

Quarterly report on consolidated results for the first financial quarter ended 30th June 2008

Condensed Consolidated Income Statements for the first quarter ended 30th June 2008

(The figures have not been audited)

	3 months ended		3 months ended	
	30th June 2008 RM'000	30th June 2007 RM'000 (Not applicable)	30th June 2008 RM'000	30th June 2007 RM'000 (Not applicable)
Revenue	52,835	-	52,835	-
Operating Expenses	(49,665)	-	(49,665)	-
Other operating income	114	-	114	-
Profit from Operations	<u>3,284</u>	<u>-</u>	<u>3,284</u>	<u>-</u>
Finance costs	(2,171)	-	(2,171)	-
Profit before tax	<u>1,113</u>	<u>-</u>	<u>1,113</u>	<u>-</u>
Income tax expense	(288)	-	(288)	-
Profit for the period	<u>825</u>	<u>-</u>	<u>825</u>	<u>-</u>
Profit for the period	<u>825</u>	<u>0</u>	<u>825</u>	<u>0</u>
Attributable to:				
Equity holders of the parent	853	-	853	-
Minority interest	(28)	-	(28)	-
	<u>825</u>	<u>-</u>	<u>825</u>	<u>-</u>
Earnings per share attributable to equity holders of the parent:				
Basic, for profit from continuing operations	<u>1.32</u>	<u>-</u>	<u>1.32</u>	<u>-</u>
Basic, for profit for the period	<u>1.32</u>	<u>-</u>	<u>1.32</u>	<u>-</u>
Diluted, for profit from continuing operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Diluted, for profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January 2008 to 31 March 2008.

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2008 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the first financial quarter ended 30th June 2008

Condensed Consolidated Balance Sheet as at 30th June 2008

(The figures have not been audited)

	As at 30th June 2008 RM RM'000	As at 31st March 2008 RM RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	96,308	95,877
Intangible assets	1,875	1,875
	<u>98,183</u>	<u>97,752</u>
Current assets		
Inventories	23,141	19,875
Trade receivables	33,635	36,073
Other receivables	10,641	11,387
Tax recoverable	651	227
Short term investments	191	191
Cash and bank balances	5,985	9,405
Assets held for sale	11,940	11,940
	<u>86,184</u>	<u>89,098</u>
TOTAL ASSETS	<u>184,367</u>	<u>186,850</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	64,645	64,645
Share premium	23,752	23,752
Other reserves	5,876	5,876
Retained earnings	(58,350)	(59,175)
	<u>35,923</u>	<u>35,098</u>
Minority interests	861	888
Total equity	<u>36,784</u>	<u>35,986</u>
Non-current liabilities		
Borrowings	4,765	4,765
Trade payable	10,776	10,776
Deferred tax liabilities	2,772	2,938
	<u>18,313</u>	<u>18,479</u>
Current liabilities		
Borrowings	97,420	99,685
Trade payables	20,620	20,251
Other payables	11,230	12,449
	<u>129,270</u>	<u>132,385</u>
Total liabilities	<u>147,583</u>	<u>150,864</u>
TOTAL EQUITY AND LIABILITIES	<u>184,367</u>	<u>186,850</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2008 and the accompanying explanatory notes attached to the interim financial statements.



Quarterly report on consolidated results for the first financial quarter ended 30th June 2008

Condensed Consolidated Cash Flow Statements for the first quarter ended 30th June 2008

(The figures have not been audited)

	3 months ended	
	As at 30th June 2008 RM'000	As at 30th June 2007 RM'000 (Not applicable)
Net cash in operating activities	(2,251)	-
Net cash used in investing activities	1,709	-
Net cash generated from financing activities	(2,635)	-
Net increase in cash and cash equivalents	(3,177)	-
Non-cash items	1,346	-
Effects of exchange rate changes	-	-
Cash and cash equivalents at beginning of financial period	(6,345)	-
Cash and cash equivalents at end of financial period	(8,176)	-

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

Cash and bank balances	5,985	-
Bank overdrafts	(14,161)	-
	(8,176)	-

There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January 2008 to 31 March 2008.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the first financial quarter ended 30th June 2008

Condensed Consolidated Statements of Changes in Equity for the first quarter ended 30th June 2008

	Attributable to Equity Holders of the Parent					Total	Minority Interest	Total Equity	
	Share capital	-----Non-Distributable-----			Accumulated losses				Total
		Share premium	Revaluation reserve	Other reserve					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
3 months ended 30th June 2007									
As at 1 April 2007	-	-	-	-	-	-	-	-	
Movements during the period (cumulative)	-	-	-	-	-	-	-	-	
Net (loss)/profit for the year	-	-	-	-	-	-	-	-	
At 30th June 2007	-	-	-	-	-	-	-	-	
3 months ended 30th June 2008									
As at 1 April 2008	64,645	23,752	6,009	(133)	(59,175)	(29,547)	888	35,986	
Movements during the period (cumulative)	-	-	-	-	-	-	-	-	
Net profit for the period	-	-	-	-	825	825	(27)	798	
At 30 June 2008	64,645	23,752	6,009	(133)	(58,350)	(28,722)	861	36,784	

There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January 2008 to 31 March 2008.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the 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 statements are consistent and should be read in conjunction with the audited financial statements for the financial year ended 31st March 2008.

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 March 2008.

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 interests.

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.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited report financial statements for the year ended 31st March, 2008 except for the adoption of the following applicable new/ revised FRS effective for the financial period beginning 1 April, 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS120	Accounting for Government Grants and Disclosure of Government Assistance
FRS134	Interim Financial Reporting
FRS137	Provisions, Contingent Liabilities and Contingent Assets
FRS139	Financial Instruments: Recognition and Measurement
Amendment to FRS121:	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st March 2008 was not subject to any audit qualification.

EXPLANATORY NOTES : (AS PER FRS 134)**A4 Segmental reporting**

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit/(Loss) From Operations (RM)
Manufacturing	24,251,850	2,309,708
Trading	28,457,999	1,102,557
Others	125,520	(128,180)
	-----	-----
	52,835,369	3,284,085
	=====	=====

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.

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 March 2008.

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

The Company had on 2nd June 2008 incorporated a subsidiary known as SMPC Steel Mill Sdn Bhd (SSMSB) with an authorized share capital of RM 100,000 divided into 100,000 ordinary shares of RM 1.00 each and the issued and paid up capital of RM 100,000 divided into 100,000 ordinary shares of RM 1.00 each.

The proposed principal business activity of SSMSB is to manufacture steel related products and currently it is dormant.

Except for the above, there were no changes in the composition of the Group for the current financial year to date.

EXPLANATORY NOTES : (AS PER FRS 134)**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

To the best knowledge of the Directors, there is no transaction or event of a material or unusual nature occurring between 31st March, 2008 and the date of this announcement except for

- i) an announcement made to Bursa Securities Bhd on 3rd July, 2008 on behalf of the Company by the advisor, Messrs Public Investment Berhad relating to the Proposed Restructuring Scheme.
- ii) an announcement made today pursuant to Practise Note 1/ 2001 (PN1/2001) of the listing requirements to Bursa Malaysia Securities Berhad.



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

There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January to 31 March 2008.

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

There are no comparative figures for the corresponding quarter of the preceding year because the Group has just changed its financial year end from 31 January to 31 March 2008.

B3 Prospects of the current financial year

The current financial year will continue to be challenging for the Group and baring any unforeseen circumstances, the Directors are of the opinion that the results will improve for the financial year ending 31st March, 2009.

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 30/06/2008 RM'000	Cumulative Quarters	
		Current Year To Date 30/06/2008 RM'000	Preceding Year Corresponding Period 30/06/2007 RM'000
Current tax expense			
Current year	288	288	-
Over provision of Income tax expense in prior year	-	-	-
	<hr/>	<hr/>	<hr/>
	288	288	-
Over provision of Deferred tax in prior year	-	-	-
	<hr/>	<hr/>	<hr/>
	288	288	-
	<hr/>	<hr/>	<hr/>

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 except the disclosure in Note A13.

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	14,061	-
Bankers' acceptances	36,509	-
Term loan	32,715	4,383
Revolving credit	12,250	-
Hire Purchase Loan	1,885	382
	-----	-----
	97,420	4,765
	=====	=====

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 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 profit attributable to shareholders of RM 824,974 by the 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.