MEXTER TECHNOLOGY BERHAD

(Company No: 647673 - A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2008

MEXTER TECHNOLOGY BERHAD
(Company No 647673-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Directors of Mexter Technology Berhad ("Mexter" or "Company") wishes to announce the following unaudited condensed consolidated results for the financial year ended 31 December 2008 which should be read in conjunction with the audited financial statements of Mexter for the financial year ended 31 December 2007.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Note	CURRENT YEAR QUARTER 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2007 RM'000	CURRENT YEAR TO DATE 31/12/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2007 RM'000
Revenue	A9	5,748	2,369	15,075	13,490
Operating expenses		(7,043)	(3,864)	(18,855)	(17,803)
Other operating income		106	37	347	280
Loss from operations		(1,189)	(1,458)	(3,433)	(4,033)
Finance costs		(49)	(5)	(110)	(15)
Exceptional items	A5	300	-	300	(6,697)
Share of profit/(loss) of associated company		-	9	-	(76)
Loss before tax		(938)	(1,454)	(3,243)	(10,821)
Tax expense	B5	(5)	(8)	(5)	17
Loss for the period/year		(943)	(1,462)	(3,248)	(10,804)
Attributable to:					
Shareholders of the Company		(943)	(1,462)	(3,248)	(10,804)
Minority interests		-	-	-	-
Loss for the period/year		(943)	(1,462)	(3,248)	(10,804)
Earnings per share:					
Basic earnings per share (sen)		(1.1)	(1.6)	(3.6)	(12.1)
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A

N/A – Not Applicable

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2008

	Note	(UNAUDITED) AS AT 31/12/2008 RM'000	(AUDITED) AS AT 31/12/2007 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		5,082	2,455
Associated company	A13 (i)	-	312
Intangible assets		211	443
		5,293	3,210
Current assets			
Associated company	A13 (i)	42	-
Inventories		946	743
Trade and other receivables		2,511	3,236
Tax recoverable		98	112
Cash and cash equivalents		4,117	5,230
		7,714	9,321
TOTAL ASSETS		13,007	12,531
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		8,945	8,945
Reserves		(1,445)	1,734
		7,500	10,679
Non-current liabilities			
Borrowings	B9	2,280	457
Deferred tax liabilities		3	3
		2,283	460
Current liabilities			
Trade and other payables		2,940	1,083
Deferred revenue		121	182
Borrowings	B9	163	112
Taxation		-	15
		3,224	1,392
Total liabilities		5,507	1,852
TOTAL EQUITY AND LIABILITIES		13,007	12,531
Net assets per share attributable to ordinary shareholders of the Company (RM)		0.08	0.12

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	< ---------------------- Attributable to shareholders of the Company ------------------- >							
	<--------------------Non-distributable--------------------->				Distributable	Total	Minority Interests	Total Equity
	Share capital	Share premium	Capital reserve	Translation reserve	Retained profits/ (Accumulated losses)			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1/1/2007:-	8,945	9,382	126	(17)	3,314	21,750	0	21,750
Exchange differences on translation of the financial statements of foreign entities	0	0	0	1	0	1	0	1
Loss for the year	0	0	0	0	(10,804)	(10,804)	0	(10,804)
Equity settled share-based transactions	0	0	0	0	0	0	0	0
Dividend – 2006 final	0	0	0	0	(268)	(268)	0	(268)
At 31/12/2007	8,945	9,382	126	(16)	(7,758)	10,679	0	10,679
At 1/1/2008	8,945	9,382	126	(16)	(7,758)	10,679	0	10,679
Exchange differences on translation of the financial statements of foreign entities	0	0	0	69	0	69	0	69
Loss for the year	0	0	0	0	(3,248)	(3,248)	0	(3,248)
Equity settled share-based transactions	0	0	(76)	0	76	0	0	0
At 31/12/2008	8,945	9,382	50	53	(10,930)	7,500	0	7,500

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	AS AT CURRENT FINANCIAL YEAR ENDED 31/12/2008 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2007 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		(3,243)	(10,821)
Adjustments for non-cash flows:			
Non-cash items		823	4,454
Interest income		(69)	(155)
Interest expense		110	15
Operating Loss Before Working Capital Changes		(2,379)	(6,507)
Changes In Working Capital:			
Net change in current assets		522	6,240
Net change in current liabilities		1,796	(1,297)
Net Cash Outflow from Operations		(61)	(1,564)
Income tax (paid)/refunded		(6)	34
Net Cash Outflow from Operating Activities		(67)	(1,530)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		69	155
Purchase of property, plant and equipment		(3,184)	(1,016)
Purchase of shortcodes		(63)	0
Proceed from disposal of property, plant and equipment		29	1
Return of capital from an associate	A13 (i)	270	0
Net Cash Outflow from Investing Activities		(2,879)	(860)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		0	(268)
Interest paid		(110)	(15)
Proceed from bank borrowings		1,986	365
Repayment of bank borrowings		(112)	(40)
Net Cash Inflow from Financing Activities		1,764	42
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,182)	(2,348)
Effects of foreign exchange rate changes		69	1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR		5,230	7,577
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR		4,117	5,230

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL REPORTING

A1 – Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB") for the MESDAQ Market.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company, its subsidiary companies and associated company (the "Group") since the financial year ended 31 December 2007.

A2 – Changes in Accounting Policies

The significant accounting policies adopted during the current quarter under review are consistent with those of the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRSs") which are effective and applicable for the financial period beginning 1 July 2007:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The Group has or will apply the rest of the abovementioned FRSs except for FRS 111 for the annual period beginning 1 January 2008. In this respect, FRS 111 is not applicable to the Group. Hence, no further disclosure is warranted.

The initial application of the other FRSs did not have any material impact on the financial statements of the Group.

A3 – Auditors' Report on Preceding Audited Financial Statements

The auditors' report on the Group's financial statements for the financial year ended 31 December 2007 was not qualified.

A4 – Seasonal or Cyclicality of Operations

In general, the Group's business is primarily exposed to business cycles of the Electronic Manufacturing, Semiconductor and Automotive industries. For the current quarter under review, the demand for the Group's products and services, particularly IT products and solutions, from the Group's customers continued to remain soft.

A5 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Save as that disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review:-

As announced on 16 July 2008 and 30 July 2008, the Company had on 29 July 2008 taken delivery of the following testers/components pursuant to the consent order recorded on 15 July 2008:-

Owner of tester/components	Tester bearing the Serial Number
Mexter (M) Sdn Bhd ("MMSB")	US38240198
MMSB	US38240419
Tonerex MSC Sdn Bhd ("TMSC")	US34240278

The above testers/components were inspected by an authorised test equipment manufacturer representative ('the representative") in Malaysia together with the other tester bearing the Serial Number US34240326. Based on the result of the diagnostic report issued by the representative and as a result of the discussions with the potential buyer, the Management has decided out of prudence, to write back RM0.3 million into MMSB's book for a fully functional tester in the current quarter under review. Repair and maintenance is required for the other 3 testers as mentioned above. In this respect, the Management is in the process of identifying potential buyer in order to dispose off the fully functional tester.

A6 – Changes in Estimates

There were no material changes in estimates of amounts reported in the prior financial period which may have had a material effect on the current quarter under review.

A7 – Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuance and repayment of debts (other than the hire purchase and term loan debts disclosed in Note B9) and equity securities during the current quarter under review and the Company had not engaged in any share buyback scheme or implemented any share cancellations. The Company does not have any shares held as treasury shares.

A8 – Dividends

No dividend has been declared or paid during the current quarter under review.

A9 – Segmental Information

The Group operates predominantly in the Information and Communications Technology Industry and accordingly, only the geographical segmental information (based on the known business address of the customers) is presented.

(a) Current quarter

	Current quarter ended 31 December 2008					
Analysis by geographical location	**Revenue from external customers by location of customers**		**Inter-segment revenue**		**Total revenue**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	5,420	94.3	-	-	5,420	94.3
China	266	4.6	-	-	266	4.6
India	-	-	-	-	-	-
Indonesia	5	0.1	-	-	5	0.1
Singapore	26	0.5	-	-	26	0.5
Southeast Asia *	10	0.2	-	-	10	0.2
Hong Kong	9	0.1	-	-	9	0.1
European Union	12	0.2	-	-	12	0.2
	5,748	100.0	-	-	5,748	100.0
Eliminations	-	-	-	-	-	-
Consolidated	5,748	100.0	-	-	5,748	100.0

(b) Cumulative quarters

	Cumulative quarters ended 31 December 2008					
Analysis by geographical location	**Revenue from external customers by location of customers**		**Inter-segment revenue**		**Total revenue**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	13,126	87.1	-	-	13,126	87.1
China	1,208	8.0	-	-	1,208	8.0
India	25	0.2	-	-	25	0.2
Indonesia	33	0.2	-	-	33	0.2
Singapore	372	2.5	-	-	372	2.5
Southeast Asia *	18	0.1	-	-	18	0.1
Hong Kong	9	0.1	-	-	9	0.1
European Union	284	1.8	-	-	284	1.8
	15,075	100.0	-	-	15,075	100.0
Eliminations	-	-	-	-	-	-
Consolidated	15,075	100.0	-	-	15,075	100.0

** denotes Southeast Asia countries other than Malaysia, Singapore and Indonesia.*

A10 – Valuation of Property, Plant and Equipment

There has been no valuation on any property, plant and equipment of the Group during the current quarter under review. Hence, the valuation of property, plant and equipment has been brought forward without amendment from the audited financial statements of the Group for the financial year ended 31 December 2007.

A11 – Acquisition/Disposal of Property, Plant and Equipment

There were no material acquisitions or disposals of property, plant and equipment during the current quarter under review.

A12 – Material Subsequent Events

There were no material events subsequent to the end of the current quarter under review.

A13 – Changes in Composition of the Group

Save as that disclosed below, there were no other changes to the composition of the Group during the current quarter under review:-

(i) The Company had on 2 September 2008, 3 September 2008 and 26 September 2008 respectively announced the voluntary winding-up of an associate company, Advantech Control (M) Sdn. Bhd. ("AKL"), of which the carrying cost of the latter has been reclassified to current assets pursuant to FRS128 (Investment in Associates). As part of the voluntarily winding-up exercise, the Company has received the return of capital from AKL amounting to RM270,000 during the current quarter under review. As at the date of this announcement, the voluntary winding-up has yet to be completed;

(ii) The Company had on 28 November 2008 announced the acquisition of one (1) ordinary share of AUD1.00 each in Mexter (Aust) Pty. Ltd. ("MAPL") on 27 November 2008. In tandem with the acquisition, the Company had further increased its investment in MAPL by subscribing for an additional 9,999 new ordinary shares of AUD1.00 each in the capital of MAPL for a cash consideration of AUD9,999. Consequently, MAPL has become a wholly-owned subsidiary of the Company. Further details of the acquisition are set out in the Company's announcement dated 28 November 2008;

(iii) The Company had on 2 December 2008 announced that MexComm Sdn. Bhd. ("MexComm"), a wholly-owned subsidiary of the Company has acquired the entire issued and paid-up share capital of Ezymobile International Sdn. Bhd. ("EISB") of RM2.00 representing 2 ordinary shares of RM1.00 each in EISB for a total consideration of RM2.00 from Ms. Ng Wai Mei and Ms. Chan Wai Fen. In consequent thereof, EISB has become a wholly-owned subsidiary of MexComm, and in turn, a wholly-owned subsidiary of the Company. Further details of the acquisition are set out in the Company's announcement dated 2 December 2008; and

(iv) The Company had on 30 December 2008 announced that a Share Sale Agreement has been entered with Ms. Chan Wai Fong for the disposal of its equity interest of 20,000 ordinary shares of RM1.00 each representing 20% of the entire issued and paid-up share capital of MexComm for a cash consideration of RM20,000.00 (hereinafter referred to as "the disposal"). The de facto completion of the disposal had taken place on 1 January 2009. As a result of the disposal, the equity interest of the Company in MexComm has been diluted from 100% to 80%. Further details of the disposal are set out in the Company's announcement dated 30 December 2008.

A14 – Changes in Contingent Liabilities or Contingent Assets

As at the date of this announcement, save for any potential damages or cost to be awarded pursuant to the on-going civil suits as disclosed in Note B11 herein, the Directors of the Company are not aware of any material contingent liabilities or contingent assets that may impact the financial performance of the Group.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE MESDAQ MARKET

B1 – Review of Performance

	Cumulative period ended 31 December 2008 RM'000	Preceding year corresponding period ended 31 December 2007 RM'000
Revenue	15,075	13,490
Loss before tax	(3,243)	(10,821)

For the financial period ended 31 December 2008, the Group recorded revenue of approximately RM15.08 million which represents an increase of 11.7% as compared to the preceding year's revenue. This was primarily attributed to the higher sales contribution from its subsidiary, MexComm Sdn. Bhd. ("MexComm") which increased from RM0.14 million to RM6.61 million following the launching and contribution of its Premium Mobile Messaging services. However, the higher sale contribution from MexComm was slightly mitigated by a decrease in sales contribution from the Group's Computer and Electronics Services Division, i.e. from RM7.29 million to RM3.90 million as a result of lower demand and intense competition during the period under review. Revenue from the E-manufacturing Division decreased marginally compared to the preceding year due to the overall challenging business environment.

For the same financial period, the Group recorded a loss before tax of approximately RM3.24 million which represents a significant improvement of approximately RM7.58 million or 70.0% as compared to the Group's loss before tax of approximately RM10.82 million reported in the preceding year. The improvement was attributed to the higher revenue contribution and overall lower operation cost. In addition, last year's loss before tax included a one-off charge for impairment loss on the Group's goodwill on consolidation of RM2.91 million and the full provision of the carrying value of testers amounting to RM3.78 million.

B2 – Comparison with Preceding Quarter's Results

	Current quarter ended 31 December 2008 RM'000	Previous quarter ended 30 September 2008 RM'000
Revenue	5,748	4,076
Loss before tax	(938)	(420)

The Group's revenue for the current quarter of approximately RM5.75 million which represents an increase of approximately RM1.67 million or 41.0% as compared to the revenue of approximately RM4.08 million for the preceding quarter. Test and Measurement Division and MexComm have continuously registered a growth in revenue during this quarter with MexComm contributing approximately 76.1% of the total Group revenue following the launching and contribution of its Premium Mobile Messaging services in the previous quarter.

The relatively lower gross profit contribution from MexComm despite the higher revenue contribution as compared to other divisions; the latter was still insufficient to cover the operating cost of the Group which increased marginally during the quarter under review. Hence, the Group registered loss before tax of approximately RM0.94 million for the quarter under review which represents an increase of approximately RM0.52 million or 123.8% when compared to the Group's loss before tax of approximately RM0.42 million reported in the previous preceding quarter.

B3 – Current Year Prospects

2008 turned out to be an unprecedented and tumultuous year as the magnitude of the sub-prime credit crisis continued to impact the real economy. As the state of the global economy plays a key role in technology demand, the current global macro setting has resulted in a very difficult and challenging 2008. The Group posted an operating loss of RM3.4 million for the financial year ended 31 December 2008, a slight improvement as compared to the operating loss of RM4.0 million in the financial year ended 31 December 2007. The improvement was a result of the various efforts/initiatives taken by the Management to manage the impact of the global financial meltdown.

The Board expects market volatility to linger into much of 2009 and economic recession to deepen further. In this tough and uncertain global market environment, the primary focus and priority for the Group is to preserve capital value. The Group will exercise prudent measures to manage costs to ride out this period of global financial turbulence, taking into consideration prevailing sentiments and market conditions.

B4 – Profit Forecast

The Group did not publish any profit forecast in its Prospectus or in any public documents.

B5 – Tax Expense

	31 December 2008	
	Current Quarter RM'000	**Cumulative Quarters RM'000**
Malaysian income tax:-		
Current tax:		
- Current year	-	-
- Underprovision in prior years	(5)	(5)
	(5)	(5)
Deferred taxation:		
- Original and reversal of temporary differences	-	-
	(5)	(5)

There is no tax expense for the current period as the Company and most of its subsidiaries posted losses. The subsidiary which posted profits had sufficient tax losses to offset profits made. Mexter MSC Sdn. Bhd. ("MMSC") and Tonerex MSC Sdn. Bhd. were granted Multimedia Super Corridor ("MSC") status which exempts their income from taxation for a period of five (5) years commencing from November 2002 and July 2005 respectively. MMSC had submitted an application to Multimedia Development Corporation ("MDeC") seeking for a further extension of its MSC/pioneer status for an additional of five (5) years. As at the date of this announcement, the said application is still pending approval. On 11 June 2008, MexComm was also granted MSC Status by MDeC. Further, MexComm had obtained an approval letter dated 20 January 2009 from the Ministry of International Trade and Industry conferring it pioneer status which shall be valid for a period of five (5) years from August 2008.

B6 – Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter under review.

B7 – Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter under review.

B8 – Status of Corporate Proposals Announced But Not Completed

Save for the following, there were no other corporate proposals announced but not completed as of the date of this announcement:-

(a) Proposed Private Placement and Proposed Special Issue as announced on 8 August 2008 which is subject to approvals being obtained from the following parties:-

  (i) the shareholders of Mexter at an Extraordinary General Meeting to be convened for the Proposed Special Issue;
  (ii) Bursa Malaysia Securities Berhad for the listing of and quotation for the new ordinary shares of RM1.00 each in Mexter to be issued pursuant to the Proposed Private Placement and Proposed Special Issue; and
  (iii) the Securities Commission (“SC”) which was obtained on 4 September 2008. Under the SC’s guidelines, the Proposed Private Placement and Proposed Special Issue have an implementation period of 6 months and 12 months from the date of approval, respectively. Further, the Company had on 16 February 2009 submitted an application to the SC to seek a six (6) month extension to implement the Proposed Private Placement. SC had, vide its letter dated 23 February 2009, approved an extension of time of six (6) months (i.e. to 3 September 2009) for Mexter to complete the Proposed Private Placement.

  The Company is still in the midst of identifying potential investors for the Proposed Private Placement and Proposed Special Issue and will seek the outstanding approvals once there are sufficient developments in its efforts.

(b) Proposed voluntary winding-up of Advantech Control (M) Sdn. Bhd (as disclosed in Note A13 (i)).

B9 – Group Borrowings and Debt Securities

Group borrowings as at the end of the reporting quarter were as follows:-

	Current RM’000
Hire purchase liabilities (Unsecured)	86
Term loan (Secured)	77
	163

	Non-current RM’000
Hire purchase liabilities (Unsecured)	216
Term loan (Secured)	2,064
	2,280

The Group does not have any foreign borrowings as at the date of this announcement.

B10 – Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this announcement.

B11 – Material Litigation

On 26 December 2008, the Company's through its solicitors, had filed an application ("the application") to enter judgement in default of defence against Ms Oung Lay Choon, the 6th Defendant pertaining to the on-going civil suit in the Penang High Court (Civil Suit No. MT1-22-527-2007). The application is fixed for hearing on 28 May 2009. Further, the 3rd Defendant, Lo Mooi Lee's applications to vary the Mareva injunction to allow her to withdraw the amount of RM294,192.00 from her Fixed Deposit Account at Citibank Berhad to pay for her son, Tan Kuan Ron's insurance and to amend the Order dated 15 July 2008 to change the Fixed Deposit Account Number at Citibank Berhad are fixed for hearing on 14 May 2009. Apart from the same and the various updates preceding the same, there have not been any changes in material litigation since 31 December 2007, being the last balance sheet date up to the date of this announcement.

B12 – Dividends

No dividend has been declared or paid during the current quarter under review.

B13 – Status of Utilisation of Proceeds

The proceeds arising from the Company's initial public offering amounted to RM13.937 million and as at 31 December 2008, the details of the utilisation of proceeds are as follows:-

Purpose	Original proposed utilisation RM'000	Revised proposed utilisation RM'000	Actual utilisation RM'000	Revised Timeframe For Utilisation	Balance unutilised RM'000	%	
Business expansion	1,000	3,100 #	3,100	31 December 2007	-	-	
Purchase of a corporate headquarter-cum-warehouse	2,500	400 #	400	31 July 2007	-	-	
R&D expenses	5,000	5,000	4,803	11 April 2009	197	4	Note 1
Working capital	3,637	4,367 *	4,367	31 December 2007	-	-	
Estimated listing expenses	1,800	1,070 *	1,070	11 April 2005	-	-	
Total	13,937	13,937	13,740		197	1	

Revision as approved by the SC vide its letter dated 17 October 2005.

* The excess of RM0.73 million from the estimated listing expenses which has not been utilised has been reallocated to working capital.

Note 1

The Group will continue to implement its R&D roadmap for product line extension and considers the time frame of four (4) years from the Company's listing date of 12 April 2005 to be sufficient for the Group to fully utilise the proceeds for its intended purposes.

B14 –Earnings per Share

(a) Basic earnings per share ("EPS")

Basic EPS of the Group is calculated by dividing the profit or loss for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

		Current quarter ended 31 December		**Cumulative quarters ended 31 December**	
		2008	**2007**	**2008**	**2007**
Loss for the period attributable to ordinary shareholders of the Company	(RM'000)	(943)	(1,462)	(3,248)	(10,804)
Weighted average number of ordinary shares in issue	('000)	89,452	89,452	89,452	89,452
Basic EPS	(sen)	(1.1)	(1.6)	(3.6)	(12.1)

The weighted average number of ordinary shares in issue is determined using the number of days that the specific shares are outstanding in proportion to the total number of days in the corresponding period.

(b) Diluted EPS

There is no dilution of share capital for the Group.

BY ORDER OF THE BOARD
Ooi Ean Hoon (MAICSA 7057078)
Angelina Cheah Gaik Suan (MAICSA 7035272)
Tee Choon Wee (MIA 27070)
Company Secretaries
Kuala Lumpur
Dated: 26 February 2009