

TECNIC GROUP BERHAD
(formerly known as STS Tecnic Berhad)
(Company no: 302675-A)

Condensed Consolidated Income Statements for the quarter ended 30 June 2009
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30/6/09 RM '000 (Unaudited)	Preceding Year Corresponding Quarter 30/6/08 RM '000 (Unaudited)	Current Year to date 30/6/09 RM '000 (Unaudited)	Preceding year corresponding period 30/6/08 RM '000 (Unaudited)
Revenue	32,820	25,409	61,443	46,377
Cost of sales	(26,268)	(20,959)	(48,492)	(37,622)
Gross profit	6,552	4,450	12,951	8,755
Other income	77	86	169	210
Operating expenses	(3,058)	(2,410)	(6,558)	(4,916)
Profit from operations	3,571	2,126	6,562	4,049
Finance costs	(63)	(120)	(135)	(217)
Profit before taxation	3,508	2,006	6,427	3,832
Taxation	(76)	(32)	(206)	(62)
Profit for the period	3,432	1,974	6,221	3,770
Attributable to:				
Equity holders of the parent	3,432	1,974	6,221	3,770
Minority Interest	-	-	-	-
	3,432	1,974	6,221	3,770
Earning per share attributable to Equity holders of the parent (sen):				
Basic	8.50	4.89	15.40	9.33
Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008)

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Condensed Consolidated Balance Sheets

	Unaudited As at 30.6.2009 RM'000	Audited as at 31.12.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	39,401	37,179
Prepaid land lease payment	7,698	7,502
Other investments	65	65
	<u>47,164</u>	<u>44,746</u>
Current Assets		
Inventories	9,954	9,993
Trade and other receivables	32,452	26,299
Tax recoverable	149	149
Deposits, bank and cash balances	4,501	3,008
	<u>47,056</u>	<u>39,449</u>
TOTAL ASSETS	<u><u>94,220</u></u>	<u><u>84,195</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity Holder of the Company		
Share capital	40,397	40,397
Reserves	23,472	17,251
	<u>63,869</u>	<u>57,648</u>
Minority interests	<u>-</u>	<u>-</u>
	<u>63,869</u>	<u>57,648</u>
Non-current liabilities		
Deferred tax liabilities	467	321
Long term Borrowings	745	745
	<u>1,212</u>	<u>1,066</u>
Current Liabilities		
Trade and other payables	24,238	20,073
Borrowings -bank overdrafts	927	725
- others	3,801	4,516
Taxation	173	167
	<u>29,139</u>	<u>25,481</u>
Total liabilities	<u>30,351</u>	<u>26,547</u>
TOTAL EQUITY AND LIABILITIES	<u><u>94,220</u></u>	<u><u>84,195</u></u>
Net assets per share (RM)	1.58	1.43

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008)

TECNIC GROUP BERHAD
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Condensed Consolidated Cash Flow Statements for the quarter ended 30 June 2009

	2009 6 months ended 30 June RM'000 (Unaudited)	2008 6 months ended 30 June RM'000 (Unaudited)
Profit before tax from		
Continuing operations	6,427	3,832
Adjustments for:-		
Depreciation	2,526	2,256
Interest income	(1)	(9)
Minority interest	-	-
Gain on disposal of property, plant and equipment	-	(111)
Others	-	-
	2,525	2,136
Finance Costs:		
Continuing operations	135	217
Operating Profit before working capital changes	9,087	6,185
Changes in working capital		
Decrease/(increase) in inventories	39	(3,134)
Decrease /(increase) in receivables	(6,152)	(3,675)
(Decrease)/increase in payables	4,165	1,623
	(1,948)	(5,186)
Cash flows generated from operating activities	7,139	999
Tax paid	(55)	(66)
Interest paid	(135)	(217)
Net cash generated from operating activities	6,949	716
Investing activities		
Proceeds from disposal of property, plant and equipment	-	111
Purchase of property, plant and equipment	(4,944)	(3,467)
Interest received	1	9
Net cash used in investing activities	(4,943)	(3,347)
Financing activities		
Repayment of term loans	-	-
Repayment of hire purchase creditors	(769)	(507)
Proceeds from/(repayment of) short term borrowings	54	3,272
Corporate exercise expenses paid	-	-
Net cash generated from/(used in) financing activities	(715)	2,765
Net change in cash and cash equivalents	1,291	134
Cash and cash equivalents at beginning of financial period	2,283	4,260
Cash and cash equivalents at end of the financial period	3,574	4,394

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008)

TECNIC GROUP BERHAD
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**Condensed Consolidated Statements of Changes in Equity for the quarter ended
30 June 2009**

	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Merger reserve RM'000	Retained profits RM'000	Minority Interest RM'000	Total equity RM'000
Balance as at 1 January 2009 (restated)	40,397	-	-	-	17,251	-	57,648
Corporate exercise expenses	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	6,221	-	6,221
Balance as at 30 June 2009	40,397	-	-	-	23,472	-	63,869
Balance as at 1 January 2008	40,397	-	-	-	9,239	89	49,725
Corporate exercise expenses	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	3,770	-	3,770
Balance as at 30 June 2008	40,397	-	-	-	13,009	89	53,495

**(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction
with the audited financial statements for the year ended 31 December 2008)**

Notes to the interim financial reports

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 in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2008

As at the date of the interim financial statements, the following new FRSs and interpretation were issued but not yet effective and have not been applied by the Group and the Company:

FRSs, amendment to FRSs and interpretations		Effective for financial periods beginning on
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The adoption of the above FRSs are expected to have no significant impact on the financial statement of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

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

3. Declaration of audit qualification

The annual audit report of the financial statements for the year ended 31 December 2008 was not qualified.

4. Seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal and cyclical factors.

5. Nature and amount of unusual items

There were no unusual items for the current interim period.

Notes to the interim financial reports (cont'd)

6. 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.

7. Debt and equity securities

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

8. Dividend

There were no dividends paid during the current interim period.

9. Segmental information

	<-----Financial year- to- date ----->			
	Injection Moulding RM'000	Mould Making RM'000	Elimination RM'000	Consolidation RM'000
External Sales	47,587	13,856	-	61,443
Internal Sales	-	-	-	-
Total Revenue	<u>47,587</u>	<u>13,856</u>	-	<u>61,443</u>
Segment result (external)	5,771	1,309	-	7,080
Unallocated cost				(518)
Profit from operations				<u>6,562</u>
Financing cost				(135)
Profit before tax				<u>6,427</u>
Other Information				
Segment Assets	75,116	18,798	-	93,914
Unallocated Assets	-	-	-	306
Total assets				<u>94,220</u>
Segment Liabilities	25,682	4,226	-	29,908
Unallocated Liabilities	-	-	-	443
Total liabilities				<u>30,351</u>

10. 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.

11. Subsequent events

Save as disclose under Note 22, there were no material events subsequent to the end of the current quarter.

Notes to the interim financial reports (cont'd)

12. Changes in the composition of the Group

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

13. Changes in contingent liabilities

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

14. Capital commitment

There were no capital commitment as at the date of this report.

15. 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.

16. Review of performance

The Group registered a profit before income tax of RM6.427 million and a revenue of RM61.443 million in the accumulated quarter to date as compared with a profit before income tax of RM3.832 million and revenue of RM46.377 million recorded in the preceding year's corresponding period. Revenue was higher is contributed by increase of sales generated from both Injection Moulding and Mould Making segment during this quarter. Profit before tax was higher mainly due to increasing revenue and margin.

17. Quarterly results comparison

The Group recorded revenue of RM32.820 million and profit before income tax of RM3.508 million for the current quarter as compared with revenue of RM28.623 million and RM2.918 million profit recorded in the immediate preceding quarter. Higher profit registered for the current quarter is mainly due to higher revenue.

18. Prospects for the current year

The new financial year prospects will remain challenging. The Group will however focus on expanding its customer base, establishing new products and improving on its overall efficiency and quality to maintain its competitive edge.

The Board expects the Group to perform satisfactorily for the financial year ending 31 December 2009.

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

Not applicable as no profit forecast was published.

Notes to the interim financial reports (cont'd)

20. Taxation

	Current Quarter RM'000	Current year-to-date RM'000
Income Tax	(30)	(60)
Deferred Tax	(46)	(146)
	-----	-----
	(76)	(206)
	=====	=====

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 brought forward and capital allowances and reinvestment allowances of subsidiaries.

21. 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.

22. Purchase or disposal of unquoted securities

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

23. Status of corporate proposals

There were no corporate proposals announced but not completed as at 27 August 2009.

24. Group borrowings

Total Group borrowings as at 30 June 2009: -	RM'000
Short-term – secured	4,728
Long-term – secured	745

	5,473
	=====

There were no borrowings in foreign currency.

25. Off balance sheet financial instruments

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

26. Changes in material litigation

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

Notes to the interim financial reports (cont'd)

27. Dividend

The Board has not recommended any dividend for the current financial quarter.

28. Earning per shares

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

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30.6.2009 RM'000	Preceding year corresponding quarter 30.6.2008 RM'000	Current year to date 30.6.2009 RM'000	Preceding year corresponding period 30.6.2008 RM'000
Net profit for the year attributable to equity holders of the parent	3,432	1,974	6,221	3,770
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)	8.50	4.89	15.40	9.33
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/(loss) 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
27 August 2009