

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2009

	2009 CURRENT QUARTER ENDED 12/31/2009 RM'000	2008 COMPARATIVE QUARTER ENDED 12/31/2008 RM'000	2009 9 Months CUMULATIVE TO 12/31/2009 RM'000	2008 12 Months CUMULATIVE TO 12/31/2008 RM'000
Revenue	26,692	N/A	75,053	N/A
Operating Expenses	(25,229)	N/A	(70,182) **	N/A
Other Income	<u>243</u>	<u>N/A</u>	<u>792</u>	<u>N/A</u>
Profit/(loss) from Operations	1,706	N/A	5,663	N/A
Finance costs	(696)	N/A	(2,135)	N/A
Share of results of an associate	<u>212</u>	<u>N/A</u>	<u>791</u>	<u>N/A</u>
Profit/(loss) before tax	1,222	N/A	4,319	N/A
Taxation	<u>(685)</u>	<u>N/A</u>	<u>(1,547)</u>	<u>N/A</u>
Profit/(loss) for the period	<u><u>537</u></u>	<u><u>N/A</u></u>	<u><u>2,772</u></u>	<u><u>N/A</u></u>
Attributable to:				
Equity holders of the parent	234	N/A	1,275	N/A
Minority interests	<u>303</u>	<u>N/A</u>	<u>1,497</u>	<u>N/A</u>
	<u><u>537</u></u>	<u><u>N/A</u></u>	<u><u>2,772</u></u>	<u><u>N/A</u></u>
Earnings/(Loss) per share (sen)				
(a) Basic	0.56	N/A	3.04	N/A
(b) Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note no. 1 ** - Operating Expenses for 9 months cumulative ending 31 December 2009 consists of the following :-

	RM'000
Cost of sale	30,244
Selling and distribution expenses	19,719
Operating overhead	<u>20,219</u>
	<u><u>70,182</u></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 4th quarterly results for period ended 31 December 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)

MESB BERHAD (337554-D)

APPENDIX TO QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2008

	2008 CURRENT QUARTER ENDED 12/31/2008 RM'000	2007 COMPARATIVE QUARTER ENDED 12/31/2007 RM'000 Restated	2008 12 MONTHS CUMULATIVE TO 12/31/2008 RM'000	2007 12 MONTHS CUMULATIVE TO 12/31/2007 RM'000 Restated
Revenue	24,536	38,860	104,422	128,538
Operating Expenses	(23,100)	(38,182)	(98,979) **	(126,539)
Other Income	(9)	590	415	1,138
Profit/(loss) from Operations	1,427	1,268	5,858	3,137
Finance costs	(1,230)	(822)	(3,733)	(3,089)
Share of results of an associate	168	127	896	452
Profit/(loss) before tax	365	573	3,021	500
Taxation	(203)	(800)	(1,406)	(1,061)
Profit/(loss) for the period	<u>162</u>	<u>(227)</u>	<u>1,615</u>	<u>(561)</u>
Attributable to:				
Equity holders of the parent	(37)	(88)	449	(624)
Minority interests	<u>199</u>	<u>(139)</u>	<u>1,166</u>	<u>63</u>
	<u>162</u>	<u>(227)</u>	<u>1,615</u>	<u>(561)</u>
Earnings/(Loss) per share (sen)				
(a) Basic	(0.09)	(0.21)	1.07	(1.49)
(b) Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note no. 1 ** - Operating Expenses for 12 months cumulative ending 31 December 2008 consists of the following :-

	RM'000
Cost of sale	45,945
Selling and distribution expenses	28,449
Operating overhead	<u>24,585</u>
	<u>98,979</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 12/31/2007 RM'000	2007 12 MONTHS CUMULATIVE TO 12/31/2007 RM'000
INCOME STATEMENT (EXTRACT):- As previously reported	<u>41,008</u>	<u>134,753</u>
As restated		
Net Revenue	41,008	134,753
Reclassification	(720)	(532)
Capitalisation of telecommunication towers	<u>(1,428)</u>	<u>(5,683)</u>
Gross Revenue	<u>38,860</u>	<u>128,538</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 31 DECEMBER 2009

	AS AT 12/31/2009 RM'000	AS AT 3/31/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	28,461	28,880
Prepaid land lease payments	2,514	2,537
Investment in associated company	2,905	2,273
Other investments	60	60
Intangible asset	30	34
Other assets	3,621	3,941
Goodwill on consolidation	24,616	24,616
Current Assets		
Amount owing by contract customers	1,131	633
Inventories	25,824	21,422
Debtors	23,873	25,888
Tax Recoverable	356	439
Cash and bank balances	14,279	14,560
	<u>65,463</u>	<u>62,942</u>
Total Assets	<u>127,670</u>	<u>125,283</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent :		
Share capital	42,000	42,000
Reserves	<u>3,112</u>	<u>1,837</u>
Capital and Reserves	45,112	43,837
Minority interests	<u>5,367</u>	<u>3,870</u>
Total equity	<u>50,479</u>	<u>47,707</u>
Non-current liabilities		
Hire purchase creditors	224	462
Deferred tax liabilities	183	207
Term loans	<u>16,374</u>	<u>19,259</u>
	16,781	19,928
Current Liabilities		
Creditors	25,079	25,156
Amount owing to contract customers	6,048	3,934
Amount owing to director	5,476	6,376
Hire purchase creditors	329	439
Term loans	4,519	5,297
Bankers' acceptances, revolving credit and trust receipts	18,317	15,881
Taxation	<u>642</u>	<u>565</u>
	<u>60,410</u>	<u>57,648</u>
Total liabilities	<u>77,191</u>	<u>77,576</u>
Total equity and liabilities	<u>127,670</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)

MESB BERHAD (337554-D)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2009**

	Attributable to equity holders of the parent					Minority	Total
	Share	Share	Retained	Capital		Interests	Equity
	Capital	Premium	Earnings	Reserve	Total		
	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	-	-	1,275	-	1,275	1,497	2,772
At 31 December 2009	<u>42,000</u>	<u>5</u>	<u>3,070</u>	<u>37</u>	<u>45,112</u>	<u>5,367</u>	<u>50,479</u>

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)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2009

	9 MONTHS ENDED 12/31/2009 RM'000	15 MONTHS ENDED 3/31/2009 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) before taxation	4,319	3,414
Adjustments for:		
Amortisation of intangible asset	5	8
Amortisation of other investment	-	1
Amortisation of prepaid land lease payments	13	38
Allowance for doubtful debts	-	13
Bad debts written off	236	2
Share of results of an associate	(791)	(1,214)
Depreciation of property, plant and equipment	2,290	3,703
Interest income	(145)	(458)
Interest expense	2,135	3,927
Fixed assets written off	478	614
Provision/(write back) for foreseeable loss	813	(694)
Write-back of inventories	-	(81)
Loss on disposal of subsidiary	-	190
Gain on disposal of property, plant and equipment	(318)	(243)
	<hr/>	<hr/>
Operating profit before working capital and non-current assets changes	9,035	9,220
Changes in working capital and non-current assets:		
Net change in current and non-current assets	2,098	3,777
Net change in amount owing by contract customers	802	4,652
Net change in inventories	(4,402)	(2,151)
Net change in current liabilities	(977)	3,435
	<hr/>	<hr/>
Cash generated from operations	6,556	18,933
Income tax(paid)/ refunded	(1,251)	(425)
Interest paid	(2,135)	(3,927)
	<hr/>	<hr/>
Net cash generated from /(used in) operating activities	3,170	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	(2,340)	(3,803)
Dividend paid to minority interest	-	(280)
Interest received	145	458
Proceeds from disposal of property, plant and equipment	320	341
	<hr/>	<hr/>
Net cash used in investing activities	(1,875)	(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	(1,227)	219
Net drawdown/(repaysment) of hire purchase Creditors	(349)	(679)
	<hr/>	<hr/>
Net cash used in financing activities	(1,576)	(10,550)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(281)	721
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	14,560	13,839
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>14,279</u>	<u>14,560</u>
Note :		
(1) Cash & Cash Equivalents for the period ended 31 December 2009 consists of the following :-		
Cash & Cash Equivalents	14,302	16,465
Bank Overdraft	(23)	(3,430)
	<hr/>	<hr/>
	14,279	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)**Interim Financial Report for the Period Ended 31 December 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	8,811	104	67,483	76,398
Inter-segment revenue	(944)	(84)	(316)	(1,344)
	<u>7,867</u>	<u>20</u>	<u>67,167</u>	<u>75,054</u>

RESULTS

Segment results	670	(836)	5,829	5,663
Finance costs	(760)	0	(1,375)	(2,135)
Share of results of an associate	0	791	0	791
Profit/(Loss) before taxation	(90)	(45)	4,454	4,319
Taxation	(21)	(130)	(1,396)	(1,547)
Profit/(Loss) after taxation	(111)	(175)	3,058	2,772

Attributable to:

Equity holders of the parent	(1,028)	(175)	2,478	1,275
Minority interests	917	0	580	1,497
	(111)	(175)	3,058	2,772

	Engineering & Construction RM'000	Investment holding RM'000	Retailing RM'000	Group RM'000
OTHER INFORMATION				
Segment assets	31,687	7,520	88,131	127,338
Segment liabilities	25,539	5,774	45,053	76,366
Capital expenditure	(889)	0	(1,451)	(2,340)
Depreciation	951	46	1,306	2,303

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 23 February 2010.

A11. CHANGES IN COMPOSITION OF THE GROUP

On 5 January 2010, Miroza Leather (M) Sdn Bhd, a wholly-owned subsidiary of the Company has completed disposal of 5,055,360 ordinary shares of RM1.00 each representing 80% equity interest in A.D. Trends Sdn Bhd to Target Fashion Sdn Bhd for a cash consideration of RM11.20 million.

A12. CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 31 December 2009 are as follows :-

	As at 31/12/2009 RM'000	As at 31/03/2009 RM'000
1. Corporate guarantees given to licensed bank for Banking facilities granted to subsidiaries	43,772	97,220
2. Claim under litigation*	1,356	-
	<u>45,128</u>	<u>97,220</u>

* The Group and its subsidiary are defending the claim under litigation, through their solicitor, the outcomes of which are subject matter for the Court to eventually determine.

A13. RELATED PARTY TRANSACTIONS

The related party transactions of the Group for the period ended 31 December 2009 are as follows:

Transaction parties	Nature of transaction	As at 31/12/2009 RM'000	As at 31/03/2009 RM'000
MX Too Sdn Bhd	Royalty	486	714
Roncato Sdn Bhd	Sale of products	1,358	1,188
Fook Cheong Trading	Sale of products	1	47
MRZ Car Seat Sdn Bhd	Rental	38	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 31 December 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 recorded profit before tax of RM1.22 million for the current quarter as compared with the preceding quarter's profit before tax of RM2.23 million. The lower profit was mainly attributable to the lower revenue recorded for the current quarter.

B3. COMMENTARY ON PROSPECTS

The Group will continue to review and fortify our core businesses, and further sharpen our competitive edge when ever opportunities arise. Barring unforeseen circumstances, the Group is cautiously optimistic about the financial performance for the financial year ending 31 March 2010.

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>685</u>	<u>1,547</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 31 December 2009.

B8. CORPORATE PROPOSAL

There were no outstanding corporate proposals announced but not completed within 7 days from the date of issue of this report

B9. BORROWINGS AND DEBT SECURITIES

The Group borrowings as at 31 December 2009 are as follow:-

	RM'000	RM'000
Short Term		
Hire purchase creditors	329	
Bill payable & Revolving credit	18,317	
Term loans	4,519	
Bank overdraft	<u>23</u>	23,188
Long Term		
Hire purchase creditors	224	
Term Loans	<u>16,374</u>	16,598
Total		<u>39,786</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 23 February 2010.

B11. CHANGES IN MATERIAL LITIGATIONS

Leader Cable Industry Berhad ("Plaintiff") served a writ of summons on Maintenance Engineering Sdn Bhd ("ME"), a wholly-owned subsidiary of the Company on 12 January 2010. The plaintiff's claim is for outstanding amount of RM1.36million together with interest and cost thereon as the Plaintiff had not delivered the remaining goods in accordance with the terms and conditions of the contract. The Company and ME are challenging the claim.

B12. DIVIDEND

No dividend has been declared nor recommended for the current period ended 31 December 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)	234	1,275
Number of ordinary shares in issue (in thousand)	42,000	42,000
Basic earnings/(loss) per share (sen)	0.56	3.04

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

Lim Ming Toong
Lai Chee Wah (Carine)
Company Secretaries

Kuala Lumpur
23 February 2010