

Quarterly report on consolidated results for the third financial quarter ended 31st December 2010

Condensed Consolidated Income Statements for the third quarter ended 31st December 2010

(The figures have not been audited)

	3 months ended		9 months ended	
	31st Dec 2010 RM'000	31st Dec 2009 RM'000	31st Dec 2010 RM'000	31st Dec 2009 RM'000
Revenue	31,036	29,582	89,386	82,879
Operating Expenses	-28,873	-27,885	-83,556	-77,355
Other operating income	309	333	805	773
Profit from Operations	<u>2,472</u>	<u>2,030</u>	<u>6,635</u>	<u>6,297</u>
Finance costs	-2,143	-2,111	-6,205	-6,610
Profit/ (Loss) before tax	<u>329</u>	<u>-81</u>	<u>430</u>	<u>-313</u>
Income tax expense	-18	-36	-86	-36
Profit/ (Loss) for the period	<u>311</u>	<u>-117</u>	<u>344</u>	<u>-349</u>
Profit/ (Loss) for the period	<u>311</u>	<u>-117</u>	<u>344</u>	<u>-349</u>
Attributable to:				
Equity holders of the parent	286	-107	319	-339
Minority interest	25	-10	25	-10
	<u>311</u>	<u>-117</u>	<u>344</u>	<u>-349</u>
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period	<u>0.44</u>	<u>-0.17</u>	<u>0.49</u>	<u>-0.52</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2010 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2010

Condensed Consolidated Balance Sheet as at 31st December 2010

(The figures have not been audited)

	As at 31st Dec 2010 RM RM'000	As at 31st Mar 2010 RM RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	91,876	95,183
Intangible assets	1,875	1,875
	<u>93,751</u>	<u>97,058</u>
Current assets		
Inventories	26,389	27,839
Trade receivables	26,439	24,740
Other receivables	11,891	9,216
Tax recoverable	162	58
Short term investments	49	49
Cash and bank balances	4,362	6,427
Assets held for sale	11,940	12,778
	<u>81,232</u>	<u>81,107</u>
TOTAL ASSETS	<u>174,983</u>	<u>178,165</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	6,069	6,069
Retained earnings	-60,872	-61,191
	<u>33,594</u>	<u>33,275</u>
Minority interests	885	860
Total equity	<u>34,479</u>	<u>34,135</u>
Non-current liabilities		
Borrowings	3,114	2,398
Deferred tax liabilities	3,047	3,047
	<u>6,161</u>	<u>5,445</u>
Current liabilities		
Borrowings	95,322	98,722
Trade payables	10,819	9,671
Other payables	28,202	30,192
	<u>134,343</u>	<u>138,585</u>
Total liabilities	<u>140,504</u>	<u>144,030</u>
TOTAL EQUITY AND LIABILITIES	<u>174,983</u>	<u>178,165</u>
Net asset per share attributable to ordinary equity holders of the parent	0.52	0.51

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2010 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2010**Condensed Consolidated Cash Flow Statements for the third quarter ended 31st December 2010**

(The figures have not been audited)

	9 months ended	
	As at 31st Dec 2010 RM'000	As at 31st Dec 2009 RM'000
Net cash in operating activities	-3,525	-1,916
Net cash from/ (used in) investing activities	408	-1,099
Net cash generated from/ (used in) financing activities	<u>-2,595</u>	<u>-517</u>
Net decrease in cash and cash equivalents	-5,712	-3,532
Non-cash items	3,737	3,867
Cash and cash equivalents at beginning of financial period	<u>-2,895</u>	<u>-4,341</u>
Cash and cash equivalents at end of financial period	<u><u>-4,870</u></u>	<u><u>-4,006</u></u>

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

Cash and bank balances	4,362	5,018
Bank overdrafts	<u>-9,232</u>	<u>-9,024</u>
	<u><u>-4,870</u></u>	<u><u>-4,006</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2010

Condensed Consolidated Statements of Changes in Equity for the third quarter ended 31st December 2010

	Attributable to Equity Holders of the Parent					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share capital RM'000	-----Non-Distributable-----						
		Share premium RM'000	Revaluation reserve RM'000	Other reserve RM'000	Accumulated losses RM'000			
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)	0	0	0	0	0	0	0	0
Net loss for the period	0	0	0	0	-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>
9 months ended 31st December 2010								
As at 1 April 2010	64,645	23,752	6,009	60	-61,191	33,275	860	34,135
Movements during the period (cumulative)	0	0	0	0	0	0	0	0
Net profit for the period	0	0	0	0	319	319	25	344
At 31st December 2010	<u>64,645</u>	<u>23,752</u>	<u>6,009</u>	<u>60</u>	<u>-60,872</u>	<u>33,594</u>	<u>885</u>	<u>34,479</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 2010 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 paragraph 9.22 of the Main Market 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 2010.

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 2010.

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 financial statements for the year ended 31st March, 2010.

On 1st April the Group adopted the following which is mandatory for the financial period beginning on or after 1st April 2010.

The adoption of these FRS did not have material effect on the presentations and disclosure aspect since the Group does not present segmentation results.

		Effective for financial periods beginning on or after
*FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS101(Revised 2010)	Presentation of Financial Statements	1 January 2010
FRS123(Revised 2010)	Borrowing Costs	1 January 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 1	Limited Exemption from Comparative FRS7 Disclosures for First- time Adopters	1 January 2011
Amendments to FRS 2	Share-based Payment – Amendments Relating to Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payment – Amendments Relating to the scope of the standard	1 March 2010
Amendments to FRS 7	Financial Instruments: Disclosures Amendments relating to financial assets	1 January 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 8	Operating Segments. Amendments relating disclosure information about segment assets	1 January 2010
Amendments to FRS 107	Statement of Cash Flows. Amendments relating to classification of expenditures on unrecognized assets	1 January 2010
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors. Amendment relating to selection and application of accounting policies	1 January 2010
Amendments to FRS 110	Events After the Reporting Period. Amendment relating to reason for dividend not recognized as a liability at the end of the reporting period	1 January 2010
Amendments to FRS 116	Property, Plant and Equipment. Amendment relating to derecognition of asset	1 January 2010
Amendments to FRS 117	Leases. Amendment relating to classification of leases	1 January 2010
Amendments to FRS 118	Revenue. Amendment relating to Appendix of this standard and recognition and measurement	1 January 2010
Amendments to FRS 119	Employee Benefits. Amendment relating to definition, curtailment and settlements.	1 January 2010
*Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance. Amendment relating to definition and government loan with a below market rate of interest.	1 January 2010
Amendments to FRS 123	Borrowing Costs. Amendment relating to components of borrowings costs.	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements. Amendment relating to cost of an investment in a subsidiary, jointly controlled entity or associate.	1 January 2010
* Amendments to FRS 128	Investment in Associates. Amendment relating to impairment losses in application of the equity method and the scope of this standard	1 January 2010
* Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies. Amendment relating to changing of terms used.	1 January 2010
* Amendments to FRS 131	Interests in Joint Ventures. Amendment relating to additional disclosure required for joint venture that does not apply FRS 131	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation. Amendment relating to puttable financial instruments	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation. Amendment relating to Classification of Rights Issues	1 January 2010

Amendments to FRS 134	Interim Financial Reporting. Amendment relating to disclosure of earnings per share	1 January 2010
Amendments to FRS 136	Impairment of Assets. Amendment relating to the disclosure of recoverable amount	1 January 2010
Amendments to FRS 139	Financial Instruments : Recognition and Measurements	1 January 2010
Amendments to FRS 140	Investment Property. Amendments relating to inability to determine fair value reliably.	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 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 March 2010

The following applicable new/ revised FRS which were issued but have not been adopted by the Group:

		Effective for financial periods beginning on or after
FRS 1(Revised 2010)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3(Revised 2010)	Business Combinations	1 July 2010
FRS127(Revised 2010)	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments relating to the inclusion of non- current assets as held for distribution to owners in the standard	1 July 2010
Amendments to FRS 138	Intangible Assets. Amendments relating to recognition of an expense	1 July 2010
*IC Interpretation 12	Service Concession Arrangements	1 July 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. The effects of FRS 7 and FRS 139, if any, upon their initial recognition are exempted from disclosures.

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st March 2010 was not subject to any audit qualification.

A4 Segmental reporting

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit/ (Loss) From Operations (RM)
Manufacturing	59,562,469	7,076,956
Trading	28,348,986	314,491
Others	1,474,390	(755,802)
	-----	-----
	89,385,845	6,635,645
	=====	=====

EXPLANATORY NOTES : (AS PER FRS 134)**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 cyclicity of 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 2010.

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
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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 2010 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 RM89.4 million and profit before tax of RM0.430 million as compared to a revenue of RM82.9 million and a loss before tax of RM0.313 million in the preceding year corresponding period. This is due to sharp rise in selling price and domestic demand in the third quarter.

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

The revenue for the current financial quarter increased to RM31.0 million and profit before tax registered at RM0.329 million compared to a revenue of RM27.4 million and a loss before tax of RM0.009 million during the preceding quarter. This is due to sharp rise in selling price and domestic demand.

B3 Prospects of the current financial year

The Board of Directors is confident with forthcoming implementation Proposed Restructuring Exercise (PRE) and with the successful implementation of PRE and barring unforeseen circumstances the Company is expected to perform better.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises :-

	Current Year Quarter 31/12/2010 RM'000	Cumulative Quarters	
		Current Year To Date 31/12/2010 RM'000	Preceding Year Corresponding Period 31/12/2009 RM'000
Current tax expense Current year	18	86	36
Over provision of Income tax expense in prior year	-	-	-
	18	86	36
Over provision of Deferred tax in prior year	-	-	-
	18	86	36

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 a debt restructuring agreement was signed between the Company and the major creditor banks. The principal advisor, Messrs Public Investment Bank Berhad on behalf of the Company has announced the revised Proposed Restructuring Scheme on 22 December 2010.

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	9,085	-
Bankers' acceptances	39,255	-
Term loan	34,732	2,876
Revolving credit	12,250	-
Hire Purchase Loan	-	237
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	95,322	3,114
	=====	=====

B10 Material litigation

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

B11 Dividend

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

B12 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 319,242 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.

EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**B13 Realised and unrealised profits/losses disclosure**

The retained profits as at 31 December 2010 and 30 September is analysed as follows:-

	Current Year 31 st Dec 2010 RM'000	Immediate Preceding Quarter-to-date 30 th September 2010 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(60,872)	(61,172)
- Unrealised	-	-
Total Group accumulated losses as per Consolidated financial statements	<u>(60,872)</u>	<u>(61,172)</u>