operating revenue of RM12.33 million and profit before taxation of RM205,000.

The decrease of 77% in operating revenue in the trading division as compared to the preceding year's corresponding period operating revenue was due to reduced orders from the existing sole distributor. The trading division had since changed its marketing and selling strategy by selling directly to the wholesalers.

The Group's tin mining division recorded an operating revenue of RM0.50 million and loss before taxation of RM1.20 million for the current financial period ended 31 March 2013 as compared to its preceding year's corresponding period operating revenue of RM3.68 million and profit before taxation of RM277,000.

A total of 28 metric tons of tin concentrates had been produced during the current financial period ended 31 March 2013 as compared to its preceding year's corresponding period output of 91 metric tons of tin concentrates.

During the current quarter, the tin mining division focused on its exploration activities and removal of top soil to reach the higher grade of tin ore deposits underground in order to increase its tin output.

At Company level, the Company recorded a loss before taxation of RM1.22 million for the current financial period ended 31 March 2013 as compared to a loss of RM1.41 million in the preceding year's corresponding period.

In the opinion of the Directors, other than as disclosed above, the results for the current quarter have not been affected by any transactions or events of a material or unusual nature which have arisen between 31 March 2013 and the date of issue of this quarterly report.

## **2. Comparison with Preceding Quarter's Results**

The Group's operating revenue and loss before taxation for the current quarter under review were RM48.28 million and RM5.05 million respectively as compared to the preceding quarter's operating revenue and loss before taxation of RM57.27 million and RM22.56 million respectively.

The decline in the Group's operating revenue was due to the nature of seasonal sales of our manufacturing division which would normally show a gradual downtrend in the fourth quarter of the preceding financial year and first quarter of the current financial year after reaching its peak during the third quarter of the preceding financial year.

The higher loss before taxation for the preceding quarter was due to inclusion of impairment charge for investment in quoted securities/other financial assets which amounted to RM21.16 million.

## **3. Commentary on Prospects**

The Board is of the opinion that business operations in moulded power supply cord sets and wires and cables will continue to be challenging in view of the intense competition in the US market, volatility in prices of copper and PVC resins and inflationary cost pressure.

The increase in payroll tax and higher tax rates on wealthy Americans and the possibility of reduction in public expenditures may add further uncertainty to the economic recovery in US which accounts for a majority of the Group's revenue.

The economic contraction in the euro zone countries with its potential spillover effects on the global economy is another risk concern for the Group.

Going forward and to improve performance, the Group would continue to focus on production efficiencies by implementing tighter cost control measures and also development of new products and penetration of new markets particularly in Asia which have higher growth rates as compared to the US.

The outlook for domestic demand would be underpinned by domestic consumption, market demand for local real estate projects, accommodative monetary policies and continued fiscal stimulus by the public sector. The Board expects the roll out of mega projects (including construction of affordable homes) and the Economic Transformation Program ("ETP") would help to sustain the momentum of our local economy and boost our domestic market moving forward.

Barring any unforeseen circumstances, the Group is targeting to achieve a better operating and financial performance for the financial year ending 31 December 2013.

Meanwhile, the Group will continue to explore viable, synergistic and profitable business ventures to improve the Group's performance.

## **4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee for the current quarter.

## 5. Taxation

Taxation for current quarter and financial period to date under review comprises the following:

	Individual Quarter		Cumulative Quarter	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
I Current tax expense				
- Malaysian	-	-	-	-
- Overseas	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
II Over/(under) provision in prior year				
- Malaysian	-	-	-	-
- Overseas	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
III Deferred tax expense				
- Malaysian	-	-	-	-
- Overseas	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-

## 6. Purchase or Disposal of Quoted Securities/Other Financial Assets

There was no purchase or disposal of quoted securities/other financial assets for the current quarter.

Investments in quoted securities as at 31 March 2013 are as follows:

	RM'000
(i) Shares quoted in Malaysia at cost	1,332
(ii) Shares quoted in Hong Kong at cost	17,050
(iii) Market value of quoted equity shares	17,913

## 7. Investments in Associates

There was no purchase or disposal of equity stakes in Associates during the current quarter.

Investments in Associates as at 31 March 2013 are as follows:

	RM'000
(i) At cost	2,400
(ii) At carrying amount	1,035

## 8. Group Borrowings and Debt Securities

	As At 31/03/2013 RM'000	As At 31/12/2012 RM'000
<b>(i) Short Term Borrowings</b>		
<b>Secured</b>		
- Bank overdraft	693	622
- Bankers' acceptances	65,177	61,347
- Finance lease liabilities	62	63
- Term loans	5,818	7,767
<b>Unsecured</b>		
- Bank overdrafts	-	-
	<b>71,750</b>	<b>69,799</b>
<b>(ii) Long Term Borrowings</b>		
<b>Secured</b>		
- Finance lease liabilities	166	180
- Term loans	-	-
	<b>166</b>	<b>180</b>

Breakdown of borrowings in foreign denominated debts included above is:

	USD'000	USD'000
<b>(iii) Secured</b>		
- Bills payable	21,069	20,106
- Short term loan	1,250	1,667
- Long term loan	-	-
	<b>22,319</b>	<b>21,773</b>

## 9. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 21 May 2013, being the latest practical date that shall not be earlier than 7 days from the date of issue of this quarterly report.

## 10. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2012.

## 11. Material Litigation

There is no material litigation for the Group as at 21 May 2013, being the latest practicable date that shall not be earlier than 7 days from the date of issue of this quarterly report.

## 12. Dividends

No dividend has been declared for the current quarter and financial period ended 31 March 2013.

### 13. Loss per share

#### Basic

	Individual Quarter		Cumulative Quarter	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Loss attributable to shareholders (RM'000)	(4,432)	(4,120)	(4,432)	(4,120)
Weighted average number of ordinary shares ('000) – basic	537,252	499,492	537,252	499,492
<b>Basic (sen)</b>	<b>(0.82)</b>	<b>(0.82)</b>	<b>(0.82)</b>	<b>(0.82)</b>

#### Diluted

	Individual Quarter		Cumulative Quarter	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Loss attributable to shareholders (RM'000)	(4,432)	(4,120)	(4,432)	(4,120)
<u>Add</u>				
Notional interest savings due to repayment of bank borrowings (RM'000)	622	640	622	640
Adjusted Loss attributable to shareholders (RM'000)	(3,810)	(3,480)	(3,810)	(3,480)
Weighted average number of ordinary shares ('000) – basic	537,252	499,492	537,252	499,492
<u>Add</u>				
Assuming conversion of ESOS and Warrants ('000)	160,052	160,496	160,052	160,496
Weighted average number of ordinary shares ('000) – diluted	697,304	659,988	697,304	659,988
<b>Diluted (sen)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

The diluted earnings or profit per share is calculated based on the adjusted net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the period, adjusted to assume full conversion of all ESOS and warrants into new ordinary shares.

The adjusted net profit attributable to equity holders of the Company is arrived at by adding notional interest savings as a result of repayment of bank borrowings from proceeds made available through exercise of ESOS and warrants into new ordinary shares.

There was no dilution in loss per share during the current quarter and financial period ended 31 March 2013. The additional notional interest savings and the increase in the number of ordinary shares arising from the abovementioned conversion of all ESOS and warrants, both of which would have a positive effect of reducing the loss per share for the current quarter and financial period ended 31 March 2013.