



CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 30.09.2010	Quarter ended 30.09.2009	Year to date ended 30.09.2010	Year to date ended 30.09.2009
		RM'000	RM'000	RM'000	RM'000
Revenue		56,771	53,806	167,164	150,420
Cost of sales		(42,050)	(37,997)	(123,811)	(110,482)
Gross profit		14,721	15,809	43,353	39,938
Other operating income		1,847	1,574	6,238	4,690
Operating expenses		(8,760)	(7,184)	(25,052)	(20,317)
Finance costs		(402)	(283)	(1,128)	(1,077)
Profit before tax		7,406	9,916	23,411	23,234
Tax expenses	19	(1,199)	(1,102)	(2,222)	(2,200)
Net profit for the period		6,207	8,814	21,189	21,034
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		6,207	8,814	21,189	21,034
Profit attributable to :					
Equity holders of the parent		6,089	8,684	20,906	20,685
Minority interest		118	130	283	349
Net profit for the period		6,207	8,814	21,189	21,034
Total comprehensive income attributable to :					
Equity holders of the parent		6,089	8,684	20,906	20,685
Minority interest		118	130	283	349
Total comprehensive income for the period		6,207	8,814	21,189	21,034
Earnings per share attributable to equity holders of the parent:	28				
Basic (sen)		8.10	11.55	27.82	27.52
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 30.09.2010 RM'000	(Restated) Audited As At 31.12.2009 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		168,205	152,744
Investment properties		5,866	5,866
Investments		83	83
Intangible asset – Goodwill		20,219	20,219
		194,373	178,912
Current Assets			
Inventories		37,107	35,963
Trade receivables		56,245	51,229
Other receivables, deposits & prepayments		4,356	4,880
Current tax assets		36	40
Cash and cash equivalents		31,237	34,523
		128,981	126,635
Total Assets		323,354	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		152,631	138,489
		170,354	156,212
Minority Interest		2,555	2,272
Total Equity		248,066	233,641
Non-Current Liabilities			
Borrowings (interest bearing)	23	9,334	4,330
Deferred tax liabilities		13,082	14,247
		22,416	18,577
Current Liabilities			
Trade payables		11,118	12,814
Other payables & accruals		4,590	6,206
Borrowings (interest bearing)	23	35,760	33,681
Current tax payable		1,404	628
		52,872	53,329
Total Liabilities		75,288	71,906
Total Equity and Liabilities		323,354	305,547
Net assets per share attributable to ordinary equity holders of the parent (RM)		3.27	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 30.09.2010	Year to date ended 30.09.2009
	RM'000	RM'000
Cash Flow From Operating Activities		
Profit before tax	23,411	23,234
Adjustments for:-		
Non-cash items	13,126	12,662
Non-operating items	595	754
Operating profit before changes in working capital	37,132	36,650
Net change in current assets	(6,073)	(6,744)
Net change in current liabilities	(3,313)	3,943
Tax paid	(2,608)	(2,639)
Net cash generated from operating activities	25,138	31,210
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	704	1,917
Purchase of property, plant and equipment	(28,851)	(8,840)
Cash contributed by minority shareholders of a subsidiary	-	2,000
Interest received	532	323
Net cash used in investing activities	(27,615)	(4,600)
Cash Flow From Financing Activities		
Interest paid	(1,128)	(1,077)
Drawdown/(Repayment) of short term borrowings	269	(11,153)
Dividend paid	(6,764)	(6,012)
Repayment of hire purchase	(56)	(30)
Drawdown/(Repayment) of term loan	6,870	(6,816)
Net cash used in financing activities	(809)	(25,088)
Net (decrease)/increase in cash and cash equivalents	(3,286)	1,522
Cash and cash equivalents at beginning of financial period	34,523	28,126
Cash and cash equivalents at end of the financial period	31,237	29,648
Cash and cash equivalents comprise of :		
Cash and bank balances	16,789	14,774
Short term placements	14,448	14,874
	31,237	29,648

(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
	Non-distributable			Distributable		Total		
	Share capital	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	-	-	-	20,685	20,685	349	21,034	
Dividend	-	-	-	(6,012)	(6,012)	-	(6,012)	
Balance as at 30 September 2009	75,157	4,210	13,513	139,456	232,336	2,349	234,685	
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	-	-	-	20,906	20,906	283	21,189	
Dividend	-	-	-	(6,764)	(6,764)	-	(6,764)	
Balance as at 30 September 2010	75,157	4,210	13,513	152,631	245,511	2,555	248,066	

(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 prepayment.

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

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 FRS1	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
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012

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

There were no dividends paid during the quarter under review.

9 Segmental information

	Quarter ended		Year to date ended	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Trading	43,964	41,286	127,221	116,843
- Manufacturing	32,905	30,895	97,245	88,222
- Investment Holding	96	90	7,088	6,570
- Others	30	115	90	338
Elimination of inter segment sales	(20,224)	(18,580)	(64,480)	(61,553)
Total Segment Revenue	56,771	53,806	167,164	150,420
<u>Segment Results</u>				
- Trading	1,682	1,828	4,255	3,874
- Manufacturing	6,170	8,377	20,322	20,554
- Investment Holding	(74)	(7)	6,677	6,198
- Others	30	1	85	(15)
Consolidated Adjustment	-	-	(6,800)	(6,300)
Total Segment Results	7,808	10,199	24,539	24,311
Finance Costs	(402)	(283)	(1,128)	(1,077)
Group Results	7,406	9,916	23,411	23,234

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 21 October 2010 which is likely to affect substantially the results of the operations of the Group for the financial period ended 30 September 2010.

12 Changes in the composition of the Group

The Group had on 30 July 2010 acquired the entire equity interest of 2 ordinary shares of RM1.00 each at par in Advance Auto Supplies Sdn Bhd, a company incorporated in Malaysia, via the Company's subsidiary New Kean Tat Auto Parts Sdn Bhd.

13 Changes in contingent liabilities - unsecured

The contingent liabilities of the Company are as follows:

	Company	
	As at 30.09.2010 RM'000	As at 31.12.2009 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	44,950	37,810
Guarantee in favour of third parties for supply of goods to subsidiary companies	271	350
	<u>45,221</u>	<u>38,160</u>

14 Capital commitments

	Group As at 30.09.2010 RM'000
Contracted but not provided for in respect of :-	
Construction of factory	1,555
Plant and equipment	5,030
	<u>6,585</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 third quarter of this year, the Group recorded total revenue of RM56.8 million which was 5.6% higher as compared to RM53.8 million in the corresponding quarter of last year. Total revenue for the nine months was RM167.2 million which was 11.2% higher compared to RM150.4 million in the corresponding period last year. The better performance was mainly driven by overall improved business sentiment for both domestic and export markets.

The Group recorded a Profit Before Tax of RM7.4 million in the current quarter under review as compared to RM9.9 million in the corresponding quarter of last year, representing a decrease of 25.3%. The significant decrease in Profit Before Tax in the current quarter was mainly attributable to higher raw material prices and operating expenses. Total Profit Before Tax for the cumulative nine months was RM23.4 million as compared to RM23.2 million in the corresponding period last year, an increase of 0.9%.

16 Variation of results against preceding quarter

Compared with the immediate preceding quarter, the Group's Profit Before Tax decreased by 15.9% from RM8.8 million to RM7.4 million. The lower Profit Before Tax for the current quarter was mainly due to lower income from sales of steel scrap and higher operating expenses.

17 Current year prospects

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

18 Profit forecast

Not applicable as no profit forecast was published.

19 Tax expenses

	Quarter ended 30.09.2010 RM'000	Year to date ended 30.09.2010 RM'000
Tax expenses	1,263	3,388
Deferred tax liabilities	(64)	(1,166)
	1,199	2,222
	1,199	2,222

The effective tax rate of the Group for the current quarter is 16.2% and year to date is 9.5%. 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 in previous year.

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 21 October 2010.
 (b) Utilisation of proceeds raised from corporate proposals: Not applicable.

23 Group borrowings and debt securities (unsecured)

	As at 30.09.2010 RM'000
Current	
Term loans	4,005
Bankers' acceptance	31,671
Hire purchase creditors	84
	35,760
Non-current	
Term loans	9,274
Hire purchase creditors	60
	9,334
	45,094
Total Borrowings	
Term Loans	13,279
Bankers' acceptance	31,671
Hire purchase creditors	144
	45,094
	45,094

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
As at 30.09.2010		
Term loans	13,279	12,876
Hire purchase creditors	144	145

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 21 October 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 21 October 2010.

27 Dividends

The Board of Directors is pleased to declare an interim single tier dividend of 3 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2010 amounting to RM2,254,698 (2009 : interim single tier 3 sen per ordinary share of RM1.00 each, RM2,254,698).

The dividend will be paid on 17 December 2010 to shareholders registered in the Record of Depositors on 19 November 2010.

The interim dividend will be accounted for as an appropriation of retained earnings in the year in which it is declared.

28 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended 30.09.2010</u>	<u>Quarter ended 30.09.2009</u>	<u>Year to date ended 30.09.2010</u>	<u>Year to date ended 30.09.2009</u>
Net profit attributable to equity holders of the parent (RM'000)	6,089	8,684	20,906	20,685
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	8.10	11.55	27.82	27.52

By Order of the Board

YEOH CHONG KEAT
REBECCA LEONG SIEW KWAN
Secretaries

Kuala Lumpur
28 October 2010