

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2010

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

In the 4th Quarter ended 31st March 2010, 158,000 new ordinary shares were issued and allotted pursuant to the exercise of ESOS, of which, 64,000 share are allotted at an option price of RM 0.50, and 94,000 share are allotted at an option price of RM 0.51. A total of 158,000 new ordinary shares were issued and allotted during the financial year ended 31 March 2010.

A8. Dividend Paid

A third interim dividend of 1 sen per share less 25% tax in respect of financial year ended 31 March 2010, total amounting to RM 920,391 was paid by the company on 29 March 2010.

A9. Segmental Reporting

	Revenue	Profit before	Assets
	RM'000	Taxation	Employed
		RM'000	RM'000
Manufacturing Division	64,684	8,537	53,094
Distributing Division	245,046	11,409	124,351
	<u>309,730</u>	<u>19,946</u>	<u>177,445</u>
Other & Unallocated corporate loss / assets		(543)	23,913
		<u>19,403</u>	<u>201,358</u>

A10. Valuations of Property, Plant and Equipment

Some of the freehold land and buildings of the group were revaluated in current quarter based on valuation carried out by an independent firm of professional valuers.

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 March 2010, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 193.11 million (RM 188.30 million in Dec 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 year-end amounting to about RM 59.71 million (RM 49.53 million in Dec 2009).

A14. Capital Commitments

There is no material capital commitment as at financial year ended 31 March 2010.

Additional Information Required by the Bursa Malaysia Listing Requirements

B1. Review of the Performance

For the fourth quarter ended 31 March 2010, the Group recorded a revenue of RM 78.13 million. This represented an increase of 30.67% as compared to RM 59.79 million in the preceding year corresponding quarter ended 31 March 2009. The profit before tax (“PBT”) had also increased by 49.44% to RM 5.41 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 decreased by 2.83% from RM 80.41 million in the preceding quarter ended 31 December 2009. However, the PBT has increased by 35.93% from RM 3.98 million to RM 5.41 million as a results from the higher profit margin of certain products.

B3. Prospects

The board will remain focus on its current business and will continuously take necessary steps to maintain the profitability of the group

B4. Taxation

The taxation is calculated based on the profit for the financial period ended 31 March 2010 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	1,378	5,014
Under/(over) provision in Prior Quarter/Year	-	(97)
	<u>1,378</u>	<u>4,917</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 31 March 2010 RM'000	As At 30 Dec 2009 RM'000
Short Term Borrowing	48,360	40,265
Long Term Borrowing	6,082	6,421
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	54,442	46,686
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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 of directors propose a final dividend of 1sen, less 25% tax, in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company, and has not been included as a liability in the financial statements. The dates of entitlement and payment will be determined at a later stage.

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)	3,988	14,242
Weighted average number of ordinary shares ('000)	124,118	124,032
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	127,153	N/A
EPS (sen)	3.21	11.48
Diluted EPS (sen)	3.14	Anti- dilution