

**Condensed Consolidated Income Statements  
For the Three-Month Period Ended 31 October 2009**

	Note	3 months ended		9 months ended	
		31 October 2009 RM'000	31 October 2008 RM'000	31 October 2009 RM'000	31 October 2008 RM'000
Revenue	A4	158,469	155,858	487,833	423,167
Costs of sales		(133,269)	(126,516)	(419,992)	(345,538)
<b>Gross profit</b>		<u>25,200</u>	<u>29,342</u>	<u>67,841</u>	<u>77,629</u>
Other income/(expenses)		1,280	(1,150)	3,905	3,381
Administrative and other expenses		(14,858)	(18,565)	(43,666)	(49,401)
Finance costs		(3,758)	(4,954)	(12,209)	(14,679)
Share of profit/(loss) of associates		250	(62)	(750)	2,707
<b>Profit before tax</b>	A4	<u>8,114</u>	<u>4,611</u>	<u>15,121</u>	<u>19,637</u>
Income tax expense	B5	(1,662)	(1,503)	(3,073)	(4,285)
<b>Profit for the financial period</b>		<u>6,452</u>	<u>3,108</u>	<u>12,048</u>	<u>15,352</u>
Attributable to:					
Equity holders of the Company		4,700	1,224	8,238	9,663
Minority interests		1,752	1,884	3,810	5,689
		<u>6,452</u>	<u>3,108</u>	<u>12,048</u>	<u>15,352</u>
<b>Profit per share attributable to equity holders of the Company:</b>					
Basic, for profit of the financial period (sen)	B13	<u>6.1</u>	<u>1.6</u>	<u>10.7</u>	<u>12.6</u>

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 31 October 2009**

	<b>Note</b>	<b>Unaudited As at 31 October 2009 RM'000</b>	<b>Audited As at 31 January 2009 RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		246,532	271,580
Prepaid land lease payments		25,616	25,940
Intangible assets		6,273	5,052
Investment in associates		9,880	10,630
Other investment		100	100
Deferred tax assets		22,274	23,676
		<u>310,675</u>	<u>336,978</u>
<b>Current assets</b>			
Inventories		73,604	81,967
Trade receivables		123,730	112,016
Other receivables		98,574	98,579
Cash and bank balances		34,421	30,599
		<u>330,329</u>	<u>323,161</u>
<b>TOTAL ASSETS</b>		<b><u>641,004</u></b>	<b><u>660,139</u></b>

**Condensed Consolidated Balance Sheet**  
**As at 31 October 2009**

	<b>Note</b>	<b>Unaudited As at 31 October 2009 RM'000</b>	<b>Audited As at 31 January 2009 RM'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		76,800	76,800
Reserves		46,354	37,112
		<u>123,154</u>	<u>113,912</u>
Minority interests		46,007	41,854
<b>Total equity</b>		<u>169,161</u>	<u>155,766</u>
<b>Non-current liabilities</b>			
Borrowings	B9	<u>12,059</u>	<u>28,794</u>
<b>Current liabilities</b>			
Borrowings	B9	309,171	299,331
Trade payables		86,483	106,998
Other payables		63,245	67,436
Tax payables		885	1,814
		<u>459,784</u>	<u>475,579</u>
Total liabilities		<u>471,843</u>	<u>504,373</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>641,004</b></u>	<u><b>660,139</b></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 Nine-Month Period Ended 31 October 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
<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	-	-	-	(126)	-	(126)	106	(20)
Profit for the financial period	-	-	-	-	9,663	9,663	5,689	15,352
Total recognised income and expenses for the financial period	-	-	-	(126)	9,663	9,537	5,795	15,332
Purchase of shares by minority interest	-	-	-	-	-	-	375	375
Dividend	-	-	-	-	-	-	(1,200)	(1,200)
<b>At 31 October 2008</b>	<b>76,800</b>	<b>1,024</b>	<b>6,155</b>	<b>8,040</b>	<b>76,585</b>	<b>168,604</b>	<b>50,750</b>	<b>219,354</b>
<b>At 1 February 2009</b>	<b>76,800</b>	<b>1,024</b>	<b>5,503</b>	<b>4,471</b>	<b>26,114</b>	<b>113,912</b>	<b>41,854</b>	<b>155,766</b>
Foreign currency translation, representing net income recognised directly to equity	-	-	22	982	-	1,004	343	1,347
Profit for the financial period	-	-	-	-	8,238	8,238	3,810	12,048
Total recognised income and expenses for the financial period	-	-	22	982	8,238	9,242	4,153	13,395
<b>At 31 October 2009</b>	<b>76,800</b>	<b>1,024</b>	<b>5,525</b>	<b>5,453</b>	<b>34,352</b>	<b>123,154</b>	<b>46,007</b>	<b>169,161</b>

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 Nine-Month Period Ended 31 October 2009**

	<b>9 months ended</b>	
	<b>31 October 2009 RM'000</b>	<b>31 October 2008 RM'000</b>
Net cash generated from operating activities	21,247	56,289
Net cash used in investing activities	(10,528)	(59,321)
Net cash used in financing activities	(7,238)	(16,505)
Net increase/(decrease) in cash and cash equivalents	<u>3,481</u>	<u>(19,537)</u>
Cash and cash equivalents at beginning of financial period	3,377	7,890
Cash and cash equivalents at end of financial period	<u><u>6,858</u></u>	<u><u>(11,647)</u></u>

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

	<b>As at 31 October 2009 RM'000</b>	<b>As at 31 October 2008 RM'000</b>
	Cash and bank balances	34,421
Bank overdrafts (included within short term borrowings in Notes B9)	<u>(19,866)</u>	<u>(22,815)</u>
	14,555	(3,438)
Less : Deposits under lien	<u>(7,697)</u>	<u>(8,209)</u>
	<u><u>6,858</u></u>	<u><u>(11,647)</u></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	
	31 October 2009	31 October 2008	31 October 2009	31 October 2008	31 October 2009	31 October 2008	31 October 2009	31 October 2008	31 October 2009	31 October 2008
	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	140,995	133,486	17,474	22,372	-	-	-	-	158,469	155,858
Inter-segment sales	4,742	17,325	-	-	623	2,645	(5,365)	(19,970)	-	-
Total revenue	145,737	150,811	17,474	22,372	623	2,645	(5,365)	(19,970)	158,469	155,858
<b>Result</b>										
Operating profit/(loss)	12,189	10,362	140	1,240	(707)	(134)	-	(1,841)	11,622	9,627
Finance costs									(3,758)	(4,954)
Share of profit/(loss) of associates	-	-	250	(62)	-	-	-	-	250	(62)
Profit before tax									8,114	4,611
Income tax expense									(1,662)	(1,503)
Profit for the financial period									6,452	3,108

	Malaysia		Thailand		Indonesia		Consolidated	
	31 October 2009	31 October 2008	31 October 2009	31 October 2008	31 October 2009	31 October 2008	31 October 2009	31 October 2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue from external customers	120,343	108,329	36,282	43,529	1,844	4,000	158,469	155,858

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

\*\* Power Engineering and Projects Division (PEP Division) comprises Power Engineering & Railway and Oil & Gas

**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 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 31 January 2009.

**A13. Changes in Contingent Liabilities or Contingent Assets**

The Company provides corporate guarantee to financial institutions for all bank facilities utilised by the Group of RM362,182,426.

**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 Third Quarter of Financial Year 2010 (FY10)**

For the current quarter, the Group registered a profit before tax of RM8.1 million on a revenue of RM158.5 million in comparison to previous financial year corresponding quarter revenue of RM155.9 million and profit before tax of RM4.6 million.

In the reporting quarter,

- i. the Automotive Division (AD) recorded a profit before tax of RM8.7 million and revenue of RM141.0 million as against previous financial year corresponding quarter profit before tax of RM5.9 million and revenue of RM133.5 million.
- ii. the Power Engineering and Projects Division (PEP Division) recorded a revenue of RM17.5 million and profit before tax of RM22,000 in comparison to previous financial year corresponding quarter revenue of RM22.4 million and loss before tax of RM0.8 million. Together with its associate companies, the overall PEP Division recorded profit before tax of RM0.3 million in comparison to previous financial year loss before tax of RM0.8 million.

As against the previous financial year corresponding quarter,

- i. Total Automotive Division reported an increase of 6% in revenue. Automotive Components Manufacturing (ACM) recorded a 2% decrease while Premium Automotive Dealership (PAD) recorded a 26% increase in revenue.
- ii. ACM Malaysia recorded a 14% increase in revenue. Supplies of wire harness for Proton Persona and sash for Perodua Alza commenced in this quarter. Door related parts, moulding and sash products for Proton Exora which commenced production in Q1FY10 continued this quarter. In comparison to the previous financial year corresponding quarter, the existing models for Proton recorded decreases while Perodua Viva and Perodua Myvi registered increases in volume.
- iii. ACM Thailand registered a 17% decrease in revenue in comparison to previous year corresponding quarter. EGR Pipe for Mitsubishi commenced delivery in this quarter. Most of Honda models registered increases in volume together with Ford Everest, Mitsubishi 3E45 and Nissan H618B.
- iv. ACM Indonesia recorded a 38.4% decrease in revenue as compared to previous financial year corresponding quarter as all models recorded decreases in volume.
- v. PEP Division recorded a 22% decrease in revenue.

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

For financial year to date, the Group recorded a 15% improvement in revenue in comparison to previous financial year to date with a profit before tax of RM15.1 million.

- i. Overall, Automotive Division registered a 19% increase in revenue.  
The Automotive Components Manufacturing and Premium Automotive Dealership recorded a 3% and 70% increase in revenue respectively.
- ii. ACM Malaysia achieved a 37% increase in revenue.  
The increase was mainly due to supply of the components for Proton Exora which commenced in Q1FY10.
- iii. ACM Thailand experienced a 32% reduction in revenue.
- iv. ACM Indonesia recorded a 34% decrease in revenue.
- v. PEP Division posted a 6% decrease in revenue compared to previous financial year to date.

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

The Group recorded a decrease of 11% in revenue with a profit before tax of RM8.11 million against the immediate preceding quarter profit before tax of RM5.48 million.

Overall Automotive Division which comprises the Premium Automotive Dealership (PAD) and the ACM of Malaysia, Thailand and Indonesia recorded a 10% decrease in revenue against the immediate preceding quarter.

ACM Malaysia recorded a 29% decrease in revenue.

ACM Thailand's revenue increased by 42%. Most models registered increases in volume.

ACM Indonesia maintained its revenue from the preceding quarter.

For PEP Division, compared to the preceding quarter, its revenue decreased by 15%.

### B3. Commentary on Prospects

For ACM Malaysia, revenue is expected to improve with the supplies of Proton Exora, Perodua Alza and wire harness for Proton Saga and Persona.

For ACM Thailand, the increase in demand experienced in this Q3FY10 will continue due to the expected encouraging volume.

For PEP Division, significant progress is expected to be recorded on the existing and recently awarded jobs.

### 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 2009 RM'000	31 October 2008 RM'000	31 October 2009 RM'000	31 October 2008 RM'000
Income tax	(636)	(726)	(1,671)	(2,423)
Deferred tax expenses	(1,026)	(777)	(1,402)	(1,862)
	<u>(1,662)</u>	<u>(1,503)</u>	<u>(3,073)</u>	<u>(4,285)</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

	<b>Unaudited As at 31 October 2009 RM'000</b>	<b>Audited As at 31 January 2009 RM'000</b>
<b>Short term borrowings</b>		
Secured	75,055	65,391
Unsecured	234,116	233,940
	<u>309,171</u>	<u>299,331</u>
<b>Long term borrowings</b>		
Secured	9,103	22,287
Unsecured	2,956	6,507
	<u>12,059</u>	<u>28,794</u>

Including borrowings denominated in foreign currencies as at 31 October 2009:

	<b>THB'000</b>	<b>RM'000 Equivalent</b>
<b>Thai Baht (THB'000)</b>		
Short term borrowings	545,983	59,753
Long term borrowings	86,733	12,017
	<u>632,716</u>	<u>71,770</u>
	<b>IDR'000</b>	<b>RM'000 Equivalent</b>
<b>Indonesian Rupiah (IDR'000)</b>		
Short term borrowings	12,832,590	4,744
Long term borrowings	2,719,181	1,273
	<u>15,551,771</u>	<u>6,017</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 19 September 2008 the Sukukholders agreed to grant the Company 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 Company appointed PricewaterhouseCoopers Advisory Services Sdn Bhd as financial advisor.

On 9 April 2009, the Company announced that it was unable to deposit and maintain a credit balance equivalent to at least 50% (or RM25 million) 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 ISRA Deposit Requirement above and were given thirty (30) business days from the Notice to remedy the 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 above and were given thirty (30) business days from the Notice (expired on 22 July 2009) to remedy the breach.

On 17 June 2009, an Extraordinary General Meeting ("EGM") of the Sukukholders notice was issued to convene the EGM on 2 July 2009 to consider a 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 (the Resolution).

On 2 July 2009 at the EGM of the Sukukholders, the above Resolution was duly passed.

Since then, the Company has been in close negotiations with the Sukukholders over the terms of a restructuring plan.

**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 Shaharudin 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.

The Defendant in the above suits i.e. Ramunia Fabricators Sdn Bhd was granted a Restraining Order pursuant Section 176 (10) Companies Act 1965 from 23 October 2009 until 1 March 2010 on the application of Ramunia Holdings Berhad.

At this juncture, the Directors of the Company do not expect the claims to have any adverse material impact on the financial result and operation of Ingress Corporation Berhad in the current financial year.

**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>9 months ended</b>	
	<b>31 October 2009</b>	<b>31 October 2008</b>	<b>31 October 2009</b>	<b>31 October 2008</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	4,700	1,224	8,238	9,663
Number of ordinary shares in issue (RM'000)	76,800	76,800	76,800	76,800
Basic, for profit of the financial period (sen)	<u>6.1</u>	<u>1.6</u>	<u>10.7</u>	<u>12.6</u>

**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 15 December 2009.