

## Condensed Consolidated Income Statements

For the Three-Month Period Ended 30 April 2008

The figures have not been audited

	Note	3 months ended		3 months ended	
		30 April 2008 RM'000	30 April 2007 RM'000	30 April 2008 RM'000	30 April 2007 RM'000
<b>Continuing Operations</b>					
Revenue	A4	111,905	67,982	111,905	67,982
Costs of sales		(92,218)	(58,430)	(92,218)	(58,430)
<b>Gross profit</b>		19,687	9,552	19,687	9,552
Other income		3,125	374	3,125	374
Administrative and other expenses		(14,227)	(13,286)	(14,227)	(13,286)
Finance costs		(5,001)	(5,475)	(5,001)	(5,475)
Share of net-profit of associates		2,978	7,223	2,978	7,223
<b>Profit/(loss) before tax</b>	A4	6,562	(1,612)	6,562	(1,612)
Income tax expense	B5	(1,152)	686	(1,152)	686
<b>Profit/(loss) for the period</b>		5,410	(926)	5,410	(926)
Attributable to:					
Equity holders of the Company		3,543	(436)	3,543	(436)
Minority interests		1,867	(490)	1,867	(490)
		5,410	(926)	5,410	(926)
<b>Profit/(loss) per share attributable to equity holders of the Company:</b>					
Basic, for profit/(loss) of the period (sen)	B13	4.6	(0.6)	4.6	(0.6)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Balance Sheet**

**As at 30 April 2008**

The figures have not been audited

	Note	As at 30 April 2008 RM'000	As at 31 January 2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		360,854	357,695
Prepaid land lease payments		22,357	22,450
Intangible assets		6,210	6,088
Investment in associates		11,110	8,131
Other investment		100	100
Deferred tax assets		21,143	21,508
		<u>421,774</u>	<u>415,972</u>
<b>Current assets</b>			
Inventories		47,165	29,882
Trade receivables		112,611	128,173
Other receivables		34,306	25,070
Cash and bank balances		36,305	35,621
		<u>230,387</u>	<u>218,746</u>
<b>TOTAL ASSETS</b>		<u><b>652,161</b></u>	<u><b>634,718</b></u>

## Condensed Consolidated Balance Sheet

As at 30 April 2008

The figures have not been audited

	Note	As at 30 April 2008 RM'000	As at 31 January 2008 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		76,800	76,800
Reserves		84,267	82,267
		<u>161,067</u>	<u>159,067</u>
<b>Minority interests</b>		47,194	45,780
<b>Total equity</b>		<u>208,261</u>	<u>204,847</u>
<b>Non-current liabilities</b>			
Borrowings	B9	33,138	39,128
Deferred tax liabilities		313	313
		<u>33,451</u>	<u>39,441</u>
<b>Current liabilities</b>			
Borrowings	B9	295,151	294,304
Trade payables		71,882	51,559
Other payables		42,449	43,613
Tax payables		967	954
		<u>410,449</u>	<u>390,430</u>
Total liabilities		<u>443,900</u>	<u>429,871</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>652,161</u>	<u>634,718</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2008 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 2008**

The figures have not been audited

	<-----Attributable to Equity Holders of the Company----->						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 Profits RM'000	Total RM'000	RM'000	RM'000
<b>At 1 February 2007</b>								
As previously stated	76,800	1,024	7,141	6,735	70,415	162,115	42,601	204,716
Prior year adjustment	-	-	-	-	10,924	10,924	4,315	15,239
<b>At 1 February 2007 (restated)</b>	<u>76,800</u>	<u>1,024</u>	<u>7,141</u>	<u>6,735</u>	<u>81,339</u>	<u>173,039</u>	<u>46,916</u>	<u>219,955</u>
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)
Total recognised income and expense for the year	-	-	-	(2,142)	(436)	(2,578)	1,930	(648)
<b>At 30 April 2007</b>	<u>76,800</u>	<u>1,024</u>	<u>7,141</u>	<u>4,593</u>	<u>80,903</u>	<u>170,461</u>	<u>48,846</u>	<u>219,307</u>
<b>At 1 February 2008</b>	76,800	1,024	6,155	8,166	66,922	159,067	45,780	204,847
Foreign currency translation, representing net expenses recognised directly to equity	-	-	-	(1,543)	-	(1,543)	(453)	(1,996)
Profit for the period	-	-	-	-	3,543	3,543	1,867	5,410
Total recognised income and expense for the year	-	-	-	(1,543)	3,543	2,000	1,414	3,414
<b>At 30 April 2008</b>	<u>76,800</u>	<u>1,024</u>	<u>6,155</u>	<u>6,623</u>	<u>70,465</u>	<u>161,067</u>	<u>47,194</u>	<u>208,261</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 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement**  
**For the Three-Month Period Ended 30 April 2008**

The figures have not been audited

	<b>3 months ended</b>	
	<b>30 April 2008</b>	<b>30 April 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	24,575	2,678
Net cash used in investing activities	(16,796)	(15,816)
Net cash (used in)/generated from financing activities	(6,889)	4,174
Net increase in cash and cash equivalents	890	(8,964)
Cash and cash equivalents at beginning of financial period	7,890	20,816
Cash and cash equivalents at end of financial period	<u>8,780</u>	<u>11,852</u>

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

	<b>As at 30 April 2008</b>	<b>As at 30 April 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	36,305	25,029
Bank overdrafts (included within short term borrowings in Notes B9)	(27,525)	(13,177)
	<u>8,780</u>	<u>11,852</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008 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 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 2008.

### **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 2008.

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

The Auditors' Report on the financial statements for the year ended 31 January 2008 was not qualified.

## A4. Segmental Information of Current Quarter

	Automotive Division *		Power Engineering and Railway Electrification (PER)		Others		Eliminations		Consolidated	
	30 April 2008	30 April 2007	30 April 2008	30 April 2007	30 April 2008	30 April 2007	30 April 2008	30 April 2007	30 April 2008	30 April 2007
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>										
External sales	95,008	65,441	13,039	2,414	3,858	127	-	-	111,905	67,982
Inter-segment sales	5,647	3,274	-	-	-	540	(5,647)	(3,814)	-	-
Total revenue	100,655	68,715	13,039	2,414	3,858	667	(5,647)	(3,814)	111,905	67,982
<b>Result</b>										
Segment results/ Operating profit/(loss)	11,973	(318)	636	6,428	(1,233)	(1,615)	(2,791)	(7,855)	8,585	(3,360)
Finance costs	-	-	-	-	-	-	-	-	(5,001)	(5,475)
Share of profit of associates	-	-	2,978	7,223	-	-	-	-	2,978	7,223
Profit/(loss) before tax									6,562	(1,612)
Income tax expense									(1,152)	686
Profit/(loss) for the period									5,410	(926)

	Malaysia		Thailand		Indonesia		Consolidated	
	30 April 2008	30 April 2007	30 April 2008	30 April 2007	30 April 2008	30 April 2007	30 April 2008	30 April 2007
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue from external customers	72,226	31,871	37,298	34,627	2,381	1,484	111,905	67,982

\* Automotive Division comprises Automotive Component Manufacturing (ACM) and Premium Automotive Dealership (PAD)

**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 2008.

**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. Carrying Amount of Revalued Assets**

During the reporting quarter, there have 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, the Group via Ingress Engineering Sdn. Bhd. ("IESB"), entered into a Share Sale Agreement (Agreement) with Dyna Segmen Sdn. Bhd. ("DSSB") for the acquisition of DSSB's shares held in Ingress Fabricators Sdn. Bhd. ("IFSB"). Pursuant to the Agreement, IESB acquired all 225,000 (5%) ordinary shares of IFSB held by DSSB for a total consideration of RM45,000, thus making IFSB a wholly-owned subsidiary of IESB.



**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 2008.

**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 RM344,868,453.

**A14. Subsequent Events**

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

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

### **B1. Performance Review for the First Quarter of Financial Year 2009 (FY09)**

For the current quarter, the Group registered revenue of RM111.9 million and profit before tax of RM6.6 million in comparison to the previous year corresponding quarter revenue of RM67.9 million and loss before tax of RM1.6 million.

In the reporting quarter, Ingress Auto Sdn. Bhd., which operates the BMW Premium Automotive Dealership (PAD), commenced operation with revenue of RM16.8 million.

For this quarter, the Automotive Division which comprised the above PAD and Automotive Components Manufacturing (ACM) of Malaysia, Thailand and Indonesia, recorded a revenue of RM95.0 million and profit before tax of RM4.6 million. For the previous year corresponding quarter, the revenue was RM65.4 million and loss before tax of RM6.3 million.

The Power Engineering and Rail Electrification (PER) division together with its associate companies registered revenue of RM13.0 million and profit before tax of RM3.5 million while for the previous year corresponding quarter, the revenue were RM2.4 million and profit before tax of RM6.5 million.

The units under Others recorded revenue of RM3.9 million and loss before tax of RM1.6 million. Previously it was RM0.13 million and RM1.9 million, respectively.

Further analysis of current quarter performance is as follows:

- i. Total Automotive Division reported an increase of 45% in revenue.
- ii. ACM Malaysia recorded a 31% increase in revenue.

Moulding and sash products for the new Saga commenced production.

In comparison to the previous year corresponding quarter, Proton Gen-2, Perodua Myvi and Viva and Toyota models registered increases in volume. Proton Persona which commenced delivery in the second quarter of previous year recorded encouraging volume while door related product for the new Saga commenced delivery in the fourth quarter of last financial year.

Other Proton and Perodua models decreased significantly in volume.

- iii. ACM Thailand registered 8% increase in revenue in comparison to the previous year corresponding quarter. There were improvements in the volume for all models. Sash for the new Honda Jazz model commenced during the quarter.

**B1. Performance Review for the First Quarter of Financial Year 2009 (FY09) (Contd.)**

- iv. ACM Indonesia recorded a 55% increase in revenue. This was due to the encouraging volume for new models which were introduced in the last financial year. These models were Mitsubishi TD, Suzuki Futura and Daihatsu Grand Max. The earlier models of Daihatsu Terios and Suzuki APV experienced increase in volume.
- v. PER division recorded a 4.4 fold increase in revenue in comparison to the previous year corresponding quarter. Our rail electrification associate which completed its Rawang-Ipoh project in the immediate preceding quarter recognised additional profits with the reversal of certain contingency provision.
- vi. For Others, revenue increased by 29 times due to increase in activities in Oil and Gas Fabrication works.

**B2. Comment on Material Change in Profit Before Tax in Comparison to the Immediate Preceding Quarter.**

The Group recorded an almost 4% increase in revenue with a profit before tax of RM6.6 million against the immediate preceding quarter loss before tax of RM7.3 million.

Overall Automotive Division which comprised of the newly commenced PAD and the ACM of Malaysia, Thailand and Indonesia recorded a 12% increase in revenue against the immediate preceding quarter.

ACM Malaysia recorded a 12% decrease in revenue. Most models of Perodua, Naza and Proton except for Persona and Gen-2 encountered reduction in volume. Toyota models except for Vios recorded decrease in volume. The supply of moulding for Toyota Vios commenced in the third quarter of last financial year.

The supply of mouldings and sash for new Saga commenced during this quarter together with the PAD.

Compared to the immediate preceding quarter, ACM Thailand's revenue declined by 5%. Generally most models declined in volumes. Only Honda City and Civic together with Mitsubishi Triton improved in volumes.

ACM Indonesia's revenue improved by 25% from the preceding quarter, albeit from a previous low base. Improvements were mostly due to increases in volumes for Daihatsu Terios and Grand Max.

For PER, compared to the preceding quarter, its revenue declined 16% due to rescheduling of certain projects.

### B3. Commentary on Prospects

We expect the performance of ACM Thailand to continue given the strong export demand. The earlier models of Ford/Mazda and Honda City and Jazz are expected to cease production while the earlier models of Mitsubishi will continue albeit a lower scale. The replacement models for Ford/Mazda and Mitsubishi together with the new Honda models are expected to post encouraging volume together with the Nissan models. Sash product for the new Honda City will commence in the third quarter of this financial year.

For ACM Malaysia, Perodua Viva, Toyota Vios, Proton's Persona and Gen-2 are expected to record growth in volume together with the new Saga. Earlier models of Proton and Perodua are expected to decline in volume with the Kancil production to cease in the last quarter of this financial year. Perodua Myvi is anticipated to maintain its volume.

For ACM Indonesia, Suzuki APV and Daihatsu Terios are expected to increase in volume. Moulding for Daihatsu D88D products to commence delivery during this financial year.

For PER, significant progress is expected to be recorded on the existing and recently awarded jobs. New awards are expected to materialise.

For the units under Others, the increase in activities in Trading is expected to continue while the Oil and Gas Fabrication units are poised to receive new awards.

### 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	30 April	30 April	30 April
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Income tax	(787)	(462)	(787)	(462)
Deferred tax benefits	-	1,148	-	1,148
Deferred tax expense	(365)	-	(365)	-
	<u>(1,152)</u>	<u>686</u>	<u>(1,152)</u>	<u>686</u>

#### B5. Taxation (Contd.)

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.
- iii. Utilisation of Investment Tax Allowance, Reinvestment Allowance and Unutilised Tax Losses for 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

	As at 30 April 2008 RM'000	As at 31 January 2008 RM'000
<b>Short term borrowings</b>		
Secured	74,281	83,675
Unsecured	220,870	210,629
	<u>295,151</u>	<u>294,304</u>
<b>Long term borrowings</b>		
Secured	26,334	31,215
Unsecured	6,804	7,913
	<u>33,138</u>	<u>39,128</u>

**B9. Borrowings (Contd.)**

Including borrowings denominated in foreign currencies as at 30 April 2008:

	<b>THB'000</b>	<b>RM'000</b> <b>Equivalent</b>
Thai Baht (THB'000)		
Short term borrowings	544,299	58,458
Long term borrowings	188,857	20,283
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	<b>IDR'000</b>	<b>RM'000</b> <b>Equivalent</b>
Indonesian Rupiah (IDR'000)		
Short term borrowings	11,715,163	4,229
Long term borrowings	8,236,758	2,973
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In March 2008, the Trustees for the Sukuk had issued a notice (“Notice”) to the Company for breaching the following financial covenants based on the financial statements ended 31 January 2007:

- i. Maintain the Debt to Equity ratio of the Group of not more than 1.75 times; and
- ii. Encumbrances over all of its present or future revenue or assets shall not in aggregate exceed twenty percent (20%) of the Net Tangible Assets (“NTA”) of the Group.

The directors had sent a rebuttal reply to the Trustees as they are of the opinion that the Trustees have not considered the following in their calculation of the covenants:

- i. the Debt to Equity ratio calculation does not observe the current Financial Reporting Standards and if complied, the ratio will not breach the stipulated limit; and
- ii. the encumbrance would have to exclude encumbrances that were created prior to the issuance of the Sukuk and the computation would have to be based on the actual utilisation of borrowings. This would result in the encumbrance to be within the permitted range of the Ijarah agreement.

The directors and management are presently discussing with its financiers for an acceptable re-financing plan for the Sukuk in the event that the Sukuk holders were to early redeem the Sukuk and concurrently seeking indulgence from the Sukuk holders.

**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**

(a) Kuala Lumpur High Court Civil Suit No. S-22-147-2007

A subsidiary of the Group, namely Ingress Fabricators Sdn Bhd (IFSB) (“the Plaintiff”), had served a Writ of Summons & Statement of Claims (“the Writ”) dated 8 February 2007 filed at the Kuala Lumpur High Court against Ramunia Fabricators Sdn Bhd (“the Defendant”).

In this suit, IFSB is claiming for the following sums alleged to be due and owing by the Defendant to IFSB in respect of the contract to provide management, supervision, qualified manpower, tools, consumables and equipments:

- i. The sum of RM1,494,700;
- ii. Interest at the rate of 8% per annum on the said sum from 9 November 2006 until full settlement;
- iii. Interest on all damages awarded at the rate of 8% per annum from the date of judgment until full settlement;
- iv. Costs; and
- v. Such further or other relief that the Honorable Court deems fit and proper to grant.

The suit is presently fixed for Case Management on 3 September 2008. An application is to be filed to consolidate this suit with the Kuala Lumpur High Court Civil Suit No. S2-22-424-2007 between the same parties (as mentioned in (b)).

(b) Kuala Lumpur High Court Civil No. S22-424-2007

Ingress Fabricators Sdn Bhd (IFSB) (“the Plaintiff”), had served a Writ of Summons & Statement of Claims (“the Writ”) dated 25 April 2007 filed at the Kuala Lumpur High Court against Ramunia Fabricators Sdn Bhd (“the Defendant”).

**B11. Changes in Material Litigation (Contd.)**
**(b) Kuala Lumpur High Court Civil No. S22-424-2007 (Contd.)**

In this suit, IFSB is claiming for the following sums alleged to be due and owing by the Defendant to IFSB in relation to the contract to provide structural works for Guntong E-Jacket, E8DR-A Substructure, E11P-B Substructure and E8DRA Topside:-

- i. The sum of RM3,794,912;
- ii. The sum of RM198,129;
- iii. The sum of RM235,732;
- iv. Interest on all damages awarded at the rate of 8% per annum from the date of judgement until full settlement;
- v. Costs; and
- vi. Such further or other relief that the Honourable Court deems fit and proper to grant.

The Suit is presently fixed for Case Management on 22 September 2008. An application is to be filed to consolidate this suit with Kuala Lumpur High Court Civil Suit No. S7-22-147-2007 between the same parties.

**B12. Dividend Payable**

There was no dividend proposed or become payable for the reporting quarter.

**B13. Earnings Per Share**

	3 months ended		3 months ended	
	30 April 2008	30 April 2007	30 April 2008	30 April 2007
Profit/(loss) for the period attributable to ordinary equity holders of the Company (RM'000)	3,543	(436)	3,543	(436)
Number of ordinary shares in issue (RM'000)	76,800	76,800	76,800	76,800
Basic, for profit/(loss) of the period (sen)	4.6	(0.6)	4.6	(0.6)

**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 19 June 2008.