

**DPS RESOURCES BERHAD**  
**(Company No. 630878-X)**

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FORTH QUARTER ENDED 31 DECEMBER 2009**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.09 RM'000	Preceding Year Corresponding Period 31.12.08 RM'000	Current Year To Date 31.12.09 RM'000	Preceding Year Corresponding Period 31.12.08 RM'000
Revenue	27,948	46,309	117,995	184,505
Cost of sales	(23,718)	(44,445)	(99,917)	(163,056)
Gross profit	<u>4,230</u>	<u>1,864</u>	<u>18,077</u>	<u>21,449</u>
Operating expenses	(3,964)	(5,699)	(14,559)	(22,654)
Other operating income	304	1,327	728	8,124
Profit from operations	<u>570</u>	<u>(2,508)</u>	<u>4,247</u>	<u>6,919</u>
Finance cost	(1,023)	(1,015)	(3,794)	(3,814)
Profit before tax	<u>(453)</u>	<u>(3,523)</u>	<u>453</u>	<u>3,105</u>
Taxation	(37)	(5,955)	(136)	(479)
(Loss)/profit after tax	<u>(490)</u>	<u>(9,478)</u>	<u>317</u>	<u>2,626</u>
Minority interest	-	-	-	-
Profit for the period	<u><u>(490)</u></u>	<u><u>(9,478)</u></u>	<u><u>317</u></u>	<u><u>2,626</u></u>
Weighted average number of shares ('000s)	<u>264,000</u>	<u>259,311</u>	<u>264,000</u>	<u>259,311</u>
Earning per share (sen)				
- Basic	<u>(0.17)</u>	<u>(3.66)</u>	<u>0.12</u>	<u>1.01</u>
- Diluted	<u>(0.17)</u>	<u>(3.66)</u>	<u>0.12</u>	<u>1.01</u>

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**DPS RESOURCES BERHAD**  
**(Company No. 630878-X)**

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009**  
**(The figures have not been audited)**

	As At End Of Current Quarter 31-12-2009 RM'000	As At Preceding Financial Year End 31.12.08 RM'000
<b>Property, plant and equipment</b>	167,450	162,862
<b>Prepaid land lease payments</b>	16,074	16,151
<b>Investment properties</b>	15,945	15,945
	<u>199,469</u>	<u>194,958</u>
<b>Current assets</b>		
Inventories	27,750	20,232
Trade debtors/deposits/prepayment & other debtors	29,901	30,654
Tax refundable	-	221
Fixed deposit with licensed bank	10,038	25,243
Cash and bank balances	529	492
	<u>68,218</u>	<u>76,842</u>
<b>Current liabilities</b>		
Bank overdrafts	1,335	2,171
Other short term borrowings & LC purchase	31,601	26,695
Trade creditors/accruals/other payables	10,299	20,824
Taxation	233	201
	<u>43,468</u>	<u>47,720</u>
<b>Net current assets</b>	24,750	29,122
	<u>224,219</u>	<u>224,079</u>
<b>Share capital</b>	132,000	132,000
<b>Reserves</b>	46,818	46,501
<b>Shareholders' funds</b>	<u>178,818</u>	<u>178,501</u>
<b>Long term borrowings</b>	34,501	34,714
<b>Deferred Tax Liability</b>	10,900	10,864
	<u>224,219</u>	<u>224,079</u>
<b>Net Tangible Assets per share attributable to ordinary equity holders of the parent (RM)</b>	<u><b>0.68</b></u>	<u><b>0.68</b></u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**DPS RESOURCES BERHAD**  
**(Company No. 630878-X)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FORTH QUARTER ENDED 31 DECEMBER 2009**  
**(The figures have not been audited)**

	Share Capital RM'000	<u>Distributable</u> Retained Profit RM'000	<u>Non-Distributable</u> Share Premium RM'000	Revaluation reserve RM'000	Total RM'000
<b>Balance as at 1 January 2008</b>	<b>66,000</b>	<b>38,164</b>	<b>1,629</b>	-	<b>105,793</b>
Revaluation increase				7,542	7,542
Tax effect thereon				(1,893)	(1,893)
Net profit not recognized in income statement				5,650	5,650
Revaluation decrease which reverses the previous increase				(224)	(224)
Tax effect thereon				50	50
Expenses on right issue written off			(1,444)		(1,444)
Net loss not recognized in income statement	-	-	(1,444)	(175)	(1,618)
Issue of ordinary share on right issue	66,000				66,000
Net profit for the financial year		2,677			2,677
<b>Balance as at 31 December 2008</b>	<b>132,000</b>	<b>40,841</b>	<b>185</b>	<b>5,475</b>	<b>178,501</b>
Net profit for the financial period	-	317	-	-	317
<b>Balance as at 31 December 2009</b>	<b>132,000</b>	<b>41,158</b>	<b>185</b>	<b>5,475</b>	<b>178,818</b>

The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FORTH QUARTER ENDED 31 DECEMBER 2009**  
**(The figures have not been audited)**

	Cumulative Current Year Quarter 31.12.09 RM'000	Cumulative Preceding Year Period 31.12.08 RM'000
<b>Net cash inflow from operating activities</b>	(2,024)	7,131
<b>Net cash (outflow) from investing activities</b>	(12,889)	(62,056)
<b>Net cash inflow from financing activities</b>	596	51,041
<b>Net increase in cash and cash equivalents</b>	<u>(14,317)</u>	<u>(3,885)</u>
<b>Cash and bank balances as at 1 January 2009</b>	23,548	27,433
<b>Cash and bank balances as at 31 December 2009</b>	<u><u>9,231</u></u>	<u><u>23,548</u></u>
 <b><u>Reconciliation :</u></b>		
Fixed deposit with a licensed bank	10,038	25,228
Cash and bank balances	529	492
Bank overdrafts	(1,335)	(2,171)
<b>Cash and bank balances as at 31 December 2009</b>	<u><u>9,231</u></u>	<u><u>23,548</u></u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**PART A: EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134 REQUIREMENTS**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation 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 December 2008.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 December 2008.

**A2. Auditors' Report on Preceding Annual Financial Statements**

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

**A3. Comments about Seasonality or Cyclicity**

The Group's performance is not subject to seasonality or cyclicity.

**A4. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter under review due to their nature, size or incidence.

**A5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**A6. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt securities nor any movement in the share capital for the quarter and financial period under review.

**A7. Dividends Paid**

There were no dividends paid during the quarter under review.

## A8. Segmental Information

### Business segments

The principal activities of the Group consist of those relating to manufacturing of wood based products, trading, property and agro-based farming. The Group's segmental reporting for business segments is as below:

Primary Reporting Format-Business Segments	Revenue			
	Quarter Ended 31.12.09		Quarter Ended 31.12.08	
	Revenue	Profit/(loss)	Revenue	Profit/(loss)
	before taxation	before taxation		
	RM '000	RM '000	RM '000	RM '000
Manufacturing of wood based products	27,597	(381)	45,454	(3,748)
Trading	36	6	668	62
Property investment	144	0	144	157
Agro-based industry	172	(77)	43	6
	<u>27,948</u>	<u>(452)</u>	<u>46,309</u>	<u>(3,523)</u>
<b>ADD: Inter-segment revenue</b>				
Investment holding	498		144	
Manufacturing of wood based products	<u>16,089</u>		<u>4,865</u>	
	<u>44,535</u>		<u>51,318</u>	

### Geographical segments

The Group's operations are principally carried out in Malaysia. In determining the geographical segments of the Group, sales of goods are based on the country in which the customer is located.

The Group's goods are mainly sold to customers located in Malaysia, Europe, America, Asia Pacific, Middle East and Africa.

	Current Quarter 31.12.09 RM '000	Current Year To Date 31.12.09 RM '000
Malaysia	7,974	39,163
Europe	8,175	29,607
America	6,968	27,873
Asia Pacific	3,316	12,637
Middle East	1,292	6,291
Africa	223	2,424
	<u>27,948</u>	<u>117,995</u>

## A9. Valuations of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statement for the year ended 31 December 2008.

## A10. Subsequent Events

There were no material events subsequent to the end of the current quarter.

## A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current year to date.

## A12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets of a material nature since the last audited financial statements for the year ended 31 December 2008.

### A13. Capital Commitments

Capital commitments of the Group for the period ended 31 December 2009 are as follows:

	As at 31.12.09 RM'000
Approved and contracted for	10,750
Approved but not contracted for	-
	<u>10,750</u>

## PART B: ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

### B1 Review of Performance

The Group had registered a loss before tax and revenue of RM453,000 and RM27.95 million respectively for the current quarter as compared to a loss before tax of RM3.5 million and revenue of RM46.3 million in the preceding year corresponding period. This is attributed to the stringent immigration rules which led to acute manpower shortage thus caused drop in outputs / sales and doubtful debts provision of RM494,000

### B2 Comparison with immediate preceding quarter's results

The result for the quarter under review registered a decrease in revenue from RM32.78 million for the immediate preceding quarter to RM27.95 million.

Reason for decrease in revenue is disclosed in Note B1 above.

The current quarter loss before tax of RM453,000 showed a decrease in profit margin as compared to profit before tax of RM330,000 for the immediate preceding quarter.

### B3 Commentary on Prospects

The Group continues to operate in a challenging environment due to uncertainty in the global economy.

### B4 Taxation

Current Quarter 31.12.09 RM'000	Current Year To Date 31.12.09 RM'000
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#### Taxation comprise the following :

##### *Malaysian income tax*

Current Tax Expense	37	136
	<u>37</u>	<u>136</u>

The effective tax rate for the periods presented above is lower than the statutory tax rate due to the availability of reinvestment allowances, double tax deduction incentive for exports and tax incentive for approved food production project under agro-based industries in reducing taxable income.

### B5 Sales of Unquoted Investments and/or Properties

There were no material sales of unquoted investments and/or properties for the current quarter and financial period under review.

### B6 Purchase or Disposal of Quoted Securities

- There were no purchases or disposals of quoted securities for the current quarter under review.
- There were no investments in quoted securities as at the end of the financial period.

**B7 Corporate Proposal****Proposal:**

There was no corporate proposal proposed or undertaken during the quarter under review.

**B8 Group Borrowings and Debt Securities**

Total Group borrowings as at 31 December 2009 were as follows :-

	Secured RM'000	Unsecured RM'000	As at 31.12.09 Total RM'000
<b>Short term borrowings</b>			
Bank Overdrafts	550,275	785,169	1,335,444
Bankers Acceptances	7,812,000	11,819,754	19,631,754
LC Purchase	2,960,674	987,956	3,948,629
Finance Lease Creditors	112,951	-	112,951
Revolving Credits	3,000,000	-	3,000,000
Term Loans	4,710,068	197,319	4,907,387
	<u>19,145,967</u>	<u>13,790,197</u>	<u>32,936,165</u>
<b>Long term borrowings</b>			
Finance Lease Creditors	78,574	-	78,574
Term Loans	33,252,416	1,169,887	34,422,303
	<u>33,330,989</u>	<u>1,169,887</u>	<u>34,500,877</u>
<b>Total borrowings</b>	<u>52,476,957</u>	<u>14,960,085</u>	<u>67,437,041</u>

**B9 Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

**B10 Material Litigation**

The Group is engaged in a legal suit against an insurance company for mostly consequential loss claim of RM3.15 Million of which RM 1.0 Million has been recognised as other income in financial year of 2002.

**B11 Dividend Payable**

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the year under review.

**B12 Earnings per Share****a) Basic**

The earnings per share for the current quarter and cumulative year to date are computed as follows:

	Individual Current Year Quarter 31.12.09	Cumulative Current Year To Date 31.12.09
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>(490)</u>	<u>317</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>264,000</u>	<u>264,000</u>
Basic Earnings Per Share (sen)	<u>(0.17)</u>	<u>0.12</u>



**b) Diluted**

The calculation of the diluted earnings per share is based on the profit attributable to ordinary equity holders of the parent for the current quarter and cumulative year to date divided by the adjusted weighted average number of ordinary shares of RM0.50 each in issue and issuable under the exercise of share options granted under the DPS Employees' Share Option Scheme.

	Individual Current Year Quarter 31.12.09	Cumulative Current Year To Date 31.12.09
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>(490)</u>	<u>317</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>264,000</u>	<u>264,000</u>
Basic Earnings Per Share (sen)	<u>(0.17)</u>	<u>0.12</u>
Diluted Earnings Per Share (sen)	<u>(0.17)</u>	<u>0.12</u>