

**EXPLANATORY NOTES FOR INTERIM FINANCIAL STATEMENTS FOR THE
FINANCIAL PERIOD ENDED 31 MARCH 2009**

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention unless otherwise indicated in the accounting policies.

The interim financial statements are unaudited and have 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 ('Bursa Malaysia').

The interim financial statements 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 statements provide an explanation of the 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 December 2008.

2. ADOPTION OF REVISED FINANCIAL REPORTING STANDARDS (FRSs)

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

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the Group's financial statements for the year ended 31 December 2008 was not qualified.

4. SEASONAL OR CYCLICAL FACTORS

The effects of seasonal or cyclical fluctuations, if any, are explained under Paragraphs 1 and 2 of Part B, i.e. Explanatory Notes Pursuant To Appendix 9B of the Listing Requirements of Bursa Malaysia below.

5. UNUSUAL ITEMS

There were no unusual items during the quarter affecting assets, liabilities, equity, net income or cash flows for the financial period ended 31 March 2009.

6. CHANGES IN ESTIMATES

There were no changes in estimates that have had a material impact in the current reporting quarter.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 March 2009.

8. DIVIDENDS PAID

There were no dividends paid in respect of the quarter ended 31 March 2009.

9. SEGMENTAL REPORTING

a) Geographical segments

	Malaysia	Europe	United States of America	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
3 MONTHS PERIOD ENDED 31 MARCH 2009					
REVENUE					
External sales	11,604	4,067	995	-	16,666
Inter-segment sales	4,736	-	-	(4,736)	-
Total revenue	<u>16,340</u>	<u>4,067</u>	<u>995</u>	<u>(4,736)</u>	<u>16,666</u>
RESULT					
Segment result	(78)	(1,092)	(422)	(418)	(2,010)
Finance costs					(232)
Taxation					(127)
Loss after taxation					<u>(2,369)</u>
Minority interest					1
Loss for the period					<u>(2,368)</u>

	Malaysia	Europe	United States of America	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
3 MONTHS PERIOD ENDED 31 MARCH 2008					
REVENUE					
External sales	20,044	7,629	3,589	-	31,262
Inter-segment sales	11,815	-	-	(11,815)	-
Total revenue	<u>31,859</u>	<u>7,629</u>	<u>3,589</u>	<u>(11,815)</u>	<u>31,262</u>
RESULT					
Segment result	7,044	(1,068)	(391)	(1,444)	4,141
Finance costs					(273)
Taxation					(459)
Profit after taxation					<u>3,409</u>
Minority interest					(7)
Profit for the period					<u>3,402</u>

9. SEGMENTAL REPORTING

a) Geographical segments (Contd.)

Revenue by geographical location of customers

	Quarter ended		Year-to-date ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM'000	RM'000	RM'000	RM'000
Asia	378	1,144	378	1,144
Europe	7,467	17,506	7,467	17,506
Malaysia	5,396	4,690	5,396	4,690
United States of America	1,021	3,605	1,021	3,605
South-West Pacific	1,619	2,932	1,619	2,932
Others	785	1,385	785	1,385
	<u>16,666</u>	<u>31,262</u>	<u>16,666</u>	<u>31,262</u>

b) Business segments

The Group operates in a single industry and accordingly, the financial information by business segments is not presented.

10. VALUATIONS

There were no valuations of property, plant and equipment brought forward from the previous annual financial statements. The property, plant and equipment are stated at their historical cost less accumulated depreciation and impairment losses as at 31 March 2009.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to the end of the reporting period.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter ended 31 March 2009, including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructurings and discontinuing operations.

13. CAPITAL COMMITMENTS

There is no material capital commitments not provided for in the interim financial statements as at 31 March 2009.

14. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2008.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

1. REVIEW OF PERFORMANCE

Group's revenue for the first quarter ended 31 March 2009 was RM16.7 million compared with RM31.3 million for the preceding year's corresponding quarter. The decrease in revenue mainly stemmed from lower sales volume recorded due to the current financial and economic crisis globally.

Similarly, the loss before taxation for the quarter was RM2.2 million compared to the preceding year's corresponding quarter of profit before taxation of RM3.9 million was due to the factors as set out above.

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION FOR THE QUARTER REPORTED ON AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

Loss before taxation of the Group was RM2.2 million for the first quarter ended 31 March 2009 compared to RM3.5 million for the preceding quarter ended 31 December 2008. The decrease was mainly due to the lower operating expenses incurred in the quarter under review.

3. COMMENTARY ON PROSPECTS

In view of the current global financial crisis, for year 2009, the economic and market landscape continues to be filled with uncertainties. However, going forward, the Group will put in efforts to maximize value from the current operation through continuous improvement, cost efficiency measures and prudent credit control policy. New emerging markets are being looked into for a long term growth prospects.

Barring any unforeseen circumstances, the Group's performance over the next few quarters is expected to remain challenging.

4. PROFIT FORECAST OR PROFIT GUARANTEE

The Group is not involved in the profit guarantee arrangement or providing any forecast profit.

5. TAXATION

	Quarter ended		Year-to-date ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM	RM	RM	RM
Current tax:				
Malaysian tax	106,458	551,750	106,458	551,750
Foreign tax	-	-	-	-
	<u>106,458</u>	<u>551,750</u>	<u>106,458</u>	<u>551,750</u>
Over provision in prior years:				
Foreign tax	(4,195)	(4,164)	(4,195)	(4,164)
	<u>(4,195)</u>	<u>(4,164)</u>	<u>(4,195)</u>	<u>(4,164)</u>
Deferred tax:				
Current year	25,382	(88,421)	25,382	(88,421)
Over provision in prior year	-	-	-	-
	<u>25,382</u>	<u>(88,421)</u>	<u>25,382</u>	<u>(88,421)</u>
	<u>127,645</u>	<u>459,165</u>	<u>127,645</u>	<u>459,165</u>

6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments or properties during the reporting period.

7. CORPORATE PROPOSALS

There was no corporate proposal announced at the date of this quarterly report.

8. GROUP BORROWINGS AND DEBT SECURITIES

	As at	
	31.03.2009	31.12.2008
	RM	RM
Short term borrowings		
Unsecured	<u>20,985,977</u>	<u>25,030,230</u>
Long term borrowings		
Unsecured	<u>4,250,000</u>	<u>4,250,000</u>

All borrowings are denominated in Ringgit Malaysia.

9. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group had entered into the following foreign currency derivatives maturing within 1 year to hedge trade receivables.

	Notional amounts as at	
	31.03.2009	31.12.2008
	RM	RM
Forward foreign exchange contracts	3,314,037	2,227,924
Ratio forward agreements	-	-
	<u>3,314,037</u>	<u>2,227,924</u>

10. CHANGES IN MATERIAL LITIGATION

The Group is not engaged in any material litigation and is not aware of any proceedings which might materially affect the Group for the current financial quarter.

11. PROPOSED DIVIDEND

The Company did not declare any interim dividend for the current quarter ended 31 March 2009.

12. EARNINGS PER SHARE

a) Basic earnings per ordinary share

	Quarter ended		Year-to-date ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Net (loss)/profit for the period (RM)	(2,368,427)	3,401,510	(2,368,427)	3,401,510
Weighted average number of ordinary shares in issue	168,000,000	168,000,000	168,000,000	168,000,000
Basic earnings per ordinary share (sen)	<u>(1.41)</u>	<u>2.02</u>	<u>(1.41)</u>	<u>2.02</u>

b) Diluted earnings per ordinary share

This is not applicable to the Group.

13. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 May 2009.