



Quarterly report on consolidated results for the third financial quarter ended 31st October 2005

Condensed Consolidated Income Statements for the third quarter ended 31st October 2005

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current year Quarter 31st October 2005 RM'000	Preceding year Corresponding Quarter 31st October 2004 RM'000	Current Year To date 31st October 2005 RM'000	Preceding year Corresponding Period 31st October 2004 RM'000
Revenue	60,715	71,684	209,053	223,109
Operating expenses	(65,642)	(68,880)	(213,381)	(212,437)
Other operating income	260	(106)	1,308	235
Profit from operations	(4,667)	2,698	(3,020)	10,907
Finance costs	(2,034)	(2,012)	(5,802)	(5,840)
Investing results	-	-	-	-
Profit before tax	(6,701)	686	(8,822)	5,067
Taxation	30	(149)	(125)	(302)
Profit after tax	(6,671)	537	(8,947)	4,765
Minority interest	12	24	31	(527)
Net profit for the period	<u>(6,659)</u>	<u>561</u>	<u>(8,916)</u>	<u>4,238</u>
EPS - Basic (sen)	<u>(10.30)</u>	<u>0.87</u>	<u>(13.79)</u>	<u>6.56</u>
- Diluted (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st January 2005)



Quarterly report on consolidated results for the third financial quarter ended 31st October 2005

Condensed Consolidated Balance Sheet as at 31st October 2005

(The figures have not been audited)

	As at 31st October 2005 RM'000	As at 31st January 2005 RM'000
Property, plant & equipment	106,386	108,822
Intangible assets	-	2
Current assets		
Inventories	34,244	35,705
Trade receivables	67,114	78,388
Other receivables, deposits and prepayments	9,020	9,112
Short term investment	238	237
Cash & bank balances	7,024	4,812
	<u>117,640</u>	<u>128,254</u>
Current liabilities		
Short term borrowings	87,126	93,639
Trade payables	24,845	24,705
Other payables	5,643	3,934
Taxation	11	344
	<u>117,625</u>	<u>122,622</u>
Net current asset	15	5,632
	<u>106,401</u>	<u>114,456</u>
Share capital	64,645	64,645
Reserves	5,777	14,693
Shareholders' equity	<u>70,422</u>	<u>79,338</u>
Minority interests	1,289	1,319
Long term liabilities		
Retirement Benefits	286	146
Borrowings	19,589	18,190
Trade payable	13,766	14,107
Deferred taxation	2,036	2,036
Reserve / (Goodwill) on consolidation	(987)	(680)
	<u>106,401</u>	<u>114,456</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st January 2005)



Quarterly report on consolidated results for the third financial quarter ended 31st October 2005

Condensed Consolidated Cash Flow Statements for the third quarter ended 31st October 2005

(The figures have not been audited)

	9 months ended 31st October 2005 RM'000	9 months ended 31st October 2004 RM'000
Net (loss) / profit before tax	(8,822)	5,067
Adjustment for non-cash flow :		
Non-cash items		
Non-operating items	7,699	8,696
Operating (loss) / profit before changes in working capital	<u>(1,123)</u>	<u>13,763</u>
Changes in working capital		
Net change in current assets	9,318	(22,159)
Net change in current liabilities	2,025	8,753
Taxation paid	<u>(457)</u>	<u>(313)</u>
Net cash flows from operating activities	<u>9,763</u>	<u>44</u>
Investing activities		
- Other investments	<u>(2,097)</u>	<u>1,264</u>
	<u>(2,097)</u>	<u>1,264</u>
Financing activities		
- Net change in borrowings	<u>(7,328)</u>	<u>1,842</u>
	<u>(7,328)</u>	<u>1,842</u>
Net change in cash & cash equivalents	338	3,150
Cash & cash equivalents at beginning of the year	(12,095)	(16,045)
Cash & cash equivalents at end of the period	<u>(11,757)</u>	<u>(12,895)</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st January 2005)



**Quarterly report on consolidated results for the third financial quarter ended 31st October 2005**

**Condensed Consolidated Statements of Changes in Equity for the third quarter ended 31st October 2005**

(The figures have not been audited)

	-----Non-Distributable -----					
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total Reserves RM'000	Total RM'000
9 months <u>ended 31st October 2004</u>						
As at 1 February 2004	64,645	23,752	5,763	(17,368)	12,147	76,792
Movements during the period (cumulative)	-	-	-	-	-	-
Net profit for the year	-	-	-	4,238	4,238	4,238
At 30 October 2004	<u>64,645</u>	<u>23,752</u>	<u>5,763</u>	<u>(13,130)</u>	<u>16,385</u>	<u>81,030</u>
9 months <u>ended 31st October 2005</u>						
As at 1 February 2005	64,645	23,752	5,763	(14,822)	14,693	79,338
Movements during the period (cumulative)	-	-	-	-	-	-
Net loss for the year	-	-	-	(8,916)	(8,916)	(8,916)
At 30 October 2005	<u>64,645</u>	<u>23,752</u>	<u>5,763</u>	<u>(23,738)</u>	<u>5,777</u>	<u>70,422</u>

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st January 2005)**



**EXPLANATORY NOTES : (AS PER FRS 134)**

**A1 Accounting policies**

The interim financial statements have been prepared in accordance with FRS134 “Interim Financial Reporting” and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The accounting policies and methods used in preparing the quarterly financial statement are consistent with the audited financial statements for the financial year ended 31st January 2005.

**A2 Declaration of audit qualification**

The audit report of the Company in respect of the annual financial statements for the year ended 31st January 2005 was not subject to any audit qualification.

**A3 Seasonality or cyclicity of operation**

The business of the Group is generally neither non-cyclical nor seasonal except for decreased activities during the festive season.

**A4 Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

**A5 Changes in estimates**

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

**A6 Issuances and repayments of debts and equity securities**

There were no changes in the equity structure of the company during this period.

There were no issuances and repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

**A7 Dividend**

No dividend has been declared for the period.

**A8 Segmental reporting**

Segmental analysis for the current financial year to-date

	Revenue (RM)	Loss From Operations (RM)
Manufacturing	117,589,748	(2,252,664)
Trading	91,132,628	185,066
Others	330,298	( 952,147)
	-----	-----
	209,052,674	(3,019,745)
	=====	=====



**EXPLANATORY NOTES : (AS PER FRS 134)**

**A9 Valuation of property, plant and equipment**

The valuation of property, plant and equipment have been brought forward, without amendment from the audited financial statements for the financial year ended 31st January 2005.

**A10 Subsequent material events**

In the best knowledge of the Directors, there is no transaction or event of a material or unusual nature occurring between 31st October, 2005 and the date of this announcement.

**A11 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial year to date.

**A12 Contingent liabilities or contingent assets**

There were no contingent liabilities and contingent assets as at end of the reporting quarter other than as stated below:

Guarantee for loan facilities given to other investee company	USD 266,833
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**EXPLANATORY NOTES : (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**

**B1 Review of the performance of the Company and its principal subsidiaries**

The group recorded revenue of RM209.053 million and loss before tax of RM8.822 million as compared to a revenue of RM223,109 million and a profit before tax of RM5.067 million in the preceding year corresponding period. The turnover and profit before tax saw a reduction of 6% and 174% respectively brought about by the market weakening due to fluctuations in the selling prices which could not be matched with the purchase price of raw materials, loss incurred on sale of machinery and provision for doubtful debts.

**B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter**

The current financial quarter showed the Group recording revenue of RM60.715 million and loss before tax of RM6.701 million in comparison with a revenue of RM64.642 million and loss before tax of RM2.341 million recorded in the immediate preceding quarter. The performance has dropped for the quarter due to slowdown in the market and provision for doubtful debts.

**B3 Prospects of the current financial year**

The Group is anticipating a drop in the purchase price of raw material due to international and domestic economic environments which might have a negative impact on the performance of the group. However the group is also focusing on downstream activities to improve its earnings.

**B4 Variance of actual profit from forecast profit**

This is not applicable to the Group.



**EXPLANATORY NOTES : (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**

**B5 Taxation**

Taxation comprises :-

	Current Year Quarter 31/10/2005 RM'000	Cumulative Quarters	
		Current Year To Date 31/10/2005 RM'000	Preceding Year Corresponding Period 31/10/2004 RM'000
Current tax expense Current year	(30)	125	302
Over provision of Income tax expense in prior year	-	-	-
	(30)	125	302
Over provision of Deferred tax in prior year	-	-	-
	(30)	125	302

The disproportionate tax charge in relation to the results of the Group for the financial periods under review is mainly due to tax savings arising from the utilization of unabsorbed tax losses in certain subsidiaries of the group.

**B6 Profit on sale of unquoted investments and / or properties**

There was no sale of unquoted investments and properties respectively for the current financial year to date.

**B7 Purchase or disposal of quoted securities**

There was no purchase or disposal of quoted securities for the current financial year to date.

**B8 Status of corporate proposals**

There were no other corporate proposals at the date of issue of the quarterly report.





**B9 Group borrowings and debt securities**

There were no bank borrowings (other than as detailed below) and debt securities as at the end of the reporting period.

	Short Term RM '000	Long Term RM '000
Secured		
Bank overdraft	13,188	
Bankers' acceptances	49,680	
Term loan	3,534	11,995
Unsecured		
Bank overdraft	1,438	
Bankers' acceptances	5,731	
Revolving credit	12,250	
Term Loan	0	5,712
Hire Purchase Loan	1,305	1,882
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	87,126	19,589
	=====	=====

**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at the date of this announcement.

**B11 Material litigation**

There is no material litigation pending as at the date of this announcement.

**B12 Dividend**

The Board of Directors of the Company has not recommended any final dividend in the financial year to date.

**B13 Earnings per share**

(i) Basic earnings per ordinary share

The earnings per share is calculated by dividing the net loss attributable to shareholders of (RM 8,915,911) by the weighted average number of ordinary shares in issue during the current quarter of 64,644,965.

(ii) Diluted earnings per ordinary share

The diluted earnings per share is not presented as the assumed conversion of potential ordinary share are anti-dilutive.