

V. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. Comparison between the current quarter and the immediate preceding quarter

The Group's revenue for the current quarter decreased by RM16.0 million or 4.6% from RM350.3 million in the immediate preceding quarter to RM334.3 million in the current quarter. The contraction in Group's revenue was mainly attributable to lower sales to government sector.

In line with the lower revenue in the current quarter, the Group's profit before tax registered a decrease of 24.1% from RM20.3 million in the immediate preceding quarter to RM15.4 million in the current quarter. The decrease was further contributed by lower gross profit from private sector.

23. Review of performance for the current quarter and period

In the current quarter under review, the Group's revenue was 1.3% higher at RM334.3 million from RM330.0 million registered in the same quarter last year, mainly due to higher sales to government sector.

The Group's profit before tax also increased by 63.8% to RM15.4 million, from RM9.4 million in the same quarter last year. This was mainly due to higher gross profit margin as a result of the improvement in the production throughput during the current quarter.

The Group's year-to-date revenue improved by 2.6% compared to the same period last year. Again, the growth has been driven by sales to the government sector.

However, the Group's profit before tax for the year to date declined by 10.6% to RM48.2 million, from RM53.9 million recorded in the same period last year. The contraction was the result of lower gross profit margin for the private sector sales coupled with an increase in selling and distribution expenses, and personnel costs.

24. Economic profit ("EP") statement

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2010 RM'000	Preceding year corresponding quarter 30/09/2009 RM'000	Nine months to 30/09/2010 RM'000	Nine months to 30/09/2009 RM'000
<u>Net operating profit after tax ("NOPAT")</u>				
<u>computation:</u>				
Earnings before interest and tax ("EBIT")	16,212	11,306	51,086	57,504
Adjusted tax	(4,053)	(2,826)	(12,772)	(14,376)
NOPAT	<u>12,159</u>	<u>8,480</u>	<u>38,314</u>	<u>43,128</u>
<u>Economic charge computation:</u>				
Average invested capital	308,364	316,188	308,364	316,188
Weighted average cost of capital ("WACC") (%)	6.8%	6.4%	6.8%	6.4%
Economic charge	<u>5,242</u>	<u>5,059</u>	<u>15,727</u>	<u>15,177</u>
Economic profit	6,917	3,421	22,587	27,951

The EP statement is as prescribed under the GLC Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

The EP performance for the current period is recorded at RM22.6 million as compared to RM28.0 million in the same period of 2009. The decrease in EP was mainly due to lower gross profit.

V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

25. Prospects

The Group will continue to focus on improving production, controlling costs efficiently and growing market share to ensure continuous profits in the final quarter of the year.

However, the Group is still working through the effects of the significant cost increases experienced at the end of last year, and the possible impact on the full year results for 2010.

26. Profit forecast

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

27. Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2010 RM'000	Preceding year corresponding quarter 30/09/2009 RM'000	Nine months to 30/09/2010 RM'000	Nine months to 30/09/2009 RM'000
<u>Basic earnings per share</u>				
Profit attributable to Owners of the Parent	8,586	6,059	32,640	38,279
Weighted average number of ordinary shares in issue ('000)	106,978	106,978	106,978	106,978
Basic earnings per share for:	<u>8.03 sen</u>	<u>5.66 sen</u>	<u>30.51 sen</u>	<u>35.78 sen</u>

By Order of the Board

**Kuala Lumpur
4 November 2010**

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