

Condensed Consolidated Income Statements
For the Three-Month Period Ended 31 January 2010

	Note	3 months ended		12 months ended	
		31 January 2010 RM'000	31 January 2009 RM'000	31 January 2010 RM'000	31 January 2009 RM'000
Revenue	A4	164,028	146,354	651,861	569,551
Costs of sales		(137,036)	(174,130)	(557,028)	(519,669)
Gross profit/(loss)		<u>26,992</u>	<u>(27,776)</u>	<u>94,833</u>	<u>49,882</u>
Other income		350	4,369	4,255	7,749
Administrative and other expenses		(17,913)	(31,838)	(61,580)	(81,239)
Finance costs		(5,273)	(6,648)	(17,482)	(21,327)
Share of profit/(loss) of associates		2,146	(208)	1,397	2,499
Profit/(loss) before tax	A4	<u>6,302</u>	<u>(62,101)</u>	<u>21,423</u>	<u>(42,436)</u>
Income tax expense	B5	426	3,485	(2,646)	(800)
Profit/(loss) for the financial period		<u>6,728</u>	<u>(58,616)</u>	<u>18,777</u>	<u>(43,236)</u>
Attributable to:					
Equity holders of the Company		2,657	(50,501)	10,896	(40,808)
Minority interests		4,071	(8,115)	7,881	(2,426)
		<u>6,728</u>	<u>(58,616)</u>	<u>18,777</u>	<u>(43,234)</u>
Profit per share attributable to equity holders of the Company:					
Basic, for profit/(loss) of the financial period (sen)	B13	<u>3.5</u>	<u>(65.8)</u>	<u>14.2</u>	<u>(53.1)</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 January 2010

	Note	Unaudited As at 31 January 2010 RM'000	Audited As at 31 January 2009 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		311,587	271,580
Prepaid land lease payments		27,287	25,940
Intangible assets		6,384	5,052
Investment in associates		12,027	10,630
Other investment		100	100
Deferred tax assets		23,705	23,676
		<u>381,090</u>	<u>336,978</u>
Current assets			
Inventories		59,337	81,967
Trade receivables		129,294	112,016
Other receivables		89,241	98,579
Cash and bank balances		45,666	30,599
		<u>323,538</u>	<u>323,161</u>
TOTAL ASSETS		<u>704,628</u>	<u>660,139</u>

Condensed Consolidated Balance Sheet
As at 31 January 2010

	Note	Unaudited As at 31 January 2010 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		72,387	37,112
		<u>149,187</u>	<u>113,912</u>
Minority interests		51,082	41,854
Total equity		<u>200,269</u>	<u>155,766</u>
Non-current liabilities			
Borrowings	B9	<u>13,572</u>	<u>28,794</u>
Current liabilities			
Borrowings	B9	297,504	299,331
Trade payables		111,465	106,998
Other payables		81,081	67,436
Tax payables		737	1,814
		<u>490,787</u>	<u>475,579</u>
Total liabilities		<u>504,359</u>	<u>504,373</u>
TOTAL EQUITY AND LIABILITIES		<u>704,628</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 Twelve-Month Period Ended 31 January 2010

	<-----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 expenses recognised directly to equity	-	-	(652)	(3,695)	-	(4,347)	(675)	(5,022)
Loss for the financial period	-	-	-	-	(40,808)	(40,808)	(2,426)	(43,234)
Total recognised income and expenses for the financial period	-	-	(652)	(3,695)	(40,808)	(45,155)	(3,101)	(48,256)
Purchase of shares by minority interest	-	-	-	-	-	-	375	375
Dividend	-	-	-	-	-	-	(1,200)	(1,200)
At 31 January 2009	76,800	1,024	5,503	4,471	26,114	113,912	41,854	155,766
At 1 February 2009	76,800	1,024	5,503	4,471	26,114	113,912	41,854	155,766
Revaluation increase on land and buildings net of deferred tax	-	-	24,858	-	-	24,858	1,610	26,468
Foreign currency translation, representing net income/(expenses) recognised directly to equity	-	-	79	(558)	-	(479)	(263)	(742)
Profit for the financial period	-	-	-	-	10,896	10,896	7,881	18,777
Total recognised income and expenses for the financial period	-	-	24,937	(558)	10,896	35,275	9,228	44,503
At 31 January 2010	76,800	1,024	30,440	3,913	37,010	149,187	51,082	200,269

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 Twelve-Month Period Ended 31 January 2010

	12 months ended	
	31 January 2010	31 January 2009
	RM'000	RM'000
Net cash generated from operating activities	55,825	36,532
Net cash used in investing activities	(23,708)	(35,048)
Net cash used in financing activities	(21,188)	(5,997)
Net increase/(decrease) in cash and cash equivalents	<u>10,929</u>	<u>(4,513)</u>
Cash and cash equivalents at beginning of financial period	3,377	7,890
Cash and cash equivalents at end of financial period	<u>14,306</u>	<u>3,377</u>

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

	As at 31 January 2010	As at 31 January 2009
	RM'000	RM'000
Cash and bank balances	45,666	30,598
Bank overdrafts (included within short term borrowings in Notes B9)	<u>(18,940)</u>	<u>(18,221)</u>
	26,726	12,377
Less : Deposits under lien	<u>(12,420)</u>	<u>(9,000)</u>
	<u>14,306</u>	<u>3,377</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.

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 January 2010.

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, land and buildings were revalued on 18 November 2009 by an independent professional valuer.

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 RM321,231,138.

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 Fourth Quarter of Financial Year 2010 (FY10)

For the current quarter, the Group registered a profit before tax of RM6.7 million on a revenue of RM164.0 million, which was a marked improvement in comparison to the loss before tax of RM58.6 million and revenue of RM146.4 million for the corresponding quarter in the previous financial year.

In the reporting quarter,

- i. the Automotive Division (AD) recorded a profit before tax of RM6.4 million and revenue of RM137.4 million as against previous year's corresponding quarter loss before tax of RM47.3 million and revenue of RM132.3 million
- ii. the Power Engineering and Projects Division (PEP Division) recorded a revenue of RM26.6 million but registered a loss before tax of RM0.6 million in comparison to previous financial year's corresponding quarter revenue of RM14.0 million and loss before tax of RM14.7 million. Together with its associate companies, the overall PEP Division recorded profit before tax of RM1.5 million in comparison to previous financial year loss before tax of RM14.9 million.

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

- i. Total Automotive Division reported an increase of 3.8% in revenue. Automotive Components Manufacturing (ACM) registered a 7.7% decrease whilst Premium Automotive Dealership (PAD) recorded a 13.1% increase in revenue.
- ii. ACM Malaysia recorded a 26.8% reduction in revenue. Ingress commenced the supplies for door related part and sash for Perodua Alza in the current quarter.
- iii. ACM Thailand registered a 26.2% increase in revenue in comparison to the previous financial year corresponding quarter. Supply for Mitsubishi EGR pipe, which commenced in the preceding quarter, continued this quarter. All models showed increases in volume especially contribution from the new Honda Jazz and Honda City as well as Mitsubishi Triton.
- iv. ACM Indonesia recorded a 22.5% increase in revenue albeit on a lower scale. Other than Suzuki APV, all the other models increased in sales volume for the quarter.
- v. PEP Division recorded a commendable 89.8% increase in revenue.

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

For the overall FY10, the Group recorded a 14.5% improvement in revenue in comparison to the previous financial year.

- i. Overall, Automotive Division registered a 15.2% increase in revenue. Premium Automotive Dealership registered a 51.4% increase in revenue.
- ii. ACM Malaysia posted an 18.2% increase in revenue.
For the financial year, ACM Malaysia commenced the supplies of wire harness for Proton Persona and door related parts and sash for Perodua Alza as well as the commencement of production for door related parts, mouldings and sash for Proton Exora. However, in comparison to the previous year, Perodua MyVi improved in volumes, whilst Perodua Viva and existing models of Proton decreased in volumes.
- iii. ACM Thailand recorded a 20.2% decrease in revenue.
For the full financial year, other than the supply for the new Honda City, virtually all other models recorded drop in volumes.
- iv. ACM Indonesia registered a 24.1% decrease in revenue.
- v. PEP Division achieved a 10.2% increase in revenue compared to the previous financial year.

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

The Group recorded an increase of 3.5% in revenue, with a profit before tax of RM6.3 million against the immediate preceding quarter profit before tax of RM8.1 million.

Overall Automotive Division, which comprises the Premium Automotive Dealership (PAD) and the ACM of Malaysia, Thailand and Indonesia, recorded a 2.5% decrease in revenue against the immediate preceding quarter.

ACM Malaysia recorded a marked 126.1% increase in revenue backed by the encouraging contribution from our wire harness operations.

Compared to the immediate preceding quarter, ACM Thailand's revenue improved slightly by 7.7%.

ACM Indonesia's revenue improved by 21.1% from the preceding quarter.

For PEP, compared to the preceding quarter, its revenue increased by 52.3%.

B3. Commentary on Prospects

The automotive industries in Thailand, Malaysia and Indonesia registered improvements in the second half of FY10. Going forward, we are optimistic of continue improvements. We are expecting continued contributions from our wire harness operations as well as from Perodua Alza and Proton Exora models.

For PEP, we expect significant progress on the Ipoh-Padang Besar double tracking for System Works. 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		12 months ended	
	31 January	31 January	31 January	31 January
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income tax	(1,005)	(859)	(2,675)	(3,282)
Deferred tax expenses	1,431	4,344	29	2,482
	<u>426</u>	<u>3,485</u>	<u>(2,646)</u>	<u>(800)</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 31 January 2010 RM'000	Audited As at 31 January 2009 RM'000
Short term borrowings		
Secured	80,517	65,391
Unsecured	216,987	233,940
	<u>297,504</u>	<u>299,331</u>
Long term borrowings		
Secured	9,396	22,287
Unsecured	4,176	6,507
	<u>13,572</u>	<u>28,794</u>

Including borrowings denominated in foreign currencies as at 31 January 2010:

	THB'000	RM'000 Equivalent
Thai Baht (THB'000)		
Short term borrowings	592,899	60,990
Long term borrowings	57,833	5,949
	<u>650,732</u>	<u>66,939</u>
	IDR'000	RM'000 Equivalent
Indonesian Rupiah (IDR'000)		
Short term borrowings	12,511,656	4,567
Long term borrowings	1,539,855	562
	<u>14,051,511</u>	<u>5,129</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.

Further on 6 January 2010, the Sukukholders held another EGM, where they duly granted a further extension for the completion of the Restructuring Plan until 9 July 2010.

Since then, Ingress and the Sukukholders are negotiating to finalise the terms of the 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 (RO) pursuant Section 176 (10) Companies Act 1965 from 23 October 2009 until 1 March 2010 on the application of Ramunia Holdings Berhad. Furthermore, Ramunia Fabricators Sdn Bhd has secured further extension to the RO from 2 March 2010 until 30 April 2010.

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

	3 months ended		12 months ended	
	31 January 2010	31 January 2009	31 January 2010	31 January 2009
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	2,657	(50,501)	10,896	(40,808)
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>3.5</u>	<u>(65.8)</u>	<u>14.2</u>	<u>(53.1)</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 23 March 2010.