

## Condensed Consolidated Income Statements For the Three-Month Period Ended 31 January 2007

The figures have not been audited

|   | Note | 3 months ended               |  | 12 months ended              |  |
|---|------|------------------------------|--|------------------------------|--|
|   |      | 31 January<br>2007<br>RM'000 | 31 January<br>2006<br>RM'000<br>(Restated) | 31 January<br>2007<br>RM'000 | 31 January<br>2006<br>RM'000<br>(Restated) |
| <b>Continuing Operations</b>  |      |                              |  |                              |  |
| Revenue   | A5   | 83,484                       | 79,412                                     | 359,696                      | 287,203                                    |
| Costs of sales  |      | (77,694)                     | (65,695)                                   | (291,540)                    | (221,944)                                  |
| <b>Gross profit</b>   |      | <u>5,790</u>                 | <u>13,717</u>                              | <u>68,156</u>                | <u>65,259</u>                              |
| Other income  |      | 2,219                        | 1,761                                      | 6,992                        | 2,899                                      |
| Administrative and other expenses   |      | (19,442)                     | (11,600)                                   | (58,759)                     | (45,555)                                   |
| Finance cost  |      | (6,669)                      | (4,054)                                    | (21,379)                     | (15,111)                                   |
| Share of profit of associates   |      | 6,759                        | 2,286                                      | 7,234                        | 2,803                                      |
| <b>Profit/(loss) before tax</b>   | A5   | <u>(11,343)</u>              | <u>2,110</u>                               | <u>2,244</u>                 | <u>10,295</u>                              |
| Taxation  | B5   | <u>(775)</u>                 | <u>4,908</u>                               | <u>(69)</u>                  | <u>3,077</u>                               |
| <b>Profit/(loss) for the period</b>   |      | <u>(12,118)</u>              | <u>7,018</u>                               | <u>2,175</u>                 | <u>13,372</u>                              |
| Attributable to:  |      |                              |  |                              |  |
| Equity holders of the parent  |      | (11,102)                     | 5,709                                      | (3,111)                      | 7,992                                      |
| Minority interests  |      | (1,016)                      | 1,309                                      | 5,286                        | 5,380                                      |
|   |      | <u>(12,118)</u>              | <u>7,018</u>                               | <u>2,175</u>                 | <u>13,372</u>                              |
| <b>Earnings per share attributable<br/>to equity holders of the parent:</b> |      |                              |  |                              |  |
| Basic, for profit/(loss)<br>of the period (sen)                             | B13  | (14.5)                       | 7.4  | (4.1)                        | 10.4                                       |

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 31 January 2007**

The figures have not been audited

|                               | As at<br>31 January<br>2007<br>RM'000 | As at<br>31 January<br>2006<br>RM'000<br>(Restated) |
|-------------------------------|---------------------------------------|---|
| <b>ASSETS</b>                 |                                       |   |
| <b>Non-current assets</b>     |                                       |   |
| Property, plant and equipment | 369,100                               | 340,600   |
| Intangible assets             | 6,868                                 | 2,139   |
| Investment in associates      | 6,431                                 | 5,587   |
| Other investment              | 100                                   | 100   |
| Goodwill on consolidation     | 348                                   | 573   |
| Deferred tax assets           | 7,353                                 | 6,991   |
|                               | <u>390,200</u>                        | <u>355,990</u>                                      |
| <b>Current assets</b>         |                                       |   |
| Inventories                   | 27,425                                | 25,634  |
| Trade receivables             | 106,273                               | 114,841   |
| Other receivables             | 47,079                                | 16,919  |
| Cash and bank balances        | 48,566                                | 64,040  |
|                               | <u>229,343</u>                        | <u>221,434</u>                                      |
| <b>TOTAL ASSETS</b>           | <u><b>619,543</b></u>                 | <u><b>577,424</b></u>                               |

## Condensed Consolidated Balance Sheet

As at 31 January 2007

The figures have not been audited

|  | Note | As at<br>31 January<br>2007<br>RM'000 | As at<br>31 January<br>2006<br>RM'000<br>(Restated) |
|--|------|---------------------------------------|---|
| <b>EQUITY AND LIABILITIES</b>                              |      |                                       |   |
| <b>Equity attributable to equity holders of the parent</b> |      |                                       |   |
| Share capital  |      | 76,800                                | 76,800  |
| Reserves   |      | 84,439                                | 85,063  |
|  |      | <u>161,239</u>                        | <u>161,863</u>                                      |
| <b>Minority interests</b>                                  |      | 42,205                                | 36,951  |
| <b>Total equity</b>  |      | <u>203,444</u>                        | <u>198,814</u>                                      |
| <b>Non-current liabilities</b>                             |      |                                       |   |
| Long term borrowings                                       | B9   | 218,185                               | 186,376   |
| Deferred tax liabilities                                   |      | 8,458                                 | 11,139  |
|  |      | <u>226,643</u>                        | <u>197,515</u>                                      |
| <b>Current liabilities</b>                                 |      |                                       |   |
| Short term borrowings                                      | B9   | 111,153                               | 83,699  |
| Trade payables   |      | 33,828                                | 39,611  |
| Other payables   |      | 43,831                                | 57,160  |
| Tax payables   |      | 644                                   | 625   |
|  |      | <u>189,456</u>                        | <u>181,095</u>                                      |
| Total liabilities  |      | <u>416,099</u>                        | <u>378,610</u>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |      | <u><b>619,543</b></u>                 | <u><b>577,424</b></u>                               |

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 Cash Flow Statement  
For the Twelve-Month Period Ended 31 January 2007**

The figures have not been audited

|  | <b>12 months ended</b>     |                            |
|--|----------------------------|----------------------------|
|  | <b>31 January<br/>2007</b> | <b>31 January<br/>2006</b> |
|  | <b>RM'000</b>              | <b>RM'000</b>              |
| Net cash (used in)/generated from operating activities     | (1,339)                    | 30,925                     |
| Net cash used in investing activities                      | (70,784)                   | (54,269)                   |
| Net cash generated from financing activities               | 56,132                     | 77                         |
| Net decrease in cash and cash equivalents                  | (15,991)                   | (23,267)                   |
| Cash and cash equivalents at beginning of financial period | 43,845                     | 67,112                     |
| Cash and cash equivalents at end of financial period       | <u>27,854</u>              | <u>43,845</u>              |

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

|   | <b>As at<br/>31 January<br/>2007</b> | <b>As at<br/>31 January<br/>2006</b> |
|---|--------------------------------------|--------------------------------------|
|   | <b>RM'000</b>                        | <b>RM'000</b>                        |
| Cash and bank balances  | 48,566                               | 64,040                               |
| Bank overdrafts (included within short term borrowings in Notes B9) | (20,712)                             | (20,195)                             |
|   | <u>27,854</u>                        | <u>43,845</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.



## Condensed Consolidated Statement of Changes in Equity

For the Twelve-Month Period Ended 31 January 2007

The figures have not been audited

|  | <-----Attributable to Equity Holders of the Parent-----> |                            |                                   |  |                                |                 | Minority<br>Interests | Total<br>Equity |
|--|--|----------------------------|-----------------------------------|--|--------------------------------|-----------------|-----------------------|-----------------|
|  | <-----Non-Distributable----->                            |                            |                                   | Distributable                            |                                |                 |                       |                 |
|  | Share<br>Capital<br>RM'000                               | Share<br>Premium<br>RM'000 | Revaluation<br>Reserves<br>RM'000 | Foreign<br>Exchange<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>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  | -  | -                          | -                                 | -  | (14,241)                       | (14,241)        | (5,433)               | (19,674)        |
| <b>At 1 February 2005 (restated)</b>   | <u>76,800</u>  | <u>1,024</u>               | <u>2,429</u>                      | <u>1,743</u>                             | <u>76,733</u>                  | <u>158,729</u>  | <u>35,323</u>         | <u>194,052</u>  |
| Foreign currency translation, representing<br>net expenses recognised directly to equity | -  | -                          | -                                 | 1,286                                    | -                              | 1,286           | (1,172)               | 114             |
| Profit for the year  | -  | -                          | -                                 | -  | 7,992                          | 7,992           | 5,380                 | 13,372          |
| Dividends  | -  | -                          | -                                 | -  | (6,144)                        | (6,144)         | (2,580)               | (8,724)         |
| <b>At 31 January 2006 (restated)</b>   | <u>76,800</u>  | <u>1,024</u>               | <u>2,429</u>                      | <u>3,029</u>                             | <u>78,581</u>                  | <u>161,863</u>  | <u>36,951</u>         | <u>198,814</u>  |
| <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  | -  | -                          | -                                 | -  | (21,106)                       | (21,106)        | (7,366)               | (28,472)        |
| <b>At 1 February 2006 (restated)</b>   | <u>76,800</u>  | <u>1,024</u>               | <u>2,429</u>                      | <u>3,029</u>                             | <u>78,581</u>                  | <u>161,863</u>  | <u>36,951</u>         | <u>198,814</u>  |
| Revaluation reserves   | -  | -                          | 4,712                             | -  | -                              | 4,712           | 1,130                 | 5,842           |
| Foreign currency translation, representing<br>net expenses recognised directly to equity | -  | -                          | -                                 | 3,705                                    | -                              | 3,705           | 1,731                 | 5,436           |
| Acquisition of a subsidiary  | -  | -                          | -                                 | -  | (554)                          | (554)           | (180)                 | (734)           |
| Profit/(loss) for the year   | -  | -                          | -                                 | -  | (3,111)                        | (3,111)         | 5,286                 | 2,175           |
| Dividends  | -  | -                          | -                                 | -  | (5,376)                        | (5,376)         | (2,713)               | (8,089)         |
| <b>At 31 January 2007</b>  | <u>76,800</u>  | <u>1,024</u>               | <u>7,141</u>                      | <u>6,734</u>                             | <u>69,540</u>                  | <u>161,239</u>  | <u>42,205</u>         | <u>203,444</u>  |

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.

## Part A - Explanatory Notes Pursuant to FRS 134

### A1. Basis of Preparation

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.

The 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 following prior year/years adjustments:

- i. In prior years, 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 financial year, the Directors decided that accounting policy shall derecognise such deferred tax benefits in order to comply with the requirement of the relevant authority.
- ii. In prior year, adjustments were made in respect of selling price adjustments and under-provision of depreciation relating to prior year transactions which amounted to RM2,506,317 and RM578,231 respectively.

All changes were accounted for under FRS 108 which requires the comparative figures to be restated.

### Balance Sheet

|                               | As previously<br>stated | As at 31 January 2006          |         | Reclassi-<br>fication<br>(See note<br>A2) | As restated |
|-------------------------------|-------------------------|--------------------------------|---------|---|-------------|
|                               |                         | <---- Adjustments ----><br>(i) | (ii)    |   |             |
|                               | RM'000                  | RM'000                         | RM'000  | RM'000                                    | RM'000      |
| Property, plant and equipment | 343,317                 | -                              | (578)   | (2,139)                                   | 340,600     |
| Intangible assets             | -                       | -                              | -       | 2,139                                     | 2,139       |
| Trade receivables             | 117,348                 | -                              | (2,507) | -   | 114,841     |
| Retained earnings             | 99,687                  | (18,866)                       | (2,240) | -   | 78,581      |
| Minority interests            | 44,317                  | (6,521)                        | (845)   | -   | 36,951      |
| Deferred tax assets           | 21,506                  | (14,515)                       | -       | -   | 6,991       |
| Deferred tax liabilities      | 267                     | 10,872                         | -       | -   | 11,139      |

## A1. Basis of Preparation (Contd.)

**Income Statement****3 months ended 31 January 2006**

|                              | As previously<br>stated<br>RM'000 | <----- Adjustments -----> |                | As restated<br>RM'000 |
|------------------------------|-----------------------------------|---------------------------|----------------|-----------------------|
|                              |                                   | (i)<br>RM'000             | (ii)<br>RM'000 |                       |
| Revenue                      | 81,919                            | (2,507)                   | -              | 79,412                |
| Cost of sales                | (65,117)                          | (578)                     | -              | (65,695)              |
| Profit before tax            | 6,115                             | (3,085)                   | (920)          | 2,110                 |
| Taxation                     | 2,006                             | -                         | 2,902          | 4,908                 |
| Profit for the period        | 8,121                             | (3,085)                   | 1,982          | 7,018                 |
| Attributable to:             |                                   |                           |                |                       |
| Equity holders of the parent | 6,136                             | (2,240)                   | 1,813          | 5,709                 |
| Minority interests           | 1,985                             | (845)                     | 169            | 1,309                 |
|                              | 8,121                             | (3,085)                   | 1,982          | 7,018                 |

**12 months ended 31 January 2006**

|                              | As previously<br>stated<br>RM'000 | <----- Adjustments -----> |                | As restated<br>RM'000 |
|------------------------------|-----------------------------------|---------------------------|----------------|-----------------------|
|                              |                                   | (i)<br>RM'000             | (ii)<br>RM'000 |                       |
| Revenue                      | 289,710                           | (2,507)                   | -              | 287,203               |
| Cost of sales                | (221,366)                         | (578)                     | -              | (221,944)             |
| Profit before tax            | 14,487                            | (3,085)                   | (1,107)        | 10,295                |
| Taxation                     | 7,683                             | -                         | (4,606)        | 3,077                 |
| Profit for the period        | 22,170                            | (3,085)                   | (5,713)        | 13,372                |
| Attributable to:             |                                   |                           |                |                       |
| Equity holders of the parent | 14,857                            | (2,240)                   | (4,625)        | 7,992                 |
| Minority interests           | 7,313                             | (845)                     | (1,088)        | 5,380                 |
|                              | 22,170                            | (3,085)                   | (5,713)        | 13,372                |

## 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 and 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                                 |
| FRS 138 | Intangible Assets                                    |
| FRS 140 | Investment Property                                  |

The adoption of FRS 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 138 and 140 does not have significant financial impact to the Group. The principle effects of changes in accounting policies resulting from adoption of the new and revised FRS are as follows:

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

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 prospectively 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 adoption of FRS 101 has no financial impact on the Group but has affected the presentation of minority interest, share of net after-tax results of associates and certain disclosures. In the Consolidated Balance Sheet, minority interests are now presented within 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. The share of net after-tax results of associates is now disclosed net of tax in the Consolidated Income Statement.

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.

The following comparatives were restated following adoption of FRS 101:

|                               | <b>3 months ended 31 January 2006</b> |                               |                    |
|-------------------------------|---------------------------------------|-------------------------------|--------------------|
|                               | <b>As previously<br/>stated</b>       | <b>Reclassi-<br/>fication</b> | <b>As restated</b> |
|                               | <b>RM'000</b>                         | <b>RM'000</b>                 | <b>RM'000</b>      |
| <b>Income statements</b>      |                                       |                               |                    |
| Share of profit of associates | 3,206                                 | (920)                         | 2,286              |
| Taxation                      | 2,006                                 | 2,902                         | 4,908              |

|                               | <b>12 months ended 31 January 2006</b> |                               |                    |
|-------------------------------|--|-------------------------------|--------------------|
|                               | <b>As previously<br/>stated</b>        | <b>Reclassi-<br/>fication</b> | <b>As restated</b> |
|                               | <b>RM'000</b>                          | <b>RM'000</b>                 | <b>RM'000</b>      |
| <b>Income statements</b>      |  |                               |                    |
| Share of profit of associates | 3,910                                  | (1,107)                       | 2,803              |
| Taxation                      | 7,683                                  | (4,606)                       | 3,077              |

**A2. Changes in Accounting Policies (Contd.)**

**FRS 138: Intangible Assets**

The adoption of FRS 138 had resulted in extension of the accounting policy on Intangible Assets. Computer software amounting to RM2.139 million was previously capitalised as an integral component of property, plant and equipment. Under FRS 138 which is applied prospectively, such computer software is now recognised separately as an intangible asset and amortised over the useful lives. The adoption of FRS 138 has no significant effect to the income statement (see note A1).

**A3. Auditors' Report on Preceding Annual Financial Statements**

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

## A4. Segmental Information

|   | Automotive Component<br>Manufacturing (ACM) |                              | Power Engineering<br>and Railway<br>Electrification (PER) |                              | Others                       |                              | Eliminations                 |                              | Consolidated                 |  |
|---|---|------------------------------|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--|
|   | 31 January<br>2007<br>RM'000                | 31 January<br>2006<br>RM'000 | 31 January<br>2007<br>RM'000                              | 31 January<br>2006<br>RM'000 | 31 January<br>2007<br>RM'000 | 31 January<br>2006<br>RM'000 | 31 January<br>2007<br>RM'000 | 31 January<br>2006<br>RM'000 | 31 January<br>2007<br>RM'000 | 31 January<br>2006<br>RM'000<br>(Restated) |
| <b>Revenue</b>  |   |                              |   |                              |                              |                              |                              |                              |                              |  |
| External sales  | 73,482                                      | 63,930                       | 9,715   | 15,030                       | 287                          | 452                          | -                            | -                            | 83,484                       | 79,412                                     |
| Inter-segment sales   | 5,164                                       | 4,889                        | -   | 2,307                        | 513                          | 2,835                        | (5,677)                      | (10,031)                     | -                            | -  |
| Total revenue   | <u>78,646</u>                               | <u>68,819</u>                | <u>9,715</u>  | <u>17,337</u>                | <u>800</u>                   | <u>3,287</u>                 | <u>(5,677)</u>               | <u>(10,031)</u>              | <u>83,484</u>                | <u>79,412</u>                              |
| <b>Result</b>   |   |                              |   |                              |                              |                              |                              |                              |                              |  |
| Segment results/<br>Profit/(loss) before<br>taxation & associates | (6,344)                                     | 3,406                        | (7,584)   | 14                           | (3,103)                      | (2,647)                      | (1,071)                      | (949)                        | (18,102)                     | (176)                                      |
| Share of profit<br>of associates                                  | -   | -                            | 6,759   | 2,286                        | -                            | -                            | -                            | -                            | 6,759                        | 2,286                                      |
| Profit/(loss) before<br>taxation                                  | (6,344)                                     | 3,406                        | (825)   | 2,300                        | (3,103)                      | (2,647)                      | (1,071)                      | (949)                        | (11,343)                     | 2,110                                      |
| Taxation  |   |                              |   |                              |                              |                              |                              |                              | (775)                        | 4,908                                      |
| Profit/(loss) for the period                                      |   |                              |   |                              |                              |                              |                              |                              | <u>(12,118)</u>              | <u>7,018</u>                               |
| <b>Attributable to:</b>   |   |                              |   |                              |                              |                              |                              |                              |                              |  |
| Equity holders of the parent                                      |   |                              |   |                              |                              |                              |                              |                              | (11,102)                     | 5,709                                      |
| Minority interests  |   |                              |   |                              |                              |                              |                              |                              | (1,016)                      | 1,309                                      |
|   |   |                              |   |                              |                              |                              |                              |                              | <u>(12,118)</u>              | <u>7,018</u>                               |

## A4. Segmental Information (Contd.)

|                                       | Malaysia   |            | Thailand   |            | Indonesia  |            | Consolidated |            |
|---------------------------------------|------------|------------|------------|------------|------------|------------|--------------|------------|
|                                       | 31 January | 31 January | 31 January | 31 January | 31 January | 31 January | 31 January   | 31 January |
|                                       | 2007       | 2006       | 2007       | 2006       | 2007       | 2006       | 2007         | 2006       |
|                                       | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     | RM'000     | RM'000       | RM'000     |
| Total revenue from external customers | 46,359     | 54,394     | 36,109     | 23,491     | 1,016      | 1,527      | 83,484       | 79,412     |

**A5. 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 31 January 2007.

**A6. Changes in Estimates**

There were no changes in the estimates reported in the prior financial year that have a material effect in the current quarter.

**A7. Comment about Seasonal or Cyclical Factors**

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

**A8. Dividends Paid**

On 29 January 2007, an interim tax exempt dividend of 3 sen per share on share capital of 76,800,000 ordinary shares for a total amount of RM2.304 million in respect of the financial year ended 31 January 2007 was paid.

**A9. Carrying Amount of Revalued Assets**

During the reporting quarter, there were no valuations of property, plant and equipment.

**A10. 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.

**A11. Changes in Composition of the Group**

During the reporting quarter, there were no changes in composition of the Group

**A12. 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.

**A13. 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 RM301,068,453.

**A14. Subsequent Events**

There were no other material subsequent events between the end of the current quarter and the date of this announcement.

## **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 loss before tax of RM11.34 million and revenue of RM83.48 million in comparison to the profit before tax of RM2.11 million and revenue of RM79.41 million for the previous year corresponding quarter.

In the reporting quarter, overall Automotive Component Manufacturing (ACM) recorded a loss before tax of RM6.34 million. Power Engineering (PER) registered a loss before tax of RM7.58 million while rail electrification associate contributed RM6.76 million to result in an overall PER loss before tax of RM0.82 million. The units categorised under Others recorded a loss before tax of RM3.10 million.

Profit before taxation were recorded by ACM Thailand of RM0.40 million while ACM Malaysia and ACM Indonesia recorded loss before tax of RM6.19 million and RM0.56 million respectively.

In comparison to previous year corresponding quarter, Group revenue increased by 5% while:

- i. Total ACM division reported an increase of 11% in revenue.
- ii. ACM Malaysia recorded a 9% decrease in revenue. Though there were substantial increases in supplies of Myvi by 40%, there were volume reductions in Proton models of Wira by 70%, Waja by 78%, Savvy by 60% and Perodua models of Kancil by 28% and Kelisa by 2%.

Kelisa parts ceased production in this quarter.

- iii. ACM Thailand registered a 40% increase in revenue. Downward price adjustments for previous and current supplies of two Honda models were resolved during the quarter. Existing models of Mitsubishi and Ford/Mazda registered decreases in supplies while encouraging volume were recorded for their new models. GM/Isuzu recorded a 4% growth. For the Honda models, Civic recorded improvement by 95% in volume and City dropped in supplies. The Accord and Jazz recorded flat growth in volume.

During the quarter, ACM Thailand commenced supplies of sash for Nissan Frontier Navara and sash for Ford Everest MU.

- iv. For ACM Indonesia, negative growth of 20% was encountered in revenue. Sash for a Daihatsu model was introduced during the quarter.
- v. PER's revenue decreased by 35%. Provision for irrecoverability of claims for a delayed project was made.

For the rail electrification project, compensations were favourably resolved in respect of the numerous delays encountered and works recommenced.

**B1. Performance Review (Contd.)**

For the FY07, the Group recorded a 25% increase in revenue in comparison to the previous financial year, FY06. The profit before tax for FY07 amounted to RM2.24 million in comparison to the FY06 of RM10.29 million.

For the financial year ended 31 January 2007:

- i. ACM Malaysia registered a 9% improvement in revenue in comparison to FY06. This was due to substantial increases in Myvi by 97% and Kelisa by 11%. The previous models of Wira, Waja and Kancil and Kelisa encountered volume reductions. Reduction in volume was recorded by Wira (55%), Waja (48%) and Kancil (33%).
- ii. ACM Thailand together with newly acquired Fine Components (Thailand) Co., Ltd. posted a 45% higher in revenue. Existing models of Mitsubishi and Ford/Mazda registered decreases in supplies while encouraging volume were recorded by their new models. For the Honda models, City and Civic recorded an increase in volume while the Jazz and Accord dropped in supplies. GM/Isuzu recorded a 2% increase in supplies.
- iii. ACM Indonesia encountered a 40% reduction in revenue in comparison to FY06.
- iv. PER division experienced a 1.1 times increase in revenue in comparison to FY06.
- v. The units under Others experienced a 75% decrease in revenue in comparison to FY06.

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

The Group recorded a 32% decrease in revenue in comparison to the immediate preceding quarter. Loss before tax for the quarter amounted to RM11.34 million in comparison to the profit before tax of RM8.59 million in the immediate preceding quarter.

Overall ACM recorded a flat growth in revenue. ACM Malaysia recorded a 3% decrease in revenue where most models recorded decreases in volume except for Perodua Myvi model. ACM Thailand registered a 6% increase in revenue where new models recorded increases in volume.

For PER, revenue decreased by 80% due to a major project which was completed in the immediate preceding quarter.

For units under Others, revenue decreased by 89%.



**B3. Commentary on Prospects**

For ACM Thailand, the strong demand for the new models of Ford/Mazda, Mitsubishi, Honda Civic and Nissan.

For ACM Malaysia, Wira, Savvy and Kancil are expected to encounter further volume contraction. Waja is expected to increase in volume. Body parts for new Perodua models, D18D and Toyota Vios moulding will commence supplies by end of first quarter FY08 and third quarter FY08, respectively. Increase in Myvi is expected to have a flat growth.

For ACM Indonesia, supplies of existing models are expected to improve. Moulding for a new Daihatsu model will commence in third quarter while sash and moulding products for a Suzuki model, Futura will be introduced in second quarter.

For Power Engineering, the recently awarded jobs will commence. The Rawang-Ipoh Rail Electrification project will be completed by end of FY08.

For the units under Others, contribution is foreseen in FY08.

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee in respect of the current period.

**B5. Taxation**

|                        | 3 months ended               |  | 12 months ended              |  |
|------------------------|------------------------------|--|------------------------------|--|
|                        | 31 January<br>2007<br>RM'000 | 31 January<br>2006<br>RM'000<br>(Restated) | 31 January<br>2007<br>RM'000 | 31 January<br>2006<br>RM'000<br>(Restated) |
| Income tax             | (732)                        | (917)                                      | (3,112)                      | (1,840)                                    |
| Deferred tax liability | -                            | 9  | -                            | (556)                                      |
| Deferred tax benefits  | (43)                         | 5,816                                      | 3,043                        | 5,473                                      |
|                        | <u>(775)</u>                 | <u>4,908</u>                               | <u>(69)</u>                  | <u>3,077</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**

The 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<br/>31 January<br/>2007<br/>RM'000</b> | <b>As at<br/>31 January<br/>2006<br/>RM'000</b> |
|---|---|---|
| <b>Short term borrowings</b>  |   |   |
| Secured   | 74,314  | 60,594  |
| Unsecured   | 36,839  | 23,105  |
|   | <u>111,153</u>                                  | <u>83,699</u>                                   |
| <b>Long term borrowings</b>   |   |   |
| Secured   | 58,185  | 26,376  |
| Unsecured   | 160,000   | 160,000   |
|   | <u>218,185</u>                                  | <u>186,376</u>                                  |
| Including borrowings denominated in foreign currencies as at 31 January 2007: |   |   |
|   | <b>THB'000</b>                                  | <b>RM'000<br/>Equivalent</b>                    |
| Thai Baht   |   |   |
| Short term borrowings   | 469,217   | 50,671  |
| Long term borrowings  | 341,600   | 36,890  |
|   | <u>810,817</u>                                  | <u>87,561</u>                                   |
|   | <b>IDR'000</b>                                  | <b>RM'000<br/>Equivalent</b>                    |
| Indonesian Rupiah   |   |   |
| Short term borrowings   | 17,915,320                                      | 7,239   |
| Long term borrowings  | 11,831,083                                      | 4,780   |
|   | <u>29,746,403</u>                               | <u>12,019</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**

During the reporting quarter, the Board of Directors proposed a final tax exempt dividend of 4 sen per share in respect of financial year ended 31 January 2007. The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting. Upon approval, the date of payment of dividend and book closure date for determination of dividend entitlement will be advised.

**B13. Earnings Per Share**

|   | <b>3 months ended</b> |                   | <b>12 months ended</b> |                   |
|---|-----------------------|-------------------|------------------------|-------------------|
|   | <b>31 January</b>     | <b>31 January</b> | <b>31 January</b>      | <b>31 January</b> |
|   | <b>2007</b>           | <b>2006</b>       | <b>2007</b>            | <b>2006</b>       |
|   |                       | <b>(Restated)</b> |                        | <b>(Restated)</b> |
| Profit/(loss) for the period attributable to ordinary equity holders of the parent (RM'000) | (11,102)              | 5,709             | (3,111)                | 7,992             |
| Number of ordinary shares in issue (RM'000)   | 76,800                | 76,800            | 76,800                 | 76,800            |
| Basic, for profit/(loss) of the period (sen)  | (14.5)                | 7.4               | (4.1)                  | 10.4              |

**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 dated 26 March 2007.