

(Incorporated in Malaysia)

UNAUDITED FINANCIAL REPORT FOR QUARTER ENDED 31 DECEMBER 2005

CONTENTS

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005	1
CONDENSED CONSOLIDATED INCOME STATEMENT	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED CASH FLOW STATEMENT	4
NOTES TO THE INTERIM FINANCIAL REPORT	5

Page

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

(The figures have not been audited)

ASSETS PROPERTY, PLANT AND EQUIPMENT 63,692 59,904 INVESTMENT IN JOINT VENTURE COMPANY 236 297 INVESTMENT 25 25 CURRENT ASSETS Inventories 33,205 26,077 Trade and Other Debtors 61,547 38,389 Tax recoverable 756 814 Cash and Cash Equivalents 23,633 14,350 119,141 79,630 TOTAL ASSETS EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST DEFERRED INCOME DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors A,236 1,059 Tax Payable 2,423 259 147,336 27,465		Note	31-Dec-05 RM'000	31-Dec-04 (Audited) RM'000
INVESTMENT IN JOINT VENTURE COMPANY 1 236 297 INVESTMENT 2 5 25 CURRENT ASSETS Inventories 1 33,205 26,077 Trade and Other Debtors 1 43,600 Total and Cash Equivalents 1 19,141 79,630 1 19,141 79,630 1 19,141 79,630 TOTAL ASSETS EQUITY AND LIABILITIES SHARE CAPITAL RESERVES 6 6,666 38,800 SHAREHOLDERS' FUND MINORITY INTEREST DEFERRED INCOME DEFERRED TAXATION LONG TERM BORROWINGS 1 4,208 3,250 LONG TERM BORROWINGS 4 4,118 3,941 CURRENT LIABILITIES Trade and Other Creditors Short term borrowings 1 2,236 1,059 Tax Payable 2 4,423 259 47,336 27,465		Note	KW 000	KIVI 000
INVESTMENT 25 25 CURRENT ASSETS Inventories 33,205 26,077 Trade and Other Debtors 61,547 38,389 Tax recoverable 756 814 Cash and Cash Equivalents 23,633 14,350 TOTAL ASSETS 119,141 79,630 EQUITY AND LIABILITIES 84,309 139,856 EQUITY AND LIABILITIES 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES 72,236 1,059 Tax Payable 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	PROPERTY, PLANT AND EQUIPMENT		63,692	59,904
CURRENT ASSETS 33,205 26,077 Trade and Other Debtors 61,547 38,389 Tax recoverable 756 814 Cash and Cash Equivalents 23,633 14,350 TOTAL ASSETS 119,141 79,630 EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	INVESTMENT IN JOINT VENTURE COMPANY		236	297
Inventories 33,205 26,077 Trade and Other Debtors 61,547 38,389 Tax recoverable 756 814 Cash and Cash Equivalents 23,633 14,350 TOTAL ASSETS 183,094 139,856 EQUITY AND LIABILITIES 51,304 139,856 SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	INVESTMENT		25	25
Trade and Other Debtors 61,547 38,389 Tax recoverable 756 814 Cash and Cash Equivalents 23,633 14,350 119,141 79,630 TOTAL ASSETS 183,094 139,856 EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	CURRENT ASSETS			
Tax recoverable 756 814 Cash and Cash Equivalents 23,633 14,350 119,141 79,630 TOTAL ASSETS 183,094 139,856 EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	Inventories	ĺ	33,205	26,077
Cash and Cash Equivalents 23,633 14,350 TOTAL ASSETS 119,141 79,630 EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	Trade and Other Debtors		61,547	38,389
TOTAL ASSETS 119,141 79,630 EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	Tax recoverable		756	814
TOTAL ASSETS 183,094 139,856 EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	Cash and Cash Equivalents		23,633	14,350
EQUITY AND LIABILITIES SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465		-	· · · · · · · · · · · · · · · · · · ·	79,630
SHARE CAPITAL 66,329 66,304 RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	TOTAL ASSETS	=	183,094	139,856
RESERVES 60,666 38,800 SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND 126,995 105,104 MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	SHARE CAPITAL		66,329	66,304
MINORITY INTEREST 75 52 DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	RESERVES		60,666	38,800
DEFERRED INCOME 62 44 DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	SHAREHOLDERS' FUND	_	126,995	105,104
DEFERRED TAXATION 4,208 3,250 LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	MINORITY INTEREST		75	52
LONG TERM BORROWINGS 4,418 3,941 CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	DEFERRED INCOME		62	44
CURRENT LIABILITIES Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	DEFERRED TAXATION		4,208	3,250
Trade and Other Creditors 42,677 26,147 Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	LONG TERM BORROWINGS		4,418	3,941
Short term borrowings 2,236 1,059 Tax Payable 2,423 259 47,336 27,465	CURRENT LIABILITIES			
Tax Payable 2,423 259 47,336 27,465	Trade and Other Creditors	[42,677	26,147
Tax Payable 2,423 259 47,336 27,465	Short term borrowings		•	1,059
	•			259
TOTAL EOUITY AND LIABILITIES 183.094 139.856			47,336	27,465
100,000	TOTAL EQUITY AND LIABILITIES	=	183,094	139,856
Net assets per share (sen) 191 159	Net assets per share (sen)	:	191	159

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2004.

The accompanying notes form an integral part of this interim report

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2005

(The figures have not been audited)

		Current Quarter		Cumulative Quarter	
		3 months end	led 31 Dec	12 months en	ded 31 Dec
		2005	2004	2005	2004
	Note	RM'000	RM'000	RM'000	RM'000
REVENUE		71,194	23,914	214,587	140,245
Cost of support services and goods sold		(50,227)	(20,335)	(162,605)	(117,219)
Gross Profit	-	20,967	3,579	51,982	23,026
Other operating income		(27)	(171)	673	402
Other operating expenses		(118)	(463)	(851)	(1,016)
Distribution and administrative expenses		(9,892)	(7,774)	(17,110)	(15,609)
Profit/(Loss) From Operations	-	10,930	(4,829)	34,694	6,803
Finance expenses		(53)	(242)	(335)	(242)
Exceptional item		-	3,346	-	3,346
Shares of results of joint venture company	_	(16)	(23)	(61)	(112)
Profit/(Loss) Before Taxation		10,861	(1,748)	34,298	9,795
Taxation		(2,819)	1,987	(8,984)	(1,170)
Profit After Taxation	_	8,042	239	25,314	8,625
Minority Interest		5	7	(21)	24
Profit for the period	=	8,047	246	25,293	8,649
Basic earnings per ordinary share (sen)	27(a)	12.13	0.37	38.13	13.05
Diluted earnings per ordinary share (sen) 2	27(b)	12.12	0.37	38.09	12.98

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2004.

The accompanying notes form an integral part of this interim report

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2005

(The figures have not been audited)

RM1000 RM10000 RM1000 RM1000 RM1000 RM1000 RM1000 RM1000 RM1000 RM1000 RM10000 RM1000 RM1000 RM1000 RM1000 RM10000 RM1000 RM10		Share Capital	Share Premium	Non Dis Reserve on Consolidation	tributable —— Assets Revaluation	Currency Translation	Distributable Accumulated Profit Carried	Total
Surplus on revaluation Deferred tax on revaluation Currency translation Currency tr		RM'000	RM'000	RM'000				RM'000
Deferred tax on revaluation Currency translation differences	Balance as at 1 .1. 2004	66,220	3,627	4,475		10	19,372	98,187
Net gains not recognized in the income statement Rot profit attributable to shareholders Rot sharehold	-							
differences (8) (8) Net gains not recognized in the income statement 823 (8) 815 Net profit attributable to shareholders 8,649 8,649 8,649 4% first and final tax exempt dividend -2003 (2,651) (2,651) (2,651) (2,651) (2,651) 15sue of shares 84					(490)			(496)
Net profit attributable to shareholders Same and statement Same an	differences					(8)		(8)
shareholders 8,649 8,649 4% first and final tax exempt dividend -2003 (2,651) (2,651) Issue of shares -ESOS exercised 84 84 - Share premium from ESOS 20 20 Balance as at 31.12.2004 66,304 3,647 4,475 5,306 2 25,370 105,104 Currency translation differences (117) (117) (117) Net losses not recognized in the income statement the income statement shareholders (117) (117) (117) Net profit attributable to shareholders 25,293 25,293 25,293 25,293 5% first and final tax exempt dividend -2004 25 25 25 25 Issue of shares - ESOS exercised 25 25 25 - Share premium from ESOS 6 6 6 6 6	the income statement				823	(8)		815
Cause of shares Cause of share Cause of share Cause of share Cause of share Cause of shares Cause of share	shareholders						8,649	8,649
- ESOS exercised - Share premium from ESOS - 20 - 20 Balance as at 31.12.2004 66,304 3,647 4,475 5,306 2 25,370 105,104 Balance as at 1 .1. 2005 66,304 3,647 4,475 5,306 2 25,370 105,104 Currency translation differences - (117) (117) Net losses not recognized in the income statement Net profit attributable to shareholders - 25,293 25,293 5% first and final tax exempt dividend -2004 Issue of shares - ESOS exercised 25 - Share premium from ESOS - 6	exempt dividend -2003						(2,651)	(2,651)
ESOS 20 20 25,370 105,104 Balance as at 31.12.2004 66,304 3,647 4,475 5,306 2 25,370 105,104 Balance as at 1 .1 . 2005 66,304 3,647 4,475 5,306 2 25,370 105,104 Currency translation differences (117) (117) Net losses not recognized in the income statement Net profit attributable to shareholders 25,293 25,293 5% first and final tax exempt dividend -2004 Issue of shares - ESOS exercised 25 25 - Share premium from ESOS 66,304 3,647 4,475 5,306 2 25,370 105,104 (117) (117)	- ESOS exercised	84						84
Balance as at 1 .1 . 2005 66,304 3,647 4,475 5,306 2 25,370 105,104 Currency translation differences (117) (117) Net losses not recognized in the income statement (117) (117) Net profit attributable to shareholders 25,293 25,293 5% first and final tax (3,316) (3,316) exempt dividend -2004 Issue of shares - ESOS exercised 25 25 25 - Share premium from ESOS 6 6	<u> </u>		20					20
Currency translation differences (117) (117) Net losses not recognized in the income statement (117) (117) Net profit attributable to shareholders 25,293 25,293 5% first and final tax (3,316) (3,316) exempt dividend -2004 Issue of shares - ESOS exercised 25 25 25 - Share premium from ESOS 6 6	Balance as at 31.12.2004	66,304	3,647	4,475	5,306	2	25,370	105,104
Net losses not recognized in the income statement (117) (117) Net profit attributable to shareholders 25,293 25,293 5% first and final tax (3,316) (3,316) exempt dividend -2004 Issue of shares - ESOS exercised 25 25 - Share premium from ESOS 6 6		66,304	3,647	4,475	5,306	2	25,370	105,104
the income statement Net profit attributable to shareholders 5% first and final tax exempt dividend -2004 Issue of shares - ESOS exercised - Share premium from ESOS (117) (1	•					(117)		(117)
shareholders 25,293 25,293 5% first and final tax (3,316) (3,316) exempt dividend -2004 Issue of shares - ESOS exercised 25 - Share premium from 25 25 ESOS 6 6	the income statement					(117)		(117)
exempt dividend -2004 Issue of shares - ESOS exercised 25 - Share premium from ESOS 6 6	<u> </u>						25,293	25,293
- ESOS exercised 25 - Share premium from ESOS 6 6	exempt dividend -2004						(3,316)	(3,316)
ESOS 6 6	- ESOS exercised	25						25
	<u> </u>		6					6
		66,329		4,475	5,306	(115)	47,347	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 31 December 2004.

The accompanying notes form an integral part of this interim report

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2005

(The figures have not been audited)

CASH FLOW FROM OPERATING ACTIVITIES 2006 RM000 RM000 Profit before taxation 34,298 9,795 Adjustment for:- 34,298 9,795 Non-cash items 10,645 9,167 Non-operating items 211 3,520 Operating profit before working capital changes 45,154 15,442 Net change in current liabilities 15,905 111,127 Cash from / (used in) operations 27,484 24,840 Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from / (used in) operating activities 20,2526 (4,138) Tex refund 669 488 Net cash from / (used in) operating activities (10,805) (5,734) Other investments (10,805) (5,734) Net cash from / (used in) operating activities 10,805 (5,734) Other investments (10,805) (5,734) Other investments 10,805 (5,734) Other investments 10,805 (5,734) Other investments		12 months ended 31 Decemb		31 December
CASH FLOW FROM OPERATING ACTIVITIES Profit before taxation 34,298 9,795 Adjustment for:- 10,645 9,167 Non-cash items 211 (3,520) Operating profit before working capital changes 45,154 15,442 Not-change in current assets (33,575) (29,409) Net change in current liabilities 15,905 11,127 Cash from/ (used in) operations 27,484 (2,840) Tax paid 669 488 Net cash from/ (used in) operating activities 22,526 (4,138) Tax refund 669 488 Net cash from/ (used in) operating activities (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) Net cash used in investing activities 31 0 CASH FLOW FROM FINANCING ACTIVITIES 31 0 Proceeds from shares issued 31 1 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (3,316) (2,651) </th <th></th> <th></th> <th></th> <th></th>				
Profit before taxation 34,298 9,795 Adjustment for:- 10,645 9,167 Non-cash items 10,645 9,167 Non-operating items 211 (3,520) Operating profit before working capital changes 45,154 15,442 Net change in current assets (33,575) (29,409) Net change in current liabilities 15,905 11,127 Cash from/ (used in) operations 27,484 (2,840) Tax paid (5,627) (1,780) Tax refund 669 488 Net cash from/ (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) Net cash used in investing activities 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4 Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,		Note	RM'000	RM'000
Adjustment for:- Non-cash items 10,645 9,167 Non-cash items 211 (3,520) Operating profit before working capital changes 45,154 15,442 Net change in current assets (33,575) (29,409) Net change in current liabilities 15,905 11,127 Cash from / (used in) operations 27,484 (2,840) Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (330) (4 Dividend paid (3,316) (2,651) Net change in Cash & Cash Equivalents 9,805 (7,409)				
Non-cash items 10,645 9,167 Non-operating items 211 (3,520) Operating profit before working capital changes 45,154 15,442 Net change in current assets (33,575) (29,409) Net change in current liabilities 15,905 11,127 Cash from/ (used in) operations 27,484 (2,840) Tax paid 669 488 Net cash from/ (used in) operating activities 22,526 (4,138) Net cash used in investing activities (10,805) (5,734) Other investments (10,805) (5,734) Net cash used in investing activities 31 104 Government grant received 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4 Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign excha			34,298	9,795
Non-operating items 211 (3,520) Operating profit before working capital changes 45,154 15,442 Net change in current assets (33,575) (29,409) Net change in current liabilities 15,905 11,127 Cash from / (used in) operations 27,484 (2,840) Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange 469 -	•			
Operating profit before working capital changes 45,154 15,442 Net change in current assets (33,575) (29,409) Net change in current liabilities 15,905 11,127 Cash from/ (used in) operations 27,484 (2,840) Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from/ (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange 469 - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward			•	·
Net change in current assets (33,575) (29,409) Net change in current liabilities 15,905 11,127 Cash from / (used in) operations 27,484 (2,840) Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities 10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (33,16) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange translation 47 (469) - Cash & Cash equivalents brought forward 14,350<	•	_		
Net change in current liabilities 15,905 11,127 Cash from / (used in) operations 27,484 (2,840) Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange 469 - Effect on foreign exchange translation 14,350 21,736 Cash & Cash equivalents brought forward 14,350 21,736 <td>Operating profit before working capital changes</td> <td></td> <td>45,154</td> <td>15,442</td>	Operating profit before working capital changes		45,154	15,442
Cash from / (used in) operations 27,484 (2,840) Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 2	Net change in current assets		(33,575)	(29,409)
Tax paid (5,627) (1,786) Tax refund 669 488 Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350	Net change in current liabilities	_	15,905	11,127
Tax refund 669 488 Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- 2 14,184 <td>Cash from / (used in) operations</td> <td></td> <td>27,484</td> <td>(2,840)</td>	Cash from / (used in) operations		27,484	(2,840)
Net cash from / (used in) operating activities 22,526 (4,138) CASH FLOW FROM INVESTING ACTIVITIES (10,805) (5,734) Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Value Value Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- Cash and bank balances 12,06	Tax paid		(5,627)	(1,786)
CASH FLOW FROM INVESTING ACTIVITIES Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- Cash and bank balances 12,062 14,184 Deposits with licensed banks 11,571 166	Tax refund	_	669	488
Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES 31 104 Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 21,736 Effect on foreign exchange translation 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- Cash and bank balances 12,062 14,184 Deposits with licensed banks 11,571 166	Net cash from / (used in) operating activities	_	22,526	(4,138)
Other investments (10,805) (5,734) Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES 31 104 Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 2 Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- Cash and bank balances 12,062 14,184 Deposits with licensed banks 11,571 166	CASH FLOW FROM INVESTING ACTIVITIES			
Net cash used in investing activities (10,805) (5,734) CASH FLOW FROM FINANCING ACTIVITIES Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 47 Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- 2 12,062 14,184 Deposits with licensed banks 11,571 166			(10,805)	(5,734)
Proceeds from shares issued 31 104 Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 47 Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- 2 12,062 14,184 Deposits with licensed banks 11,571 166	Net cash used in investing activities	_		
Government grant received 35 14 Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 47 Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- 2 12,062 14,184 Deposits with licensed banks 11,571 166	CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings 1,654 5,000 Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- - - Cash and bank balances 12,062 14,184 Deposits with licensed banks 11,571 166	Proceeds from shares issued		31	104
Interest paid (320) (4) Dividend paid (3,316) (2,651) Net cash (used in) / from financing activities (1,916) 2,463 Net change in Cash & Cash Equivalents 9,805 (7,409) Unrealised loss on foreign exchange (469) - Effect on foreign exchange translation 47 - Cash & Cash equivalents brought forward 14,350 21,736 Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- - Cash and bank balances 12,062 14,184 Deposits with licensed banks 11,571 166	Government grant received		35	14
Dividend paid(3,316)(2,651)Net cash (used in) / from financing activities(1,916)2,463Net change in Cash & Cash Equivalents9,805(7,409)Unrealised loss on foreign exchange(469)-Effect on foreign exchange translation47Cash & Cash equivalents brought forward14,35021,736Effect on foreign exchange translation(100)23Cash & cash equivalents carried forward23,63314,350REPRESENTED BY:Cash and bank balances12,06214,184Deposits with licensed banks11,571166	Borrowings		1,654	5,000
Net cash (used in) / from financing activities(1,916)2,463Net change in Cash & Cash Equivalents9,805(7,409)Unrealised loss on foreign exchange(469)-Effect on foreign exchange translation47Cash & Cash equivalents brought forward14,35021,736Effect on foreign exchange translation(100)23Cash & cash equivalents carried forward23,63314,350REPRESENTED BY:Cash and bank balances12,06214,184Deposits with licensed banks11,571166	Interest paid		(320)	(4)
Net change in Cash & Cash Equivalents Unrealised loss on foreign exchange Effect on foreign exchange translation Cash & Cash equivalents brought forward Effect on foreign exchange translation Cash & cash equivalents carried forward Cash & cash equivalents carried forward REPRESENTED BY:- Cash and bank balances Deposits with licensed banks 19,805 (7,409) - (100) - 21,736 21,736 21,736 23,633 14,350 12,062 14,184 11,571 166	Dividend paid		(3,316)	(2,651)
Unrealised loss on foreign exchange Effect on foreign exchange translation Cash & Cash equivalents brought forward Effect on foreign exchange translation Cash & cash equivalents carried forward Cash & cash equivalents carried forward REPRESENTED BY:- Cash and bank balances Deposits with licensed banks (469) - (469) - (469) - (47) 21,736 21,736 23,633 14,350 14,350 12,062 14,184 11,571 166	Net cash (used in) / from financing activities	<u>-</u>	(1,916)	2,463
Effect on foreign exchange translation Cash & Cash equivalents brought forward Effect on foreign exchange translation Cash & cash equivalents carried forward Cash & cash equivalents carried forward REPRESENTED BY:- Cash and bank balances Deposits with licensed banks 12,062 14,184 11,571 166	Net change in Cash & Cash Equivalents		9,805	(7,409)
Cash & Cash equivalents brought forward14,35021,736Effect on foreign exchange translation(100)23Cash & cash equivalents carried forward23,63314,350REPRESENTED BY:-12,06214,184Deposits with licensed banks11,571166	Unrealised loss on foreign exchange		(469)	-
Effect on foreign exchange translation (100) 23 Cash & cash equivalents carried forward 23,633 14,350 REPRESENTED BY:- Cash and bank balances 12,062 14,184 Deposits with licensed banks 11,571 166	Effect on foreign exchange translation		47	
Cash & cash equivalents carried forward REPRESENTED BY:- Cash and bank balances Deposits with licensed banks 12,062 14,184 11,571 166	Cash & Cash equivalents brought forward		14,350	21,736
REPRESENTED BY:- Cash and bank balances 12,062 14,184 Deposits with licensed banks 11,571 166	Effect on foreign exchange translation		(100)	23
Cash and bank balances12,06214,184Deposits with licensed banks11,571166	Cash & cash equivalents carried forward	_	23,633	14,350
Deposits with licensed banks 11,571 166	REPRESENTED BY:-	=		
Deposits with licensed banks 11,571 166	Cash and bank balances		12,062	14,184
	Deposits with licensed banks			166
		_	23,633	14,350

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2004.

The accompanying notes form an integral part of this interim report

Company No: 298188 A

LKT INDUSTRIAL BERHAD

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT

(The figures have not been audited)

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134 (previously known as MASB 26), Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2004.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statement for the year ended 31 December 2004.

2. Audit opinion

The audit report for the audited financial statements of the Group for the year ended 31 December 2004 was not subject to any qualification.

3. Seasonality or cyclical of interim operations

The Group's operation is largely dependent on the cyclical trend of the electronics and semiconductors industries.

4. Unusual items

There are no unusual items during the current financial year.

5. Material changes in estimates

There are no changes to the estimates reported in the current or prior financial year.

6. Debt and equity securities

There are no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury share other than the issuance of 25,000 fully paid up ordinary shares of RM1.00 each for the year ended 31 December 2005.

7. Dividends paid

A 5% first and final tax exempt dividend amounting to RM3,316,467 for the financial year ended 31 December 2004 was paid on 15 July 2005.

8. Segmental reporting

(a) Analysis by business segment

REVENUE External sales Inter segment sales	Manufacturing RM'000 214,566 35,167	Others RM'000 21 11,487	Eliminations RM'000 - (46,654)	Consolidated RM'000 214,587
	249,733	11,508	(46,654)	214,587
RESULTS				
Segment result (external)	34,526	4,260	(4,189)	34,597
Interest income				97
Finance expenses				(335)
Share of result of joint venture				(61)
Profit before				34,298
taxation Taxation				(9.094)
Profit after tax				(8,984) 25,314
Minority interest				(21)
Profit for the year				25,293
OTHER INFORM	IATION			
Segment assets	171,453	10,649		182,102
Investment in joint	·	- 7		237
venture Unallocated corporate assets				756
Total assets				183,094
Segment liabilities Unallocated corporate liabilities	40,751	1,926		42,677 13,285
Total liabilities				55,962
Capital expenditure		479		11,346
Depreciation	6,271	322		6,593

(b) Secondary Segment - Geographical

In determining the geographical segments of the Group, revenue is based on the geographical location of the customers. Total assets and capital expenditure are based on the geographical location of assets.

		Total Assets	Capital
	Revenue	Employed	Expenditure
	RM'000	RM'000	RM'000
Malaysia	52,726	178,906	10,691
Asia (excludes Malaysia)	79,057	4,188	655
North America	70,206		
Europe	9,562		
Others	3,036		
	214,587	183,094	11,346

Inter-segment pricing on inter segment transactions are determined at arm's length according to the normal course of business.

9. Property, plant and equipment

The valuations of the property, plant and equipment have been brought forward without any amendments from the previous audited financial statement.

Property, plant and equipment amounting to RM6,906,000 and RM11,346,000 were acquired during the quarter and current year to date.

Property, plant and equipment costing RM1,096,000 and RM2,835,000 were disposed during the quarter and current year to date.

10. Subsequent events

There are no material events subsequent to the end of the reporting year.

11. Changes in the composition of the Group

There are no changes in the composition of the Group for the current year.

12. Contingent liabilities

There is no contingent liability for the current year.

13. Capital commitments

	31 December 2005	31 December 2004
	RM'000	RM'000
Contracted but not provided for	21,903	470

14. Related party transactions

There are no intercompany transactions other than those incurred in the ordinary course of business consistent with the previous quarters.

There were no transactions with the directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

15. Review of performance

The Group recorded a profit before tax of RM10,861,000 as compared to RM11,913,000 in the last quarter. This is basically due to additional provision of incentive to management during the quarter.

16. Variation of results against immediate preceding year's corresponding quarter

The Group recorded a profit before tax of RM10,861,000 for the current quarter as compared to a loss before tax of RM1,748,000 in the immediate preceding year's corresponding quarter mainly due to almost three (3) fold hike in its revenue.

17. Current year prospects

Barring any unforeseen circumstances, LKT will be able to sustain its current performance in the next financial year.

18. Profit forecast and profit guarantee

No profit forecast or profit guarantee has been issued by the Group.

19. Taxation

	31 December 2005 RM'000	31 December 2004 RM'000
Current year		
- provision for taxation	8,485	1,033
- deferred taxation	437	274
	8,922	1,307
Prior year		
 over provision for taxation 	(460)	(59)
- deferred taxation	521	(78)
	8,984	1,170

The effective tax rate for the period is close to the statutory tax rate.

20. Unquoted investments and properties

There are no sales of unquoted investments and/or properties for the current quarter and current financial year to-date.

21. Quoted investments

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

22. Corporate proposal

There are no outstanding corporate proposals as at the date of this report.

23. Borrowings and debt securities

There are no debts securities as at 31 December 2005 other than the two term loans obtained by a subsidiary. The term loans are repayable by 36 to 60 monthly installments commencing on May and October 2005 with interest rates ranging from 3.20% to 6.75% pa. All borrowings are denominated in Ringgit Malaysia.

	31 December 2005	31 December 2004
	RM'000	RM'000
Amount due within 1 year	2,236	1,059
Amount due after 1 to 5 years	4,418	3,941
	6,654	5,000

24. Off balance sheet financial instruments

There are no off balance sheet financial instruments as at the date of this report other than:

	Contract Amount
	RM'000
Forward foreign exchange contracts (within 1 year)	55,540

Credit risk, or the risk of counterparties defaulting, is controlled by limiting the Group's association to creditworthy financial institutions in Malaysia

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Exposure to market risk may be reduced through offsetting on and off balance sheet positions.

There are no significant credit and market risks posed by the above off balance sheet financial instruments.

The accounting policies for the off balance sheet financial instruments is as follows:-

The Group enters into foreign currency forward contracts as a hedge against foreign trade receivable. Market value gains and losses are recognised and the resulting credit or debit offsets foreign exchange gains or losses on those receivables.

25. Material litigation

There is no pending material litigation.

26. Proposed dividend

The Board of Directors proposed a first and final tax exempt dividend of 10 cent per share for the financial year ended 31 December 2005.

27. Earnings per share

(a) Basic earnings per share

The basic earnings per share for the financial year has been calculated based on the Group's net profit attributable to shareholders of RM25,293,000 for the 12 months over the weighted average number of ordinary shares in issue of 66,329,357.

Weighted average number of ordinary shares used for calculation of basic earnings per share:

	12 months ended	12 months ended
	31 December 2005	31 December 2004
Issued ordinary shares at beginning of year	66,304,357	66,220,357
Effect of shares issued during the year	25,000	65,167
Weighted average number of ordinary shares	66,329,357	66,285,524

(b) Diluted earnings per share

The diluted earnings per share for the financial year has been calculated based on the Group's net profit attributable to shareholders of RM25,293,000 for the 12 months over the adjusted weighted average number of ordinary shares issue and issuable of 66,405,071.

Adjusted weighted average number of ordinary shares issued and issuable used for calculation of diluted earnings per share:

	12 months ended	12 months ended
	31 December 2005	31 December 2004
Issued ordinary shares at beginning of year	66,304,357	66,220,357
Effect of shares issued during the year	25,000	65,167
Effect of share options	75,714	337,460
Adjusted weighted average number of	66,405,071	66,622,984
ordinary shares issued and issuable		

28. Authorisation for issue

The Board of Directors authorised the issue of this unaudited financial report on 21st February 2006.

By Order of the Board **LKT Industrial Berhad (298188 A)**

Lam Voon Kean (MIA 4793) Company Secretary

Penang 21 February 2006