

HYTEX INTEGRATED BERHAD

Quarterly report on results for the 4th quarter ended 31 March 2009. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/03/09 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/08 RM'000	CURRENT YEAR TO DATE 31/03/09 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/08 RM'000
REVENUE		33,178	36,690	145,484	152,614
COST OF SALES		(28,049)	(25,939)	(95,833)	(90,267)
GROSS PROFIT		5,129	10,751	49,651	62,347
OPERATING EXPENSES		(13,047)	(12,180)	(45,341)	(50,968)
OPERATING (LOSS)/PROFIT		(7,918)	(1,429)	4,310	11,379
FINANCE COSTS		(4,926)	(1,645)	(12,501)	(6,929)
(LOSS)/PROFIT BEFORE TAXATION		(12,844)	(3,074)	(8,191)	4,450
TAXATION	B5	185	(695)	(1,252)	(3,808)
NET (LOSS)/PROFIT FOR THE PERIOD		(12,659)	(3,769)	(9,443)	642
EARNING PER SHARE - basic (sen)		(8.44)	(2.51)	(6.30)	0.43

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2008)

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CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS OF END OF CURRENT QUARTER 31/03/09 RM'000	AS OF PRECEDING FINANCIAL YEAR END 31/03/08 RM'000
ASSETS			
Non-Current Assets			
PROPERTY, PLANT AND EQUIPMENT		141,445	139,350
PREPAID LEASE PAYMENTS		11,480	8,808
OTHER INVESTMENTS		2,000	2,000
DEFERRED TAX ASSETS		-	30
		154,925	150,188
Current Assets			
INVENTORIES	A15	145,554	132,317
TRADE RECEIVABLES		12,099	17,185
OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS		24,365	32,531
FIXED DEPOSITS PLACED WITH LICENCED BANKS		105	102
CASH AND BANK BALANCES		2,306	3,582
		184,429	185,717
TOTAL ASSETS		339,354	335,905
EQUITY AND LIABILITIES			
Equity			
SHARE CAPITAL		75,000	75,000
RESERVES		20,495	35,516
TOTAL EQUITY		95,495	110,516
Non-Current Liabilities			
LONG TERM BORROWINGS	B9	27,435	24,389
DEFERRED TAXATION		4,379	4,187
		31,814	28,576
Current Liabilities			
TRADE PAYABLES		22,586	14,612
OTHER PAYABLES AND ACCRUED EXPENSES		17,323	38,682
AMOUNT OWING TO DIRECTORS		7,725	2,726
SHORT TERM BORROWINGS	A9 & B9	164,411	140,793
		212,045	196,813
TOTAL LIABILITIES		243,859	225,389
TOTAL EQUITY AND LIABILITIES		339,354	335,905
NET ASSETS PER SHARE (RM)		0.64	0.74

Remarks:

The comparative figures for preceding financial year as of 31 March 2008 have been reclassified to conform with current financial quarter as of 31 March 2009 presentation.

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	NON-DISTRIBUTABLE			DISTRIBUTABLE
	SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	RETAINED PROFIT
	RM'000	RM'000	RM'000	RM'000
As of 1 April 2008	75,000	10,365	8,894	16,256
Cumulative movements during the year				
Currency translation difference	-	-	(5,577)	-
Net profit for the year	-	-	-	(9,443)
As of 31 March 2009	<u>75,000</u>	<u>10,365</u>	<u>3,317</u>	<u>6,813</u>
As of 1 April 2007	75,000	10,365	2,446	17,115
Cumulative movements during the preceding periods				
Currency translation difference	-	-	6,448	-
Net profit for the year	-	-	-	642
Dividends	-	-	-	(1,500)
As of 31 March 2008	<u>75,000</u>	<u>10,365</u>	<u>8,894</u>	<u>16,257</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2008)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended 31/03/09 RM'000	12 months ended 31/03/08 RM'000
NET CASH FROM OPERATING ACTIVITIES	8,499	11,248
NET CASH USED IN INVESTING ACTIVITIES	(19,159)	(21,820)
NET CASH FROM FINANCING ACTIVITIES	18,920	2,233
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>8,260</u>	<u>(8,339)</u>
EFFECT OF EXCHANGE DIFFERENCES	(5,577)	5,752
CASH AND BANK EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(378)	2,209
CASH AND BANK EQUIVALENTS AT END OF FINANCIAL YEAR	<u><u>2,305</u></u>	<u><u>(378)</u></u>

CASH AND BANK EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE THE FOLLOWING:

	As of 31/03/09 RM'000	As of 31/03/08 RM'000
CASH AND BANK BALANCES	2,305	3,582
BANK OVERDRAFTS (INCLUDED WITHIN SHORT TERM BORROWINGS)	-	(3,960)
	<u><u>2,305</u></u>	<u><u>(378)</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2008)

HYTEX INTEGRATED BERHAD

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A NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report has been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2008. These explanatory notes attached to the interim financial statements 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 year ended 31 March 2008.

A2. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 March 2008 was not subject to any qualification.

A3. Segmental Information

By business segments

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Segment Revenue	1,480	77,496	75,517	-	(9,009)	145,484
Segment Result	213	(1,061)	10,459	-	3,338	12,949
Others						(22,392)
						<u>(9,443)</u>

A4. Unusual items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2009, except for item disclosed in note A6.

A5. Changes in Estimates

There were no other changes in estimates that have a material effect in the current quarter results.

A6. Seasonal or cyclical factors

In view that the Group is in the garments and apparels industry specialising in the manufacturing of spring/summer wear and local retail, the demand for garments and apparels is normally high in the third and fourth quarters of the financial year.

Other than the factor stated above, the group's operations for the current quarter were not affected by other seasonal or cyclical factors.

A7. Dividend paid

No dividend has been paid during the current financial year ended 31 March 2009.

A8. Valuation of property, plant and equipment

The property, plant and equipment are stated at cost and have been brought forward, without amendments from the previous annual financial statements for the year ended 31 March 2008. No valuation has been carried out since then.

A9. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities other than those stated below:

	RM'000
MUNIF outstanding as at 1 April 2008	86,000
MUNIF issued	14,000
MUNIF repayment	-
MUNIF outstanding as at 31 March 2009	<u>100,000</u>

The Murabahah Underwritten Note Issuance Facility ("MUNIF") / Islamic Medium Term Notes ("IMTN") is to be used for repayment of bank borrowings, capital expenditure in Malaysia, construction of factory in China and working capital in Malaysia. The entire RM100 million MUNIF/IMTN facility is fully underwritten by Amanah Short Deposits Berhad and has a tenure of 7 years from the date of issuance.

A10. Changes in the composition of the Group

There were no material changes in the composition of the Group for the quarter under review .

A11. Discontinued Operation

Not applicable.

A12. Capital Commitments

As of 31 March 2009, the Group has commitments as follows:

	RM'000
Royalty commitments in respect of licensed products	2,267
Non-cancellable rental commitments	9,536
Acquisition of property, plant and equipment	<u>5,909</u>
	<u>17,712</u>

A13. Changes in contingent liabilities or contingent assets

The contingent liabilities of the Company as at 31 March 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are in respect of :

	RM'000
Bank guarantees extended to non-related third parties	1,845
Corporate guarantees extended to non-related third parties	<u>80,430</u>
	<u>82,275</u>

A14. Subsequent events

There were no material events subsequent to 31 March 2009 and up to the date of the issuance of this quarterly report that have not been reflected in this quarterly report.

A15. Inventories

As at 31 March 2009, the Group has made a net write down of RM558,527 to its net realisable value.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance of the Company and its principal subsidiaries

During the current financial year to-date ended 31 March 2009, the Group recorded a lower revenue of RM145.5 million as compared to RM152.6 million of preceding financial year to-date ended 31 March 2008. The group also recorded a lower revenue of RM33.2 million for the current quarter ended 31 March 2009 as compared to RM36.7 million of the preceding year quarter ended 31 March 2008. This was mainly due to the decline in export orders under the prevailing economic situation.

The overall performance of the Group for the financial year to-date ended 31 March 2009 has decreased as indicated by the decrease of operating profit to RM4.3 million as compared to an operating profit of RM11.4 million in the preceding financial year to-date ended 31 March 2008. The Group also recorded an operating loss of RM8.0 million for the current quarter ended 31 March 2009 as compared to an operating loss of RM1.4 million in the preceding year quarter ended 31 March 2008. This was due to reduction of sales order from manufacturing business as a result of world economic slow down.

B2. Material changes in the quarterly profit before taxation compared to the preceding quarter

The loss before taxation for the current quarter ended 31 March 2009 is RM12.8 million compared to loss before tax of RM0.8 million in the preceding quarter ended 31 December 2008.

This was mainly due to the decrease in sales order during the current quarter ended 31 March 2009. Please refer to B1 for further explanation.

B3. Prospects for the next financial year

The directors are looking forward to improve the performance for the next financial year. The operations of the factory in China will contribute positively to the group performance.

B4. Variance of actual profit from forecast profit and profit guarantee

Not applicable.

B5. Taxation

	Individual period		Cumulative period	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31/03/09 RM'000	31/03/08 RM'000	31/03/09 RM'000	31/03/08 RM'000
Current taxation	(1,131)	697	1,015	3,886
Transfer (from) / to deferred taxation	946	(2)	237	(78)
	<u>(185)</u>	<u>695</u>	<u>1,252</u>	<u>3,808</u>

The effective tax rates of the Group for the current quarter and current financial period to-date ended 31 March 2008 and preceding year corresponding quarter and preceding financial year to-date ended 31 March 2007 presented above are disproportionate to the statutory tax rate due to losses of certain subsidiary companies that are not available for set-off against taxable profits of profitable subsidiaries and non-availability of tax deduction for certain expenses.

B6. Profit on sale of unquoted investments and/or properties

There were no sale of unquoted investments and/or properties during the current quarter under review except the company has entered into Sale and Purchase Agreement to dispose the property and expected to record a gain of RM2.07 million upon completion .

B7. Purchase or disposal of quoted securities

The Company does not have any quoted securities during the quarter under review.

There was no purchase or disposal of any quoted securities during the quarter under review.

B8. Status of corporate proposals

There was no corporate proposal for the quarter under review and for the financial year to date except for those completed and been disclosed in Note A9.

B9. Borrowings and debt securities

The Group's borrowings as at 31 March 2009 are as follows:

	Notes	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings		27,435	-	27,435
Short term borrowings	A9	151,384	13,027	164,411
		<u>178,819</u>	<u>13,027</u>	<u>191,846</u>

B10. Off balance sheet financial instruments

There are no material financial instruments with off balance sheet risk except for those disclosed in note A13. There is no material cash requirement for the said financial instruments.

The Group does not foresee any significant credit and market risk.

B11. Material litigation

Legal proceedings against the insurer to recover the fire insurance claim is ongoing.

B12. Dividends (proposed or declared)

No dividend was proposed or declared during the current quarter / the financial year end.

B13. Earnings per share

The earnings per share (basic) is calculated by dividing the Group's profit after taxation and minority interest by the weighted average number of shares in issue of 150,000,000.

	Note	Individual period		Cumulative period	
		Current year quarter	Preceding year corresponding quarter	Current year to- date	Preceding year corresponding period
		31/03/09	31/03/08	31/03/09	31/03/08
Net (loss)/profit for the period (RM'000)		(12,659)	(3,769)	(9,443)	642
Weighted average number of ordinary shares in issue ('000)		150,000	150,000	150,000	150,000
Basic earnings per share (sen)	A1	<u>(8.44)</u>	<u>(2.51)</u>	<u>(6.30)</u>	<u>0.43</u>