



Quarterly report on consolidated results for the first financial quarter ended 30th April 2006

Condensed Consolidated Income Statements for the first quarter ended 30th April 2006

(The figures have not been audited)

	3 months ended		3 months ended	
	30th April 2006	30th April 2005	30th April 2006	30th April 2005
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	62,776	83,696	62,776	83,696
Operating Expenses	(64,014)	(82,097)	(64,014)	(82,097)
Other operating income	869	353	869	353
Profit from Operations	<u>(369)</u>	<u>1,952</u>	<u>(369)</u>	<u>1,952</u>
Finance costs	(1,927)	(1,732)	(1,927)	(1,732)
Profit before tax	<u>(2,296)</u>	<u>220</u>	<u>(2,296)</u>	<u>220</u>
Income tax expense	(64)	(45)	(64)	(45)
Profit for the period from continuing operations	<u>(2,360)</u>	<u>175</u>	<u>(2,360)</u>	<u>175</u>
Discounted Operations				
(Loss)/profit for the period from a discounted operation	-	-	-	-
Profit for the period	<u>(2,360)</u>	<u>175</u>	<u>(2,360)</u>	<u>175</u>
Attributable to:				
Equity holders of the parent	(2,399)	156	(2,399)	156
Minority interest	39	19	39	19
	<u>(2,360)</u>	<u>175</u>	<u>(2,360)</u>	<u>175</u>
Earnings per share attributable to equity holders of the parent:				
Basic, for profit from continuing operations	(3.71)	0.24	(3.71)	0.24
Basic, for (loss)/profit from discontinued operations	-	-	-	-
Basic, for profit for the period	<u>-3.71</u>	<u>0.24</u>	<u>-3.71</u>	<u>0.24</u>
Diluted, for profit from continuing operations	-	-	-	-
Diluted, for (loss)/profit from discounted operations	-	-	-	-
Diluted, for profit for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st January 2006 and the accompanying explanatory notes attached to the interim financial statements.



Quarterly report on consolidated results for the first financial quarter ended 30th April 2006

Condensed Consolidated Balance Sheet as at 30th April 2006

(The figures have not been audited)

	As at 30th April 2006 RM'000	As at 31st January 2006 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	118,145,775	109,523,888
Intangible assets	957,154	957,154
	<u>119,102,929</u>	<u>110,481,042</u>
Current assets		
Inventories	23,178,429	27,608,499
Trade receivables	54,427,162	47,851,436
Other receivables	7,464,329	17,988,528
Short term investments	162,322	162,322
Cash and bank balances	4,504,150	4,623,290
	<u>89,736,392</u>	<u>98,234,075</u>
TOTAL ASSETS	<u>208,839,321</u>	<u>208,715,117</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	64,644,965	64,644,965
Share premium	23,751,705	23,751,705
Other reserves	5,714,047	5,714,047
Retained earnings	(39,383,713)	(36,984,556)
	<u>54,727,004</u>	<u>57,126,161</u>
Minority interests	1,086,732	1,048,186
Total equity	<u>55,813,736</u>	<u>58,174,347</u>
Non-current liabilities		
Retirement benefit obligations		
Provisions for other liabilities	153,017	161,968
Borrowings	19,214,789	15,551,944
Trade payable	12,936,557	13,256,557
Deferred tax liabilities	2,736,762	2,047,762
	<u>35,041,125</u>	<u>31,018,231</u>
Current liabilities		
Borrowings	88,952,040	89,478,322
Trade payables	23,302,213	24,594,670
Other payables	5,285,189	5,068,294
Current tax payable	445,018	381,253
	<u>117,984,460</u>	<u>119,522,539</u>
Total liabilities	<u>153,025,585</u>	<u>150,540,770</u>
TOTAL EQUITY AND LIABILITIES	<u>208,839,321</u>	<u>208,715,117</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st January 2006 and the accompanying explanatory notes attached to the interim financial statements.



Quarterly report on consolidated results for the first financial quarter ended 30th April 2006

Condensed Consolidated Cash Flow Statements for the first quarter ended 30th April 2006

(The figures have not been audited)

	3 months ended	
	As at 30th April 2006 RM'000	As at 30th April 2005 RM'000
Net cash in operating activities	3,160	5,780
Net cash used in investing activities	(7,456)	(184)
Net cash generated from financing activities	1,806	(4,199)
Net increase in cash and cash equivalents	(2,490)	1,397
Non-cash items	1,620	1,724
Effects of exchange rate changes	-	-
Cash and cash equivalents at beginning of financial period	(12,041)	(12,095)
Cash and cash equivalents at end of financial period	(12,911)	(8,974)

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	4,504	6,866
Bank overdrafts (included within short term borrowings in Note 25)	(17,415)	(15,840)
	(12,911)	(8,974)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.



Quarterly report on consolidated results for the first financial quarter ended 30th April 2006

Condensed Consolidated Statements of Changes in Equity for the first quarter ended 30th April 2006

	Attributable to Equity Holders of the Parent					Total RM'000	Minority Interest RM'000	Total Equity RM'000	
	Share capital RM'000	Share premium RM'000	-----Non-Distributable-----						Total RM'000
			Revaluation reserve RM'000	Other reserve RM'000	Accumulated losses RM'000				
3 months <u>ended 30th April 2005</u> As at 1 February 2005	64,645	23,752	5,763	-	(14,822)	14,693	1,319	80,657	
Movements during the period (cumulative)	-	-	-	-	-	-	-	-	
Net profit for the year	-	-	-	-	156	156	19	175	
At 30 April 2005	<u>64,645</u>	<u>23,752</u>	<u>5,763</u>	<u>-</u>	<u>(14,666)</u>	<u>14,849</u>	<u>1,338</u>	<u>80,832</u>	
3 months <u>ended 30th April 2006</u> As at 1 February 2006	64,645	23,751	5,763	(49)	(36,984)	(7,519)	1,048	58,174	
Movements during the period (cumulative)	-	-	-	-	-	-	-	-	
Net loss for the year	-	-	-	-	(2,399)	(2,399)	39	(2,360)	
At 30 April 2006	<u>64,645</u>	<u>23,751</u>	<u>5,763</u>	<u>(49)</u>	<u>(39,383)</u>	<u>(9,918)</u>	<u>1,087</u>	<u>55,814</u>	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES : (AS PER FRS 134)

A1 Accounting policies

The interim financial statements are unaudited and have been prepared under the historical cost convention in accordance with FRS134 “Interim Financial Reporting” and Chapter 9.22 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 and should be read in conjunction with the audited financial statements for the financial year ended 31st January 2006.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31st January 2006.

A2 Changes in Accounting Policies

The adoption of the revised FRS 101 has affected the presentation of minority interest. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statements, minority interests are presented as an allocation of the total loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period’s presentation of the Group’s financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period’s presentation.

A3 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.

A4 Segmental reporting

Segmental analysis for the current financial year to-date

	Revenue (RM)	Loss From Operations (RM)
Manufacturing	38,122,961	421,729
Trading	24,513,398	(985,915)
Others	139,346	194,366
	-----	-----
	62,775,705	369,820
	=====	=====

A5 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.



EXPLANATORY NOTES : (AS PER FRS 134)

A6 Changes in estimates

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

A7 Seasonality or cyclical operation

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

A8 Dividend

No dividend has been declared for the period.

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 2006.

A10 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.

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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A13 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 January, 2006 and the date of this announcement.



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 RM62.8 million and loss before tax of RM2.3 million as compared to a revenue of RM83.7 million and a profit before tax of RM220,000 in the preceding year corresponding period. The reduction in revenue of 25% was primarily due to a general shortage of raw material in the market as well as the volatility in pricing.

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 RM62.8 million and loss before tax of RM2.3 million in comparison with a revenue of RM50.4 million and loss before tax of RM11.4 million recorded in the immediate preceding quarter.

B3 Prospects of the current financial year

The key challenge for the group will continue to be to manage the volatility in the pricing of raw material, to put in place strategies to manage the timely procurement of raw material and to manage the incoming pressure on its working capital requirements. The Group will continue to focus on developing and enhancing its domestic activity as well as exploring new channels of growth in the international arena.

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 30/04/2006 RM'000	Cumulative Quarters	
		Current Year To Date 30/04/2006 RM'000	Preceding Year Corresponding Period 30/04/2005 RM'000
Current tax expense Current year	64	64	45
Over provision of Income tax expense in prior year	-	-	-
	64	64	45
Over provision of Deferred tax in prior year	-	-	-
	64	64	45

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	11,550	
Bankers' acceptances	52,717	
Term loan	3,534	15,094
Unsecured		
Bank overdraft	1,923	
Bankers' acceptances	5,673	
Revolving credit	12,250	
Term Loan		1,558
Hire Purchase Loan	1,305	2,562
	-----	-----
	88,952	19,214
	=====	=====

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 2,399,157) 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.