

Condensed Consolidated Income Statements

For the Three-Month Period Ended 30 April 2007

The figures have not been audited

	Note	3 months ended		3 months ended	
		30 April 2007 RM'000	30 April 2006 RM'000	30 April 2007 RM'000	30 April 2006 RM'000
Continuing Operations					
Revenue	A4	67,982	73,717	67,982	73,717
Costs of sales		(58,430)	(54,295)	(58,430)	(54,295)
Gross profit		<u>9,552</u>	<u>19,422</u>	<u>9,552</u>	<u>19,422</u>
Other income		374	1,866	374	1,866
Administrative and other expenses		(13,286)	(10,865)	(13,286)	(10,865)
Finance cost		(5,475)	(4,407)	(5,475)	(4,407)
Share of profit of associates		7,223	289	7,223	289
(Loss)/profit before tax	A4	<u>(1,612)</u>	<u>6,305</u>	<u>(1,612)</u>	<u>6,305</u>
Income tax expense	B5	686	(834)	686	(834)
(Loss)/profit for the period		<u>(926)</u>	<u>5,471</u>	<u>(926)</u>	<u>5,471</u>
Attributable to:					
Equity holders of the parent		(436)	3,352	(436)	3,352
Minority interests		(490)	2,119	(490)	2,119
		<u>(926)</u>	<u>5,471</u>	<u>(926)</u>	<u>5,471</u>
(Loss)/earnings per share attributable to equity holders of the parent:					
Basic, for (loss)/profit of the period (sen)	B13	(0.6)	4.4	(0.6)	4.4

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Balance Sheet

As at 30 April 2007

The figures have not been audited

	Note	As at 30 April 2007 RM'000	As at 31 January 2007 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		360,110	357,310
Prepaid lease payments		19,535	19,589
Intangible assets		3,108	3,290
Investment in associates		8,644	6,431
Other investment		100	100
Deferred tax assets		10,571	9,423
		<u>402,068</u>	<u>396,143</u>
Current assets			
Inventories		29,778	27,399
Trade receivables		110,915	105,677
Other receivables		33,972	40,262
Cash and bank balances		30,432	48,618
		<u>205,097</u>	<u>221,956</u>
TOTAL ASSETS		<u>607,165</u>	<u>618,099</u>

Condensed Consolidated Balance Sheet

As at 30 April 2007

The figures have not been audited

	Note	As at 30 April 2007 RM'000	As at 31 January 2007 RM'000 (Restated)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		76,800	76,800
Reserves		82,737	85,315
		<u>159,537</u>	<u>162,115</u>
Minority interests		44,531	42,601
Total equity		<u>204,068</u>	<u>204,716</u>
Non-current liabilities			
Borrowings	B9	213,826	218,235
Deferred tax liabilities		8,213	8,213
		<u>222,039</u>	<u>226,448</u>
Current liabilities			
Borrowings	B9	111,310	111,155
Trade payables		40,877	33,759
Other payables		27,447	40,685
Tax payables		1,424	1,336
		<u>181,058</u>	<u>186,935</u>
Total liabilities		<u>403,097</u>	<u>413,383</u>
TOTAL EQUITY AND LIABILITIES		<u>607,165</u>	<u>618,099</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2007 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 2007

The figures have not been audited

	<-----Attributable to Equity Holders of the Parent----->						Minority Interests	Total Equity
	<-----Non-Distributable----->			Distributable				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 February 2006	76,800	1,024	2,429	3,029	79,109	162,391	37,614	200,005
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
At 30 April 2006	76,800	1,024	2,429	2,874	82,461	165,588	40,804	206,392
At 1 February 2007	76,800	1,024	7,141	6,735	70,415	162,115	42,601	204,716
Foreign currency translation, representing net expenses recognised directly to equity	-	-	-	(2,142)	-	(2,142)	2,420	278
Loss for the period	-	-	-	-	(436)	(436)	(490)	(926)
At 30 April 2007	76,800	1,024	7,141	4,593	69,979	159,537	44,531	204,068

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement
For the Three-Month Period Ended 30 April 2007**

The figures have not been audited

	3 months ended	
	30 April 2007	30 April 2006
	RM'000	RM'000
Net cash generated from operating activities	2,678	28,626
Net cash used in investing activities	(15,816)	(16,490)
Net cash generated from/(used in) financing activities	4,174	(110)
Net (decrease)/increase in cash and cash equivalents	<u>(8,964)</u>	<u>12,026</u>
Cash and cash equivalents at beginning of financial period	<u>20,816</u>	<u>36,499</u>
Cash and cash equivalents at end of financial period	<u>11,852</u>	<u>48,525</u>

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

	As at 30 April 2007	As at 30 April 2006
	RM'000	RM'000
Cash and bank balances	25,029	64,691
Bank overdrafts (included within short term borrowings in Notes B9)	<u>(13,177)</u>	<u>(16,166)</u>
	<u>11,852</u>	<u>48,525</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2007 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 2007.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 January 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective from the year beginning 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 1192004	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of FRS 124 and Amendment to FRS 1192004 do not have significant financial impact on the Group. The principal effects of the change in accounting policies resulting from the adoption of FRS 117 are discussed below:

FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represent prepaid lease payment and are amortised on a straight-line basis over the lease term. Leases of land and buildings are now classified as prepaid lease payments. Prior to 1 February 2007, leasehold land and buildings of the Group were classified either property, plant and equipment which were stated at cost less accumulated depreciation.

Upon the adoption of the revised FRS 117 at 1 February 2007, the unamortised amounts of leasehold land and buildings are retained as the surrogate carrying amounts of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land and buildings as prepaid lease payments has been accounted for retrospectively and as disclosed below, certain comparative amounts as at 31 January 2007 have been restated.

A2. Changes in Accounting Policies (Contd.)

The following comparatives were restated following adoption of FRS 117:

	As at 31 January 2007		
	As previously stated RM'000	Reclassi- fication FRS 117 RM'000	As restated RM'000
Balance Sheet			
Property, plant and equipment	371,460	(14,150)	357,310
Prepaid lease payments	-	19,589	19,589
Other receivables	45,701	(5,439)	40,262
	<hr/>	<hr/>	<hr/>

A3. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the year ended 31 January 2007 was not qualified.

A4. Segmental Information

	Automotive Component Manufacturing (ACM)		Power Engineering and Railway Electrification (PER)		Others		Eliminations		Consolidated	
	30 April 2007	30 April 2006	30 April 2007	30 April 2006	30 April 2007	30 April 2006	30 April 2007	30 April 2006	30 April 2007	30 April 2006
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External sales	65,710	71,020	2,145	1,561	127	1,136	-	-	67,982	73,717
Inter-segment sales	3,274	3,720	-	-	540	180	(3,814)	(3,900)	-	-
Total revenue	68,984	74,740	2,145	1,561	667	1,316	(3,814)	(3,900)	67,982	73,717
Result										
Segment results/ (Loss)/profit before taxation & associates	(5,771)	8,823	6,528	(1,206)	(1,958)	(1,387)	(7,634)	(214)	(8,835)	6,016
Share of profit of associates	-	-	7,223	289	-	-	-	-	7,223	289
(Loss)/profit before taxation									(1,612)	6,305
Income tax expense									686	(834)
(Loss)/profit for the period									(926)	5,471
			Malaysia		Thailand		Indonesia		Consolidated	
			30 April 2007	30 April 2006	30 April 2007	30 April 2006	30 April 2007	30 April 2006	30 April 2007	30 April 2006
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue from external customers			31,871	45,209	34,627	27,731	1,484	777	67,982	73,717

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 30 April 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

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

A9. Prepaid Lease Payments

The adoption of the revised FRS 117 has resulted in a retrospectively change in accounting policy relating to the classification of leasehold land and buildings. The comparative amounts as at 31 January 2007 that have been restated is arrived as follows:-

	Total RM'000
At 1 February 2006	19,679
Prepaid lease rental	(90)
At 31 January 2007	<u>19,589</u>

A10. Carrying Amount of Revalued Assets

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

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

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

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 2007.

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 RM341,068,453.

A15. 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 RM1.61 million and revenue of RM67.98 million in comparison to the profit before tax of RM6.31 million and revenue of RM73.72 million for the previous year corresponding quarter.

In the reporting quarter, overall Automotive Component Manufacturing (ACM) recorded a loss before tax of RM6.25 million. Power Engineering and rail electrification (PER) registered a profit before tax of RM6.52 million. The units categorised under Others recorded a loss before tax of RM1.88 million.

In comparison to previous year corresponding quarter, Group revenue decreased by 7.8%:

- i. Total ACM Division reported a decrease of 7.9% in revenue.
- ii. ACM Malaysia recorded a 31% decrease in revenue. Proton, Toyota and Naza models experienced volume reduction, while Perodua model of Myvi maintained its volume, Kancil dropped by 29%.

Perodua Viva commenced production for body parts, moulding and sash in later part of this quarter .
- iii. ACM Thailand recorded a 25% growth in revenue. Newer models of Mitsubishi, Ford/Mazda and Nissan experienced encouraging volume, while Isuzu contracted 14%. Most Honda models did not record favourable volume except for the Civic which registered improvement while the Accord remain flat.
- iv. ACM Indonesia recorded 91% increase in revenue. Existing model of Suzuki and components for the newer models of Mitsubishi and Daihatsu recorded encouraging volume.
- v. PER recorded a 55% increase in revenue and contribution from associate on the rail electrification project is favourable due to the resolved issues.

B2. Comment on Material Change in Profit Before Taxation

The Group recorded a 18% drop in revenue in comparison to the immediate preceding quarter. Loss before tax for the quarter amounted to RM1.61 million in comparison to the loss before tax of RM12.37 million in the immediate preceding quarter.

Overall ACM recorded a 10% drop in revenue. ACM Malaysia recorded a 18% decrease in revenue where most models recorded decreases in volume except for the Perodua Myvi model.

ACM Thailand registered a 2.8% drop in revenue where only Honda City and the newer model Mitsubishi Triton recorded favourable volume increase. The Nissan Navara which only commenced production in the fourth quarter of the previous year registered encouraging growth. Other models did not record any improvement in volume.

For PER, revenue reduced by 75% due to a major project which was completed in the immediate preceding quarter.

B3. Commentary on Prospects

For ACM Thailand, the demand for the newer models of Ford/Mazda, Mitsubishi Triton, Honda Civic and Nissan Navara are expected to increase in comparison to the previous year. Other models are expected to register lower volume.

For ACM Malaysia, demand for key model of Waja will increase in comparison to previous year. The newly launched Viva is expected to register encouraging volume, while other models are expected to experience reduction.

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

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

For the units under Others, new contracts are expected to be secured this year.

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		3 months ended	
	30 April 2007 RM'000	30 April 2006 RM'000	30 April 2007 RM'000	30 April 2006 RM'000
Income tax	(462)	(834)	(462)	(834)
Deferred tax benefits	1,148	-	1,148	-
	<u>686</u>	<u>(834)</u>	<u>686</u>	<u>(834)</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

	As at 30 April 2007 RM'000	As at 31 January 2007 RM'000
Short term borrowings		
Secured	111,310	108,798
Unsecured	-	2,357
	<u>111,310</u>	<u>111,155</u>
Long term borrowings		
Secured	53,826	58,235
Unsecured	160,000	160,000
	<u>213,826</u>	<u>218,235</u>

Including borrowings denominated in foreign currencies as at 30 April 2007:

	THB'000	RM'000 Equivalent
Thai Baht (THB'000)		
Short term borrowings	501,343	56,204
Long term borrowings	<u>302,777</u>	<u>33,944</u>
	IDR'000	RM'000 Equivalent
Indonesian Rupiah (IDR'000)		
Short term borrowings	15,921,464	6,321
Long term borrowings	<u>11,772,740</u>	<u>4,674</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 2007.

B13. Earnings Per Share

	3 months ended		3 months ended	
	30 April 2007	30 April 2006	30 April 2007	30 April 2006
(Loss)/profit for the period attributable to ordinary equity holders of the parent (RM'000)	(436)	3,352	(436)	3,352
Number of ordinary shares in issue (RM'000)	76,800	76,800	76,800	76,800
Basic, for (loss)/profit of the period (sen)	(0.6)	4.4	(0.6)	4.4

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 on 21 June 2007.