

Quarterly report on consolidated results for the third financial quarter ended 31st December 2009

Condensed Consolidated Income Statements for the third quarter ended 31st December 2009

(The figures have not been audited)

| | 3 months ended | | 9 months ended | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31st Dec 2009 RM'000 | 31st Dec 2008 RM'000 | 31st Dec 2009 RM'000 | 31st Dec 2008 RM'000 |
| Revenue | 29,582 | 23,654 | 82,879 | 119,996 |
| Operating Expenses | -27,885 | -23,829 | -77,355 | (115,311) |
| Other operating income | 333 | 554 | 773 | 1,268 |
| Profit from Operations | <u>2,030</u> | <u>379</u> | <u>6,297</u> | <u>5,953</u> |
| Finance costs | -2,111 | -2,072 | -6,610 | (6,557) |
| Loss before tax | <u>(81)</u> | <u>(1,693)</u> | <u>(313)</u> | <u>(604)</u> |
| Income tax expense | -36 | 214 | -36 | (284) |
| Loss for the period | <u>(117)</u> | <u>(1,479)</u> | <u>(349)</u> | <u>(888)</u> |
| Loss for the period | <u>-117</u> | <u>-1,479</u> | <u>-349</u> | <u>-888</u> |
| Attributable to: | | | | |
| Equity holders of the parent | (107) | (1,417) | (339) | (865) |
| Minority interest | (10) | (62) | (10) | (23) |
| | <u>(117)</u> | <u>(1,479)</u> | <u>(349)</u> | <u>(888)</u> |
| Earnings per share attributable to equity holders of the parent: | | | | |
| Basic, for loss for the period | <u>(0.17)</u> | <u>(2.19)</u> | <u>(0.52)</u> | <u>(1.34)</u> |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2009 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Balance Sheet as at 31st December 2009

(The figures have not been audited)

| | As at 31st Dec 2009 RM RM'000 | As at 31st March 2009 RM RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 96,184 | 98,853 |
| Intangible assets | 1,875 | 1,875 |
| | <u>98,059</u> | <u>100,728</u> |
| Current assets | | |
| Inventories | 25,072 | 21,392 |
| Trade receivables | 26,348 | 25,902 |
| Other receivables | 13,160 | 13,167 |
| Tax recoverable | 1,482 | 1,115 |
| Short term investments | 38 | 138 |
| Cash and bank balances | 5,019 | 4,318 |
| Assets held for sale | 11,940 | 11,940 |
| | <u>83,059</u> | <u>77,972</u> |
| TOTAL ASSETS | <u>181,118</u> | <u>178,700</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 | 5,792 | 5,792 |
| Retained earnings | (61,146) | (60,797) |
| | <u>33,043</u> | <u>33,392</u> |
| Minority interests | 911 | 901 |
| Total equity | <u>33,954</u> | <u>34,293</u> |
| Non-current liabilities | | |
| Borrowings | 2,341 | 3,114 |
| Deferred tax liabilities | 2,652 | 2,652 |
| | <u>4,993</u> | <u>5,766</u> |
| Current liabilities | | |
| Borrowings | 98,422 | 97,802 |
| Trade payables | 10,969 | 8,669 |
| Other payables | 32,780 | 32,170 |
| | <u>142,171</u> | <u>138,641</u> |
| Total liabilities | <u>147,164</u> | <u>144,407</u> |
| TOTAL EQUITY AND LIABILITIES | <u>181,118</u> | <u>178,700</u> |
| Net asset per share attributable to ordinary equity holders of the parent | 0.51 | 0.52 |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2009 and the accompanying explanatory notes attached to the interim financial statements.



Quarterly report on consolidated results for the third financial quarter ended 31st December 2009

Condensed Consolidated Cash Flow Statements for the third quarter ended 31st December 2009

(The figures have not been audited)

| | 9 months ended | |
|--|----------------------------------|----------------------------------|
| | As at 31st Dec 2009 RM'000 | As at 31st Dec 2008 RM'000 |
| Net cash in operating activities | (1,916) | (5,351) |
| Net cash used in investing activities | (1,099) | (2,647) |
| Net cash generated from financing activities | (517) | 3,892 |
| Net increase in cash and cash equivalents | (3,532) | (4,106) |
| Non-cash items | 3,867 | 3,994 |
| Effects of exchange rate changes | - | - |
| Cash and cash equivalents at beginning of financial period | (4,341) | (6,345) |
| Cash and cash equivalents at end of financial period | (4,006) | (6,457) |

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

| | | |
|------------------------|---------|---------|
| Cash and bank balances | 5,018 | 2,392 |
| Bank overdrafts | (9,024) | (8,849) |
| | (4,006) | (6,457) |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2009

Condensed Consolidated Statements of Changes in Equity for the third quarter ended 31st December 2009

| | Attributable to Equity Holders of the Parent | | | | | Total | Minority Interest | Total Equity |
|--|--|-----------------------------|---------------------|---------------|-----------------|---------------|-------------------|---------------|
| | Share capital | -----Non-Distributable----- | | | Total | | | |
| | | Share premium | Revaluation reserve | Other reserve | | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| 9 months ended 31 st December 2008 | | | | | | | | |
| As at 1 April 2008 | 64,645 | 23,752 | 6,009 | (133) | (59,175) | 35,098 | 888 | 35,986 |
| Movements during the period (cumulative) | - | - | - | - | - | - | - | - |
| Net loss for the period | - | - | - | - | (888) | (888) | 23 | (865) |
| At 31st December 2008 | <u>64,645</u> | <u>23,752</u> | <u>6,009</u> | <u>(133)</u> | <u>(60,063)</u> | <u>34,210</u> | <u>911</u> | <u>35,121</u> |
| 9 months ended 31st December 2009 | | | | | | | | |
| As at 1 April 2009 | 64,645 | 23,752 | 6,009 | (217) | (60,797) | 33,392 | 901 | 34,293 |
| Movements during the period (cumulative) | - | - | - | - | - | - | - | - |
| Net loss for the period | - | - | - | - | (349) | (349) | 10 | (339) |
| At 31st December 2009 | <u>64,645</u> | <u>23,752</u> | <u>6,009</u> | <u>(217)</u> | <u>(61,146)</u> | <u>33,043</u> | <u>911</u> | <u>33,954</u> |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009 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 2009.

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 2009.

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, 2009 except for the adoption of the following applicable new/ revised FRS which were issued but are not yet effective and have not been adopted by the Group:

| | | Effective for financial periods beginning on or after |
|---------|--|--|
| FRS 1 | First-time Adoption of Financial Reporting Standards | 1 July 2010 |
| FRS 3 | Business Combinations | 1 July 2010 |
| *FRS 4 | Insurance Contracts | 1 January 2010 |
| FRS 7 | Financial Instruments : Disclosures | 1 January 2010 |
| FRS 8 | Operating Segments | 1 July 2009 |
| FRS123 | Borrowing Costs | 1 January 2010 |
| FRS127 | Consolidated and Separate Financial Statements | 1 July 2010 |
| FRS 139 | Financial Instruments : Recognition and Measurements | 1 January 2010 |

| | | |
|-------------------------|--|----------------|
| Amendments to FRS 1 | First-time Adoption of Financial Reporting Standards | 1 January 2010 |
| * Amendments to FRS 2 | Share-based Payment – Vesting Conditions and Cancellations | 1 January 2010 |
| * Amendments to FRS 2 | Share-based Payment | 1 July 2010 |
| Amendments to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations | 1 July 2010 |
| * Amendments to FRS 138 | Intangible Assets | 1 July 2010 |
| Amendments to FRS 139 | Financial Instruments : Recognition and Measurements | 1 January 2010 |
| * IC Interpretation 9 | Reassessment of Embedded Derivatives | 1 January 2010 |
| *IC Interpretation 10 | Interim Financial Reporting and Impairment | 1 January 2010 |
| *IC Interpretation 11 | FRS 2 - Group and Treasury Shares Transactions | 1 January 2010 |
| *IC Interpretation 12 | Service Concession Arrangements | 1 July 2010 |
| *IC Interpretation 13 | Customer Loyalty Programmes | 1 January 2010 |
| *IC Interpretation 14 | FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 1 January 2010 |
| *IC Interpretation 15 | Agreements for the Construction of Real Estate | 1 July 2010 |
| *IC Interpretation 16 | Hedges of a Net Investment in a Foreign Operation | 1 July 2010 |
| *IC Interpretation 17 | Distributions of Non-cash Assets to Owners | 1 July 2010 |

*Not relevant to the Group.

The existing FRS 1, FRS 3 and FRS 127 will be withdrawn upon the adoption of the revised Standards which will take effect on 1 July 2010. FRS 201₂₀₀₄ Property Development Activities shall be withdrawn on application of IC Interpretation 15.

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st March 2009 was not subject to any audit qualification.

A4 Segmental reporting

Segmental analysis for the current financial year to-date

| (RM) | Revenue (RM) | Profit/(Loss) From Operations |
|---------------|-------------------|-------------------------------|
| Manufacturing | 52,881,550 | 4,796,538 |
| Trading | 28,267,204 | 1,643,230 |
| Others | 1,730,038 | (142,833) |
| | <u>82,878,792</u> | <u>6,296,935</u> |

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.

EXPLANATORY NOTES : (AS PER FRS 134)**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 2009.

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 quarter.

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 |
|---|-------------|

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, 2009 and the date of this announcement except for on 6th January, 2010 the advisor, Messrs Public Investment Bank Berhad for and on behalf of the Company announced that the application in relation to the Proposed Restructuring Scheme which was expected to be submitted to the relevant authority has been delayed as the Company is in the midst of finalizing certain material items within the Proposals.

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 RM82.9million and loss before tax of RM0.313million as compared to a revenue of RM120.00 million and a loss before tax of RM0.604million in the preceding year corresponding period.

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

The revenue for the current financial quarter marginally increased to RM29.582million and the loss before tax registered at RM 0.081million compared to a revenue of RM27.102million and a loss before tax of RM0.122million during the preceding quarter.

B3 Prospects of the current financial year

The Board of Directors is of the opinion that despite the improvement in the Group's operational result the delay in the implementation of the Proposed Restructuring Exercise is expected to impact the performance for the current financial year.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises :-

| | Current Year Quarter 31/12/2009 RM'000 | Cumulative Quarters | |
|---|--|--|---|
| | | Current Year To Date 31/12/2009 RM'000 | Preceding Year Corresponding Period 31/12/2008 RM'000 |
| Current tax expense | | | |
| Current year | 36 | 36 | 284 |
| Over provision of Income tax expense in prior year | - | - | - |
| | 36 | 36 | 284 |
| Over provision of Deferred tax in prior year | - | - | - |
| | 36 | 36 | 284 |

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

The Proposed Restructuring Exercise is still ongoing and awaiting the approval of major creditor banks.

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 | 9,024 | - |
| Bankers' acceptances | 41,997 | - |
| Term loan | 35,151 | 1,772 |
| Revolving credit | 12,250 | - |
| Hire Purchase Loan | - | 569 |
| | ----- | ----- |
| | 98,422 | 2,341 |
| | ===== | ===== |

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 loss attributable to shareholders of RM 339,009 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.