

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2010
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.10 RM'000	Preceding Year Corresponding Period 31.03.09 RM'000	Current Year To Date 31.03.10 RM'000	Preceding Year Corresponding Period 31.03.09 RM'000
Revenue	27,750	25,871	27,750	25,871
Cost of sales	(22,749)	(20,730)	(22,749)	(20,730)
Gross profit	<u>5,001</u>	<u>5,141</u>	<u>5,001</u>	<u>5,141</u>
Operating expenses	(4,424)	(3,908)	(4,424)	(3,908)
Other operating income	604	193	604	193
Profit from operations	<u>1,181</u>	<u>1,426</u>	<u>1,181</u>	<u>1,426</u>
Finance cost	(1,003)	(912)	(1,003)	(912)
Profit before tax	<u>178</u>	<u>514</u>	<u>178</u>	<u>514</u>
Taxation	-	(44)	-	(44)
(Loss)/profit after tax	<u>178</u>	<u>470</u>	<u>178</u>	<u>470</u>
Minority interest	-	-	-	-
Net profit for the period	<u><u>178</u></u>	<u><u>470</u></u>	<u><u>178</u></u>	<u><u>470</u></u>
OTHER COMPREHENSIVE INCOME				
AVAILABLE-FOR -SALE INVESTMENT				
-Loss arising during the period	<u>(8) *</u>		<u>(8)</u>	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>170</u></u>	<u><u>470</u></u>	<u><u>170</u></u>	<u><u>470</u></u>
Weighted average number of shares ('000s)	<u>264,000</u>	<u>264,000</u>	<u>264,000</u>	<u>264,000</u>
Earning per share (sen)				
- Basic	<u>0.07</u>	<u>0.18</u>	<u>0.07</u>	<u>0.18</u>
- Diluted	<u>0.07</u>	<u>0.18</u>	<u>0.07</u>	<u>0.18</u>

* See Appendix (2(iii)) for the calculation of the loss arising during the quarter

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 MARCH 2010
(The figures have not been audited)

	As At End Of Current Quarter 31-03-2010 RM'000	As At Preceding Financial Year End 31.12.09 RM'000
Non-current assets		
Property, plant and equipment	164,538	166,643
Prepaid land lease payments	16,070	16,103
Investment properties	15,775	15,775
	<u>196,383</u>	<u>198,521</u>
Current assets		
Inventories	28,747	27,276
Trade and other receivables	29,382	33,823
Tax refundable	221	221
Investment in marketable security	10,092	10,038
Cash, deposit and bank balances	1,334	609
	<u>69,776</u>	<u>71,967</u>
Current liabilities		
Borrowings	30,789	31,542
Bank overdraft	341	1,375
Trade and other payable	12,455	14,194
Provision for taxation	105	162
	<u>43,690</u>	<u>47,273</u>
Net current assets	26,086	24,694
	<u>222,469</u>	<u>223,215</u>
Financed by:		
Capital and reserves		
Share capital	132,000	132,000
Reserves	47,012	46,840
Shareholders' funds	<u>179,012</u>	<u>178,840</u>
Non-current liabilities		
Long term borrowings	33,616	34,534
Deferred Tax Liability	9,841	9,841
	<u>222,469</u>	<u>223,215</u>
Net Tangible Assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.68</u>	<u>0.68</u>

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2010
(The figures have not been audited)

	Share Capital RM'000	<u>Distributable</u> Retained Profit RM'000	← Share Premium RM'000	<u>Non-Distributable</u> Revaluation reserve	→ Fair value reserve RM'000	Total RM'000
Balance as at 1 January 2009	132,000	40,841	185	5,475		178,501
Revaluation increase					-	-
Tax effect thereon					-	-
Net profit not recognized in income statement	-	-	-	-	-	-
Revaluation decrease which reverses the previous increase					-	-
Tax effect thereon					-	-
Expenses on right issue written off			-			-
Net loss not recognized in income statement	-	-	-	-	-	-
Issue of ordinary share on right issue	-					-
Net profit for the financial year		339				339
Balance as at 31 December 2009	132,000	41,180	185	5,475	-	178,840
Effects on adoption of FRS 139	-	-	-	-	2	2
As at 1 January 2010 as restated	132,000	41,180	185	5,475	2	178,842
Net profit for the financial period	-	178	-	-	(8)	170
Balance as at 31 March 2010	132,000	41,358	185	5,475	(6)	179,012

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 2009.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 31 MARCH 2010
 (The figures have not been audited)

	Cumulative Current Year Quarter 31.03.10 RM'000	Cumulative Preceding Year Period 31.12.09 RM'000
Net cash inflow from operating activities	7,238	1,938
Net cash (outflow) from investing activities	(86)	(25,322)
Net cash (outflow) from financing activities	(1,223)	(945)
Net increase/(decrease) in cash and cash equivalents	<u>5,929</u>	<u>(24,329)</u>
Cash and bank balances as at 1 January 2010	(4,936)	23,548
Cash and bank balances as at 31 March 2010	<u><u>993</u></u>	<u><u>(781)</u></u>
 <u>Reconciliation :</u>		
Fixed deposit with a licensed bank	-	-
Cash and bank balances	1,334	594
Bank overdrafts	(341)	(1,375)
Cash and bank balances as at 31 March 2010	<u><u>993</u></u>	<u><u>(781)</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 2009 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 2009. 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 2009.

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 2009.

A2. Changes In Accounting Policies

Except as described below, the significant accounting policies adopted are consistent with those of the audited financial statement financial statement for the year ended 31 December 2009. The following FRSs, IC Interpretations and amendments are relevant to the Group's operation and effective for the financial period beginning on or after 1 January 2010.

FRSs / IC Interpretations	Effective date
<i>FRS 4 Insurance Contracts</i>	1 January 2010
<i>FRS 7 Financial Instruments: Disclosures</i>	1 January 2010
<i>FRS 8 Operating Segments</i>	1 July 2009
<i>Revised FRS 101 (2009) Presentation of Financial Statements</i>	1 January 2010
<i>Revised FRS 123 (2009) Borrowing Costs</i>	1 January 2010
<i>Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement</i>	1 January 2010
<i>Amendments to FRS 7: FRS 139 and IC Interpretation 9</i>	1 January 2010
<i>IC Interpretation 9: Reassessment of Embedded Derivatives</i>	1 January 2010
<i>IC Interpretation 10: Interim Financial Reporting and Impairment</i>	1 January 2010
<i>Annual Improvements to FRSs (2009)</i>	1 January 2010

In accordance with the transitional provisions of FRS 139, the standard has been applied prospectively. Any adjustments arising from re-measuring the financial instruments as at 1 January 2010 are to be recognised as adjustments of the opening balance of retained profits or other appropriate reserves. Comparatives are not adjusted.

As FRS 139 is applied prospectively, the adoption does not have any effect on the profit or loss for the corresponding quarter ended 31 March 2010.

The effect on adoption of FRS 139 on the opening reserves of the Group as at 1 January 2010 are as follows :-

	Balance as at 1st January 2010 before the adoption of FRS 139	Effects on adoption of FRS 139	Balance as at 1st January 2010 after the adoption of FRS 139
	RM ('000)	RM ('000)	RM ('000)
Fair value reserve	-	2	2
Available-for -sale investments	10,038	2	10,040

The effect on adoption of FRS 139 on the current interim financial statements are as follows:

	Decrease RM ('000)
Statement of financial position as at 31 March 2010	
Fair Value reserve	8
Available-for-sale investments	8
Statement of comprehensive income for the period ended 31 March 2010	
Net profit for the period	178
Other comprehensive expenditure	(8)
Total comprehensive income	170

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

A4. Comments about Seasonality or Cyclicity

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

A5. 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.

A6. Changes in Estimates

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

A7. 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.

A8. Dividends Paid

There were no dividends paid during the quarter under review.

A9. 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		Revenue	
	Quarter Ended 31.03.10	Profit/(loss)	Quarter Ended 31.03.09	Profit/(loss)
	Revenue	before taxation	Revenue	before taxation
	RM '000	RM '000	RM '000	RM '000
Investment holding				
Manufacturing of wood based products	27,437	138	25,379	445
Trading	-	-	198	63
Property investment	146	59	144	(20)
Agro-based industry	167	(19)	150	26
	<u>27,750</u>	<u>178</u>	<u>25,871</u>	<u>515</u>
ADD: Inter-segment revenue				
Investment holding	105		144	
Manufacturing of wood based products	<u>3,733</u>		<u>3,324</u>	
	<u>31,587</u>		<u>29,339</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	Current Year
	Quarter	To Date
	31.03.10	31.03.10
	RM '000	RM '000
Malaysia	8,801	8,801
Europe	7,477	7,477
America	7,892	7,892
Asia Pacific	2,361	2,361
Middle East	891	891
Africa	327	327
	<u>27,750</u>	<u>27,750</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 2009.

A10. Subsequent Events

Refer to Note B10

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 2009.

A13. Capital Commitments

Capital commitments of the Group for the period ended 31 March 2010 are as follows:

	As at 31.03.10 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 DPS Group's performance for the Quarter under Review versus the corresponding quarter of the previous financial year is tabled below:

Description	1st Qtr 2010 RM '000	1st Qtr 2009 RM '000	Increase / RM'000	(Decrease) %
Revenue	27,750	25,871	1,879	6.8%
Profit before tax (PBT)	178	515	(337)	-189.3%
Profit after tax (PBT)	178	471	(293)	-164.6%
Other Comprehensive Income	(8)	-	(8)	100.0%
Total Comprehensive Income	170	-	(301)	-177.1%

Group revenue rose by 7.3% or 1.88 million on the back of strong global demand for dining furniture. Profit before tax & after tax decrease by 65.4% (RM0.337 million) and 62.2% (RM0.292) respectively. The decrease in profitability is attributed to the increase in production overhead and drop in gross profit margin.

B2 Comparison with immediate preceding quarter's results

The DPS Group's current quarter performance versus the preceding quarter is tabled below:

Description	1st Qtr 2010 RM '000	4th Qtr 2009 RM '000	Increase / RM'000	(Decrease) %
Revenue	27,750	27,948	(198.00)	-0.7%
Profit before tax (PBT)	178	(453)	631.00	-354.5%
Profit after tax (PBT)	178	(490)	668.00	-375.3%
Other Comprehensive Income	(8)	(2)	(6)	75.0%
Total Comprehensive Income	170	(492)	662	389.4%

Group revenue decreased compared to the preceding quarter by 0.7% or RM198K. The decrease was mainly due to the stringent immigration rules which led to acute manpower shortage thus caused drop in outputs / sales. However, the turnaround performance in the 1st Qtr 2010 was mainly due to strong demand in our products.

B3 Commentary on Prospects

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

B4 Taxation

Current Quarter 31.03.10 RM'000	Current Year To Date 31.03.10 RM'000
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Taxation comprise the following :

Malaysian income tax

Current Tax Expense

-	-
-	-
-	-

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

- a) There were no purchases or disposals of quoted securities for the current quarter under review.
b) 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 March 2010 were as follows :-

	Secured RM'000	Unsecured RM'000	As at 31.03.10 Total RM'000
Short term borrowings			
Bank Overdrafts	(417)	759	342
Bankers Acceptance	12,251	10,883	23,134
Finance Lease Creditor	107	-	107
Revolving Credit	3,000	-	3,000
Term Loans	4,350	197	4,547
	19,291	11,839	31,130
Long term borrowings			
Finance Lease Creditors	50	-	50
Term Loans	32,422	1,144	33,566
	32,472	1,144	33,616
Total borrowings	51,763	12,983	64,746

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

i) The Group has successfully claimed insurance consequential loss RM1.5 million as part of the mutual settlement and as such has no further claim from each party.

ii) The Board of Director of DPS Resources Berhad ("the Company") wishes to announce that a Winding Up Notice under Section 218 of the Companies Act 1965 dated 6 April 2010 ("Notice") has been served on Shantawood Manufacturing Sdn. Bhd. (Company no. 215539-H) (SMSB), a wholly-owned subsidiary of the Company on 14 April 2010 by Messrs. Lee Swee Seng & Co, the solicitors for Mr. Chwa Yeou Toh ("CYT").

Pursuant to an Award No. 225 of 2010 ("the Award") given by the Industrial Court of Malaysia under Case No. 19/4-1605/07 dated 25 February 2010, the Industrial Court had awarded to CYT the sum of RM84,000.00 being back wages for twenty (24) months and compensation of RM3,500.00 in lieu of reinstatement, which total up to RM87,500.00.

Pursuant to the Notice, SMSB is required to pay to CYT the sum of RM87,500.00 with the statutory interest of 8% per annum from 6 April 2010 to date of full settlement within 21 days from the date of the service of the Notice.

SMSB has on 1 April 2010 through its solicitors filed an application of "Semakan Semula Kehakiman" in High Court to set aside the Award.

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 31.03.10	Cumulative Current Year To Date 31.03.10
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>170</u>	<u>170</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>0.07</u>	<u>0.07</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 31.03.10	Cumulative Current Year To Date 31.03.10
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>170</u>	<u>170</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>0.07</u>	<u>0.07</u>
Diluted Earnings Per Share (sen)	<u>0.07</u>	<u>0.07</u>