

Quarterly report on consolidated results for the second financial quarter ended 30th September 2012

Condensed Consolidated Income Statements for the second quarter ended 30th September 2012

(The figures have not been audited)

	3 months ended		6 months ended	
	30th Sept 2012 RM'000	30th Sept 2011 RM'000	30th Sept 2012 RM'000	30th Sept 2011 RM'000
Revenue	34,084	36,962	69,074	73,542
Operating Expenses	(34,856)	(34,773)	(69,064)	(69,461)
Other operating income	441	19	622	99
(Loss)/ profit from operations	(331)	2,208	632	4,180
Finance costs	(622)	(2,064)	(1,214)	(3,850)
(Loss)/ profit before tax	(953)	144	(582)	330
Income tax expense	0	(56)	(157)	(56)
(Loss)/ profit for the period	(953)	88	(739)	274
(Loss)/ profit for the period	(953)	88	(739)	274
Attributable to:				
Equity holders of the parent	(1,005)	50	(862)	236
Minority interest	52	38	123	38
	(953)	88	(739)	274
Basic - sen	(2.07)	0.08	(1.78)	0.37

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2012 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the second financial quarter ended 30th September 2012

Condensed Consolidated Balance Sheet as at 30th September 2012

(The figures have not been audited)

	As at 30th Sept 2012 RM RM'000	As at 31st Mar 2012 RM RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	89,667	89,080
Other investments	4,509	2,118
	94,176	91,198
Current assets		
Inventories	13,548	12,647
Trade receivables	27,272	20,741
Other receivables	10,755	7,035
Tax recoverable	706	383
Other investments	48	48
Cash and bank balances	16,854	4,380
	69,183	45,234
TOTAL ASSETS	163,359	136,432
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	48,439	6,464
Share premium	21,317	23,752
Other reserves	5,251	5,251
ICULS- Equity reserve	23,092	-
Warrants reserve	81	-
Retained earnings	13,717	14,578
	111,897	50,045
Minority interests	875	752
Total equity	112,772	50,797
Non-current liabilities		
Retirement benefit obligations	1,496	1,510
Borrowings	11,368	12,717
Deferred tax liabilities	3,827	3,827
	16,691	18,054
Current liabilities		
Borrowings	14,395	33,882
Trade payables	15,860	12,061
Other payables	3,641	21,367
Provision for taxation	-	271
	33,896	67,581
Total liabilities	50,587	85,635
TOTAL EQUITY AND LIABILITIES	163,359	136,432
Net asset per share attributable to ordinary equity holders of the parent (RM)	2.31	7.74

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2012 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the second financial quarter ended 30th September 2012

Condensed Consolidated Cash Flow Statements for the second quarter ended 30th September 2012

(The figures have not been audited)

	6 months ended	
	As at 30th September 2012 RM'000	As at 30th September 2011 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ profit before taxation	(582)	274
Adjustments for:		
Depreciation	2,188	2,284
Increase in share capital	41,975	-
Share premium expenses	(2,435)	-
Other Investment	(2,391)	-
Fixed Deposit	-	-
Issuance of ICULS	23,093	-
Issuance of Warrants	81	-
Retirement Benefit paid	(15)	-
Interest expense	1,202	3,850
Operating profit before working capital changes	<u>63,116</u>	<u>6,408</u>
Increase in inventories	(901)	(2,957)
Increase in receivables	(10,342)	(3,998)
Decrease in payables	(14,410)	(4,819)
Cash generated from/ (used in) operations	<u>37,463</u>	<u>(5,366)</u>
Income tax paid	(176)	(139)
Interest paid	(1,202)	(1,248)
Net cash from/ (used in) operating activities	<u>36,085</u>	<u>(6,753)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,196)	(838)
Proceeds from sale of fixed assets	422	602
Net cash from/ (used in) investing activities	<u>(2,774)</u>	<u>(236)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds of short term borrowings	(16,609)	1,577
Repayment of long term borrowings	(1,361)	(76)
Repayment of HP borrowings	(25)	(57)
	<u>(17,995)</u>	<u>1,444</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,316	(5,545)
CASH AND CASH EQUIVALENTS AT BEGINNING	1,311	(508)
CASH AND CASH EQUIVALENTS AT END	<u><u>16,627</u></u>	<u><u>(6,053)</u></u>
Represented by:		
Cash and bank balances	16,854	3,632
Bank overdrafts	(227)	(9,685)
	<u><u>16,627</u></u>	<u><u>(6,053)</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the second financial quarter ended 30th September 2012

Condensed Consolidated Statements of Changes in Equity for the second quarter ended 30th September 2012

	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			
6 months ended 30th September 2011 As at 1 April 2011	64,645	23,752	6,009	(329)	(61,489)	32,588	904	33,492
Movements during the period (cumulative)	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	237	237	38	275
At 30th September 2011	<u>64,645</u>	<u>23,752</u>	<u>6,009</u>	<u>(329)</u>	<u>(61,252)</u>	<u>32,825</u>	<u>942</u>	<u>33,767</u>
6 months ended 30th September 2012 As at 1 April 2012	6,464	23,752	5,251	(758)	14,578	49,287	752	50,039
Movements during the period (cumulative)	41,975	(2,435)	-	23,931	-	63,471	-	63,471
Net (loss)/ profit for the period	-	-	-	-	(862)	(862)	123	(739)
At 30th September 2012	<u>48,439</u>	<u>21,317</u>	<u>5,251</u>	<u>23,173</u>	<u>13,716</u>	<u>111,896</u>	<u>875</u>	<u>112,771</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 2012 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 2012.

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 2012.

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 profit/ (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, 2012.

EXPLANATORY NOTES : (AS PER FRS 134)

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 31st March 2012 was not subject to any audit qualification.

A4 Segmental reporting

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit From Operations (RM)
Manufacturing	45,710,438	2,903,028
Trading	22,631,095	(1,204,389)
Others	732,504	(1,066,552)
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	69,074,037	632,087
	=====	=====

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 2012.

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.

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

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A12 Subsequent material events

To the best knowledge of the Directors, there is no transaction or event of a material or unusual nature occurring between 30th September, 2012 and the date of this announcement.

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

	3 months ended	
	30 Sept 2012	30 Sept 2011
Revenue	34,084	36,962
(Loss)/ profit before tax	(953)	144

The Group recorded revenue of RM34.084million for the 3 months ended 30 September 2012 (“2Qtr”) compared to revenue of RM36.962million in the preceding year corresponding period (“2Qtr”). There is a decrease of RM2.878million (8.44%) due to decrease in the quantity and selling price in trading division.

The Group recorded a loss before tax of RM0.953million for the 2nd quarter ended 30 September 2012 compare to profit of RM0.144million for the preceding year corresponding quarter is mainly due to inventory written off in trading division.

EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter**

	3months ended	
	30 September 2012	30 June 2012
(Loss)/ profit before tax	(953)	371

The current quarter recorded a loss before tax of RM0.953million as compared to a profit of 0.371million to the immediate preceding quarter mainly due to inventory written off in trading division.

B3 Prospects of the current financial year

The Board of Directors is of the opinion that the Company will focus on improving efficiency and productivity, hence the Company is expected to report satisfactory results for the financial year.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises :-

	Current Year Quarter 30/09/2012 RM'000	Cumulative Quarters	
		Current Year To Date 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000
Current tax expense			
Current year	-	-	56
Over provision of Income tax expense in prior year	-	-	-
	-	-	56
Over provision of Deferred tax in prior year	-	-	-
	-	-	56

EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**B6 Other Investment**

	Unquoted Shares RM	Shares quoted in Malaysia RM	Unit Trusts quoted in Malaysia RM	Total RM
Non-current				
Available for sale financial assets	2,999,838	2,448,501	-	5,448,339
Impairment loss	(939,148)	-	-	(939,148)
	<u>2,060,690</u>	<u>2,448,501</u>	<u>-</u>	<u>4,509,191</u>
Current				
Available for sale financial assets	-	46,160	8,076	54,236
Fair value adjustments	-	(14,960)	8,568	(6,392)
	<u>-</u>	<u>31,200</u>	<u>16,644</u>	<u>47,844</u>
Total	<u><u>2,060,690</u></u>	<u><u>2,479,701</u></u>	<u><u>16,644</u></u>	<u><u>4,557,035</u></u>
Representing items:				
At cost	2,060,690	-	-	2,060,690
At fair value	-	2,479,701	16,644	2,496,345
	<u>2,060,690</u>	<u>2,479,701</u>	<u>16,644</u>	<u>4,557,035</u>
At market value	<u>-</u>	<u>2,432,006</u>	<u>16,644</u>	<u>2,448,650</u>

B7 Status of corporate proposals

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

B8 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	227	-
Bankers' acceptances	430	-
Term loan	13,738	11,293
Revolving credit	-	-
Hire Purchase Loan	-	75
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	14,395	11,368
	=====	=====

B8 Material litigation

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

B9 Dividend

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

B10 Earnings per share

(i) Basic earnings per ordinary share

The earnings per share is calculated by dividing the net loss attributable to shareholders of RM861,630 by the number of ordinary shares in issue during the current quarter of 48,439,059.

(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.

11 Realised and unrealised profits/losses disclosure

The retained profits as at 30 September 2012 and 30 June 2012 is analysed as follows:-

	Current Year 30 September 2012 RM'000	Immediate Preceding Quarter-to-date 30 June 2012 RM'000
Total accumulated profit/ (loss) of the Company and its subsidiaries:		
- Realised	13,717	14,721
- Unrealised	-	-
	-----	-----
	13,717	14,721
Less: Consolidation adjustments	-	-
	-----	-----
Total Group accumulated profit as per Consolidated financial statements	13,717	14,721
	=====	=====