

## Condensed Consolidated Income Statements

For the Three-Month Period Ended 31 July 2008

The figures have not been audited

	Note	3 months ended		6 months ended	
		31 July 2008 RM'000	31 July 2007 RM'000	31 July 2008 RM'000	31 July 2007 RM'000
Revenue	A4	155,408	103,699	267,313	171,681
Cost of sales		(126,808)	(86,436)	(219,026)	(144,866)
<b>Gross profit</b>		<u>28,600</u>	<u>17,263</u>	<u>48,287</u>	<u>26,815</u>
Other income		1,406	629	4,531	1,003
Administrative and other expenses		(16,613)	(17,892)	(30,840)	(31,178)
Finance costs		(4,722)	(5,617)	(9,723)	(11,092)
Share of net-profit of associates		(209)	641	2,769	7,864
<b>Profit/(loss) before tax</b>	A4	<u>8,462</u>	<u>(4,976)</u>	<u>15,024</u>	<u>(6,588)</u>
Income tax expense	B5	(1,630)	1,381	(2,782)	2,067
<b>Profit/(loss) for the period</b>		<u>6,832</u>	<u>(3,595)</u>	<u>12,242</u>	<u>(4,521)</u>
Attributable to:					
Equity holders of the Company		4,894	(4,584)	8,437	(5,020)
Minority interests		1,938	989	3,805	499
		<u>6,832</u>	<u>(3,595)</u>	<u>12,242</u>	<u>(4,521)</u>
<b>Profit/(loss) per share attributable to equity holders of the Company:</b>					
Basic, for profit/(loss) of the period (sen)	B13	6.4	(6.0)	11.0	(6.5)

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 31 July 2008

The figures have not been audited

	Note	As at 31 July 2008 RM'000	As at 31 January 2008 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		358,800	357,695
Prepaid land lease payments		26,453	22,450
Intangible assets		6,101	6,088
Investment in associates		10,901	8,131
Other investment		100	100
Deferred tax assets		20,423	21,508
		<u>422,778</u>	<u>415,972</u>
<b>Current assets</b>			
Inventories		55,153	29,882
Trade receivables		133,673	128,173
Other receivables		29,827	25,070
Cash and bank balances		43,573	35,621
		<u>262,226</u>	<u>218,746</u>
<b>TOTAL ASSETS</b>		<u><b>685,004</b></u>	<u><b>634,718</b></u>

## Condensed Consolidated Balance Sheet

As at 31 July 2008

The figures have not been audited

	Note	As at 31 July 2008 RM'000	As at 31 January 2008 RM'000 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		76,800	76,800
Reserves		87,503	82,267
		<u>164,303</u>	<u>159,067</u>
<b>Minority interests</b>		48,380	45,780
<b>Total equity</b>		<u>212,683</u>	<u>204,847</u>
<b>Non-current liabilities</b>			
Borrowings	B9	38,798	39,128
Deferred tax liabilities		313	313
		<u>39,111</u>	<u>39,441</u>
<b>Current liabilities</b>			
Borrowings	B9	297,412	294,304
Trade payables		70,974	51,559
Other payables		62,969	43,613
Tax payables		1,855	954
		<u>433,210</u>	<u>390,430</u>
Total liabilities		<u>472,321</u>	<u>429,871</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>685,004</b></u>	<u><b>634,718</b></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 Six-Month Period Ended 31 July 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	-	-	-	4,566	-	4,566	4,429	8,995
Loss for the period	-	-	-	-	(5,020)	(5,020)	499	(4,521)
Total recognised income and expense for the period	-	-	-	4,566	(5,020)	(454)	4,928	4,474
<b>At 31 July 2007</b>	<u>76,800</u>	<u>1,024</u>	<u>7,141</u>	<u>11,301</u>	<u>76,319</u>	<u>172,585</u>	<u>51,844</u>	<u>224,429</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	-	-	-	(3,201)	-	(3,201)	(1,205)	(4,406)
Profit for the period	-	-	-	-	8,437	8,437	3,805	12,242
Total recognised income and expense for the period	-	-	-	(3,201)	8,437	5,236	2,600	7,836
<b>At 31 July 2008</b>	<u>76,800</u>	<u>1,024</u>	<u>6,155</u>	<u>4,965</u>	<u>75,359</u>	<u>164,303</u>	<u>48,380</u>	<u>212,683</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 Six-Month Period Ended 31 July 2008**

The figures have not been audited

	<b>6 months ended</b>	
	<b>31 July 2008 RM'000</b>	<b>31 July 2007 RM'000</b>
Net cash generated from operating activities	44,952	21,513
Net cash used in investing activities	(21,850)	(18,782)
Net cash (used in)/generated from financing activities	(18,665)	8,952
Net increase in cash and cash equivalents	<u>4,437</u>	<u>11,683</u>
Cash and cash equivalents at beginning of financial period	7,890	20,816
Cash and cash equivalents at end of financial period	<u>12,327</u>	<u>32,499</u>

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

	<b>As at 31 July 2008 RM'000</b>	<b>As at 31 July 2007 RM'000</b>
	Cash and bank balances	43,573
Bank overdrafts (included within short term borrowings in Notes B9)	(31,246)	(21,558)
	<u>12,327</u>	<u>32,499</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	
	31 July 2008	31 July 2007	31 July 2008	31 July 2007	31 July 2008	31 July 2007	31 July 2008	31 July 2007	31 July 2008	31 July 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	126,715	88,798	21,812	13,726	6,881	1,175	-	-	155,408	103,699
Inter-segment sales	5,510	3,274	-	-	-	540	(5,510)	(3,814)	-	-
Total revenue	132,225	92,072	21,812	13,726	6,881	1,715	(5,510)	(3,814)	155,408	103,699
<b>Result</b>										
Segment results/										
Operating profit/(loss)	13,965	3,046	2,432	244	(464)	(1,491)	(2,540)	(1,799)	13,393	-
Finance costs	-	-	-	-	-	-	-	-	(4,722)	(5,617)
Share of profit of associates	-	-	(209)	641	-	-	-	-	(209)	641
Profit/(loss) before tax									8,462	(4,976)
Income tax expense									(1,630)	1,381
Profit/(loss) for the period									6,832	(3,595)

	Malaysia		Thailand		Indonesia		Consolidated	
	31 July 2008	31 July 2007	31 July 2008	31 July 2007	31 July 2008	31 July 2007	31 July 2008	31 July 2007
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue from external customers	109,231	61,743	43,025	40,697	3,152	1,259	155,408	103,699

\* 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 31 July 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, there were no changes in the 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 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 RM364,918,453.

**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 Second Quarter of Financial Year 2009 (FY09)**

For the current quarter, the Group registered a profit before tax of RM8.46 million on a revenue of RM155.41 million in comparison to the loss before tax of RM4.98 million and revenue of RM103.70 for the corresponding quarter in the previous year.

In the reporting quarter,

- i. the Automotive Division (AD) recorded a profit before tax of RM7.19 million and revenue of RM126.72 million. For the previous year corresponding quarter, this division recorded a loss before tax of RM3.20 million with revenue of RM88.98 million.
- ii. the Power Engineering and Rail Electrification (PER) division together with its associate companies registered a profit before tax of RM2.07 million and revenue of RM21.81 million. For the previous year corresponding quarter, PER recorded a profit before tax of RM0.97 million and revenue of RM13.54 million.
- iii. the units under Others recorded a loss before tax of RM0.8 million. For the previous year corresponding quarter, this division recorded a loss of RM1.88 million.

Further analysis of current quarter performance is as follows:

- i. Total Automotive Division reported an increase of 42% in revenue. Automotive Components Manufacturing registered 2% increase and Premium Automotive Dealership recorded a RM35.87 million in revenue.
- ii. ACM Malaysia recorded a 5% decrease in revenue.

In comparison to the previous year corresponding quarter, Proton Persona and Saga which commenced delivery in the second quarter and the fourth quarter of previous year recorded encouraging volume.

Proton Gen-2 and Perodua Myvi registered increased in volume.

Other Proton and Perodua models decreased in volume.

- iii. ACM Thailand registered a 6% increase in revenue in comparison to the previous year corresponding quarter. There were improvements in volume for of the existing products supplied to Ford/Mazda, Mitsubishi Triton, Isuzu D-Max and Nissan. The new Honda Jazz which commenced production in the last quarter recorded encouraging volume. Other Honda models recorded decreases in volume.

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

- iv. ACM Indonesia recorded a 150% increase in revenue. This was due to the encouraging volume recorded for the Suzuki Futura sash which commenced supply in the current quarter. The earlier models of Mitsubishi TD, Suzuki APV and Daihatsu Terios and Grand-Max experienced increases in volume.
- v. PER division recorded a 61% increase in revenue in comparison to the previous year corresponding quarter.
- vi. For Others, revenue increased by 3.8 times due to increase in activities in Oil and Gas Fabrication works.

For the first half of the year, the Group recorded a 56% improvement in revenue in comparison to first half previous year with a profit before tax of RM15.02 million.

- i. Overall, Automotive Division registered a 44% increase in revenue. Premium Automotive Dealership registered revenue of RM52.69 million.
- ii. ACM Malaysia posted a 9% increase in revenue. Most models of Proton and Perodua experienced increases in volume.
- iii. ACM Thailand achieved a 7% growth in revenue. All the replacement models recorded increase in volume.
- iv. ACM Indonesia attained an almost 100% increase in revenue.
- v. PER Division recorded a 118% improvement in revenue during the first half of FY09 given the larger order book and good progress in implementation of projects in hand.
- vi. The units under Others post a 6.3 times increase in revenue in the half year under review in comparison to previous year first half.

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

The Group recorded an almost 39% increase in revenue with a profit before tax of RM8.46 million against the immediate preceding quarter profit of RM6.56 million.

Overall Automotive Division which comprised the newly commenced Premium Automotive Dealership (PAD) and the ACM of Malaysia, Thailand and Indonesia recorded a 33% increase in revenue against the immediate preceding quarter.

PAD recorded a 100% increase in revenue.

Overall ACM revenue improved by 16%.

ACM Malaysia recorded a 16% increase in revenue. Most models of Proton, Perodua and Toyota models experienced increase in volume.

Compared to the immediate preceding quarter, ACM Thailand's revenue increased by 15%. Generally, all the replacement models improved in volume.

ACM Indonesia's revenue improved by 37% from the preceding quarter.

For PER, compared to the preceding quarter, its revenue improved by 67% due to remarkable progress reached.

**B3. Commentary on Prospects**

For ACM Thailand, the strong demand to continue. The replacement and new models for Ford/Mazda, Mitsubishi, Nissan and Honda together with the new Honda models are expected to post encouraging volume.

For ACM Malaysia, Proton Persona and Saga are expected to record growth in volume. Perodua Myvi is anticipated to maintain its volume. A new product, wire harness, is expected to be delivered for Saga and Persona in the third quarter of this financial year.

For ACM Indonesia, Suzuki APV, Suzuki Futura and Daihatsu Terios are expected to increase in volume.

For PER, significant progress is expected to be recorded on the existing and recently awarded jobs. New awards are expected to materialise. Works on the Ipoh-Padang Besar Double Tracking Systems officially commenced on 7 July 2008.

For the units under Others, the Oil and Gas Fabrication units is 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		6 months ended	
	31 July 2008 RM'000	31 July 2007 RM'000	31 July 2008 RM'000	31 July 2007 RM'000
Income tax	(910)	(281)	(1,697)	(743)
Deferred tax benefits	-	1,662	-	2,810
Deferred tax expense	(720)	-	(1,085)	-
	<u>(1,630)</u>	<u>1,381</u>	<u>(2,782)</u>	<u>2,067</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.
- 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**

	<b>As at 31 July 2008 RM'000</b>	<b>As at 31 January 2008 RM'000</b>
<b>Short term borrowings</b>		
Secured	64,871	83,675
Unsecured	232,541	210,629
	<u>297,412</u>	<u>294,304</u>
<b>Long term borrowings</b>		
Secured	31,005	31,215
Unsecured	7,793	7,913
	<u>38,798</u>	<u>39,128</u>

Including borrowings denominated in foreign currencies as at 31 July 2008:

	<b>THB'000</b>	<b>RM'000 Equivalent</b>
Thai Baht (THB'000)		
Short term borrowings	434,152	45,673
Long term borrowings	247,880	26,077
	<u>682,032</u>	<u>71,750</u>
	<b>IDR'000</b>	<b>RM'000 Equivalent</b>
Indonesian Rupiah (IDR'000)		
Short term borrowings	11,758,899	4,421
Long term borrowings	6,834,260	2,570
	<u>18,593,159</u>	<u>6,991</u>

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.

At a meeting on 21 August 2008, Ingress requested further indulgence and extension of time up to 26 December 2008. At the date of this announcement, we have yet to receive formal reply to our request.

The directors and management are presently discussing with its financiers for an acceptable re-financing plan to meet the above deadlines.

**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 16 October 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 Honorable Court deems fit and proper to grant.

The Suit is presently fixed for Case Management on 16 October 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**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>31 July 2008</b>	<b>31 July 2007</b>	<b>31 July 2008</b>	<b>31 July 2007</b>
Profit/(loss) for the period attributable to ordinary equity holders of the Company (RM'000)	4,894	(4,584)	8,437	(5,020)
Number of ordinary shares in issue (RM'000)	76,800	76,800	76,800	76,800
Basic, for profit/(loss) of the period (sen)	6.4	(6.0)	11.0	(6.5)

**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 16 September 2008.