

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2009

Notes to the Interim Financial Report

A1. Accounting Policies

The interim financial reports are unaudited and have been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009.

A2. Change in Accounting Policies

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

A3. Audit Qualification on Annual Financial Statements

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2009 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's business operations are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period.

A6. Material Changes in Accounting Estimates

There were no changes in accounting estimates for financial period under review.

A7. Debts and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of treasury shares and repayment of debt and equity security during the financial quarter ended 31 December 2009.

A8. Dividend Paid

A second interim dividend of 1 sen per share with 25% tax in respect of financial year ending 31 March 2010, total amounting to RM 919,206 was paid by the company on 22 December 2009.

A9. Segmental Reporting

	Revenue	Profit before	Assets
	RM'000	Taxation	Employed
		RM'000	RM'000
Manufacturing Division	48,639	7,174	50,540
Distributing Division	182,957	7,132	118,188
	<u>231,596</u>	<u>14,306</u>	<u>168,728</u>
Unallocated corporate loss / assets		(314)	18,943
		<u>13,992</u>	<u>187,671</u>

A10. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A11. Subsequent Material Events

There are no subsequent material events that are required to be reflected in the current quarter.

A12. Changes in the Composition of the Group

There were no changes in Composition of the Group for current quarter under review.

A13. Contingent Liabilities

As of 31 December 2009, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 188.03 million (RM 186.80 million in Sept 2009) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by its subsidiary companies as of period-end amounting to about RM 49.47 million (RM 50.05 million in Sept 2009).

A14. Capital Commitments

As of 31 December 2009, the Group has the following capital commitments:

	RM'000
Contracted but not provided for :	
Construction of factory buildings	<u>796</u>

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the third quarter ended 31 December 2009, the Group recorded a revenue of RM 80.41 million. This represented an increase of 17.71% as compared to RM 68.31 million in the preceding year corresponding quarter ended 31 December 2008. The profit before tax (“PBT”) had also increased by 41.13% to RM 3.98 million. The improvement in PBT was mainly attributable to the higher profit margin contributed from the newly developed products and effective costs management.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group’s revenue has increased by 7.70% from RM 74.66 million in the preceding quarter ended 30 September 2009. However, the PBT has decreased by 13.85% from RM 4.62 million to RM 3.98 million as a results from the higher operating costs in current quarter.

B3. Prospects

Barring unforeseen circumstances, the Group is expected to achieve better performance in the this financial year ending 31 March 2010 in view of various actions taken by the Group to improve the production efficiency, costs management and new products development.

B4. Taxation

The taxation is calculated based on the profit for the financial period ended 31 December 2009 comprises the following:

	<u>Current Quarter</u> RM’000	<u>Current Year To Date</u> RM’000
<u>Income tax Expenses :</u>		
Current Quarter/Year	1,118	3,630
Under/(over) provision in Prior Quarter/Year	(91)	(91)
	<u>1,027</u>	<u>3,539</u>

The effective tax rate is higher than the statutory tax rate due to certain tax disallowed expenses incurred and the operating loss incurred by one of the overseas subsidiary company which cannot be offset against taxable profit in Malaysia.

B5. Unquoted Investments and/or Properties

There were no disposals of unquoted investment and/or properties for the quarter under review.

B6. Quoted Securities

There were no purchases or disposals of quoted securities for the quarter under review.

B7. Status of Corporate Proposals

There was no corporate proposal for the quarter under review.

B8. Borrowings

The Group's borrowings as at the end of the reporting period are 100% unsecured :-

	As At 30 Dec 2009 RM'000	As At 30 Sept 2009 RM'000
Short Term Borrowing	40,265	41,983
Long Term Borrowing	6,421	4,901
	<u>46,686</u>	<u>46,884</u>
	=====	=====

B9. Off Balance Sheet Financial Instruments

There was no financial instrument with off balance sheet risk as at the date of this report.

B10. Material Litigation

There was no change in material litigation since the last audited annual balance sheet date.

B11. Proposed Dividend

The Board proposed a third interim dividend of 1 sen per share, less 25% tax, for the financial year ending 31 March 2010 to be paid on 29 March 2010 to shareholders whose names appear in the Record of Depositors at the close of business on 19 March 2010.

B12. Earnings Per Share ("EPS")

The EPS is derived as follow :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	2,917	10,254
Weighted average number of ordinary shares ('000)	124,003	124,003
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	124,847	N/A
EPS (sen)	2.35	8.27
Diluted EPS (sen)	2.34	Anti- dilution