

Condensed Unaudited Consolidated Income Statements
Quarterly report on unaudited consolidated results
For the period ended 31 July 2009

	3 months quarter ended <u>31.07.09</u> RM'000 (Unaudited)	3 months quarter ended <u>31.07.08</u> RM'000 (Unaudited)	Cumulative 6 months <u>31.07.09</u> RM'000 (Unaudited)	Cumulative 6 months <u>31.07.08</u> RM'000 (Unaudited)
Revenue	34,833	36,787	61,419	63,871
Cost of sales	<u>(31,186)</u>	<u>(36,756)</u>	<u>(55,544)</u>	<u>(64,528)</u>
Gross profit/(loss)	3,647	31	5,875	(657)
Other operating income	(102)	419	3,948	485
Selling expenses	(585)	(603)	(911)	(1,024)
Administrative expenses	(1,741)	(1,427)	(3,280)	(2,758)
Finance costs	(747)	(929)	(1,485)	(1,822)
Profit/(Loss) before taxation	<u>472</u>	<u>(2,509)</u>	<u>4,147</u>	<u>(5,776)</u>
Taxation	<u>11</u>	<u>11</u>	<u>21</u>	<u>92</u>
Net profit/(loss) for the period	<u><u>483</u></u>	<u><u>(2,498)</u></u>	<u><u>4,168</u></u>	<u><u>(5,684)</u></u>
Attributable to:				
Shareholders of the Company	<u><u>483</u></u>	<u><u>(2,498)</u></u>	<u><u>4,168</u></u>	<u><u>(5,684)</u></u>
Basic earnings/(loss) per ordinary share (sen)	0.20	(1.05)	1.76	(2.40)
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

N/A = Not applicable

The Condensed Unaudited Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009.

Condensed Unaudited Consolidated Balance Sheet

As at 31 July 2009

	As at <u>31.07.09</u> RM'000 (Unaudited)	As at <u>31.01.09</u> RM'000 (Audited)
Assets		
Property, plant and equipment	67,918	69,557
Investment	178	178
Goodwill	33,728	33,728
Total non-current assets	<u>101,824</u>	<u>103,463</u>
Assets held for sale	-	235
Inventories	37,900	33,887
Trade and other receivables	25,780	18,599
Deposits, bank and cash balances	834	2,491
Total current assets	<u>64,514</u>	<u>55,211</u>
Total assets	<u>166,338</u>	<u>158,675</u>
Equity		
Share capital	118,405	118,405
Reserves	(48,980)	(53,148)
Total equity attributable to shareholders of the Company	<u>69,425</u>	<u>65,257</u>
Liabilities		
Borrowings	16,952	18,693
Hire purchase payables - long term	371	486
Deferred tax liabilities	439	460
Total non-current liabilities	<u>17,762</u>	<u>19,639</u>
Trade and other payables	20,815	22,222
Short term borrowings	58,107	51,328
Hire purchase payables - short term	229	229
Total current liabilities	<u>79,151</u>	<u>73,779</u>
Total liabilities	<u>96,913</u>	<u>93,418</u>
Total equity and liabilities	<u>166,338</u>	<u>158,675</u>
Net assets per share attributable to ordinary shareholders of the Company (sen)	0	(0)
	29	27

The Condensed Unaudited Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009.

Condensed Unaudited Consolidated Statement of Changes in Equity
For the period ended 31 July 2009

	Attributable to shareholders of the Company			
	<u>Non-Distributable</u>			
	Share Capital RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	Total RM'000
At 1 February 2009	118,405	17	(53,165)	65,257
Net Profit/(loss) for the period	-	-	4,168	4,168
At 31 July 2009	118,405	17	(48,997)	69,425
At 1 February 2008	118,405	17	(48,206)	70,216
Net loss for the period	-	-	(5,684)	(5,684)
At 31 July 2008	118,405	17	(53,890)	64,532

The Condensed Unaudited Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009.

Condensed Unaudited Consolidated Cash Flow Statement

For the period ended 31 July 2009

	6 months ended <u>31.07.09</u> RM'000 (Unaudited)	6 months ended <u>31.07.08</u> RM'000 (Unaudited)
Cash flows from operating activities		
Profit/(Loss) before taxation	4,147	(5,776)
Adjustments for:		
Non-cash items	496	2,882
Interest expense	1,485	1,822
Interest income	(0)	(13)
Dividend income	(5)	-
Operating profit/(loss) before working capital changes	<u>6,123</u>	<u>(1,085)</u>
Changes in working capital:		
Net change in current assets	(16,431)	(5,366)
Net change in current liabilities	<u>7,725</u>	<u>12,229</u>
Cash used in from operations	(2,583)	5,778
Interest paid	(823)	(1,054)
Tax refund	<u>5</u>	<u>1,333</u>
Net cash (used in)/generated from operating activities	<u>(3,402)</u>	<u>6,057</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,523)	(3,966)
Proceeds from sale of investments	-	-
Dividend income received	5	-
Interest received	0	13
Increase in fixed deposit pledged	(0)	-
Net cash used in investing activities	<u>(2,518)</u>	<u>(3,953)</u>
Cash flows from financing activities		
Drawdown of bank borrowings	128,683	121,224
Repayment of bank borrowings	(130,989)	(118,499)
Repayment of hire purchase	(115)	(115)
Interest paid	<u>(662)</u>	<u>(2,029)</u>
Net cash (used in)/generated from financing activities	<u>(3,083)</u>	<u>581</u>
Net changes in cash and cash equivalents	(9,003)	2,685
Cash and cash equivalents at beginning of the period	<u>2,446</u>	<u>2,967</u>
Cash and cash equivalents at end of the period	<u>(6,557)</u>	<u>5,652</u>
Cash and cash equivalents comprise:		
Cash and bank balances	753	5,652
Fixed deposits	81	-
Bank overdraft	<u>(7,391)</u>	<u>-</u>
	<u>(6,557)</u>	<u>5,652</u>

The Condensed Unaudited Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009.

Notes to the unaudited interim financial report

1. Basis of preparation

This unaudited interim financial report has been prepared in accordance with the Financial Reporting Standards (“FRS”) and the provisions of the Companies Act, 1965 in Malaysia. This unaudited interim financial report also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The unaudited interim financial report has been prepared in accordance with the same significant accounting policies adopted in the annual financial statements for the financial year ended 31 January 2009 except for the significant accounting policies arising from the adoption of new FRSs, revised FRSs and IC Interpretations as set out in Note 2 to the unaudited interim financial report.

The preparation of the unaudited interim financial report requires management to make judgements, estimates and assumptions that affect the application of significant accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This unaudited interim financial report contains condensed unaudited consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 January 2009. The condensed unaudited consolidated interim financial statements and the notes thereon do not include all the information required for full set of financial statements prepared in accordance with FRSs.

2. Significant accounting policies

(a) Adoption of Revised FRSs and IC Interpretations

The Group had adopted the following revised FRSs and IC Interpretations (“IC Int”) that are relevant to their operations and are mandatory for the current financial period:-

Revised FRSs

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

IC Interpretations

IC Int 1	Changes in Existing Decommissioning, Restoration & Similar Liabilities
IC Int 2	Members’ Shares in Co-operative Entities & Similar Instruments
IC Int 5	Rights to Interests arising from Decommissioning, Restoration & Environmental Rehabilitation Funds
IC Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical & Electronic Equipment
IC Int 7	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economics
IC Int 8	Scope of FRS 2

2. Significant accounting policies (Continued)_

(a) Adoption of Revised FRSs and IC Interpretations (Continued)

The adoption of the above revised FRSs and IC Int did not result in any substantial changes in the Group accounting policies, and have any material impact on this unaudited interim financial report of the Group

(b) FRSs and IC Interpretations that are issued, not yet effective and have not been early adopted

The Group have not adopted the following new and revised FRSs, amendments to FRSs and IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:-

		Effective for financial periods beginning on Or after
<u>New FRSs</u>		
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
<u>Revised FRSs</u>		
FRS 123	Borrowing costs	1 January 2010
<u>Amendments to FRSs</u>		
FRS 127	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
<u>IC Int</u>		
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010

3. Audit qualifications

The report of the auditors on the Group's financial statements for the financial year ended 31 January 2009 was not subject to any qualification.

4. Seasonal or cyclical factors

The Group's operations were not affected by seasonal or cyclical factors.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year to-date because of their nature, size, or incidence.

6. Changes in estimates

There were no significant changes in financial estimates reported in prior interim periods that would materially affect the current interim period report.

7. Debt and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to-date.

8. Dividend paid

There were no dividends paid during the quarter ended 31 July 2009.

9. Segment reporting

The Group's segmental report for the 6 months ended 31 July 2009 are as follows:

	<u>Manufacturing</u> RM'000	Investment <u>holding</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
Revenue				
Total	61,468		4,145	65,613
Inter segment	(4,194)	-	-	(4,194)
External	57,274		4,145	61,419
Results				
Segment profit/(loss)	2,425	3,314	(107)	5,632
Finance costs				(1,485)
Profit before taxation				4,147
Taxation				21
Net profit for the period				4,168

9. Segment reporting (Continued)

The Group's segmental report for the 6 months corresponding year ended 31 July 2008 are as follows:

	<u>Manufacturing</u>	<u>Investment</u> <u>holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	63,913		6,058	69,971
Inter segment	(6,100)	-	-	(6,100)
External	57,813		6,058	63,871
Results				
Segment loss	(3,160)	(628)	(179)	(3,967)
Interest income				13
Finance costs				(1,822)
Loss before taxation				(5,776)
Taxation				92
Net loss for the period				(5,684)

10. Property, plant and equipment

The valuations of freehold land and leasehold land had been brought forward, without amendment from the previous annual financial statements.

11. Events subsequent to the balance sheet date

There was no material events subsequent to the end of the current quarter ended 31 July 2009 until the date of this report.

12. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial period to-date.

13. Contingent assets and contingent liabilities

There were no changes in contingent assets and liabilities since the last annual balance sheet date except for the following:

	<u>31.07.09</u>	<u>31.01.09</u>
	RM'000	RM'000
(i) Bank guarantees issued to third parties by a subsidiary company	2,606	3,797

These are bank guarantees issued to authorities and utilities suppliers mainly for performance bonds, security deposits and payment guarantees.

13. Contingent assets and contingent liabilities (Continued)

- (ii) The Company has issued corporate guarantees totalling RM65.7 million in favour of various financial institutions for the banking facilities extended to a subsidiary company. The amount of the banking facilities utilised as at 31 July 2009 is RM69.7 million.

14. Capital commitments

Capital commitments for the Group not provided for in the interim financial report are as follows:

	<u>31.07.09</u>
	RM'000
Approved and contracted for:	
Property, plant and equipment	974
	<hr/>
	<u>974</u>

Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements**15. Review of performance**

The Group's profit before taxation for the current quarter ended 31 July 2009 was RM0.47 million as compared to the preceding year corresponding quarter's loss before taxation of RM2.51 million. The profit was mainly due to a better sales mix.

16. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM0.47 million on a revenue of RM34.83 million for the current quarter as compared to a profit before taxation of RM3.67 million on a revenue of RM26.59 million for the immediate preceding quarter ended 30 April 2009. The profit in the previous quarter was mainly due to the gain on disposal of non-current assets held for sale.

17. Current year prospects

With a global recession facing the world's economy, we foresee tough times ahead. However the Board is of the view that a more prudent management of production lines and an aggressive selling price campaign would reduce this negative impact and we hope to see better results in the forthcoming quarters.

The Group will continue to implement various cost control measures, diversify its product types and change its marketing strategies in order to further improve its financial position.

18. Profit forecast or profit guarantee

The Group did not publish any profit forecast or issue any profit guarantee during the reporting period.

19. Taxation

	3 months ended	Cumulative 6 months ended
	<u>31.07.09</u>	<u>31.07.09</u>
	RM'000	RM'000
Deferred taxation	<u>10</u>	<u>21</u>

No income tax expense for the current quarter as the Group is in a tax loss position.

20. Unquoted investments and landed properties

There were no disposal of unquoted investments for the current financial period-to-date.

21. Quoted investment

There were no purchases or sales of quoted securities for the current financial period-to-date. Investment in quoted shares as at 31 July 2009 is as follows:

	<u>Cost</u>	<u>Carrying amount</u>	<u>Market value</u>
	RM'000	RM'000	RM'000
Quoted in Malaysia	<u>178</u>	<u>178</u>	<u>486</u>

22. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the latest practicable date.

23. Borrowings

The Group's borrowings since the last annual balance sheet date (excluding hire purchase liabilities) are as follows:

	<u>31.07.09</u>	<u>31.01.09</u>
	RM'000	RM'000
Current		
-bank overdraft	7,391	46
-unsecured short term borrowings	47,241	47,858
-term loan (secured)	3,475	3,424
Non-current		
-term loan (secured)	16,952	18,693
	<u>75,059</u>	<u>70,021</u>

The above borrowings are denominated in Ringgit Malaysia.

24. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the latest practicable date except for the following:

The position of forward foreign exchange hedging contracts of a wholly owned subsidiary as at the latest practicable date is as follows:

	<u>USD'000</u> <u>equivalent</u>	<u>RM'000</u> <u>equivalent</u>
Contractual value	1,700	6,183

The related accounting policies for the off balance sheet financial instruments are disclosed in the audited financial statements for the financial year ended 31 January 2009

25. Changes in material litigation

There was no pending material litigation in respect of the Company since the last annual balance sheet date.

26. Dividend Payable

The Directors do not recommend any payment of dividend for the current financial period to-date.

27. Basic profit/(loss) per share

	3 months ended	3 months ended	Cumulative 6 months ended	Cumulative 6 months ended
	<u>31.07.09</u>	<u>31.07.08</u>	<u>31.07.09</u>	<u>31.07.08</u>
Net profit/(loss) for the period (RM'000)	483	(2,498)	4,168	(5,684)
Number of ordinary shares in issue (‘000)	236,810	236,810	236,810	236,810
Basic earnings/(loss) per ordinary share (sen)	0.20	(1.05)	1.76	(2.40)

28. Authorisation for issue

The unaudited interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 September 2009.