



CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2009

The Board of Directors is pleased to announce the Group's quarterly report on consolidated results for the period ended 30 June 2009. The cumulative quarter figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|--------------------------|--------------------------|-------------------------------|-------------------------------|
| | | Quarter ended 30.06.2009 | Quarter ended 30.06.2008 | Year to date ended 30.06.2009 | Year to date ended 30.06.2008 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 51,077 | 43,902 | 96,614 | 86,572 |
| Cost of sales | | (37,838) | (30,931) | (72,485) | (61,966) |
| Gross profit | | 13,239 | 12,971 | 24,129 | 24,606 |
| Other operating income | | 1,389 | 1,837 | 3,116 | 3,610 |
| Operating expenses | | (6,829) | (5,704) | (13,133) | (12,269) |
| Finance costs | | (376) | (620) | (794) | (1,163) |
| Profit before tax | | 7,423 | 8,484 | 13,318 | 14,784 |
| Tax expenses | 18 | (855) | (922) | (1,098) | (1,480) |
| Profit for the period | | 6,568 | 7,562 | 12,220 | 13,304 |
| Minority interest | | (166) | - | (219) | - |
| Profit attributable to ordinary equity holders of the parent | | 6,402 | 7,562 | 12,001 | 13,304 |
| Basic earnings per share (sen) | 26 | 8.52 | 10.06 | 15.97 | 17.70 |
| Diluted earnings per share (sen) | | N.A. | N.A. | N.A. | N.A. |

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)

CONDENSED CONSOLIDATED BALANCE SHEET

| | Note | Unaudited As At 30.06.2009 RM'000 | Audited As At 31.12.2008 RM'000 |
|---|------|--|--|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | | 150,417 | 154,283 |
| Prepaid lease payments for land | | 9,507 | 9,617 |
| Investments | | 83 | 83 |
| Intangible asset – Goodwill | | 25,519 | 25,519 |
| | | 185,526 | 189,502 |
| Current Assets | | | |
| Inventories | | 33,108 | 33,830 |
| Trade receivables | | 47,222 | 40,547 |
| Other receivables, deposits & prepayments | | 3,695 | 3,203 |
| Tax recoverable | | 2 | 2 |
| Cash and cash equivalents | | 31,910 | 28,126 |
| | | 115,937 | 105,708 |
| Total Assets | | 301,463 | 295,210 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | | | |
| Share capital | | 75,157 | 75,157 |
| Reserves | | | |
| <u>Non-Distributable:</u> | | | |
| Share premium | | 4,210 | 4,210 |
| Revaluation reserve | | 13,513 | 13,513 |
| <u>Distributable:</u> | | | |
| Retained profits | | 130,772 | 124,783 |
| | | 148,495 | 142,506 |
| Minority Interest | | 2,219 | - |
| Total Equity | | 225,871 | 217,663 |
| Non-Current Liabilities | | | |
| Borrowings (interest bearing) | 22 | 5,429 | 9,391 |
| Deferred tax liabilities | | 13,816 | 14,223 |
| | | 19,245 | 23,614 |
| Current Liabilities | | | |
| Trade payables | | 11,374 | 4,542 |
| Other payables & accruals | | 5,561 | 6,313 |
| Borrowings (interest bearing) | 22 | 38,418 | 42,274 |
| Current tax payable | | 994 | 804 |
| | | 56,347 | 53,933 |
| Total Liabilities | | 75,592 | 77,547 |
| Total Equity and Liabilities | | 301,463 | 295,210 |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | | 2.98 | 2.90 |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | 6 months ended 30.06.2009 | 6 months ended 30.06.2008 |
|--|--|--|
| | RM'000 | RM'000 |
| Cash Flow From Operating Activities | | |
| Profit before tax | 13,318 | 14,784 |
| Adjustments for:- | | |
| Non-cash items | 8,036 | 8,388 |
| Non-operating items | 585 | 818 |
| Operating profit before working capital changes | 21,939 | 23,990 |
| Net change in current assets | (6,293) | 550 |
| Net change in current liabilities | 6,079 | 2,550 |
| Tax paid | (1,315) | (1,052) |
| Net cash generated from operating activities | 20,410 | 26,038 |
| Cash Flows From Investing Activities | | |
| Proceeds from disposal of property, plant and equipment | 1,515 | 102 |
| Purchase of property, plant and equipment | (5,538) | (8,892) |
| Cash contributed by minority shareholders of a subsidiary | 2,000 | - |
| Interest received | 209 | 345 |
| Net cash used in investing activities | (1,814) | (8,445) |
| Cash Flow From Financing Activities | | |
| Interest paid | (794) | (1,163) |
| (Repayment)/Drawdown of short term borrowings | (1,715) | 15,300 |
| Dividend paid | (6,012) | (8,267) |
| Repayment of hire purchase | (12) | - |
| Repayment of term loan | (6,279) | (2,203) |
| Net cash (used in)/from financing activities | (14,812) | 3,667 |
| Net increase in cash and cash equivalents | 3,784 | 21,260 |
| Cash and cash equivalents at beginning of financial period | 28,126 | 17,583 |
| Cash and cash equivalents at end of the period | 31,910 | 38,843 |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the parent | | | | | Minority interest | Total Equity |
|---|--|---------------|----------------------|------------------|----------------|-------------------|----------------|
| | Share capital | Share premium | Revaluation reserves | Retained profits | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| Balance as at 1 January 2008 | 75,157 | 4,210 | 13,513 | 114,769 | 207,649 | - | 207,649 |
| Profit after tax | - | - | - | 13,304 | 13,304 | - | 13,304 |
| Dividend | - | - | - | (6,012) | (6,012) | - | (6,012) |
| Balance as at 30 June 2008 | 75,157 | 4,210 | 13,513 | 122,061 | 214,941 | - | 214,941 |
| Balance as at 1 January 2009 | 75,157 | 4,210 | 13,513 | 124,783 | 217,663 | - | 217,663 |
| Cash contributed by minority shareholders of a subsidiary | - | - | - | - | - | 2,000 | 2,000 |
| Profit after tax | - | - | - | 12,001 | 12,001 | 219 | 12,220 |
| Dividend | - | - | - | (6,012) | (6,012) | - | (6,012) |
| Balance as at 30 June 2009 | 75,157 | 4,210 | 13,513 | 130,772 | 223,652 | 2,219 | 225,871 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (FRS) 134, INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysia Accounting Standards Board (“MASB”) and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2008.

The significant accounting policies and methods of computation applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2008.

2 Qualified audit report

The financial statements for the financial year ended 31 December 2008 was not qualified.

3 Seasonal or cyclical factors

The Group’s operation is not significantly affected by seasonal or cyclical factors.

4 Unusual items

Other than those stated in the notes, there are no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

5 Changes in estimates

There is no significant change in estimates of amounts reported in prior interim periods of the current or previous financial year.

6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current quarter under review.

7 Dividends paid

| | Quarter ended 30.06.2009 RM’000 | Year to date ended 30.06.2009 RM’000 |
|--|--|---|
| Final tax exempt dividend of 8 sen per ordinary share declared in 2009, paid on 18 June 2009 | 6,012 | 6,012 |

8 Segmental information

| | Quarter ended | | Year to date ended | |
|------------------------------------|---------------|------------|--------------------|------------|
| | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Segment Revenue</u> | | | | |
| - Trading | 39,191 | 33,148 | 75,557 | 64,146 |
| - Manufacturing | 30,538 | 30,410 | 57,327 | 60,765 |
| - Investment Holding | 6,390 | 8,384 | 6,480 | 8,468 |
| - Others | 113 | 136 | 223 | 259 |
| Elimination of inter segment sales | (25,155) | (28,176) | (42,973) | (47,066) |
| Group Revenue | 51,077 | 43,902 | 96,614 | 86,572 |
| <u>Segment Results</u> | | | | |
| - Trading | 1,235 | 1,686 | 2,046 | 3,148 |
| - Manufacturing | 6,620 | 7,456 | 12,177 | 12,897 |
| - Investment Holding | 6,250 | 8,247 | 6,205 | 8,191 |
| - Others | (6) | 15 | (16) | 11 |
| Consolidated Adjustment | (6,300) | (8,300) | (6,300) | (8,300) |
| Segment Results | 7,799 | 9,104 | 14,112 | 15,947 |
| Finance Costs | (376) | (620) | (794) | (1,163) |
| Group Results | 7,423 | 8,484 | 13,318 | 14,784 |

9 Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual financial statements.

10 Subsequent events

In the opinion of the Directors, no item, transaction or event of a material nature has arisen during the period from the end of the reporting period to 16 July 2009 which is likely to affect substantially the results of the operations of the Group for the financial period ended 30 June 2009.

11 Changes in the composition of the Group

There was no change in the composition of the Group for the current quarter under review.

12 Changes in contingent liabilities - unsecured

The contingent liabilities of the Company are as follows:

| | Company | |
|---|-------------------------------|-------------------------------|
| | As at 30.06.2009 RM'000 | As at 31.12.2008 RM'000 |
| Guarantee in favour of banks for banking facilities granted to subsidiary companies | 43,671 | 51,665 |
| Guarantee in favour of third parties for supply of goods to subsidiary companies | 600 | 484 |
| | <u>44,271</u> | <u>52,149</u> |

13 Capital commitments

| | Group As at 30.06.2009 RM'000 |
|---|--|
| Contracted but not provided for in respect of property, plant and equipment | 4,280 |

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

14 Review of performance

For the second quarter of 2009, the Group recorded a higher revenue of RM51.1 million which is 16.4% higher as compared to RM43.9 million in the corresponding quarter of last year. The cumulative revenue for the financial period to date was RM96.6 million, 11.6% higher than the cumulative revenue of RM86.6 million in the previous corresponding six month period. The growth in revenue was mainly attributed to the sales contributed by New Kean Tat Auto Parts Sdn Bhd, which became a subsidiary in the first quarter of 2009.

However, the Group's Profit Before Tax decreased by 12.9% to RM7.4 million in the current quarter under review as compared to RM8.5 million in the corresponding quarter of last year. The cumulative Profit Before Tax of the Group for the six month period was RM13.3 million compared with RM14.8 million posted in the previous corresponding period, representing a decrease of 10.1%. The decrease in profits is mainly due to the higher manufacturing costs.

15 Variation of results against preceding quarter

The Group's Profit Before Tax for the current quarter under review was RM7.4 million, representing an increase of 25.4% compared with the immediate preceding quarter of RM5.9 million. The higher Profit Before Tax was the result of increase in revenue during the current quarter under review and lower manufacturing costs.

16 Current year prospects

The Group expects the operating conditions for the remaining period of the current financial year to be challenging and competitive. Barring any unforeseen circumstances, the Group expects to continue its positive performance for the coming quarters.

17 Profit forecast

Not applicable as no profit forecast was published.

18 Tax expenses

| | Quarter ended 30.06.2009 RM'000 | Year to date ended 30.06.2009 RM'000 |
|-----------------------------|--|---|
| Tax expenses for the period | 866 | 1,505 |
| Deferred tax liabilities | (11) | (407) |
| | 855 | 1,098 |

The effective tax rate of the Group for the current quarter is 11.5% and year to date is 8.2%. This is lower than the statutory tax rate mainly because of the utilisation of reinvestment allowances by certain subsidiary companies of the Group.

19 Unquoted investments and properties

There was no purchase nor disposal of unquoted investments or properties during the quarter under review.

20 Quoted investments

There was no purchase nor disposal of quoted securities for the current quarter.
As at the end of the current quarter, the Group does not hold any investment in quoted shares.

21 Status of corporate proposal

- (a) There were no corporate proposals announced but not completed as at 16 July 2009.
(b) Utilisation of proceeds raised from corporate proposals: Not applicable.

22 Group borrowings and debt securities

| | As at 30.06.2009 RM'000 |
|--------------------------------|--|
| Current (unsecured) | |
| Term loans | 2,170 |
| Bankers' acceptance | 31,185 |
| Revolving credit | 5,000 |
| Hire purchase payables | 63 |
| | <u>38,418</u> |
| Non-current (unsecured) | |
| Term loans | 5,316 |
| Hire purchase payables | 113 |
| | <u>5,429</u> |
| Total Borrowings | <u>43,847</u> |

There are no borrowings denominated in foreign currency.

23 Off balance sheet financial instruments

There are no financial instruments with off balance sheet risks as at 16 July 2009.

24 Material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at 16 July 2009.

25 Dividend

The Board of Directors has not recommended any interim dividend for the financial quarter ended 30 June 2009.

26 Earnings per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------------------------|---|---|--|--|
| | Quarter ended 30.06.2009 | Quarter ended 30.06.2008 | Year to date ended 30.06.2009 | Year to date ended 30.06.2008 |
| Net profit for the quarter (RM'000) | <u>6,402</u> | <u>7,562</u> | <u>12,001</u> | <u>13,304</u> |
| Number of ordinary shares in issue | 75,156,600 | 75,156,600 | 75,156,600 | 75,156,600 |
| Basic earnings per share (sen) | 8.52 | 10.06 | 15.97 | 17.70 |

By Order of the Board
YE OH CHONG KEAT
REBECCA LEONG SIEW KWAN
Secretaries