

**PROTON HOLDINGS BERHAD**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

**The Board of Directors are pleased to announce the financial results of the Group for the second quarter ended 30 September 2006.**

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**PROTON HOLDINGS BERHAD  
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<u>Current quarter</u>	<u>Quarter ended</u>	<u>Period ended</u>	<u>Period ended</u>
	<u>30.09.2006</u>	<u>30.09.2005</u>	<u>30.09.2006</u>	<u>30.09.2005</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	1,274,811	1,804,535	2,693,191	3,858,831
Operating expenses	(1,543,197)	(2,004,584)	(3,079,037)	(4,122,325)
Other operating income	38,912	42,739	66,377	102,637
Loss from operations	(229,474)	(157,310)	(319,469)	(160,857)
Finance cost	(11,361)	(10,574)	(19,982)	(20,837)
Share of results of associated and jointly controlled entities (net of tax)	355	6,099	3,435	12,548
Loss before taxation	(240,480)	(161,785)	(336,016)	(169,146)
Taxation	(9,864)	7,446	27,023	2,146
Loss for the period	<u>(250,344)</u>	<u>(154,339)</u>	<u>(308,993)</u>	<u>(167,000)</u>
<b>Attributable to:</b>				
Equity holders of the parent	(250,344)	(154,334)	(308,993)	(166,686)
Minority interest	0	(5)	0	(314)
Loss for the period	<u>(250,344)</u>	<u>(154,339)</u>	<u>(308,993)</u>	<u>(167,000)</u>
<b>Loss per share:</b>				
- basic	(45.6) sen	(28.1) sen	(56.3) sen	(30.4) sen
- diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

**PROTON HOLDINGS BERHAD**  
**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2006**

	Unaudited as at <u>30.09.2006</u>	Audited as at <u>31.03.2006</u>
	RM'000	RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,225,406	3,312,951
Goodwill	29,008	29,008
Intangible assets	83,302	17,995
Associated and jointly controlled companies	413,551	405,665
Non-current investments	10,397	10,397
Deferred tax assets	136,574	105,786
<b>Total Non-Current Assets</b>	<u>3,898,238</u>	<u>3,881,802</u>
<b>CURRENT ASSETS</b>		
Inventories	1,478,671	1,389,005
Trade and other receivables	1,076,710	1,192,530
Tax recoverable	51,568	51,491
Current investments	199,477	211,965
Cash, bank balances and deposits	923,811	1,585,982
<b>Total Current Assets</b>	<u>3,730,237</u>	<u>4,430,973</u>
<b>TOTAL ASSETS</b>	<u><u>7,628,475</u></u>	<u><u>8,312,775</u></u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

**PROTON HOLDINGS BERHAD  
CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2006 (CONTINUED)**

	Unaudited as at <u>30.09.2006</u>	Audited as at <u>31.03.2006</u>
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
Share capital	549,213	549,213
Reserves	4,966,209	5,321,439
Equity attributable to equity holders of the parent	<u>5,515,422</u>	<u>5,870,652</u>
<b>TOTAL EQUITY</b>	<u>5,515,422</u>	<u>5,870,652</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	0	58,878
Provisions	41,377	41,377
Deferred tax liabilities	805	805
<b>Total Non-Current Liabilities</b>	<u>42,182</u>	<u>101,060</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,160,569	1,302,370
Provisions	247,174	217,062
Dividend payable	27,461	0
Taxation	15,744	16,865
Short term borrowings	619,923	804,766
<b>Total Current Liabilities</b>	<u>2,070,871</u>	<u>2,341,063</u>
<b>TOTAL LIABILITIES</b>	<u>2,113,053</u>	<u>2,442,123</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>7,628,475</u>	<u>8,312,775</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>10.04</u>	<u>10.69</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

**PROTON HOLDINGS BERHAD**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2006**

	Attributable to equity holders of the parent						
	Non-distributable			Distributable		Minority interest RM'000	Total equity RM'000
	Share capital* RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Retained profits RM'000	Total RM'000		
<u>At 1 April 2005</u>	549,213	475,617	(81,816)	4,916,935	5,859,949	333	5,860,282
Net income recognised directly in equity - Foreign exchange differences in translating foreign operations	0	0	9,511	0	9,511	(0)	9,511
Loss for the period	0	0	0	(166,686)	(166,686)	(314)	(167,000)
Final dividend for the financial year 31 March 2005	0	0	0	(54,921)	(54,921)	0	(54,921)
Total recognised income and expense for the period	0	0	9,511	(221,607)	(212,096)	(314)	(212,410)
<b>At 30 September 2005</b>	<u>549,213</u>	<u>475,617</u>	<u>(72,305)</u>	<u>4,695,328</u>	<u>5,647,853</u>	<u>19</u>	<u>5,647,872</u>
<u>At 1 April 2006</u>	549,213	475,617	(62,882)	4,908,704	5,870,652	0	5,870,652
Net income recognised directly in equity - Foreign exchange differences in translating foreign operations	0	0	(18,776)	0	(18,776)	0	(18,776)
Loss for the period	0	0	0	(308,993)	(308,993)	0	(308,993)
Final dividend for the financial year 31 March 2006	0	0	0	(27,461)	(27,461)	0	(27,461)
Total recognised income and expense for the period	0	0	(18,776)	(336,454)	(355,230)	0	(355,230)
<b>At 30 September 2006</b>	<u>549,213</u>	<u>475,617</u>	<u>(81,658)</u>	<u>4,572,250</u>	<u>5,515,422</u>	<u>0</u>	<u>5,515,422</u>

\* Ordinary Share of RM1 each.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

**PROTON HOLDINGS BERHAD  
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2006**

	<u>Cumulative period</u>		<u>Current period</u>	<u>Preceding period</u>
	<u>to date</u>	<u>to date</u>	<u>to date</u>	<u>to date</u>
	<u>30.09.2006</u>	<u>30.09.2005</u>	<u>30.09.2006</u>	<u>30.09.2005</u>
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES	(118,612)	(481,111)		
CASH FLOWS USED IN INVESTING ACTIVITIES	(278,402)	(196,436)		
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	116,124	72,247		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(280,890)	(605,300)		
EXCHANGE RATE EFFECTS	(1,954)	4,204		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	693,191	1,576,925		
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>410,347</u>	<u>975,829</u>		
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>				
	<b>As at</b>	<b>As at</b>		
	<b><u>30.09.2006</u></b>	<b><u>30.09.2005</u></b>		
	RM'000	RM'000		
CASH, BANK BALANCES AND DEPOSITS	923,811	1,860,296		
BANK OVERDRAFTS	(183,269)	(178,749)		
FIXED DEPOSITS PLEDGED AS SECURITY	(330,195)	(705,718)		
	<u>410,347</u>	<u>975,829</u>		

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2006.

## PROTON HOLDINGS BERHAD

### NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2006

#### 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The Quarterly Consolidated Financial Statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Quarterly Consolidated Financial Statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2006. 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 2006.

The significant accounting policies, methods of computation and basis of consolidation adopted by the Group in the interim financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 March 2006, except for the changes arising from the adoption of the following new/revised Financial Reporting Standards ("FRS") that are effective for financial period beginning 1 April 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above FRSs does not have any significant financial impact to the Group.

The Group has not adopted FRS 117- Leases, FRS 124- Related Party Disclosures and FRS 139- Financial Instruments: Recognition and Measurement as these standards are not yet effective for the current quarter financial statements.

All changes in the accounting policies have been made in accordance with transitional provisions in the respective standards. All new and revised FRSs adopted by the Group require retrospective application other than those stated otherwise.

Enumerated below are the changes in policies, presentation and disclosures in the financial statements of the Group resulting from the adoption of the new and revised:-



**(a) FRS 3 : Business Combination**

The adoption of FRS 3 has resulted in changes in accounting policy for goodwill. The accounting policy for goodwill is now extended to cover the following:

- (i) Recognition of contingent liabilities and intangible assets as part of allocation of the cost of acquisition;
- (ii) Recognition of the excess in fair value of the net identifiable assets acquired over the cost of acquisition immediately to the income statement;
- (iii) Allocation of goodwill to cash generating units for the purpose of impairment testing. Each cash-generating unit represents the lowest level within the Group at which goodwill is monitored for internal management purposes and which are expected to benefit from the synergies of the combination; and
- (iv) Impairment of goodwill is charged to Consolidated Income Statement as and when it arises and reversal is not allowed.

The above changes in accounting policy have been applied prospectively.

**(b) FRS 101 : Presentation of Financial Statements**

The adoption of FRS 101 has no financial impact on the Group but has affected the presentation of minority interest, share of results in associates and jointly controlled entities and certain disclosures. In the Consolidated Balance Sheets, minority interests are now presented within total equity. In the Consolidated Income Statement, minority interest are presented as an allocation of the net profit or loss for the period. The movement in minority is now presented in the Statement of Changes in Equity. Consequently, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest are shown in the Statement of Changes in Equity. Share of results in associates and jointly controlled entities is now disclosed net of taxation in the consolidated income statement.

The presentation of the comparatives for the individual quarter has been restated to conform with the current period's presentation.

	<b>As previously reported</b>	<b>Reclassification</b>	<b>As reclassified</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Income Statements</u></b>			
Share of results of associated and jointly controlled entities	9,053	(2,954)	6,099
Loss before taxation	(158,831)	(2,954)	(161,785)
Taxation	4,492	2,954	7,446

**(c) FRS 116 : Property, Plant and Equipment**

The adoption of FRS 116 has resulted in extension of the accounting policy on property, plant and equipment as follows:

- (i) The cost of property, plant and equipment includes costs of dismantling, removal and restoration, the obligation incurred as a consequence of installing the assets;

- (ii) The assets' residual values and useful life are reviewed and adjusted as appropriate at least at each financial year-end; and
- (iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

**(d) FRS 121 : The Effects of Changes in Foreign Exchange Rates**

The adoption of FRS 121 has no material effect on the Group's policies. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance of the revised standard. All of the Group's entities have the same functional currency as their measurement currency.

**(e) FRS 127 : Consolidated and Separate Financial Statements**

The adoption of FRS 127 has resulted in a change in accounting policy on recognition of subsidiaries by the inclusion of existence and effect of potential voting rights that are currently exercisable in assessing control.

**(f) FRS 138 : Intangible Assets**

The adoption of FRS 138 had resulted in extension of the accounting policy on Intangible Assets and the impact is as follows:

Computer software was previously capitalised as an integral component of property, plant and equipment. Under FRS 138 which is applied prospectively, such computer software is now recognised separately as an intangible asset and amortised over the useful lives. This policy revision has no significant effect to the income statement.

Intangible Assets also now includes development cost of products where such costs meet the asset recognition criteria in FRS 138 and the cost is amortised over the expected useful life upon commercial launch of the products.

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The preceding audited annual financial statements were not subject to any qualification.

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The businesses of the Group were not materially affected by any seasonal or cyclical factors during the quarter ended 30 September 2006.

**4. 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 30 September 2006.

**5. CHANGES IN ESTIMATES**

Other than described in Notes 1(c) and 1(f), there were no changes in estimates that have had a material effect in the current quarter.

**6. INDIVIDUALLY SIGNIFICANT ITEMS**

The individually significant items for the quarter ended 30 September 2006 are as follows:

	<u>Current quarter</u> RM Million
<u>Income Statement</u>	
R&D and project expenditure	140.9
Depreciation	107.4

**7. DEBT AND EQUITY SECURITIES**

	<u>Current quarter</u> RM'000	<u>Current year to date</u> RM'000
Repayment of secured long term loan	0	324,968
Repayment of unsecured long term loan	46,037	56,613

Other than as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

**8. DIVIDENDS**

There were no dividends declared during the current quarter.

The shareholders approved a final tax exempt dividend of 5 sen (2005: 10 sen) per ordinary share in respect of the financial year ended 31 March 2006 at the last Annual General Meeting held on 8 September 2006. The dividend was paid on 13 October 2006 to shareholders on the Register of Members and Record of Depositors at the close of business on 14 September 2006.

**9. SEGMENTAL INFORMATION**

Analysis of the Group's revenue and results by geographical locations are as follows:

	<u>Current year to date</u>			
	<u>Malaysia</u> RM Million	<u>Other countries</u> RM Million	<u>Eliminations</u> RM Million	<u>Consolidated</u> RM Million
<u>Revenue</u>				
Third party sales	2,111.1	582.1	0	2,693.2
Inter-segment sales	105.3	99.4	(204.7)	0
Total Revenue	<u>2,216.4</u>	<u>681.5</u>	<u>(204.7)</u>	<u>2,693.2</u>
<u>Result</u>				
Segment operating loss	(170.3)	(54.1)	(112.3)	(336.7)
Unallocated income				6.1
Interest expense				(20.0)
Interest income				11.2
Share of results of associated companies and jointly controlled entities	5.3	(1.9)		3.4
Income taxes of Company and subsidiary companies				<u>27.0</u>
Net loss after tax				<u>(309.0)</u>

**9. SEGMENTAL INFORMATION (Continued)**

The segment operating loss for other countries is stated after eliminating an intra-group gain of RM303.0 million which arose as a result of an internal share capital and debt restructuring in respect of two overseas subsidiaries. There is no impact on the consolidated results and financial position.

Included in third party sales from Malaysia are export sales of RM123.1 million during the period.

**10. PROPERTY, PLANT & EQUIPMENT**

There are no changes to the valuation of property, plant and equipment since the previous annual financial statements.

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

There are no changes to the composition of the Group in the current quarter.

**12. SUBSEQUENT EVENTS**

An overseas subsidiary company announced a right-sizing exercise on 20 September 2006. The exercise is expected to be completed by December 2006. The cost of the right-sizing exercise is not expected to have a significant impact on the financial position of the Group.

Other than above, there were no other material subsequent events between the end of the current quarter and the date of this announcement.

**13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There are no contingent assets of the Group.

Aside from as disclosed in Note 23, there are no changes in the contingent liabilities of the Group since the last annual balance sheet date to the date of this announcement.

**14. PERFORMANCE REVIEW**

The Group registered a loss before tax of RM240.5 million for the current quarter compared to a loss before tax of RM161.8 million in the corresponding quarter last year. During the quarter, the Group experience a lower sales volume resulting from a sluggish and competitive market environment. Efforts in reducing the operating expenditure have not been fully realised and are dampened by lower production volume. The results were also affected by increase in promotional expenses, additional expenditure required for research and development and component price increases.

**15. MATERIAL CHANGE IN LOSS BEFORE TAXATION OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER**

The Group recorded a loss before tax of RM240.5 million compared to a loss of RM95.5 million recorded in the previous quarter. The higher loss was primarily due to higher operating expenditure incurred especially promotional expenses and research and development expenditure.

**16. COMMENTARY ON PROSPECTS**

The automotive industry will continue to experience low sales due to lower trade-in value, high interest rates, tightening in credit screening and loan approval will further dampen demand for new cars. Lower sales have resulted in higher inventories, which would require increased promotional and selling expenses to reduce inventory level.

Despite the difficult operating environment the Group will continue its effort to increase sales through intensified marketing activities, effective dealers network management and reduce cost to remain competitive.

17. **PROFIT FORECAST**

The Group did not issue any profit forecast or profit guarantee in respect of the current period.

18. **INCOME TAX EXPENSE**

	<u>Current quarter</u> RM'000	<u>Current period to date</u> RM'000
Current taxation		
Arising in Malaysia	(906)	(2,597)
Arising outside Malaysia	(864)	(1,165)
	<u>(1,770)</u>	<u>(3,762)</u>
Deferred taxation	(8,094)	30,785
	<u>(9,864)</u>	<u>27,023</u>
Effective tax rate	104.1%	<u>(8.8%)</u>

The principal impact on group current taxation in Malaysia is mainly attributable to Perusahaan Otomobil Nasional Sdn. Bhd. (PONSBN) while that arising outside Malaysia is attributable to Lotus Group International Ltd.

On the other hand, whilst the impact on group deferred taxation for the current quarter is attributable to Proton Edar Sdn Bhd (PESB), the deferred tax assets recognised in the previous quarter is mainly attributable to PONSBN. The high effective tax rate of 104.1% for the current quarter in spite of the loss suffered reflects both the non-business nature of the interest income being subject to tax and provision for the taxable temporary differences by PESB.

For the current period to date, the low effective tax rate of –8.8% is mainly due to the recognition of deferred tax assets by PONSBN in the previous quarter.

19. **SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

There were no disposal of unquoted securities and properties for the current quarter.

20. **QUOTED SECURITIES**

a) Total purchases and disposals of quoted securities for the current quarter and year to date are as follows:

	<u>Current quarter</u> RM'000	<u>Current year to date</u> RM'000
Total purchases	46,922	143,564
Total disposals	57,904	154,989
Total gain on disposal	5,298	9,298

b) As at 30 September 2006, details of the Group's quoted securities are as follows:

	<b>RM'000</b>
At cost	108,895
At carrying value	108,895
At market value	180,888

## 21. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings as at 30 September 2006 are as follows:

	<b>Total</b>
	<b>RM'000</b>
Long Term Borrowings:	
Unsecured:	
Long term loans	58,877
Portion repayable within 12 months	(58,877)
<b>Total Long Term Borrowings</b>	<b>0</b>
Short Term Borrowings:	
Unsecured:	
Current portion of long term loans	58,877
Banker acceptances	101,137
Bank overdrafts	43,751
	<b>203,765</b>
Secured:	
Current portion of long term loans	276,640
Bank overdrafts	139,518
<b>Total Short Term Borrowings</b>	<b>416,158</b>
<b>Total Borrowings</b>	<b>619,923</b>

The details of the borrowings denominated in respective currencies are as follows:

	<b>Ringgit</b>	<b>Pounds</b>	<b>Total</b>
	<b>Malaysia</b>	<b>Sterling</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Functional Currency</u>			
Ringgit Malaysia	160,014	0	160,014
Pounds Sterling	0	459,909	459,909
	<u>160,014</u>	<u>459,909</u>	<u>619,923</u>
<b>Total</b>	<b>160,014</b>	<b>459,909</b>	<b>619,923</b>

**22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

As at 22 November 2006, being the latest practicable date, the outstanding notional principal amount of the Group off balance sheet financial instruments is as follows:

	<u>Maturity</u>			
	<u>Total</u> RM'000	<u>Less than</u> <u>6 months</u> RM'000	<u>6 months</u> <u>to 1 year</u> RM'000	<u>More than</u> <u>1 year</u> RM'000
Foreign exchange contracts	79,501	79,119	382	0

The Group enters into forward foreign exchange contracts as a hedge against anticipated foreign currency accounts payable and receivable. The contract exchange rates were used on the settlement of the payables and receivables. The net position to the Group as at 22 November 2006 is favourable by approximately RM2,909,000.

The contracts are executed with creditworthy financial institutions. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their respective financial strength.

**23. CHANGES IN MATERIAL LITIGATION**

a) On 26 October 2004, a supplier (Plaintiff) had obtained a judgement in default against a subsidiary company (Defendant) for RM12.2 million after failing to reach a formal agreement. Management had obtained legal opinion that the claims are without basis and an action to strike out a portion of the claim (ie. RM7.2million) would be successful. Judgement in default was set aside on 19 August 2005. The striking out application was fixed for hearing on 18 October 2006 where the Plaintiff's solicitors requested an adjournment to file an Affidavit in Reply. The matter is fixed for Mention on 19 December 2006 pending filing of the Affidavit in Reply.

b) On 9 June 2005, a Distributor (Claimant) instituted arbitration proceedings against a subsidiary company (Respondent) as a result of the termination of its distributorship. Claimant claimed USD9,941,973 (RM37,779,497) plus general damages and interest on the grounds that the said termination was wrongful. The Final Award was released on 30 October 2006 wherein the Claimant's claim against the Respondent has been dismissed.

**24. LOSS PER SHARE**

	<u>Current</u>	
	<u>quarter</u>	<u>year to date</u>
<u>Loss per share</u>		
Net loss attributable to equity holders (RM'000)	250,344	308,993
Weighted average number of shares ('000)	549,213	549,213
Loss per share (sen)	45.6	56.3

Diluted EPS

Diluted EPS is not applicable at 30 September 2006 as there are no dilutive potential ordinary shares.

**25. CAPITAL COMMITMENTS**

Capital commitments for property, plant and equipment not provided for in the financial statements as at 30 September 2006 are as follows:

	RM Million
Authorised by Directors and contracted	454.7
Authorised by Directors and not contracted	2,591.4
	<u>3,046.1</u>

**26. STATUS OF CORPORATE PROPOSALS**

Not applicable.

**27. AUTHORISED FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 November 2006.

**BY ORDER OF THE BOARD**

**MOHD NIZAMUDDIN MOKHTAR  
COMPANY SECRETARY**

29 November 2006  
Shah Alam