

H-DISPLAYS (MSC) BHD  
(Company No: 726318K)  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE FIRST QUARTER AS AT 31 MARCH 2011  
(The figures have not been audited)

	CURRENT YEAR QUARTER 31 MAR 2011 (Unaudited) RM'000	PRECEDING YEAR CORRESPONDING YEAR 31 March 2010 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 DEC 2010 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3,937	4,564	4,059
Deferred Taxation	-	-	-
Intangible Assets	-	-	-
	<u>3,937</u>	<u>4,564</u>	<u>4,059</u>
<b>Current Assets</b>			
Inventories	7,055	11,123	7,291
Trade Receivables	7,273	6,188	8,246
Other Receivables	522	510	272
Tax recoverable	-	-	-
Cash & Cash Equivalents	1,040	478	1,047
	<u>15,891</u>	<u>18,299</u>	<u>16,856</u>
<b>TOTAL ASSETS</b>	<u>19,828</u>	<u>22,863</u>	<u>20,915</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	21,000	21,000	21,000
Share Premium	14,637	14,637	14,637
Exchange translation reserve	294	3,218	157
Accumulated losses	(35,961)	(35,938)	(35,975)
<b>Total equity</b>	<u>(30)</u>	<u>2,917</u>	<u>(181)</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Hire purchase Creditor	51	87	57
<b>Non-current liabilities</b>	<u>51</u>	<u>87</u>	<u>57</u>
<b>Current Liabilities</b>			
Trade Payables	7,445	7,629	8,647
Other Payables	2,088	2,303	2,084
Amount due to directors	-	-	-
Tax payable	44	58	20
Borrowing	10,230	9,869	10,288
<b>Current liabilities</b>	<u>19,807</u>	<u>19,859</u>	<u>21,039</u>
<b>Total liabilities</b>	<u>19,858</u>	<u>19,946</u>	<u>21,096</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>19,828</u>	<u>22,863</u>	<u>20,915</u>
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	(0.01)	1.39	(0.09)

This is the first interim financial statements on the consolidated results for the financial year ending 31 December 2011

**H-DISPLAYS (MSC) BHD**

(Company No: 726318K )  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year quarter 31 March 2011	Preceding year corresponding quarter 31 March 2010	Current Year to-date 31 December 2011	Preceding Year to-date 31 December 2010
	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)
<b>Continuing Operations</b>				
Revenue	8,838	8,330	8,838	8,330
Cost of Sales	(7,343)	(8,435)	(7,343)	(8,435)
Gross profit	1,495	(105)	1,495	(105)
Other income	930	48	930	48
Selling and distribution expenses	(562)	(381)	(562)	(381)
Administrative expenses	(916)	(1,059)	(916)	(1,059)
Other expenses	(818)	(21)	(818)	(21)
Finance costs	(114)	(92)	(114)	(92)
Profit / (Loss) before taxation	15	(1,609)	15	(1,609)
Income tax expense	(1)	(6)	(1)	(6)
Profit / (Loss) for the financial period	14	(1,615)	14	(1,615)
Other comprehensive income/(loss) for the quarter				
Foreign currency transalions	137	-	137	-
Total comprehensive income/(loss) for the quarter	14	(1,615)	151	(1,615)
Attributable to:				
Owners of the parent	14	(1,615)	14	(1,615)
Basic earnings per share (sen)	0.01	(0.77)	0.01	(0.77)
Diluted earnings per share (sen)	0.01	(0.77)	0.01	(0.77)

H-DISPLAYS (MSC) BHD  
(Company No: 726318K )  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

	Current Year 3 months ended 31 March 2011 (Unaudited) RM'000	Preceding year corresponding quarter 31 March 2010 (Unaudited) RM'000
Net cash (used in) / from operating activities	15	1,022
Net cash used in investing activities	(63)	500
Net cash used in financing activities	58	(1,236)
Net decrease in cash and cash equivalents	11	286
Effect of exchange rate changes	(4)	(359)
Cash and cash equivalents as at 31 December 2010	695	551
Cash and cash equivalents as at 31 March 2011	702	478

**H-DISPLAYS (MSC) BHD**

(Company No: 726318K )  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

Group	Reserves			Unappropriated profit	Total
	Share capital	Share premium	Reserve on consolidation		
	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 1 January 2011	21,000	14,637	157	(35,975)	(181)
Issuance during the financial period	-	-	-	-	-
Currency translation differences	-	-	137	-	137
Net profit for the financial period	-	-	-	14	14
Balance as at 31 March 2011	<u>21,000</u>	<u>14,637</u>	<u>294</u>	<u>(35,961)</u>	<u>(30)</u>

## H-DISPLAYS (MSC) BHD

(Company No: 726318K )

(Incorporated in Malaysia)

### NOTES TO INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

#### 1.0 EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134 INTERIM FINANCIAL REPORTING

##### 1.1 Basis of Preparation

The interim unaudited financial statements have been prepared in compliance with the Financial Reporting Standards 134 ("FRS 134") "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad's for the ACE Market, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2010.

Significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2010 :

- 1) FRS 7 - Financial Instruments : Disclosures
- 2) Amendments to FRS 7 - Financial Instruments : Disclosures
- 3) FRS 8 - Operating Segments
- 4) Amendments to FRS 8 - Operating Segments
- 5) FRS 101 - Presentation of Financial Statements (Revised)
- 6) Amendments to FRS 107 - Statement of Cash Flows
- 7) Amendments to FRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors
- 8) Amendments to FRS 110 - Events After the Reporting Period
- 9) Amendments to FRS 116 - Property, Plant and Equipment
- 10) Amendments to FRS 117 - Leases
- 11) Amendments to FRS 118 - Revenue
- 12) Amendments to FRS 119 - Employee Benefits
- 13) FRS 123 - Borrowing Costs (Revised)
- 14) Amendments to FRS 123 - Borrowing Costs
- 15) Amendments to FRS 127 - Consolidated and Separate Financial Statements
- 16) Amendments to FRS 132 - Financial Instruments : Presentation
- 17) Amendments to FRS 134 - Interim Financial Reporting
- 18) Amendments to FRS 136 - Impairment of Assets
- 19) Amendments to FRS 138 - Intangible Assets
- 20) FRS 139 - Financial Instruments : Recognition and Measurement
- 21) Amendments to FRS 139. - Financial Instruments : Recognition and Measurement  
FRS 132 and IC  
Interpretation 9
- 22) IC Interpretation 10 - Interim Financial Reporting and Impairment

The adoption of the above mentioned Amendment and FRSs does not have significant financial impact on the Group.

##### 1.2 Reporting Notice

This is the first interim financial statements on the consolidated results for the financial year ending 31 December 2011 announced by the Company.

##### 1.3 Qualification of Financial Statements

The auditor's report on the preceding financial statements of the H-Displays (MSC) Berhad ("HDisplay") for the financial year ended 31 December 2010 was not subject to any qualification except for an emphasis on the following matter:

"Without qualifying our opinion, we draw attention to Note 2 to the Financial Statements, which disclose the premise upon which the Group and the Company have prepared its financial statements by applying the going concern assumption, notwithstanding that the Company is designated as an affected listed issuer pursuant to Guidance Note 3 ("GN3") of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Group and the Company had incurred a net loss of RM4,340,984 and RM1,966,194 respectively during the financial year ended 31 December 2010. As of that date, the Group and the Company had capital deficiencies of RM181,042 and RM2,591,066 respectively and the current liabilities of the Group and of the Company exceeded the current assets by RM4,183,675 and RM2,618,758 respectively.

As at 31 December 2010, the subsidiaries, H-Display Pte. Ltd. and Hitech Displays Sdn. Bhd., have breached the covenants of the banking facilities granted by their banks. If the breaches are not rectified on timely basis or the terms and conditions are not renegotiated, the banking facilities may subject to be withdrawn by the banks. As at the date of this report, these banks have not indicated that the banking facilities will be withdrawn."

##### 1.4 Seasonal or Cyclical Factors

Our customers' demand for products in the electronics and electrical industry usually runs from March to November and peaks in the third quarter of the year prior to Christmas and year-end festive seasons. Usually demand for products for customers in the industry will slow down from December to February.

##### 1.5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There are no items of unusual nature that affects assets, equity, net income or cash flows during the quarter

**1.6 Material Changes in Estimates**

There were no changes in estimates of amounts reported that have a material effect in the quarter under review.

## 1.7 Debts and Equity Securities

There were no issuance, repurchase, cancellation, resale and repayment of debt and equity securities during the period under review.

## 1.8 Dividend

No dividends were paid during the quarter under review.

## 1.9 Segment Information

No operating segment information is reported as :

- (i) The Group operates predominantly in the manufacturing and trading of liquid crystal displays products; and
  - (ii) The chief operating decision makers, which include the chief executive officer, chief technology officer and chief operating officer, have assessed the performance and determine the resources allocation of the entire Group as a single operating segment.
- Business are the same with the manufacture and sale of LCD panels, LCD modules and LCD products as follows:

	Current financial quarter 31 March 2011 RM'000	Preceding year corresponding quarter 31 March 2010 RM'000	Current year to date 31 March 2011 RM'000	Preceding year to- date 31 March 2010 RM'000
LCD Panels	233	421	233	421
Modules/Others	5,229	5,381	5,229	5,381
LCD Products	3,377	2,528	3,377	2,528
Total	<u>8,838</u>	<u>8,330</u>	<u>8,838</u>	<u>8,330</u>

## 1.10 Valuation of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment during the current quarter under review.

## 1.11 Material Events Subsequent to the end of the Reporting Period

There are no material events subsequent to year end

## 1.12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

## 1.13 Contingent Assets and Liabilities

The group does not have any contingent assets and liabilities as at the end of current quarter

## 1.14 Significant Related Party Transactions

There were no significant related party transactions during the quarter under review.

## 2.0 EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIRMENTS OF BURSA SECURITIES FOR THE MESDAQ MARKET

### 2.1 Review of the Performance

For the first quarter ended 31 March 2011, the Group achieved a revenue of approximately RM 8.8 million and a profit after tax of RM14,000 compared with a revenue of approximately RM8.3 million and loss after tax of approximately RM1.6 million for the corresponding period last year. The 6% increase in revenue was achieved despite about 10% depreciation of the US Dollar against the Ringgit. As the bulk of raw materials were also in US Dollar, this translated into lower cost of sales, enabling the Group to break-even.

### 2.2 Comparison with Immediate Preceding Quarter

	Current Quarter 31 March 2011 RM'000	Preceding Quarter 31 December 2010 RM'000
Revenue	8,838	10,813
Profit after tax	14	(580)

Revenue for current quarter decreased about 20% compared to last quarter as sales usually peaked in the last quarter of the year. The current quarter also witnessed a continued slide in the US Dollar, thus translating into lower revenue in terms of Ringgit.

### 2.3 Prospects for Year 2011

The year 2011 will be challenging as the Group is faced with foreign exchange risks and inflationary pressures on raw materials.

### 2.4 Variance of Actual Profit from Forecast Profit

Not applicable. The Group did not announce any profit forecast previously; hence there was no comparison between actual results and forecast.

### 2.5 Taxation

Details of taxation are as follows:-

	Individual Quarter		Cumulative Quarter	
	Current financial quarter 31 March 2011 RM'000	Preceding year corresponding quarter 31 March 2010 RM'000	Current year to-date 31 March 2011 RM'000	Preceding year to-date 31 March 2010 RM'000
Provision of tax based on results for the quarter/ year	(1)	(6)	(1)	(6)

The tax provision is in respect of sundry income .

### 2.6 Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no purchase or disposal of unquoted investments and/or properties during the quarter under review.

### 2.7 Purchase or Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for the quarter under review.

### 2.8 Status of corporate proposals announced but not completed

On 22 March 2011, the Company had entered into a conditional definitive agreement with Plant & Offshore Corporation Sdn. Bhd., Goh Chin Yong, Muhammad Nashri Yong Bin Abdullah, Chiam Swee Ann, Tneo Tong Seng, Chua Seong Poon, Pey Biing Kuen, Yong Mun Tong and Meyfort Technologies Ltd. to undertake a series of proposals to regularise the financial condition of the Group comprising, an acquisition of a new viable business by a special purpose vehicle, Plant Offshore Berhad ("POB"), a scheme of arrangement involving share capital reduction of the Company, share consolidation of the Company and share exchange of the shares in of the Company for new shares in POB, a fund raising exercise by POB, an offer for sale of POB shares, the transfer of the Company's listing status to POB and the subsequent disposal of the Group. Upon completion of the proposed regularisation plan, the Company will transfer the listing status to POB and the Group will be disposed of to party/parties to be identified later. The proposal is pending submission to the relevant authorities.

### 2.10 Borrowings and Debt Securities

Group Current Borrowings (All in Local Currency)

	As at 31 March 2011		
	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
Bank Borrowings	10,209	-	10,209
Hire Purchase	-	21	21
	<u>10,209</u>	<u>21</u>	<u>10,230</u>

## 2.11 Group Non-Current Borrowings (All in Local Currency)

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
Other Payables	-	-	-
Hire Purchase	-	51	51
	<u>-</u>	<u>51</u>	<u>51</u>

## 2.12 Off Balance Sheet Financial Instruments

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

## 2.13 Material Litigation

There is no material litigation involving the Group at date of this report.

## 2.14 Dividend

The Board of Directors do not recommend any dividend for the current quarter ended 31 March 2011

## 2.15 Earnings/(Loss) per Share

The calculation of basic earnings per share is based on the income attributable to ordinary shareholders for the period ended 31 March 2010 divided by the weighted average number of ordinary shares of RM0.10 each.

HDisply has no ordinary shares issued which have dilutive factors.

	Current financial quarter ended 31 March 2011	Previous year quarter ended 31 March 2010
Comprehensive Income attributable to owners of the company	14	(1,615)
Weighted average number of ordinary shares in issue ('000)		
- Balance b/f	210,000	210,000
- Additions during the quarter/year	-	-
	<u>210,000</u>	<u>210,000</u>
Basic loss per share (sen)	0.01	(0.77)
Diluted loss per share (sen)	0.01	(0.77)

## 2.16 Disclosure of Realised and Unrealised Losses

With the purpose of improving transparency, Bursa Malaysia Securities Berhad had on 25 March 2010 and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on the Group and the Company basis, as the case may be, in quarterly reports and annual audited financial statements.

The accumulated losses as at reporting date may be analysed as follows:

	Current Year Quarter 31st March 2011 RM'000	Preceding Year Corresponding Quarter 31st March 2010 RM'000
Total accumulated losses of the Company and its subsidiaries		
-realised loss	(82,627)	(78,893)
-unrealised gain/(loss)	<u>66</u>	<u>(359)</u>
	(82,561)	(79,252)
Consolidation adjustments	<u>46,600</u>	<u>43,314</u>
	<u>(35,961)</u>	<u>(35,938)</u>

## 2.17 Authorisation for Issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Board of Directors on 27th May 2011