

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	2009 CURRENT QUARTER ENDED 9/30/2009 RM'000	2008 COMPARATIVE QUARTER ENDED 9/30/2008 RM'000	2009 6 Months CUMULATIVE TO 9/30/2009 RM'000	2008 6 Months CUMULATIVE TO 9/30/2008 RM'000
Revenue	28,043	N/A	48,361	N/A
Operating Expenses	(25,388)	N/A	(44,953) **	N/A
Other Income	202	N/A	549	N/A
Profit/(loss) from Operations	2,857	N/A	3,957	N/A
Finance costs	(610)	N/A	(1,439)	N/A
Share of results of an associate	(21)	N/A	579	N/A
Profit/(loss) before tax	2,226	N/A	3,097	N/A
Taxation	(673)	N/A	(862)	N/A
Profit/(loss) for the period	<u>1,553</u>	<u>N/A</u>	<u>2,235</u>	<u>N/A</u>
Attributable to:				
Equity holders of the parent	681	N/A	1,041	N/A
Minority interests	872	N/A	1,194	N/A
	<u>1,553</u>	<u>N/A</u>	<u>2,235</u>	<u>N/A</u>
Earnings/(Loss) per share (sen)				
(a) Basic	1.62	N/A	2.48	N/A
(b) Diluted	-	-	-	-

Note no. 1 ** - Operating Expenses for 6 months cumulative ending 30 September 2009 consists of the following :-

	RM'000
Cost of sale	19,186
Selling and distribution expenses	14,856
Operating overhead	10,911
	<u>44,953</u>

Note no. 2 - The comparative figures are not applicable due to the Group has changed its financial year end from 31 December to 31 March.

Note no. 3 - For information on 3rd quarterly results for period ended 30 September 2008, please refer to the enclosed Appendix.

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the period ended from 1 January 2008 to 31 March 2009)

APPENDIX TO QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009

	2008 CURRENT QUARTER ENDED 9/30/2008 RM'000	2007 COMPARATIVE QUARTER ENDED 9/30/2007 RM'000 Restated	2008 9 MONTHS CUMULATIVE TO 9/30/2008 RM'000	2007 9 MONTHS CUMULATIVE TO 9/30/2007 RM'000 Restated
Revenue	31,814	34,020	79,886	89,678
Operating Expenses	(29,641)	(33,483)	(75,879) **	(88,357)
Other Income	290	213	424	548
Profit/(loss) from Operations	2,463	750	4,431	1,869
Finance costs	(673)	(729)	(2,503)	(2,267)
Share of results of an associate	264	177	728	325
Profit/(loss) before tax	2,054	198	2,656	(73)
Taxation	(902)	(283)	(1,203)	(261)
Profit/(loss) for the period	1,152	(85)	1,453	(334)
Attributable to:				
Equity holders of the parent	696	(114)	486	(536)
Minority interests	456	29	967	202
	1,152	(85)	1,453	(334)
Earnings/(Loss) per share (sen)				
(a) Basic	1.66	(0.27)	1.16	(1.28)
(b) Diluted	-	-	-	-

Note no. 1 ** - Operating Expenses for 9 months cumulative ending 30 September 2008 consists of the following :-

	RM'000
Cost of sale	36,630
Selling and distribution expenses	20,630
Operating overhead	18,619
	<u>75,879</u>

Note no. 2 - The following comparative figures have been reclassified to conform with the presentation of the current financial year.

	2007 COMPARATIVE QUARTER ENDED 9/30/2007 RM'000	2007 9 MONTHS CUMULATIVE TO 9/30/2007 RM'000
INCOME STATEMENT (EXTRACT):- As previously reported	31,072	80,792
As restated		
Net Revenue	31,072	80,792
Counter rebate	4,527	13,141
Capitalisation of telecommunication towers	(1,579)	(4,255)
Gross Revenue	<u>34,020</u>	<u>89,678</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)

MESB BERHAD (337554-D)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009

	AS AT 9/30/2009 RM'000	AS AT 3/31/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	28,639	28,880
Prepaid land lease payments	2,531	2,537
Investment in associated company	2,737	2,273
Other investments	60	60
Intangible asset	32	34
Other assets	3,677	3,941
Goodwill on consolidation	24,616	24,616
Current Assets		
Amount owing by contract customers	754	633
Inventories	25,759	21,422
Debtors	28,535	25,888
Tax Recoverable	512	439
Cash and bank balances	13,358	14,560
	<u>68,918</u>	<u>62,942</u>
Total Assets	<u>131,210</u>	<u>125,283</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent :		
Share capital	42,000	42,000
Reserves	<u>2,878</u>	<u>1,837</u>
Capital and Reserves	44,878	43,837
Minority interests	<u>5,064</u>	<u>3,870</u>
Total equity	<u>49,942</u>	<u>47,707</u>
Non-current liabilities		
Hire purchase creditors	301	462
Deferred tax liabilities	121	207
Term loans	<u>17,476</u>	<u>19,259</u>
	17,898	19,928
Current Liabilities		
Creditors	30,163	25,156
Amount owing to contract customers	5,500	3,934
Amount owing to director	6,376	6,376
Hire purchase creditors	337	439
Term loans	4,726	5,297
Bankers' acceptances, revolving credit and trust receipts	15,335	15,881
Taxation	933	565
	<u>63,370</u>	<u>57,648</u>
Total liabilities	<u>81,268</u>	<u>77,576</u>
Total equity and liabilities	<u>131,210</u>	<u>125,283</u>
Net Assets per share attributable to ordinary equity holders of the parent		
	<u>1.07</u>	<u>1.04</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the period ended from 1 January 2008 to 31 March 2009)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	6 MONTHS ENDED 9/30/2009 RM'000	15 MONTHS ENDED 3/31/2009 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation	3,096	3,414
Adjustments for:		
Amortisation of intangible asset	3	8
Amortisation of other investment	-	1
Amortisation of prepaid land lease payments	15	38
Allowance for doubtful debts	-	13
Bad debts written off	236	2
Share of results of an associate	(579)	(1,214)
Depreciation of property, plant and equipment	1,526	3,703
Interest income	(146)	(458)
Interest expense	1,439	3,927
Fixed assets written off	227	614
Provision/(write back) for foreseeable loss	(8)	(694)
Write-back of inventories	-	(81)
Loss on disposal of subsidiary	-	190
Gain on disposal of property, plant and equipment	(318)	(243)
Operating profit before working capital and non-current assets changes	5,491	9,220
Changes in working capital and non-current assets:		
Net change in current and non-current assets	(2,619)	3,777
Net change in amount owing by contract customers	1,452	4,652
Net change in inventories	(4,337)	(2,151)
Net change in current liabilities	5,007	3,435
Cash generated from operations	4,994	18,933
Income tax(paid)/ refunded	(537)	(425)
Interest paid	(1,439)	(3,927)
Net cash generated from /(used in) operating activities	3,018	14,581
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of a subsidiary, net of cash dispose	-	14
Investment in unquoted shares	-	(40)
Purchase of property, plant and equipment	(1,523)	(3,803)
Dividend paid to minority interest	-	(280)
Interest received	146	458
Proceeds from disposal of property, plant and equipment	320	341
Net cash used in investing activities	(1,057)	(3,310)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares to minority interests	-	280
Drawdown(repaysment) of IMTN bond	-	(10,000)
Repayment to directors	-	(370)
Term loan and bills payable	(2,899)	219
Net drawdown/(repaysment) of hire purchase Creditors	(264)	(679)
Net cash used in financing activities	(3,163)	(10,550)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,202)	721
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	14,560	13,839
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13,358	14,560
Note :		
(1) Cash & Cash Equivalents for the period ended 30 September 2009 consists of the following :-		
Cash & Cash Equivalents	13,520	16,465
Bank Overdraft	(162)	(3,430)
	13,358	14,560

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the period ended from 1 January 2008 to 31 March 2009)

MESB BERHAD (337554-D)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	<--- Attributable to equity holders of the parent --->				Minority Interests	Total Equity	
	Share Capital	Share Premium	Retained Earnings	Capital Reserve			Total
	RM'000	RM'000	RM'000	RM'000			RM'000
	RM'000	RM'000	RM'000	RM'000			RM'000
At 1 April 2009: -	42,000	5	1,795	37	43,837	3,870	47,707
Profit after taxation for the financial year	-	-	1,041	-	1,041	1,194	2,235
At 30 September 2009	42,000	5	2,836	37	44,878	5,064	49,942

Note :

The comparative figures are not applicable due to the Group has changed its financial year end from 31 December to 31 March.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the period ended from 1 January 2008 to 31 March 2009)

MESB BERHAD (337554-D)

Interim Financial Report for the Period Ended 30 September 2009

The figures have not been audited.

NOTES TO THE INTERIM FINANCIAL REPORT

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134
("FRS 134')**

A1. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended from 1 January 2008 to 31 March 2009.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial period ended 31 March 2009 except for the following new Financial Reporting Standards ("FRS") and Interpretations were issued but not yet effective and have not been applied by the Group :

		Effective for financial Period beginning on or after
FRS4	Insurance Contracts	1 January 2010
FRS7	Financial Instruments: Disclosures	1 January 2010
FRS8	Operating Segments	1 July 2009
FRS123	Borrowing costs	1 January 2010
FRS139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation11	FRS 2: Group and Treasury Share Transactions	1 January 2010
IC Interpretation13	Customer Loyalty Programmes	1 January 2010
IC Interpretation14	FRS 119: The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction	1 January 2010

The adoption of the above FRS and interpretations does not have any significant financial impact on the Group upon its initial application.

A2. AUDIT REPORT QUALIFICATION

The audit report on the financial statements for the period ended 31 March 2009 was not subject to any qualification.

A3. SEASONAL OR CYCLICAL FACTORS

The operations of the Group, other than the retailing division, are not subject to any seasonal or cyclical changes. The retail segment will benefit from higher consumer spending during festivals, school holidays and carnival sales.

A4. EXCEPTIONAL OR EXTRAORDINARY ITEMS

There were no items of an exceptional or unusual nature that have affected the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year to date.

A5. CHANGES IN ESTIMATES OF AMOUNT REPORTED PREVIOUSLY

There were no changes in estimates of amount reported in prior interim periods of the current financial period or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

A6. DEBTS AND EQUITY SECURITIES

There were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current quarter.

A7. DIVIDENDS PAID

There were no dividends paid during the period under review.

A8. SEGMENTAL INFORMATION

	Engineering & Construction RM'000	Investment holding RM'000	Retailing RM'000	Group RM'000
REVENUE				
External revenue	5,713	78	43,336	49,127
Inter-segment revenue	(495)	(63)	(208)	(766)
	<u>5,218</u>	<u>15</u>	<u>43,128</u>	<u>48,361</u>

RESULTS

Segment results	789	(569)	3,737	3,957
Finance costs	(534)	0	(905)	(1,439)
Share of results of an associate	0	579	0	579
Profit/(Loss) before taxation	255	10	2,832	3,097
Taxation	86	(116)	(832)	(862)
Profit/(Loss) after taxation	341	(106)	2,000	2,235

Attributable to:

Equity holders of the parent	(447)	(106)	1,594	1,041
Minority interests	788	0	406	1,194
	341	(106)	2,000	2,235

	Engineering & Construction RM'000	Investment holding RM'000	Retailing RM'000	Group RM'000
OTHER INFORMATION				
Segment assets	34,943	7,366	88,551	130,860
Segment liabilities	27,310	6,674	46,230	80,214
Capital expenditure	(485)	0	(1,038)	(1,523)
Depreciation	635	27	879	1,541

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the current period. The valuation of land and buildings had been brought forward without amendment from the previous annual audited report.

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current period as at 25 November 2009.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current interim period.

A12. CONTINGENT LIABILITIES

	As at 30/09/2009 RM'000	As at 31/03/2009 RM'000
Corporate guarantees given to licensed bank for Banking facilities granted to subsidiaries	42,216	97,220

A13. RELATED PARTY TRANSACTIONS

The related party transactions of the Group for the period ended 30 September 2009 are as follows:

Transaction parties	Nature of transaction	As at 30/09/2009 RM'000	As at 31/03/2009 RM'000
MX Too Sdn Bhd	Royalty	280	714
Roncato Sdn Bhd	Sale of products	842	1,188
Fook Cheong Trading	Sale of products	1	47
MRZ Car Seat Sdn Bhd	Rental	26	63

The above transactions have been entered into in the ordinary course of business and have been established under terms that were mutually agreed between the parties.

MESB BERHAD (337554-D)
Interim Financial Report for the Period Ended 30 September 2009

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

No comparison was disclosed against the previous corresponding period ended as the Group has changed its financial year end from 31 December to 31 March.

B2. COMMENT ON MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported profit before tax of RM2.23 million for the current quarter as compared with the preceding quarter's profit before tax of RM0.87 million. The improvement was mainly contributed by both the core businesses: retailing division and engineering division (principally involved in the leasing of telecommunication towers).

B3. COMMENTARY ON PROSPECTS

The outlook for the Group's operating environment is expected to remain competitive in both core businesses of retailing and engineering. Moving forward, the Group intends to increase its presence in the retailing business by focusing on the leather fashion products. However, the engineering division will continue its efforts in sourcing for lucrative projects.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable to the Group.

B5. TAXATION

The taxation charge included the following:

	Current Quarter RM'000	Financial Year to Date RM'000
Current year provision	<u>673</u>	<u>862</u>

B6. UNQUOTED INVESTMENTS AND PROPERTIES

- (1) There was no purchase of unquoted investment and/or property for the current quarter and the financial year to date.
- (2) There were no sales of unquoted investment and/or property for the current quarter and the financial year to date.

B7. QUOTED SECURITIES

- (1) There were no purchase and disposals of quoted securities by the Group for the current quarter and financial year to date.
- (2) There were no investments in quoted securities as at 30 September 2009.

B8. CORPORATE PROPOSAL

On 29 October 2009, the Group announced that its shareholders had approved the resolution pertaining to the proposed disposal of 5,055,360 ordinary shares of RM1.00 each representing 80% equity interest in A.D. Trends Sdn Bhd held by Miroza Leather (M) Sdn Bhd, a wholly-owned subsidiary of the Company to Target Fashion Sdn Bhd for a cash consideration of RM11.20 million as set out in the Notice of EGM dated 14 October 2009.

The Proposed disposal is pending fulfillment of the conditions precedent contained in the Sale & Purchase agreement, and is expected to be completed by the fourth quarter of 2009.

B9. BORROWINGS AND DEBT SECURITIES

The Group borrowings as at 30 September 2009 are as follow:-

	RM'000	RM'000
Short Term		
Hire purchase creditors	337	
Bill payable & Revolving credit	15,335	
Term loans	4,726	
Bank overdraft	<u>162</u>	20,560
Long Term		
Hire purchase creditors	301	
Term Loans	<u>17,476</u>	17,777
Total		<u>38,337</u>

The bank overdrafts, bills payable and term loans are secured over certain subsidiaries' properties, a subsidiary's directors' guarantee as well as fixed deposits placed on lien.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at 25 November 2009

B11. CHANGES IN MATERIAL LITIGATIONS

The Group is not engaged in any material litigation as at 25 November 2009

B12. DIVIDEND

No dividend has been declared nor recommended for the current period ended 30 September 2009.

B13. EARNINGS PER SHARE

The basic earnings/(loss) per share is arrived at by dividing the net profit/(loss) for the period attributable to ordinary equity holders of the parent by the number of ordinary shares in issue as follows :-

	Current Quarter	Financial Year to Date
Net profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	681	1,041
Number of ordinary shares in issue (in thousand)	42,000	42,000
Basic earnings/(loss) per share (sen)	1.62	2.48

B14. AUTHORISATION FOR ISSUE

The Interim Financial Statement and the accompanying notes were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors.

BY ORDER OF THE BOARD

Mah Li Chen
Tan Ley Theng
Company Secretaries

Kuala Lumpur
26 November 2009