

**Condensed Unaudited Consolidated Statement of Comprehensive Income**  
**Quarterly report on unaudited consolidated results**  
**For the financial period ended 31 October 2011**

	3 months quarter ended <u>31.10.2011</u> RM'000 (Unaudited)	3 months quarter ended <u>31.10.2010</u> RM'000 (Unaudited)	Cumulative 9 months <u>31.10.2011</u> RM'000 (Unaudited)	Cumulative 9 months <u>31.10.2010</u> RM'000 (Unaudited)
Revenue	24,830	31,816	86,992	107,238
Cost of sales	<u>(28,012)</u>	<u>(30,790)</u>	<u>(96,615)</u>	<u>(100,851)</u>
Gross (loss)/profit	(3,183)	1,026	(9,623)	6,387
Other operating income	978	5,473	2,236	6,586
Selling expenses	(273)	538	(1,137)	(709)
Administrative expenses	(1,698)	(3,360)	(6,445)	(6,576)
Finance costs	(1,130)	(811)	(2,992)	(2,355)
(Loss)/Profit before taxation	<u>(5,305)</u>	<u>2,866</u>	<u>(17,962)</u>	<u>3,333</u>
Taxation	<u>10</u>	<u>10</u>	<u>31</u>	<u>31</u>
Net (loss)/profit for the financial period	(5,295)	2,876	(17,930)	3,364
Other comprehensive income for the financial period, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive(loss)/ income for the financial period	<u>(5,295)</u>	<u>2,876</u>	<u>(17,930)</u>	<u>3,364</u>
(Loss)/Profit attributable to: Owners of the parent	<u>(5,295)</u>	<u>2,876</u>	<u>(17,930)</u>	<u>3,364</u>
Total comprehensive (loss)/income attribute to: Owners of the parent	<u>(5,295)</u>	<u>2,876</u>	<u>(17,930)</u>	<u>3,364</u>
(Loss)/Earnings per ordinary share attributable to owners of the parent (sen)				
- Basic	(0.98)	1.21	(3.32)	1.42
- Diluted	(0.71)	N/A	(2.42)	N/A

The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2011

## Condensed Unaudited Consolidated Statement of Financial Position

### As at 31 October 2011

	As at <u>31.10.2011</u> RM'000 (Unaudited)	As at <u>31.01.11</u> RM'000 (Audited)
<b>Assets</b>		
Property, plant and equipment	71,727	69,168
Goodwill	-	-
<b>Total non-current assets</b>	<u>71,727</u>	<u>69,168</u>
Inventories	35,058	37,493
Trade and other receivables	26,033	26,987
Derivative asset	78	226
Fixed deposits	52,000	-
Cash and bank balances	(2,997)	65,203
<b>Total current assets</b>	<u>110,171</u>	<u>129,909</u>
<b>Total assets</b>	<u>181,898</u>	<u>199,077</u>
<b>Equity</b>		
Share capital	118,405	118,405
Reserves	(32,776)	(14,845)
<b>Total equity attributable to owners of the parent</b>	<u>85,630</u>	<u>103,560</u>
<b>Liabilities</b>		
Borrowings	16,801	15,092
Hire purchase payables - long term	88	128
Deferred tax liabilities	325	376
<b>Total non-current liabilities</b>	<u>17,215</u>	<u>15,596</u>
Trade and other payables	13,398	18,579
Short term borrowings	65,554	61,094
Hire purchase payables - short term	102	248
<b>Total current liabilities</b>	<u>79,054</u>	<u>79,921</u>
<b>Total liabilities</b>	<u>96,269</u>	<u>95,517</u>
<b>Total equity and liabilities</b>	<u>181,898</u>	<u>199,077</u>
Net assets per share attributable to owners of the parent (sen)	14	17

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2011

**Condensed Unaudited Consolidated Statement of Changes in Equity  
For the financial period ended 31 October 2011**

	Attributable to owners of the parent			Distributable		Total RM'000
	Share Capital RM'000	Capital Reserves RM'000	Warrant Reserves RM'000	Other Reserves RM'000	Accumulated Losses RM'000	
At 1 February 2011	118,405	-	10,609	11,319	(36,773)	103,560
Total comprehensive loss for the financial period	-	-	-	-	(17,930)	(17,930)
At 31 October 2011	118,405	-	10,609	11,319	(54,703)	85,630
At 1 February 2010	118,405	17	-	-	(47,965)	70,457
Total comprehensive income for the financial period	-	-	-	-	3,364	3,364
At 30 October 2010	118,405	17	-	-	(44,601)	73,821

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 2011

**Condensed Unaudited Consolidated Statement of Cash Flow**  
**For the financial period ended 31 October 2011**

	9 months ended <u>31.10.2011</u> RM'000 (Unaudited)	9 months ended <u>31.10.2010</u> RM'000 (Unaudited)
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(17,962)	3,333
Adjustments for:		
Non-cash items	9,064	1,744
Interest expense	2,992	2,355
Interest income	(378)	(17)
Dividend income	-	(6)
Operating (loss)/profit before working capital changes	<u>(6,284)</u>	<u>7,409</u>
Changes in working capital:		
Net change in current assets	493	5,023
Net change in current liabilities	<u>(10,488)</u>	<u>(13,031)</u>
Cash used in from operations	(16,278)	(599)
Interest paid	(1,224)	(1,470)
Tax refund/(paid)	(6)	7
<b>Net cash (used in )/generated from operating activities</b>	<b><u>(17,509)</u></b>	<b><u>(2,062)</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,779)	(1,432)
Reclassifications - FRS	13	
Proceeds from disposal of property, plant and equipment	-	551
Dividend income received		6
Insurance claim	155	-
Interest received	378	15
<b>Net cash generated from/(used in) investing activities</b>	<b><u>(8,233)</u></b>	<b><u>(860)</u></b>
<b>Cash flows from financing activities</b>		
Drawdown of bank borrowings	23,201	205,977
Repayment of bank borrowings	(16,124)	(202,629)
Repayment of hire purchase	(186)	(181)
Interest paid	(1,768)	(885)
<b>Net cash generated from/(used in) financing activities</b>	<b><u>5,124</u></b>	<b><u>2,282</u></b>
Net changes in cash and cash equivalents	(20,618)	(640)
Cash and cash equivalents at beginning of the financial period	65,203	(5,157)
<b>Cash and cash equivalents at end of the financial period</b>	<b><u>44,586</u></b>	<b><u>(5,797)</u></b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	966	296
Fixed deposits	52,000	84
Bank overdraft	(8,381)	(6,093)
	<b><u>44,586</u></b>	<b><u>(5,713)</u></b>
Less: Fixed deposits to licensed bank	-	(84)
	<b><u>44,586</u></b>	<b><u>(5,797)</u></b>

The Condensed Unaudited Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2011

## 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”) 134: Interim Financial Reporting 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 2011.

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 2011. 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. Changes in accounting policies

#### New and Revised FRSs, Amendments/Improvements to FRSs and IC Interpretations (“IC Int”)

**New and Revised FRSs, Amendments/Improvements to FRSs and IC Int that are issued, not yet effective and have not been adopted early.**

	<b>Effective for financial periods beginning on or after</b>
<u>Revised FRSs</u>	
FRS 124    Related Party Disclosures	1 January 2012
<u>IC Int</u>	
IC Int 14    Prepayment of Minimum Funding Requirement	1 July 2011
IC Int 15    Agreement for the Construction of Real Estate	1 January 2012
IC Int 19    Extinguishing Financial Liabilities with Equity Instrument	1 July 2011

**3. Audit qualifications**

The report of the auditors on the Group's financial statements for the financial year ended 31 January 2011 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 period 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.

**8. Operating segments**

The Group's operating segments for the period ended 31 October 2011 are as follows:

	<u>Manufacturing</u>	Investment <u>holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Total	89,550	-	-	89,550
Inter segment	(2,558)			(2,558)
External	86,992	-	-	86,992
<b>Results</b>				
Segment profit/(loss)	(20,130)	(424)	(21)	(20,575)
Interest Income				378
Finance costs				(2,992)
Loss before taxation				(17,961)
Taxation				31
Net (loss) for the period				(17,930)

**8. Operating segments (Cont'd)**

The Group's operating segments report for the corresponding period ended 31 October 2010 are as follows:

	<u>Manufacturing</u> RM'000	<u>Investment holding</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<b>Revenue</b>				
Total	107,268	6	2,949	110,223
Inter segment	(2,985)	-	-	(2,985)
External	104,283	6	2,949	107,238
<b>Results</b>				
Segment profit/(loss)	3,270	2,600	(199)	5,671
Interest Income				17
Finance costs				(2,355)
Profit before taxation				3,333
Taxation				31
Net profit for the period				3,364

**9. Property, plant and equipment**

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

**10. Events after the reporting period**

There was no material event subsequent to the end of the current quarter ended 31 October 2011 until the date of this report.

**11. Changes in composition of the Group**

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

**12. Contingent assets and contingent liabilities**

There were no contingent assets and liabilities since the last financial year end except for the following:

	<u>31.10.11</u>	<u>31.01.11</u>
	RM'000	RM'000
(i) Bank guarantees issued to third parties by a subsidiary company	3,202	1,595

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

- (ii) The Company has issued corporate guarantees totalling RM104.4 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 October 2011 is RM 82.36 million.

**13. Capital commitments**

There is no capital commitment for the Group in this interim financial report.

**Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements****14. Review of performance**

The Group recorded a revenue of RM 24.83 million for 3Q 2011 which was a decrease of 21.96% from the same quarter of preceding year. However, the Group recorded a loss before taxation of RM 5.31 million as compared to the profit before taxation of RM 2.87 million of the corresponding quarter of preceding year.

The drop in the Group's revenue was mainly due to the drop in production output caused by the shortage of manpower and volatility of latex price for the third quarter. In addition, the stock write down of RM 1.46 million which was non-recurring in nature caused further deterioration of the Group's results.



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

The Group recorded revenue of RM 24.83 million and loss before taxation of RM 5.31 million for the current quarter as compared to a revenue of RM 39.83 million and loss before taxation of RM 6.73 million for the immediate preceding quarter ended 31 July 2011. The drop in the Group revenue was mainly due to the drop in production output caused by the shortage of manpower and volatility of latex price for the third quarter.

**16. Current year prospects**

Volatility of latex price and foreign exchange coupled with the excess supply capacity remain as competitive and challenging factors in the industry. Natural latex price was hovering in the narrow band of RM8.00/kg to RM8.50/kg from August 2011 to early October 2011, starting to drop below RM8.00/kg towards the end of October 2011. In November 2011, the natural latex price reached its lowest level since January 2011 in the range of RM6.50/kg. On the other hand, the current nitrile latex price dropped from its peak of USD2.05/kg (September 2011) to the level around USD1.60/kg range. With the more manageable raw material prices and recovery of manpower, the Group expects to improve its revenue in the forthcoming quarter.

**17. Profit forecast or profit guarantee**

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

**18. Taxation**

	3 months ended <u>31.10.11</u>	Cumulative 9 months ended <u>31.10.11</u>
	RM'000	RM'000
Deferred taxation	<u>10</u>	<u>31</u>

**19. Landed properties**

There was no disposal of any landed properties for the current financial period.

**20. Quoted investment**

There were no purchases or sales of quoted securities for the current financial period.

## 21. Status of corporate proposal announced

- a) On 24 December 2010, the Rights Issue with Warrants was completed following the listing of and quotation for the 355,215,720 Rights Shares together with 236,810,480 Warrants on Bursa Malaysia Securities Berhad, realising proceeds of RM 71.04 million.
- b) The status of utilisation of proceeds raised from corporate proposals is as follows:

### Renounceable Right Issue

Purpose	Proposed Utilisation (RM 000)	Actual Utilisation (RM 000)	Intended Timeframe for Utilisation
Purchase of new machineries and other ancillary facilities	33,000	-	Within two years
Construction of factory building	5,000	1,000	Within two years
Construction of effluent treatment plant	2,000	-	Within two years
Purchase of raw materials	19,043	6,046	Within one year
Repayment of bank borrowings	10,000	10,000	-
Expenses in relation to the Corporate Exercises	2,000	2,000	-
<b>Total</b>	<b>71,043</b>	<b>19,046</b>	

## 22. Borrowings

The Group's borrowings since the last financial year end (excluding hire purchase liabilities) are as follows:

	<u>31.10.11</u>	<u>31.01.11</u>
	RM'000	RM'000
Current		
-bank overdraft	2,997	3,443
-short term borrowings	55,769	53,383
-term loan (secured)	5,368	4,268
Non-current		
-term loan (secured)	16,801	15,092
	<u>80,935</u>	<u>76,186</u>

The above borrowings are denominated in Ringgit Malaysia.

**23. Derivative financial instruments**

During the financial period, the wholly owned subsidiary had entered into forward foreign exchange contracts to hedge its exposure to fluctuations in foreign exchange risk arising from sales.

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

<u>Foreign Exchange Forwards Contracts</u>	<u>Contract Value RM'000</u>	<u>Fair Value RM'000</u>
US Dollars	7,032	7,110

The above instruments were executed with credit worthy financial institutions in Malaysia.

**24. Material litigation**

There is no pending material litigation in respect of the Company since the last financial year end.

**25. Retained earnings**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings as at the end of the reporting period, into realised and unrealised profits or losses.

The breakdown of the retained earnings/(accumulated losses) of the Group into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	<u>31.10.11</u> RM'000	<u>31.01.11</u> RM'000
Total retained earnings/(accumulated losses) of the Group		
- Realised	1,286	21,563
- Unrealised	(148)	(324)
Less: Consolidated adjustments	(55,842)	(58,012)
Total accumulated losses as per statement of financial position	<u>(54,704)</u>	<u>(36,773)</u>

**26. Dividend Payable**

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

**27. (Loss)/Earnings per share**

	3 months ended <u>30.10.11</u>	3 months ended <u>30.10.10</u>	Cumulative 9 months ended <u>31.10.11</u>	Cumulative 9 months ended <u>31.10.10</u>
Net (loss)/profit for the period (RM'000)	(3,496)	2,876	(16,131)	3,364
Weighted average number of ordinary shares for basic earnings per share computation	539,474	236,810	539,474	236,810
Effect of dilution:				
- Warrant	201,775	-	201,775	-
Weighted average number of ordinary shares for diluted earnings per share computation	<u>741,249</u>	<u>236,810</u>	<u>741,249</u>	<u>236,810</u>
(Loss)/Earnings per ordinary share attributable to owners of the parent (sen)				
- Basic	(0.98)	1.21	(3.32)	1.42
- Diluted	(0.71)	N/A	(2.42)	N/A

**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 29 December 2011.