

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

**Interim Financial Report
30 September 2009**

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

Unaudited Condensed Consolidated Income Statements
For the third quarter and 9-month period ended 30 September 2009

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		Current Year 3 rd Quarter 30.9.2009 RM'000	Preceding Year Corresponding 3 rd Quarter 30.9.2008 RM'000	Current Year To date 30.9.2009 RM'000	Preceding Year Corresponding Period 30.9.2008 RM'000
Revenue	A8	110,941	140,543	321,392	377,497
Operating expenses		(84,737)	(127,164)	(261,545)	(338,083)
Other income/expenses, net		12,174	542	26,896	29,811
Profit from operations		38,378	13,921	86,743	69,225
Finance costs		(1,518)	(1,605)	(3,973)	(4,342)
Share of profit in an associate		161	132	445	522
Profit before tax	A8	37,021	12,448	83,215	65,405
Tax expense		(5,061)	(2,315)	(13,141)	(7,408)
Net profit for the period		31,960	10,133	70,074	57,997
Attributable to:					
Equity holders of the Company		23,025	5,903	49,559	34,647
Minority interests		8,935	4,230	20,515	23,350
		31,960	10,133	70,074	57,997
EPS- Basic (sen)	B14	9.87	2.51	21.24	14.72
- Diluted (sen)	B14	9.76	2.50	21.02	14.63

The notes set out on pages 5 to 13 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 30 September 2009

	Unaudited As At 30.9.2009 RM'000	Audited As At 31.12.2008 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	210,045	208,371
Associate	4,708	4,263
Investment in quoted shares	133,099	5,478
Investment in unquoted shares	335	335
Prepaid lease payments	3,481	3,691
Investment properties	73,442	73,408
Land held for property development	68,110	65,567
Goodwill on consolidation	10,027	10,027
	<u>503,247</u>	<u>371,140</u>
Current Assets		
Inventories	32,717	41,294
Property development	24,557	22,681
Trade and other receivables	117,006	120,093
Bank balances and deposits	90,790	141,597
	<u>265,070</u>	<u>325,665</u>
TOTAL ASSETS	<u><u>768,317</u></u>	<u><u>696,805</u></u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	239,283	239,283
Treasury shares	(8,703)	(6,412)
Reserves	199,935	158,876
	<u>430,515</u>	<u>391,747</u>
Minority Interests	<u>145,468</u>	<u>138,618</u>
Total Equity	575,983	530,365
Non-Current Liabilities		
Long-term borrowings	8,576	12,665
Retirement benefit obligations	743	523
Hire purchase payables	13	9
Deferred taxation	23,784	24,502
	<u>33,116</u>	<u>37,699</u>
Current Liabilities		
Trade and other payables	49,917	57,783
Short-term borrowings	103,947	67,763
Taxation	5,354	3,195
	<u>159,218</u>	<u>128,741</u>
Total Liabilities	<u>192,334</u>	<u>166,440</u>
TOTAL EQUITY AND LIABILITIES	<u><u>768,317</u></u>	<u><u>696,805</u></u>
Net Assets Per Ordinary Share (RM)	<u><u>1.86</u></u>	<u><u>1.67</u></u>

The notes set out on pages 5 to 13 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 Statement Of Changes In Equity
For the 9-month period ended 30 September 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		
Balance at 1.1.2009	239,283	(6,412)	33,380	28	14,306	2,213	108,949	391,747	138,618	530,365
Currency translation differences	-	-	-	-	(2,378)	-	-	(2,378)	(542)	(2,920)
Profit for the period	-	-	-	-	-	-	49,559	49,559	20,515	70,074
Dividend	-	-	-	-	-	-	(6,122)	(6,122)	(13,123)	(19,245)
Purchase of treasury shares	-	(2,291)	-	-	-	-	-	(2,291)	-	(2,291)
Balance at 30.9.2009	239,283	(8,703)	33,380	28	11,928	2,213	152,386	430,515	145,468	575,983
Balance at 1.1.2008	239,212	(3,893)	33,380	28	2,633	2,213	78,333	351,906	110,557	462,463
Currency translation differences	-	-	-	-	9,211	-	-	9,211	4,520	13,731
Profit for the period	-	-	-	-	-	-	34,647	34,647	23,350	57,997
Dividend	-	-	-	-	-	-	(6,093)	(6,093)	(2,199)	(8,292)
Issue of ordinary shares pursuant to ESOS	71	-	-	-	-	-	-	71	-	71
Purchase of treasury shares	-	(2,193)	-	-	-	-	-	(2,193)	-	(2,193)
Balance at 30.9.2008	239,283	(6,086)	33,380	28	11,844	2,213	106,887	387,549	136,228	523,777

The notes set out on pages 5 to 13 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 Cash Flow Statements
For the 9-month period ended 30 September 2009

	Current Year 3rd Quarter 30.9.2009 RM'000	Preceding Year Corresponding 3rd Quarter 30.9.2008 RM'000
Profit before tax	83,215	65,405
Adjustments for non-cash flow	23,059	(5,631)
- Non-cash items		
- Non-operating items	(15,265)	4,229
Operating profit before changes in working capital	91,009	64,003
Changes in working capital	8,988	(32,967)
- Net change in current assets		
- Net change in current liabilities	(7,733)	1,843
Cash generated from operations	92,264	32,879
Income tax paid	(11,843)	(13,148)
Net cash from operating activities	80,421	19,731
Cash flows for investing activities		
Interest received	1,309	2,114
(Increase)/Decrease in:		
Land held for property development	(2,543)	3,321
Investment properties	(34)	(34)
Proceeds from disposal of property, plant and equipment	1,667	213
Purchase of property, plant and equipment	(26,017)	(6,175)
Proceeds from disposal of quoted shares	145,974	-
Purchase of quoted shares	(258,422)	-
Net cash for investing activities	(138,066)	(561)
Cash flows for financing activities		
Finance costs paid	(3,973)	(4,342)
Dividends paid to minority interests	(13,123)	(12,407)
Dividends paid to shareholders	(6,122)	(6,093)
Increase/(Decrease) in:		
Short-term borrowings, excluding bank overdrafts	26,799	600
Hire purchase payables	(35)	(574)
Net (repayment)/drawdown of mortgage loan and term loans	(1,151)	12,881
Repayment of bonds	(7,000)	(7,000)
Proceeds from issue of shares pursuant to ESOS	-	71
Purchase of treasury shares	(2,291)	(2,193)
Net cash for financing activities	(6,896)	(19,057)
Net (decrease)/increase in cash and cash equivalents	(64,541)	113
Cash and cash equivalents at beginning of the period	141,503	114,463
Effect of exchange rate changes	(1,003)	3,631
Cash and cash equivalents at end of the period	75,959	118,207

The notes set out on pages 5 to 13 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 9-month period ended 30 September 2009.

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

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	-	(2,419)	-	(2,291)
As of 30.9.2009	<u>239,283</u>	<u>(7,329)</u>	<u>239,283</u>	<u>(8,703)</u>

a) Share options exercised

During the 9-month period ended 30 September 2009, there was no ordinary shares issued pursuant to the exercise of options under the Company's Employee Share Option Scheme. As at 30 September 2009, options over 2,922,000 (31.12.2008 : 2,969,000) unissued ordinary shares remained outstanding.

b) Treasury Shares

During the 9-month period ended 30 September 2009, the Company purchased 2,419,300 of its issued ordinary shares from the open market at an average price of RM0.94 per share for a total consideration of RM2,290,971 comprising purchase price of RM2,274,488 and the total transaction cost of RM16,483. 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 30 September 2009, 7,329,100 ordinary shares (31.12.2008 : 4,909,800) were held as treasury shares by the Company. As at 30 September 2009, the number of outstanding ordinary shares in issue and fully paid-up amounted to 231,953,900 (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.

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

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 on 20 May 2009 and paid on 15 July 2009 to entitled shareholders as at 30 June 2009.

An interim dividend of 2.0% less income tax of 25% (financial year ended 31 December 2008 : interim dividend of 2.0% less income tax of 26%) for the financial year ending 31 December 2009 was paid on 9 October 2009.

A8. Segment information for the 9-month period ended 30 September 2009

	Revenue RM'000	Profit/(Loss) Before Tax RM'000
By Activity		
<u>Continuing operations:</u>		
Build, own and operate power plants	236,839	51,987
Property development and investment	28,669	4,655
Quarrying of limestone, manufacturing and trading of calcium carbonate powder, lime based products and calcium silicate bricks	48,743	14,040
Engineering, designing and manufacturing of automotive and transportation components	6,900	163
Investment holding	241	11,925
Associate	-	445
	<u>321,392</u>	<u>83,215</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 17 November 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

On 16 October 2009, Mega First Mining Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed one (1) fully paid share of US\$1.00 each representing 100% of the issued and paid-up share capital of Equity Group Investments Limited to Omega Semiconductor Sdn. Bhd. for a cash consideration of US\$1.00 only.

Other than as disclosed above, there was no material change in the composition of the Group for the 9-month period ended 30 September 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 17 November 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 17 November 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

a) Current quarter

The Group's revenue of RM110.9 million for the current quarter was 21.1% lower than the corresponding period last year of RM140.5 million. However, pre-tax profit increased by 197.4% to RM37.0 million.

The higher pre-tax profit was largely attributable to higher contribution from the Power and Limestone Divisions and a gain on disposal of quoted investments of RM13.3 million.

b) For the 9-month period ended 30 September 2009

The Group's revenue of RM321.4 million for the 9-month period ended 30 September 2009 was 14.9% lower than the corresponding period last year of RM377.5 million. However, pre-tax profit increased by 27.2% to RM83.2 million.

The higher pre-tax profit was largely attributable to higher contribution from the Power, Limestone and Engineering Divisions and a gain on disposal of quoted investments of RM20.3 million but, partially set-off by lower contribution from the Property Division. The Property Division recorded a pre-tax profit of RM28.0 million in the corresponding period last year, which included a fair value adjustment amounting to RM26.5 million. No fair value adjustment was recorded in the period under review.

B2. Variation of results against preceding quarter

The Group's revenue of RM110.9 million for the current quarter was 4.4% lower than the preceding quarter of RM116.1 million. However, pre-tax profit increased by 28.5% to RM37.0 million.

The higher pre-tax profit was largely attributable to higher contribution from the Power, Limestone and Engineering Divisions and a higher gain on disposal of quoted investments but, partially set-off by lower contribution from the Property Division.

B3. Prospects

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

B4. Profit forecast

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

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

B5. Tax expense

	Current Quarter ended 30.9.2009 RM'000	Period ended 30.9.2009 RM'000
Current tax expense		
Malaysian	1,751	3,779
Overseas	3,310	9,362
	<u>5,061</u>	<u>13,141</u>

The effective tax rate of the Group for the current quarter and 9-month period ended 30 September 2009 was lower than the statutory tax rate due mainly to the gain on disposal of quoted investments, which is non-taxable, 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 9-month period ended 30 September 2009.

B7. Quoted investments

a) Purchase and sale of quoted investments during the current quarter and 9-month period ended 30 September 2009

i) Acquisition of quoted investments

	Current Quarter ended 30.9.2009 RM'000	Period ended 30.9.2009 RM'000
Purchase consideration	130,806	258,422

ii) Disposal of quoted investments

	Current Quarter ended 30.9.2009 RM'000	Period ended 30.9.2009 RM'000
Sale proceeds	90,072	145,974
Cost of quoted securities disposed	<u>(76,757)</u>	<u>(125,640)</u>
Gain on disposal	<u>13,315</u>	<u>20,334</u>

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

B7. Quoted investments (Cont'd)

b) Investments in quoted securities as at 30 September 2009

	Cost RM'000	Book Value RM'000	Market Value RM'000
Quoted in Malaysia	69,715	64,033	67,225
Quoted outside Malaysia	72,453	69,066	75,702
	<hr/> 142,168	<hr/> 133,099	<hr/> 142,927

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 17 November 2009, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B9. Borrowing and debt securities

Group borrowings as at 30 September 2009:

	<u>RM'000</u>
Short-term borrowings	
<i>Secured denominated in:</i>	
Ringgit Malaysia	27,237
Chinese Yuan (CNY37,000,000)	18,763
	46,000
<i>Unsecured Denominated in:</i>	
Ringgit Malaysia	26,000
Chinese Yuan (CNY63,000,000)	31,947
	103,947
Long-term borrowings	
<i>Secured denominated in:</i>	
Ringgit Malaysia	8,576
	<hr/> 112,523

B10. Off balance sheet financial instruments

There was no financial instrument with off balance sheet risk as at 17 November 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 17 November 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 30 September 2009, the Group has the following commitments:

	<u>RM'000</u>
Property, plant and equipment and investment	
Authorised but not provided for:	
Contracted	22,768
Not contracted	<u>21,317</u>
	<u>44,085</u>

B13. Dividend

No dividend was declared for the current quarter under review.

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

B14. Earnings per share

	Quarter ended 30 September		Period ended 30 September	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit for the period attributable to ordinary equity holders of the Company	23,025	5,903	49,559	34,647
Weighted average number of ordinary shares in issue ('000)	<u>233,381</u>	<u>235,349</u>	<u>233,381</u>	<u>235,349</u>
Basic earnings per share (sen)	<u>9.87</u>	<u>2.51</u>	<u>21.24</u>	<u>14.72</u>
Diluted earnings per share				
Profit for the period attributable to ordinary equity holders of the Company	23,025	5,903	49,559	34,647
Dilutive effects of outstanding employees' share options	<u>41</u>	<u>35</u>	<u>123</u>	<u>105</u>
Diluted earnings	<u>23,066</u>	<u>5,938</u>	<u>49,682</u>	<u>34,752</u>
Weighted average number of ordinary shares in issue ('000)	233,381	235,349	233,381	235,349
Adjustment for share options ('000)	<u>2,922</u>	<u>2,169</u>	<u>2,922</u>	<u>2,169</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	<u>236,303</u>	<u>237,518</u>	<u>236,303</u>	<u>237,518</u>
Diluted earnings per share (sen)	<u>9.76</u>	<u>2.50</u>	<u>21.02</u>	<u>14.63</u>

B15. Significant related party transaction

There was no significant related party transaction during the current quarter and 9-month period ended 30 September 2009.

BY ORDER OF THE BOARD

Yong Lai Sim
Ghee Yoke Ping
Secretaries

Petaling Jaya
24 November 2009