

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

**Interim Financial Report  
31 March 2013**

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

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other  
Comprehensive Income**  
**For the 1st quarter and 3-month period ended 31 March 2013**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 1st Quarter 31.3.2013 RM'000	Preceding Year Corresponding 1st Quarter 31.3.2012 RM'000	Current Year To date 31.3.2013 RM'000	Preceding Year Corresponding Period 31.3.2012 RM'000
Revenue	A8	133,920	150,330	133,920	150,330
Cost of sales		(100,927)	(111,960)	(100,927)	(111,960)
Gross profit		32,993	38,370	32,993	38,370
Other income, net		6,629	3,142	6,629	3,142
Operating expenses		(8,329)	(11,273)	(8,329)	(11,273)
Profit from operations		31,293	30,239	31,293	30,239
Finance costs		(894)	(1,167)	(894)	(1,167)
Share of profit in an associate		29	266	29	266
Profit before tax	A8	30,428	29,338	30,428	29,338
Income tax expense		(7,783)	(7,064)	(7,783)	(7,064)
Profit after tax for the period		22,645	22,274	22,645	22,274
Other comprehensive income		9,043	(1,845)	9,043	(1,845)
Total comprehensive income for the period	B10	31,688	20,429	31,688	20,429
Profit attributable to:					
Owners of the Company		16,044	14,423	16,044	14,423
Non-controlling interests		6,601	7,851	6,601	7,851
		22,645	22,274	22,645	22,274
Total comprehensive income attributable to:					
Owners of the Company		24,114	14,684	24,114	14,684
Non-controlling interests		7,574	5,745	7,574	5,745
		31,688	20,429	31,688	20,429
EPS - Basic (sen)	B11	7.19	6.41	7.19	6.41
EPS - Diluted (sen)	B11	7.18	6.40	7.18	6.40

The notes set out on pages 7 to 23 form an integral part and should be read in conjunction with this interim financial report.

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

**Unaudited Condensed Consolidated Statement of Financial Position**  
**As at 31 March 2013**

	<b>Unaudited As At 31.3.2013 RM'000</b>	<b>Audited As At 31.12.2012 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	246,288	248,251
Associate	45,051	44,237
Quoted investments	68,253	70,866
Unquoted investments	2,323	2,210
Land use rights	815	847
Investment properties	121,390	121,363
Land held for property development	49,647	48,216
Deferred tax asset	482	-
Goodwill on consolidation	14,707	10,812
Long-term prepayment	1,017	1,056
	<b>549,973</b>	<b>547,858</b>
<b>Current Assets</b>		
Inventories	70,373	69,442
Property development	6,821	9,158
Trade and other receivables	144,808	142,466
Bank balances and deposits	140,139	126,108
	<b>362,141</b>	<b>347,174</b>
<b>TOTAL ASSETS</b>	<b>912,114</b>	<b>895,032</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Share capital	242,455	242,395
Treasury shares	(28,279)	(27,145)
Reserves	419,400	395,488
	<b>633,576</b>	<b>610,738</b>
<b>Non-Controlling Interests</b>	<b>142,351</b>	<b>134,763</b>
<b>Total Equity</b>	<b>775,927</b>	<b>745,501</b>
<b>Non-Current Liabilities</b>		
Other payables	799	793
Long-term borrowings	6,349	6,469
Deferred taxation	18,024	18,022
	<b>25,172</b>	<b>25,284</b>
<b>Current Liabilities</b>		
Trade and other payables	53,193	51,950
Short-term borrowings	49,637	62,243
Taxation	8,185	10,054
	<b>111,015</b>	<b>124,247</b>
<b>Total Liabilities</b>	<b>136,187</b>	<b>149,531</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>912,114</b>	<b>895,032</b>
<b>Net Assets Per Ordinary Share (RM)</b>	<b>2.84</b>	<b>2.73</b>

The notes set out on pages 7 to 23 form an integral part and should be read in conjunction with this interim financial report.

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

**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**For the 3-month period ended 31 March 2013**

	← Non-distributable					→ Distributable					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Employees' Share Option Reserve RM'000	Translation Reserve RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Parent RM'000	Non-Controlling Interests RM'000	
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	-	-	-	-	(3,745)	4,006	-	14,423	14,684	5,745	20,429
Contributions by and distributions to owners of the Company:-											
Dividends paid to:-											
- subsidiaries' non-controlling interests	-	-	-	-	-	-	-	-	-	(24,449)	(24,449)
Purchase of treasury shares	-	(2,729)	-	-	-	-	-	-	(2,729)	-	(2,729)
	-	(2,729)	-	-	-	-	-	-	(2,729)	(24,449)	(27,178)
Increase in equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	(276)	(276)
Total transactions with owners of the Company	-	(2,729)	-	-	-	-	-	-	(2,729)	(24,725)	(27,454)
Realisation of capital reserves	-	-	-	-	-	-	56	(147)	(91)	(69)	(160)
Balance at 31.3.2012	242,205	(25,045)	33,380	642	12,755	10,495	1,675	293,720	569,827	161,163	730,990

The notes set out on pages 7 to 23 form an integral part and should be read in conjunction with this interim financial report.

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

**Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)**  
**For the 3-month period ended 31 March 2013**

	← Non-distributable →					Distributable					Total Equity RM'000
	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	Attributable To Owners Of The Parent RM'000	Non-Controlling Interests RM'000	
Balance at 1.1.2013	242,395	(27,145)	33,475	774	13,572	12,539	15,090	320,038	610,738	134,763	745,501
Total comprehensive income for the period	-	-	-	-	2,425	5,645	-	16,044	24,114	7,574	31,688
Contributions by and distributions to owners of the Company:-											
Purchase of treasury shares	-	(1,134)	-	-	-	-	-	-	(1,134)	-	(1,134)
Employees' share options exercised	60	-	30	-	-	-	-	-	90	-	90
Total transactions with owners of the Company	60	(1,134)	30	-	-	-	-	-	(1,044)	-	(1,044)
Realisation of capital reserves	-	-	-	-	-	-	(74)	(158)	(232)	14	(218)
Balance at 31.3.2013	242,455	(28,279)	33,505	774	15,997	18,184	15,016	335,924	633,576	142,351	775,927

The notes set out on pages 7 to 23 form an integral part and should be read in conjunction with this interim financial report.

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

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For the 3-month period ended 31 March 2013**

	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>
	<b>To date</b>	<b>Corresponding</b>
	<b>31.3.2013</b>	<b>Period</b>
	<b>RM'000</b>	<b>31.3.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
Profit before tax	30,428	29,338
Adjustments for non-cash flow - Non-cash items	7,591	6,660
- Non-operating items	(3,719)	(2,659)
Operating profit before changes in working capital	34,300	33,339
Changes in working capital - Net change in current assets	(2,192)	(21,729)
- Net change in current liabilities	1,146	(4,815)
Cash from operations	33,254	6,795
Income tax paid	(9,013)	(10,563)
<b>Net cash from/(for) operating activities</b>	24,241	(3,768)
<b>Cash flows from/(for) investing activities</b>		
Interest received	371	484
Dividend received	74	441
Increase in:		
- Land held for property development	(1,431)	(91)
- Investment properties	(27)	-
Proceeds from disposal of property, plant and equipment	73	225
Purchase of property, plant and equipment	(3,826)	(7,292)
Proceeds from disposal of quoted shares	31,974	69,825
Purchase of quoted shares	(19,750)	(57,528)
Purchase of unquoted investments	(113)	-
Net cash outflow from acquisition of subsidiaries	(3,889)	(27,476)
Acquisition of additional equity interest in:		
- a subsidiary from non-controlling interests	-	(579)
- an associate company	(85)	-
<b>Net cash from/(for) investing activities</b>	3,371	(21,991)

The notes set out on pages 7 to 23 form an integral part and should be read in conjunction with this interim financial report.

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

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For the 3-month period ended 31 March 2013 (Cont'd)**

	<b>Current Year To date 31.3.2013 RM'000</b>	<b>Preceding Year Corresponding Period 31.3.2012 RM'000</b>
<b>Cash flows for financing activities</b>		
Interest paid	(763)	(1,065)
Net withdrawal/(repayment) of:		
- Revolving credits and trust receipts	4,531	4,637
- Hire purchase payables	(41)	(25)
- Term loans	(16,857)	(13,953)
Proceeds from issue of shares pursuant to ESOS	90	-
Purchase of treasury shares	(1,134)	(2,729)
<b>Net cash for financing activities</b>	<u>(14,174)</u>	<u>(13,135)</u>
<b>Effect of foreign exchange translation</b>	993	(2,082)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>14,431</u>	<u>(40,976)</u>
<b>Cash and cash equivalents at beginning of the period</b>	125,708	156,144
<b>Cash and cash equivalents at end of the period</b>	<u><u>140,139</u></u>	<u><u>115,168</u></u>

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

Bank balances and deposits	140,139	115,551
Bank overdrafts	-	(383)
	<u>140,139</u>	<u>115,168</u>

The notes set out on pages 7 to 23 form an integral part and should be read in conjunction with this interim financial report.

**Notes to the interim financial report**

**A EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Basis of preparation**

These condensed consolidated 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 2012.

- (a) During the 3-month period ended 31 March 2013, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

<b>FRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective Date</b>
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Government Loans	1 January 2013
Amendments to FRS 7: Disclosures of Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12: Transition Guidance	1 January 2013



**A1. Basis of preparation (Cont'd)**

<b>FRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to FRSs 2009 – 2011 Cycle	1 January 2013

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

- (b) The Group has not applied in advance the following new accounting standards and interpretations (including the consequential amendments) but are not yet effective for the 3-month period ended 31 March 2013:

<b>FRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective Date</b>
FRS 9 Financial Instruments	1 January 2015
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

- (c) On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRSs) that are equivalent to International Financial Reporting Standards.

For the period up to 31 March 2013, the Group prepared these interim financial statements in accordance with FRS as the Group falls within the definition of Transitioning Entities and has opted to prepare its first MFRSs financial statements for the financial year ending 31 December 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 2012.

**A2. Qualification of financial statements**

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2012 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 periods that have a material effect in the period under review.

**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 1.1.2013	242,395	(18,942)	242,395	(27,145)
Issue of shares pursuant to ESOS	60	-	60	-
Purchase of treasury shares	-	(711)	-	(1,134)
At 31.3.2013	<u>242,455</u>	<u>(19,653)</u>	<u>242,455</u>	<u>(28,279)</u>

**A6. Debt and equity securities (Cont'd)**

- (a) During the 3-month period ended 31 March 2013, 60,000 new ordinary shares of RM1.00 each share were issued at the price of RM1.50 per share pursuant to the exercise of options 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) During the 3-month period ended 31 March 2013, the Company purchased 711,200 of its issued ordinary shares of RM1.00 each from the open market at an average price of approximately RM1.59 per share for a total consideration of RM1,134,355. These shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.
- (c) Of the total 242,455,000 (31.12.2012 : 242,395,000) issued and fully paid-up ordinary shares of RM1.00 each as at 31 March 2013, 19,653,500 (31.12.2012 : 18,942,300) ordinary shares were held as treasury shares by the Company. The number of outstanding ordinary shares in issue and fully paid-up was therefore 222,801,500 (31.12.2012 : 223,452,700).

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**

No dividend was paid in the current quarter ended 31 March 2013.

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

**A8. Segment information for the 3-month period ended 31 March 2013**

<b>GROUP 2013</b>	<b>Power RM'000</b>	<b>Resources RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding &amp; Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External revenue	100,785	19,977	5,584	7,574	-	133,920
Inter-segment revenue	-	-	-	877	(877)	-
Consolidated revenue	100,785	19,977	5,584	8,451	(877)	133,920
<b>Results</b>						
Profit from operations	20,116	4,885	1,723	5,052	(483)	31,293
Finance costs						(894)
Share of profit in an associate						29
Income tax expense						(7,783)
Profit for the 3-month period						22,645
<b>Total assets</b>						
At 31.3.2013	323,934	185,131	292,808	413,476	(303,235)	912,114

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

**A8. Segment information for the 3-month period ended 31 March 2013 (Cont'd)**

<b>GROUP 2012</b>	<b>Power RM'000</b>	<b>Resources RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding &amp; Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External revenue	113,705	21,108	9,127	6,390	-	150,330
Inter-segment revenue	-	-	-	371	(371)	-
Consolidated revenue	113,705	21,108	9,127	6,761	(371)	150,330
<b>Results</b>						
Profit from operations	20,903	4,304	3,491	1,910	(369)	30,239
Finance costs						(1,167)
Share of profit in an associate						266
Income tax expense						(7,064)
Profit for the 3-month period						22,274
<b>Total assets</b> At 31.3.2012	323,762	179,655	305,753	450,150	(340,925)	918,395

**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**

- (i) On 11 April 2013, Rock Chemical Industries (Malaysia) Berhad ("RCI"), which is a wholly-owned subsidiary of the Company, converted from public company to private company. RCI has adopted Rock Chemical Industries (Malaysia) Sdn Berhad as its new name.
- (ii) On 23 April 2013, RCI subscribed for one new registered share of USD1.00 representing 100% equity interest in Silver Acreage Limited at the subscription price of USD1.00. Silver Acreage Limited was incorporated in The British Virgin Islands on 2 April 2013 and is a dormant company.
- (iii) On 26 April 2013, RCI subscribed for one new registered share of USD1.00 representing 100% equity interest in Ground Roses Limited at the subscription price of USD1.00. Ground Roses Limited was incorporated in The British Virgin Islands on 23 April 2013 and is a dormant company.
- (iv) On 13 May 2013, RCI acquired 1,321 fully paid-up ordinary shares of RM1.00 each representing 55% of the issued and paid-up share capital of Identiti Jitu Sdn Bhd ("IJSB") for an aggregate cash consideration of RM550,090. IJSB is principally involved in sand mining activity in the District of Kinta, Perak.

Other than as disclosed above, there was no other event subsequent to the end of the period reported up to 14 May 2013, 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**

- (i) On 4 January 2013, RCI acquired 778 fully paid-up ordinary shares of RM1.00 each representing 77.8% of the issued and paid-up share capital of Teratai Kembara Sdn Bhd ("TKSB") for an aggregate cash consideration of RM3.89 million.
- (ii) On 10 January 2013, Highland Resources Sdn Bhd, a wholly-owned subsidiary of Gombak Land Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, passed a special resolution to be wound-up voluntarily pursuant to Section 254(1)(b) of the Companies Act, 1965 of Malaysia.

**A11. Changes in composition of the Group (Cont'd)**

- (iii) On 6 February 2013, MFFB International Limited, a wholly-owned subsidiary of Bayangan Sutera Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, was dissolved following completion of its liquidation.
- (iv) On 1 March 2013, Teratai ANR Sdn Bhd (TASB) was incorporated with a paid-up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each which were held by TKSB. On 28 March 2013, TASB increased its issued share capital to 500,000 comprising fully paid ordinary shares of RM1.00 each, of which 450,000 shares representing 90% equity interest are held by TKSB. TASB's intended principal activity is mining and exploration.

Other than as disclosed above, there was no other change in the composition of the Group for the current quarter and 3-month period ended 31 March 2013.

**A12. Changes in contingent liabilities and assets**

- (a) Contingent liabilities

The Group's contingent liabilities as at 31 March 2013:

	<b>RM'000</b>
(i) Disputed increase in assessment on the power plant of a subsidiary levied by the local authority in the State of Sabah	<u>1,628</u>
(ii) A claim has been made against a subsidiary by a third party in the Malacca High Court for breach of contract, related to the sale and purchase of 40% of the undivided share of a piece of land. On 6 January 2005, the High Court ordered the subsidiary to pay damages to the third party. This matter has been fixed for assessment of damages and the amount claimed has yet to be proven in Court. The claim is not expected to be material.	

Other than as disclosed above, there was no other material contingent liability as at 14 May 2013, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

**A12. Changes in contingent liabilities and assets (Cont'd)**

(b) Contingent asset

The Group has no contingent asset as at 14 May 2013, 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 31 March 2013, the Group has the following commitments:

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Authorised but not provided for:	
Contracted	22,428
Not contracted	220
	<hr/>
	22,648
	<hr/>

**A14. Significant related party transactions**

There was no significant related party transaction during the current quarter and 3-month period ended 31 March 2013.



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

**B1. Review of performance**

Current quarter

	Revenue (RM'000)			Pre-tax Profit (RM'000)		
	1Q 2013	1Q 2012	% Chg	1Q 2013	1Q 2012	% Chg
Power	100,785	113,705	-11.4%	19,960	20,721	-3.7%
Resources	19,977	21,108	-5.4%	4,788	4,159	15.1%
Property	5,584	9,127	-38.8%	1,533	3,324	-53.9%
Sub-total	126,346	143,940	-12.2%	26,281	28,204	-6.8%
Investment holding & others	7,574	6,390	18.5%	4,147	1,134	265.7%
	133,920	150,330	-10.9%	30,428	29,338	3.7%

The Group posted a 10.9% decrease in revenue to RM133.9 million. However, pre-tax profit increased 3.7% to RM30.4 million mainly due to higher contribution from Resources Division and non-core activities as reflected in the results of Investment holding and others. The pre-tax profit from non-core activities included gains from quoted investments (1Q 2013 : RM4.0 million; 1Q 2012 : RM2.5 million).

A more detailed analysis of the results of each core operating division is provided further below.

**Power Division**

Revenue fell 11.4% to RM100.8 million from the first quarter of 2012. Steam sales dropped slightly as customer demand fell while energy sales decreased mainly due to engine overhauls. Revenue was further hit by lower steam prices as a result of lower coal prices and lower medium fuel oil prices.

Pre-tax profit however decreased at a slower pace of 3.7% to RM20.0 million, primarily due to better margins resulting from lower coal prices, partially offset by higher plant maintenance costs from the Sabah plant resulting from scheduled overhauls.

**Resources Division**

Compared to 1Q 2012, revenue decreased 5.4% to RM20.0 million. Sales of limestone products dropped 13.9% mainly on lower demand from export market. Brick sales increased as construction activities improve. Limestone sales was higher as the Division took full control of Anting in February 2012.

**B1. Review of performance (Cont'd)**

Current quarter (Cont'd)

**Resources Division (Cont'd)**

Pre-tax profit recorded a 15.1% improvement to RM4.8 million as a result of higher earnings contribution from sales of limestone products and limestone, partially offset by lower margins from brick sales.

**Property Division**

Both revenue and pre-tax profit were lower than 1Q 2012.

Development revenue dropped to RM3.8 million, mainly on lower unit sales and lower contribution from prior launches of double storey terrace houses and apartments, partially offset by sale of a recently launched residential project in Salak Tinggi. Development profit fell on lower development revenue.

Rental income was flat at RM1.8 million but profit increased slightly due to lower operating expenses.

**B2. Variation of results against preceding quarter**

	Revenue (RM'000)			Pre-tax Profit (RM'000)		
	1Q 2013	4Q 2012	% Chg	1Q 2013	4Q 2012	% Chg
Power	100,785	130,525	-22.8%	19,960	28,906	-30.9%
Resources	19,977	21,472	-7.0%	4,788	4,913	-2.5%
Property	5,584	8,957	-37.7%	1,533	15,188	-89.9%
Sub-total	126,346	160,954	-21.5%	26,281	49,007	-46.4%
Investment holding & others	7,574	9,292	-18.5%	4,147	(10,854)	n.m.
	133,920	170,246	-21.3%	30,428	38,153	-20.2%

The Group posted lower first quarter results on lower contribution from core operating divisions. The results for both periods were also affected by two significant non-operating items, namely, fair value gain on investment properties by the Property Division (1Q 2013 : Nil; 4Q 2012 : RM10.0 million) and contribution from quoted investments (1Q 2013 : gain of RM4.0 million; 4Q 2012 : loss of RM7.2 million) recorded under Investment holding and others.

A more detailed analysis of the results of each core operating division is provided further below.

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

**Power Division**

Revenue decreased 22.8% from RM130.5 million to RM100.8 million, led by a 25.8% drop in revenue from the power plant in China due to long holiday break in China during the Lunar New Year. Steam prices and energy tariffs remained constant.

Consequently, pre-tax profit equally declined by 30.9% to RM20.0 million.

**Resources Division**

Revenue decreased 7.0% to RM20.0 million, mainly due to lower sales of limestone products and limestone, partially offset by a 28.7% increase in brick sales. Quicklime and hydrated lime registered lower sales from lower volume and prices. Brick sales on the other hand rose on higher sales volume and prices.

Pre-tax profit fell slightly. Limestone products' margin was lower, mainly due to unfavourable product mix and higher electricity consumption. Contribution from limestone sales was down as revenue fell. These decreases were partially offset by higher contribution from bricks.

**Property Division**

Revenue fell 37.7% to RM5.6 million, while pre-tax profit declined 89.9% to RM1.5 million. As explained earlier, earnings in the preceding quarter included fair value gain on investment properties amounting to RM10.0 million. Excluding the gain, pre-tax profit decreased by 70.7% on lower margin.

Development revenue fell 46.9% to RM3.8 million, while development profit declined 84.8% to RM696,000. The weaker results were primarily driven by lower unit sales and lower completion percentages for most of the property projects, which have been completed or substantially completed before 2013. In addition, the higher development profit in 4Q 2012 was partly a result of the complete phase-out of several projects.

Rental income remained flat but rental profit rose on lower operating expenses.

**B3. Prospects**

The Board expects the results for the remaining quarters to be satisfactory.

**B4. Profit forecast**

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

**B5. Income tax expense**

	<b>Current quarter and period ended 31.3.2013 RM'000</b>
Current tax expense	
Malaysian	3,384
Overseas	4,399
	<hr/>
	7,783
	<hr/>

The effective tax rate of the Group for the current quarter and 3-month period ended 31 March 2013 was higher than the Malaysian statutory tax rate of 25% due mainly to underprovision of prior year tax, partially offset by non-taxable income.

**B6. Status of corporate proposal**

There were no corporate proposals announced but not completed at 14 May 2013, 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**

The Group's borrowings as at 31 March 2013:

	<b><u>RM'000</u></b>
<b>Long-term borrowings</b>	
<i>Secured denominated in:</i>	
Ringgit Malaysia	6,349
<b>Short-term borrowings</b>	
<i>Secured denominated in:</i>	
Ringgit Malaysia	43,646
<i>Unsecured denominated in:</i>	
Ringgit Malaysia	3,500
Chinese Renminbi (RMB5,000,000)	2,491
	<u>49,637</u>
	<u>55,986</u>

The Group has no debt securities as at 31 March 2013.

**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 tax-exempt dividend of 4.1 sen per share for the financial year ended 31 December 2012 was approved by the shareholders at the Annual General Meeting held on 21 May 2013. This dividend is payable on 16 July 2013 to entitled shareholders as at 28 June 2013 and has not been included as a liability in these financial statements.
- (b) No dividend has been proposed or declared for the current quarter ended 31 March 2013.

**B10. Detailed disclosure for consolidated statement of profit or loss and other comprehensive income**

The total comprehensive income is arrived at:-

	<b>Current quarter and period ended 31.3.2013 RM'000</b>
<b>After crediting:-</b>	
Interest income	(371)
Dividend income	(74)
Fair value adjustment on investment properties	-
Gain on disposal of property, plant and equipment	(73)
Gain on disposal of quoted shares	(3,964)
Gain on foreign exchange:	
- realised	(135)
- unrealised	(428)
Gain on derivatives	-
<b>After debiting:-</b>	
Amortisation	213
Depreciation of property, plant and equipment	7,175
Impairment of investment in quoted shares	-
Interest expense	763
Loss on disposal of property, plant and equipment	-
Loss on disposal of quoted shares	-
Loss on foreign exchange:	
- realised	4
- unrealised	2
Provision for and write-off of receivables	-
Provision for and write-off of inventories	39
Loss on derivatives	-
<b>After other comprehensive income:-</b>	
Foreign currency translation gain for foreign operations	(3,398)
Net fair value gain in available-for-sale financial assets	<u>(5,645)</u>

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

**B11. Earnings per share**

	Quarter ended 31 March		Period ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Basic earnings per share</b>				
Profit for the period attributable to owners of the Company	16,044	14,423	16,044	14,423
Weighted average number of ordinary shares ('000):-				
Issued ordinary shares at 1 January	242,395	242,205	242,395	242,205
Effect of new ordinary shares issued	17	-	17	-
Effect of treasury shares held	(19,264)	(17,098)	(19,264)	(17,098)
	<u>223,148</u>	<u>225,107</u>	<u>223,148</u>	<u>225,107</u>
Basic earnings per share (sen)	<u>7.19</u>	<u>6.41</u>	<u>7.19</u>	<u>6.41</u>
<b>Diluted earnings per share</b>				
Profit for the period attributable to owners of the Company #	16,044	14,423	16,044	14,423
Weighted average number of ordinary shares in issue ('000)	223,148	225,107	223,148	225,107
Weighted average number of shares under option ('000)	2,850	2,800	2,850	2,800
Weighted average number of shares that would have been issued at average market price ('000) #	<u>(2,696)</u>	<u>(2,471)</u>	<u>(2,696)</u>	<u>(2,471)</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	<u>223,302</u>	<u>225,436</u>	<u>223,302</u>	<u>225,436</u>
Diluted earnings per share (sen)	<u>7.18</u>	<u>6.40</u>	<u>7.18</u>	<u>6.40</u>

# Earnings have not increased because the total number of shares has increased only by the number of shares of 154,000 (31.3.2012: 329,000) deemed to have been issued for no consideration.

(a) The basic earnings per share is calculated by dividing the Group's profit attributable to owners 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 owners 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.

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

**B12. Retained profits**

	<b>At 31.3.2013 RM'000</b>	<b>At 31.12.2012 RM'000</b>
Total retained profits:		
- realised	173,812	141,248
- unrealised	50,078	60,521
	<hr/> 223,890	<hr/> 201,769
Total share of retained profits from associated company:		
- realised	441	381
- unrealised	506	518
	<hr/> 224,837	<hr/> 202,668
Consolidation adjustments	111,087	117,370
	<hr/> 335,924	<hr/> 320,038
Total Group retained profits	<hr/> <hr/> 335,924	<hr/> <hr/> 320,038

**B13. Authorised for issue**

These interim financial statements were authorised for issue by the Board of Directors on 21 May 2013.