

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.10 RM'000	Preceding Year Corresponding Period 30.09.09 RM'000	Current Year To Date 30.09.10 RM'000	Preceding Year Corresponding Period 30.09.09 RM'000
Revenue	28,961	32,784	84,422	90,047
Cost of sales	(28,645)	(28,667)	(75,098)	(76,199)
Gross profit	<u>316</u>	<u>4,117</u>	<u>9,324</u>	<u>13,847</u>
Operating expenses	(22,390)	(2,906)	(29,980)	(10,594)
Other operating income	347	89	1,036	424
Loss from operations	<u>(21,727)</u>	<u>1,300</u>	<u>(19,620)</u>	<u>3,677</u>
Finance cost	(989)	(970)	(2,861)	(2,771)
Loss before tax	<u>(22,716)</u>	<u>330</u>	<u>(22,481)</u>	<u>906</u>
Taxation	(9)	(50)	(9)	(99)
Loss after tax	<u>(22,725)</u>	<u>280</u>	<u>(22,490)</u>	<u>807</u>
Minority interest	-	-	-	-
Net profit for the period	<u>(22,725)</u>	<u>280</u>	<u>(22,490)</u>	<u>807</u>
OTHER COMPREHENSIVE INCOME				
AVAILABLE-FOR -SALE INVESTMENT				
Profit / (Loss) arising during the period	-		(6)	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(22,725)</u>	<u>280</u>	<u>(22,496)</u>	<u>807</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>(8.61)</u>	<u>0.13</u>	<u>(8.52)</u>	<u>0.31</u>
- Diluted	<u>(8.61)</u>	<u>0.13</u>	<u>(8.52)</u>	<u>0.31</u>

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 30 SEPTEMBER 2010
(The figures have not been audited)

	As At End Of Current Quarter 30-09-2010 RM'000	As At Preceding Financial Year End 31.12.09 RM'000
Non-current assets		
Property, plant and equipment	160,846	166,643
Prepaid land lease payments	16,003	16,103
Investment properties	15,775	15,775
	<u>192,624</u>	<u>198,521</u>
Current assets		
Inventories	24,147	27,276
Trade and other receivables	19,024	33,823
Tax refundable	-	221
Marketable security	5,152	10,040
Cash, deposit and bank balances	401	609
	<u>48,724</u>	<u>71,969</u>
Current liabilities		
Borrowings	30,367	31,542
Bank overdraft	2,640	1,375
Trade and other payable	10,978	14,194
Provision for taxation	48	162
	<u>44,033</u>	<u>47,273</u>
Net current assets	4,691	24,696
	<u>197,315</u>	<u>223,217</u>
Financed by:		
Capital and reserves		
Share capital	132,000	132,000
Reserves	24,346	46,842
Shareholders' funds	<u>156,346</u>	<u>178,842</u>
Non-current liabilities		
Long term borrowings	31,128	34,534
Deferred Tax Liability	9,841	9,841
	<u>197,315</u>	<u>223,217</u>
Net Tangible Assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.59</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 THIRD QUARTER ENDED 30 SEPTEMBER 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			2	341
Balance as at 31 December 2009	132,000	41,180	185	5,475	2	178,842
Net profit for the financial period	-	(22,490)	-	-	(6)	(22,496)
Balance as at 30 September 2010	132,000	18,690	185	5,475	(4)	156,346

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 THIRD QUARTER ENDED 30 SEPTEMBER 2010**
(The figures have not been audited)

	Cumulative Current Year Quarter 30.09.10 RM'000	Cumulative Preceding Year Period 31.12.09 RM'000
Net cash inflow from operating activities	(2,620)	1,938
Net cash (outflow) from investing activities	4,754	(25,322)
Net cash (outflow) from financing activities	(3,592)	(945)
Net increase/(decrease) in cash and cash equivalents	<u>(1,458)</u>	<u>(24,329)</u>
Cash and bank balances as at 1 January 2010	(781)	23,548
Cash and cash equivalents as at 30 September 2010	<u><u>(2,239)</u></u>	<u><u>(781)</u></u>
 <u>Reconciliation :</u>		
Fixed deposit with a licensed bank	-	-
Cash and bank balances	401	594
Bank overdrafts	(2,640)	(1,375)
Cash and cash equivalents as at 30 September 2010	<u><u>(2,239)</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
<i>FRS 1 First-time Adoption of Financial Reporting Standards</i>	1 July 2010
<i>FRS 3 Business Combination (revised)</i>	1 July 2010
<i>FRS 127: Consolidated and Separate Financial Statement (amended)</i>	1 July 2010
<i>Amendments to FRS 2 Share-based Payment</i>	1 July 2010
<i>Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
<i>Amendments to FRS 138 Intangible Assets</i>	1 July 2010
<i>IC Interpretation 12 Service Concession Arrangements</i>	1 July 2010
<i>IC Interpretation 15 Agreements for the Construction of Real Estate</i>	1 July 2010
<i>IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
<i>IC Interpretation 17 Distributions of Non-cash Assets to Owners</i>	1 July 2010
<i>Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives</i>	1 July 2010
<i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendments to FRS 1)</i>	1 January 2011
<i>Improving Disclosures about Financial Instruments (Amendments to FRS 7)</i>	1 January 2011

The new FRSs, Interpretations, Amendments to FRSs and interpretations above are expected to have no significant impact on the Financial statements of the Group upon their initial application.

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

	Current Quarter 30.09.10 RM ('000)	Current Year To Date 30.09.10 RM ('000)
Statement of financial position as at 30 September 2010		
Fair Value reserve	-	(6)
(Cash equivalent HLG Institutional Bond Fund unit trust investment)	-	(6)
Statement of comprehensive income for the period ended 30 September 2010		
Net profit for the period		(22,490)
Other comprehensive expenditure		(6)
Total comprehensive income		(22,496)

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 30.09.10		Quarter Ended 30.09.09	
	Revenue RM '000	Profit/(loss) before taxation RM '000	Revenue RM '000	Profit/(loss) before taxation RM '000
Manufacturing of wood based products	28,601	(22,562)	32,337	366
Trading	-	-	135	(6)
Property investment	146	(112)	144	49
Agro-based industry	215	(51)	168	(79)
	<u>28,961</u>	<u>(22,725)</u>	<u>32,784</u>	<u>330</u>
<u>ADD: Inter-segment revenue</u>				
Investment holding	315		393	
Manufacturing of wood based products	<u>2,464</u>		<u>9,516</u>	
	<u>31,740</u>		<u>42,693</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 30.09.10 RM '000	Current Year To Date 30.09.10 RM '000
Malaysia	8,118	23,770
Europe	5,426	19,684
America	7,496	23,209
Asia Pacific	6,025	12,617
Middle East	1,321	3,668
Africa	574	1,474
	<u>28,961</u>	<u>84,422</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 30 June 2010 are as follows:

	As at 30.09.10 RM'000
Approved and contracted for	11,500
-Deposit Paid	(750)
Capital commitments	<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	3rd Qtr 2010 RM '000	3rd Qtr 2009 RM '000	Increase / RM'000	(Decrease) %
Revenue	28,961	32,784	(3,823)	-11.7%
Profit before tax (PBT)	(22,716)	330	(23,046)	-6983.6%
Profit after tax (PBT)	(22,725)	280	(23,005)	-8216.1%
Other Comprehensive Income	-	-	-	0.0%
Total Comprehensive Income	(22,725)	280	(23,005)	-8216.1%

Reduction of group revenue by 11.7% or 3.823 million was mainly due to the strengthening of RM vs. USD of approximately 7.5% (RM 3.15 in 3rd qtr 2010 vs. RM3.52 in 3rd qtr 2009). The reduction in GP ratio for this quarter was due to certain sales which were contracted before the strengthening of RM against USD which the Group had to fulfilled without increasing the sale price. There is no further contracted sales of this nature after this quarter. The huge loss from operations was mainly due to provision for doubtful debts amounting to RM9,812,665.88 and provision for obsolete stock amounting to RM9,123,111.25.

B2 Comparison with immediate preceding quarter's results

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

Description	3rd Qtr 2010 RM '000	2nd Qtr 2010 RM '000	Increase / RM'000	(Decrease) %
Revenue	28,961	27,750	1,211.00	4.4%
Profit before tax (PBT)	(22,716)	178	(22,894.00)	-12861.8%
Profit after tax (PBT)	(22,725)	178	(22,903.00)	-12866.9%
Other Comprehensive Income	-	(8)	(8)	100.0%
Total Comprehensive Income	(22,725)	170	(22,911)	-13477.1%

Group revenue increase compared to the preceding quarter by 4.4% or RM1.2 million was due to increase in selling price by average 5%. The decrease in profit was mainly due to provision for doubtful debts and provision for obsolete stock.

B3 Commentary on Prospects

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

B4 Taxation

Current Quarter 30.09.10 RM'000	Current Year To Date 30.09.10 RM'000
--	---

Taxation comprise the following :***Malaysian income tax***

Current Tax Expense	9	9
	9	9
	9	9

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 30 September 2010 were as follows :-

	Secured RM'000	Unsecured RM'000	As at 30.09.10 Total RM'000
Short term borrowings			
Bank Overdrafts	692	1,947	2,639
Bankers Acceptance	8,945	13,647	22,592
Finance Lease Creditor	98	-	98
Revolving Credit	3,000	-	3,000
Term Loans	4,476	201	4,677
	17,211	15,795	33,006
Long term borrowings			
Finance Lease Creditors	-	-	-
Term Loans	30,086	1,043	31,129
	30,086	1,043	31,129
Total borrowings	47,297	16,838	64,135

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 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.

On 5 August 2010, the Melaka High Court thereafter granted an order for the judicial review proceedings to be transferred to the Kuala Lumpur High Court; and an order for stay of the Award pending hearing of the application for leave to apply for judicial review, the date for which will be determined by the Kuala Lumpur High Court once the matter has been transferred.

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 30.09.10	Cumulative Current Year To Date 30.09.10
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>(22,725)</u>	<u>(22,496)</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>(8.60)</u>	<u>(8.52)</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 30.09.10	Cumulative Current Year To Date 30.09.10
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>(22,725)</u>	<u>(22,496)</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>(8.60)</u>	<u>(8.52)</u>
Diluted Earnings Per Share (sen)	<u>(8.60)</u>	<u>(8.52)</u>