



Interim Report on Consolidated Results for the Financial Quarter ended 31st March 2009

A NOTES TO THE INTERIM FINANCIAL REPORT

A1. Accounting policies and method of computation

The interim financial report has been prepared in accordance with Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2008.

The quarterly financial statements under review have been prepared based on the same accounting policies and methods of computation as compared with those adopted for the financial statements for the financial year ended 30th June 2008.

A2. Seasonal or cyclical factors

There are no seasonal or cyclical factors affecting the results for the current quarter.

A3. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the current financial quarter.

A4. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in the amount of estimates reported previously that have a material effect in the current quarter.

A5. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period to date, except for the following:

- (i) The paid-up capital was increased from RM66,000,845 to RM66,793,345 by way of issue of 1,585,000 ordinary shares of RM0.50 each pursuant to the exercise of options granted under the Executive Share Option Scheme (ESOS).
- (ii) On 12th December 2008, the paid-up capital was increased by the bonus issue of 66,793,345 shares of RM0.50 each on the basis of 1 bonus share for every 2 existing shares held in the Company.

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A6. Dividend paid

There was no dividend paid during the quarter under review. The proposed dividend of 4% less tax plus 3% tax-exempt in respect of the financial year ended 30th June 2008, was approved by the shareholders at the 39th Annual General Meeting held on 22nd November 2008. The dividend was paid on 8th January 2009 totaling RM6,011,401.

A7. Segment revenue and segment result

Information on business segments for the financial period ended 31st March 2009 is as follows:-

	Manufacturing RM'000	Investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE					
External sales	126,713	206	4,103	-	131,022
Inter-segment sales	2,533	9,783	-	(12,316)	-
Total revenue	129,246	9,989	4,103	(12,316)	131,022
RESULT					
Operating profit	4,584	9,066	820	(10,783)	3,687
Interest expense					(144)
Interest income					1,119
Income tax expense					(1,629)
Profit after taxation					3,033

A8. Material subsequent event

There are no material events subsequent to the end of period reported on to the date of this report which have not been reflected in the financial statement for the quarter ended 31st March 2009.

A9. Change in composition of the Group

There are no changes in the composition of the Group for the current financial period to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.



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A10. Contingent liabilities or contingent assets

There is no change in contingent liabilities or contingent assets since the last annual balance sheet date to the date of this report.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

- (i) Group revenue at RM131.02 million for the period ended 31st March 2009 improved marginally by 3.0% or RM3.82 million against RM127.20 million registered in the same period last year. The increase in revenue was mainly due to the increase in average selling price, which however was not in line with the higher raw material costs.
- (ii) Group profit before tax at RM4.66 million was lower as against last corresponding period of RM21.46 million, due mainly to the impact from the economic slow down and uncertainty from the second quarter and the substantial write down of inventories in the second quarter.

B2. Comparison of results against the previous quarter ended 31st December 2008

Group revenue at RM32.43 million was lower than last quarter by 13.4% or RM5.04 million. Nevertheless, the Group's performance for the current quarter has improved substantially from a loss before tax of RM6.46 million in the second quarter to a profit before tax of RM2.61 million in the current quarter. The improvement in profit was substantially due to reduction in raw material costs in the third quarter.

Other factors contributing to the improved performance include the following:

- (i) Lower provision of diminution in value of quoted investment at RM376,500 as against RM1,604,500 previously.
- (ii) Substantial write down of inventories of RM3.21 million in the last quarter.

B3. Prospects

In view of the improvement in the financial performance in the third quarter, the Board is cautiously optimistic that the performance of the fourth quarter will match the profitability of the third quarter, if not better.

B4. Comparison with profit forecast

This note is not applicable.

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B5. Income Tax

Taxation comprises:-

	Current quarter ended 31/3/2009	Current year to date 31/3/2009
	RM'000	RM'000
Estimated current Malaysian taxation	304	1,546
Deferred taxation	<u>171</u>	<u>112</u>
	475	1,658
Under/(over) provision in prior years - income tax	<u>5</u>	<u>(29)</u>
	<u>480</u>	<u>1,629</u>

The effective tax rate of the Group for the period to date is higher than the statutory income tax rate mainly due to the loss making of certain subsidiary companies.

B6. Sale of unquoted investments and/or properties

On 31st March 2009, the Company has entered into a sale and purchase agreement for the disposal of its vacant land at IGB International Industrial Park, Ipoh for a consideration of RM1,165,000.

B7. Purchase or disposal of quoted securities

(a)

	Current quarter ended 31/3/2009 RM'000	Current year to date 31/3/2009 RM'000
Total purchase consideration	<u>-</u>	<u>1,279</u>
Total sale proceeds	<u>-</u>	<u>1,308</u>
Gain on disposal	<u>-</u>	<u>568</u>

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(b) Investments in quoted securities as at 31st March 2009 are as follows:-

	RM'000
(i) Total investments at cost	8,932
(ii) Total investment at carrying value	6,321
(iii) Total investments at market value	6,321

B8. Status of Corporate proposals

There are no corporate proposals announced as at the date of this report.

B9. Group borrowings and debt securities

Group borrowings as at 31st March 2009 consist of the following:

	RM'000
Term loan	288
Less: Amount due within 12 months	<u>(288)</u>
Non-current portion	<u><u>-</u></u>

The term loan is denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

There is no financial instrument with off balance sheet risk as at the date of this report that might materially affect the position or business of the Group.

B11. Changes in material litigation

The Court of Appeal had on 20th November 2008 dismissed with costs the Company's appeal against the High Court decision on the Company's claim for alleged misrepresentation and negligence filed against a former executive.

Other than the above, there were no changes in material litigation since the last annual balance sheet date.

B12. Dividend

No interim dividend has been declared.

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B13. Earnings per share

The basic and diluted earnings per ordinary share of RM0.50 each are calculated as follows:

	Current quarter ended 31/3/2009	Current period to date 31/3/2009
Net profit attributable to ordinary shareholders (RM'000)	<u>1,825</u>	<u>3,141</u>
Weighted average number of ordinary shares of RM0.50 each	200,380,036	162,605,065
Basic earnings per ordinary share of RM0.50 each (sen)	<u>0.9</u>	<u>1.9</u>
Diluted earnings per share		
Weighted average number of ordinary shares of RM0.50 each	200,380,036	162,605,065
Adjustment for share options	<u>-</u>	<u>147,495</u>
Adjusted weighted average number of ordinary shares for diluted earnings per ordinary share of RM0.50 each	<u>200,380,036</u>	<u>162,752,560</u>
Diluted earnings per ordinary share of RM0.50 each (sen)	<u>0.9</u>	<u>1.9</u>

By Order of the Board,

Ms CHONG YOKE SENG
COMPANY SECRETARY

29 May 2009