

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011
(Figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2011 RM'000	Preceding Year Corresponding Quarter 30.09.2010 RM'000 As restated	Current Year To Date 30.09.2011 RM'000	Preceding Year Corresponding Period 30.09.2010 RM'000 As restated
Revenue	4,112	5,013	4,112	5,013
Cost of sales	(4,930)	(5,923)	(4,930)	(5,923)
Gross profit/(loss)	(818)	(910)	(818)	(910)
Operating expenses	(687)	(598)	(687)	(598)
Other operating income/(expenses)	17	(927)	17	(927)
Finance costs	(115)	(199)	(115)	(199)
Profit/(Loss) before tax	(1,603)	(2,634)	(1,603)	(2,634)
Income tax expense	-	-	-	-
Net profit/ (loss) for the period	(1,603)	(2,634)	(1,603)	(2,634)
Other comprehensive income	-	-	-	-
Total comprehensive income/ (loss) for the period	(1,603)	(2,634)	(1,603)	(2,634)
Loss attributable to :				
Equity holders of the Company	(1,603)	(2,634)	(1,603)	(2,634)
Non-controlling interests	-	-	-	-
	(1,603)	(2,634)	(1,603)	(2,634)
Total comprehensive loss attributable to :				
Equity holders of the Company	(1,603)	(2,634)	(1,603)	(2,634)
Non-controlling interests	-	-	-	-
	(1,603)	(2,634)	(1,603)	(2,634)
Loss per share attribute to :				
Equity holders of the Company				
- Basic (Sen)	(3.6)	(6.0)	(3.6)	(6.0)
- Diluted (Sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2011)

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

(Figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30.09.2011 RM'000	AUDITED AS AT 30.06.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,505	18,924
	<u>20,505</u>	<u>18,924</u>
Current assets		
Property development costs	6,035	6,019
Inventories	11,271	11,278
Non-current assets held for sale	-	-
Trade and other receivables	6,659	6,854
Tax recoverable	107	136
Deposit with financial institutions	130	130
Cash and bank balances	369	795
	<u>24,571</u>	<u>25,212</u>
TOTAL ASSETS	<u>45,076</u>	<u>44,136</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	44,000	44,000
Share premium	42	42
Reserves	(22,018)	(22,660)
Shareholders' equity	<u>22,024</u>	<u>21,382</u>
Non-current liabilities		
Hire purchase liabilities	9	10
Long term borrowings	750	2,086
Deferred tax liabilities	-	-
	<u>759</u>	<u>2,096</u>
Current liabilities		
Trade and other payables	11,596	11,090
Bank overdrafts	2,131	3,123
Hire purchase liabilities	4	8
Short term borrowings	8,542	6,432
Tax payable	20	5
	<u>22,293</u>	<u>20,658</u>
Total liabilities	<u>23,052</u>	<u>22,754</u>
TOTAL EQUITY AND LIABILITIES	<u>45,076</u>	<u>44,136</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.50</u>	<u>0.49</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 2011)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →				
	Share Capital	Non-Distributable Share Premium	Non-Distributable Fair Value Reserve	Accumulated Losses	Shareholders' Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2011	44,000	42	-	(22,659)	21,383
Total comprehensive income for the period	-	-	2,244	(1,603)	641
At 30 September 2011	44,000	42	2,244	(24,262)	22,024
At 1 July 2010	44,000	42	-	(15,149)	28,893
Total comprehensive income for the period	-	-	-	(2,634)	(2,634)
At 30 September 2010	44,000	42	-	(17,783)	26,259

(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 2011)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CURRENT YEAR ENDED 30.09.2011 RM'000	CORRESPONDING ENDED 30.09.2010 RM'000
Cash flow from operating activities		
Profit(Loss) for the period	(1,603)	(2,634)
Adjustments for non-cash flow items:		
Depreciation	739	891
Finance cost (net of interest income)	111	198
Others	8	(24)
Operating profit/(loss) before changes in working capital	(745)	(1,569)
Net change in current assets	266	1,383
Net change in current liabilities	465	214
Cashflow from operations	(14)	28
Taxes paid	(2)	(4)
Net cash (used in)/from operating activities	(16)	24
Cash flow from investing activities		
Additions to property, plant and equipment	(76)	(44)
Others	1	1
Net cash (used in)/from investing activities	(75)	(43)
Cash flow from financing activities		
Drawdown of borrowings	4,012	1,176
Repayment of borrowings	(3,243)	(474)
Interest payment	(112)	(199)
Net cash (used in)/from financing activities	657	503
Net increase/(decrease) in cash and cash equivalents	566	484
Cash and cash equivalents at beginning of the quarter	(2,328)	(3,247)
Cash and cash equivalents at end of the quarter	(1,762)	(2,763)
Cash and cash equivalents comprises:		
Cash and bank balances	369	377
Fixed deposits with a licensed bank	130	-
Bank overdrafts	(2,131)	(3,140)
	(1,632)	(2,763)
Less : Fixed deposits pledged	(130)	-
	(1,762)	(2,763)

(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 2011)

**NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 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 2011.

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 2011. In addition, the Group had also adopted the new and revised Financial Reporting Standard ("FRS"), Amendments to FRSs, Interpretations and Technical Releases that become mandatory for the current financial period. The adoption of the new and revised FRSs, Amendments to FRSs, Interpretations and Technical Releases does not have significant impact on the financial statements of the Group except for the changes in presentation and disclosures of financial information.

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 2011.

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 30.09.2011					
REVENUE					
External revenue		4,112	-	-	4,112
Inter-segment revenue	50	1,279	-	(1,329)	-
Total Revenue	50	5,391	-	(1,329)	4,112
RESULTS					
Segment result	16	(1,454)	(51)		(1,489)
Interest income					1
Finance costs					(115)
Loss before tax					(1,603)
Taxation					-
Net loss					(1,603)
Preceding					
Year-To-Date					
Ended 30.09.2010					
REVENUE					
External revenue		5,013	-	-	5,013
Inter-segment revenue	30	1,563	-	(1,593)	-
Total Revenue	30	6,576	-	(1,593)	5,013
RESULTS					
Segment result	(21)	(2,368)	(47)		(2,436)
Interest income					1
Finance costs					(199)
Loss before tax					(2,634)
Taxation					-
Net loss					(2,634)

The Group's operations are solely based in Malaysia.

A9. Valuation of property, plant and equipment

The plant and equipment has been brought forward without amendment from the previous annual financial statement, whereas a freehold property has been revalued to RM 14 million.

A10. Material events subsequent to the end of the period

There were no material events as at 24 November 2011 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 30.9.2011 RM'000	As at 30.9.2010 RM'000	As at 30.9.2011 RM'000	As at 30.9.2010 RM'000
In respect of corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries:	-	-	3,952	8,569
Total:	-	-	3,952	8,569

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

The Group's revenue for the current quarter was lower at RM 4.112 million as compared to RM 5.013 million recorded in the corresponding quarter last year.

The Group's loss before tax for the current quarter was correspondingly lower at RM 1.603 million as compared with RM 2.634 million registered in the preceding year's corresponding quarter. The lower loss before tax was mainly due to the inventories written down amounting to RM0.861 million recorded in the preceding year's corresponding quarter.

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 September 2011 and the date of this announcement.

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

The Group recorded a loss before tax of RM 1.603 million as compared to loss before tax of RM 1.918 million in the immediate preceding quarter. The lower loss was mainly due to a lower depreciation charge.

B3. Prospects

Barring any unforeseen circumstances, the performance of the Group may improve for the remaining period of the 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	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30.9.2011	Quarter	30.9.2011	Period
	RM'000	30.9.2010	RM'000	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Group				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-

The effective tax rates for the current and previous quarter is higher than the statutory tax rate mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

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.

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	Unsecured	Total
	RM'000	RM'000	RM'000
(a) Current			
Bank overdrafts	2,131	-	2,131
Bankers' acceptances	-	4,238	4,238
Term loans	1,071	3,233	4,304
Hire purchase liabilities	4	-	4
Sub-total of current	3,206	7,471	10,677
(b) Non-current			
Term loans	750	-	750
Hire purchase liabilities	9	-	9
Sub-total of non-current	759	-	759
Total borrowings	3,965	7,471	11,436

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 30.9.2011	Preceding Year Corresponding Quarter 30.9.2010	Current Year To Date 30.9.2011	Preceding Year Corresponding Period 30.9.2010
Net profit/(loss) for the period (RM'000)	(1,603)	(2,634)	(1,603)	(2,634)
Weighted average number of ordinary shares in issue ('000)	44,000	44,000	44,000	44,000
Basic earnings/(loss) per share (sen)	(3.6)	(6.0)	(3.6)	(6.0)

B14. Realised and unrealised retained profits/ accumulated losses

	As at 30.9.2011 RM'000	As at 30.6.2011 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(27,533)	(26,112)
- Unrealised losses	(2,446)	(17)
Less : Consolidation adjustments	5,717	3,470
Total group accumulated losses as per consolidated financial statements	<u>(24,262)</u>	<u>(22,659)</u>

By Order of the Board

Company Secretaries