

**MAJOR TEAM HOLDINGS BERHAD (567427-W)**  
**QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2010**

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**SECTION A - NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Board.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st 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 31st December 2009.

**A2. Adoption of New/Revised Financial Reporting Standards**

The significant accounting policies adopted in the interim financial report are consistent with those adopted by the Group in the audited financial statements for the financial year ended 31st December 2009 except for the adoption of the following applicable new and revised FRSs, Issues Committee (“IC”) Interpretations and amendments to FRSs and IC Interpretations which are relevant to the Group’s operations with effect from 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of financial statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement (revised)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 14	FRS119-The limit on a defined Benefit Asset, Minimum Funding Requirements and their Interaction

Amendments to FRS 1, First-time Adoption Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements- Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled “Improvements to FRSs (2009)”

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FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated & Separate Financial Statements (revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The new FRSs, revised FRSs, IC Interpretations, amendments to FRSs and IC Interpretations will have no material impact on the financial statements of the Group upon their initial application except for the changes in disclosures arising from the adoption of FRS 7, FRS 8 and FRS 101.

As at 30 September 2010, the following FRSs, IC Interpretations and amendments to FRSs were in issue but not yet effective and have not been applied by the Group:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures of First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 15	Agreements for Construction of Real Estate

**A3. Auditors' Report on Preceding Annual Financial Statements**

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

**A4. Seasonal or Cyclical Factors**

The operations of the Group during the quarter have not been affected by any material seasonal or cyclical factors.

**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 because of their nature, size or incidence.

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**A6. Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial year/quarter which have a material effect in the current quarter results.

**A7. Debt and Equity Securities**

There have been no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasure shares and resale of treasury shares during the current quarter under review.

**A8. Dividends Paid**

No interim dividend has been paid or declared during the current quarter under review.

**A9. Segmental Reporting**

No other segmental information such as segment assets, segment liabilities and segment results is presented as the Group is principally involved in the dimension stone industry and operates from Malaysia only.

**A10. Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

The Group did not carry out any valuation on its property, plant and equipment during the current quarter.

**A11. Changes in Composition of the Group**

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

**A12. Changes in Contingent Liabilities and Contingent Assets**

	<b>30.09.2010</b>	<b>30.9.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>		
Banker's guarantees in favour of the local authorities for the purpose of construction contracts	<b>230</b>	<b>230</b>

There were no contingent assets as at the date of this interim financial report.

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**A13. Discontinued Operations**

There were no discontinued operations events during the current quarter/period to date under review.

**A14. Capital Commitment**

There was no capital commitment as at the date of this interim financial report.

**A15. Material events subsequent to the end of the current financial period**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen from 30 June 2010 to the date of this announcement, which would substantially affect the financial results of the Group for the current quarter/period to date.

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**SECTION B - ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S  
LISTING REQUIREMENTS**

**B1. Review of Performance of the Company and its Principal Subsidiaries**

For the current quarter under review, the Group revenue was higher by RM0.856 million (55%) compared to the corresponding quarter last year mainly due to higher revenue achieved from local projects in the current quarter. The Group incurred a loss before taxation of RM2.129 million for the current quarter compared to a lower loss before taxation of RM0.845 million in the corresponding period last year due to lower profit margin on local projects.

**B2. Variation of Results Against Preceding Quarter**

Group revenue for the current quarter of RM2.419 million was lower by RM0.978 million (28.8%) compared to RM3.397 million in the preceding quarter, mainly due to lower revenue from export sales and local sales in the current quarter. Loss before taxation in the preceding quarter of RM1.376 million compared to RM2.129 million recorded in the current quarter mainly due to lower revenue and lower profit margin on local projects in the current quarter.

**B3. Prospects Commentary**

In view of the current competitive market conditions, particularly cheaper imports from China, the Group's prospects remain very challenging.

**B4. Profit Forecast and Profit Guarantee**

The Group has not issued any profit forecast to the public and has not given any profit guarantee for the financial period.

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**B5. Taxation**

No provision for current taxation has been made in the financial statements of the Group due to tax loss in the financial period ended 30 June 2010.

**B6. Unquoted Investments and/or Properties**

There were no disposals of any unquoted investments and/or properties during the current quarter/period to date under review.

**B7. Quoted Investments**

There were no purchases or disposals of quoted investment during the current quarter/period to date under review.

**B8. Status of Corporate Proposal Announced**

There were no corporate proposals during the current quarter under review.

**B9. Group Borrowings**

The Group borrowings as at the end of the reporting quarter are as follows:

	<u>Total</u> <u>outstanding</u> RM'000	<u>Repayable within</u> <u>12 months</u> RM'000	<u>Repayable after</u> <u>12 months</u> RM'000
<u>Secured</u>			
Bank overdraft	9,366	9,366	-
Bills payable	9,336	9,336	-
	18,702	18,702	-

The group borrowings are with a local financial institution and denominated in Ringgit Malaysia.

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**B10. Off Balance Sheet Financial Instruments**

The Group does not have any off balance sheet financial instruments as at the date of this interim financial report.

**B11. Material Litigation**

The Group is not involved in any material litigation as at the date of this interim financial report, which has a material effect on the financial position of the Group.

**B12. Dividend Payable**

No interim dividend has been declared as at the date of this interim financial report.

**B13. Basic and Fully diluted Earnings per Share**

The calculation of basic earnings per share is based on the consolidated loss after taxation and minority interest for the current quarter/period to date of RM2.129 million/RM4.500 million divided by the weighted average number of 98,877,380 shares (30 September 2009: RM0.845 million/RM2.761 million and 98,877,380 shares).

The calculation of fully diluted earnings per share is based on the consolidated loss after taxation and minority interest for the current quarter/period to date of RM2.129 million/RM4.500 million divided by the adjusted weighted average number of 98,877,380 shares (30 September 2009: RM0.845 million/RM2.761 million and 98,877,380 shares).

**By Order of the Board of Directors**

**Company Secretary**  
**26<sup>th</sup> November 2010**