

HEXAGON HOLDINGS BERHAD (Company No.: 280116-H)

Incorporated in Malaysia

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

The Board of Directors of HEXAGON HOLDINGS BHD wishes to announce the unaudited results of the Group for the third quarter and Year-to-date ended 31 December 2011 as follows:-

CONSOLIDATED INCOME STATEMENT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

	FYE 2012 Current Quarter Ended 31 December 2011 RM'000	FYE 2011 Current Quarter Ended 31 December 2010 RM'000	FYE 2012 9 months cumulative to date 31 December 2011 RM'000	FYE 2011 9 months cumulative to date 31 December 2010 RM'000
Revenue	61,476	106,655	203,907	270,143
Cost of Sales	(57,069)	(91,700)	(181,230)	(219,595)
Gross Profit	4,407	14,955	22,677	50,548
Other Income	917	1,714	2,259	2,667
Selling & Distribution Expenses	(1,688)	(1,713)	(6,059)	(6,172)
Administration and General Expenses	(9,760)	(9,802)	(31,257)	(31,155)
Foreign Exchange Gain / (Loss)	(1,012)	(374)	1,709	(2,599)
Impairment Loss on Receivables	0	(427)	(5)	(392)
(Loss) / Profits from Operations ¹	(7,136)	4,353	(10,676)	12,897
Finance Costs	(2,565)	(3,187)	(8,969)	(8,893)
Share of profit / (loss) of associates	(177)	(22)	332	178
(Loss) / Profit before tax	(9,878)	1,144	(19,313)	4,182
Taxation	(1,092)	(70)	(1,176)	(393)
(Loss) / Profit after tax	(10,970)	1,074	(20,489)	3,789
Attributable to:				
Equity holders of the parents	(10,771)	552	(20,915)	4,071
Non-controlling interest	(199)	522	426	(282)
Net (Loss) / Profit for the period	(10,970)	1,074	(20,489)	3,789
EPS - Basic	(Sen) (8.12)	0.42	(15.76)	3.07
- Diluted	(Sen) *	*	*	*

* anti-dilutive

The Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

	FYE 2012	FYE 2011	FYE 2012	FYE 2011
	Current Quarter Ended	Current Quarter Ended	9 months cumulative to date	9 months cumulative to date
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
(Loss) / Profit for the period	(10,970)	1,074	(20,489)	3,789
Foreign currency translation differences arising from consolidation	(840)	(397)	(435)	66
Total comprehensive (loss) / income	(11,810)	677	(20,924)	3,855
Total comprehensive (loss) / income attributable to:				
Equity holders of the Company	(11,238)	(532)	(20,976)	2,549
Non-controlling Interest	(572)	1,209	52	1,306
	(11,810)	677	(20,924)	3,855

The Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
 31 DECEMBER 2011

CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS AS AT 31 DECEMBER 2011

	As at 31 December 2011	As at 31 March 2011
	(Unaudited) RM'000	(Audited) RM'000
ASSETS		
Non Current Assets		
Property, Plant and Equipment	91,142	97,863
Investments in Associates	1,070	738
Goodwill on Consolidation	2,035	2,035
Deferred Tax Assets	5,524	5,841
Development Expenditure	21	84
	99,792	106,561
Current Assets		
Inventories	38,830	55,463
Other Investments	3,000	3,000
Derivative Assets	106	106
Trade and Other Receivables	184,886	197,965
Current Tax Assets	1,043	1,353
Cash and Cash equivalents	22,483	64,565
	250,348	322,452
Total Assets	350,140	429,013
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of The Parent		
Share Capital	66,348	66,348
Other Reserves	11,089	11,150
Retained Earnings / (Accumulated Losses)	(45,621)	(24,683)
Shareholders' Fund	31,816	52,815
Non-controlling Interest	19,250	18,934
Total Equity	51,066	71,749

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
31 DECEMBER 2011**CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS AS AT 31 DECEMBER 2011**
(continued)

	As at 30 December 2011	As at 31 March 2011
	(Unaudited) RM'000	(Audited) RM'000
LIABILITIES		
Non Current Liabilities		
Provision for Retirement Benefits	3,832	3,213
Long Term Borrowings	42,060	28,887
Deferred Tax Liabilities	754	1,125
	46,646	33,225
Current Liabilities		
Trade & Other Payables	97,700	88,326
Provision for Retirement Benefits	27	26
Overdraft & Short Term Borrowings	151,860	233,482
Current Tax Liabilities	2,841	2,205
	252,428	324,039
Total Liabilities	299,074	357,264
Total Equity and Liabilities	350,140	429,013
Net Asset per share	(Sen)	
		24 40

The Consolidated Statements of Financial Positions should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

CONSOLIDATION STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2011

←----- Attributable to equity holders of the Company ----->

←-----Non-distributable----->

	Share Capital	Other Capital Reserve	Exchange Reserve	Warrant Reserve	Share Based Payment Reserve	Retained Earnings / (Accumulated losses)	Total	Non - controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2011	66,348	1,095	(1,196)	9,519	1,732	(24,683)	52,815	18,934	71,749
Foreign currency translation (Loss) / Profit for the period	0	0	(61)	0	0	0	(61)	(374)	(435)
Total comprehensive (loss) / income for the period	0	0	0	0	0	(20,915)	(20,915)	426	(20,489)
Transaction with owners in their capacity as owners :									
Changes in ownership interest in a subsidiary									
Total transaction with owners	0	0	0	0	0	(23)	(23)	264	241
Balance as at 31 December 2011	66,348	1,095	(1,257)	9,519	1,732	(45,621)	31,816	19,250	51,066

The Consolidation Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

CONSOLIDATION STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2010

←----- Attributable to equity holders of the Company ----->

←-----Non-distributable----->

	Share Capital	Other Capital Reserve	Exchange Reserve	Warrant Reserve	Share Based Payment Reserve	Retained Earnings / (Accumulated losses)	Total	Non - controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2010	66,348	1,095	(966)	9,519	1,732	22,922	100,650	17,020	117,670
Foreign currency translation	0	0	(1,522)	0	0	0	(1,522)	1,588	66
Profit / (Loss) for the period	0	0	0	0	0	4,071	4,071	(282)	3,789
Total comprehensive income / (loss) for the period	0	0	(1,522)	0	0	4,071	2,549	1,306	3,855
Transaction with owners in their capacity as owners :									
Changes in ownership interest in a subsidiary	0	0	0	0	0	0	0	0	0
Total transaction with owners	0	0	0	0	0	0	0	0	0
Balance as at 31 December 2010	66,348	1,095	(2,488)	9,519	1,732	26,993	103,199	18,326	121,525

The Consolidation Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
31 DECEMBER 2011**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR-TO-DATE ENDED 31 DECEMBER 2011**

	FYE 2012	FYE 2011
	Year-to-date ended	Year-to-date ended
	31 December 2011	31 December 2010
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit before tax	(19,313)	4,182
Adjustments for:-		
Non-cash items	13,151	11,377
Non-operating items (which are investing / financing)	(5,135)	(10,458)
Operating (loss) / profit before changes in working capital	(11,297)	5,101
Changes in working capital		
Net change in current assets	29,712	(38,868)
Net change in current liabilities	7,563	23,039
Net cash flow from / (used in) operating activities	25,978	(10,728)
CASH FLOW FROM INVESTING ACTIVITIES		
Net proceeds / (purchase) of property, plant and equipment	530	(1,652)
Net cash flow from / (used in) investing activities	530	(1,652)
CASH FLOW FROM FINANCING ACTIVITIES		
Withdrawals / (Placements) of pledged fixed deposits	28,764	1,188
Bank borrowings	(67,229)	22,264
Net cash flow (used in) / from financing activities	(38,465)	23,452
Net (decrease) / increase in Cash & Cash Equivalents	(11,957)	11,072
Cash & Cash Equivalents at beginning of period – Note (a)	10,158	15,357
Cash & Cash Equivalents at end of period - Note (b)	(1,799)	26,429

The Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED
 31 DECEMBER 2011

	FYE 2012	FYE 2011
	Year-to-date ended	Year-to-date ended
	31 December 2011	31 December 2010
	RM'000	RM'000
Note (a)		
Cash & Cash Equivalents at beginning of period		
Cash & cash equivalents	64,565	22,359
Less : Pledged fixed deposits	(31,934)	0
Cash and bank balances	32,631	22,359
Bank overdraft	(22,473)	(7,002)
	<u>10,158</u>	<u>15,357</u>
Note (b)		
Cash & Cash Equivalents at end of period		
Cash & cash equivalents	22,483	36,657
Less : Pledged fixed deposits	(3,169)	(6,725)
Cash and bank balances	19,314	29,932
Bank overdraft	(21,113)	(3,503)
	<u>(1,799)</u>	<u>26,429</u>

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2011 and with the explanatory notes attached herein. These explanatory notes 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 last audited financial statement for the financial year ended 31 March 2011.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for year ended 31 March 2011 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Issues Committee (IC) Interpretations by the Group with effect from 1 January 2011.

Adoption of FRSs, Amendments to FRSs and IC Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS132	Financial Instruments : Presentation
Amendments to FRS138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134, FRS 139 and Amendments to IC Interpretation 13	Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The adoption of the abovementioned FRSs, Amendments to FRSs and Interpretations do not have any significant impact on the financial statements of the Group except for the following:

FRS 127 : Consolidated and Separate Financial Statements (revised) ("FRS 127")

FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interest to be absorbed by the non-controlling interest instead of by the parent. The term minority interest was replaced by the term non-controlling interest.

3. QUALIFICATION OF AUDIT REPORT FOR THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 31 March 2011 was not subject to any qualification.

4. SEASONAL / CYCLICAL FACTORS

The Group's operations are not affected materially by any seasonal / cyclical factors.

5. UNUSUAL ITEMS THAT AFFECT THE FINANCIAL STATEMENTS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence of the Group for the period.

6. MATERIAL CHANGES IN ESTIMATES

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

7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

8. DIVIDEND PAID

There was no payment of dividend for the quarter ended 31 December 2011.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

9. SEGMENTAL REPORTING

The Group's segmental report for the current quarter and financial year-to-date are as follows:-

	Current Quarter Ended	9 months cumulative to date
	31 December 2011	31 December 2011
	RM'000	RM'000
Segmental Revenue		
Manufacturing		
- Retail solutions	39,842	130,676
- Semiconductor	761	6,747
Trading and service	9,749	26,215
Engineering	18,127	64,124
Investment income	0	0
	<u>68,479</u>	<u>227,762</u>
Eliminations	(7,003)	(23,855)
Group Revenue	<u>61,476</u>	<u>203,907</u>

Segmental Results

Manufacturing		
- Retail solutions	1,287	5,718
- Semiconductor	(4,052)	(7,354)
Trading and service	(1,413)	(673)
Engineering	(2,843)	(7,927)
Investment income	719	2,134
	<u>(6,302)</u>	<u>(8,102)</u>
Eliminations	(834)	(2,574)
Group Loss from Operations	<u>(7,136)</u>	<u>(10,676)</u>

10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment during the current quarter. The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31
DECEMBER 2011

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

11. SUBSEQUENT EVENT

There was no material event subsequent to the end of the current quarter.

12. CHANGES IN THE COMPOSITION OF THE GROUP

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

13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

14. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AND FINANCIAL YEAR-TO-DATE

For the current quarter, the Group revenue has decreased by RM45.18million to RM61.48million compared to the same period last year. On y-o-y, the Group revenue has reduced by 24.5% to RM203.90 million. This reduction was primarily due to lower revenue from Engineering division as most of the major projects had been completed in previous financial year.

Adversely affected by the lower revenue and margin in Engineering division, quarterly Loss After Tax (LAT) was at RM10.97 million as compared to Profit After Tax (PAT) of RM1.07 million and on y-o-y, the group suffered LAT of RM20.92 million as oppose to a PAT of RM4.07 million in previous year.

Despite of the group's under performance, Manufacturing – Retail solutions has improved its revenue by 29.16% y-o-y to RM130.67 million. While maintaining its consistency supply under existing contracts to its major clients, the improvement is attributed to the new supplies and contracts to countries in South America and Africa.

Manufacturing – Semiconductor's revenue continue to deteriorate y-o-y to RM6.74million from RM13.21 million. The production capacity remains low at less than 30% and the one off return of stock in consignment arrangement with one of customer has resulted the under performance of the division.

Revenue from Trading and services division dropped by 30.62% y-o-y from RM37.79 million to RM26.22 million. The reduction in revenue was mainly attributed to lesser new product orders from the targeted Malaysia's oil and gas market.

On y-o-y, revenue from Engineering division shrunk by 55.6% to RM64.12 million from RM144.49 million compared to previous year as most of major projects within Malaysian have been completed last year and there is no new major project secured during this period.

15. REVIEW OF PERFORMANCE FOR CURRENT QUARTER AS COMPARED TO THE PRECEDING QUARTER

	<u>Current Quarter</u>	<u>Preceding Quarter ended 30 September 2011</u>
	RM'000	RM'000
Revenue	61,476	71,710
(Loss) / Profit after tax	(10,970)	(7,064)

The Group registered revenue of RM61.48 million which is RM10.23 million lower than the amount recorded in the preceding quarter, this decline was mainly due to lower revenue registered by all divisions.

Loss After Tax (LAT) has increased to RM10.97 million from RM7.06 million as result of lower revenue and margin suffered by the Engineering and manufacturing–semiconductor divisions.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

16. PROSPECTS

The manufacturing - retail solution and trading and services continued to make good progress and profit with greater acceptance of our products and services by the existing international clients. However, this positive performance was negated by the engineering division performing below expectation.

The Board is mindful of the outlook of the engineering division for the rest of current year as its business remains highly uncertain due to slow down in FDI driven engineering projects. Recognizing this fact, the Board will continue to diligently undertake cost control initiatives.

17. TAXATION

	<u>Current Quarter</u>	<u>Year to date</u>
	RM'000	RM'000
(Loss) / Profit before tax	(9,878)	(19,313)
Taxation	(1,092)	(1,176)
Effective tax rate	11.0%	6.1%

The taxation charge to the Income Statement consists of :

	<u>Current Quarter</u>	<u>Year to date</u>
	RM'000	RM'000
Income tax	1,092	1,176
Deferred taxation	0	0
	<u>1,092</u>	<u>1,176</u>

The estimated effective tax rate of 6.1% was lower than the statutory tax rate because the Group would be expected to exercise group relief provision as provided by Income Tax Act 1967.

18. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no other sales nor profits/(losses) on any sale of unquoted investments and properties for the current quarter and financial year-to-date.

19. QUOTED SECURITIES

There were no purchase and disposal of quoted securities by the Group for the current quarter and financial year-to-date.

20. CORPORATE PROPOSALS

There are no outstanding corporate proposals for the current quarter and financial year-to-date.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

21. GROUP BORROWINGS

The Group borrowings are secured against corporate guarantees given by the company, charges over the landed properties, fixed deposits pledged and negative pledged over the Group's assets.

	As at 31 December 2011
	RM'000
Short Term Borrowings	
Bills Payable	66,860
Revolving Credits	5,806
Bank Overdraft	21,113
Others	4,027
Hire Purchase	176
Term Loans - Current portion	53,878
	<u>151,860</u>
Long Term Borrowings	
Hire Purchase	1,652
Term Loans – Long term portion	40,408
	<u>42,060</u>
Total Group Borrowings	<u>193,920</u>

All borrowings are denominated in local currency.

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the reporting date.

23. CHANGES IN MATERIAL LITIGATION

There were no material litigations against the Group as at the reporting date except the following.

On 19 January 2012, a restraining order has been granted by the High Court of Malaya in Kuala Lumpur ("High Court") pursuant to Section 176(10) of the Companies Act 1965 (the "Act"), to restraint all further proceedings, and any and all actions or proceedings against Hexagon Tower Sdn. Bhd. ("HTSB"), a wholly-owned subsidiary company of Hexagon Holdings Bhd ("the Company"), and Hexagon Engineering Construction Sdn. Bhd. ("HEC"), a wholly-owned subsidiary company of HTSB, for a period of thirty (30) days until 18 February 2012 ("Restraining Order").

During the hearing, there was an intervention and objection to the application of the Restraining Order from OCBC Bank (Malaysia) Berhad ("OCBC"). The High Court then fixed further hearing on 10 February 2012 for OCBC to appear and submit to the court via an affidavit to explain as to why

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

they should be specifically treated so that the Restraining Order does not apply to them.

At the same hearing, HTSB and HEC have also obtained an order to convene a court convened meeting under Section 176(1) of the Act with their respective unsecured trade and other creditors ("Scheme Creditors") within the aforesaid period to seek their respective Scheme Creditors' approval for the implementation of a scheme of arrangement ("Proposed Scheme"). For this purpose, the Company is in the midst of finalising the respective Proposed Scheme to be presented before HTSB's and HEC's Scheme Creditors, with its appointed advisers and the details of the Proposed Scheme will be announced then.

On 10 February 2012, the High Court granted an order extending the Restraining Order dated 19 January 2012 a further thirty (30) days, from the expiry of the Restraining Order on 18 February 2012 to 19 March 2012.

The High Court also fixed further hearing on 8 March 2012 for HTSB and HEC to reply to OCBC's affidavit of 9 February 2012 in relation to the exemption of the Restraining Order on them.

24. PROPOSED DIVIDEND

No dividend has been declared nor proposed for the current quarter.

25. EARNINGS PER SHARE ("EPS")

		Current Quarter Ended	Comparative Quarter Ended	9 months cumulative to date	9 months cumulative to date
		31 December 2011	31 December 2010	31 December 2011	31 December 2010
Net (loss) / profit	(RM'000)	(10,771)	552	(20,915)	4,071
BASIC EARNINGS PER SHARE					
Weighted average number of ordinary shares in issue	('000)	132,695	132,695	132,695	132,695
Earnings per Share	(Sen)	(8.12)	0.42	(15.76)	3.07
DILUTED EARNINGS PER SHARE					
Adjustment for warrant conversion		63,476	63,476	63,476	63,476
Adjusted weighted average number of ordinary shares in issue	('000)	196,171	196,171	196,171	196,171
Earnings per Share	(Sen)	*	*	*	*

* ANTI-DILUTIVE

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

26. RETAINED EARNINGS / (ACCUMULATED LOSSES)

	As at 31 December 2011	As at 30 September 2011
	RM'000	RM'000
Total accumulated losses of the company and its subsidiaries :		
- Realised	(60,637)	(50,043)
- Unrealised	5,688	5,935
	<u>(54,949)</u>	<u>(44,108)</u>
Total share of retained profit / (accumulated losses) from associated companies :		
- Realised	213	390
	<u>(54,736)</u>	<u>(43,718)</u>
Consolidation adjustments	9,115	8,868
Total group accumulated losses as per consolidated accounts	<u>(45,621)</u>	<u>(34,850)</u>

27. ADDITIONAL NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

	Current Quarter Ended	Comparative Quarter Ended	9 months cumulative to date	9 months cumulative to date
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
(Loss) / profit for the period / year is arrived at the charging / (crediting):				
Interest income	42	33	313	72
Other income	876	1,681	1,946	2,595
Interest expenses	2,565	3,187	8,969	8,893
Depreciation and amortization	2,276	2,491	6,885	7,432
Provision for and write off of				
- Receivables	0	427	5	392
- Inventories	1,430	0	1,430	0

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

ADDITIONAL NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTINUED)

	Current Quarter Ended	Comparative Quarter Ended	9 months cumulative to date	9 months cumulative to date
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
(Gain) / loss on disposal of				
- Property, plant and equipment	(221)	(616)	(190)	(616)
- Investments	0	0	0	0
Impairment of property, plant and equipment	1	0	4	16
Foreign exchange (gain) or loss	1,012	374	(1,709)	2,599

By Order of the Board,

TAN BENG WAN

Executive Chairman and Group Chief Executive Officer

Date : 29 February 2012