

## Condensed Consolidated Income Statements

For the Three-Month Period Ended 30 April 2006

The figures have not been audited

	Note	3 months ended		3 months ended	
		30 April	30 April	30 April	30 April
		2006	2005	2006	2005
		RM'000	RM'000	RM'000	RM'000
			(Restated)		(Restated)
<b>Continuing Operations</b>					
Revenue	A5	73,717	64,684	73,717	64,684
Costs of sales		<u>(54,295)</u>	<u>(48,131)</u>	<u>(54,295)</u>	<u>(48,131)</u>
<b>Gross profit</b>		19,422	16,553	19,422	16,553
Other income		1,866	288	1,866	288
Administrative and other expenses		(10,865)	(9,488)	(10,865)	(9,488)
Finance cost		(4,407)	(3,074)	(4,407)	(3,074)
Share of profit of associates		402	269	402	269
<b>Profit before tax</b>	A5	<u>6,418</u>	<u>4,548</u>	<u>6,418</u>	<u>4,548</u>
Taxation	B5	<u>(947)</u>	<u>(517)</u>	<u>(947)</u>	<u>(517)</u>
<b>Profit for the period</b>		<u>5,471</u>	<u>4,031</u>	<u>5,471</u>	<u>4,031</u>
Attributable to:					
Equity holders of the parent		3,352	2,752	3,352	2,752
Minority interests		<u>2,119</u>	<u>1,279</u>	<u>2,119</u>	<u>1,279</u>
		<u>5,471</u>	<u>4,031</u>	<u>5,471</u>	<u>4,031</u>
<b>Earnings per share attributable to equity holders of the parent:</b>					
Basic, for profit for the period (sen)	B13	4.36	3.58	4.36	3.58

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

## Condensed Consolidated Balance Sheet

As at 30 April 2006

The figures have not been audited

	Note	As at 30 April 2006 RM'000	As at 31 January 2006 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		346,859	343,317
Investment in associates		5,877	5,587
Other investment		100	100
Goodwill on consolidation		573	573
Deferred tax assets		6,991	6,991
		<u>360,400</u>	<u>356,568</u>
<b>Current assets</b>			
Inventories		26,275	25,634
Trade receivables		103,421	117,348
Other receivables		17,130	16,919
Cash and bank balances		72,037	64,040
		<u>218,863</u>	<u>223,941</u>
<b>TOTAL ASSETS</b>		<b><u>579,263</u></b>	<b><u>580,509</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		76,800	76,800
Reserves		90,500	87,303
		<u>167,300</u>	<u>164,103</u>
<b>Minority interests</b>		<u>40,986</u>	<u>37,796</u>
<b>Total equity</b>		<u>208,286</u>	<u>201,899</u>
<b>Non-current liabilities</b>			
Long term borrowings	B9	191,580	186,376
Deferred tax liabilities		11,139	11,139
		<u>202,719</u>	<u>197,515</u>
<b>Current liabilities</b>			
Short term borrowings	B9	74,358	83,699
Trade payables		32,618	39,611
Other payables		60,844	57,160
Tax payables		438	625
		<u>168,258</u>	<u>181,095</u>
Total liabilities		<u>370,977</u>	<u>378,610</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>579,263</u></b>	<b><u>580,509</u></b>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

## Condensed Consolidated Statement of Changes in Equity

For the Three-Month Period Ended 30 April 2006

The figures have not been audited

	<-----Attributable to Equity Holders of the Parent----->					Total	Minority	Total
	<-----Non-Distributable----->			Distributable				
	Share	Share	Revaluation	Foreign	Retained	Total	Interests	Equity
	Capital	Premium	Reserves	Exchange	Earnings			
	RM'000	RM'000	RM'000	Reserve	RM'000	RM'000	RM'000	RM'000
<b>At 1 February 2005</b>								
As previously stated	76,800	1,024	2,429	1,743	90,974	172,970	40,756	213,726
Prior year adjustment	-	-	-	-	(14,242)	(14,242)	(5,433)	(19,675)
<b>At 1 February 2005 (restated)</b>	76,800	1,024	2,429	1,743	76,732	158,728	35,323	194,051
Foreign currency translation, representing net expenses recognised directly to equity	-	-	-	(2,198)	-	(2,198)	-	(2,198)
Profit for the period	-	-	-	-	2,752	2,752	1,279	4,031
<b>At 30 April 2005 (restated)</b>	76,800	1,024	2,429	(455)	79,484	159,282	36,602	195,884
<b>At 1 February 2006</b>								
As previously stated	76,800	1,024	2,429	3,029	99,687	182,969	44,317	227,286
Prior year adjustment	-	-	-	-	(18,866)	(18,866)	(6,521)	(25,387)
<b>At 1 February 2006 (restated)</b>	76,800	1,024	2,429	3,029	80,821	164,103	37,796	201,899
Foreign currency translation, representing net expenses recognised directly to equity	-	-	-	(155)	-	(155)	1,071	916
Profit for the period	-	-	-	-	3,352	3,352	2,119	5,471
<b>At 30 April 2006</b>	76,800	1,024	2,429	2,874	84,173	167,300	40,986	208,286

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement**  
**For the Three-Month Period Ended 30 April 2006**

The figures have not been audited

	<b>3 months ended</b>	
	<b>30 April</b>	<b>30 April</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	28,626	23,810
Net cash used in investing activities	(16,490)	(33,727)
Net cash used in financing activities	(110)	(3,167)
Net increase/(decrease) in cash and cash equivalents	<u>12,026</u>	<u>(13,084)</u>
Cash and cash equivalents at beginning of financial period	43,845	67,112
Cash and cash equivalents at end of financial period	<u>55,871</u>	<u>54,028</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30 April</b>	<b>30 April</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	72,037	64,713
Bank overdrafts (included within short term borrowings in Notes B5)	(16,166)	(10,685)
	<u>55,871</u>	<u>54,028</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

## Part A - Explanatory Notes Pursuant to FRS 134

### A1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included under property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirement of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2006. 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 31 January 2006 except for the treatment of deferred tax arising from Reinvestment Allowances (RA) and Investment Tax Allowances (ITA).

In prior year, the Group recognised deferred tax assets arising from RA and ITA for all deductible temporary differences, when it is probable that significant taxable profit will be available against which the temporary difference can be utilised. In the current quarter, the Directors decided that accounting policy shall derecognise such deferred tax benefits in order to comply with the requirement of the relevant authority. The effect of the change in policy is detailed below:

### Balance Sheet

	<b>As at 31 January 2006</b>		
	<b>As previously stated</b>	<b>Adjustments</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Retained earnings	99,687	(18,866)	80,821
Minority interests	44,317	(6,521)	37,796
Deferred tax assets	21,506	(14,515)	6,991
Deferred tax liabilities	267	10,872	11,139

### Income Statement

	<b>3 months ended 30 April 2005</b>		
	<b>As previously stated</b>	<b>Adjustments</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	5,027	(996)	4,031
Attributable to:			
Equity holders of the parent	3,555	(803)	2,752
Minority interests	1,472	(193)	1,279
	<u>5,027</u>	<u>(996)</u>	<u>4,031</u>

## A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 February 2006:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets

The Group will adopt the following FRSs in future financial periods depending on their relevant effective date:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

The adoption of FRS 102, 108, 110, 116, 121, 127, 128, 131, 132 and 133 does not have significant financial impact to the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

### **FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets**

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS138.

The adoption of these new FRSs resulted in the Group to cease annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it may have to be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed. Prior to 1 February 2006, goodwill was amortised on straight-line basis over its estimated useful life of 10 years. This change in accounting policy was effected retrospectively for business combinations where the agreement date was on or after 1 February 2006. FRS 3 required the Group to eliminate at 1 February 2006 the carrying amount of the accumulated amortisation of RM953,066 against the carrying amount of goodwill. The carrying amount of goodwill as at 1 February 2006 of RM573,001 ceased to be amortised. This has the effect of reducing the amortisation charges by RM31,318 in the current financial quarter.

**A2. Changes in Accounting Policies (Contd.)****FRS 101: Presentation of Financial Statements**

The current period's presentation of the Group's financial statements is based on the requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

In the consolidated balance sheet, minority interests are now presented under total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or 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 recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

**A3. Comparatives**

The change in accounting policy with regards to deferred tax as detailed in Note A1 resulted in the comparatives for the first quarter and for the last financial year have been changed accordingly.

**A4. Auditors' Report on Preceding Annual Financial Statements**

The Auditors' Report on the financial statements for the year ended 31 January 2006 was not qualified.

**A5. Segmental Information**

	<b>Automotive Component Manufacturing (ACM)</b>		<b>Power Engineering and Railway Electrification (PER)</b>		<b>Others</b>		<b>Elimination</b>		<b>Consolidated</b>	
	<b>30 April 2006</b>	<b>30 April 2005</b>	<b>30 April 2006</b>	<b>30 April 2005</b>	<b>30 April 2006</b>	<b>30 April 2005</b>	<b>30 April 2006</b>	<b>30 April 2005</b>	<b>30 April 2006</b>	<b>30 April 2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>										
External sales	71,020	52,874	1,561	2,738	1,136	9,072	-	-	73,717	64,684
Inter-segment sales	3,720	5,121	-	8	180	-	(3,900)	(5,129)	-	-
Total revenue	<u>74,740</u>	<u>57,995</u>	<u>1,561</u>	<u>2,746</u>	<u>1,316</u>	<u>9,072</u>	<u>(3,900)</u>	<u>(5,129)</u>	<u>73,717</u>	<u>64,684</u>
<b>Result</b>										
Segment results/ Profit before taxation	9,005	6,087	(804)	(1,529)	(1,568)	108	(215)	(118)	6,418	4,548
Taxation									(947)	(517)
Profit for the period									<u>5,471</u>	<u>4,031</u>
<b>Attributable to:</b>										
Equity holders of the parent									3,352	2,752
Minority interests									<u>2,119</u>	<u>1,279</u>
									<u>5,471</u>	<u>4,031</u>
			<b>Malaysia</b>	<b>Thailand</b>	<b>Indonesia</b>	<b>Consolidated</b>				
			<b>30 April 2006</b>	<b>30 April 2005</b>	<b>30 April 2006</b>	<b>30 April 2005</b>	<b>30 April 2006</b>	<b>30 April 2005</b>	<b>30 April 2006</b>	<b>30 April 2005</b>
			<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total revenue from external customers			45,209	42,324	27,731	20,547	777	1,813	73,717	64,684



**A6. Unusual Items due to their Nature, Size and Incidence**

There were no items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 April 2006.

**A7. Changes in Estimates**

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group reviewed the residual values and remaining useful life of its property, plant and equipment and found that no revisions to the residual values and remaining useful life of its property, plant and equipment were necessary.

As such, there were no changes in estimates arising from the adoption of FRS 116 in the current quarter under review.

**A8. Comment about Seasonal or Cyclical Factors**

The business operations of the Group were not affected by any seasonal or cyclical factors.

**A9. Dividends Paid**

During the reporting quarter, there was no dividend paid or become payable.

**A10. Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 January 2006.

**A11. Debt and Equity Securities**

There were no issuance and/or repayment of debt and equity securities, issuance of new ordinary share, share buybacks, share cancellations, share held as treasury shares and resale of treasury shares for the current reporting quarter.

**A12. Changes in Composition of the Group**

There were no changes in the composition of the Group in the reporting quarter.

**A13. Capital Commitments**

There were no material changes in capital commitments for the Group since the last annual balance sheet date as at 31 January 2006.

**A14. Changes in Contingent Liabilities or Contingent Assets**

The Company provides corporate guarantee to financial institutions for all bank facilities granted to subsidiaries of the Group of RM237,114,495.

**A15. Subsequent Events**

On 8 May 2006, the Company executed a Share Sale Agreement to acquire 100% interest in Fine Components (Thailand) Co., Ltd. (FCT), a company incorporated in Thailand, for a total cash consideration of Thai Baht 85,000,000.

With the completion on 22 June 2006, FCT became a wholly-owned subsidiary of the Company.

On 18 May 2006, the Company executed a Subscription Agreement in respect of subscription by Ingress of 960,000 issued and fully paid-up ordinary shares of RM1.00 each in Maju Nusa Sdn. Bhd. ("MNSB") for a total consideration of RM960,000, representing a 49% equity shareholding in MNSB. As of the date of this report, the subscription was still pending completion.

## **Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

### **B1. Performance Review**

For the current quarter, the Group registered a profit before tax (PBT) of RM6.418 million and revenue of RM73.717 million to result in an increase of PBT by 41% and revenue by 14% in comparison to the previous year corresponding quarter.

In the reporting quarter, Automotive Component Manufacturing (ACM) recorded PBT of RM8.790 million. Power Engineering (PER) together with rail electrification associate registered a loss before tax of RM0.804 million. The units categorised under Others recorded loss before tax of RM1.568 million.

During the current quarter, ACM Thailand commenced supply of sash product for the new Ford/Madza model. This product together with sash, moulding and collapsible pipe products for the new Mitsubishi Triton (Mitsubishi replacement model) were not supplied in the previous year corresponding quarter. Existing models of Mitsubishi and Ford/Mazda registered decrease in supplies while encouraging volume were recorded for their replacement models. On the Honda models, the sash for Civic commenced in the immediate preceding quarter. The sash for City recorded significant increase while there was a decrease in volume for Jazz and Accord. Isuzu models recorded increase in volume.

During the quarter, ACM Malaysia commenced supply of bonnet product for Naza Sutera. The supplies of products for Myvi (moulding and door related parts), Savvy (sash, moulding and door related parts), Toyota Fortuner (moulding), Toyota Hilux (moulding) and Toyota Innova (moulding) which commenced in second quarter previous year continued with consistent volume improvement. The key products of Kancil, Wira and Waja experienced reduction in volume in comparison to the previous year corresponding quarter.

ACM Indonesia encountered a 60% reduction in volume in comparison to the previous year corresponding quarter due to the impact of higher fuel prices and interest rates in the automotive industry there.

Overall, the power engineering together with rail electrification associate (PER) recorded improvement in performance.

The units under Others experienced a 88% reduction in revenue given that new awards have been delayed.

**B2. Comment on Material Change in Profit Before Taxation**

The Group recorded a 10% reduction in revenue and a 5% increase in profit before tax in comparison to the immediate preceding quarter.

In comparison to immediate preceding quarter, ACM Thailand recorded a 7% increase in revenue. Supply of sash product for new Ford/ Mazda model commenced during this quarter. Most of the existing models of Ford/Mazda and Mitsubishi recorded reduction in volume. The recent Mitsubishi Triton and all models of Isuzu registered favourable increase. On the Honda models, the sash supply for the new Civic which was introduced in the immediate preceding quarter and for existing City recorded substantial increase in volume. The sash and moulding for Jazz and Accord respectively remained flat.

ACM Malaysia registered a 9% improvement in revenue in comparison to immediate preceding quarter. The existing models of Wira, Waja and Kancil encountered volume reduction. Kelisa, Savvy and Myvi recorded increase in volume together with moulding for most Toyota models.

The existing moulding and sash for Mitsubishi and Suzuki respectively in Indonesia encountered significant decrease in volume with the effect of a 50% drop in revenue in comparison to immediate preceding quarter.

PER experienced significant reduction in revenue by 90% given that lower level of revenue are normally recorded at the beginning of the year.

Though insignificant, the units categorised under Others recorded a 150% increase in revenue in comparison to immediate preceding quarter.

**B3. Commentary on Prospects**

For ACM Thailand, the strong demand will continue. Most of the earlier models of Mitsubishi and Ford/Mazda are expected to encounter volume drop but these will be offsetted significantly by volume rise of the recent new models. Supply for Isuzu models will continue in its yearly volume rise. For Honda, most models are anticipated to have substantial increase.

For ACM Malaysia, most of the key older models of Wira, Waja and Kancil with the exception of Kelisa are expected to encounter volume contraction. The newer models of Myvi, Savvy and Toyota are anticipated to have substantial rise in volume. Supply of moulding, heatshield and impact bar parts for new Proton Satria Neo will commence in the second quarter of financial year 2007.

For ACM Indonesia, existing models of Mitsubishi and Suzuki are expected to encounter reduction in volume, the products for newer models of TD New Canter (sash and moulding) and Futura (moulding) will commence supply during the year. These new models are expected to compensate for the volume reduction of the existing models.

**B3. Commentary on Prospects (Contd.)**

For Power Engineering and rail electrification division (PER), progress is expected to accelerate on the recently awarded jobs. For the rail electrification, further delays are not foreseen and the compensation for the extension of time given is expected to be finalised.

For the units under Others, new awards are expected.

**B4. Profit Forecast or Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

**B5. Taxation**

	3 months ended		3 months ended	
	30 April 2006 RM'000	30 April 2005 RM'000 (Restated)	30 April 2006 RM'000	30 April 2005 RM'000 (Restated)
Income tax	834	299	834	299
Deferred tax liability	-	145	-	145
Taxation on share of profit of associates	113	73	113	73
	<u>947</u>	<u>517</u>	<u>947</u>	<u>517</u>

The effective tax rate on the Group takes into consideration the following:

- i. Tax incentive in form of tax exemption from the Board of Investment of Thailand for ACM Thailand operation.
- ii. Investment Tax Allowance and Reinvestment Allowance granted to a few subsidiaries of ACM Malaysia.

**B6. Sales of Unquoted Investments and Properties**

There were no sales of unquoted investments and/or properties for the current financial period under review.

**B7. Quoted Securities**

There were no purchases or disposals of quoted securities for the current financial period under review.

**B8. Corporate Proposal**

There were no corporate proposals announced and not completed as at the date of this quarterly report.

**B9. Borrowings**

	<b>As at 30 April 2006 RM'000</b>	<b>As at 31 January 2006 RM'000</b>
<b>Short term borrowings</b>		
Secured	49,853	60,594
Unsecured	24,505	23,105
	<u>74,358</u>	<u>83,699</u>
<b>Long term borrowings</b>		
Secured	31,580	26,376
Unsecured	160,000	160,000
	<u>191,580</u>	<u>186,376</u>

Including borrowings denominated in foreign currencies as at 30 April 2006:

	<b>THB'000</b>	<b>RM'000 Equivalent</b>
<b>Thai Baht</b>		
Short term borrowings	150,556	15,312
Long term borrowings	391,128	27,411
		<u>42,723</u>
	<b>IDR'000</b>	<b>RM'000 Equivalent</b>
<b>Indonesian Rupiah</b>		
Short term borrowings	10,720,365	4,642
Long term borrowings	8,798,774	3,801
		<u>8,446</u>

**B10. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this quarterly report.

**B11. Changes in Material Litigation**

There was no pending material litigation as at the date of this quarterly report.

**B12. Dividend Payable**

No dividend has been declared for the financial period ended 30 April 2006.

**B13. Earnings Per Share**

	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30 April</b>	<b>30 April</b>	<b>30 April</b>	<b>30 April</b>
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
		<b>(Restated)</b>		<b>(Restated)</b>
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	3,352	2,752	3,352	2,752
Number of ordinary shares in issue	76,800	76,800	76,800	76,800
Basic, for profit for the period (sen)	4.36	3.58	4.36	3.58

**B14. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 June 2006.