

BANENG HOLDINGS BHD.
CONDENSED CONSOLIDATED INCOME STATEMENT

	Current Quarter Ended 30 June 2009 (Unaudited) RM'000	Current Quarter Ended 30 June 2008 (Unaudited) RM'000	6 Months Cumulative To Date 30 June 2009 (Unaudited) RM'000	6 Months Cumulative To Date 30 June 2008 (Unaudited) RM'000
REVENUE	70,216	65,155	106,775	110,802
COST OF SALES	(63,504)	(55,772)	(101,692)	(92,756)
GROSS PROFIT	6,712	9,383	5,083	18,046
OTHER OPERATING INCOME	6	535	129	845
GENERAL AND ADMINISTRATIVE EXPENSES	(8,930)	(5,043)	(15,267)	(10,236)
(LOSS)/PROFITS FROM OPERATIONS	(2,212)	4,875	(10,055)	8,655
FINANCE EXPENSE	(2,409)	(1,731)	(4,089)	(3,471)
SHARE OF RESULT OF ASSOCIATES	(5,046)	(2,893)	(8,450)	(4,520)
(LOSS)/ PROFITS BEFORE TAXATION	(9,667)	251	(22,594)	664
TAXATION	-	(118)	-	(510)
(LOSS)/ PROFITS FOR THE PERIOD	(9,667)	133	(22,594)	154
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENT	(6,550)	1,201	(18,617)	1,839
MINORITY INTERESTS	(3,117)	(1,068)	(3,977)	(1,685)
(LOSS)/PROFITS FOR THE PERIOD	(9,667)	133	(22,594)	154
EARNING PER SHARE				
Basic earnings per share (sen)	(10.92)	2.00	(31.03)	3.07
Dilutive earnings per share (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

BANENG HOLDINGS BHD.
CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30 June 2009 (Unaudited) RM'000	As at 31 Dec 2008 (Audited) RM'000
Non Current Assets		
Property, plant & equipment	77,086	79,828
Other investments	3,200	3,200
Investment in associate	6,297	14,747
Long term receivable	7,978	7,978
	<u>94,561</u>	<u>105,753</u>
Current Assets		
Inventories	79,214	83,073
Trade receivables	52,871	56,048
Cash and bank balances	1,787	1,982
Other receivables, deposits and prepayments	22,067	22,954
	<u>155,939</u>	<u>164,057</u>
	<u>250,500</u>	<u>269,810</u>
Equity		
Equity attributable to equity holders of the parent		
Share capital	60,000	60,000
Reserves	24,950	46,118
	<u>84,950</u>	<u>106,118</u>
Minority interests	4,502	8,320
Total equity	<u>89,452</u>	<u>114,438</u>
Non-current Liabilities		
Long term borrowings	682	33,085
Long Term Payables	5,885	1,572
Deferred taxation	3,429	3,429
Non-Current Liabilities	<u>9,996</u>	<u>38,086</u>
Current Liabilities		
Short term borrowings	121,201	84,632
Trade payables	25,953	22,071
Other payables	3,898	10,583
	<u>151,052</u>	<u>117,286</u>
Total liabilities	<u>161,048</u>	<u>155,372</u>
Total equity and liabilities	<u>250,500</u>	<u>269,810</u>
	-	-
Net assts per share (RM) attributable to		
Equity holders of the parent	1.42	1.77
Minority interests	0.08	0.14

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

**BANENG HOLDINGS BHD.
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
FOR THE PERIOD ENDED 30 JUNE 2009**

GROUP	Non Distributable						Minority Interest RM'000	Total RM'000
	Share capital RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000	Total RM'000		
At 1 January 2009	60,000	16,090	5,103	24,925	106,118	8,320	114,438	
Profit for the period	-	-	-	(18,617)	(18,617)	(3,977)	(22,594)	
Currency translation difference	-	-	(2,551)	-	(2,551)	159	(2,392)	
At 30 June 2009	60,000	16,090	2,552	6,308	84,950	4,502	89,452	
At 1 January 2008	60,000	16,090	2,621	58,045	136,756	20,182	156,938	
Profit for the period	-	-	-	1,839	1,839	(1,685)	154	
Currency translation difference	-	-	3,326	-	3,326	1,254	4,580	
At 30 June 2008	60,000	16,090	5,947	59,884	141,921	19,751	161,672	

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

BANENG HOLDINGS BHD.
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	6 Months Cumulative To Date 30 June 2009 (Unaudited) RM'000	6 Months Cumulative To Date 30 June 2008 (Unaudited) RM'000
Cashflows from Operating Activities		
(Loss)/Profits before taxation	(22,594)	664
Adjustments for:		
Depreciation	3,646	3,540
Interest expense	4,089	3,471
Share of result of associate	8,450	4,520
Operating profit before working capital changes	<u>(6,409)</u>	<u>12,195</u>
Decrease/ (Increase) in inventories	3,859	(10,770)
Decrease in receivables	4,066	8,079
Increase/ (Decrease) in payables	1,842	(26,244)
Cash generated from/(used in) operations	<u>3,358</u>	<u>(16,740)</u>
Interest paid	-	(3,471)
Income tax paid	(332)	(88)
Net cash generated from/ (used in) operating activities	<u>3,026</u>	<u>(20,299)</u>
Cashflows From Investing Activities		
Purchase of property, plant and equipment	(904)	(3,325)
Interest received	-	-
Net cash used in investing activities	<u>(904)</u>	<u>(3,325)</u>
Cashflows From Financing Activities		
Repayment of term loans	-	(2,059)
Repayment of hire purchase liabilities	(302)	(202)
Drawdown of short term borrowings	662	18,299
Net cash generated from financing activities	<u>360</u>	<u>16,038</u>
Net increase/(decrease) in cash and cash equivalents	2,482	(7,586)
Effects of exchange rate changes	(4,332)	4,580
Cash and cash equivalent brought forward	<u>1,702</u>	<u>5,277</u>
	<u>1,633</u>	<u>2,271</u>
Cash and cash equivalents comprise:		
Cash and bank balances	1,787	2,723
Bank overdraft	(154)	(452)
	<u>1,633</u>	<u>2,271</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

A. Explanatory Notes to the Interim Financial Report Pursuant To FRS 134**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Exchange Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

3. Seasonal or cyclical Factors

The Group performance is not affected by any major seasonal or cyclical fluctuations.

4. Unusual items affecting the assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income and cash flows for the current quarter and financial year to date.

5. Material changes in estimates

There are no material changes in estimates for the current quarter and financial period to date

6. Material Debt and Equity Securities

There are no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter and financial period to date.

7. Dividends paid

There are no dividends paid for the current quarter.

8. Segmental Information

Analysis by geographical location:

	Current year to date <u>30 June 2009</u> RM'000
Revenue	
Malaysia	75,762
Brunei	3,254
Singapore	100,966
Consol Elimination	<u>(73,207)</u>
	<u>106,775</u>
(Loss)/ Profit before taxation	
Malaysia	(8,655)
Brunei	(14,144)
Singapore	<u>205</u>
	<u>(22,594)</u>

9. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment as reported in the annual financial statement for the year ended 31 December 2008.

10. Subsequent Event

There is no material events subsequent to the end of the period reported that have not been reflected in this quarterly report.

11. Changes in composition of the Group

There was no material change in the composition of the Group during the current financial quarter.

12. Contingent liabilities and contingent assets

As at the date of this report, the contingent liabilities were made-up of corporate guarantees issued by the Company to financial institutions for credit facilities granted to subsidiaries and associate amounting to RM132.7mil.

13. Capital Commitments

There were no capital commitments as at the end of the current financial quarter.

B. EXPLANATORY NOTES PURSUANT TO THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIRMENTS**1. Review of performance**

During the quarter ended 30th June 2009, the Group recorded a loss before taxation of RM9.7million as compared to a profit of RM 251,000 in the corresponding quarter in the preceding year.

For the financial year to-date, the losses are mainly attributable to the continued losses incurred by our associate and subsidiary in Brunei Darussalam amounting to approximately RM8.4mil and Rm14.1mil respectively.

2. Comparison with Preceding Quarter's Results

	Current Qtr Ended 30 Jun 2009 (RM'000)	Preceding Qtr Ended 31 Mar 2009 (RM'000)
Revenue	70,216	36,559
Profit/(loss) Before Tax	(9,667)	(12,927)

Turnover increased greater than 90% in the current quarter as compared to the preceding quarter mainly due to the signs of stabilization of the retail industry in United States and globally.

The increase had enabled the garment division to operation effectively.

Nonetheless, the Group had registered a pre-tax loss of RM9.7million in the current quarter due to losses in an associate company and Brunei's subsidiary as compared to the pre-tax loss of RM12.9million in the preceding quarter.

3. Prospects

The Group foresee a challenging year ahead but remain optimistic for the remaining periods of the financial year given the strong support it enjoys among its customers.

4. Variances from profit forecast and profit guarantee

The Group has not disclosed any profit forecast or made any profit guarantee.

5. Tax expense

No taxes is provided for due to the Group is suffering from continuing losses

6. Profits/(losses) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties for the current financial quarter and financial period to date.

7. Quoted Securities Other than Securities in Existing Subsidiaries and Associated Company

There were no purchases or sales of quoted securities for the current financial quarter and financial period to date.

8. Status of Corporate Proposals

There were no corporate proposals announced at the date of this quarterly report.

9. Group Borrowings and Debt Securities

Group Borrowings as at 30 June 2009 were:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured - in local currencies			
- Bank Overdrafts	154	-	154
- Trust receipts	60	-	60
- Bankers acceptance	56,057	-	56,057
- Hire purchases	357	-	357
- Collatorised Loan Obligation – unsecured	32,000	-	32,000
Secured - in foreign currencies			
- Trust receipts (in Singapore/Brunei dollars)	32,041	-	32,041
- Hire purchases (in Singapore/Brunei dollars)	532	682	1,214
- Term loan (in Brunei dollars)	-	-	-
Total	121,201	682	121,883

The Group had submitted a proposed Debt Restructuring Scheme to the Corporate Debt Restructuring Committee (CDRC) for the purpose of restructuring of its debts at the Group level.

Further announcement shall be made once the Company has received the relevant approval from CDRC.

10. Off Balance Sheet Financial Instruments

As at the date of this report, the Group has entered into the following outstanding foreign currency contracts to hedge against confirmed export proceeds in foreign currencies:-

Type	Currency	Contract	Amount in
		Amount	RM
		'000	'000
Foreign Exchange Sell Contract	USD	3,500	12,320

The Group does not foresee any significant credit and market risks as the rates are fixed at the time when the contracts are entered into. There is no cash requirement for the above hedging instruments.

11. Changes in material litigation

Save as disclosed in the last Annual Report as at 31st December 2008 and as announced to Bursa, there are no other material litigations as at the date of this quarterly report.

12. Dividends

The Company does not propose any interim dividend in respect of the current financial quarter.

13. Earnings per share

	Current Quarter 30 June 2009	Preceding Corresponding Quarter 30 June 2008	Current Year to date 30 June 2009	Preceding corresponding Year to date 30 June 2008
Profit attributable to ordinary equity holders of the parent (RM'000)	(6,550)	1,201	(18,617)	1,839
Weighted average number of ordinary shares ('000)	60,000	60,000	60,000	60,000
Basic earnings per share (sen)	(10.92)	2.00	(31.03)	3.07

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares.

14. Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the financial year ended 31 December 2008 did not contain any qualification.