AutoV Corporation Berhad

(Incorporated in Malaysia)
Company No : 108253-W

QUARTERLY UNAUDITED FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2011

Contents

AutoV Corporation Berhad

(Company No. 108253-W)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2011

	CURRENT QUARTER 3 months ended 31 Dec		CUMULATIVE QUARTER 12 months ended 31 Dec	
	2011 RM'000 Unaudited	2010 RM'000 Unaudited	2011 RM'000 Unaudited	2010 RM'000 Audited
Discontinued operations				
Revenue	35,312	26,325	112,491	102,580
Cost of sales	(28,863)	(21,369)	(91,031)	(81,997)
Gross profit	6,449	4,956	21,460	20,583
Other income	1,268	962	2,789	3,110
Administrative expenses	(6,021)	(2,782)	(16,767)	(11,229)
Other expenses	-	-	-	-
Results from operating activities	1,696	3,136	7,482	12,464
Finance cost	(116)	(17)	(169)	(60)
Interest income	89	95	381	339
Profit before taxation	1,669	3,214	7,694	12,743
Income tax expense	(809)	(937)	(2,262)	(756)
Profit from continuing operations	860	2,277	5,432	11,987
Other comprehensive income	-	-	-	-
Total comprehensive income	860	2,277	5,432	11,987
Attributable to:-				
Owners of the Company	851	2,099	4,862	11,367
Non-controlling interests	9	178	570	620
Total comprehensive income	860	2,277	5,432	11,987
Earnings per share				
Basic earnings per share (sen)	1.43	3.60	8.18	19.48
Diluted earnings per share (sen)	1.12	N/A	6.42	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 31 Dec 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	120,570	-
Total current assets	120,570	51,376
TOTAL ASSETS	120,570	63,865
EQUITY		
Share capital	64,994	58,360
Share premium	5,292	2,421
Other reserves	-	700
Accumulated losses	(11,893)	(15,662)
Reserves of group classified as held for sale	18,355	-
Total equity attributable to owners of the Company	76,748	45,819
Non-controlling interest	3,966	3,891
Total equity	80,714	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	39,856	-
Total current liabilities	39,856	13,376
Total Liabilities	39,856	14,155
TOTAL EQUITY AND LIABILITIES	120,570	63,865
	-	-
Net assets per share attributable to owners of the Company (sen)	118.08	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.

AutoV Corporation Berhad

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CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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
Ordinary shares issued	6,525	2,871	-	-	9,396	-	9,396
RCPS issued	109	-	15,587		15,696	-	15,696
Fair value adjustment on securities issued for acquisition of subsidiary	-	-	2,068		2,068	-	2,068
Profit for the period	-	-	-	4,862	4,862	570	5,432
Dividend to owners	-	-	-	(1,093)	(1,093)	(495)	(1,588)
At 31 December 2011	64,994	5,292	18,355	(11,893)	76,748	3,966	80,714
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	-	-	-	-	-	-	-
- as restated	58,360	2,421	700	(25,497)	35,984	3,513	39,497
Profit for the period	-	-	-	11,367	11,367	620	11,987
Dividend to owners	-	-	-	(1,532)	(1,532)	(242)	(1,774)
At 31 December 2010	58,360	2,421	700	(15,662)	45,819	3,891	49,710

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

	12 months ended 31 Dec	
	2011 Unaudited RM'000	2010 Audited RM'000
Discontinued operations		
Cash flows from operating activities		
Profit before taxation from continuing operations	7,694	12,743
Adjustment for non-cash flow items:		
Impairment of trade receivables	-	333
Depreciation	2,999	2,569
Amortisation of development costs	835	835
Amortisation of government grant	(101)	(109)
Interest expense	121	60
Interest income	(380)	(339)
Provision for warranties	1,253	525
Negative goodwill	(139)	-
Gain on disposal of subsidiary	-	(30)
Gain on disposal of other investment	-	(6)
Gain on disposal of property, plant and equipment	(5)	(20)
Property, plant and equipment written off	118	93
Others	8	51
Operating profit before changes in working capital	12,403	16,705
Change in inventories	828	(2,942)
Change in trade and other receivables	(4,816)	5,900
Tax paid	(3,188)	(950)
Warranties paid	(627)	(613)
Change in trade and other payables	699	(767)
Net cash from / (used in) operating activities	5,299	17,333
Cash flows from investing activities		
Purchase of property, plant & equipments	(5,044)	(965)
Proceed from disposal of other investment	-	16
Proceed from sale of property, plant & equipments	24	20
Acquisition of subsidiary, net of cash	(9,215)	-
Development cost incurred	(109)	(78)
Interest received	381	339
Net cash from / (used in) investing activities	(13,963)	(668)
Cash flows from financing activities		
Drawdown/ (Repayment) of loans and borrowings	1,120	(49)
Government grant received	24	61
Interest paid	(121)	(60)
Deposit released/(pledged)	(1,421)	179
Repayment of finance lease and hire purchase creditors	(344)	(141)
Dividends paid to owners of the Company	(1,093)	(1,532)
Dividend paid to minority shareholders of a subsidiary	(495)	(242)
Net cash from / (used in) financing activities	(2,330)	(1,784)
Net change in Cash and cash equivalents	(10,994)	14,881
Cash and cash equivalents at beginning of period	24,203	9,322
Cash and cash equivalents at end of period	13,209	24,203
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following:		
Deposits with licensed banks and other corporations	10,942	18,452
Cash and bank balances	7,646	7,307
Bank overdraft	(2,402)	-
	16,186	25,759
Deposits pledged as security	(2,977)	(1,556)
	13,209	24,203
	-	-

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.

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QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2011 comprises the Company and its subsidiaries, together referred to as "the Group".

The Board of Directors has on 30 December 2011 approved the change in the financial year end of the Group from 31 December to 30 June and the next audited financial statements shall be for a period of 18 months from 1 January 2011 to 30 June 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 February 2012.

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.

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.

3. Qualified audit report

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

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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	1,293
- Prior year	19
Deferred tax	950
	2,262

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.

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8. Notes to the statement of comprehensive income

Other than interest income and finance costs, included in the statement of comprehensive income are the following credits/(charges):

	Current Quarter		Financial Year-to-Date	
	Dec-11	Dec-10	Dec-11	Dec-10
	RM'000	RM'000	RM'000	RM'000
Depreciation	(971)	(643)	(2,999)	(2,569)
Amortisation	(155)	(182)	(734)	(726)
Impairment of receivables	-	-	-	(333)
Impairment of inventories	-	-	-	185
Gain on disposal of investment	-	-	-	36
Gain on disposal of properties	-	-	-	-
Gain on disposal of equipment	5	-	5	20
Plant & equipment written off	(5)	-	(118)	(93)
Gain/(Loss) on foreign exchange	(65)	659	826	2,494
Gain/(Loss) on derivatives	-	-	-	-
Other exceptional items	-	-	-	-

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	5,299
Current	6,805
Total Group borrowings	12,104

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

On 8 November 2011, the Company issued 6,525,000 ordinary shares of RM1.00 each and 10,900,000 Redeemable Convertible Preference Shares ("RCPS") of RM0.01 each at an issue price of RM1.44 per share and RCPS.

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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 ("JPM") for an aggregate consideration of RM7,000,000.

On 9 November 2011, the Company completed its acquisition of 100% equity interest in Proreka (M) Sdn Bhd ("PMSB") for an aggregate consideration of RM27,880,000.

The effects from the acquisitions are as follows:

	Recognised Value on Acquisition		
	JPM	PMSB	Total
	RM'000	RM'000	RM'000
Total assets	11,394	36,317	47,711
Total liabilities	4,255	25,080	29,335
Fair value of net identifiable assets and liabilities acquired	7,139	11,237	18,376
Cash paid on acquisition	7,000	2,788	9,788
Fair value of equity & RCPS issued	-	27,160	27,160
Goodwill/ (Negative goodwill) acquired	(139)	18,711	18,572
Cash acquired on acquisition	649	(76)	573
Net cash outflow on acquisition	6,351	2,864	9,215

The acquired subsidiaries have contributed the following results to the Group:

	Financial Year to Date		
	JPM	PMSB	Total
	RM'000	RM'000	RM'000
Revenue	13,213	9,245	22,458
Profit after taxation	1,185	962	2,147

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 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.

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.

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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").

<u>Proposed Share Issue</u>

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.

<u>Proposed Bonus Issue</u>

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.

On 17 January 2012, Maybank IB had announced on our behalf that the Ministry of International Trade and Industry had vide its letter dated 13 January 2012 (which was received on 17 January 2012), approved the Proposed Disposal, subject to the conditions detailed in the said announcement.

On 26 January 2012, Maybank IB had announced on our behalf that the Securities Commission had vide its letter dated 25 January 2012 (which was received on 26 January 2012), granted its approval under Section 212(5) of the Capital Markets and Services Act 2007, for the Proposals, subject to the conditions detailed in the said announcement.

On 24 February 2012, Maybank IB had announced on our behalf that the Extraordinary General Meeting to approve the above has been fixed on 22 March 2012, details as contained in the Circular to Shareholders dated 27 February 2012.

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 RM1.852 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

I) Current period versus preceding year corresponding period - Revenue

The Group's revenue has increased by RM9.9 million or 3.7% from RM102.6 million in the preceding year corresponding period to RM112.5 million for the current period. This was mainly due to the revenue contribution of RM22.5 million from the newly acquired subsidiaries, JPM and PMSB, which helped cushioned the impact from reduced car production during the financial period arising from the Japan tsunami and Thailand floods.

II) Current period versus preceding year corresponding period - Results

Due to the reduced car production during the financial period , the Group registered a lower profit after tax of RM5.4 million for the current period compared to RM12.0 million for the preceding year's corresponding period.

III) Current quarter versus preceding year corresponding quarter - Revenue

The Group's revenue for the current quarter has increased by RM9.0 million or 34.2% from RM26.3 million in the preceding year corresponding quarter mainly due to the revenue contribution from the newly acquired subsidiaries in 2011.

IV) Current quarter versus preceding year corresponding quarter - Results

Despite the increase in revenue compared to the preceeding year's corresponding quarter, the profit after tax for the current quarter fell RM1.4 million or 62.2% to RM0.9 million for the current quarter. This has mainly due to a significant decrease in the supply of components arising from lower car production volume in the current year.

23. Quarterly analysis

I) Revenue

Quarter on quarter, the Group's revenue increased by RM7.9 million or 28.9% from the previous quarter's revenue of RM27.4 million, due mainly to revenue contribution from Proreka (M) Sdn Bhd during the financial quarter.

II) Results

In spite of the increase in revenue, the Group's profit before tax decreased by RM0.3 million from the preceding quarter's profit before tax of RM2.0 million, mainly attributed to the increase in expenses for the recent corporate exercises during the financial quarter.

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 over the weighted average number of ordinary shares in issue of 59,447,247.

Diluted earnings per share

The fully diluted earnings per share for the current quarter have been calculated based on the Group's profit attributable to the owners of the Company over the total share capital issued and assuming that the RCPS are fully converted.

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 31 December 2011, the assets, liabilities and reserves classified as 'held for sale' comprised as follows:

	RM'000
Assets	
Property, plant and equipment	26,920
Development expenditure	1,368
Goodwill	18,955
Deferred tax assets	1,001
Inventories	16,369
Trade & other receivable	35,028
Prepayments	-
Current tax assets	2,341
Cash and cash equivalents	18,588
Assets of disposal group classified as held for sale	120,570
Liabilities	
Trade & other payables	24,960
Current tax liabilities	227
Government grant	245
Borrowing	12,104
Provision	1,032
Deferred tax liabilities	1,288
Liabilities of disposal group classified as held for sale	39,856
Net assets of disposal group classified as held for sale	80,714
Reserves	
Other reserves	18,355
Reserves of disposal group classified as held for sale	18,355

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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 31 Dec 2011 RM'000	As At 31 Dec 2010 RM'000
Realised	(45,701)	(49,104)
Unrealised	730	364
	(44,971)	(48,740)
Consolidation adjustments	33,078	33,078
Total accumulated losses	(11,893)	(15,662)