

TECNIC GROUP BERHAD

(Company no: 302675-A)

Condensed Consolidated Statement of Comprehensive Income for the quarter ended 30 September 2011 (The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30.09.11 RM '000 (Unaudited)	Preceding year Corresponding Quarter 30.09.10 RM '000 (Unaudited)	Current Year to date 30.09.11 RM '000 (Unaudited)	Preceding year corresponding period 30.09.10 RM '000 (Unaudited)
Revenue	53,599	45,326	162,245	125,829
Cost of sales	(40,938)	(35,658)	(127,356)	(100,345)
Gross profit	12,661	9,668	34,889	25,484
Other income	250	218	740	558
Operating expenses	(5,009)	(4,707)	(15,552)	(13,054)
Profit from operations	7,902	5,179	20,077	12,988
Finance costs	(143)	(64)	(308)	(178)
Profit before taxation	7,759	5,115	19,769	12,810
Taxation	(1,060)	(567)	(1,988)	(633)
Profit for the period	6,699	4,548	17,781	12,177
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	6,699	4,548	17,781	12,177
Total comprehensive income attributable to:				
Owners of the Parent	6,699	4,548	17,781	12,177
Non-controlling interest	-	-	-	-
	6,699	4,548	17,781	12,177
Earnings per share attributable to Equity owners of the Parent (sen):				
Basic	16.58	11.26	44.02	30.14
Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

TECNIC GROUP BERHAD

(Company no: 302675-A)

Condensed Consolidated Statement of Financial Position

	Unaudited as at 30.09.2011 RM'000	Audited as at 31.12.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	53,845	46,179
Land use rights	5,771	5,872
Other investments	139	139
	<u>59,755</u>	<u>52,190</u>
Current Assets		
Inventories	17,558	15,748
Trade and other receivables	51,555	44,696
Other current assets	269	422
Tax recoverable	668	103
Short term investments	3,300	-
Cash and bank balances	7,681	4,454
	<u>81,031</u>	<u>65,423</u>
TOTAL ASSETS	<u><u>140,786</u></u>	<u><u>117,613</u></u>
EQUITY AND LIABILITIES		
Equity attributable to the Holders of the Company		
Share capital	40,397	40,397
Reserves	49,702	40,001
	90,099	80,398
Minority interests	-	-
	<u>90,099</u>	<u>80,398</u>
Non-current liabilities		
Deferred tax liabilities	2,040	1,760
Borrowings	-	-
	<u>2,040</u>	<u>1,760</u>
Current Liabilities		
Trade and other payables	36,947	32,844
Borrowings -others	10,470	2,131
Taxation	1,230	480
	<u>48,647</u>	<u>35,455</u>
Total liabilities	<u>50,687</u>	<u>37,215</u>
TOTAL EQUITY AND LIABILITIES	<u>140,786</u>	<u>117,613</u>
Net assets per share (RM)	2.23	1.99

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

TECNIC GROUP BERHAD

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Condensed Consolidated Statement of Cash Flow for the quarter ended 30 September 2011

	2011 9 months ended 30 September RM'000 (Unaudited)	2010 9 months ended 30 September RM'000 (Unaudited)
Cash Flows from operating activities		
Profit before tax	19,769	12,810
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	4,916	4,205
Amortisation of land use rights	114	-
Interest income	-	(35)
Finance costs	308	178
Gain on disposal of property, plant and equipment	(94)	(44)
Total adjustments	5,244	4,304
Operating cash flow before changes in working capital	25,013	17,114
<u>Changes in working capital</u>		
Increase in inventories	(1,810)	(5,113)
Increase in receivables	(6,706)	(5,868)
Increase in payables	4,103	7,956
Total changes in working capital	(4,413)	(3,025)
Cash flows from operations	20,600	14,089
Tax paid	(1,523)	(227)
Interest paid	(308)	(178)
Net cash flows from operating activities	18,769	13,684
Investing activities		
Proceeds from disposal of property, plant and equipment	160	53
Purchase of property, plant and equipment	(12,661)	(5,514)
Purchase of short term investments	(3,300)	-
Interest received	-	35
Net cash used in investing activities	(15,801)	(5,426)
Financing activities		
Repayment of obligation under finance leases	(18)	(710)
Dividend paid on ordinary shares	(8,080)	(6,348)
Proceeds from/(repayment of) short term borrowings	6,466	(1,159)
Net cash used in financing activities	(1,632)	(8,217)
Net increase in cash and bank balances	1,336	41
Cash and bank balances at beginning of financial period	4,454	10,829
Cash and bank balances at end of the financial period	5,790	10,870

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

TECNIC GROUP BERHAD

(Company no: 302675-A)

**Condensed Consolidated Statement of Cash Flow for the quarter ended 30 September 2011
(cont'd)**

	2011 9 months ended 30 September RM'000 (Unaudited)	2010 9 months ended 30 September RM'000 (Unaudited)
Cash and cash equivalents comprise:		
Cash and bank balances	7,681	10,870
Bank overdraft	(1,891)	-
	<u>5,790</u>	<u>10,870</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

TECNIC GROUP BERHAD

(Company no: 302675-A)

Condensed Consolidated Statements of Changes in Equity for the quarter ended 30 September 2011

	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Non-Controlling interest RM'000	Total equity RM'000
At 1 January 2011	40,397	-	40,001	-	80,398
Total comprehensive income for the period	-	-	17,781	-	17,781
Dividend on ordinary shares	-	-	(8,080)	-	(8,080)
At 30 September 2011	40,397	-	49,702	-	90,099
At 1 January 2010	40,397	-	30,376	-	70,773
Total comprehensive income for the period	-	-	12,177	-	12,177
Dividend on ordinary shares	-	-	(6,464)	-	(6,464)
At 30 September 2010	40,397	-	36,089	-	76,486

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010)

TECNIC GROUP BERHAD

(Company no: 302675-A)

Notes to the interim financial reports

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for derivatives financial instruments, available for sale investments and investment property which have been stated at fair value.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting 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 for the year ended 31 December 2010. 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 year ended 31 December 2010.

2. Changes in Accounting Policies

The significant accounting policies adopted in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2010.

The Group has adopted the following new and revised Financial Reporting Standards ("FRS"), Issues Committee ("IC") Interpretations and amendments to FRSs and IC interpretations which are relevant to the Group's operations with effect from 1 January 2011:-

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	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Improvements to FRS issued in 2010	
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfer of Assets from Customers
TR i – 4	Shariah Compliant Sale Contracts

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 124 Related Party Disclosures (Revised)	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

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Notes to the interim financial reports (cont'd)

3. Nature and amount of unusual items

There were no unusual items for the current interim period.

4. Nature and amount of changes in estimates

There were no significant changes in estimates of amounts which have a material effect in the current interim period.

5. Debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities.

6. Segmental information

	<-----Financial year- to- date ----->			
	Injection Moulding RM'000	Mould Making RM'000	Elimination RM'000	Consolidation RM'000
External Sales	147,313	14,932	-	162,245
Internal Sales	-	1,941	(1,941)	-
Total Revenue	<u>147,313</u>	<u>16,873</u>	<u>(1,941)</u>	<u>162,245</u>
Segment result (external)	19,509	2,143	-	21,652
Unallocated cost				<u>(1,575)</u>
Profit from operations				20,077
Financing cost				<u>(308)</u>
Profit before tax				<u>19,769</u>
Other Information				
Segment Assets	121,505	18,168	-	139,673
Unallocated Assets				<u>1,113</u>
Total assets				<u>140,786</u>
Segment Liabilities	44,127	4,889	-	49,016
Unallocated Liabilities				<u>1,671</u>
Total liabilities				<u>50,687</u>

7. Valuation of property, plant and equipment

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

8. Subsequent events

There were no material events subsequent to the end of the current quarter.

9. Changes in the composition of the Group

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

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Notes to the interim financial reports (cont'd)

10. Changes in contingent liabilities

There were no contingent liabilities for the Group for the current financial period to date.

11. Significant related party transactions

Transactions that have been entered into are in the normal course of business and have been established under mutually agreed terms that are not materially different from those obtainable in transactions with unrelated parties.

12. Review of performance

The Group registered a profit before taxation of RM19.8 million and revenue of RM162.2 million for the current financial year to date as compared with a profit before taxation of RM12.8 million and revenue of RM125.8 million recorded in the preceding year's corresponding period. The overall improvement was primarily contributed by the increase of revenue in both Injection Moulding as well as the Mould Making segment during the current period.

13. Quarterly results comparison

In respect of the current quarter, the Group recorded revenue of RM53.6 million and profit before taxation of RM7.8 million as compared with revenue of RM45.3 million and RM5.1 million profit before taxation recorded in the immediate preceding quarter. Increase in production capacities and customers continuous orders during the quarter contributed to the higher turnover and margin.

14. Prospects for current financial year

For the financial year ended 31 December 2011, the Group continues to improve overall efficiency and product quality to maintain its competitive edge. The Group will also capitalise on its expanded production facility to diversify customer base, grow revenue and improve profit margins. Prospects remain promising and the Directors are cautiously optimistic of improving the overall performance of the Group for the current financial year.

15. Variance of actual profit from the profit forecast and profit guarantee

Not applicable as no profit forecast was published.

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Notes to the interim financial reports (cont'd)**16. Taxation**

	Current Quarter RM'000	Current year-to-date RM'000
Income Tax	(1,060)	(1,988)
Deferred Tax	-	-
	-----	-----
	(1,060)	(1,988)
	=====	=====

The effective tax rate of the Group for the current quarter and financial year-to-date is lower than the statutory tax rate due to the utilisation of unabsorbed losses, capital allowances and reinvestment allowances of subsidiaries brought forward from previous year of assessment.

17. Profit/(loss) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties during the current quarter under review.

18. Purchase or disposal of unquoted securities

There was no purchase or disposal of unquoted securities for the current quarter and financial year-to-date.

19. Status of corporate proposals

There were no corporate proposals announced but not completed as at to date.

20. Group borrowings

Total Group borrowings as at 30 September 2011: -

	RM'000
Short-term – secured	10,470
Long-term – secured	-
	<u>10,470</u>

There were no borrowings in foreign currency.

21. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

22. Changes in material litigation

There were no material litigations as at the date of this quarterly report.

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Notes to the interim financial reports (cont'd)

23. Dividend

The Company endeavour to maintain a dividend policy of paying a minimum 50% dividend payout of its profit after tax annually to shareholders with effect from the financial year 2010. The Company will endeavour to maintain the policy in the future subject to a number of factors such as the availability of distributable reserves as well as the Company's future cash flow or capital expenditure requirements, investment opportunities, regulations and market conditions.

24. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 June 2011, into realised and unrealised profits, is as follows:

	Current year Quarter 30.09.2011 RM'000	As at end of financial year 31.12.2010 RM'000
Total retained profits/(accumulated losses) of the Group		
-Realised	60,749	46,498
-Unrealised	(2,040)	(1,899)
	<u>58,709</u>	<u>44,599</u>
Less : Consolidation adjustment	<u>(9,007)</u>	<u>(4,598)</u>
Retained profit as per condensed consolidated statement of changes in equity	<u>49,702</u>	<u>40,001</u>

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Notes to the interim financial reports (cont'd)**25. Earnings per share**

The Group's earnings per share are calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30.09.2011 RM'000	Preceding year corresponding quarter 30.09.2010 RM'000	Current year to date 30.09.2011 RM'000	Preceding year corresponding period 30.09.2010 RM'000
Profit for the financial period attributable to owners of the Parent	6,699	4,548	17,781	12,177
a) Basic				
Issued ordinary shares at the beginning of the period	40,397,333	40,397,333	40,397,333	40,397,333
Effect of shares issued	-	-	-	-
Weighted average no. of ordinary shares	40,397,333	40,397,333	40,397,333	40,397,333
Basic earnings per share (sen)	16.58	11.26	44.02	30.14
b) Diluted				
Weighted average no. of ordinary shares	40,397,333	40,397,333	40,397,333	40,397,333
Effect of shares options	N/A	N/A	N/A	N/A
Weighted average no. of ordinary shares (diluted)	N/A	N/A	N/A	N/A
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

There is no diluted earnings per share as there was no dilutive potential ordinary shares.

By Order of the Board

Ho Meng Chan
Wu Siew Hong
Company Secretaries

Petaling Jaya
30th November 2011