

Condensed Consolidated Income Statements

For the Three-Month Period Ended 31 October 2008

The figures have not been audited

	Note	3 months ended		9 months ended	
		31 October 2008 RM'000	31 October 2007 RM'000	31 October 2008 RM'000	31 October 2007 RM'000
Revenue	A4	155,858	119,214	423,167	290,895
Costs of sales		(126,516)	(101,652)	(345,538)	(246,518)
Gross profit		<u>29,342</u>	<u>17,562</u>	<u>77,629</u>	<u>44,377</u>
Other (expenses) / income		(1,150)	745	3,381	1,748
Administrative and other expenses		(18,565)	(16,279)	(49,401)	(47,457)
Finance costs		(4,954)	(5,091)	(14,679)	(16,183)
Share of (loss) / profit of associates		(62)	2,638	2,707	10,502
Profit/(loss) before tax	A4	<u>4,611</u>	<u>(425)</u>	<u>19,637</u>	<u>(7,013)</u>
Income tax expense	B5	<u>(1,503)</u>	<u>(54)</u>	<u>(4,285)</u>	<u>2,013</u>
Profit/(loss) for the period		<u><u>3,108</u></u>	<u><u>(479)</u></u>	<u><u>15,352</u></u>	<u><u>(5,000)</u></u>
Attributable to:					
Equity holders of the Company		1,224	(771)	9,663	(5,791)
Minority interests		1,884	292	5,689	791
		<u><u>3,108</u></u>	<u><u>(479)</u></u>	<u><u>15,352</u></u>	<u><u>(5,000)</u></u>
Profit/(loss) per share attributable to equity holders of the Company:					
Basic, for profit/(loss) of the period (sen)	B13	1.6	(1.0)	12.6	(7.5)

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 October 2008

The figures have not been audited

	Note	As at 31 October 2008 RM'000	As at 31 January 2008 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		367,351	357,695
Prepaid land lease payments		26,197	22,450
Intangible assets		6,149	6,088
Investment in associates		10,838	8,131
Other investment		100	100
Deferred tax assets		19,646	21,508
		<u>430,281</u>	<u>415,972</u>
Current assets			
Inventories		78,023	29,882
Trade receivables		136,778	128,173
Other receivables		27,926	25,070
Cash and bank balances		32,673	35,621
		<u>275,400</u>	<u>218,746</u>
TOTAL ASSETS		<u>705,681</u>	<u>634,718</u>

Condensed Consolidated Balance Sheet

As at 31 October 2008

The figures have not been audited

	Note	As at 31 October 2008 RM'000	As at 31 January 2008 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		76,800	76,800
Reserves		91,804	82,267
		<u>168,604</u>	<u>159,067</u>
Minority interests		50,750	45,780
Total equity		<u>219,354</u>	<u>204,847</u>
Non-current liabilities			
Borrowings	B9	37,862	39,128
Deferred tax liabilities		313	313
		<u>38,175</u>	<u>39,441</u>
Current liabilities			
Borrowings	B9	296,855	294,304
Trade payables		85,024	51,559
Other payables		64,342	43,613
Tax payables		1,931	954
		<u>448,152</u>	<u>390,430</u>
Total liabilities		<u>486,327</u>	<u>429,871</u>
TOTAL EQUITY AND LIABILITIES		<u>705,681</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 Nine-Month Period Ended 31 October 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
At 1 February 2007								
As previously stated	76,800	1,024	7,141	6,735	70,415	162,115	42,601	204,716
Prior year adjustment	-	-	-	-	15,768	15,768	4,702	20,470
At 1 February 2007 (restated)	<u>76,800</u>	<u>1,024</u>	<u>7,141</u>	<u>6,735</u>	<u>86,183</u>	<u>177,883</u>	<u>47,303</u>	<u>225,186</u>
Foreign currency translation, representing net expenses recognised directly to equity	-	-	-	(632)	-	(632)	3,202	2,570
Loss for the period	-	-	-	-	(5,791)	(5,791)	791	(5,000)
Total recognised income and expense for the period	-	-	-	(632)	(5,791)	(6,423)	3,993	(2,430)
Dividend	-	-	-	-	(3,072)	(3,072)	(2,943)	(6,015)
At 31 October 2007	<u>76,800</u>	<u>1,024</u>	<u>7,141</u>	<u>6,103</u>	<u>77,320</u>	<u>168,388</u>	<u>48,353</u>	<u>216,741</u>
At 1 February 2008	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	-	-	-	(126)	-	(126)	106	(20)
Profit for the period	-	-	-	-	9,663	9,663	5,689	15,352
Total recognised income and expense for the period	-	-	-	(126)	9,663	9,537	5,795	15,332
Purchase of shares by minority interest	-	-	-	-	-	-	375	375
Dividend	-	-	-	-	-	-	(1,200)	(1,200)
At 31 October 2008	<u>76,800</u>	<u>1,024</u>	<u>6,155</u>	<u>8,040</u>	<u>76,585</u>	<u>168,604</u>	<u>50,750</u>	<u>219,354</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 Nine-Month Period Ended 31 October 2008

The figures have not been audited

	9 months ended	
	31 October 2008	31 October 2007
	RM'000	RM'000
Net cash generated from operating activities	56,289	12,130
Net cash used in investing activities	(59,321)	(31,179)
Net cash (used in)/generated from financing activities	(8,296)	27,283
Net decrease in cash and cash equivalents	(11,328)	8,234
Cash and cash equivalents at beginning of financial period	7,890	20,816
Cash and cash equivalents at end of financial period	<u>(3,438)</u>	<u>29,050</u>

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

	As at	As at
	31 October 2008	31 October 2007
	RM'000	RM'000
Cash and bank balances	19,377	54,229
Bank overdrafts (included within short term borrowings in Notes B9)	(22,815)	(25,179)
	<u>(3,438)</u>	<u>29,050</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.

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 October 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 been 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 RM 393,968.453.

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 Third Quarter of Financial Year 2009 (FY09)

For the current quarter, the Group registered a profit before tax of RM4.61 million on a revenue of RM155.86 million in comparison to the loss before tax of RM0.43 million and revenue of RM119.21 for the corresponding quarter in the previous year.

In the reporting quarter,

- i. the Automotive Division (AD) recorded a profit before tax of RM5.92 million and revenue of RM133.49 million as against previous year corresponding quarter loss before tax of RM2.27 million and revenue of RM80.06 million.
- ii. the Power Engineering and Rail Electrification (PER) division together with its associate companies registered a profit before tax of RM1.0 million and revenue of RM19.63 million as against previous year corresponding quarter of a profit before tax of RM3.96 million and revenue of RM34.36 million.
- iii. The units under Others recorded a loss before tax of RM1.82 million as against the previous year corresponding quarter loss of RM1.42 million.

Further analysis of current quarter performance in comparison to corresponding quarter previous year as follows:

- i. Total Automotive Division reported an increase of 66.7% in revenue. Automotive Components Manufacturing (ACM) registered 21.3% increase and Premium Automotive Dealership which was setup in Q1 of this financial year recorded a RM36.38 million in revenue.
- ii. ACM Malaysia recorded a 120.0% increase in revenue.
In comparison to the previous year corresponding quarter, the new Saga sash and moulding which commenced delivery in the fourth quarter of previous year recorded encouraging volume. In addition, the supply of wire harness for Proton Saga commenced during the current quarter.
Proton Gen-2, Proton Satria Neo, Proton Savvy, Proton Persona and Perodua Myvi registered increases in volume. The older models of Proton and Perodua encountered decreases in volume.
- iii. ACM Thailand registered a 11.5% increase in revenue in comparison to the previous year corresponding quarter. The new Honda Jazz which commenced delivery in the Q1 of this financial year together with the new Honda City which commenced delivery in this quarter recorded encouraging volume. The new models of Ford/Mazda, Mitsubishi, Toyota and Nissan recorded increases. Isuzu and the other models of Honda encountered drop in revenue.

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

- iv. ACM Indonesia recorded a 105% increase in revenue albeit on a lower scale. Encouraging volume were recorded for the Suzuki Futura which commenced supplies in the Q2 of this financial year. The earlier models of Mitsubishi TD, Suzuki APV, Daihatsu Terios and Grand-Max experienced increases in volume.
- v. PER division recorded a 42.9% decrease in revenue.
- vi. For the others units, revenue decreased by 43%.

For the year to date, the Group recorded a 45.5% improvement in revenue in comparison to the previous year to date with a profit before tax of RM22.34 million.

- i. Overall, Automotive Division registered a 51.6% increase in revenue.
Premium Automotive Dealership registered a revenue of RM89.07 million.
- ii. ACM Malaysia posted a 16.9% increase in revenue.
Most models of Proton and Perodua experienced increases in volume.
- iii. ACM Thailand achieved a 8.4% growth in revenue.
All the new models recorded increases in volume.
- iv. ACM Indonesia registered a 101.3% increase in revenue.
- v. PER Division posted a 8.3% increase in revenue compared to the previous year to date.
- vi. The units under Others registered a more than two folds increase in revenue compared to the previous year to date.

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

The Group recorded an increase of 0.3% in revenue with a profit before tax of RM4.61 million against the immediate preceding quarter profit before tax of RM8.46 million.

Overall Automotive Division which comprised the newly commenced Premium Automotive Dealership (PAD) and the ACM of Malaysia, Thailand and Indonesia recorded a 5.4% increase in revenue against the immediate preceding quarter.

ACM Malaysia recorded a 7.7% increase in revenue. Supply of wire harness for Proton Saga commenced in the current quarter.

Compared to the immediate preceding quarter, ACM Thailand's revenue increased by 1.3%. New Honda City sash commenced delivery in the current quarter. Mitsubishi maintained its volume while Ford/Mazda and Isuzu experienced decreases in volume.

ACM Indonesia's revenue reduced by 5% from the preceding quarter.

For PER, compared to the preceding quarter, its revenue decreased by 10%.

B3. Commentary on Prospects

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

For ACM Malaysia, Proton Persona, new Saga and Perodua Myvi are expected to record growth in volume.

For ACM Indonesia, Suzuki APV, Suzuki Futura and Daihatsu Terios are anticipated to decrease in volume.

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 Oil and Gas Fabrication units is poised to record progress on the recently awarded contract.

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		9 months ended	
	31 October 2008 RM'000	31 October 2007 RM'000	31 October 2008 RM'000	31 October 2007 RM'000
Income tax	(726)	(232)	(2,423)	(975)
Deferred tax benefits/(expense)	(777)	178	(1,862)	2,988
	<u>(1,503)</u>	<u>(54)</u>	<u>(4,285)</u>	<u>2,013</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

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 31 October 2008 RM'000	As at 31 January 2008 RM'000
Short term borrowings		
Secured	61,105	83,675
Unsecured	235,750	210,629
	<u>296,855</u>	<u>294,304</u>
Long term borrowings		
Secured	30,065	31,215
Unsecured	7,797	7,913
	<u>37,862</u>	<u>39,128</u>

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

	THB'000	RM'000 Equivalent
Thai Baht (THB'000)		
Short term borrowings	380,458	45,673
Long term borrowings	241,955	26,077
		<u>71,750</u>
	IDR'000	RM'000 Equivalent
Indonesian Rupiah (IDR'000)		
Short term borrowings	14,841,983	5,224
Long term borrowings	6,839,864	2,408
		<u>7,654,148</u>

B9. Borrowings (Contd.)

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.

On 19th September 2008 the Sukukholders agreed to grant Ingress further indulgence and extension of time until 26 December 2008 to fully refinance the Sukuk.

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 **24 December 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)).

B11. Changes in Material Litigation (Contd.)

(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”).

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 **24 December 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.

(c) Kuala Lumpur High Court Civil Suit No. S-22-1134-2008

Ingress Fabricators Sdn Bhd (IFSB) and Technical Business Group Sdn Bhd (TBGSB) (“the Plaintiff”), had served a Writ of Summons & Statement of Claims (“the Writ”) dated 18 December 2008 filed at the Kuala Lumpur High Court against Ramunia Fabricators Sdn Bhd and Shaharudin Bin Tahir (“the Defendant”).

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

- i. The sum of outstanding principal amount of RM3,917,072.73;
- ii. Interest at the rate of 8% per annum on the said sum from 18 December 2008 until the date of judgement;
- iii. Interest at the rate of 8% per annum from the date of judgement until full settlement;
- iv. The sum of outstanding retention money amount of RM633,807.00
- v. Interest at the rate of 8% per annum on the said sum from 18 December 2008 until the date of judgement;
- vi. Interest at the rate of 8% per annum from the date of judgement until full settlement;
- vii. The sum of variation order claims amount of RM39,745.00;
- viii. Interest at the rate of 8% per annum on the said sum from 18 December 2008 until the date of judgement;
- ix. Interest at the rate of 8% per annum from the date of judgement until full settlement;

An application is to be filed to consolidate this additional suit with the Kuala Lumpur High Court Civil Suit No. S-22-147-2007 and S-22-424-2007 between the same parties (as mentioned in (a) and (b)).

B12. Dividend Payable

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

B13. Earnings Per Share

	3 months ended		6 months ended	
	31 October 2008	31 October 2007	31 October 2008	31 October 2007
Profit/(loss) for the period attributable to ordinary equity holders of the Company (RM'000)	1,224	(771)	9,663	(5,791)
Number of ordinary shares in issue (RM'000)	76,800	76,800	76,800	76,800
Basic, for profit/(loss) of the period (sen)	1.6	(1.0)	12.6	(7.5)

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 24 December 2008.