

OCTAGON CONSOLIDATED BERHAD
INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 JULY 2010
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT
For the Financial Period Ended 31 July 2010

	Cumulative Quarter			
	Current Year Quarter 31 July 2010 RM'000	Preceding Year Quarter 31 July 2009 RM'000	Current Year To - date 31 July 2010 RM'000	Preceding Year Corresponding Period 31 July 2009 RM'000
Revenue	10,352	13,495	30,689	46,799
Operating expenses	(12,524)	(14,991)	(33,858)	(48,138)
Other income	58	166	592	473
	(2,114)	(1,330)	(2,577)	(866)
Finance costs	(2,094)	(2,089)	(7,009)	(7,565)
Share of loss of associate companies	(1)	(388)	(136)	(1,603)
Loss before taxation	(4,209)	(3,807)	(9,722)	(10,034)
Taxation	(521)	(724)	(1,364)	(1,576)
Loss after taxation	(4,730)	(4,531)	(11,086)	(11,610)
Minority interest	10	17	32	136
Net loss	(4,720)	(4,514)	(11,054)	(11,474)
Attributable to :				
Equity holders of the Company	(4,720)	(4,514)	(11,054)	(11,474)
Minority interest	(10)	(17)	(32)	(136)
	(4,730)	(4,531)	(11,086)	(11,610)
Basic loss per share (sen)	(2.83)	(2.71)	(6.63)	(6.88)
Diluted loss per share (sen)	*	*	*	*

* Diluted earnings per share is not computed as the potential ordinary shares are anti-dilutive.

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2009 and the accompanying notes attached to this report)

OCTAGON CONSOLIDATED BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 JULY 2010

	(Unaudited) As at 31 July 2010 RM'000	(Audited) As at 31 October 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,848	45,769
Prepaid lease payments	11,318	11,433
Work-in-progress	127,940	75,532
Deferred tax assets	603	603
Development expenditure	16,973	17,092
Licensing rights on patents and technology	1,292	1,292
Goodwill on consolidation	33,080	32,913
Investment in associated company	7	7,957
Other investments	7,862	2,466
Receivables	552	504
	<u>244,475</u>	<u>195,561</u>
Current assets		
Inventories	12,708	12,437
Trade and other receivables	84,691	82,230
Cash in hand and at bank	8,417	9,647
Fixed deposits with licensed bank	5,341	10,995
	<u>111,157</u>	<u>115,309</u>
TOTAL ASSETS	<u><u>355,632</u></u>	<u><u>310,870</u></u>
EQUITY AND LIABILITIES		
Equity		
Share Capital	84,743	84,743
Reserves	22,445	33,461
Equity attributable to equity holders of the Company	107,188	118,204
Minority Interest	78	110
Total Equity	<u>107,266</u>	<u>118,314</u>
Non-current liabilities		
Long term borrowings	160,194	93,194
Deferred taxation	730	730
	<u>160,924</u>	<u>93,924</u>
Current liabilities		
Trade and other payables	67,446	11,770
Short term borrowings	18,632	86,632
Taxation	1,364	230
	<u>87,442</u>	<u>98,632</u>
Total Liabilities	248,366	192,556
TOTAL EQUITY AND LIABILITIES	<u><u>355,632</u></u>	<u><u>310,870</u></u>
 Net Assets Per Share (RM)	 0.63	 0.70

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2009 and the accompanying notes attached to this report)

OCTAGON CONSOLIDATED BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Financial Period Ended 31 July 2010

	(Unaudited) As at 31 July 2010 RM'000	(Unaudited) As at 31 July 2009 RM'000
Loss before taxation	(9,722)	(10,034)
Adjustments for:		
Non-cash items	11,832	12,034
Operating Profit before Working Capital Changes	2,110	2,000
Changes in Working Capital		
Net change in current assets	1,743	(833)
Net change in current liabilities	6,069	1,055
Net Cash Generated From Operating Activities	9,922	2,222
Other cash used (tax payment etc) in operations	(8,404)	(10,825)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	124	303
Dividend received	2	3
Cash received shares subscription of a new subsidiary	-	6
Subscription of shares in new subsidiary company	-	(4)
Acquisition of subsidiary company, net of cash required	174	-
Proceeds from disposal of fixed assets	35	-
Capital expenditure	(7,775)	(2,923)
Net Cash Used In Investing Activities	(7,440)	(2,615)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	2,248
Income Tax refunded	-	424
Repayment of borrowings	(1,000)	(4,174)
Net Cash Used In Financing Activities	(1,000)	(1,502)
Translation differences	38	127
Cash and Cash Equivalent at beginning of the year	20,562	31,219
Cash and Cash Equivalent at end of the year*	13,678	18,626
* Cash in hand and at banks	8,417	8,317
Fixed deposits with licensed banks	5,341	10,389
	13,758	18,706
Less: Fixed deposits with licensed bank under lien	(80)	(80)
	13,678	18,626

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2009 and the accompanying notes attached to this report)

OCTAGON CONSOLIDATED BERHAD

Condensed Consolidated Statements of Changes in Equity
for the Financial Period Ended 31 July 2010
(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Translation Reserve RM'000	Warrant Reserve RM'000	Treasury Reserve RM'000	Retained Earnings RM'000	Total Shareholder Equity RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 November 2009	84,743	4,157	-	(650)	3,298	(2,120)	28,776	118,204	110	118,314
Net loss for the period	-	-	-	-	-	-	(11,054)	(11,054)	(32)	(11,086)
Translation difference	-	-	-	38	-	-	-	38	-	38
At 31 July 2010	84,743	4,157	-	(612)	3,298	(2,120)	17,722	107,188	78	107,266

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation RM'000	Translation Reserve RM'000	Warrant Reserve RM'000	Treasury Reserve RM'000	Retained Earnings RM'000	Total Shareholder Equity RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 November 2008	84,743	4,157	-	(799)	3,298	(2,120)	43,985	133,264	270	133,534
Net loss for the period	-	-	-	-	-	-	(11,474)	(11,474)	(136)	(11,610)
Translation difference	-	-	-	127	-	-	-	127	-	127
Investment in a new subsidiary company	-	-	-	-	-	-	-	-	1	1
At 31 July 2009	84,743	4,157	-	(672)	3,298	(2,120)	32,511	121,917	135	122,052

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2009 and the accompanying notes attached to this report)