

Unaudited Condensed Consolidated Balance Sheet as at 30 September 2009

	As at 30/09/09 RM'000	Audited As at 31/12/08 RM'000
ASSETS		
Property, plant and equipment	23,318	24,354
Investment in quoted shares	13	13
	<u>23,331</u>	<u>24,367</u>
Receivables, deposits and prepayments	4,765	4,015
Inventories	7,384	8,419
Current tax assets	176	166
Cash and cash equivalents	8,249	7,093
Total current assets	<u>20,574</u>	<u>19,693</u>
TOTAL ASSETS	<u>43,905</u>	<u>44,060</u>
EQUITY		
Share capital	56,375	56,375
Reserves	(14,717)	(15,037)
Total equity attributable to shareholders	<u>41,658</u>	<u>41,338</u>
Minority interests	79	37
	<u>41,737</u>	<u>41,375</u>
LIABILITIES		
Deferred taxation	20	17
Hire purchase creditors	436	703
Total non-current liabilities	<u>456</u>	<u>720</u>
Payables and accruals	1,055	1,018
Short term borrowings	657	947
Total current liabilities	<u>1,712</u>	<u>1,965</u>
Total liabilities	2,168	2,685
TOTAL EQUITY AND LIABILITIES	<u>43,905</u>	<u>44,060</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.74	0.73

Notes :

Due to change of financial year end from 30 April 2009 to 31 December 2008, no comparative figures are presented.

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2008.

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Income Statement
For the third quarter ended 30 September 2009**

	3 months ended 30.09.09 RM'000	Cumulative 9 months ended 30.09.09 RM'000
Revenue	4,775	13,638
Operating Profit	118	495
Interest expense	(21)	(65)
Profit before taxation	97	430
Tax expense	(29)	(116)
Profit after taxation	68	314
Less : Minority Interests	(2)	42
Profit attributable to ordinary equity holders of the parent	70	272
Basic profit/(loss) per ordinary share (sen)	0.12	0.48
Dividend per ordinary share (sen)	Nil	Nil

Notes :

Due to change of financial year end from 30 April 2009 to 31 December 2008, no comparative figures are presented.

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2008.

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the third quarter ended 30 September 2009****2009**

	Non-distributable			Total	Minority interest RM'000	Total equity
	Share Capital RM'000	Translation reserve RM'000	Accumulated Losses RM'000	RM'000		RM'000
As at 1 January 2009	56,375	(125)	(14,912)	41,338	37	41,375
Foreign currency translation	-	50	-	50	-	50
Net profit for the period	-	-	270	270	42	312
Balance as at 30 September 2009	<u>56,375</u>	<u>(75)</u>	<u>(14,642)</u>	<u>41,658</u>	<u>79</u>	<u>41,737</u>

Notes :

Due to change of financial year end from 30 April 2009 to 31 December 2008, no comparative figures are presented.

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2008.

KUMPULAN POWERNET BERHAD

(Company No.: 419227-X)

**Unaudited Condensed Consolidated Cash Flow Statement
For the third quarter ended 30 September 2009**

	9 months ended 30.09.09 RM'000
Cash flow from operating activities	
Profit / (loss) before taxation	430
Adjustments for :-	
Non-cash items	1,163
Non-operating items	(75)
Operating profit / (loss) before changes in working capital	<u>1,518</u>
Changes in working capital	
Net change in current assets	332
Net change in current liabilities	(120)
Net cash flows (used in)/from operation	<u>1,730</u>
Tax paid	(179)
Tax refund	47
Interest paid	(21)
Interest received	119
Net cash (used in)/from operating activities	<u>1,696</u>
Cash flow from investing activities	
Purchase of property, plant and equipment	(152)
Proceeds from sales of property, plant and equipment	171
Interest received	21
Net cash (used in) from investing activities	<u>40</u>
Cash flow from financing activities	
Repayment of hire purchase	(394)
Drawdown/(Repayment) of short term borrowings	(83)
Interest paid	(44)
Net cash used in financing activities	<u>(521)</u>
Net change in cash and cash equivalents	<u>1,215</u>
Cash and cash equivalents at beginning of year	6,741
Effect of currency translation differences	83
	<u>6,824</u>
Cash and cash equivalents at end of year	<u><u>8,039</u></u>
Cash and cash equivalents at the end of the financial period comprises the following :-	
Cash and bank balance	1,224
Short term deposits	7,025
Bank overdraft (included in the short term borrowings)	(210)
	<u>8,039</u>

Notes :

Due to change of financial year end from 30 April 2009 to 31 December 2008, no comparative figures are presented.

The Unaudited Condensed Consolidated Cash Flow should be read in conjunction with the Audited Financial Statements for the period ended 31 December 2008.

NOTES TO THE UNAUDITED CONSOLIDATED QUARTERLY RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A. Explanatory notes to the interim financial report

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with the Financial Reporting Standards (“FRS”) 134 (formerly known as MASB 26), “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The accounting policies and methods of computation adopted by the Group in this interim report are consistent with those adopted in the financial statements for the period ended 31 December 2008.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the period ended 31 December 2008.

A2. Audit report of preceding annual financial statements

The audit report of the Group’s annual financial statements for the year ended 31 December 2008 was not subject to any qualification.

A3. Seasonal or cyclical factors

The demands for the Group’s products are not subjected to cyclical factors.

A4. Unusual items

There were no items affecting the assets, liabilities, equity, net income, or cash flow that were unusual because of their nature, size, or incidence.

A5. Material changes in accounting estimates

There were no material changes in respect of amounts reported in prior interim periods of the current financial year or prior financial year that have a material effect on the current quarter.

A6. Issuance, cancellations or repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares during the current quarter under review.

A7. Dividend paid

No dividend was paid during the current quarter under review.

A8. Segmental information

Segmental analysis of the results and assets employed for the nine months ended 30 September 2009 are as follows:-

	Revenue	Inter-segment	Total
	RM'000	Sales	RM'000
		RM'000	RM'000
Manufacturing	12,254	3,667	8,587
Trading	5,109	177	4,932
Investment & Others	119	-	119
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Consolidation	17,482	3,844	13,638
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	Profit/(Loss)	Total assets	
	Before taxation	employed	
	RM'000	RM'000	
Manufacturing	359	46,387	
Trading	102	2,061	
Investment & Others	(31)	43,138	
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	430	91,586	
Elimination of inter-segment	-	(47,681)	
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Consolidation	430	43,905	
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A9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward, without amendments from the previous annual report.

A10. Events subsequent to the balance sheet date

There were no material events subsequent to the end of the financial period that has not been reflected in the financial statements for the period under review:

A11. Changes in composition of the Group

On 27 July 2009, the Company subscribed for 100 per cent equity interest in Zelinn Limited ("Zelinn"), comprising two (2) issued and fully paid registered shares of USD1.00 each at par for cash.

Apart from the above, there were no material changes in the composition of the Group for the current quarter.

A12. Changes in contingent liabilities

The Company provided corporate guarantee for banking facilities granted to its subsidiary companies amounting to RM0.340 million as at 16 November 2009.

B. Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

A comparison of the results of current quarter ended 30 September 2009 is as follows:-

	Current Quarter ended 30/09/09 (RM'000)	Current Year to Date 01/01/09 - 30/09/09 (RM'000)
Revenue	4,775	13,638
Profit/(Loss) before taxation	97	430
Profit/(Loss) after taxation (before minority interest)	68	314
Profit/(Loss) after taxation (after minority interest)	70	272

The Group achieved revenue of RM4.775 million and recorded a profit before taxation and minority interest of RM0.097 million and profit after taxation and minority interest of RM0.070 million for the current quarter ended 30 September 2009. This was mainly attributable to the lower operating expenses arising from the cost cutting measures implemented.

B2. Variation of results against preceding quarter

	Current Quarter 01/07/09-30/09/09 RM'000	Preceding Quarter 01/04/09-30/06/09 RM'000
Revenue	4,775	4,453
Profit/(loss) before taxation	97	94
Profit/(loss) after taxation (before minority interest)	68	63
Profit/(loss) after taxation (after minority interest)	70	44

For this quarter, the Group reported a profit after tax but before minority interest of RM0.068 million as compared to a profit after taxation but before minority interest of RM0.063 million in the previous quarter. Although revenue increased by 7%, profits were maintained due to lower margins attributable to weakening Ringgit against USD and higher raw material costs due to higher oil prices.

B3. Current year prospects

The remaining period of the year will continue to be challenging largely due to the volatility of petrochemical resin materials and foreign exchange rates. Notwithstanding the above, the Board expects the performance for the current year to be favourable.

B4. Profit forecast

Not applicable as no profit forecast and no profit guarantee was published.

B5. Taxation

	3 months Ended 30.09.2009 (RM'000)	9 months ended 30.09.2009 (RM'000)
Current tax expense	29	116
Deferred tax expense	-	-
Total	29	116

B6. Unquoted Investments and properties

There were no sales of properties or investments during the current quarter under review.

B7. Quoted investments

There were no purchase or sales of quoted securities for the current quarter ended 30 September 2009.

Total investment in quoted securities as at 30 September 2009 are as follows :-

	RM'000
At cost	<u>13</u>
At book value	<u>13</u>
At market value	<u>5</u>

B8. Status of corporate proposals

There were no corporate proposals for the current quarter ended 30 September 2009.

B9. Borrowing and debt securities

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Trust receipts	34	-	34
Overdraft	210	-	210
Hire purchase creditors	413	-	413
	<u>657</u>	<u>-</u>	<u>657</u>
Non-current			
Hire purchase creditors	436	-	436
	<u>436</u>	<u>-</u>	<u>436</u>
	<u>1,093</u>	<u>-</u>	<u>1,093</u>

The above borrowings are denominated in Ringgit Malaysia and the banking facilities are granted to subsidiaries secured against the following:-

- (a) First charge over land and buildings belonging to a subsidiary
- (b) Corporate guarantee by the holding company namely, Kumpulan Powernet Berhad and a subsidiary company.

B10. Off Balance Sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at 16 November 2009 save as disclosed in Note A12.

B11. Changes in material litigation

There is no material litigation pending as at 16 November 2009.

B12. Dividends

The Board does not recommend any dividend for the current period under review.

B13. Profit / (loss) per share

The calculation of basic profit per share for the current quarter under review is based on the net profit attributable to ordinary shareholders of RM0.070 million. The number of ordinary shares in issue during the current period is 56,375,000.

By Order of the Board

Chow Chooi Yoong

Company Secretary

Date : 16 November 2009