AutoV Corporation Berhad

(Incorporated in Malaysia)
Company No : 108253-W

QUARTERLY UNAUDITED FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

Contents

AutoV Corporation Berhad

(Company No. 108253-W)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	CURRENT QUARTER 3 months ended 30 Sept		CUMULATIVE QUARTER 9 months ended 30 Sept	
	2011 RM'000 Unaudited	2010 RM'000 Unaudited	2011 RM'000 Unaudited	2010 RM'000 Unaudited
Discontinued operations				
Revenue	27,353	26,325	77,179	80,254
Cost of sales	(21,723)	(21,369)	(62,168)	(63,523)
Gross profit	5,630	4,956	15,011	16,731
Other income	185	962	1,521	2,068
Administrative expenses	(3,856)	(2,782)	(10,746)	(7,845)
Other expenses	-	-	-	-
Results from operating activities	1,959	3,136	5,786	10,954
Finance cost	(19)	(17)	(53)	(42)
Interest income	81	95	292	187
Profit before taxation	2,021	3,214	6,025	11,099
Income tax expense	(545)	(937)	(1,453)	(1,145)
Profit from continuing operations	1,476	2,277	4,572	9,954
Other comprehensive income	-	-	-	-
Total comprehensive income	1,476	2,277	4,572	9,954
Attributable to:-				
Owners of the Company	1,255	2,099	4,011	9,460
Non-controlling interests	221	178	561	494
Total comprehensive income	1,476	2,277	4,572	9,954
Earnings per share				
Basic earnings per share (sen)	2.15	3.60	6.87	16.21
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

AutoV Corporation Berhad

(Company No. 108253-W)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 30 Sept 2011 Unaudited RM'000	As At 31 Dec 2010 Audited RM'000
ASSETS		
Property, plant and equipment	-	9,141
Development expenditure	-	2,102
Goodwill	-	245
Deferred tax assets	-	1,001
Total non-current assets	-	12,489
Inventories	-	9,436
Trade & other receivable	-	14,042
Prepayments	-	2,006
Current tax assets	-	133
Cash and cash equivalents	-	25,759
Assets of group classified as held for sale	69,321	-
Total current assets	69,321	51,376
TOTAL ASSETS	69,321	63,865
EQUITY		
Share capital	58,360	58,360
Share premium	2,421	2,421
Other reserves	-	700
Accumulated losses	(12,745)	(15,662)
Reserves of group classified as held for sale	700	-
Total equity attributable to owners of the Company	48,736	45,819
Non-controlling interest	4,227	3,891
Total equity	52,963	49,710
LIABILITIES		
Borrowing	-	294
Government grant	-	253
Deferred taxation	-	232
Total non-current liabilities	-	779
Trade & other payables	-	11,387
Current tax liabilities	-	244
Government grant	-	69
Borrowing	-	1,270
Provision	-	406
Liabilities of group classified as held for sale	16,358	-
Total current liabilities	16,358	13,376
Total Liabilities	16,358	14,155
TOTAL EQUITY AND LIABILITIES	69,321	63,865
	-	-
Net assets per share attributable to owners of the Company (sen)	83.51	78.51

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	Attributable to shareholders of the Company						
	Non-distributable						
	Share Capital RM'000	Share Premium RM'000	Consolidation Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 January 2011	58,360	2,421	700	(15,662)	45,819	3,891	49,710
Profit for the period	-	-	-	4,011	4,011	561	4,572
Dividend to owners	-	-	-	(1,094)	(1,094)	(225)	(1,319)
At 30 September 2011	58,360	2,421	700	(12,745)	48,736	4,227	52,963
At 1 January 2010							
- as previously stated	58,360	2,421	700	(25,497)	35,984	3,513	39,497
- effect from adopting FRS 139	-	-	-	5	5	-	5
- as restated	58,360	2,421	700	(25,492)	35,989	3,513	39,502
Profit for the period	-	-	-	9,460	9,460	494	9,954
Dividend to owners	-	-	-	(875)	(875)	(112)	(987)
At 30 September 2010	58,360	2,421	700	(16,907)	44,574	3,895	48,469

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 Sept	
	2011	**2010**
	Unaudited	**Unaudited**
	RM'000	**RM'000**
Discontinued operations		
Cash flows from operating activities		
Profit before taxation from continuing operations	6,025	11,099
Adjustment for non-cash flow items:		
Depreciation	2,028	1,926
Amortisation of development costs	654	624
Amortisation of government grant	(75)	(80)
Interest expense	53	42
Interest income	(292)	(187)
Provision for warranties	366	360
Gain on disposal of a property, plant and equipment	-	(5)
Property, plant and equipment written off	113	-
Others	(139)	-
Operating profit before changes in working capital	8,733	13,779
Change in inventories	2,762	(2,682)
Change in trade and other receivables	(6,368)	3,180
Tax paid	(1,636)	(198)
Warranties paid	(415)	(505)
Interest paid	(53)	(42)
Change in trade and other payables	(1,662)	(274)
Net cash from / (used in) operating activities	1,361	13,258
Cash flows from investing activities		
Purchase of property, plant & equipments	(2,139)	(1,426)
Proceed from sale of property, plant & equipments	-	5
Acquisition of subsidiary, net of cash	(6,351)	-
Development cost incurred	(30)	(23)
Interest received	292	187
Net cash from / (used in) investing activities	(8,228)	(1,257)
Cash flows from financing activities		
Repayment of loans and borrowings	(29)	675
Government grant received	24	61
Deposit released/(pledged)	(60)	(18)
Repayment of finance lease and hire purchase creditors	(183)	(65)
Dividends paid to owners of the Company	(1,094)	(875)
Dividend paid to minority shareholders of a subsidiary	(225)	(112)
Net cash from / (used in) financing activities	(1,567)	(334)
Net change in Cash and cash equivalents	(8,434)	11,667
Cash and cash equivalents at beginning of period	24,203	9,322
Cash and cash equivalents at end of period	15,769	20,989
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following:		
Deposits with licensed banks and other corporations	10,324	20,989
Cash and bank balances	7,060	1,753
Bank overdraft	-	-
	17,384	22,742
Deposits pledged as security	(1,615)	(1,753)
	15,769	20,989
	-	-

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

AutoV Corporation Berhad

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QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2011

AutoV Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The condensed consolidated interim financial statements of the Group as at and for the period ended 30 September 2011 comprises the Company and its subsidiaries, together referred to as "the Group".

These condensed consolidated interim financial statements were approved by the Board of Directors on 21 November 2011.

1. Basis of preparation

The quarterly financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia. The quarterly financial report do not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2010.

2. Significant Accounting Policies

Save as disclosed below, the significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010.

I. Accounting for business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations. From 1 January 2011 the Group has applied FRS 3, Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

Under FRS 3 (revised), the definition of a business has been broadened, which will result in more acquisitions being treated as business combinations.

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Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any minority (will be known as non-controlling) interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Any non-controlling interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and /or future service.

Acquisitions between 1 January 2006 and 1 January 2011

For acquisitions between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2006

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

II. Loss of control

The Group applied FRS 127, *Consolidated and Separate Financial Statements (revised)* since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be recognised as cost on initial measurement of the investment.

III. Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, *Consolidated and Separate Financial Statements (revised)* where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed the their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

The Group has not applied the following accounting standards, amendments, and interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- Amendments to IC 14, *Prepayments of a Minimum Funding Requirement*
- IC 19, *Extinguishing Financial Liabilities with Equity Instruments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures (revised)*
- IC 15, *Arrangements for the Construction of Real Estate*

The Group plans to apply the abovementioned standards, amendments and interpretations from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012 except for IC Interpretation 19, Amendments to IC Interpretation 14 and IC Interpretation 15 which are not applicable to the Group.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impact to the current and prior periods' financial statements upon their first adoption.

Following the announcement by the Malaysian Accounting Standards Board on 1 August 2008, the Group's financial statements will be prepared in accordance with the International Financial Reporting Standards ("IFRS") framework for annual periods beginning on 1 January 2012.

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3. Qualified audit report

The preceding annual audited financial statements of the Group were reported on without any qualification.

4. Unusual items affecting assets, liabilities, equity, net income or cash flows

Save as disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period to date:

As disclosed in Note 15 below, the AutoV Business (as defined in therein) fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations.

As a result of the above:

(i) all assets, liabilities and related reserves of the Group as at 30 September 2011 have been classified and presented on the consolidated statements of financial position, as 'held for sale' in accordance with FRS 5;

(ii) the entire results of the Group for the current quarter and period and preceding year corresponding quarter and period have been presented on the consolidated statements of comprehensive income as "Discontinued Operations" in accordance with FRS 5; and

(iii) the cash flows of the Group for the current period and preceding year corresponding period have been presented on the consolidated statements of cash flows as "Discontinued Operations" in accordance with FRS 5.

5. Changes in estimates

There were no changes in the estimates of amounts which give a material effect for the current quarter and financial period to date.

6. Taxation

The tax expense for the current quarter is as follows:

	RM'000
Malaysian income tax	
- Current	545
- Prior year	0
Deferred tax	0
	545

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7. Purchase or sale of unquoted investments/properties

Save as dislosed in Note 12 below, there were no purchases or sales of unquoted investments/properties for the current quarter and financial period to date.

8. Purchase or disposal of quoted securities

There were no additions or disposals of quoted securities for the current quarter.

9. Valuation of property, plant and equipment

As at the end of the financial period, the valuations of land and building have been brought forward, without amendments from the audited financial statements as at 31 December 2010.

10. Borrowings

The Group borrowings as at the end of the reporting period are as follows:

	RM'000
Non-Current	153
Current	1,200
Total Group borrowings	1,353

As at the end of the financial quarter, all the borrowings are secured and there are no outstanding foreign currency denominated borrowings.

11. Debt and equity securities

There were no issuances, cancellations, repurchases and repayments of the Company's debt or equity securities for the current quarter.

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12. Changes in composition of the Group

On 18 March 2011, the Company completed its acquisition of 100% equity interest in JP Metal Sdn Bhd for an aggregate cash consideration of RM7,000,000.

The effects from the acquisition are as follows:

	Recognised Value on Acquisition RM'000
Total assets	11,394
Total liabilities	4,255
Fair value of net identifiable assets and liabilities acquired	7,139
Cash paid on acquisition	7,000
Negative goodwill on acquisition	139
Cash acquired on acquisition	649
Net cash outflow on acquisition	6,351

The acquired subsidiary has contributed the following results to the Group:

	Financial Year to Date RM'000
Revenue	8,943
Profit after taxation	855

13. Non-current assets held for sale

Non-current assets held for sale as at the end of the financial period are disclosed in Note 28 below.

14. Segmental information

The Group operates wholly in Malaysia. Financial information by industry segments is not presented as the Group’s activities are principally engaged in the manufacturing and supplying of automotive and related components.

15. Corporate proposals

Save as disclosed below, there are no other corporate proposals that were announced but not completed within 7 days from the date of issue of this quarterly report.

Proposed acquisition of Proreka (M) Sdn Bhd

On 1 June 2011, the Company entered into the Share Sale Agreement with 6 other individuals to acquire the 100% equity interest in Proreka (M) Sdn Bhd for an aggregate consideration of RM27,880,000 ("the acquisition") to be satisfied by RM2,788,000 cash and the issuance of 6,525,000 new ordinary shares of RM1.00 each and 10,900,000 new Redeemable Convertible Preference Shares ("RCPS") of RM0.01 each in the Company at the issue price of RM1.44 per ordinary share and RCPS. The Acquisition was completed on 9 November 2011.

Proposed disposal of the entire business and undertakings of AutoV Group

On 29 July 2011, Maybank Investment Bank Berhad ("Maybank IB"), being the adviser to AutoV in respect of the Proposed Disposal (as defined below) had announced on behalf of the Board of Directors of the Company ("Board") that the Company had received an offer ("Offer") of even date from Temasek Formation Berhad ("TFB") (then known as Temasek Formation Sdn Bhd), a company whose major shareholder and director, namely Datuk Goh Tian Chuan ("Datuk Goh") is also a major shareholder of the Company, to acquire the entire business and undertakings, including all assets and liabilities of the Company ("AutoV Business") ("Proposed Disposal").

Together with the Offer, TFB simultaneously made offers on substantially the same terms and conditions to acquire the entire businesses and undertakings, including all assets and liabilities, of Jotech Holdings Berhad ("Jotech") ("Jotech Business") and AIC Corporation Berhad ("AIC") ("AIC Business"). Such simultaneous offers, together with the Offer (collectively known as the "Merger Exercise Offer"), shall constitute a single consolidated offer as at 29 July 2011 for the purposes of achieving the merger of the businesses and undertakings of AIC, Jotech and AutoV (collectively known as "Target Companies"), including all assets and liabilities of the Target Companies as at completion of the Proposed Disposal in accordance with the terms of the Merger Agreement (as defined below) ("Completion").

On 22 August 2011, Maybank IB announced on behalf of the Board that the non-interested Directors of AutoV have decided to accept the Offer, subject to, among others the approval of the shareholders of AutoV and relevant authorities, where required. As the Merger Exercise Offer represents a related party transaction in view of Datuk Goh's substantial shareholdings in the Target Companies, KAF Investment Bank Berhad ("KAF") has been appointed by AutoV to advise the non-interested Directors and the non-interested shareholders of AutoV.

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On 24 August 2011, Maybank IB announced on behalf of the board of directors of AIC and Jotech that they have decided to accept the offer from TFB to acquire the AIC Business ("Proposed AIC Business Disposal") and Jotech Business ("Proposed Jotech Business Disposal") upon the terms and conditions contained in their respective offer letters dated 29 July 2011 issued by TFB to AIC and Jotech.

On 15 September 2011, Maybank IB announced on behalf of the Board that AutoV had on even date entered into a definitive merger agreement ("Merger Agreement") with TFB, Jotech and AIC in relation to the Merger Exercise Offer.

The Offer entails the following proposals ("Proposals"):

i) Proposed Disposal;
ii) Proposed Distribution;
iii) Proposed Share Issue; and
iv) Proposed Bonus Issue

which is further described below.

<u>Proposed Disposal</u>

The Proposed Disposal entails TFB acquiring the AutoV Business for a total purchase consideration ("Consideration") equivalent to RM2.38 for each ordinary share of RM1.00 each in AutoV("AutoV Share"), being 20% above the volume weighted average market price ("VWAMP") of AutoV Shares for the five (5) market days up to and including 26 July 2011, being the last trading day prior to the Offer, of RM1.98, multiplied by the total number of outstanding AutoV Shares, at a date to be determined later by TFB in consultation with AutoV.

The Consideration shall be satisfied by the issuance of an equivalent value of new ordinary shares of RM0.10 each in TFB ("TFB Share") at an issue price of RM0.12 per TFB Share.

The Consideration is intended to be distributed/paid to the entitled shareholders of AutoV pursuant to the Proposed Distribution as defined below.

<u>Proposed Distribution</u>

AutoV shall, subject to obtaining all requisite approvals, implement a proposed distribution exercise comprising:

i) a capital reduction exercise ("Proposed Capital Reduction") in accordance with Sections 60(2) and/or 64 of the Companies Act, 1965 ("Act"), involving a reduction of the share capital and/or share premium reserve (if applicable) of AutoV via cancellation of AutoV's issued and paid-up share capital, which shall require confirmation by the High Court of Malaya pursuant to Sections 60(2) and/or 64 of the Act; and

ii) a capital repayment exercise ("Proposed Capital Repayment") involving the distribution-in-specie of the TFB Shares to be received by AutoV upon completion of the Proposed Disposal to all the entitled shareholders of AutoV.

(collectively known as the "Proposed Distribution").

Proposed Share Issue

In connection with the Proposed Disposal, TFB shall simultaneously with the implementation of the Proposed Distribution (which will result in the cancellation of the entire share capital of AutoV), subscribe for and AutoV shall allot and issue 2 new AutoV Shares to TFB at an issue price of RM1.00 each ("Proposed Share Issue"). Accordingly, immediately following the completion of the Proposed Distribution and Proposed Share Issue, the share capital of AutoV shall be RM2.00, comprising 2 AutoV Shares, all of which shall be held by TFB.

Proposed Bonus Issue

In order to facilitate the Proposed Distribution, AutoV shall, prior to the implementation of the Proposed Capital Reduction, undertake a bonus issue of shares, which shall not be credited to the entitled shareholders of AutoV and shall immediately be cancelled pursuant to the Proposed Capital Reduction and which is to be effected by way of capitalising all sums standing to the credit of the share premium account, retained profits and/or any other reserves which may be capitalised, including the net gain arising from the Proposed Disposal ("Proposed Bonus Issue"). The actual number of bonus shares to be issued per AutoV Share would be dependent on the amount to be capitalised and the total issued and paid-up capital of AutoV, as at the entitlement date for the Proposed Distribution.

Upon Completion, each of the Target Companies will separately apply to Bursa Malaysia Securities Berhad ("Bursa Securities") to be delisted from the Main Market of Bursa Securities and subsequently subject to the requisite approvals being obtained, TFB shall assume the listing status of any one of the Target Companies and be listed on the Main Market of Bursa Securities.

Maybank IB had on 20 October 2011, submitted an application to the Securities Commission in relation to the Proposals.

16. Contingent liabilities/assets

As at the end of the financial period, the Company had executed corporate guarantees in favour of licensed banks and financial institutions of up to a limit of RM5.0 million for credit facilities granted to its subsidiaries. Out of the total banking facilities secured by corporate guarantees, a total borrowing of RM1.353 million were outstanding at the period end.

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17. Capital commitments

There were no material capital commitments to be disclosed in the financial statement for the current financial period.

18. Material events subsequent to the period end

There are no other material events subsequent to the period end.

19. Derivatives

There were no outstanding financial derivatives held as at the end of the financial period.

20. Seasonal and cyclical factors

There are no material seasonal or cyclical factors affecting the income and performance of the Group.

21. Material litigation

There is no material litigation within 7 days from the date of the quarterly report.

22. Review of performance

The Group's revenue has decreased by RM3.0 million or 3.7% from RM80.2 million in the preceding year corresponding period to RM77.2 million for the current period. This was mainly due to the reduced production of certain car models during the financial period arising from declining sales, in adiition of revenue contribution of RM8.9 million from the newly acquired subsidiary, JP Metal Sdn Bhd.

In line with the decrease in revenue, the Group registered a lower profit after tax of RM4.6 million for the current period compared to RM9.9 million for the preceding year's corresponding period.

23. Quarterly analysis

Quarter on quarter, the Group’s revenue increased by RM2.4 million or 9.3% from the previous quarter's revenue of RM25.7 million, due mainly to revenue contribution from JP Metal Sdn Bhd during the financial quarter.

In line with the increase in revenue, the Group's profit before tax increased by RM0.3 million from the preceding quarter's profit before tax of RM1.7 million.

24. Prospects

In view of the current local market sentiments while paying heed to the uncertain global economy, the Board is cautiously optimistic that the remaining period to the end of financial year to be satisfactory.

25. Profit forecast

Not applicable as no profit forecast was published.

26. Earnings per share

Basic earnings per share

The basic earnings per share for the current quarter have been calculated based on the Group’s profit attributable to the owners of the Company of RM1.255 million, over the weighted average number of ordinary shares in issue of 58,359,747.

Diluted earnings per share

Not applicable

27. Dividends

The Board of Directors does not recommend any dividend in respect of the current financial period.

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28. Discontinued operations and disposal group classified as held for sale

Pursuant to the Merger Agreement as mentioned in Note 15 above, the AutoV Business fall within the ambit of Discontinued Operations and Disposal Group Classified as Held for Sale under FRS 5, Non-current Assets Held for Sale and Discontinued Operations. Accordingly, all assets, liabilities and related reserves of the Group have been classified and presented on the consolidated statements of financial position as 'held for sale' in accordance with FRS 5. As at 30 September 2011, the assets, liabilities and reserves classified as 'held for sale' comprised as follows:

	RM'000
Assets	
Property, plant and equipment	15,232
Development expenditure	1,478
Goodwill	245
Deferred tax assets	1,001
Inventories	8,207
Trade & other receivable	25,490
Prepayments	-
Current tax assets	284
Cash and cash equivalents	17,384
Assets of disposal group classified as held for sale	69,321
Liabilities	
Trade & other payables	13,417
Current tax liabilities	290
Government grant	272
Borrowing	1,353
Provision	357
Deferred tax liabilities	669
Liabilities of disposal group classified as held for sale	16,358
Net assets of disposal group classified as held for sale	52,963
Reserves	
Other reserves	700
Reserves of disposal group classified as held for sale	700

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29. Realised and unrealised profit and loss

The breakdown of the accumulated losses of the Group is as follows:

	As At 30 June 2011 RM'000	As At 31 Dec 2010 RM'000
Realised	(45,848)	(49,104)
Unrealised	25	364
	(45,823)	(48,740)
Consolidation adjustments	33,078	33,078
Total accumulated losses	(12,745)	(15,662)