

**Mega First Corporation Berhad
(Company No. 6682-V)
(Incorporated in Malaysia)**

**Interim Financial Report
30 September 2012**

Mega First Corporation Berhad
(Co. No. 6682-V)

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the 3rd quarter and 9-month period ended 30 September 2012

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 3rd Quarter 30.9.2012 RM'000	Preceding Year Corresponding 3rd Quarter 30.9.2011 RM'000	Current Year To date 30.9.2012 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
Revenue	A8	152,849	151,962	465,058	441,326
Cost of sales		(114,327)	(115,140)	(349,706)	(338,011)
Gross profit		38,522	36,822	115,352	103,315
Other income, net		4,228	8,320	5,627	33,900
Operating expenses		(8,097)	(7,447)	(26,850)	(21,308)
Profit from operations		34,653	37,695	94,129	115,907
Finance costs		(1,339)	(1,602)	(3,410)	(5,044)
Share of (loss)/profit in an associate		(17)	255	230	1,199
Profit before taxation	A8	33,297	36,348	90,949	112,062
Income tax expense		(8,092)	(7,241)	(22,709)	(20,333)
Net profit for the period		25,205	29,107	68,240	91,729
Other comprehensive income		(5,066)	(8,835)	(6,066)	(29,737)
Total comprehensive income for the period	B10	20,139	20,272	62,174	61,992
Profit attributable to:					
Equity holders of the Company		17,611	20,216	44,970	67,506
Non-controlling interests		7,594	8,891	23,270	24,223
		25,205	29,107	68,240	91,729
Total comprehensive income attributable to:					
Equity holders of the Company		13,899	8,498	40,927	36,144
Non-controlling interests		6,240	11,774	21,247	25,848
		20,139	20,272	62,174	61,992
EPS - Basic (sen)	B13	7.84	8.88	20.02	29.66
EPS - Diluted (sen)	B13	7.83	8.87	19.99	29.62

The notes set out on pages 6 to 21 form an integral part and should be read in conjunction with this interim report.

Mega First Corporation Berhad
(Co. No. 6682-V)

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2012

	Unaudited	Audited
	As At	As At
	30.9.2012	31.12.2011
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	236,883	233,476
Associate	44,235	44,309
Investment in quoted shares	70,200	84,898
Investment in unquoted shares	2,210	2,210
Land use rights	883	1,048
Investment properties	109,472	106,439
Land held for property development	53,490	54,619
Goodwill on consolidation	26,018	10,812
	543,391	537,811
Current Assets		
Inventories	64,310	62,769
Property development	16,748	24,496
Trade and other receivables	140,566	141,446
Bank balances and deposits	127,466	159,209
	349,090	387,920
TOTAL ASSETS	892,481	925,731
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	242,395	242,205
Treasury shares	(26,239)	(22,316)
Reserves	375,201	338,074
	591,357	557,963
Non-Controlling Interests	126,234	180,212
Total Equity	717,591	738,175
Non-Current Liabilities		
Other payables	691	692
Long-term borrowings	7,073	8,772
Deferred taxation	19,408	20,422
	27,172	29,886
Current Liabilities		
Trade and other payables	64,896	64,135
Short-term borrowings	74,788	78,824
Taxation	8,034	14,711
	147,718	157,670
Total Liabilities	174,890	187,556
TOTAL EQUITY AND LIABILITIES	892,481	925,731
Net Assets Per Ordinary Share (RM)	2.64	2.47

The notes set out on pages 6 to 21 form an integral part and should be read in conjunction with this interim report.

Mega First Corporation Berhad
(Co. No. 6682-V)

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 9-month period ended 30 September 2012

	← Attributable to equity holders of the company →										
	← Non-distributable →					Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Share Option Reserve RM'000	Translation Reserve RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2011	242,205	(18,527)	33,380	491	8,534	26,701	2,616	218,003	513,403	162,254	675,657
Total comprehensive income for the period	-	-	-	-	7,047	(38,409)	-	67,506	36,144	25,848	61,992
Capital reserves	-	-	-	-	-	-	142	(107)	35	23	58
Dividends paid to:-											
- shareholders of the company	-	-	-	-	-	-	-	(9,380)	(9,380)	-	(9,380)
- minority shareholders	-	-	-	-	-	-	-	-	-	(23,106)	(23,106)
Purchase of treasury shares	-	(2,517)	-	-	-	-	-	-	(2,517)	-	(2,517)
Balance at 30.9.2011	242,205	(21,044)	33,380	491	15,581	(11,708)	2,758	276,022	537,685	165,019	702,704
Balance at 1.1.2012	242,205	(22,316)	33,380	642	16,500	6,489	1,619	279,444	557,963	180,212	738,175
Total comprehensive income for the period	-	-	-	-	(5,571)	1,528	-	44,970	40,927	21,247	62,174
Capital reserves	-	-	-	-	-	-	719	(149)	570	(59)	511
Dividends paid/payable to:-											
- shareholders of the company	-	-	-	-	-	-	-	(17,616)	(17,616)	-	(17,616)
- minority shareholders	-	-	-	-	-	-	-	-	-	(26,145)	(26,145)
Purchase of treasury shares	-	(3,923)	-	-	-	-	-	-	(3,923)	-	(3,923)
Issuance of ordinary shares pursuant to ESOS	190	-	95	-	-	-	-	-	285	-	285
Increase in equity interest in a subsidiary	-	-	-	-	-	-	13,151	-	13,151	(49,021)	(35,870)
Balance at 30.9.2012	242,395	(26,239)	33,475	642	10,929	8,017	15,489	306,649	591,357	126,234	717,591

The notes set out on pages 6 to 21 form an integral part and should be read in conjunction with this interim report.

Mega First Corporation Berhad
(Co. No. 6682-V)

Unaudited Condensed Consolidated Statement of Cash Flows
For the 9-month period ended 30 September 2012

	Current Year To date 30.9.2012 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
Cash flows from operating activities		
Profit before tax	90,949	112,062
Adjustments for non-cash flow - Non-cash items	17,961	(6,633)
- Non-operating items	2,812	395
Operating profit before changes in working capital	111,722	105,824
Changes in working capital - Net change in current assets	6,749	(39,160)
- Net change in current liabilities	(6,069)	1,417
Cash generated from operations	112,402	68,081
Income tax paid	(27,670)	(15,167)
Net cash from operating activities	84,732	52,914
Cash flows (for)/from investing activities		
Interest received	1,428	4,086
Dividend received	1,579	386
Decrease/(Increase) in:		
Land held for property development	1,129	3,604
Investment properties	(33)	(33)
Proceeds from disposal of property, plant and equipment	376	35
Purchase of property, plant and equipment	(18,385)	(14,206)
Proceeds from disposal of quoted shares	87,766	148,789
Purchase of quoted shares	(74,251)	(110,795)
Purchase of unquoted shares	-	(1,875)
Net cash outflow from acquisition of subsidiary	(27,714)	-
Increase in equity interest in a subsidiary	(35,206)	-
Acquisition of associate	-	(1,138)
Net cash (for)/from investing activities	(63,311)	28,853

The notes set out on pages 6 to 21 form an integral part and should be read in conjunction with this interim report.

Mega First Corporation Berhad
(Co. No. 6682-V)

Unaudited Condensed Consolidated Statement of Cash Flows
For the 9-month period ended 30 September 2012 (Cont'd)

	Current Year To date 30.9.2012 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
Cash flows for financing activities		
Interest paid	(2,981)	(4,867)
Dividends paid to shareholders	(10,892)	(9,380)
Dividends paid to minority shareholders	(26,145)	(23,106)
Increase/(Decrease) in:		
Short term borrowings, excluding bank overdrafts	6,498	(10,411)
Hire purchase payables	28	(115)
Net repayment of term loans	(9,701)	(5,410)
Proceeds from issue of shares pursuant to ESOS	285	-
Purchase of treasury shares	(3,923)	(2,517)
Net cash for financing activities	(46,831)	(55,806)
Effect of foreign exchange translation	(3,801)	7,617
Net (decrease)/increase in cash and cash equivalents	(29,211)	33,578
Cash and cash equivalents at beginning of the period	156,144	106,322
Cash and cash equivalents at end of the period	126,933	139,900

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

Bank balances and deposits	127,466	140,223
Bank overdrafts	(533)	(323)
	126,933	139,900

The notes set out on pages 6 to 21 form an integral part and should be read in conjunction with this interim report.

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 Financial Reporting Standard (FRS) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011.

- (a) During the 9-month period ended 30 September 2012, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 124 (Revised) Related Party Disclosures

Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

Amendments to FRS 7: Disclosures □ Transfers of Financial Assets

Amendments to FRS 112: Recovery of Underlying Assets

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

- (b) On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysia Financial Reporting Standards (MFRS).

The MFRS is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and IC Interpretation 15 □ Agreement for Construction of Real Estate, including its parent, significant investor and venture (herein referred to as □Transitioning Entities□).

A1. Basis of preparation (Cont'd)

Transitioning Entities are allowed to defer adopting of the new MFRS to annual periods beginning on or after 1 January 2014 after which the MFRS will become mandatory.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS to 1 January 2014. The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ending 31 December 2014.

Other than as disclosed above, the accounting policies and methods of computation adopted by the Group in preparing this interim financial report are consistent with those in the financial statements for the financial year ended 31 December 2011.

A2. Qualification of financial statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

A3. Seasonal or cyclical factors

The Group's principal business operations are not significantly affected by seasonal or cyclical factors.

A4. Unusual item

There was no item affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence in these financial statements.

A5. Nature and amount of changes in estimates

There was no change in estimates of amounts reported in prior financial years/periods that have a material effect in the current quarter and 9-month period ended 30 September 2012.

A6. Debt and equity securities

	Number of Ordinary Shares ← of RM1 Each →		← Amount →	
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Treasury Shares RM'000
At 1.1.2012	242,205	(16,086)	242,205	(22,316)
Issue of shares pursuant to ESOS	190	-	190	-
Purchase of treasury shares	-	(2,301)	-	(3,923)
At 30.9.2012	<u>242,395</u>	<u>(18,387)</u>	<u>242,395</u>	<u>(26,239)</u>

- (a) During the period ended 30 September 2012, 190,000 new ordinary shares of RM1.00 each were issued at the price of RM1.50 per share or a total consideration of RM285,000 pursuant to the exercise of options granted under the Company's Employees Share Option Scheme.

These new ordinary shares of RM1.00 each rank pari passu in all respects with the Company's existing ordinary shares of RM1.00 each.

- (b) On 29 June 2012, the Company granted 600,000 share options under the Employees Share Option Scheme to eligible Directors of the Company with the exercise price of RM1.52 per share.
- (c) During the 9-month period ended 30 September 2012, the Company purchased 2,301,200 of its issued ordinary shares of RM1.00 each from the open market at an average price of RM1.70 per share for a total consideration of RM3,922,737. These shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

A6. Debt and equity securities (Cont'd)

- (d) Of the total 242,395,000 (31.12.2011 : 242,205,000) issued and fully paid-up ordinary shares of RM1.00 each as at 30 September 2012, 18,387,400 ordinary shares (31.12.2011 : 16,086,200 shares) were held as treasury shares by the Company. The number of outstanding ordinary shares in issue and fully paid-up was therefore 224,007,600 (31.12.2011 : 226,118,800).

Other than as disclosed above, there was no issuance and repayment of debt and equity securities, share cancellations, shares held as treasury shares and resale of treasury shares in these financial statements.

A7. Dividend paid

Save as disclosed under Note B9, no dividend was paid in the current quarter ended 30 September 2012.

Mega First Corporation Berhad
(Co. No. 6682-V)

A8. Segment information for the 9-month period ended 30 September 2012

	Power RM'000	Resources RM'000	Property RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	354,122	63,896	25,167	21,873	-	465,058
Inter-segment revenue	-	-	-	1,549	(1,549)	-
Total revenue	354,122	63,896	25,167	23,422	(1,549)	465,058
Results						
Profit from operations	70,101	14,952	12,109	(1,631)	(1,402)	94,129
Finance costs	(578)	(385)	(603)	(3,246)	1,402	(3,410)
	69,523	14,567	11,506	(4,877)	-	90,719
Share of profit in an associate						230
Income tax expense						(22,709)
Profit for the 9-month period						68,240
Total assets	336,516	182,943	290,529	427,544	(345,051)	892,481

A9. Valuation of property, plant and equipment

There has been no revaluation of property, plant and equipment in these financial statements.

A10. Events subsequent to the end of the reporting period

There was no material event subsequent to the end of the period reported up to 21 November 2012, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A11. Changes in composition of the Group

- (a) On 17 January 2012, Mega First Resources Sdn Bhd, a subsidiary of the Company completed its acquisition of the following companies:-
 - (i) 100% equity interest in Anting Sendirian Berhad; and
 - (ii) 100% equity interest in Sri Anting Sdn Bhd.
- (b) On 21 February 2012, Batamas Sdn Berhad, an indirect subsidiary of the Company acquired 100% equity interest in Usaha Takzim Sdn Bhd.
- (c) On 20 June 2012, the Group subscribed at par value for cash one (1) registered share of US\$1.00 representing 100% equity interest in Goleman Limited, a company incorporated in The British Virgin Islands on 20 June 2011 and is a dormant company.
- (d) On 27 July 2012, the Group completed the take-over offer to acquire all the remaining ordinary shares of RM1.00 each in Rock Chemical Industries (Malaysia) Berhad (RCI), which resulted in RCI becoming a 100% owned subsidiary of the Group.

Other than as disclosed above, there was no other change in the composition of the Group for the current quarter and 9-month period ended 30 September 2012.

A12. Changes in contingent liabilities and assets

(a) Contingent liability

The Group's contingent liability as at 30 September 2012:

	<u>RM'000</u>
Disputed assessment on the power plant of a subsidiary levied by the local authority in the State of Sabah	1,704

The local authority in the State of Sabah has reduced the assessment from RM2.3 million to RM2.1 million for the period from 1998 to 2012, of which RM445,000 has been agreed and paid. However, the basis of assessment for the remaining balance of RM1.7 million is disputed and therefore, no accrual has been made.

Other than as disclosed above, there was no change in contingent liability of the Group as at 21 November 2012, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

(b) Contingent asset

The Group has no contingent asset as at 21 November 2012, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A13. Capital commitments

As at 30 September 2012, the Group has the following commitments:

	RM'000
Property, plant and equipment	
Authorised but not provided for:	
Contracted	4,180
Not contracted	862
	<u>5,042</u>

A14. Significant related party transaction

There was no significant related party transaction during the current quarter and 9-month period ended 30 September 2012.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

(a) Current quarter

	Revenue (RM'000)			Pre-tax Profit (RM'000)		
	3Q 2012	3Q 2011	% Chg	3Q 2012	3Q 2011	% Chg
Power	116,218	113,002	2.8%	23,793	25,997	-8.5%
Resources	20,470	21,689	-5.6%	4,977	4,801	3.7%
Property	7,622	10,341	-26.3%	5,122	2,330	119.8%
Sub-total	144,310	145,032	-0.5%	33,892	33,128	2.3%
Investment holding and others	8,539	6,930	23.2%	(595)	3,220	-118.5%
	152,849	151,962	0.6%	33,297	36,348	-8.4%

The Group posted a marginal increase in revenue to RM152.8 million. However, pre-tax profit decreased 8.4% to RM33.3 million mainly due to lower contribution from the Power Division and non-operating activities as reflected under "Investment holding and others" offset by higher contribution from the Resources and Property Divisions. The combined pre-tax profit of the Group's core operating divisions increased 2.3% to RM33.9 million.

Non-operating segment comprised gains or losses on disposal of quoted shares and dividend income from quoted investments.

The results of "Investment holding and others" were weighed down by lower gains of RM446,000 from quoted investments (3Q 2011 : RM3.4 million).

Power Division

Revenue grew 2.8% to RM116.2 million from the same period last year. Steam sales in China rose 10.0% to 815,052 MT on higher demand, which in turn led to a 4.5% increase in energy sales to 169,459 MWh. The Division's revenue was further boosted by higher tariff rate and medium fuel oil prices. However, these increases were partially offset by a 17.1% decrease in steam prices resulting from lower coal prices.

Pre-tax profit however decreased 8.5% to RM23.8 million mainly due to currency translation loss of RM309,000, as opposed to a gain of RM2.4 million in the same period last year. Excluding the currency translation loss, pre-tax profit increased 2.1% to RM24.1 million.

B1. Review of performance (Cont'd)

(a) Current quarter (Cont'd)

Resources Division

Revenue fell 5.6% to RM20.5 million whilst pre-tax profit rose 3.7% to RM5.0 million.

The decrease in revenue was primarily due to reduction in brick sales of 44.2%, which was partially offset by higher sales of quicklime and hydrated lime and contribution from the newly acquired quarry.

Sales volume of bricks dropped to 8.9 million pieces on slower construction activities. However, quicklime sales increased 12.6%, mainly driven by export market and higher sales to steel mills. Hydrated lime sales increased in both local and export markets.

The improvement in the Division's pre-tax profit was mainly due to positive earnings contribution from the newly acquired quarry, higher sales of quicklime and hydrated lime and lower production costs.

Property Division

Pre-tax profit rose by 119.8% to RM5.1 million, lifted by RM3.0 million fair value adjustment of Greentown car park. Excluding this item, both revenue and pre-tax profit were lower compared to the same period last year.

Development revenue dropped 33.2% on lower unit sales and delay in new launches. Rental income rose 14.6% to RM1.7 million due to higher occupancy in PJ8 and the Greentown car park operations.

(b) For the 9-month period ended 30 September 2012

	Revenue (RM'000)			Pre-tax Profit (RM'000)		
	YTD 2012	YTD 2011	% Chg	YTD 2012	YTD 2011	% Chg
Power	354,122	323,260	9.5%	69,523	67,227	3.4%
Resources	63,896	65,009	-1.7%	14,567	11,576	25.8%
Property	25,167	33,414	-24.7%	11,506	14,638	-21.4%
Sub-total	443,185	421,683	5.1%	95,596	93,441	2.3%
Investment holding and others	21,873	19,643	11.4%	(4,647)	18,621	-125.0%
	465,058	441,326	5.4%	90,949	112,062	-18.8%

The pre-tax profit from the Group's core businesses was 2.3% higher at RM95.6 million. However, pre-tax profit fell by 18.8% to RM90.9 million despite revenue expanding 5.4% to RM465.1 million. The decline was mainly attributable to the loss of RM1.3 million from quoted investments, as opposed to a gain of RM19.9 million in the corresponding period last year.

B1. Review of performance (Cont'd)

(b) For the 9-month period ended 30 September 2012 (Cont'd)

Power Division

Pre-tax profit rose 3.4% to RM69.5 million on the back of 9.5% revenue growth.

Steam sales in China rose 6.8% to 2,329,715 MT following stronger manufacturing output by major customers. As a result, energy sales expanded 6.3% to 499,069 MWh. Revenue was further boosted by higher energy tariff as a result of an increase in tariff rate in China and a 11.2% increase in medium fuel oil prices but partially offset by a 7.7% decline in steam prices due to lower coal prices.

The increase in pre-tax profit was primarily the result of better margins resulting from improved efficiencies and lower bank borrowings.

Resources Division

Revenue was 1.7% lower at RM63.9 million compared to RM65.0 million. The decline was primarily due to lower brick sales, partially cushioned by higher sales of lime products and calcium carbonate powder as well as the maiden contribution from the newly acquired quarry. The less robust construction sector has negatively affected brick sales. Improved sales of lime products and calcium carbonate powder were boosted by stronger export sales.

Pre-tax profit improved by 25.8% to RM14.6 million, underpinned mainly by the contribution from the newly acquired quarry as well as better margins for lime products.

Property Division

Revenue at RM25.2 million was 24.7% lower compared to the corresponding period last year mainly due to lower development revenue partially offset by 27.5% hike in rental income. Development revenue dropped 32.1% on lower unit sales and delay in new launches. Higher occupancy rate in PJ8 and the Greentown car park operations boosted rental income.

The Division's pre-tax profit declined 21.4% to RM11.5 million. Profit from development activity contracted 60.8% to RM5.1 million, compensated by an increase in rental income and a fair value gain on Greentown car park of RM3.0 million.

B2. Variation of results against preceding quarter

	Revenue (RM'000)			Pre-tax Profit (RM'000)		
	3Q 2012	2Q 2012	% Chg	3Q 2012	2Q 2012	% Chg
Power	116,218	124,199	-6.4%	23,793	25,009	-4.9%
Resources	20,470	22,318	-8.3%	4,977	5,431	-8.4%
Property	7,622	8,418	-9.5%	5,122	3,113	64.5%
Sub-total	144,310	154,935	-6.9%	33,892	33,553	1.0%
Investment holding and others	8,539	6,944	23.0%	(595)	(5,239)	88.6%
	152,849	161,879	-5.6%	33,297	28,314	17.6%

Group revenue decreased 5.6% to RM152.8 million. However, pre-tax profit increased 17.6% to RM33.3 million mainly due to non-operating activities. Excluding the non-operating activities, the pre-tax profit of the Group's core operating divisions was relatively stable.

Pre-tax profit for the preceding quarter was negatively affected by a loss of RM4.3 million from quoted investments, as opposed to a gain of RM446,000 in the current quarter.

Power Division

Revenue decreased 6.4% from RM124.2 million to RM116.2 million.

Despite higher sales volume, steam sales in China declined 8.5% to RM55.3 million on the back of a 10.4% reduction in steam prices resulting from a 13.9% drop in coal prices. Energy sales decreased largely due to the shutdown of a turbine generator in the Shaoxing plant for maintenance and lower energy tariff from the Tawau plant.

Pre-tax profit dropped as revenue fell and this was further dampened by higher regulatory compliance and plant maintenance costs for the Shaoxing plant.

Resources Division

Revenue was 8.3% lower compared to the preceding quarter primarily due to weaker offtake of quicklime from both local and export markets and lower sales of high-margin calcium carbonate powder, offset by higher local demand for hydrated lime. Brick sales dropped mainly on lower sales volume resulting from slowdown in the construction sector.

Consequently, pre-tax profit decreased 8.4% to RM5.0 million.

B2. Variation of results against preceding quarter (Cont'd)

Property Division

Compared to the preceding quarter, revenue was down by 9.5% to RM7.6 million. Development revenue dropped 10.5% on lower unit sales and delay in new launches. Rental income decreased 5.8% to RM1.7 million mainly due to a temporary drop in occupancy in PJ8.

As explained earlier, pre-tax profit in the current quarter was boosted by fair value gain on Greentown car park. Excluding the fair value adjustment of RM3.0 million, pre-tax profit was lower than the preceding quarter due to the abovementioned reasons.

B3. Prospects

The Board expects the results for the remaining quarter of the current financial year to be satisfactory.

B4. Profit forecast

The Group did not issue any profit forecast or profit guarantee.

B5. Income tax expense

	Current quarter ended 30.9.2012 RM'000	Period ended 30.9.2012 RM'000
Current tax expense		
Malaysian	2,692	7,342
Overseas	5,400	15,367
	<u>8,092</u>	<u>22,709</u>

The effective tax rate of the Group for the current quarter was slightly lower than the Malaysian statutory tax rate of 25% due mainly to fair value gain, which is non-taxable.

The effective tax rate of the Group for the 9-month period ended 30 September 2012 approximated the Malaysian statutory tax rate of 25%. The impact from fair value gain, which is non-taxable, was partially offset by the impact from withholding tax of 10% on dividends repatriated from China and loss on disposal of quoted shares, which is non-deductible.

B6. Status of corporate proposal

There were no corporate proposals announced but not completed at 21 November 2012, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B7. Borrowing and debt securities

Group borrowings as at 30 September 2012:

	<u>RM'000</u>
Long-term borrowings	
<i>Secured denominated in:</i>	
Ringgit Malaysia	7,073
Short-term borrowings	
<i>Secured denominated in:</i>	
Ringgit Malaysia	45,187
<i>Unsecured denominated in:</i>	
Ringgit Malaysia	15,000
Chinese Renminbi (RMB30,000,000)	14,601
	74,788
	<hr/> 81,861 <hr/>

The Group has no debt securities as at 30 September 2012.

B8. Changes in material litigation

The Group has no material litigation which would materially and adversely affect the financial position of the Group.

B9. Dividend

- (a) A final dividend comprising 4.6 sen less income tax of 25%, and 1.4 sen tax-exempt, per ordinary share of RM1.00 each, for the financial year ended 31 December 2011 was paid on 17 July 2012 to entitled shareholders as at 29 June 2012.
- (b) An interim dividend of 3.0 sen tax-exempt for the financial year ending 31 December 2012 (financial year ended 31 December 2011 : interim dividend of 3.0 sen less income tax of 25%) was paid on 10 October 2012.

B10. Detailed disclosure for consolidated statement of comprehensive income

The total comprehensive income is arrived at:-

	Current quarter ended 30.9.2012 RM'000	Period ended 30.9.2012 RM'000
After crediting:-		
Interest income	(566)	(1,428)
Dividend income	(363)	(1,275)
Fair value adjustment on investment properties	(3,000)	(3,000)
Gain on disposal of property, plant and equipment	(2)	(226)
Gain on disposal of quoted shares	(83)	-
Gain on foreign exchange:		
- realised	-	-
- unrealised	-	(2,006)
After debiting:-		
Amortisation	209	383
Depreciation	7,164	21,017
Impairment of assets	-	-
Interest expense	1,172	2,981
Loss on disposal of quoted shares	-	2,743
Loss on foreign exchange:		
- realised	240	1,021
- unrealised	190	-
Provision for and write-off of receivables	-	-
Provision for and write-off of inventories	-	-
Gain or loss on derivatives	-	-
After other comprehensive income:-		
Foreign currency translation loss for foreign operations	4,478	7,633
Net fair value loss in available-for-sale financial assets	588	(1,567)

Mega First Corporation Berhad
(Co. No. 6682-V)

B11. Retained profits

	At 30.9.2012 RM'000	At 31.12.2011 RM'000
Total retained profits:		
- realised	112,496	116,447
- unrealised	58,677	57,969
	<hr/> 171,173	<hr/> 174,416
Total share of retained profits from associated company		
- realised	562	744
- unrealised	470	274
	<hr/> 172,205	<hr/> 175,434
Consolidation adjustments	134,444	104,010
	<hr/> 306,649	<hr/> 279,444

B12. Comparative figures

The comparative figures have been reclassified as follows:-

	Preceding Year Corresponding 3rd Quarter 30.9.2011 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
As previously reported:-		
Cost of sales	(115,742)	(339,704)
Other income, net	7,366	34,845
Operating expenses	(5,891)	(20,560)
	<hr/>	<hr/>
As restated:-		
Cost of sales	(115,140)	(338,011)
Other income, net	8,320	33,900
Operating expenses	(7,447)	(21,308)
	<hr/> <hr/>	<hr/> <hr/>

Mega First Corporation Berhad
(Co. No. 6682-V)

B13. Earnings per share

	Quarter ended 30 September		Period ended 30 September	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Basic earnings per share				
Profit for the period attributable to ordinary equity holders of the Company	17,611	20,216	44,970	67,506
Weighted average number of ordinary shares in issue ('000)	224,641	227,635	224,641	227,635
Basic earnings per share (sen)	7.84	8.88	20.02	29.66
Diluted earnings per share				
Profit for the period attributable to ordinary equity holders of the Company	17,611	20,216	44,970	67,506
Weighted average number of ordinary shares in issue ('000)	224,641	227,635	224,641	227,635
Weighted average number of shares under option ('000)	3,210	2,800	3,210	2,800
Weighted average number of shares that would have been issued at average market price ('000)	(2,856)	(2,642)	(2,856)	(2,515)
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	224,995	227,793	224,995	227,920
Diluted earnings per share (sen)	7.83	8.87	19.99	29.62

- (a) The basic earnings per share is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year excluding treasury shares held by the Company.
- (b) The diluted earnings per share is calculated by dividing the Group's profit attributable to shareholders of the Company by the assumed weighted average number of ordinary shares in issue, adjusted on the assumption that all outstanding options granted pursuant to the ESOS are exercised.

B14. Authorised for issue

This interim financial statements was authorised for issue by the Board of Directors on 28 November 2012.