

Condensed Unaudited Consolidated Income Statements
Quarterly report on unaudited consolidated results
For the period ended 31 October 2009

	3 months quarter ended <u>31.10.09</u> RM'000 (Unaudited)	3 months quarter ended <u>31.10.08</u> RM'000 (Unaudited)	Cumulative 9 months <u>31.10.09</u> RM'000 (Unaudited)	Cumulative 9 months <u>31.10.08</u> RM'000 (Unaudited)
Revenue	39,341	38,289	100,760	102,160
Cost of sales	<u>(36,047)</u>	<u>(36,923)</u>	<u>(91,591)</u>	<u>(101,451)</u>
Gross profit/(loss)	3,294	1,366	9,169	709
Other operating income	293	1,456	4,241	1,941
Selling expenses	(561)	(696)	(1,485)	(1,720)
Administrative expenses	(1,930)	(1,259)	(5,197)	(4,017)
Finance costs	(751)	(937)	(2,236)	(2,759)
Profit/(Loss) before taxation	<u>345</u>	<u>(70)</u>	<u>4,492</u>	<u>(5,846)</u>
Taxation	<u>10</u>	<u>10</u>	<u>31</u>	<u>102</u>
Net profit/(loss) for the period	<u><u>355</u></u>	<u><u>(60)</u></u>	<u><u>4,523</u></u>	<u><u>(5,744)</u></u>
Attributable to:				
Shareholders of the Company	<u><u>355</u></u>	<u><u>(60)</u></u>	<u><u>4,523</u></u>	<u><u>(5,744)</u></u>
Basic earnings/(loss) per ordinary share (sen)	0.15	(0.03)	1.91	(2.43)
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

N/A = Not applicable

The Condensed Unaudited Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009.

Condensed Unaudited Consolidated Balance Sheet

As at 31 October 2009

	As at <u>31.10.09</u> RM'000 (Unaudited)	As at <u>31.01.09</u> RM'000 (Audited)
Assets		
Property, plant and equipment	67,481	69,557
Investment	178	178
Goodwill	33,728	33,728
Total non-current assets	<u>101,387</u>	<u>103,463</u>
Inventories	41,427	33,887
Trade and other receivables	23,871	18,599
Fixed deposits	82	81
Cash and bank balances	3,368	2,410
Total current assets	<u>68,748</u>	<u>54,977</u>
Assets held for sale	-	235
Total assets	<u>170,135</u>	<u>158,675</u>
Equity		
Share capital	118,405	118,405
Reserves	(48,625)	(53,148)
Total equity attributable to shareholders of the Company	<u>69,780</u>	<u>65,257</u>
Liabilities		
Borrowings	15,987	18,693
Hire purchase payables - long term	314	486
Deferred tax liabilities	428	460
Total non-current liabilities	<u>16,729</u>	<u>19,639</u>
Trade and other payables	26,512	22,222
Short term borrowings	56,885	51,328
Hire purchase payables - short term	229	229
Total current liabilities	<u>83,626</u>	<u>73,779</u>
Total liabilities	<u>100,355</u>	<u>93,418</u>
Total equity and liabilities	<u>170,135</u>	<u>158,675</u>
Net assets per share attributable to ordinary shareholders of the Company (sen)	29	27

The Condensed Unaudited Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009

Condensed Unaudited Consolidated Statement of Changes in Equity
For the period ended 31 October 2009

	Attributable to shareholders of the Company			Total RM'000
	Share Capital RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	
At 1 February 2009	118,405	17	(53,165)	65,257
Net profit for the period	-	-	4,523	4,523
At 31 October 2009	<u>118,405</u>	<u>17</u>	<u>(48,642)</u>	<u>69,780</u>
At 1 February 2008	118,405	17	(48,206)	70,216
Net loss for the period	-	-	(5,744)	(5,744)
At 31 October 2008	<u>118,405</u>	<u>17</u>	<u>(53,950)</u>	<u>64,472</u>

The Condensed Unaudited Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009.

Condensed Unaudited Consolidated Cash Flow Statement

For the period ended 31 October 2009

	9 months ended <u>31.10.09</u> RM'000 (Unaudited)	9 months ended <u>31.10.08</u> RM'000 (Unaudited)
Cash flows from operating activities		
Profit/(Loss) before taxation	4,492	(5,846)
Adjustments for:		
Non-cash items	2,635	4,381
Interest expense	2,236	2,759
Interest income	(4)	(21)
Dividend income	(5)	-
Operating profit/(loss) before working capital changes	<u>9,354</u>	<u>1,273</u>
Changes in working capital:		
Net change in current assets	(17,907)	(14,641)
Net change in current liabilities	<u>13,279</u>	<u>19,077</u>
Cash used in from operations	4,726	5,709
Interest paid	(1,259)	(1,633)
Tax refund	<u>4</u>	<u>1,334</u>
Net cash (used in)/generated from operating activities	<u>3,471</u>	<u>5,410</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,223)	(5,544)
Proceeds from sale of investments	-	-
Dividend income received	5	-
Interest received	4	21
Increase in fixed deposit pledged	(1)	(2)
Net cash used in investing activities	<u>(4,215)</u>	<u>(5,525)</u>
Cash flows from financing activities		
Drawdown of bank borrowings	195,486	198,022
Repayment of bank borrowings	(199,242)	(195,795)
Repayment of hire purchase	(172)	(172)
Interest paid	(978)	(1,125)
Net cash (used in)/generated from financing activities	<u>(4,906)</u>	<u>930</u>
Net changes in cash and cash equivalents	(5,650)	815
Cash and cash equivalents at beginning of the period	2,364	2,967
Cash and cash equivalents at end of the period	<u>(3,286)</u>	<u>3,782</u>
Cash and cash equivalents comprise:		
Cash and bank balances	3,368	3,782
Fixed deposits	82	-
Bank overdraft	<u>(6,654)</u>	<u>-</u>
	(3,204)	3,782
Less: Fixed deposits pledged to licensed bank	<u>(82)</u>	<u>-</u>
	<u>(3,286)</u>	<u>3,782</u>

The Condensed Unaudited Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2009

Notes to the unaudited interim financial report

1. Basis of preparation

This unaudited interim financial report has been prepared in accordance with the Financial Reporting Standards (“FRS”) and the provisions of the Companies Act, 1965 in Malaysia. This unaudited interim financial report also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The unaudited interim financial report has been prepared in accordance with the same significant accounting policies adopted in the annual financial statements for the financial year ended 31 January 2009 except for the significant accounting policies arising from the adoption of new FRSs, revised FRSs and IC Interpretations as set out in Note 2 to the unaudited interim financial report.

The preparation of the unaudited interim financial report requires management to make judgements, estimates and assumptions that affect the application of significant accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This unaudited interim financial report contains condensed unaudited consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 January 2009. The condensed unaudited consolidated interim financial statements and the notes thereon do not include all the information required for full set of financial statements prepared in accordance with FRSs.

2. Significant accounting policies

(a) Adoption of Revised FRSs and IC Interpretations

The Group had adopted the following revised FRSs and IC Interpretations (“IC Int”) that are relevant to their operations and are mandatory for the current financial period:-

Revised FRSs

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

IC Interpretations

IC Int 1	Changes in Existing Decommissioning, Restoration & Similar Liabilities
IC Int 2	Members’ Shares in Co-operative Entities & Similar Instruments
IC Int 5	Rights to Interests arising from Decommissioning, Restoration & Environmental Rehabilitation Funds
IC Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical & Electronic Equipment
IC Int 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economics
IC Int 8	Scope of FRS 2

2. Significant accounting policies (Continued)_

(a) Adoption of Revised FRSs and IC Interpretations (Continued)

The adoption of the above revised FRSs and IC Int did not result in any substantial changes in the Group accounting policies, and have any material impact on this unaudited interim financial report of the Group

(b) FRSs and IC Interpretations that are issued, not yet effective and have not been early adopted

The Group have not adopted the following new and revised FRSs, amendments to FRSs and IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:-

		Effective for financial periods beginning on Or after
<u>New FRSs</u>		
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing costs	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
<u>Revised FRS</u>		
FRS 101	Presentation of Financial Statements	1 January 2010
<u>Amendments to FRSs</u>		
FRS 1	Presentation of Financial Statements	1 January 2010
FRS 2	Share Based Payment – Vesting Conditions and Cancellation	1 January 2010
FRS 123	Non-Current Assets Held for Sale and Discontinued Operations	1 January 2010
FRS 8	Operating Segments	1 January 2010
FRS 107	Cash Flow Statements	1 January 2010
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
FRS 110	Events After the Balance Sheet Date	1 January 2010
FRS 116	Property, Plant and Equipment	1 January 2010
FRS 117	Leases	1 January 2010
FRS 118	Revenue	1 January 2010
FRS 119	Employee Benefits	1 January 2010

2. Significant accounting policies (Continued)

(b) FRSs and IC Interpretations that are issued, not yet effective and have not been early adopted (Continued)

<u>Amendments to FRSs (Continued)</u>	Effective for financial periods beginning on Or after
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 128 Investment in Associates	1 January 2010
FRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2010
FRS 131 Interests in Joint Ventures	1 January 2010
FRS 132 Financial Instruments: Presentation	1 January 2010
FRS 134 Interim Financial Reporting	1 January 2010
FRS 136 Impairment of Assets	1 January 2010
FRS 138 Intangible Assets	1 January 2010
FRS 140 Investment Property	1 January 2010
Employee Benefits	1 January 2010
<u>IC Int</u>	
IC Int 9 Reassessment of Embedded Derivatives	1 January 2010
IC Int 10 Interim Financial Reporting and Impairment	1 January 2010
IC Int 11 Group and Treasury Share Transactions	1 January 2010
IC Int 13 Customer Loyalty Programmes	1 January 2010
IC Int 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

3. Audit qualifications

The report of the auditors on the Group's financial statements for the financial year ended 31 January 2009 was not subject to any qualification.

4. Seasonal or cyclical factors

The Group's operations were not affected by seasonal or cyclical factors.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year to-date because of their nature, size, or incidence.

6. Changes in estimates

There were no significant changes in financial estimates reported in prior interim periods that would materially affect the current interim period report.

7. Debt and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to-date.

8. Dividend paid

There were no dividends paid during the quarter ended 31 October 2009.

9. Segment reporting

The Group's segmental report for the 9 months ended 31 October 2009 are as follows:

	<u>Manufacturing</u> RM'000	<u>Investment holding</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
Revenue				
Total	100,831		5,448	106,279
Inter segment	(5,519)	-	-	(5,519)
External	95,312		5,448	100,760
Results				
Segment profit/(loss)	3,745	3,119	(136)	6,728
Finance costs				(2,236)
Profit before taxation				4,492
Taxation				31
Net profit for the period				4,523

9. Segment reporting (Continued)

The Group's segmental report for the 9 months corresponding year ended 31 October 2008 are as follows:

	<u>Manufacturing</u>	<u>Investment</u> <u>holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	102,239	-	8,436	110,675
Inter segment	(8,515)	-	-	(8,515)
External	93,724		8,436	102,160
Results				
Segment loss	(2,172)	(780)	(157)	(3,109)
Interest income				22
Finance costs				(2,759)
Loss before taxation				(5,846)
Taxation				102
Net loss for the period				(5,744)

10. Property, plant and equipment

The valuations of freehold land and leasehold land had been brought forward, without amendment from the previous annual financial statements.

11. Events subsequent to the balance sheet date

There was no material events subsequent to the end of the current quarter ended 31 October 2009 until the date of this report.

12. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial period to-date.

13. Contingent assets and contingent liabilities

There were no changes in contingent assets and liabilities since the last annual balance sheet date except for the following:

	<u>31.10.09</u>	<u>31.01.09</u>
	RM'000	RM'000
(i) Bank guarantees issued to third parties by a subsidiary company	2,606	3,797

These are bank guarantees issued to authorities and utilities suppliers mainly for performance bonds, security deposits and payment guarantees.

13. Contingent assets and contingent liabilities (Continued)

- (ii) The Company has issued corporate guarantees totalling RM86.7 million in favour of various financial institutions for the banking facilities extended to a subsidiary company. The amount of the banking facilities utilised as at 31 October 2009 is RM61.7 million.

14. Capital commitments

Capital commitments for the Group not provided for in the interim financial report are as follows:

	<u>31.10.09</u>
	RM'000
Approved and contracted for:	
Property, plant and equipment	118
	<hr/> 118 <hr/>

Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements**15. Review of performance**

The Group's profit before taxation for the current quarter ended 31 October 2009 was RM0.35 million as compared to the preceding year corresponding quarter's loss before taxation of RM0.07 million. The profit was mainly due to better sales mix.

16. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM0.35 million on a revenue of RM39.34 million for the current quarter as compared to a profit before taxation of RM0.47 million on a revenue of RM34.83 million for the immediate preceding quarter ended 31 July 2009. The higher profit in the previous quarter was mainly due to higher selling price.

17. Current year prospects

The Group will continue to implement various measures to cope with the increased of demand, volatility of latex price, fluctuation of US dollar and to diversify its product types and change its marketing strategies in order to further improve its financial position.

18. Profit forecast or profit guarantee

The Group did not publish any profit forecast or issue any profit guarantee during the reporting period.

19. Taxation

	3 months ended	Cumulative 9 months ended
	<u>31.10.09</u>	<u>31.10.09</u>
	RM'000	RM'000
Deferred taxation	<u>10</u>	<u>31</u>

No income tax expense for the current quarter as the Group is in a tax loss position.

20. Unquoted investments and landed properties

There was no disposal of unquoted investments for the current financial period-to-date.

21. Quoted investment

There were no purchases or sales of quoted securities for the current financial period-to-date. Investment in quoted shares as at 31 October 2009 is as follows:

	<u>Cost</u>	<u>Carrying amount</u>	<u>Market value</u>
	RM'000	RM'000	RM'000
Quoted in Malaysia	<u>178</u>	<u>178</u>	<u>500</u>

22. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the latest practicable date.

23. Borrowings

The Group's borrowings since the last annual balance sheet date (excluding hire purchase liabilities) are as follows:

	<u>31.10.09</u>	<u>31.01.09</u>
	RM'000	RM'000
Current		
-bank overdraft	6,654	46
-unsecured short term borrowings	46,651	47,858
-term loan (secured)	3,580	3,424
Non-current		
-term loan (secured)	15,987	18,693
	<u>72,872</u>	<u>70,021</u>

The above borrowings are denominated in Ringgit Malaysia.

24. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the latest practicable date except for the following:

The position of forward foreign exchange hedging contracts of a wholly owned subsidiary as at the latest practicable date is as follows:

	<u>USD'000</u> <u>equivalent</u>	<u>RM'000</u> <u>equivalent</u>
Contractual value	2,233	7,588

The related accounting policies for the off balance sheet financial instruments are disclosed in the audited financial statements for the financial year ended 31 January 2009

25. Changes in material litigation

There was no pending material litigation in respect of the Company since the last annual balance sheet date.

26. Dividend Payable

The Directors do not recommend any payment of dividend for the current financial period to-date.

27. Basic profit/(loss) per share

	3 months ended	3 months ended	Cumulative 9 months ended	Cumulative 9 months ended
	<u>31.10.09</u>	<u>31.10.08</u>	<u>31.10.09</u>	<u>31.10.08</u>
Net profit/(loss) for the period (RM'000)	355	(60)	4,523	(5,744)
Number of ordinary shares in issue (‘000)	236,810	236,810	236,810	236,810
Basic earnings/(loss) per ordinary share (sen)	0.15	(0.03)	1.91	(2.43)

28. Authorisation for issue

The unaudited interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 December 2009.