

**BANENG HOLDINGS BHD.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**

	As at 30 Sept 2009 (Unaudited) RM'000	As at 31 Dec 2008 (Audited) RM'000
<b>Non Current Assets</b>		
Property, plant & equipment	75,837	79,828
Other investments	3,200	3,200
Investment in associate	2,867	14,747
Long term receivable	<u>7,978</u>	<u>7,978</u>
	<u>89,882</u>	<u>105,753</u>
<b>Current Assets</b>		
Inventories	69,973	83,073
Trade receivables	35,450	37,006
Amount due from associate	24,122	19,042
Other receivables, deposits and prepayments	22,031	22,954
Cash and bank balances	<u>1,599</u>	<u>1,982</u>
	<u>153,175</u>	<u>164,057</u>
	<u>243,057</u>	<u>269,810</u>
<b>Equity</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	60,000	60,000
Reserves	<u>15,754</u>	<u>46,118</u>
	75,754	106,118
Minority interests	<u>2,775</u>	<u>8,320</u>
<b>Total equity</b>	<u>78,529</u>	<u>114,438</u>
<b>Non-current Liabilities</b>		
Long term borrowings	682	33,085
Long Term Payables	5,957	1,572
Deferred taxation	<u>3,429</u>	<u>3,429</u>
<b>Non-Current Liabilities</b>	<u>10,068</u>	<u>38,086</u>
<b>Current Liabilities</b>		
Short term borrowings	120,105	84,632
Trade payables	26,397	22,071
Other payables	<u>7,958</u>	<u>10,583</u>
	<u>154,460</u>	<u>117,286</u>
<b>Total liabilities</b>	<u>164,528</u>	<u>155,372</u>
<b>Total equity and liabilities</b>	<u>243,057</u>	<u>269,810</u>
	-	-
Net assts per share (RM) attributable to		
Equity holders of the parent	1.26	1.77
Minority interests	0.05	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 INCOME STATEMENT**

	Current Quarter Ended 30 Sept 2009 (Unaudited) RM'000	Current Quarter Ended 30 Sept 2008 (Unaudited) RM'000	9 Months Cumulative To Date 30 Sept 2009 (Unaudited) RM'000	9 Months Cumulative To Date 30 Sept 2008 (Unaudited) RM'000
REVENUE	69,101	124,213	175,876	235,415
COST OF SALES	(66,369)	(124,097)	(168,061)	(217,253)
<b>GROSS PROFIT</b>	<b>2,732</b>	<b>116</b>	<b>7,815</b>	<b>18,162</b>
OTHER OPERATING INCOME	92	443	221	1,288
GENERAL AND ADMINISTRATIVE EXPENSES	(8,516)	(9,966)	(23,783)	(20,202)
<b>(LOSS)/PROFITS FROM OPERATIONS</b>	<b>(5,692)</b>	<b>(9,407)</b>	<b>(15,747)</b>	<b>(752)</b>
FINANCE EXPENSE	(2,109)	(1,779)	(6,198)	(5,250)
SHARE OF RESULT OF ASSOCIATES	(3,430)	(942)	(11,880)	(5,462)
<b>(LOSS)/ PROFITS BEFORE TAXATION</b>	<b>(11,231)</b>	<b>(12,128)</b>	<b>(33,825)</b>	<b>(11,464)</b>
TAXATION	-	161	-	(349)
<b>(LOSS)/ PROFITS FOR THE PERIOD</b>	<b>(11,231)</b>	<b>(11,967)</b>	<b>(33,825)</b>	<b>(11,813)</b>
<b>ATTRIBUTABLE TO:</b>				
EQUITY HOLDERS OF THE PARENT	(9,404)	(10,283)	(28,021)	(8,444)
MINORITY INTERESTS	(1,827)	(1,684)	(5,804)	(3,369)
<b>(LOSS)/PROFITS FOR THE PERIOD</b>	<b>(11,231)</b>	<b>(11,967)</b>	<b>(33,825)</b>	<b>(11,813)</b>
<b>EARNING PER SHARE</b>				
Basic earnings per share (sen)	(15.67)	(17.14)	(46.70)	(14.07)
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 STATEMENT OF EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2009**

GROUP	Non Distributable Distributable							Total RM'000
	Share capital RM'000	Share Premium RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority Interest 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	-	-	-	(28,021)	(28,021)	(5,804)	(33,825)	
Currency translation difference	-	-	(2,343)	-	(2,343)	259	(2,084)	
At 30 Sept 2009	60,000	16,090	2,760	(3,096)	75,754	2,775	78,529	
At 1 January 2008	60,000	16,090	2,621	58,045	136,756	20,182	156,938	
Profit for the period	-	-	-	(8,444)	(8,444)	(3,369)	(11,813)	
Currency translation difference	-	-	2,844	-	2,844	1,026	3,870	
At 30 Sept 2008	60,000	16,090	5,465	49,601	131,156	17,839	148,995	

(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**

	<b>9 Months Cumulative To Date 30 Sept 2009 (Unaudited) RM'000</b>	<b>9 Months Cumulative To Date 30 Sept 2008 (Unaudited) RM'000</b>
<b>Cashflows from Operating Activities</b>		
Loss before taxation	(33,825)	(11,464)
<b>Adjustments for:</b>		
Depreciation	5,428	5,310
Impairment loss on property, plant and equipment	-	906
Provision for doubtful debts	-	2,000
Provision for obsolescences/slow moving stocks	5,001	-
Interest expense	6,198	5,250
Share of result of associate	11,880	5,462
<b>Operating (loss)/profit before working capital changes</b>	<b>(5,318)</b>	<b>7,464</b>
Decrease/ (Increase) in inventories	8,099	(4,969)
(Increase)/Decrease in receivables	(2,601)	10,070
Increase/ (Decrease) in payables	6,427	(11,061)
<b>Cash generated from operations</b>	<b>6,607</b>	<b>1,504</b>
Interest paid	(1,210)	(5,250)
Income tax paid	(341)	(412)
<b>Net cash generated from/ (used in) operating activities</b>	<b>5,056</b>	<b>(4,158)</b>
<b>Cashflows From Investing Activities</b>		
Purchase of property, plant and equipment	(1,437)	(3,430)
Interest received	-	-
<b>Net cash used in investing activities</b>	<b>(1,437)</b>	<b>(3,430)</b>
<b>Cashflows From Financing Activities</b>		
Repayment of term loans	-	(4,459)
Repayment of hire purchase liabilities	(182)	(207)
Drawdown of short term borrowings	3,302	12,768
Dividend paid	-	-
<b>Net cash generated from financing activities</b>	<b>3,120</b>	<b>8,102</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,739</b>	<b>514</b>
<b>Effects of exchange rate changes</b>	<b>(7,072)</b>	<b>(203)</b>
<b>Cash and cash equivalent brought forward</b>	<b>1,702</b>	<b>5,277</b>
	<b>1,369</b>	<b>5,588</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	1,599	5,868
Bank overdraft	(230)	(280)
	<b>1,369</b>	<b>5,588</b>

(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 under review.

### **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.

## BANENG HOLDINGS BHD

(Company No: 307139-w)  
(Incorporated in Malaysia)

6

### 8. Segmental Information

Analysis by geographical location:

	<b>Current year to date</b>
	<b><u>30 Sept 2009</u></b>
	<b>RM'000</b>
<b>Revenue</b>	
Malaysia	125,919
Brunei	4,576
Singapore	157,597
Consol Elimination	<u>(112,216)</u>
	<u>175,876</u>
<b>(Loss)/ Profit before taxation</b>	
Malaysia	(11,906)
Brunei	(19,348)
Singapore	<u>(2,571)</u>
	<u>(33,825)</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 were 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 RM145.72million.

### 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 REQUIREMENTS****1. Review of performance**

During the financial quarter under review, the Group recorded a significantly lower turnover at RM69.1million as compared to RM124.2million in the corresponding quarter in the preceding year.

The decrease in the turnover was due to the management's prudent stance by rejecting orders with higher credit risks, higher working capital commitments and lower returns in view of the unprecedented global recession.

In addition, the debt restructuring exercise initiated by the Group as announced earlier, has affected sales negatively due to limited working capital availability.

Despite the significant drop in the turnover, the Group's decision to temporary scale down businesses seems to be on the right track. The loss before taxation for the current financial quarter have narrowed by RM0.9million and recorded at RM11.2million as compared to a loss of RM12.1million in the corresponding quarter in the preceding year.

For the financial year to-date, the Group have recorded cumulative losses of RM33.8million which are mainly attributable to the continued losses incurred by:-

- a) an associate company amounting to RM11.9million
- b) a subsidiary in Brunei amounting to RM19.3million
- c) foreign exchange losses amounting to approximately RM5.2million

**2. Comparison with Preceding Quarter's Results**

	Current Qtr Ended 30 Sept 2009 (RM'000)	Preceding Qtr Ended 30 Jun 2009 (RM'000)
Revenue	69,101	70,216
Loss Before Tax	(11,231)	(9,667)

Turnover remained consistent in the current quarter as compared to the preceding quarter signalling the stabilization of the retail industry in United States.

Nonetheless, the Group had registered a higher pre-tax loss of RM11.2million in the current quarter as compared to the pre-tax loss of RM9.7million in the preceding quarter due to provisioning of stock write off in the Brunei's subsidiary in conjunction with our exit plan from Brunei.

**3. Prospects**

The Group foresee a challenging year ahead but remain optimistic for the remaining period of the financial year in view of the strong support from existing customers and the completion of debt restructuring exercise.

**4. Variances from profit forecast and profit guarantee**

Variances are not applicable as the Group has not provided any profit forecast or made any profit guarantee in any public document.

**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 September 2009 were:-

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b>Secured - in local currencies</b>			
- Bank Overdrafts	230	-	230
- Trust receipts	60	-	60
- Bankers acceptance	42,667	-	42,667
- Export Credit Re-financing	13,698	-	13,698
- Hire purchases	535	-	535
- Collatorised Loan Obligation – unsecured	32,000	-	32,000
<b>Secured - in foreign currencies</b>			
- Trust receipts (in Singapore/Brunei dollars)	30,587	-	30,587
- Hire purchases (in Singapore/Brunei dollars)	328	682	1,010
- Term loan (in Brunei dollars)	-	-	-
<b>Total</b>	<b>120,105</b>	<b>682</b>	<b>120,787</b>



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 reporting date, the Group does not have any off Balance Sheet financial instruments.

#### 11. Changes in material litigation

Save as disclosed in the last Annual Report as at 31<sup>st</sup> 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 Sept 2009	Preceding Corresponding Quarter 30 Sept 2008	Current Year to date 30 Sept 2009	Preceding corresponding Year to date 30 Sept 2008
Loss attributable to ordinary equity holders of the parent (RM'000)	(9,404)	(10,283)	(28,021)	(8,444)
Weighted average number of ordinary shares ('000)	60,000	60,000	60,000	60,000
Basic earnings per share (sen)	(15.67)	(17.14)	(46.70)	(14.07)

There are 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.