

CYMAO HOLDINGS BERHAD

(Company No.: 445931 – U)
(Incorporated in Malaysia)

INTERIM

FINANCIAL STATEMENTS

**FOR THE FIRST
QUARTER ENDED**

31 MARCH 2010

CYMAO HOLDINGS BERHAD

(Company No.:445931-U)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPERHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2010 - UNAUDITED**

| | 3 months ended | | 3 months ended | |
|---|----------------|-------------------------|----------------|-------------------------|
| | 31/3/2010 | 31/3/2009 (Restated) | 31/3/2010 | 31/3/2009 (Restated) |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Continuing Operations | | | | |
| Revenue | 35,396 | 20,191 | 35,396 | 20,191 |
| Cost of sales | (32,552) | (19,291) | (32,552) | (19,291) |
| Gross profit | 2,844 | 900 | 2,844 | 900 |
| Other income | 119 | 227 | 119 | 227 |
| Other operating expenses | (260) | (926) | (260) | (926) |
| Administrative expenses | (1,607) | (1,325) | (1,607) | (1,325) |
| Selling and marketing expenses | (1,953) | (2,019) | (1,953) | (2,019) |
| Interest income | 11 | 50 | 11 | 50 |
| Finance costs | (98) | (100) | (98) | (100) |
| Loss before tax | (944) | (3,193) | (944) | (3,193) |
| Income tax expense | - | (8) | - | (8) |
| Loss for the period from continuing operations | (944) | (3,201) | (944) | (3,201) |
| Loss for the period | (944) | (3,201) | (944) | (3,201) |
| Other comprehensive income, net of tax | | | | |
| Currency translation differences arising from consolidation | (118) | 130 | (118) | 130 |
| | (118) | 130 | (118) | 130 |
| Total comprehensive income | (1,062) | (3,071) | (1,062) | (3,071) |
| Loss attributable to: | | | | |
| Owners of the Company | (944) | (3,201) | (944) | (3,201) |
| Minority interest | - | - | - | - |
| Loss for the period | (944) | (3,201) | (944) | (3,201) |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | (1,062) | (3,071) | (1,062) | (3,071) |
| Minority interest | - | - | - | - |
| Total comprehensive income for the period | (1,062) | (3,071) | (1,062) | (3,071) |
| Basic earnings per ordinary share (sen): | | | | |
| Loss from continuing operations | (1.26) | (4.27) | (1.26) | (4.27) |

The Condensed Consolidated Statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CYMAO HOLDINGS BERHAD

(Company No.:445931-U)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010**

| | As At 31/3/2010 (Unaudited) RM'000 | As At 31/12/2009 (Audited) RM'000 (Restated) |
|--|---|---|
| ASSETS | | |
| Property, plant and equipment | 75,223 | 73,900 |
| Timber concession right | 6,621 | 6,863 |
| Other receivables | 3,382 | 3,382 |
| Deferred tax assets | 6,234 | 6,234 |
| Total non-current assets | <u>91,460</u> | <u>90,379</u> |
| Inventories | 30,688 | 33,760 |
| Trade receivables | 8,972 | 14,349 |
| Other receivables | 12,212 | 9,869 |
| Tax refundable | 182 | 172 |
| Cash and bank balances | 12,884 | 4,615 |
| Total current assets | <u>64,938</u> | <u>62,765</u> |
| Total assets | <u>156,398</u> | <u>153,144</u> |
| Equity | | |
| Share capital | 75,000 | 75,000 |
| Share premium | 17,374 | 17,374 |
| Treasury shares | (37) | (31) |
| Foreign currency translation reserve | 55 | 173 |
| Retained earnings | 46,486 | 47,430 |
| Total equity | <u>138,878</u> | <u>139,946</u> |
| Liabilities | | |
| Deferred tax liability | 1,528 | 1,528 |
| Total non-current liabilities | <u>1,528</u> | <u>1,528</u> |
| Borrowings | 4,674 | 2,332 |
| Trade payables | 5,131 | 3,295 |
| Other payables | 6,108 | 5,948 |
| Derivative financial instruments | - | 8 |
| Tax payables | 79 | 87 |
| Total current liabilities | <u>15,992</u> | <u>11,670</u> |
| Total liabilities | <u>17,520</u> | <u>13,198</u> |
| Total equity and liabilities | <u>156,398</u> | <u>153,144</u> |
| Net assets per share attributable to equity holders of the Company (RM) | <u>1.85</u> | <u>1.87</u> |

The Condensed Consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CYMAO HOLDINGS BERHAD

(Company No.:445931-U)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2010**

| | Share Capital | Share Premium | Translation Reserve | Treasury Shares | Retained Earnings | Total | Minority Interest | Total Equity |
|--|------------------|------------------|------------------------|--------------------|----------------------|----------------|----------------------|-----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2009 | | | | | | | | |
| At 1 January 2009, as previously stated | 75,000 | 17,374 | 203 | (31) | 53,397 | 145,943 | - | 145,943 |
| -effect of adopting FRS139 | - | - | - | - | 86 | 86 | - | 86 |
| At 1 January 2009, as restated | 75,000 | 17,374 | 203 | (31) | 53,483 | 146,029 | - | 146,029 |
| Exchange differences on translation of financial statement of a foreign entity | - | - | 130 | - | - | 130 | - | 130 |
| Loss for the period | - | - | - | - | (3,201) | (3,201) | - | (3,201) |
| At 31 March 2009 | 75,000 | 17,374 | 333 | (31) | 50,282 | 142,958 | - | 142,958 |
| At 1 January 2010 | | | | | | | | |
| At 1 January 2010 previously stated | 75,000 | 17,374 | 173 | (31) | 47,438 | 139,954 | - | 139,954 |
| -effect of adopting FRS139 | - | - | - | - | (8) | (8) | - | (8) |
| At 1 January 2010, as restated | 75,000 | 17,374 | 173 | (31) | 47,430 | 139,946 | - | 139,946 |
| Purchase of treasury shares | - | - | - | (6) | - | (6) | - | (6) |
| Exchange differences on translation of financial statement of a foreign entity | - | - | (118) | - | - | (118) | - | (118) |
| Loss for the period | - | - | - | - | (944) | (944) | - | (944) |
| At 31 March 2010 | 75,000 | 17,374 | 55 | (37) | 46,486 | 138,878 | - | 138,878 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CYMAO HOLDINGS BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTHS ENDED 31 MARCH 2010 – UNAUDITED**

| | Three months ended | |
|--|---------------------|-----------------------------------|
| | 31/3/2010 RM'000 | 31/3/2009 RM'000 (Restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (944) | (3,193) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 2,752 | 2,424 |
| Depletion of forest crop | 322 | - |
| Profit on disposal of equipment | - | (4) |
| Equipment written off | - | 94 |
| Interest income | (11) | (50) |
| Finance costs | 98 | 99 |
| Operating profit before working capital changes | 2,217 | (630) |
| Decrease in inventories | 3,073 | 2,013 |
| Decrease/(Increase) in receivables | 3,034 | (1,630) |
| Decrease in payables | (12) | (1,241) |
| Cash generated from operation | 8,312 | (1,488) |
| Interest paid | (98) | (99) |
| Taxes recovery | - | 93 |
| Taxes paid | (2) | (10) |
| Net cash generated from/(used in) operating activities | 8,212 | (1,504) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of a subsidiary, net of cash acquired | (2,006) | - |
| Timber concession right | (80) | - |
| Movement in fixed deposits under pledged | (1) | 312 |
| Purchase of property, plant and equipment | (85) | - |
| Proceeds from sales of equipment | - | 4 |
| Interest received | 11 | 50 |
| Net cash (used in)/generated from investing activities | (2,161) | 366 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Bankers' acceptance drawn down | 4,053 | - |
| Repayment of term loan | (717) | (422) |
| Repayment of bankers' acceptance | (994) | - |
| Purchase of treasury shares | (6) | - |
| Net cash generated from/(used in) financing activities | 2,336 | (422) |
| Net increase/(decrease) in cash and cash equivalents | 8,387 | (1,560) |
| Effects of exchange rate changes | (118) | 130 |
| Cash and cash equivalents at beginning of financial period | 3,061 | 13,289 |
| Cash and cash equivalents at end of financial period | 11,330 | 11,859 |

CYMAO HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2010**

Cash and cash equivalents at the end of financial period comprise of the followings:

| | As at 31/3/2010 RM'000 | As at 31/3/2009 RM'000 |
|--|---------------------------------------|---------------------------------------|
| Cash on hand and at bank | 11,329 | 6,958 |
| Deposit with a licensed bank | <u>1,555</u> | <u>6,415</u> |
| Cash and bank balances | 12,884 | 13,373 |
| Less: Deposit with a licensed bank pledged for bank guarantees | <u>(1,554)</u> | <u>(1,514)</u> |
| | <u>11,330</u> | <u>11,859</u> |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2010**

1. Basis of Preparation

The interim financial statements is unaudited and have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134₂₀₀₄: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. 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 31 December 2009.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standard (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

One 1 January 2010, the Group adopted the following FRSs:-

FRSs, Amendments to FRSs and Interpretations

| | |
|----------------------|---|
| FRS 7 | Financial Instruments: Disclosures |
| FRS 8 | Operating Segments |
| FRS 101 | Presentation of Financial Statement (Revised 2009) |
| FRS 123 | Borrowing Costs |
| FRS 139 | Financial Instruments: Recognition and Measurement |
| Amendment to FRS 1 | First-time Adoption of Financial Reporting Standards |
| Amendment to FRS 7 | Financial Instruments: Disclosures |
| Amendment to FRS 8 | Operating Segments |
| Amendment to FRS 107 | Statement of Cash Flows |
| Amendment to FRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| Amendment to FRS 110 | Events after the Reporting Period |
| Amendment to FRS 116 | Property, Plant and Equipment |
| Amendment to FRS 117 | Leases |
| Amendment to FRS 118 | Revenue |
| Amendment to FRS 119 | Employee Benefits |
| Amendment to FRS 123 | Borrowing Costs |
| Amendment to FRS 132 | Financial Instruments: Presentation |
| Amendment to FRS 134 | Interim Financial Reporting |
| Amendment to FRS 136 | Impairment of Assets |
| Amendment to FRS 139 | Financial Instruments: Recognition and Measurement |
| IC Interpretation 9 | Reassessment of Embedded Derivatives |
| IC Interpretation 10 | Interim Financial Reporting and Impairment |
| IC Interpretation 11 | FRS 2 – Group and Treasury Share Transactions |

CYMAO HOLDINGS BERHAD

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2010**

Other than for the application of FRS 8, FRS 101, Amendment to FRS 117 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

The effects on the changes to accounting policies and the new accounting policies are as follows:

(i) FRS 8, Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(ii) FRS 101 (revised), Presentation of Financial Statements

The Group applies revised FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

(iii) Amendment to FRS 117, Leases

The amendment clarifies the classification of lease of land and requires entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of this amendment will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. The reclassification of leasehold land from prepaid land lease payments to property, plant and equipment has been accounted for retrospectively and certain comparatives as at 31 December 2009 have been restated as follows :

| | Previously stated RM'000 | Adjustment FRS 117 RM'000 | Restated RM'000 |
|-------------------------------|--------------------------------|---------------------------------|--------------------|
| Non-Current Assets | | | |
| Property, Plant and Equipment | 60,601 | 13,299 | 73,900 |
| Prepaid lease payments | 13,299 | (13,299) | - |

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EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

(iv) **FRS 139, Financial Instruments : Recognition and Measurement**

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. It also sets out the requirements for the application of hedge accounting. Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the statement of financial position date reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each year end except for those financial instruments measured at fair value through profit or loss.

Financial assets

- **Loans and receivables**

Prior to adoption of FRS 139, loans and receivables were stated at cost less allowance for doubtful debts. Under FRS 139, financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest methods. Gain and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loan and borrowings, or as derivatives designated as hedging instruments in an effect hedge, as appropriate.

Derivatives

Prior to the adoption of FRS139, derivative contracts were recognised in the financial settlement date. With the adoption of FRS139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

There were no outstanding derivatives including financial instruments designated as hedging instruments as at the current quarter ended.

The application of the above new policies has the following effects:

| Group In thousands of RM | Retained earnings | |
|---|--------------------------|---------------|
| | 2010 | 2009 |
| At 1 January, as previously stated | 47,438 | 53,397 |
| Adjustment arising from adoption of FRS139 | | |
| -Recognition of derivatives previously not recognised | (8) | 86 |
| At 1 January, as restated | <u>47,430</u> | <u>53,483</u> |

3. Auditor's Report

The auditor's report of the Company's preceding annual financial statements was not qualified.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2010****4. Seasonality of operations**

The Group's business operation and performance are to a certain extent affected by weather conditions especially on the supply of logs.

5. Segmental Information

| | 3 months ended | |
|---|----------------|----------------|
| | 31/3/2010 | 31/3/2009 |
| | RM'000 | RM'000 |
| Segment Revenue | | |
| Revenue from continuing operations: | | |
| Investment holding | - | - |
| Plywood manufacturing | 48,175 | 25,843 |
| Timber extraction | 2,943 | - |
| Shipping services | 247 | 152 |
| | <u>51,365</u> | <u>25,995</u> |
| Total revenue including inter-segment sales | 51,365 | 25,995 |
| Elimination of inter-segment sales | (15,969) | (5,804) |
| Total revenue from continuing operations | <u>35,396</u> | <u>20,191</u> |
| Segment Results | | |
| Results from continuing operations: | | |
| Investment holding | 3 | (1,016) |
| Plywood manufacturing | (1,250) | (2,032) |
| Shipping services | (192) | (132) |
| Timber extraction | 754 | - |
| Others | (9) | (21) |
| | <u>(694)</u> | <u>(3,201)</u> |
| Elimination | (250) | - |
| Total results from continuing operations | <u>(944)</u> | <u>(3,201)</u> |

5. Unusual Items due to their Nature, Size or Incident

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter under review.

6. Changes in Estimates

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

7. Dividend Paid

There were no dividends paid by the Company during the current quarter.

8. Carrying Amount of Revalued Assets

There were no brought forward valuations of property, plant and equipment from the year ended 31 December 2009 and there were no valuations of property, plant and equipment carried out during the current financial year-to-date.

CYMAO HOLDINGS BERHAD

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2010****9. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review except for the share buy-back as disclosed below:

During the quarter, the Company repurchased 10,000 of its issued ordinary shares from the open market at the price RM0.60 per share. The total consideration paid for the repurchase including transaction costs was RM6,048 and financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

10. Changes in the Composition of the Group**Acquisition of a Subsidiary**

On 19 January 2010, the Group completed the acquisition in 100% equity interest in Malsa Wood Products Sdn. Bhd. ("MWPSB"), comprising of 9,500,000 ordinary shares of RM1.00 each for a purchase consideration of RM2,000,000 satisfied by cash plus liabilities which amounts to RM2,000,000. Accordingly, the results of MWPSB have been consolidated in the financial period ended 31st March 2010.

11. Capital Commitments

Save as disclosed below, there is no other material capital commitment since the last annual balance sheet date.

Amount approved and contracted for: RM6,525,000

12. Changes in Contingent Liabilities or Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2009 and up to the date of this report except as disclosed below:

| | Group R M'000 | Company R M'000 |
|--|------------------|--------------------|
| Corporate guarantee issue to a financial institution for credit facilities granted to a subsidiary company | - | <u>43,000</u> |

13. Material Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the end of the current quarter.

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EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2010

14. Performance Review

During the quarter under review, the Group registered revenue of RM35 million which is 75% higher than the previous year's corresponding quarter. The Group's total sales volume was 21,731m³ or 53% higher compared with the previous year corresponding quarter.

An improvement in the plywood price by 14% coupled with higher volume shipped resulted in a higher gross margin as compared with the corresponding quarter of the preceding year. The Group recorded a loss before taxation of RM0.94 million as compared with RM3.1 million loss suffered in the corresponding quarter of the preceding year.

15. Variation of Results Against Preceding Quarter

The Group's current quarter results registered a loss before taxation of RM0.94 million as compared with a loss RM1.3 million in the preceding quarter. This is mainly due to the volume shipped has increased by 3% whereas the plywood pricing remained constant as compared to the preceding quarter under review.

16. Commentary on Prospects

The demand and pricing of plywood are expected to remain at the same level for the next quarter. In the view of the current exchange for the United States Dollar ("USD") is at a downward trend, which is unfavourable to the Group's revenue as all the export sales are denoted in USD. However, the management has taken steps to hedge the foreign currency to minimise the exchange rate fluctuations. Furthermore, the subsidiary of Cymao has commenced its logging extraction in March 2010. The logs extracted are all supplied for own internal consumption and thus directly reduce the raw material cost which will bring positive impact on the immediate future financial results.

Barring any unforeseen circumstances, the Board remains confident it may leave a positive impact on the Group's performance in the financial year ending 2010.

17. Profit Forecast/Profit Guarantee

The disclosure requirements for explanatory note for the variance of actual and forecast profit and for the shortfall in profit guarantee are not applicable as the Group has not provided any profit forecast or profit guarantee for the year ending 31 December 2009.

18. Income Tax Expense

| | Current Year Quarter ended 31/3/2010 RM'000 | Current Year To-date 31/3/2010 RM'000 |
|------------------|--|--|
| Income tax: | | |
| Current Taxation | - | - |
| | <hr/> | <hr/> |
| | - | - |
| | <hr/> | <hr/> |

The Group estimates no income tax expenses in the view of the losses incurred for the quarter under review.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2010**

19. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current quarter and financial year-to-date.

20. Purchases or Disposals of Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and the financial year-to-date except for shares bought back as disclosed in Note 9.

21. Status of Corporate Proposals**Proposed acquisition of property**

On 4th June 2009, The Board of Directors of Cymao further announced that its wholly-owned subsidiary, Inovwood Sdn Bhd (“ISB”) has entered into a Sale and Purchase Agreement (“Agreement”) with Hong Brothers Holdings Sdn Bhd (“HBSB”) to acquire the same property that is a parcel of land measuring 1.7654 hectares together with the plymill factory erected thereon situated at GM 460, Lot 740, Mukim of Kapar, District of Klang, Selangor Darul Ehsan for a cash consideration of RM6,525,000. RM2,025,000 was paid as deposit upon signing of the Sale and Purchase Agreement and the balance of RM4.5 million is to be paid by 12 monthly instalments of RM375,000 each. The acquisition is due to be completed by June 2010.

22. Borrowings (Secured)

| | As at 31/03/2010 RM'000 | As at 31/12/2009 RM'000 |
|--|-------------------------------|-------------------------------|
| Short-term | 4,674 | 2,332 |
| Long-term | - | - |
| | <u>4,674</u> | <u>2,332</u> |
| | USD '000 | RM '000 equivalent |
| Borrowings denominated in foreign currency: | | |
| United States Dollar | <u>495</u> | <u>1,615</u> |

23. Off Balance Sheet Financial Instruments

During the quarter under review, the Group has fulfilled the obligations to deliver the outstanding forward foreign currency hedging amounting to US\$500,000. As at the date of this report, there were no other off-balance sheet financial instruments being entered into by the Group.

24. Changes in Material Litigation

As at the date of this report, the Group has not engaged in any material litigation.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2010****25. Dividend Payable**

No dividend has been recommended for the quarter under review.

26. Earnings Per Share

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

| | 3 months ended | | Year-To-Date | |
|---|----------------|------------|--------------|------------|
| | 31/03/2010 | 31/03/2009 | 31/03/2010 | 31/03/2009 |
| Basic earnings per share | | (Restated) | | (Restated) |
| Loss attributable to ordinary equity holders of the parent (RM'000) | (944) | (3,201) | (944) | (3,201) |
| Weighted average number of shares in issue ('000) | 74,974 | 74,980 | 74,974 | 74,980 |
| Basic earnings per share (Sen) | (1.26) | (4.27) | (1.26) | (4.27) |
| Diluted earnings per share (Sen) | N/A | N/A | N/A | N/A |