

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2010
(Figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 months)	
	Current Year Quarter 30.06.2010 RM'000	Preceding Year Corresponding Quarter 30.06.2009 RM'000	Current Year To Date 30.06.2010 RM'000	Preceding Year Corresponding Period 30.06.2009 RM'000
Revenue	6,475	5,625	19,751	21,354
Cost of sales	(6,754)	(7,077)	(19,867)	(23,029)
Gross profit/(loss)	(279)	(1,452)	(116)	(1,675)
Operating expenses	(453)	(1,282)	(4,719)	(5,656)
Other operating income	61	59	1,619	529
Profit/(Loss) from operations	(671)	(2,675)	(3,216)	(6,802)
Finance costs	(319)	(274)	(1,391)	(1,499)
Profit/(Loss) before tax	(990)	(2,949)	(4,607)	(8,301)
Income tax expense	152	274	208	189
Net profit/(loss)	(838)	(2,675)	(4,399)	(8,112)
Attributable to :				
Equity holders of the Company	(838)	(2,675)	(4,399)	(8,112)
Minority interest	-	-	-	-
Net profit/(loss)	(838)	(2,675)	(4,399)	(8,112)
Earnings/(Loss) per share (sen):				
- Basic	(1.9)	(6.1)	(10.0)	(18.4)
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2009)

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2010**

(Figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT 30.06.2010 RM'000	AUDITED AS AT 30.06.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,597	26,400
	<u>22,597</u>	<u>26,400</u>
Current assets		
Property development costs	5,678	6,213
Inventories	11,802	11,637
Non-current assets held for sale	-	9,095
Trade and other receivables	9,588	6,815
Tax recoverable	122	75
Cash and bank balances	473	384
	<u>27,663</u>	<u>34,219</u>
TOTAL ASSETS	<u>50,260</u>	<u>60,619</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	44,000	44,000
Share premium	42	42
Accumulated losses	(15,149)	(10,750)
Shareholders' equity	<u>28,893</u>	<u>33,292</u>
Non-current liabilities		
Hire purchase liabilities	19	37
Long term borrowings	2,034	9,979
Deferred tax liabilities	-	217
	<u>2,053</u>	<u>10,233</u>
Current liabilities		
Trade and other payables	9,764	6,496
Bank overdrafts	3,426	4,258
Hire purchase liabilities	115	65
Short term borrowings	5,989	6,264
Tax payable	20	11
	<u>19,314</u>	<u>17,094</u>
Total liabilities	<u>21,367</u>	<u>27,327</u>
TOTAL EQUITY AND LIABILITIES	<u>50,260</u>	<u>60,619</u>
Net assets per share attributable to equity holders of the Company (RM)		
	<u>0.66</u>	<u>0.76</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2009)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CURRENT YEAR ENDED 30.06.2010 RM'000	CORRESPONDING ENDED 30.06.2009 RM'000
Net cash (used in)/from operating activities	(1,147)	(1,087)
Net cash (used in)/from investing activities	10,256	1,815
Net cash (used in)/from financing activities	(8,188)	(1,259)
Net increase/(decrease) in cash and cash equivalents	921	(531)
Cash and cash equivalents at beginning of quarter	(3,874)	(3,343)
Cash and cash equivalents at end of quarter	(2,953)	(3,874)
Cash and cash equivalents comprises:		
Cash and bank balances	473	384
Bank overdrafts	(3,426)	(4,258)
	(2,953)	(3,874)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2009)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →			Shareholders' Equity
	Share Capital	Non-Distributable Share Premium	Accumulated Losses	
	RM'000	RM'000	RM'000	
At 1 July 2009	44,000	42	(10,750)	33,292
Net loss for the year	-	-	(4,399)	(4,399)
At 31 June 2010	44,000	42	(15,149)	28,893
At 1 July 2008	44,000	42	(2,638)	41,404
Net loss for the year	-	-	(8,112)	(8,112)
At 30 June 2009	44,000	42	(10,750)	33,292

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2009)

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2010**
(Figures have not been audited)

(A) IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (FRS) 134

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements for the year ended 30 June 2009.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 30 June 2009 other than the Group had adopted the new and revised Financial Reporting Standard ("FRS") that become mandatory for the current financial period. The adoption of the new and revised FRSs does not result in significant changes in accounting policies of the Group.

A2. Qualified audit report

There was no qualification in the auditors' report on the Group's preceding audited annual financial statements for the year ended 30 June 2009.

A3. Seasonal or cyclical factors

The Group's operations for the current quarter and financial year to date are not significantly affected by seasonal or cyclical factors.

A4. Unusual item affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the current quarter and financial year to date.

A5. Changes in estimates

There were no changes in the estimates of amounts reported in the prior financial years which have a material effect in the current quarter or the financial year to date.

A6. Issuance or repayment of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

A7. Dividend

There was no dividend paid in the current quarter and the financial year to date.

A8. Segment Information

Segment information is presented in respect of the Group's business segment:

	Investment holdings RM'000	Manufacturing and marketing of automotive components RM'000	Property development RM'000	Eliminations RM'000	Consolidated RM'000
Current					
Year-To-Date					
Ended 30.06.2010					
REVENUE					
External revenue	-	19,751	-	-	19,751
Inter-segment revenue	120	7,676	-	(7,796)	-
Total Revenue	120	27,427	-	(7,796)	19,751
RESULTS					
Segment result	(5,021)	(1,715)	(1,332)	4,826	(3,242)
Interest income					26
Finance costs					(1,391)
Loss before tax					(4,607)
Taxation					208
Net loss					(4,399)
Preceding					
Year-To-Date					
Ended 30.06.2009					
REVENUE					
External revenue	-	20,578	776	-	21,354
Inter-segment revenue	120	7,787	-	(7,907)	-
Total Revenue	120	28,365	776	(7,907)	21,354
RESULTS					
Segment result	(8,555)	(5,627)	(1,088)	8,461	(6,809)
Interest income					7
Finance costs					(1,499)
Loss before tax					(8,301)
Income tax expense					189
Net loss					(8,112)

The Group's operations are solely based in Malaysia.

A9. Valuation of property, plant and equipment

The carrying value of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

A10. Material events subsequent to the end of the period

There were no material events as at 30 August 2010 that have not been reflected in the financial statements for the current quarter and financial year to date.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year to date.

A12. Contingent liabilities

Save as disclosed below, there were no contingent liabilities or assets since the last annual Balance Sheet date.

	GROUP		COMPANY	
	As at 30.6.2010 RM'000	As at 30.6.2009 RM'000	As at 30.6.2010 RM'000	As at 30.6.2009 RM'000
In respect of corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries:	-	-	9,167	10,147
Total:	-	-	9,167	10,147

A13. Capital commitments

There are no capital expenditure approved and contracted for as at the end of the current quarter.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

For the current financial year ended 30 June 2010, the Group recorded revenue of RM19.751 million and loss before tax of RM4.607 million as compared with its preceding year's corresponding period revenue of RM21.354 million and loss before tax of RM8.301 million. The lower loss before tax was due to lower operating expenses and also the Group recorded a gain of RM1.2 million on disposal of 3 pieces of vacant land located at Kota Damansara.

The Group's performance for the current quarter was correspondingly better with a loss before tax of RM0.99 million as compared with loss before tax of RM2.949 million registered in the preceding year's corresponding quarter. The improvement in performance was mainly due to higher revenue that achieved in the current quarter under review.

The results for the current quarter have not been affected by any transaction or event of a material or unusual in nature which has arisen between 30 June 2010 and the date of this announcement.

B2. Material changes in the current quarter results compared with the immediate preceding quarter

The Group's revenue and loss before tax for the quarter under review were RM6.475 million and RM0.99 million as compared with the preceding quarter's revenue and profit before tax of RM4.943 million and RM0.37 million respectively. The Group recorded a gain of RM1.2 million on disposal of 3 pieces of vacant land located at Kota Damansara during the preceding quarter under review.

B3. Prospects

Barring any unforeseen circumstances, the performance of the group is expected to improve for the coming year.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter and financial year to date.

B5. Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Preceding Year		Preceding Year
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Period
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000
Group				
Estimated income tax payable	13	32	(9)	(13)
Deferred tax	139	242	217	202
	152	274	208	189

B6. Sale of unquoted investments and/or properties

There was no disposal of unquoted investment and/or properties during the current quarter and financial year to date except for the disposal of 3 parcels of vacant land in Kota Damansara on 25 August 2009 for a sale consideration of RM10.3 million.

B7. Purchase / disposal of quoted securities

There was no purchase or disposal of quoted securities during the current quarter and financial year to date.

B8. Status of corporate proposals

There were no corporate proposals announced from the date of the last quarter report to the date of this announcement.

B9. Group borrowings and debt securities

Group borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
(a) Current			
Bank overdrafts	3,426	-	3,426
Bankers' acceptances	1,795	-	1,795
Term loans	1,927	2,267	4,194
Hire purchase liabilities	115	-	115
Sub-total of current	7,263	2,267	9,530
(b) Non-current			
Term loans	1,809	225	2,034
Hire purchase liabilities	19	-	19
Sub-total of non-current	1,828	225	2,053
Total borrowings	9,091	2,492	11,583

The above Group borrowings are all denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

B11. Material litigation

As at the date of this announcement, there was no material litigation against the Group.

B12. Dividends

No dividend has been recommended for the current quarter and financial year to date.

B13. Earnings/(Loss) per share

The basic earnings/(loss) per share of the Group is calculated by dividing the loss for the relevant periods by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2010	Preceding Year Corresponding Quarter 30.6.2009	Current Year To Date 30.6.2010	Preceding Year Corresponding Period 30.6.2009
Net profit/(loss) for the period (RM'000)	(838)	(2,675)	(4,399)	(8,112)
Weighted average number of ordinary shares in issue ('000)	44,000	44,000	44,000	44,000
Basic earnings/(loss) per share (sen)	(1.9)	(6.1)	(10.0)	(18.4)