



RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012

The Board of Directors is pleased to announce the Group's un-audited quarterly report on consolidated results for the period ended 31 March 2012.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.03.2012 RM'000	Quarter ended 31.03.2011 (Restated) RM'000	Year to date ended 31.03.2012 RM'000	Year to date ended 31.03.2011 (Restated) RM'000
Revenue		54,018	53,710	54,018	53,710
Cost of sales		(41,816)	(40,093)	(41,816)	(40,093)
Gross profit		12,202	13,617	12,202	13,617
Other operating income		3,485	3,068	3,485	3,068
Operating expenses		(9,748)	(8,490)	(9,748)	(8,490)
Finance costs		(269)	(386)	(269)	(386)
Profit before tax		5,670	7,809	5,670	7,809
Tax expense	20	(1,575)	(640)	(1,575)	(640)
Net profit for the period		4,095	7,169	4,095	7,169
Other comprehensive income, net of tax					
Revaluation surplus on PPE		-	22,126	-	22,126
Foreign currency translations		(206)	-	(206)	-
Total comprehensive income for the period		3,889	29,295	3,889	29,295
Profit attributable to :					
Owners of the parent		4,095	7,082	4,095	7,082
Non-controlling interest		-	87	-	87
Net profit for the period		4,095	7,169	4,095	7,169
Total comprehensive income attributable to :					
Owners of the parent		3,889	29,208	3,889	29,208
Non-controlling interest		-	87	-	87
Total comprehensive income for the period		3,889	29,295	3,889	29,295
Earnings per share attributable to equity holders of the Company:	26				
Basic (sen)		5.45	9.42	5.45	9.42
Diluted (sen)		N.A.	N.A.	N.A.	N.A.

(The Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Un-Audited As at 31.03.2012 RM'000	Restated As at 31.12.2011 RM'000	Restated As at 01.01.2011 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	204,027	202,164	194,740
Prepaid lease payments for land	1,413	1,434	1,519
Investment properties	9,500	9,500	8,300
Available for sale financial assets	130	130	83
Deferred tax assets	212	222	-
Intangible asset	9,729	9,786	15,487
	225,011	223,236	220,129
Current Assets			
Inventories	36,912	36,754	41,868
Trade receivables	41,474	44,603	55,567
Other receivables, deposits & prepayments	9,314	5,807	3,383
Current tax assets	197	154	3
Cash and cash equivalents	40,914	35,502	33,328
	128,811	122,820	134,149
Non-current assets held for sale	540	540	-
Total Assets	<u>354,362</u>	<u>346,596</u>	<u>354,278</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	75,157	75,157	75,157
Reserves			
<u>Non-Distributable:</u>			
Share premium	4,210	4,210	4,210
Revaluation reserve	42,832	42,832	35,639
Foreign exchange translation reserve	(34)	172	-
Available for sale reserve	47	47	-
<u>Distributable:</u>			
Retained profits	170,854	166,759	156,724
	217,909	214,020	196,573
Non-controlling Interest	-	-	2,597
Total Equity	<u>293,066</u>	<u>289,177</u>	<u>274,327</u>
Non-Current Liabilities			
Borrowings (interest bearing)	22 6,198	7,655	11,903
Deferred tax liabilities	14,979	15,242	14,748
	21,177	22,897	26,651
Current Liabilities			
Trade payables	8,395	6,679	10,944
Other payables & accruals	3,852	6,696	6,839
Borrowings (interest bearing)	22 25,246	19,329	35,050
Derivative liabilities	-	42	-
Current tax liabilities	2,626	1,776	467
	40,119	34,522	53,300
Total Liabilities	61,296	57,419	79,951
Total Equity and Liabilities	<u>354,362</u>	<u>346,596</u>	<u>354,278</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	3.90	3.85	3.62

(The Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year to date ended 31.03.2012 RM'000	Year to date ended 31.03.2011 RM'000
Cash Flow From Operating Activities		
Profit before tax	5,670	7,809
Adjustments for:-		
Depreciation and amortization	4,628	4,367
Fair value adjustment on derivative instruments	(42)	-
Interest income	(181)	(145)
Interest paid	269	386
Net gain on disposal of property, plant and equipment	-	(106)
Property, plant and equipment written off	39	17
Reversal of impairment loss on trade and other receivables	-	(15)
Unrealised loss on foreign exchange differences	106	14
Operating profit before changes in working capital	10,489	12,327
Net change in current assets	(642)	2,614
Net change in current liabilities	(1,128)	(1,475)
Tax paid	(1,029)	(923)
Net cash generated from operating activities	7,690	12,543
Cash Flow From Investing Activities		
Proceeds from disposal of property, plant and equipment	-	175
Purchase of property, plant and equipment	(6,453)	(6,243)
Interest received	181	145
Net cash used in investing activities	(6,272)	(5,923)
Cash Flow From Financing Activities		
Interest paid	(269)	(386)
Drawdown / (Repayment) of short term borrowings	3,833	(4,714)
Repayment of hire purchase	(15)	(21)
Drawdown / (Repayment) of term loan	642	(1,184)
Net cash from / (used in) financing activities	4,191	(6,305)

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date ended 31.03.2012 RM'000	Year to date ended 31.03.2011 RM'000
Net increase in cash and cash equivalents	5,609	315
Effect of exchange rate changes on cash & cash equivalents	(197)	-
Cash and cash equivalents at beginning of financial year	35,502	33,328
Cash and cash equivalents at end of the financial year	40,914	33,643
Cash and cash equivalents comprise of :		
Cash and bank balances	18,781	11,725
Short term placements	22,133	21,918
	40,914	33,643

(The Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the parent								
	Non-distributable					Distributable			
	Share capital	Share premium	Revaluation reserve	Available for sale reserve	Foreign exchange translation reserve	Retained Profits	Total	Non controlling interest	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	75,157	4,210	13,513	-	-	156,746	249,626	2,597	252,223
Profit for the financial year	-	-	-	-	-	7,082	7,082	87	7,169
Revaluation/Fair Value on PPE	-	-	22,126	-	-	-	22,126	-	22,126
Total comprehensive income	-	-	22,126	-	-	7,082	29,208	87	29,295
At 31 March 2011(restated)	75,157	4,210	35,639	-	-	163,828	278,834	2,684	281,518
At 1 January 2012	75,157	4,210	42,832	47	172	166,759	289,177	-	289,177
Profit for the financial year	-	-	-	-	-	4,095	4,095	-	4,095
Foreign currency translation	-	-	-	-	(206)	-	(206)	-	(206)
Total comprehensive income	-	-	-	-	(206)	4,095	3,889	-	3,889
At 31 March 2012	75,157	4,210	42,832	47	(34)	170,854	293,066	-	293,066

(The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134, INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial report has been prepared in accordance with MFRS 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 2011.

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 2011.

2 Adoption of Malaysian 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 2011 except for the newly issued Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 January 2012:-

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contract
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events after the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant & Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investment in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interest in Joint Ventures

2 Adoption of Malaysian Financial Reporting Standards (continued)

MFRS 132	Financial Instruments: Presentation
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instrument: Recognition and Measurement
MFRS 140	Investment Property
MFRS 141	Agriculture
IC Int. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 4	Determining Whether an Arrangement Contains a Lease
IC Int. 5	Rights to Interests Arising from Decommissioning, Restoration and Similar Liabilities
IC Int. 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IC Int. 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 12	Service Concession Arrangements
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Int. 15	Agreements for the Construction of Real Estate
IC Int. 16	Hedges of a net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners
IC Int. 18	Transfers of Assets from Customers
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int. 107	Introduction of the Euro
IC Int. 110	Government Assistance – No Specific Relation to Operating Activities
IC Int. 112	Consolidation – Special Purpose Entities
IC Int. 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers
IC Int. 115	Operating Leases- Incentives
IC Int. 125	Income Taxes – Change in the Tax Status of an Entity or its Shareholders
IC Int. 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Int. 129	Service Concession Arrangements: Disclosures
IC Int. 131	Revenue – Barter Transactions Involving Advertising Services
IC Int. 132	Intangible Assets – Web Site Costs

The adoption of the above MFRSs and IC Interpretations did not have any significant effects on the financial statements of the Group.

2 Adoption of Malaysian Financial Reporting Standards (continued)

The Group has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations were in issued but not yet effective:

		<u>Effective Date</u>
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Int. 20	Stripping Costs in the Production Phase Of a Surface Mine	1 January 2013

3 Qualified audit report

The financial statements for the financial year ended 31 December 2011 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

By Business Segment	Quarter ended		Year to date ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Trading	33,151	38,974	33,151	38,974
- Manufacturing	41,477	33,385	41,477	33,385
- Investment	4,202	3,555	4,202	3,555
- Others	-	-	-	-
Elimination of inter segment revenue	(24,812)	(22,204)	(24,812)	(22,204)
Total Segment Revenue	54,018	53,710	54,018	53,710
<u>Segment Results</u>				
- Trading	(656)	717	(656)	717
- Manufacturing	6,089	10,701	6,089	10,701
- Investment	506	232	506	232
- Others	-	(5)	-	(5)
Consolidated Adjustment	-	(3,450)	-	(3,450)
Total Segment Results	5,939	8,195	5,939	8,195
Finance Costs	(269)	(386)	(269)	(386)
Group Results	5,670	7,809	5,670	7,809

By Geographical Segment	Quarter ended		Year to date ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	54,864	53,710	54,864	53,710
- Overseas	727	-	727	-
Elimination of inter segment revenue	(1,573)	-	(1,573)	-
Total Segment Revenue	54,018	53,710	54,018	53,710
<u>Segment Results</u>				
- Malaysia	6,690	8,195	6,690	8,195
- Overseas	(751)	-	(751)	-
Total Segment Results	5,939	8,195	5,939	8,195
Finance Costs	(269)	(386)	(269)	(386)
Group Result	5,670	7,809	5,670	7,809

10 Valuation of property, plant and equipment and investment properties

The valuation of land and buildings have been brought forward, without any amendment to 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 26 April 2012 which is likely to affect substantially the results of the operations of the Group for the financial period ended 31 March 2012.

12 Changes in the composition of the Group

There is no change in the composition of the Group.

13 Changes in contingent liabilities - unsecured

The contingent liabilities of the Company are as follows:

	Company	
	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	31,421	26,946
Guarantee in favour of third parties for supply of goods to subsidiary companies	145	-
	<u>31,566</u>	<u>26,946</u>

14 Capital commitments

	Group As at 31.03.2012 RM'000
Contracted but not provided for in respect of :	
- construction of warehouse	5,526
- plant and equipment	<u>5,084</u>
	<u>10,610</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 first quarter of 2012, the Group recorded total revenue of RM54.0 million which was 0.6% higher as compared to RM53.7 million in the corresponding quarter of last year. This was mainly due to higher demand for export sales during the quarter under review.

The Group recorded a Profit Before Tax of RM5.7 million in the current quarter under review as compared to RM7.8 million in the corresponding quarter of last year, representing a decrease of 26.9%. The decreased in profit was mainly due to increased in manufacturing and operating costs as well as higher foreign exchange loss.

16. Segmental performance review

Trading segment

For the current quarter under review, the revenue recorded by the trading segment was RM33.2 million, which was 14.9% lower as compared to RM39.0 million in the corresponding quarter of last year. The decrease in revenue was mainly due to reduction in the revenue contribution upon the disposal of trading subsidiary, New Kean Tat Auto Parts Sdn Bhd in the third quarter of 2011.

The trading segment recorded a loss before tax of RM0.7 million in the current quarter under review compared to profit before tax of RM0.7 million in the corresponding quarter of last year. The decreased in profit was mainly due to operating loss from the overseas subsidiaries and higher costs.

Manufacturing segment

The revenue generated by the manufacturing segment during the current quarter under review was RM41.5 million, an increase of 24.3% compared to RM33.4 million in the corresponding quarter of last year. The increase was mainly due to higher demand from export market during the current quarter under review.

The manufacturing segment recorded a decrease of 43.0% in its profit before tax of RM6.1 million for the current financial year compared to RM10.7 million in the corresponding quarter of last year. The decline was mainly due to increased in manufacturing cost and higher foreign exchange loss.

17 Variation of results against preceding quarter

Compared with the immediate preceding quarter, the Group's Profit Before Tax increased by 216.7% from RM1.9 million to RM5.7 million. Without taking into consideration the impact of goodwill impairment of RM6.8 million and gain on fair value of investment property of RM1.2 million in the preceding quarter, the current quarter profit would have decreased by 24.0% as compared to the preceding quarter. This is mainly due to increased in manufacturing and operating costs and higher foreign exchange loss.

18 Current year prospects

The Group expects 2012 to be another challenging year as the global economic outlook is expected to remain uncertain, and the uncertainties will further drive volatility in commodity costs. The Group is optimistic that it will continue its positive performance in the current financial year.

19 Profit forecast

Not applicable as no profit forecast was published.

20 Tax expenses

	Quarter ended 31.03.2012 RM'000
Tax expenses	1,838
Deferred tax liabilities	(263)
	<u>1,575</u>

The effective tax rate of the Group for the current quarter is 27.8%. This is higher than the statutory tax rate mainly due to non-allowable expenses.

21 Status of corporate proposal

- (a) There were no corporate proposals announced but not completed as at 26 April 2012.
 (b) Utilisation of proceeds raised from corporate proposals: Not applicable.

22 Group borrowings and debt securities (unsecured)

	As at 31.03.2012 RM'000
Current	
Term loans	7,182
Bankers' acceptance	18,041
Hire purchase	23
	<u>25,246</u>
Non-current	
Term loans	<u>6,198</u>
	<u>31,444</u>
Total Borrowings	
Term Loans	13,380
Bankers' acceptance	18,041
Hire purchase	23
	<u>31,444</u>

There are no borrowings denominated in foreign currency except for hire purchase which is denominated in Indonesia Rupiah.

23 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 31 March 2012		
Fixed Rate Term loans	1,380	1,329

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

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 26 April 2012.

25 Dividends

The Board of Directors has not recommended any interim dividend for the financial quarter ended 31 March 2012.

26 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Quarter ended 31.03.2012	Quarter ended 31.03.2011	Year to date ended 31.03.2012	Year to date ended 31.03.2011
Net profit attributable to equity holders of the Company (RM'000)	4,095	7,082	4,095	7,082
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	5.45	9.42	5.45	9.42

27 Realised and Unrealised Profits / Losses Disclosure

	As At 31.03.2012 RM'000	Restated As At 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries :		
- Realised	245,598	236,732
- Unrealised	(12,346)	(8,851)
	233,252	227,881
Less : Consolidated adjustments	(62,398)	(61,122)
Total group retained profits as per consolidated financial statements	170,854	166,759

28 Profit before taxation

	Quarter ended 31.03.2012 RM'000	Quarter ended 31.03.2011 RM'000
Profit before tax is arrived at after charging /(crediting) :		
Amortisation of prepaid lease payment	21	21
Depreciation of property, plant and equipment	4,607	4,346
Reversal of fair value adjustment on derivative instruments	(42)	-
Net gain on disposal of property, plant and equipment	-	(106)
Interest income	(181)	(145)
Investment income :		
- rental income	(95)	(90)
Property, plant and equipment written off	39	17
Realised loss on foreign exchange transactions	310	132
Unrealised loss on foreign exchange translations	106	14

By Order of the Board

YEOH CHONG KEAT
REBECCA LEONG SIEW KWAN
Secretaries

Kuala Lumpur
3 May 2012