

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE 4th QUARTER ENDED 31 DECEMBER 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM'000	Current Year To date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
Revenue	35,085	27,450	115,374	121,480
Cost of Sales	(26,854)	(23,903)	(89,847)	(100,493)
Gross profit	8,231	3,547	25,527	20,987
Other operating income	440	2,290	2,718	2,960
General & administrative expenses	(2,601)	(3,154)	(12,955)	(11,675)
Profit from operations	6,070	2,683	15,290	12,272
Finance costs	(489)	(407)	(1,974)	(1,765)
Profit before tax	5,581	2,276	13,316	10,507
Tax expense	(615)	(285)	(1,848)	(709)
Profit after tax before minority interest	4,966	1,991	11,468	9,798
Minority interest	-	-	-	-
Net profit for the year	4,966	1,991	11,468	9,798
Gross profit margin (%)	23.46	12.92	22.13	17.28
Profit after tax margin (%)	14.15	7.25	9.94	8.07
Weighted average number of shares ('000)	120,000	120,000	120,000	120,000
Earnings per ordinary share (sen)				
- Basic	4.14	1.66	9.56	8.17
- Diluted	4.14	1.66	9.56	8.17

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying notes to the Interim Financial Statements.

DUFU TECHNOLOGY CORP. BERHAD (COMPANY NO.: 581612 A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2009

	As at 31.12.2009 RM'000	As at 31.12.2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	72,320	63,693
Prepaid Lease Rental	3,768	3,853
Goodwill on consolidation	25	25
Other investment	350	343
Total Non-Current Assets	<u>76,463</u>	<u>67,914</u>
CURRENT ASSETS		
Inventories	21,238	23,756
Trade receivables	37,872	23,025
Other receivables and prepaid expenses	3,238	3,338
Cash and bank balances	5,384	7,802
Total Current Assets	<u>67,732</u>	<u>57,921</u>
TOTAL ASSETS	<u><u>144,195</u></u>	<u><u>125,835</u></u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	60,000	60,000
Reserves	27,145	16,573
Shareholders' Equity	<u>87,145</u>	<u>76,573</u>
NON-CURRENT LIABILITIES		
Term loans	17,339	14,203
Hire-purchase	2,661	7,119
Deferred tax liabilities	1,867	1,867
Total Non-Current and Deferred Liabilities	<u>21,867</u>	<u>23,189</u>
CURRENT LIABILITIES		
Trade payables	13,958	8,074
Other payables and accrued expenses	9,494	6,718
Other bank borrowing	3,427	4,662
Term loans	1,492	1,492
Hire-purchase	5,127	5,127
Current tax liabilities	1,685	-
Total Current Liabilities	<u>35,183</u>	<u>26,073</u>
Total Liabilities	<u>57,050</u>	<u>49,262</u>
TOTAL EQUITY AND LIABILITIES	<u><u>144,195</u></u>	<u><u>125,835</u></u>
Net assets per ordinary share (RM)	0.726	0.638

The consolidated balance sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 4th QUARTER ENDED 31 DECEMBER 2009**

	Share Capital RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000
2009				
As at 1 January 2009	60,000	(21,709)	38,282	76,573
Exchange gain on translation of net investment in a foreign subsidiary company	-	304	-	304
Transfer of revaluation surplus	-	(99)	99	-
Net profit for the year	-	-	11,468	11,468
Dividend paid	-	-	(1,200)	(1,200)
As at 31 December 2009	<u>60,000</u>	<u>(21,504)</u>	<u>48,649</u>	<u>87,145</u>
2008				
As at 1 January 2008	45,000	(18,515)	41,789	68,274
Issue of Bonus shares	15,000	(2,966)	(12,034)	-
Shares issued expenses	-	(288)	(20)	(308)
Exchange gain on translation of net investment in a foreign subsidiary company	-	19	-	19
Reduction in deferred tax on revaluation surplus resulting from the change in tax rates	-	140	-	140
Transfer of revaluation surplus	-	(99)	99	-
Dividend paid	-	-	(1,350)	(1,350)
Net profit for the year	-	-	9,798	9,798
As at 31 December 2008	<u>60,000</u>	<u>(21,709)</u>	<u>38,282</u>	<u>76,573</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying notes to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 DECEMBER 2009

	Current Year To- date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,316	10,507
Adjustments for:		
Depreciation of property, plant and equipment	10,091	8,144
Interest expenses	1,693	1,765
Loss on disposal of property, plant and equipment	542	12
Unrealised loss/(gain) on foreign exchange	5	(56)
Interest income	(22)	(29)
Allowance for doubtful debts	-	86
Bad Debts	-	13
Allowance for slow moving inventories	812	7
Allowance for slow moving inventories no longer required	-	(17)
Negative goodwill written off	(235)	-
	26,202	20,432
Operating profit before working capital changes		
Changes in working capital		
Net change in current assets	(3,738)	936
Net change in current liabilities	6,065	(4,290)
	28,529	17,078
Cash generated from operations		
Tax paid	(554)	(824)
	27,975	16,254
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	2,489	184
Proceeds from disposal of investments in unit trusts	-	100
Interest received	22	29
Dividend paid	(1,200)	(1,350)
Purchase of other investment	(8)	(8)
Transfer and issued ordinary shares expenses	-	(308)
Deposit and expenditure paid for purchase of investments		
In subsidiary company	-	(2,163)
Purchase of property, plant and equipment	(6,849)	(7,924)
Acquisition of subsidiary company (Note 1)	(19,082)	-
	(24,628)	(11,440)
Net cash used in investing activities		

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 DECEMBER 2009

	Current Year To- date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/Increase in bank borrowings	(216)	3,349
Proceeds from term loans	5,110	3,600
Proceeds from hire-purchase	-	150
Repayment of hire-purchase	(6,277)	(5,945)
Repayment of term loans	(1,974)	(1,331)
Interest paid	(1,693)	(1,752)
Fixed deposits held as security value	-	547
	<hr/>	<hr/>
Net cash used in financing activities	(5,050)	(1,382)
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NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(1,703)	3,432
Effects of foreign exchange rate changes	304	19
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
	6,783	3,332
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CASH AND CASH EQUIVALENTS AT END OF PERIOD		
	<u>5,384</u>	<u>6,783</u>

Note 1 :

Acquisition of subsidiary company

On 20 November 2008, the Company entered into an agreement to acquire the entire equity interest in Futron Technology Limited, a corporation incorporated in Hong Kong, for a total purchase consideration and incidental cost of RM20,451,527. The acquisition was approved by the shareholders at the Extraordinary General Meeting held on 19 December 2008 and completed on 23 January 2009.

The fair value of the net assets acquired, negative goodwill on consolidation and cash flow arising from the acquisition are as follows:

	RM'000
Fair value of total net assets	20,686
Negative goodwill	(235)
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Total purchase consideration	20,451
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Net cash outflow arising on acquisition:	
Total cash consideration	20,451
Less : Cash and cash equivalent of subsidiary company acquired	(1,369)
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Cash flow on acquisition net of cash acquired	<u>19,082</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying notes to the Interim Financial Statements

A. Explanatory Notes Pursuant to Financial Reporting Standard (“FRS”) No. 134

A1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“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 financial year ended 31 December 2008. The 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 financial year ended 31 December 2008.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2008.

The adoption of these revised FRS and IC interpretations have no material effect on the financial statements of the Group

The MASB also issued the following revised Standards, amendment to Standards and IC Interpretations which are only effective for annual periods on or after 1 July 2009:

FRS 4	Insurance Contract
FRS 7	Financial instruments: Disclosure
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements introduce new disclosure requirements in relation to the Group’s financial instruments and the objectives, policies and processes for managing capital. FRS 139 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. By virtue of the exemption in paragraph 103AB of FRS 139, the impact on the financial statements upon first adoption of FRS 139 as required by paragraph 30(b) of FRS `08, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

There were no audit qualifications on the financial statements of the Company and its subsidiaries for the year ended 31 December 2008.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s business operations were not materially affected by any major seasonal or cyclical factors.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review and financial year-to-date.

A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the current quarter under review and financial year-to-date result.

A7. ISSUANCES AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

A8. DIVIDEND PAID

The Company had paid exempt dividend of 1 sen per ordinary share for the financial year ended 31 December 2008 on 29 July 2009.

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the current quarter under review and financial year-to-date.

A10. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review and financial year-to-date.

A11. SEGMENTAL INFORMATION

Geographical Segment

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers.

The Group's financial information analysed by geographical segment for the current quarter and financial period ended 31 December 2009 is as follows:

	Current Quarter 31.12.2009	Current Year To Date 31.12.2009
Revenue	RM '000	RM '000
Malaysia	16,950	33,808
Outside Malaysia	18,135	81,566
Total	35,085	115,374

A12. CONTINGENT LIABILITIES

As at 31 December 2009, the Group has no material contingent liabilities save for a corporate guarantee of **RM24.18 million** issued by the Company in respect of banking facilities granted to the subsidiary companies.

A13. CAPITAL COMMITMENTS

The Group has no capital commitments as at 31 December 2009.

A14. SUBSEQUENT EVENTS

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

B. Explanatory Notes Pursuant to Appendix 9B, Part A of the Listing Requirement of Bursa Malaysia Securities Berhad

B1. PERFORMANCE REVIEW

The Group recorded profit before taxation (“PBT”) of RM5.58 million in the quarter under review (“Q4 2009”) as compared to RM2.28 million in the preceding year corresponding quarter (“Q4 2008”), an increase of RM3.30 million or 145%. The increase in PBT is mainly due to increase in sales of its existing customers and cost reduction program taken during the quarter under review.

B2. COMPARISON WITH PRECEDING QUARTER’S RESULTS

The Group recorded revenue of RM35.09 million in the current quarter (“Q4 2009”) as compared to RM28.82 million in the previous quarter (“Q3 2009”), an increase of RM6.27 million or 21.7%.

The Group recorded a profit after taxation (“PAT”) of RM4.97 million for the quarter under review, an increase of RM1.78 million or 55.8% as compared to previous quarter. The increase in PAT was mainly contributed from increase in sales of its existing customers and cost reduction program taken during the quarter under review.

B3. COMMENTARY ON PROSPECTS

The recent recovery trend of the market has enable the Group to increase its sales performance. The Group will continue with its effort to secure more sales and at the same time enhance its in-house cost reduction programme in order to generate satisfactory results in the coming quarters.

B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast and profit guarantee was issued or announced for year ending 2009.

B5. TAXATION

	Current Quarter 31 December 2009 RM'000	Current Year To date 31 December 2009 RM'000
Tax expense		
Malaysia	262	585
Foreign	353	1,263
	615	1,848

The effective tax rate of the Group for the current quarter and financial year to-date is lower than the statutory tax rate principally due to the availability of reinvestment allowances and the revised of deferred tax during the quarter under review.

B6. UNQUOTED SECURITIES AND/OR PROPERTIES

There were no purchases nor disposals of any unquoted securities and/ or properties for the current financial year and quarter to-date other than disclose in Note 1 of the Cash Flow Statements.

B7. INVESTMENT IN QUOTED SECURITIES

There were no dealings by the Group in quoted securities for the current quarter and financial year to-date. The Group did not hold any investments in quoted securities as at 31 December 2009.

B8. CORPORATE PROPOSAL

There is no corporate proposal announced as at the date of this announcement.

B9. BORROWINGS

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-term (Secured) RM'000	Long-term (Secured) RM'000
Hire purchase	5,127	2,661
Term Loans	1,492	17,339
Bankers' acceptance	3,427	-
Total	10,046	20,000

Borrowings denominated in foreign currency as at 31 December 2009:

	HKD'000	RM'000 Equivalent
Total Borrowings	5,071	2,290

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments as at 25 February 2010, being the day not earlier than 7 days from the date of issuance quarterly report.

B11. MATERIAL LITIGATION

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

B12. DIVIDEND

A first and final tax exempt dividend of 1 sen per share for the year ended 31 December 2008 was declared and approved by the shareholders on 29 June 2009 and subsequently paid on 29 July 2009.

B13. EARNINGS PER SHARE (“EPS”)

Basic

The basic EPS is calculated by dividing the net profit by the weighted average number of ordinary shares in issue:

	Current Quarter 31.12.2009	Current Year To Date 31.12.2009	Preceding Corresponding Quarter 31.12.2008
	RM ‘000	RM ‘000	RM’000
Net profit attributable to ordinary shareholders	4,966	11,468	1,991
Weighted average number of ordinary shares of RM0.50 each in issue	120,000	120,000	120,000
Basic EPS (sen)	4.14	9.56	1.66

Diluted

The Group does not have any convertible shares or financial instruments for the current financial quarter and financial year to-date.