

**Mega First Corporation Berhad
(Company No. 6682-V)
(Incorporated in Malaysia)**

**Interim Financial Report
31 March 2009**

Mega First Corporation Berhad
(Co. No. 6682-V)

Unaudited Condensed Consolidated Income Statements
For the first quarter and 3-month period ended 31 March 2009

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 1 st Quarter 31.3.2009 RM'000	Preceding Year Corresponding 1 st Quarter 31.3.2008 RM'000	Current Year To date 31.3.2009 RM'000	Preceding Year Corresponding Period 31.3.2008 RM'000
Revenue	A8	94,386	105,692	94,386	105,692
Operating expenses		(79,817)	(93,952)	(79,817)	(93,952)
Other income		3,919	15,986	3,919	15,986
Profit from operations		18,488	27,726	18,488	27,726
Finance costs		(1,216)	(1,328)	(1,216)	(1,328)
Share of profit in an associate		102	138	102	138
Profit before tax	A8	17,374	26,536	17,374	26,536
Tax expense		(4,092)	(1,949)	(4,092)	(1,949)
Net profit for the period		13,282	24,587	13,282	24,587
Attributable to:					
Equity holders of the Company		7,716	14,987	7,716	14,987
Minority interests		5,566	9,600	5,566	9,600
		13,282	24,587	13,282	24,587
EPS- Basic (sen)	B14	3.29	6.36	3.29	6.36
- Diluted (sen)	B14	3.27	6.32	3.27	6.32

The notes set out on pages 5 to 12 form an integral part of and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
(Co. No. 6682-V)

Unaudited Condensed Consolidated Balance Sheets
As at 31 March 2009

	Unaudited As At 31.3.09 RM'000	Audited As At 31.12.08 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	207,983	208,371
Associate	4,365	4,263
Investment in quoted shares	5,038	5,478
Investment in unquoted shares	335	335
Prepaid lease payments	3,675	3,691
Investment properties	73,414	73,408
Land held for property development	66,204	65,567
Goodwill on consolidation	10,027	10,027
	371,041	371,140
Current Assets		
Inventories	38,774	41,294
Property development	18,231	22,681
Trade and other receivables	111,048	120,093
Bank balances and deposits	170,298	141,597
	338,351	325,665
TOTAL ASSETS	709,392	696,805
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	239,283	239,283
Treasury shares	(6,762)	(6,412)
Reserves	168,218	158,876
	400,739	391,747
Minority Interests	136,496	138,618
Total Equity	537,235	530,365
Non-Current Liabilities		
Long-term borrowings	12,335	12,665
Retirement benefit obligations	731	523
Hire purchase payables	21	9
Deferred taxation	24,091	24,502
	37,178	37,699
Current Liabilities		
Trade and other payables	61,194	57,783
Short-term borrowings	68,806	67,763
Taxation	4,979	3,195
	134,979	128,741
Total Liabilities	172,157	166,440
TOTAL EQUITY AND LIABILITIES	709,392	696,805
Net Assets Per Ordinary Share (RM)	1.71	1.67

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Unaudited Condensed Consolidated Statement Of Changes In Equity
For the 3-month period ended 31 March 2009

			← Attributable to equity holders of the parent →						Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	← Non-distributable reserves →	Share Premium RM'000	Share Option Reserve RM'000	Translation Reserve RM'000	Capital Reserve RM'000	Distributable Retained Profits RM'000		
Balance at 1 January 2009	239,283	(6,412)	33,380	28	14,306	2,213	108,949	391,747	138,618	530,365
Currency translation differences	-	-	-	-	1,626	-	-	1,626	1,859	3,485
Profit for the period	-	-	-	-	-	-	7,716	7,716	5,566	13,282
Dividend	-	-	-	-	-	-	-	-	(9,547)	(9,547)
Purchase of treasury shares	-	(350)	-	-	-	-	-	(350)	-	(350)
Balance at 31 March 2009	239,283	(6,762)	33,380	28	15,932	2,213	116,665	400,739	136,496	537,235
Balance at 1 January 2008	239,212	(3,893)	33,380	28	2,633	2,213	78,333	351,906	110,557	462,463
Currency translation differences	-	-	-	-	(148)	-	-	(148)	167	19
Profit for the period	-	-	-	-	-	-	14,987	14,987	9,600	24,587
Issue of ordinary shares pursuant to ESOS	1	-	-	-	-	-	-	1	-	1
Purchase of treasury shares	-	(972)	-	-	-	-	-	(972)	-	(972)
Balance at 31 March 2008	239,213	(4,865)	33,380	28	2,485	2,213	93,320	365,774	120,324	486,098

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Mega First Corporation Berhad
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Unaudited Condensed Consolidated Cash Flow Statements
For the 3-month period ended 31 March 2009

	Current Year 1st Quarter 31.3.2009 RM'000	Preceding Year Corresponding 1st Quarter 31.3.2008 RM'000
Profit before tax	17,374	26,536
Adjustments for non-cash flow - Non-cash items	7,120	(10,580)
- Non-operating items	799	1,908
Operating profit before changes in working capital	<u>25,293</u>	<u>17,864</u>
Changes in working capital - Net change in current assets	17,437	(21,775)
- Net change in current liabilities	<u>(6,452)</u>	<u>(5,294)</u>
Cash generated from/(used for) operations	36,278	(9,205)
Income tax paid	<u>(2,930)</u>	<u>(3,734)</u>
Net cash from/(for) operating activities	33,348	(12,939)
Cash flows (for)/from investing activities		
Interest received	420	639
(Increase)/Decrease in:		
Land held for property development	(637)	314
Investment properties	(6)	(6)
Proceeds from disposal of property, plant and equipment	284	76
Purchase of property, plant and equipment	<u>(3,351)</u>	<u>(618)</u>
Net cash (for)/from investing activities	(3,290)	405
Cash flows for financing activities		
Finance costs paid	(1,216)	(1,328)
Decrease in:		
Short-term borrowings, excluding bank overdrafts	(231)	(4,000)
Hire purchase payables	(27)	(692)
Net (repayment)/drawdown of mortgage loan and term loans	(392)	3,275
Proceeds from issue of shares pursuant to ESOS	-	1
Purchase of treasury shares	<u>(350)</u>	<u>(972)</u>
Net cash for financing activities	(2,216)	(3,716)
Net increase/(decrease) in cash and cash equivalents	27,842	(16,250)
Cash and cash equivalents at beginning of the period	141,503	114,463
Effect of exchange rate changes	<u>873</u>	<u>-</u>
Cash and cash equivalents at end of the period	<u>170,218</u>	<u>98,213</u>

The notes set out on pages 5 to 12 form an integral part of and should be read in conjunction with this interim financial report.

Notes to the interim financial report

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those in the financial statements for the financial year ended 31 December 2008.

A2. Qualification of financial statement

The auditors’ report of the Group’s annual financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A3. Seasonal or cyclical factors

The Group’s principal business operations are not significantly affected by seasonal or cyclical factors.

A4. Unusual item

There was no item affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence in these financial statements.

A5. Nature and amount of changes in estimates

There was no change in estimates of amounts reported in prior financial years/periods that have a material effect in the current quarter and 3-month period ended 31 March 2009.

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A6. Debt and equity securities

Debt and equity securities

	Number of Ordinary Shares of RM1 Each		Amount	
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Treasury Shares RM'000
As of 1.1.2009	239,283	(4,910)	239,283	(6,412)
Purchase of treasury shares	-	(488)	-	(350)
As of 31.3.2009	<u>239,283</u>	<u>(5,398)</u>	<u>239,283</u>	<u>(6,762)</u>

a) Share options exercised

During the 3-month period ended 31 March 2009, there was no ordinary shares issued pursuant to the exercise of options under the Company's Employee Share Option Scheme. As at 31 March 2009, options over 2,922,000 (31.12.2008 : 2,969,000) unissued ordinary shares remained outstanding.

b) Treasury Shares

During the 3-month period ended 31 March 2009, the Company purchased 488,400 of its issued ordinary shares from the open market at an average price of RM0.72 per share for a total consideration of RM350,197 comprising purchase price of RM347,492 and the total transaction cost of RM2,705. These shares are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 239,283,000 (31.12.2008 : 239,283,000) issued and fully paid-up ordinary shares as at 31 March 2009, 5,398,200 ordinary shares (31.12.2008 : 4,909,800) were held as treasury shares by the Company. As at 31 March 2009, the number of outstanding ordinary shares in issue and fully paid-up amounted to 233,884,800 (31.12.2008 : 234,373,200).

Other than as disclosed above, there was no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in these financial statements.

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A7. Dividend paid

A final dividend of 3.5%, less income tax of 25%, for the financial year ended 31 December 2008 was approved by the shareholders at the Annual General Meeting held on 20 May 2009. This dividend is payable on 15 July 2009 to entitled shareholders as at 30 June 2009.

A8. Segment information for the 3-month period ended 31 March 2008

	Revenue RM'000	Profit/(Loss) Before Tax RM'000
By Activity		
<u>Continuing operations:</u>		
Build, own and operate power plants	69,983	15,166
Property development and investment	8,055	505
Quarrying of limestone, manufacturing and trading of calcium carbonate powder, lime based products and calcium silicate bricks	14,364	2,339
Engineering, designing and manufacturing of automotive and transportation components	1,972	(323)
Investment holding	12	(416)
Associate	-	103
	<u>94,386</u>	<u>17,374</u>

A9. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment in these financial statements.

A10. Events subsequent to the balance sheet date

There was no material event subsequent to the end of the period reported up to 13 May 2009, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A11. Changes in composition of the Group

There was no material change in the composition of the Group for the 3-month period ended 31 March 2009 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A12. Changes in contingent liabilities and assets

a) Contingent liabilities

There was no change in contingent liabilities of the Group from 1 January 2009 to 13 May 2009, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

b) Contingent assets

The Group has no contingent asset as at 13 May 2009, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group's revenue and pre-tax profit for the current quarter under review decreased by 10.7%, and 34.5%, respectively, as compared to the corresponding period last year.

The lower pre-tax profit was largely attributable to lower contribution from the Property Division, partially offset by higher contribution from the Power Division and lower loss in the Engineering Division. The Property Division recorded a pre-tax profit of RM17.0 million in the corresponding period last year, which included a fair value adjustment amounting to RM16.5 million.

B2. Variation of results against preceding quarter

For the current quarter under review, the Group's revenue of RM94.4 million was 23.5% lower than the preceding quarter of RM123.4 million. However, pre-tax profit increased by 78.5% to RM17.4 million.

The higher pre-tax profit was largely attributable to higher contribution from the Power and Limestone Divisions and lower loss in the Engineering Division, partially offset by lower contribution from the Property Division.

B3. Prospects

The Board is confident that the results for the remaining quarters will continue to be profitable.

B4. Profit forecast

The Group did not issue any profit forecast or profit guarantee.

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B5. Tax expense

	Current Quarter ended 31.3.2009 RM'000	Period ended 31.3.2009 RM'000
Current tax expense		
Malaysian	1,209	1,209
Overseas	2,883	2,883
	4,092	4,092

The effective tax rate of the Group for the current quarter and 3-month period ended 31 March 2009 was lower than the statutory tax rate due mainly to a 5% withholding tax imposed on dividends declared by a subsidiary in China and the income earned in China which is taxed at a rate of 20%.

B6. Unquoted investments and properties

There was no material sale or purchase of unquoted investment or property during the current quarter and 3-month period ended 31 March 2009.

B7. Quoted investment

- a) There was no sale or purchase of quoted investment during the current quarter and 3-month period ended 31 March 2009.
- b) Investments in quoted securities as at 31 March 2009

	Cost RM'000	Book Value RM'000	Market Value RM'000
Quoted in Malaysia	10,564	5,038	5,038

B8. Status of corporate proposal

On 6 March 2007, RCI announced that the company was proposing to establish an Employees' Share Option Scheme ("ESOS") for the benefit of the eligible Executive Directors and employees of RCI and its subsidiaries. The ESOS was approved by the shareholders of RCI on 25 April 2007 and has yet to become effective.

Other than as disclosed above, there was no corporate proposal announced but not completed as at 13 May 2009, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

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B9. Borrowing and debt securities

Group borrowings as of 31 March 2008:

	<u>RM'000</u>
Short-term borrowings	
<i>Secured denominated in:</i>	
Ringgit Malaysia	12,456
Renminbi (Rmb37,000,000)	19,740
	<u>32,196</u>
<i>Unsecured Denominated in:</i>	
Ringgit Malaysia	3,000
Renminbi (Rmb63,000,000)	33,610
	68,806
Long-term borrowings	
<i>Secured denominated in:</i>	
Ringgit Malaysia	<u>12,335</u>
	<u>81,141</u>

B10. Off balance sheet financial instruments

There was no financial instrument with off balance sheet risk as at 13 May 2009, the latest practical date which is not earlier than 7 days from the date of issue of these financial statements.

B11. Changes in material litigation

There was no pending material litigation as at 13 May 2009, the latest practical date which is not earlier than 7 days from the date of issue of these financial statements.

B12. Capital commitments

As at 31 March 2009, the Group has the following commitments:

	<u>RM'000</u>
Property, plant and equipment and investment	
Authorised but not provided for:	
Contracted	22,868
Not contracted	<u>23,011</u>
	<u>45,879</u>

B13. Dividend

No interim dividend was declared for the current quarter under review.

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B14. Earnings per share

	Quarter ended 31 March		Period ended 31 March	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Basic earnings per share				
Profit for the period attributable to ordinary equity holders of the Company	7,716	14,987	7,716	14,987
Weighted average number of ordinary shares in issue ('000)	<u>234,251</u>	<u>235,465</u>	<u>234,251</u>	<u>235,465</u>
Basic earnings per share (sen)	<u>3.29</u>	<u>6.36</u>	<u>3.29</u>	<u>6.36</u>
Diluted earnings per share				
Profit for the period attributable to ordinary equity holders of the Company	7,716	14,987	7,716	14,987
Dilutive effects of outstanding employees' share options	<u>41</u>	<u>36</u>	<u>41</u>	<u>36</u>
Diluted earnings	<u>7,757</u>	<u>15,023</u>	<u>7,757</u>	<u>15,023</u>
Weighted average number of ordinary shares in issue ('000)	234,251	235,465	234,251	235,465
Adjustment for share options ('000)	<u>2,922</u>	<u>2,244</u>	<u>2,922</u>	<u>2,244</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	<u>237,173</u>	<u>237,709</u>	<u>237,173</u>	<u>237,709</u>
Diluted earnings per share (sen)	<u>3.27</u>	<u>6.32</u>	<u>3.27</u>	<u>6.32</u>

B15. Significant related party transaction

There was no significant related party transaction during the current quarter and 3-month period ended 31 March 2009.

BY ORDER OF THE BOARD

Yong Lai Sim
Ghee Yoke Ping
Secretaries

Kuala Lumpur
20 May 2008