

A. EXPLANATORY NOTES

A1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with FRS 134 : Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group's proforma consolidated financial information and the Accountants' Report for the financial year ended 31 December 2008 as disclosed in the Prospectus of the Group dated 5th October 2009. The 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 30 September 2009.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements was not subject to any qualification.

A3. Seasonality or Cyclical Factors

The performance of the Group is generally not affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cashflows during the financial period under review.

A5. Changes in Estimates

Not applicable.

A6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review except items disclosed in Note A10.

A7. Dividend

There were no dividends paid during the financial period under review.

A8. Segmental Information

Segmental reporting for the period ended 30 September 2009.

	Investment Holding RM '000	Manufacturing RM '000	Inter-Co Elimination RM '000	Total RM '000
Revenue				
- External	-	28,948	-	28,948
- Inter-Segmental Sales	-	150	(150)	-
Total Revenue	-	29,098	(150)	28,948
Results				
Profit from operations		11,279	-	11,279
Other operating income	3,104	376	(90)	3,390
Administrative expenses	(6)	(5,519)	-	(5,525)
Exceptional items		(445)	-	(445)
Finance costs	-	(148)	-	(148)
Profit Before Tax	3,098	5,543	(90)	8,551
Taxation	-	(636)	-	(636)
Profit After Tax	3,098	4,907	(90)	7,915

A9. Valuation of Property, Plant and Equipment Brought Forward

There were no valuation of the property, plant and equipment during the financial period under review.

A10. Material Subsequent Events

There are no material events subsequent to the financial period under review except the following corporate exercise:

On 5th October 2009, the Group issued its Prospectus for its Initial Public Offering of 28,000,000 Ordinary Shares of RM0.50 each comprising:

- a) Public Issue of 21,000,000 new ordinary shares of RM0.50 each comprising:
- 2,000,000 new ordinary shares of RM0.50 each available for application by the Malaysian Public;
 - 2,700,000 new ordinary shares of RM0.50 each available for application by eligible Directors, Employees and Business Associates;
 - 7,340,000 new ordinary shares of RM0.50 each by way of Private Placement to Identified Investors; and
 - 8,960,000 new ordinary shares of RM0.50 each by way of placement to bumiputera investors approved by the Ministry of International Trade and Industry.
- b) Offer for Sale of 7,000,000 ordinary shares of RM0.50 each by way of placement to bumiputera investors approved by the Ministry of International Trade and Industry.

In conjunction with the Public Issue and Offer for Sale, the Group entire issued and paid-up shares capital of the Group comprising 92,000,000 ordinary shares of RM0.50 each was listed and quoted on the Main Market of Bursa Securities on 28th October 2009.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the financial period under review.

A12. Contingent Liabilities

There were no contingent liabilities since the last annual balance sheet at 31 December.

A13. Capital Commitments

There were no material capital commitments entered into since the last annual balance sheet as at 31 December 2008.

A14. Related Party Transactions

During the financial period under review, there were no related party transactions.

B. SELECTED EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

For the financial quarter under review, the Group has achieved a revenue and profit before tax of RM14.6 million and RM8.5 million respectively for the current quarter.

B2. Comparison with Preceding Quarter's Result

The Group's revenue for the current quarter registered at RM14.6 million compared to the revenue of RM9.5 million in the preceding quarter. The profit before tax has decreased from RM5.9 million to RM2.9 million. This is mainly due to the negative goodwill of RM3.1 million which recognised in the preceding quarter.

B3. Current Year Prospects

Barring any unforeseen circumstances, the directors are of the opinion that the performance of the Group for the remaining quarter will continue to be satisfactory.

B4. Profit Forecast

There is no profit forecast issued for the current financial period under review.

B5. Taxation

Taxation for the quarter and year to date comprises:

	Current Quarter RM '000	Current Year to Date RM '000
Current Taxation	281	424
Deferred Taxation	34	27
Underprovision in the previous financial year	-	185
	<u>315</u>	<u>636</u>

The effective tax rate of the current quarter is lower than the statutory tax rate mainly due to the availability of pioneer status of one the subsidiaries.

B6. Sale of Unquoted Investment / Properties

There was no sale of unquoted investments and properties for the financial period under review.

B7. Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the financial period under review.

B8. Status of Corporate Proposals**a) Initial Public Offering (“IPO”)**

In conjunction with the IPO, the Group undertake the Listing Scheme disclosed in Note A10 of the interim financial report.

b) Utilisation of Proceeds

The gross proceeds from the Public Issue of RM13.65 million shall be utilised in the following manner:

Nature of utilisation	Time frame for utilisation from the date of the Listing	Amount (RM'000)
Purchase of machineries	Within 2 years	3,000
Setup service offices in Indonesia, PNG and Nigeria	Within 2 years	1,500
Repayment of bank borrowings	Within 6 months	2,500
R&D expenditure	Within 1 year	500
Working capital	Within 1 year	4,350
Listing expenses	Within 3 months	1,800
Total proceeds from the Listing		13,650

B9. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2009 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Short Term Borrowings			
Hire Purchase Creditors	230	-	230
Term loan	<u>800</u>	<u>-</u>	<u>800</u>
	1,030	-	1,030
Long Term Borrowings			
Hire Purchase Creditors	204	-	204
Term loan	<u>1,698</u>	<u>-</u>	<u>1,698</u>
Total	<u><u>2,932</u></u>	<u><u>-</u></u>	<u><u>2,932</u></u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments for the current financial period to date.

B11. Material Litigation

There were no material litigation for the current financial period to date.

B12. Dividend proposed

There were no dividend proposed for the financial period under review.

B13. Earnings per Share

The basic earnings per share (“EPS”) for the current quarter are calculated based on the profit after tax (“PAT”) and number of ordinary shares outstanding during the period as follows:

	Current Quarter	Current Year To Date
PAT (RM '000)	2,673	7,915
Number of ordinary shares ('000)	71,000	23,927
EPS (Sen)	3.76	33.08
	Weighted average number of ordinary shares	
At the beginning and end of the period	<u>71,000,000</u>	<u>23,926,743</u>

B14. Related Party Transactions

During the financial period under review, there were no related party transactions.

B15. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated 25 November 2009.

By Order of the Board

Lee Hong Lim (MIA 12949)
Company Secretaries
Muar
25 November 2009