

Condensed Consolidated Income Statements

For the Three-Month Period Ended 30 April 2009

	Note	3 months ended	
		30 April 2009 RM'000	30 April 2008 RM'000
Revenue	A4	151,676	111,905
Costs of sales		(134,067)	(92,218)
Gross profit		<u>17,609</u>	<u>19,687</u>
Other income		1,569	3,125
Administrative and other expenses		(13,376)	(14,227)
Finance costs		(4,222)	(5,001)
Share of (loss)/profit of associates		(53)	2,978
Profit before tax	A4	<u>1,527</u>	<u>6,562</u>
Income tax expense	B5	<u>(656)</u>	<u>(1,152)</u>
Profit for the financial period		<u>871</u>	<u>5,410</u>
Attributable to:			
Equity holders of the Company		587	3,543
Minority interests		284	1,867
		<u>871</u>	<u>5,410</u>
Profit per share attributable to equity holders of the Company:			
Basic, for profit of the financial period (sen)	B13	0.8	4.6

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Balance Sheet
As at 30 April 2009

	Note	Unaudited As at 30 April 2009 RM'000	Audited As at 31 January 2009 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		283,474	271,580
Prepaid land lease payments		25,858	25,940
Intangible assets		4,919	5,052
Investment in associates		10,577	10,630
Other investment		100	100
Deferred tax assets		23,265	23,676
		<u>348,193</u>	<u>336,978</u>
Current assets			
Inventories		81,287	81,967
Trade receivables		114,921	112,016
Other receivables		86,111	98,579
Cash and bank balances		27,937	30,599
		<u>310,256</u>	<u>323,161</u>
TOTAL ASSETS		<u>658,449</u>	<u>660,139</u>

Condensed Consolidated Balance Sheet
As at 30 April 2009

	Note	Unaudited As at 30 April 2009 RM'000	Audited As at 31 January 2009 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		76,800	76,800
Reserves		37,505	37,112
		<u>114,305</u>	<u>113,912</u>
Minority interests		42,106	41,854
Total equity		<u>156,411</u>	<u>155,766</u>
Non-current liabilities			
Borrowings	B9	<u>21,091</u>	<u>28,794</u>
Current liabilities			
Borrowings	B9	328,328	299,331
Trade payables		107,350	106,998
Other payables		44,444	67,436
Tax payables		825	1,814
		<u>480,947</u>	<u>475,579</u>
Total liabilities		<u>502,038</u>	<u>504,373</u>
TOTAL EQUITY AND LIABILITIES		<u>658,449</u>	<u>660,139</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the financial year ended 31 January 2009 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 2009

	<-----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 2008	76,800	1,024	6,155	8,166	66,922	159,067	45,780	204,847
Foreign currency translation, representing net income recognised directly to equity	-	-	-	(1,543)	-	(1,543)	(453)	(1,996)
Profit for the financial period	-	-	-	-	3,543	3,543	1,867	5,410
Total recognised income and expense for the financial period	-	-	-	(1,543)	3,543	2,000	1,414	3,414
At 30 April 2008	76,800	1,024	6,155	6,623	70,465	161,067	47,194	208,261
At 1 February 2009	76,800	1,024	5,503	4,471	26,114	113,912	41,854	155,766
Foreign currency translation, representing net expenses recognised directly to equity	-	-	(69)	(125)	-	(194)	(32)	(226)
Profit for the financial period	-	-	-	-	587	587	284	871
Total recognised income and expense for the financial period	-	-	(69)	(125)	587	393	252	645
At 30 April 2009	76,800	1,024	5,434	4,346	26,701	114,305	42,106	156,411

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Cash Flow Statement
For the Three-Month Period Ended 30 April 2009

	3 months ended	
	30 April	30 April
	2009	2008
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(15,555)	24,575
Net cash used in investing activities	(8,400)	(16,796)
Net cash generated/(used in) financing activities	15,467	(13,663)
Net decrease in cash and cash equivalents	<u>(8,488)</u>	<u>(5,884)</u>
Cash and cash equivalents at beginning of financial period	3,377	7,890
Cash and cash equivalents at end of financial period	<u>(5,111)</u>	<u>2,006</u>

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

	As at	As at
	30 April	30 April
	2009	2008
	RM'000	RM'000
Cash and bank balances	27,937	36,305
Bank overdrafts (included within short term borrowings in Notes B9)	<u>(23,284)</u>	<u>(27,525)</u>
	4,653	8,780
Less : Deposits under lien	<u>(9,764)</u>	<u>(6,774)</u>
	<u>(5,111)</u>	<u>2,006</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 January 2009 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 financial year ended 31 January 2009.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2009.

A3. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the financial year ended 31 January 2009 was not qualified.

A4. Segmental Information of Current Quarter

	Automotive Division *		Power Engineering and Projects Division **		Company		Eliminations		Consolidated	
	30 April 2009	30 April 2008	30 April 2009	30 April 2008	30 April 2009	30 April 2008	30 April 2009	30 April 2008	30 April 2009	30 April 2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External sales	126,302	95,008	25,374	16,897	-	-	-	-	151,676	111,905
Inter-segment sales	4,714	3,002	172	532	315	2,645	(5,201)	(6,179)	-	-
Total revenue	131,016	98,010	25,546	17,429	315	2,645	(5,201)	(6,179)	151,676	111,905
Result										
Segment results/ operating	6,202	10,266	810	(597)	(1,210)	1,707	-	(2,791)	5,802	8,585
Finance costs									(4,222)	(5,001)
Share of (loss)/profit of associates	-	-	(53)	2,978	-	-	-	-	(53)	2,978
Profit before tax									1,527	6,562
Income tax expense									(656)	(1,152)
Profit for the financial period									871	5,410

	Malaysia		Thailand		Indonesia		Consolidated	
	30 April 2009	30 April 2008	30 April 2009	30 April 2008	30 April 2009	30 April 2008	30 April 2009	30 April 2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue from external customers	127,234	72,226	22,549	37,298	1,893	2,381	151,676	111,905

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

** Power Engineering and Projects Division (PEP Division) comprises Power Engineering and Railway and Oil and Gas of fabrication and operation maintenance.

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 2009.

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 30 January 2009.

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 RM224,830,993.

A14. Subsequent Events

There were no other material subsequent events between the end of current quarter and the date of announcement other than as disclosed in B9.

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 2010 (FY10)

For the current quarter, the Group registered a revenue of RM151.7 million and profit before tax of RM1.5 million in comparison to previous financial year corresponding quarter revenue of RM111.9 million and profit before tax of RM6.6 million.

For this quarter, the Automotive Division which comprises the Premium Automotive Dealership (PAD), and Automotive Components Manufacturing, ACM of Malaysia, Thailand and Indonesia, recorded a revenue of RM126.3 million and profit before tax of RM2.4 million. For the previous financial year corresponding quarter, the revenue was RM95.5 million and profit before tax of RM5.4 million.

As from this quarter, the reporting of Power Engineering and Railway Electrification will be combined with the units under Others which comprise the oil and gas units and trading activities. The trading activities in Indonesia ultimately ceased operations as from the last quarter of FY09. This restructured division is referred to as Power Engineering and Projects Division (PEP Division).

The PEPD comprises the following:

- a. Through subsidiaries
 - i. Power Engineering
 - ii. Oil and gas units of fabrication and operation and maintenance
- b. Through associated companies
 - i. Railway Systems Works comprising rail electrification and signalling
 - ii. Telecommunication works

The combined Power Engineering and Projects Division together with its associate companies recorded a revenue of RM25.4 million and profit before tax of RM0.5 million in comparison to the previous financial year corresponding revenue of RM16.6 million and profit before tax of RM1.9 million.

As against the previous financial year corresponding quarter

- i. Total Automotive Division reported an increase of 33% in revenue.
- ii. The Premium Automotive Dealership registered revenue of RM56.7 million, a 2.4 fold increase as this commenced on the last month of Q1FY09.
- iii. Total ACM reported a 11% decrease in revenue.

B1. Performance Review for the First Quarter of Financial Year 2010 (FY10) (Contd.)

- iv. ACM Malaysia recorded a 17% increase in revenue.

Supplies of wire harness for the new Saga which commenced delivery in Q3FY09 continued in this quarter. Door related parts, moulding and sash products for the new Exora commenced production in this quarter. In comparison to the previous financial year corresponding quarter, only Persona and Savvy registered increases in volume.

Kancil parts ceased production in the reporting quarter.

- v. ACM Thailand registered a 40% decrease in revenue in comparison to the previous financial year corresponding quarter. All models recorded decreases in volume except for the new Jazz and the new City which commenced supply in Q1FY09 and Q3FY09 respectively.
- vi. ACM Indonesia recorded a 18% decrease in revenue. Most models experienced reduction except for TD New Canter, Futura and Grand Max. Supply of Daihatsu Luxio moulding commenced in this quarter.
- vii. The Power Engineering and Projects (PEP) Division recorded a 52% increase in revenue in comparison to the previous financial year corresponding quarter brought about by:
- a. 11% reduction in revenue by Power Engineering
 - b. a 3 fold increase in oil and gas activities

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 RM1.5 million against the immediate preceding quarter loss before tax of RM62.1 million.

Overall Automotive Division which comprise the PAD and the ACM of Malaysia, Thailand and Indonesia recorded a 5% decrease in revenue against the immediate preceding quarter.

Premium Automotive Dealership recorded a 31% increase in revenue.

Overall ACM Division decreased by 22% in revenue.

ACM Malaysia recorded a 18% decrease in revenue. Most models encountered reductions in volume except for Persona and Savvy. The supply of door related parts moulding and sash for the new Exora commenced during this quarter.

Compared to the immediate preceding quarter, ACM Thailand's revenue decreased by 27%. Generally most models declined in volumes except for the new City, AAT models and Vega.

ACM Indonesia's revenue improved by 4% from the preceding quarter. Improvements were mostly due to the increases in volumes for most models.

For PEP Division, compared to the preceding quarter, its revenue increased 81% as most activities reported improvement in revenue.

B3. Commentary on Prospects

For ACM Malaysia, revenue is expected to improve with the supply of new parts for Exora which commenced in Q1FY10, Perodua MPV expected in Q3FY10 and the full year impact on supply of wire harness which commenced in Q3FY09. All existing models are expected to experience reduction in volume.

The Pemium Automotive Dealership is expected to improve in volume.

We expect the volume of most ACM Thailand models to encounter reduction except for new Honda City. Supply for EGR Pipe for MMTh will commence in the coming Q2FY10.

For ACM Indonesia, most models are expected to decrease in volume except for Mitsubishi FET and Daihatsu Luxio.

For PEP Division, significant progress on all activities are expected to be recorded on the existing and recently awarded jobs. New awards are expected to materialise.

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	
	30 April 2009 RM'000	30 April 2008 RM'000
Income tax	(245)	(787)
Deferred tax expenses	(411)	(365)
	<u>(656)</u>	<u>(1,152)</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

	Unaudited As at 30 April 2009 RM'000	Audited As at 31 January 2009 RM'000
Short term borrowings		
Secured	85,914	65,391
Unsecured	242,414	233,940
	<u>328,328</u>	<u>299,331</u>
Long term borrowings		
Secured	16,556	22,287
Unsecured	4,535	6,507
	<u>21,091</u>	<u>28,794</u>

Including borrowings denominated in foreign currencies as at 30 April 2009:

	THB'000	RM'000 Equivalent
Thai Baht (THB'000)		
Short term borrowings	602,407	61,843
Long term borrowings	146,576	15,048
	<u>748,983</u>	<u>77,891</u>
	IDR'000	RM'000 Equivalent
Indonesian Rupiah (IDR'000)		
Short term borrowings	14,301	4,505
Long term borrowings	4,270	1,345
	<u>18,571</u>	<u>5,850</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.

On 26 November 2008, the Company wrote to the Trustee asking for further indulgence. In response, two meetings were held on 30 December 2008 and 23 March 2009 between the Company and the Sukukholders to discuss the matter.

On 23 March 2009, the management had informed the Sukukholders, of the Company's intention to appoint advisor/s to propose for a restructuring of the Sukuk. The Directors approved the appointment of PricewaterhouseCoopers Advisory Services Sdn Bhd.

On 9 April 2009, the Company announced that it was unable to deposit and maintain a credit balance equivalent to at least 50% (or RM25million) of the Sukuk first principal repayment of RM50 million due on 9 July 2009 into the Ijarah Service Reserve Account (ISRA).

On 15 April 2009, the Company received a notice by CIMB Trustee Berhad for the non-compliance with Ijarah Service Reserve Account (ISRA) Deposit Requirement dated 14 April 2009 and were given thirty (30) business days from the Notice to remedy the above breach. The Company however unable to remedy the aforesaid breach by 27 May 2009.

On 10 June 2009, the Company announced that it was unable to comply with the requirement under the Transaction Documents of the Sukuk to deposit the remaining 50% (or RM25million) of the Sukuk first principal repayment of RM50 million due on 9 July 2009 into the Ijarah Service Reserve Account (ISRA).

On 12 June 2009, the Company received a notice by CIMB Trustee Berhad for the non-compliance with Ijarah Service Reserve Account (ISRA) Deposit Requirement dated 10 June 2009 and were given thirty (30) business days from the Notice (to expire on 22 July 2009) to remedy the breach.

On 17 June 2009, a wholly owned subsidiary company, Ingress Sukuk Berhad issued a notice to the holders of the Sukuk to convene a meeting of Sukukholders on 2 July 2009 to consider an extraordinary resolution to extend the maturity date of the first tranche of the Sukuk due on 9 July 2009 to 9 January 2010 to enable the Company to formulate and finalise a comprehensive financial restructuring plan for the whole of the Ingress Group.

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.

An application had been 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”).

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.

B11. Changes in Material Litigation (Contd.)

(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 filed a Writ of Summons & Statement of Claims (“the Writ”) dated 18 December 2008 at the Kuala Lumpur High Court against Ramunia Fabricators Sdn Bhd and Shahrudin Bin Tahir (“the Defendant”).

In this suit, IFSB and TBGSB is claiming for the following sums alleged to be due and owing by the 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.

B12. Dividend Payable

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

B13. Earnings Per Share

	3 months ended	
	30 April 2009	30 April 2008
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	587	3,543
Number of ordinary shares in issue (RM'000)	76,800	76,800
Basic, for profit of the financial period (sen)	0.8	4.6

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 30 June 2009.