

**Third quarter interim report for the financial period ended 31 December 2008**  
(The figures have not been audited)

**EXPLANATORY NOTES**

**1. Basis of Preparation**

The interim financial report has been prepared under the historical cost convention.

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2008. These explanatory notes attached to the interim financial report provide explanations of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2008.

**2. Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2008 except for the adoption of the following revised Financial Reporting Standards (“FRS”) and Issues Committee Interpretations (“IC Interpretation”) that are effective for the Group’s financial statements commencing 1 April 2008:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 8	Scope of FRS 2

The adoption of the above FRSs and IC Interpretation does not have any significant financial impact to the Group.

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**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 March 2008 was not qualified.

**4. Segmental Information**

	Audio RM'000	Chemical paints RM'000	Electrical equipment RM'000	Total RM'000
<b>9-month ended 31 December 2008</b>				
<b>Revenue</b>				
External revenue	<u>168,840</u>	<u>28,563</u>	<u>45,937</u>	<u>243,340</u>
<b>Results</b>				
Segment results	4,121	5,817	917	10,855
Unallocated corporate expenses				<u>(196)</u>
Operating profit				10,659
Finance costs				(139)
Share of results in an associate	-	1,543	-	1,543
Share of results in a jointly controlled entity	-	-	271	<u>271</u>
Profit before tax				12,334
Tax expense				<u>(2,646)</u>
Profit for the period				<u><u>9,688</u></u>
<b>9-month ended 31 December 2007</b>				
<b>Revenue</b>				
External revenue	<u>166,289</u>	<u>36,822</u>	<u>66,164</u>	<u>269,275</u>
<b>Results</b>				
Segment results	7,494	9,779	2,029	19,302
Unallocated corporate expenses				<u>(249)</u>
Operating profit				19,053
Finance costs				(269)
Share of results in an associate	-	1,727	-	1,727
Share of results in a jointly controlled entity	-	-	134	<u>134</u>
Profit before tax				20,645
Tax expense				<u>(4,335)</u>
Profit for the period				<u><u>16,310</u></u>

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**5. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income and cash flow during the current quarter and financial period-to-date.

**6. Changes in Estimates**

There were no significant changes in estimates of amount reported in prior interim period or prior financial year that have a material effect in the current quarter and financial period-to-date.

**7. Comments about Seasonal or Cyclical Factors**

Sales of the Group are seasonal and are affected by economic conditions in countries in which the products are sold.

**8. Dividends Paid**

	<b>Current year to date</b>	<b>Preceding year corresponding period</b>
	<b>RM'000</b>	<b>RM'000</b>
First interim dividend of 2.8 sen less tax and tax exempt of 3.2 sen per share for the financial year ended 31 March 2008	-	9,323
Second interim single tier tax-exempt of 3.75 sen per share for the financial year ended 31 March 2008	<b>6,574</b>	-
Final single tier tax-exempt of 4.5 sen per share for the financial year ended 31 March 2008	<b>7,812</b>	-
	<hr/> <b>14,386</b> <hr/>	<hr/> 9,323 <hr/>

**9. Carrying Amount of Revalued Assets**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

**Third quarter interim report for the financial period ended 31 December 2008**  
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**10. Debt and Equity Securities**

**(a) Employee Share Option Scheme (“ESOS”)**

During the financial period-to-date, the Company issued 177,000 new ordinary shares of RM0.50 each for cash arising from the exercise of options granted under the Company’s ESOS.

**(b) Share buybacks**

During the financial period-to-date, the Company repurchased 3,086,000 of its issued ordinary shares from the open market at an average price of RM0.88 per share. The total consideration paid for the repurchase including transaction costs was RM2,711,862 and this was financed by internally generated funds.

Other than the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares for the current financial year-to-date.

**11. Changes in Composition of the Group**

There was no change in the composition of the Group for the current quarter and financial period-to-date.

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

There were no contingent liabilities or contingent assets since the last annual balance sheet date.

**13. Subsequent Events**

There were no material events subsequent to 31 December 2008 that have not been reflected in the interim report.

**14. Review of Performance**

For the current quarter under review, the Group’s loss before tax was RM1.3 million as compared to profit before tax of RM4.8 million in preceding year’s corresponding quarter. The drop was mainly due to significantly lower sales by all division with 26% drop in audio division, 21% drop in chemical paints division and 40% drop in electrical equipment division.

For the 9-month period under review, the Group’s profit before tax dropped by 40% from RM20.6 million to RM12.3 million as a result of drop in sales.

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**EXPLANATORY NOTES**

**15. Material Change In Profit Before Tax For The Current Quarter As Compared With The Immediate Preceding Quarter**

The analysis of contribution by segment is as follows:

	<b>Current quarter RM'000</b>	<b>Preceding quarter RM'000</b>	<b>%</b>
Audio	<b>(1,813)</b>	4,047	>(100)
Chemical paints	<b>1,737</b>	2,054	(15)
Electrical equipment	<b>(1,532)</b>	1,746	>(100)
	<b>(1,608)</b>	7,847	
Unallocated corporate expenses	<b>(54)</b>	(101)	47
Operating (Loss)/ profit	<b>(1,662)</b>	7,746	>(100)
Finance costs	<b>(32)</b>	(60)	47
Share of results in an associate	<b>349</b>	653	(47)
Share of results in a jointly controlled entity	<b>84</b>	88	(5)
(Loss)/Profit before tax	<b>(1,261)</b>	8,427	

All divisions reported significantly lower sales with 46% drop in audio, 29% drop in chemical paints and 32% in electrical equipment. The drop in total sales from RM97.7 million to RM56.8 million has caused the Group to register operating loss of RM1.7 million from operating profit of RM7.7 million in the immediate preceding quarter.

**16. Commentary on Prospects**

Owing to the declining world economic situation, the Board is of the opinion that the Group is unlikely to meet the Board's expectation for the financial year ending March 2009. Nevertheless, the Group expects the financial year ending March 2009 to be profitable.

**17. Deviation from Profit Forecast and Profit Guarantee**

The Group did not provide any profit forecast in a public document and therefore, this note is not applicable.

**Third quarter interim report for the financial period ended 31 December 2008**  
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**EXPLANATORY NOTES**

**18. Income Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/08 RM'000	Preceding year corresponding quarter 31/12/07 RM'000	Current year To date 31/12/08 RM'000	Preceding year corresponding period 31/12/07 RM'000
Current Taxation	(55)	1,300	2,436	4,885
Deferred Taxation	(362)	(278)	212	(500)
	(417)	1,022	2,648	4,385
Over provision	-	-	(2)	(50)
	(417)	1,022	2,646	4,335

The effective tax rates for the current quarter and year-to-date are lower than the statutory tax rate principally due to the utilisation of reinvestment allowance and unabsorbed tax losses.

**19. Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investments and/or properties outside the ordinary course of business of the Group for the current quarter and financial year to date.

**20. Quoted Securities**

- (a) There were no purchases and/or disposal of quoted securities for the current quarter and financial year-to-date.
- (b) Total investment in quoted securities (classified under long term investment) as at 31 December 2008 are as follows: -

	31/12/08 RM'000
<b>At cost / carrying value:-</b>	
Shares quoted in Malaysia	3,756
<b>At market value:-</b>	
Shares quoted in Malaysia	3,850

**21. Corporate Proposals**

There was no corporate proposal announced which remained incomplete as at the date of issue of the interim report.

**Third quarter interim report for the financial period ended 31 December 2008**  
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**EXPLANATORY NOTES**

**22. Group Borrowings and Debt Securities**

The Group does not have any borrowings and debt securities as at 31 December 2008.

**23. Off Balance Sheet Financial Instruments**

Forward foreign exchange sale contracts that were entered into as at 3 February 2009 (being a date not earlier than 7 days from the date of issue of the quarterly report) by certain subsidiary companies were RM11.6 million. These contracts were entered into as hedges for sales denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to subsidiary companies' foreign currencies denominated estimated receipts. The maturity period of these contracts ranges from January 2009 to March 2009.

**24. Material Litigation**

The Group does not have any material litigation as at the date of this report.

**25. Dividend Payable**

The Board of Directors had proposed a single tier tax exempt final dividend of 4.5 sen per share of RM0.50 each in respect of the financial year ended 31 March 2008 (31 March 2007: 2.8 sen per share of RM0.50 each less tax and tax exempt of 3.2 sen per share of RM0.50 each) and this dividend was approved by the shareholders at the Annual General Meeting held on 19 September 2008. This dividend was paid on 10 November 2008

The Directors have not recommended any interim dividend for the quarter ended 31 December 2008. (31 December 2007: single tier tax exempt dividend of 3.75 sen per share of RM0.50 each)

**Third quarter interim report for the financial period ended 31 December 2008**  
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**EXPLANATORY NOTES**

**26. Earnings Per Share**

**a) Basic earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/08	Preceding year corresponding quarter 31/12/07	Current year to date 31/12/08	Preceding year corresponding period 31/12/07
Net (loss)/profit attributable to equity holders of the parent (RM'000)	<b>(508)</b>	3,549	<b>9,368</b>	15,332
Weighted average no. of shares in issue ('000)	<b>172,686</b>	176,721	<b>173,504</b>	176,590
Basic earnings per share (sen)	<b>(0.29)</b>	2.01	<b>5.40</b>	8.68

**b) Diluted earnings per share**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/08	Preceding year corresponding quarter 31/12/07	Current year to date 31/12/08	Preceding year corresponding period 31/12/07
Net (loss)/profit attributable to equity holders of the parent (RM'000)	<b>(508)</b>	3,549	<b>9,368</b>	15,332
Weighted average no. of shares for diluted earnings per share ('000)	<b>173,118</b>	177,477	<b>174,032</b>	177,346
Diluted earnings per share (sen)	<b>(0.29)</b>	2.00	<b>5.38</b>	8.65