

NOTES TO QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009

1. Basis of preparation

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 2008. 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 2008.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008. On 1 January 2008, the Group also adopted the following revised FRS, amendment to FRS and Interpretations:

FRS 107: Cash Flow Statements

FRS 111: Construction Contracts

FRS 112: Income Taxes

FRS 118: Revenue

FRS 120: Accounting for Government Grants and Disclosure of Government Assistance

FRS 134: Interim Financial Reporting

FRS 137: Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities

IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments

IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

IC Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

IC Interpretation 7: Applying the Restatement Approach under FRS 129 *Financial Reporting in Hyperinflationary Economies*

IC Interpretation 8: Scope of FRS 2

The revised FRS, amendment to FRS and Interpretations above do not have any significant impact on the financial statements of the Group.

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred to financial period 2010.

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2008 was not qualified.

4. Seasonality or Cyclical of Operations

The operations of the Group are not seasonal or cyclical in nature

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting the Group during the current quarter.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter

7. Debt and Equity Securities

There have been no issuance and/or repayment of debts and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares in the current quarter.

8. Dividend paid

There were no dividend paid during the current quarter.

9. Segmental Reporting

The analysis of the Group operations for the period ended 31 March 2009 is as follows:-

Business segment 2009	Batteries RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from external customers	42,401	2	0	42,403
Inter-segment revenue	0	8	(8)	0
Total revenue	42,401	10	(8)	42,403
Segment result	3,951	(341)	(18)	3,592
Unallocated income				0
Unallocated expenses				0
Profit from operation				3,592

10. Property, Plant and Equipment

As at the end of this quarter, the Group has acquired/disposed the following assets :

	Cost of Assets Acquired <u>RM'000</u>	Cost of Assets Disposed <u>RM'000</u>
Building (improvements and additions)	194	0
Plant and Machinery	245	24
Tools & Equipment and Furnitures	235	2
Motor Vehicles	0	0
Computer	216	0
	<u>890</u>	<u>26</u>

11. Events subsequent to the Balance Sheet Date

There were no material events subsequent to the end of the current quarter that had not been reported in the financial statements.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

13. Changes in Contingent Liabilities

There was no material change in the contingent liabilities at the date of this report since the preceding financial year ended 31st December 2008.

14. Capital Commitments

There are no material capital commitments as at the date of this report except the following:

Property, Plant and Equipment

	RM'000
Approved and contracted for	799
Approved but not contracted for	1,857

15. Significant Related Party Transactions

The recurrent related party transactions (“RRPT”) involved the sales of products, contract workers, rental and stationery supplying . The RRPT has been entered into in the ordinary course of business and have been established under the terms that were mutually agreed between parties.

Transaction parties	Transaction value Year ended 31.03.2009 RM' 000
Borneo Technical Co. (M) Sdn Bhd	5,649
Borneo Technical (Thailand) Limited	1,694
Borid Energy (M) Sdn Bhd	122
CY Liong Enterprise Sdn Bhd	276
Hup Soon Industrial Equipment Sdn Bhd	43

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA BHD LISTING REQUIREMENTS**1. Review of Performance**

The current quarter results showed a Group revenue of RM42.4 million and a profit before taxation of RM2.6 million as compared to a revenue of RM56.5 million and profit before taxation of RM2.9 million in the corresponding quarter of the previous financial year.

The decrease in revenue and profit before taxation were mainly due to the reduction in both selling prices and lead prices, affected by the competitive market forces despite the increase in volume from 0.34 million in Q1 2008 to 0.36 million in Q1 2009.

Variation of Results against Preceding Quarter

The Group revenue of RM42.4 million for the current quarter under review was marginally higher than that of immediate preceding quarter of RM42.1 million.

The Group recorded a profit before taxation of RM2.6 million for the current quarter compared to a loss of RM2.1 million in the immediate preceding quarter and this was previously due to a much higher production capacity achieved in Q1 2009, which diluted fixed costs. The lower LME price and writing down of price of Lead stock, also resulted in a lower cost of raw material. The provision for stock written down and fixed asset written off in Q4 2008 were RM1.4 million and RM0.80 million respectively.

2. Current Year Prospects

In view of the global financial crisis, the Group has taken proactive action towards cost optimisation and consolidate its position to mitigate the adverse effects. Barring unforeseen circumstances, the Group is maintaining an optimistic outlook on the performance for the current financial year ending 31st December 2009.

3. Profit forecast

Not applicable.

4. Tax Expense

	Individual Quarter		Cummulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	RM'000	RM'000	RM'000	RM'000
Deferred taxation	(249)	0	(249)	0
Current taxation	885	629	885	629
	636	629	636	629

The effective tax rates are higher than the statutory tax rates principally due to losses of a subsidiary which cannot be set off against taxable profits made by other subsidiaries and certain provisions which are not deductible for tax purposes.

5. Unquoted Investment and Properties

There were no material profit/(loss) on sale of investment and/or properties for the period under review.

6. Quoted Investments

- a) There was no purchase or disposal of quoted securities in the current quarter and financial year to date.
- b) There was no investment in quoted securities.

7. Corporate Proposal

There was no corporate proposal announced during the current year.

8. Borrowing and Debt Securities

	As at 31.03.2009	As at 31.03.2008
	RM'000	RM'000
Current		
Secured	38,414	62,511
Non- Current		
Secured	11,830	16,162

All the Group's bank borrowings are secured and denominated in Malaysian Ringgit.

9. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments at the date of this report.

10. Changes in Material Litigation

There were no changes in material litigation since the last Balance Sheet date up to the date of issuance of this quarterly report except for the legal suit by Banly Holdings Sdn Bhd on 5th August 2008 against the Company's wholly owned subsidiary, Tai Kwong Yokohama Battery Industries Sdn Bhd.

Banly Holdings Sdn Bhd had withdrawn the winding up petition on 3rd December 2008. The Judgement sum inclusive of interest has been forwarded to the solicitors of Banly Holdings Sdn Bhd to be held by them as stakeholders pending the outcome of Tai Kwong Yokohama Battery Industries Sdn Bhd's appeal to the Court of Appeal.

The Judgement sum inclusive of the interest has been fully provided for in the financial statements of the subsidiary.

11. Dividend

There was no interim dividend recommended during the quarter under review.

12. Earning Per Share

Basic earning per share

Basic earning per share is calculated based on the net profit for the period and the weighted average number of ordinary shares 43,560,000.