



Consolidated Results for the Second Financial Quarter ended 30 June 2010

The Board of Directors is pleased to announce the Group's un-audited quarterly report on consolidated results for the period ended 30 June 2010.

Condensed Consolidated Statement Of Comprehensive Income

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 30.06.2010	Quarter ended 30.06.2009	Year to date ended 30.06.2010	Year to date ended 30.06.2009
		RM'000	RM'000	RM'000	RM'000
Revenue		57,548	51,077	110,393	96,614
Cost of sales		(42,742)	(37,838)	(81,761)	(72,485)
Gross profit		14,806	13,239	28,632	24,129
Other operating income		2,498	1,389	4,391	3,116
Operating expenses		(8,154)	(6,829)	(16,292)	(13,133)
Finance costs		(335)	(376)	(726)	(794)
Profit before tax		8,815	7,423	16,005	13,318
Tax expenses	19	(289)	(855)	(1,023)	(1,098)
Net profit for the period		8,526	6,568	14,982	12,220
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		8,526	6,568	14,982	12,220
Profit attributable to :					
Equity holders of the parent		8,412	6,402	14,817	12,001
Minority interest		114	166	165	219
Net profit for the period		8,526	6,568	14,982	12,220
Total comprehensive income attributable to :					
Equity holders of the parent		8,412	6,402	14,817	12,001
Minority interest		114	166	165	219
Total comprehensive income for the period		8,526	6,568	14,982	12,220
Earnings per share attributable to equity holders of the parent:	28				
Basic (sen)		11.19	8.52	19.71	15.97
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 for the financial year ended 31 December 2009)

Condensed Consolidated Statement Of Financial Position

	Note	Unaudited As At 30.06.2010 RM'000	(Restated) Audited As At 31.12.2009 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	2(c)	156,023	152,744
Investment properties		14,962	5,866
Investments		83	83
Intangible asset – Goodwill		20,219	20,219
		191,287	178,912
Current Assets			
Inventories		36,056	35,963
Trade receivables		53,893	51,229
Other receivables, deposits & prepayments		4,566	4,880
Current tax assets		71	40
Cash and cash equivalents		37,784	34,523
		132,370	126,635
Total Assets		323,657	305,547
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		146,542	138,489
		164,265	156,212
Minority Interest		2,437	2,272
Total Equity		241,859	233,641
Non-Current Liabilities			
Borrowings (interest bearing)	23	8,814	4,330
Deferred tax liabilities		13,145	14,247
		21,959	18,577
Current Liabilities			
Trade payables		12,267	12,814
Other payables & accruals		4,565	6,206
Borrowings (interest bearing)	23	41,696	33,681
Current tax payable		1,311	628
		59,839	53,329
Total Liabilities		81,798	71,906
Total Equity and Liabilities		323,657	305,547
Net assets per share attributable to ordinary equity holders of the parent (RM)		3.19	3.08

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009)

Condensed Consolidated Statement Of Cash Flows

	Year to date ended 30.06.2010	Year to date ended 30.06.2009
	RM'000	RM'000
Cash Flow From Operating Activities		
Profit before tax	16,005	13,318
Adjustments for:-		
Non-cash items	8,526	8,036
Non-operating items	332	585
Operating profit before changes in working capital	24,863	21,939
Net change in current assets	(2,401)	(6,293)
Net change in current liabilities	(2,190)	6,079
Tax paid	(1,473)	(1,315)
Net cash generated from operating activities	18,799	20,410
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	638	1,515
Purchase of property, plant and equipment	(21,579)	(5,726)
Cash contributed by minority shareholders of a subsidiary	-	2,000
Interest received	394	209
Net cash used in investing activities	(20,547)	(2,002)
Cash Flow From Financing Activities		
Interest paid	(726)	(794)
Drawdown/(Repayment) of short term borrowings	6,555	(1,715)
Dividend paid	(6,764)	(6,012)
Proceeds from/(Repayment) of hire purchase	(36)	176
Drawdown/(Repayment) of term loan	5,980	(6,279)
Net cash from/(used in) financing activities	5,009	(14,624)
Net increase in cash and cash equivalents	3,261	3,784
Cash and cash equivalents at beginning of financial period	34,523	28,126
Cash and cash equivalents at end of the financial period	37,784	31,910
Cash and cash equivalents comprise of :		
Cash and bank balances	11,979	13,112
Short term placements	25,805	18,798
	37,784	31,910

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009)

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent						Minority interest	Total Equity
	Share capital	Non-distributable		Distributable		Total		
		Share premium	Revaluation reserves	Retained profits				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	
Total comprehensive income for the period	-	-	-	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	
Balance as at 1 January 2010	75,157	4,210	13,513	138,489	231,369	2,272	233,641	
Total comprehensive income for the period	-	-	-	14,817	14,817	165	14,982	
Dividend	-	-	-	(6,764)	(6,764)	-	(6,764)	
Balance as at 30 June 2010	75,157	4,210	13,513	146,542	239,422	2,437	241,859	

(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 2009)

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 paragraph 9.22 of the Main Market 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 2009.

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 2009.

2 Adoption of Revised Financial Reporting Standards

The significant accounting policies 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 2009 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and new IC Interpretations (“IC”) with effective from 1 January 2010:-

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets

2 Adoption of Revised Financial Reporting Standards (cont.)

Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 -Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119- The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant financial impact on the results of the Group except for the following:

(a) FRS 8: Operating Segments (FRS 8)

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements (FRS 101)

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. In addition, the consolidated balance sheet was renamed as the consolidated statement of financial position in the interim financial report. This standard did not have any impact on the financial position and results of the Group.

(c) Amendments to FRS 117 : Leases

Amendments to FRS 117 remove the classification of leases of land and building, and instead, require assessment of classification based on the risks and rewards of the lease itself.

Upon the adoption of the Amendments to FRS 117, the Group has reclassified its leasehold land from prepaid lease payments to property, plant and equipment on the consolidated statement of financial position.

The effects of the reclassification on the consolidated statement of financial position as at 31 December 2009 are as follows:-

	Restated	Previously Stated
	RM'000	RM'000
Property, plant and equipment	152,744	148,152
Prepaid lease payment for lands	-	4,592

2 Adoption of Revised Financial Reporting Standards (cont.)

(d) FRS 139: Financial Instruments- Recognition and Measurement (FRS139)

FRS 139 sets out the new requirement for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

(i) Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses arising from the derecognition of the loans and receivables, amortization and impairment losses are recognized in the income statement.

The Group's financial assets include cash and short-term deposits, receivables, deposits and prepayments.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, loans and borrowings, and are carried at amortised cost.

The Group has not adopted the following new/revised FRSs, Amendments to FRSs and IC that were in issue but not yet effective:

		<u>Effective Date</u>
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combination	1 July 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12	Service Cession Arrangements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010

2 Adoption of Revised Financial Reporting Standards (cont.)

IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distribution of Non-cash Assets To Owners	1 July 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards -Limited Exemption From Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7	Financial Instruments: Disclosures Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011

3 Qualified audit report

The financial statements for the financial year ended 31 December 2009 was not qualified.

4 Seasonal or cyclical factors

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

5 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.

6 Changes in estimates

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

7 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.

8 Dividends paid

	Quarter ended 30.06.2010 RM'000	Year to date ended 30.06.2010 RM'000
Final single tier dividend of 8 sen and a special final single tier dividend of 1 sen per ordinary share declared in 2009, paid on 17 June 2010	6,764	6,764

9 Segmental information

	Quarter ended		Year to date ended	
	30.06.2010	30.06.2009	30.06.2010	30.06.2009
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Trading	43,111	39,191	83,257	75,557
- Manufacturing	33,598	30,538	64,340	57,327
- Investment Holding	6,896	6,390	192	6,480
- Others	60	113	60	223
Elimination of inter segment sales	(26,117)	(25,155)	(37,456)	(42,973)
Total Segment Revenue	57,548	51,077	110,393	96,614
<u>Segment Results</u>				
- Trading	1,496	1,235	2,573	2,046
- Manufacturing	7,622	6,620	14,152	12,177
- Investment Holding	6,772	6,250	6,751	6,205
- Others	60	(6)	55	(16)
Consolidated Adjustment	(6,800)	(6,300)	(6,800)	(6,300)
Total Segment Results	9,150	7,799	16,731	14,112
Finance Costs	(335)	(376)	(726)	(794)
Group Results	8,815	7,423	16,005	13,318

10 Valuation of property, plant and equipment

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

11 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 22 July 2010 which is likely to affect substantially the results of the operations of the Group for the financial period ended 30 June 2010.

12 Changes in the composition of the Group

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

13 Changes in contingent liabilities - unsecured

The contingent liabilities of the Company are as follows:

	Company	
	As at 30.06.2010 RM'000	As at 31.12.2009 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	50,345	37,810
Guarantee in favour of third parties for supply of goods to subsidiary companies	374	350
	<u>50,719</u>	<u>38,160</u>

14 Capital commitments

	Group As at 30.06.2010 RM'000
Contracted but not provided for in respect of :-	
Construction of factory	3,225
Plant and equipment	4,329
	<u>7,554</u>

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**15 Review of performance**

For the second quarter of this year, the Group recorded total revenue of RM57.5 million which was 12.5% higher as compared to RM51.1 million in the corresponding quarter of last year. Total revenue for the six months was RM110.4 million which was 14.3% higher compared to RM96.6 million in the corresponding period last year. The increase was mainly due to higher demand, thus generating higher domestic and export sales.

The Group recorded a Profit Before Tax of RM8.8 million in the current quarter under review as compared to RM7.4 million in the corresponding quarter of last year, representing an increase of 18.9%. Total Profit Before Tax for the cumulative six months was RM16.0 million as compared to RM13.3 million in the corresponding period last year, an increase of 20.3%. The increase in profit was mainly due to increase in revenue and higher income from sales of steel sheet scrap.

16 Variation of results against preceding quarter

Compared with the immediate preceding quarter, the Group's Profit Before Tax increased by 22.2% from RM7.2 million to RM8.8 million. The higher Profit Before Tax was mainly due to increase in revenue and higher income from sales of steel sheet scrap during the current quarter under review.

17 Current year prospects

The Group expects the operating conditions to remain challenging and competitive in view of the trend of increasing raw material prices. Barring unforeseen circumstances, the Group expects to continue its positive performance for the coming quarters.

18 Profit forecast

Not applicable as no profit forecast was published.

19 Tax expenses

	Quarter ended 30.06.2010 RM'000	Year to date ended 30.06.2010 RM'000
Tax expenses	1,286	2,125
Deferred tax liabilities	(997)	(1,102)
	<u>289</u>	<u>1,023</u>

The effective tax rate of the Group for the current quarter is 3.3% and year to date is 6.4%. This is lower than the statutory tax rate mainly because of the utilisation of reinvestment allowances by certain subsidiary companies of the Group and over provision of deferred tax for 2009.

20 Unquoted investments

There was no disposal of unquoted investments during the quarter under review.

21 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.

22 Status of corporate proposal

(a) There were no corporate proposals announced but not completed as at 22 July 2010.

(b) Utilisation of proceeds raised from corporate proposals: Not applicable.

23 Group borrowings and debt securities (unsecured)

	As at 30.06.2010 RM'000
Current	
Term loans	3,654
Bankers' acceptance	37,957
Hire purchase creditors	85
	<u>41,696</u>
Non-current	
Term loans	8,734
Hire purchase creditors	80
	<u>8,814</u>
	<u>50,510</u>
Total Borrowings	
Term loans	12,388
Bankers' acceptance	37,957
Hire purchase creditors	165
	<u>50,510</u>

There are no borrowings denominated in foreign currency.

24 Changes in fair value of financial instruments

The carrying amounts of the financial instruments of the Group as at balance sheet date approximate their fair values due to relatively short term maturity of these financial instruments except as set out below:

	Group	
	Carrying amount RM'000	Fair value RM'000
At 30 June 2010		
Term loans	12,388	11,992
Hire purchase creditors	<u>165</u>	<u>167</u>

Fair value is determined by using estimated discounting future cash flows at the current market interest rate available to the Group for similar instruments.

25 Off balance sheet financial instruments

There are no financial instruments with off balance sheet risks as at 22 July 2010.

26 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 22 July 2010.

27 Dividends

The Board of Directors has not recommended any interim dividend for the financial quarter ended 30 June 2010.

28 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended</u> 30.06.2010	<u>Quarter ended</u> 30.06.2009	<u>Year to date ended</u> 30.06.2010	<u>Year to date ended</u> 30.06.2009
Net profit attributable to equity holders of the parent (RM'000)	8,412	6,402	14,817	12,001
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	11.19	8.52	19.71	15.97

By Order of the Board

YEOH CHONG KEAT
REBECCA LEONG SIEW KWAN
Secretaries

Kuala Lumpur
29 July 2010