

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Electrical installation RM	Renovation and signboard RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Production equipment RM	Tools and equipment RM	Total RM
COST												
At 1 January 2010												
- As previously reported	1,498,008	-	4,418,433	9,714,164	-	911,102	1,240,065	403,379	156,135	-	461,999	18,803,285
- Effects of adopting amendments to FRS 117	-	1,614,388	-	-	-	-	-	-	-	-	-	1,614,388
As restated	1,498,008	1,614,388	4,418,433	9,714,164	-	911,102	1,240,065	403,379	156,135	-	461,999	20,417,673
Additions	-	-	-	6,131	-	25,469	225,616	29,009	3,754	-	26,567	316,546
Disposals	-	-	-	(26,590)	-	-	(228,204)	-	-	-	-	(254,794)
Written off	-	-	-	-	-	-	-	(85,018)	(14,240)	-	-	(99,258)
Reclassified as held for sale (Note 12)	-	-	-	(707,489)	-	-	-	-	-	-	-	(707,489)
Acquisition of subsidiary companies [Note 20 (d)]	-	1,168,120	2,572,982	3,276,812	77,054	390,851	618,058	788,608	349,679	108,532	224,018	9,544,714
Exchange difference	(5,835)	-	(5,365)	(8,568)	-	(3,340)	(1,138)	(371)	3	-	(307)	(24,919)
At 31 December 2010 / 1 January 2011	1,492,173	2,782,508	6,986,050	12,254,460	77,054	1,324,082	1,854,399	1,135,607	465,331	108,532	712,277	29,192,473
Additions	-	-	-	75,000	-	50,050	412,169	55,844	-	18,014	15,494	626,371
Disposals	-	-	-	-	-	-	(28,000)	(398)	-	-	-	(28,398)
Written off	-	-	-	-	(14,475)	-	-	(145,066)	(224,511)	-	(23,640)	(407,692)
Reclassified as held for sale (Note 12)	(1,460,084)	-	(1,342,716)	-	-	-	-	-	-	-	-	(2,802,800)
Reclassification	-	-	-	467,814	-	-	(326,451)	(53,291)	(14,823)	-	(1,944)	71,305
Exchange difference	(32,089)	-	(29,511)	(52,351)	-	(20,070)	(3,492)	(2,204)	(239)	-	(2,376)	(142,332)
At 31 December 2011	-	2,782,508	5,613,823	12,744,923	62,579	1,354,062	1,908,625	990,292	225,758	126,546	699,811	26,508,927

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Electrical installation RM	Renovation and signboard RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Production equipment RM	Tools and equipment RM	Total RM
ACCUMULATED DEPRECIATION/ ACCUMULATED IMPAIRMENT LOSSES												
At 1 January 2010												
Accumulated depreciation	-	-	396,384	3,527,219	-	327,432	1,018,942	260,193	98,913	-	232,513	5,861,596
- As previously reported	-	-	-	-	-	-	-	-	-	-	-	-
- Effects of adopting amendments to FRS 117	-	71,224	-	-	-	-	-	-	-	-	-	71,224
As restated	-	71,224	396,384	3,527,219	-	327,432	1,018,942	260,193	98,913	-	232,513	5,932,820
- Accumulated impairment losses	-	-	394,917	-	-	-	-	-	-	-	-	394,917
As restated	-	71,224	791,301	3,527,219	-	327,432	1,018,942	260,193	98,913	-	232,513	6,327,737
Depreciation for the year	-	41,852	134,018	1,093,007	3,271	139,752	197,888	72,931	30,306	5,426	77,346	1,795,797
Disposals	-	-	-	(26,690)	-	-	(202,878)	-	-	-	-	(228,468)
Written off	-	-	-	-	-	-	-	(85,018)	(14,240)	-	-	(99,258)
Reclassified as held for sale (Note 12)	-	-	-	(707,489)	-	-	-	-	-	-	-	(707,489)
Acquisition of a subsidiary company [Note 20(d)]	-	147,900	293,202	2,732,903	64,847	370,447	416,717	643,263	296,748	63,689	140,865	5,170,581
Exchange difference	-	-	(74)	51	-	(160)	(504)	(56)	30	-	85	(628)
At 31 December 2010	-	260,976	823,530	6,619,101	68,118	837,471	1,430,165	891,313	411,757	69,115	450,809	11,862,355
- Accumulated depreciation	-	-	394,917	-	-	-	-	-	-	-	-	394,917
- Accumulated impairment losses	-	260,976	1,218,447	6,619,101	68,118	837,471	1,430,165	891,313	411,757	69,115	450,809	12,257,272

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Electrical installation RM	Renovation and signboard RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Production equipment RM	Tools and equipment RM	Total RM
ACCUMULATED DEPRECIATION/ ACCUMULATED IMPAIRMENT LOSSES												
At 1 January 2011	-	260,976	823,530	6,619,101	68,118	837,471	1,430,165	891,313	411,757	69,115	450,809	11,862,355
- Accumulated depreciation	-	-	394,917	-	-	-	-	-	-	-	-	394,917
- Accumulated impairment losses	-	-	1,218,447	6,619,101	68,118	837,471	1,430,165	891,313	411,757	69,115	450,809	12,257,272
Depreciation for the year	-	34,056	112,790	1,127,054	6,257	148,874	225,351	94,098	28,776	11,714	79,586	1,868,556
Impairment losses for the year	-	-	104,305	1,000,104	-	321,738	10,610	37,506	4,836	-	47,496	1,526,595
Disposals	-	-	-	-	-	-	(27,999)	(259)	-	-	-	(28,258)
Written off	-	-	-	-	(14,472)	-	-	(145,062)	(224,507)	-	(23,638)	(407,679)
Reclassified as held for sale (Note 12)	-	-	(232,632)	-	-	-	-	(53,291)	(14,823)	-	(1,944)	(232,632)
Reclassification	-	-	-	467,814	-	-	(326,451)	(14,823)	(14,823)	-	(1,944)	71,305
Exchange difference	-	-	(1,835)	(12,030)	-	(8,608)	(1,874)	(1,017)	(77)	-	(409)	(25,850)
At 31 December 2011	-	295,032	806,158	8,198,971	59,903	976,783	1,299,160	785,671	201,112	80,829	504,263	13,207,882
- Accumulated depreciation	-	-	394,917	1,003,072	-	322,692	10,642	37,617	4,850	-	47,637	1,821,427
- Accumulated impairment losses	-	-	1,201,075	9,202,043	59,903	1,299,475	1,309,802	823,288	205,962	80,829	551,900	15,029,309
CARRYING AMOUNT												
1 January 2010 (restated)	1,498,008	1,543,164	3,627,132	6,186,945	-	583,670	221,123	143,186	57,222	-	229,486	14,089,936
At 31 December 2010/ 1 January 2011 (restated)	1,492,173	2,521,532	5,767,603	5,635,359	8,936	486,611	424,234	244,294	53,574	39,417	261,468	16,935,201
At 31 December 2011	-	2,487,476	4,412,748	3,542,880	2,676	54,587	598,823	167,004	19,796	45,717	147,911	11,479,618

2011 COMPANY COST	Balance at 1.1.2011 RM	Addition RM	Disposal RM	Balance at 31.12.2011 RM
Office equipment	3,199	-	-	3,199
ACCUMULATED DEPRECIATION	Balance at 1.1.2011 RM	Current Depreciation RM	Disposal RM	Balance at 31.12.2011 RM
Office equipment	1,919	480	-	2,399
CARRYING AMOUNT			2011 RM	2010 RM
Office equipment			800	1,280
2010 COMPANY COST	Balance at 1.1.2010 RM	Addition RM	Disposal RM	Balance at 31.12.2010 RM
Office equipment	3,199	-	-	3,199
ACCUMULATED DEPRECIATION	Balance at 1.1.2010 RM	Current Depreciation RM	Disposal RM	Balance at 31.12.2010 RM
Office equipment	1,439	480	-	1,919
CARRYING AMOUNT			2010 RM	2009 RM
Office equipment			1,280	1,760

Included in the carrying amount are the following property, plant and equipment which are being pledged to licensed banks for term loan facilities granted to the Group as mentioned in Note 16 to the Financial Statements.

	<u>2011</u>	<u>Group</u> <u>2010</u>
	RM	RM
Leasehold land	1,507,552	2,238,758
Freehold land	-	1,492,173
Buildings	2,221,235	5,173,805
Plant and machinery	1,622,992	1,986,486
Renovation and signboard	-	469,769
Tools and equipment	3,781	7,906
	<u>5,355,560</u>	<u>11,368,897</u>

Included in the motor vehicles of the Group with carrying amount of RM20,873 (2010 : RM104,367) is being held in trust by a director of the Group.

Included in the carrying amount are the following property, plant and equipment of the Group which are being acquired under hire purchase :

	<u>2011</u>	<u>Group</u> <u>2010</u>
	RM	RM
Plant and machinery	-	402,228
Motor vehicles	424,464	167,236
	<u>424,464</u>	<u>569,464</u>

Included in the property, plant and equipment of the Group are the following costs of fully depreciated property, plant and equipment which are still in use :

	<u>2011</u>	<u>Group</u> <u>2010</u>
	RM	RM
Plant and machinery	2,423,412	2,323,965
Electrical installation	46,062	14,475
Renovation and signboard	365,456	365,456
Motor vehicles	163,636	163,636
Office equipment	383,372	423,798
Furniture and fittings	91,772	224,511
Tools and equipment	23,641	44,470
	<u>3,497,351</u>	<u>3,560,311</u>

5. DEVELOPMENT EXPENDITURE

	2011 RM	Group 2010 RM
At cost :		
At beginning of year	576,043	-
Arising from acquisition of subsidiary companies [Note 20 (d)]	-	576,043
At end of year	<u>576,043</u>	<u>576,043</u>
Less : Accumulated amortisation		
At beginning of year	374,400	-
Arising from acquisition of subsidiary companies [Note 20 (d)]	-	316,801
Amortisation during the year	<u>115,200</u>	<u>57,599</u>
At end of year	<u>489,600</u>	<u>374,400</u>
Carrying amount	<u>86,443</u>	<u>201,643</u>

6. GOODWILL ON CONSOLIDATION

	2011 RM	Group 2010 RM
At cost :		
At beginning of year	1,126,999	-
Additional investment in a subsidiary company	-	17,223
Acquisition of subsidiary companies [Note 20 (d)]	-	1,109,776
At end of year	<u>1,126,999</u>	<u>1,126,999</u>
Less : Impairment loss		
At beginning of year	-	-
Impairment during the year	<u>(17,223)</u>	<u>-</u>
At end of year	<u>(17,223)</u>	<u>-</u>
Carrying amount	<u>1,109,776</u>	<u>1,126,999</u>

Impairment tests for cash-generating unit ("CGU") containing goodwill

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiary companies.

The recoverable amount of a CGU is determined based on value-in-use calculation. The value-in-use calculation is determined using cash flows projections, based on financial budgets approved by management, discounted at rates which reflects risks relating to the relevant CGU.

The discount rate applied to the cash flow projections is based on the cost of borrowings of the Group throughout the calculation period. The growth rate used is consistent with the projected growth rate of the CGU's industry and economy.

7. INVENTORIES

	2011	Group 2010
	RM	RM
Raw materials	1,704,919	2,074,875
Finished goods	1,414,306	1,708,293
Tooling and chemicals	597,606	647,848
Work-in-progress	446,006	468,755
	<u>4,162,837</u>	<u>4,899,771</u>

8. TRADE AND OTHER RECEIVABLES

	2011	Group 2010	2011	Company 2010
	RM	RM	RM	RM
Trade receivables				
Third parties	<u>5,643,307</u>	<u>7,999,192</u>	-	-
Other receivables				
Subsidiary companies	-	-	809,166	25,809
Third parties	330,266	778,061	150,000	155,820
Prepayments	347,791	62,797	-	-
Deposits	<u>90,599</u>	<u>65,270</u>	<u>1,000</u>	<u>1,000</u>
	768,656	906,128	960,166	182,629
Less : Allowance for impairment	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
	<u>618,656</u>	<u>906,128</u>	<u>810,166</u>	<u>182,629</u>
	<u>6,261,963</u>	<u>8,905,320</u>	<u>810,166</u>	<u>182,629</u>

	2011	Group 2010
	RM	RM
The currency exposure profile of trade and other receivables is as follows :		
- Ringgit Malaysia	3,480,777	4,536,527
- United States Dollar	2,286,860	3,653,658
- Thai Baht	375,749	425,935
- Euro	114,693	221,086
- Singapore Dollar	3,884	67,919
- Japanese Yen	-	195
	<u>6,261,963</u>	<u>8,905,320</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2010 : 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	2011 RM	2010 RM
The ageing analysis of the Group's trade receivables is as follows :		
Neither past due nor impaired	2,464,298	4,243,045
1 to 30 days past due not impaired	2,228,108	1,842,805
31 to 120 days past due not impaired	939,050	1,563,587
More than 120 days past due not impaired	11,851	349,755
	<u>3,179,009</u>	<u>3,756,147</u>
	<u>5,643,307</u>	<u>7,999,192</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,179,009 (2010 : RM3,756,147) that are past due at the reporting date but not impaired.

The receivables that are past due but not impaired are unsecured in nature. The management is confident that the receivables are recoverable as these accounts are still active.

Management determines credit risk concentrations in terms of counterparties and geographical areas. The credit risk concentration profile by geographical areas of trade receivables is as follows :

	2011 RM	2010 RM
Malaysia	2,998,759	4,318,303
Thailand	1,127,619	1,867,367
Others	1,516,929	1,813,522
	<u>5,643,307</u>	<u>7,999,192</u>

(b) Amount due by subsidiary companies

The amount due by subsidiary companies is unsecured, non-interest bearing and is repayable on demand except for an amount of RM809,166 (2010 : RMNil) which bears interest at 8.5% (2010 : Nil) per annum.

9. DEPOSITS WITH LICENSED BANKS

	<u>Group</u>		<u>Company</u>	
	2011 RM	2010 RM	2011 RM	2010 RM
Term deposit	3,574,827	3,575,188	3,500,000	3,500,000
Short term deposits	500,000	-	-	-
	<u>4,074,827</u>	<u>3,575,188</u>	<u>3,500,000</u>	<u>3,500,000</u>

Included in deposits of the Group is an amount of RM74,827 (2010 : RM75,188) which has been pledged to licensed banks for banking facilities granted to the Group as mentioned in Note 16 and Note 19 to the Financial Statements.

The deposits of the Group and of the Company have maturity period ranging from 14 days to 12 months (2010 : 1 month to 12 months). The effective interest rates of the deposits range from 0.75% to 3.15% (2010 : 0.75% to 2.90%) per annum.

10. DERIVATIVE

	<u>Group</u>	
	2011 RM	2010 RM
Current asset		
Forward foreign currency exchange contract	<u>15,761</u>	<u>-</u>

During the financial year, the Group entered into a forward foreign currency exchange contract to manage its foreign currency exchange exposure arising from sales denominated in USD. The notional principal amount of the forward foreign currency exchange contract was USD175,542. The fair value of the forward foreign currency exchange contract, amounting to RM15,761 is determined using mark-to-market rate for the same national amount as at 31 December 2011. The method and assumptions applied in determining the fair value of the forward foreign currency exchange contract are disclosed in Note 3(g) to the Financial Statements. The change in the fair value of the derivatives are recognised immediately in profit or loss.

11. SHORT TERM INVESTMENT

	<u>Group</u>		<u>Company</u>	
	2011 RM	2010 RM	2011 RM	2010 RM
At cost (Note 27)	<u>2,548,884</u>	<u>1,000,768</u>	<u>1,015,687</u>	<u>-</u>

Short term investment represents deposit placements with an investment fund management company for investment in fixed income instruments.

The short term investment of the Group and the Company bears dividend yield at 2.88% (2010 : 2.70%) and 2.88% (2010 : Nil) per annum respectively and is readily convertible to cash with insignificant risk of changes in value.

12. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale which comprise freehold land and building and plant and machinery are as follows :

	<u>Group</u>	
	<u>2011</u>	<u>2010</u>
	RM	RM
At beginning of year	23,800	3,469,385
Disposal during the year	(3,800)	(3,445,585)
Impairment loss for the year	(20,000)	-
Reclassification from property, plant and equipment (Note 4)	<u>2,570,168</u>	<u>-</u>
At end of year	<u>2,570,168</u>	<u>23,800</u>

Included in non-current assets held for sale of the Group is freehold land and building with carrying amount of RM1,460,084 (2010 : RMNil) and RM1,110,084 (2010 : RMNil) respectively which have been pledged to licensed financial institutions for banking facilities granted to the Group as mentioned in Note 16 to the Financial Statements.

13. SHARE CAPITAL

	<u>Group and Company</u>	
	<u>2011</u>	<u>2010</u>
	RM	RM
Share capital is represented by :		
<u>Authorised</u>		
500,000,000 ordinary shares of RM0.10 each	<u>50,000,000</u>	<u>50,000,000</u>
<u>Issued and fully paid</u>		
155,911,800 ordinary shares of RM0.10 each		
At beginning of year	15,591,180	15,570,580
Issued during the year	<u>-</u>	<u>20,600</u>
At end of year	<u>15,591,180</u>	<u>15,591,180</u>

14. RESERVES

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	RM	RM	RM	RM
Non-distributable				
Share premium	9,977,920	9,977,920	9,977,920	9,977,920
Translation loss	<u>(41,692)</u>	<u>(17,686)</u>	<u>-</u>	<u>-</u>
	9,936,228	9,960,234	9,977,920	9,977,920
Distributable				
(Accumulated losses)/				
Retained earnings	<u>(572,388)</u>	<u>(528,654)</u>	<u>1,529,883</u>	<u>2,618,469</u>
Total reserves	<u>9,363,840</u>	<u>9,431,580</u>	<u>11,507,803</u>	<u>12,596,389</u>

Share Premium

	2011	2010
	RM	RM
Share premium arose as follows :		
At beginning of year	9,977,920	9,970,710
ESOS issue of 206,000 ordinary shares issued at a premium of RM0.035 per ordinary share	<u>-</u>	<u>7,210</u>
At end of year	<u>9,977,920</u>	<u>9,977,920</u>

Translation Loss

Exchange differences arising on translation of foreign entities are taken to the translation loss as described in the accounting policies of the Group in Note 2 to the Financial Statements.

Retained Earnings

Malaysian companies presently adopt the full imputation tax system. The Government has introduced the single tier tax system under the Finance Act 2007 for companies effective from the year of assessment 2008. Under the single tier tax system, the Company shall not deduct tax on dividend paid, credited or distributed to its shareholders and such dividend will be exempted.

There is a transitional period of 6 years from 1 January 2008 to 31 December 2013 to allow companies with balance in the Section 108 of the Income Tax Act, 1967 ("S108") account to pay franked dividends in cash to their ordinary shareholders. Such companies also have an irrevocable option to disregard the S108 balance and opt to pay dividends under the single-tier system. This change in tax law also provides for the S108 balance to be locked in as at 31 December 2007. The Company has not opted to switch over to the new system.

Based on the prevailing tax rate applicable to dividends and if distributed as cash dividends for the coming financial year, the Company has sufficient S108 tax credit to frank the payment of RM25,200 (2010 : RM25,200) out of its retained earnings as at the financial year end. The remaining retained earnings may be paid, credited or distributed as tax exempt dividends.

15. HIRE PURCHASE CREDITORS

	<u>2011</u>	<u>Group</u> <u>2010</u>
	RM	RM
Total hire purchase instalments due :		
Within one year	121,114	140,782
Between two to five years	419,010	208,295
More than five years	-	17,110
	<u>540,124</u>	<u>366,187</u>
Unexpired term charges	(52,075)	(37,266)
Outstanding principal amount due	488,049	328,921
Within one year (included in current liabilities)	(100,836)	(123,149)
Between two to five years	(387,213)	(188,804)
More than five years	-	16,968

Hire purchase liabilities are subject to interest rates ranging from 2.45% to 3.41% (2010 : 3.25% to 10.00%) per annum.

16. TERM LOANS

	<u>2011</u>	<u>Group</u> <u>2010</u>
	RM	RM
Total repayable	1,529,122	3,340,009
Amount repayable within one year (Note 19)	(863,598)	(1,664,577)
	<u>665,524</u>	<u>1,675,432</u>
Amount repayable between two to five years	(660,230)	(1,654,121)
Amount repayable after five years	<u>5,294</u>	<u>21,311</u>

The term loans are secured by the Group's properties, plant and machinery and fixed deposits as mentioned in Note 4, Note 9 and Note 12 to the Financial Statements and also a corporate guarantee by the Company. The repayment period of the term loans ranges from 5 to 10 (2010 : 5 to 10) years and bear interest rates ranging from 4.00% to 8.10% (2010 : 4.00% to 7.80%) per annum.

17. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
At beginning of year	263,100	22,400	400	400
Arising from acquisition of subsidiary companies [Note 20 (d)]	-	312,000	-	-
Recognised in profit or loss (Note 24)	<u>516,100</u>	<u>(71,300)</u>	<u>(200)</u>	<u>-</u>
At end of year	<u>779,200</u>	<u>263,100</u>	<u>200</u>	<u>400</u>

Presented after appropriate offsetting as follows :

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Deferred tax assets	(133,500)	(160,700)	-	-
Deferred tax liabilities	<u>912,700</u>	<u>423,800</u>	<u>200</u>	<u>400</u>
	<u>779,200</u>	<u>263,100</u>	<u>200</u>	<u>400</u>

The component and movement of deferred tax liabilities/(assets) during the year prior to offsetting are as follows :

Group	Accelerated capital allowances RM	Other RM	Total RM
Deferred tax liabilities :			
At beginning of year	423,400	400	423,800
Recognised in profit or loss (Note 24)	<u>489,300</u>	<u>(400)</u>	<u>488,900</u>
At end of year	<u>912,700</u>	<u>-</u>	<u>912,700</u>
	Unabsorbed tax losses RM	Other RM	Total RM
Deferred tax assets :			
At beginning of year	(160,700)	-	(160,700)
Recognised in profit or loss (Note 24)	<u>49,500</u>	<u>(22,300)</u>	<u>27,200</u>
At end of year	<u>(111,200)</u>	<u>(22,300)</u>	<u>(133,500)</u>

Company	Accelerated capital allowances RM
Deferred tax liabilities :	
At beginning of year	400
Recognised in profit or loss (Note 24)	<u>(200)</u>
At end of year	<u>200</u>

18. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade payables				
Third parties	<u>1,818,810</u>	<u>1,996,128</u>	-	-
Other payables				
Third parties	625,824	1,654,046	3,634	3,634
Directors	-	189,050	-	-
Accruals	1,033,828	1,030,770	343,757	242,218
Subsidiary companies	-	-	<u>2,605,000</u>	<u>2,990,000</u>
	<u>1,659,652</u>	<u>2,873,866</u>	<u>2,952,391</u>	<u>3,235,852</u>
	<u>3,478,462</u>	<u>4,869,994</u>	<u>2,952,391</u>	<u>3,235,852</u>

(a) Trade and other payables

	<u>Group</u>	
	2011 RM	2010 RM
The currency exposure profile of trade and other payables is as follows :		
- Ringgit Malaysia	2,570,989	3,089,731
- Thai Baht	607,521	831,650
- Singapore Dollar	115,308	208,291
- United States Dollar	<u>184,644</u>	<u>740,322</u>
	<u>3,478,462</u>	<u>4,869,994</u>

Trade and other payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2010 : 30 to 90 days).

(b) Amount due to directors

The amount due to directors in the previous financial year was unsecured, non-interest bearing and was repayable on demand.

(c) Amount due to subsidiary companies

The amount due to subsidiary companies is unsecured, non-interest bearing and is repayable on demand.

19. BANK BORROWINGS

	2011	Group
	RM	2010
		RM
Current portion of term loans (Note 16)	863,598	1,664,577
Bank overdrafts (Note 27)	203,773	241,277
Bills payable	124,904	381,018
	<u>1,192,275</u>	<u>2,286,872</u>

The bills payable and bank overdrafts are secured by the Group's fixed deposits as mentioned in Note 9 to the Financial Statements and a corporate guarantee by the Company. They bear interests ranging from 7.625% to 8.125% (2010 : 3.5% to 6.6%) per annum. The maturity period of bills payable is 90 days (2010 : 90 days). Bank overdrafts are borrowings held on call by licensed banks.

20. INVESTMENT IN SUBSIDIARY COMPANIES

	2011	Company
	RM	2010
		RM
Unquoted shares, at cost	31,524,769	31,524,869
Less : Impairment losses	(6,849,510)	(4,300,100)
	<u>24,675,259</u>	<u>27,224,769</u>

Name of Company	Place of Incorporation	Equity Interest		Principal Activities
		2011	2010	
Techfast Precision Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and distribution of specialised fasteners and related precision turning and machining parts for the electronics, telecommunication, computer peripherals and automotive industries

(forward)

Name of Company	Place of Incorporation	Equity Interest		Principal Activities
		2011	2010	
Techfast Manufacturing Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and marketing of self-clinching fasteners and electronic hardware for the electronic, telecommunication and information technology industries. However, it has ceased operations during the financial year
Oriem Technology Sdn. Bhd.	Malaysia	50%	50%	Manufacturing of epoxy encapsulant materials for optoelectronics industries and provision of training analytical and consultancy services
Cape Technology Sdn. Bhd.	Malaysia	50%	50%	Manufacturer of mould cleaning rubber sheets and trading of epoxy encapsulant materials for optoelectronics industries
* Techfast Precision (Thailand) Co. Ltd.	Thailand	56%	56%	Manufacturing and sales of self-clinching fasteners and electronic hardware for the electronic, telecommunication and information technology industries
Techfast Technologies Sdn. Bhd.	Malaysia	100%	100%	Inactive
Techfast International Sdn. Bhd.	Malaysia	100%	100%	Inactive
Techfast Advanced Tech Sdn. Bhd.	Malaysia	-	100%	Dormant

*Subsidiary companies not audited by the auditors of the Company.

Although the Company holds 50% of the equity interest of Oriem Technology Sdn. Bhd. and Cape Technology Sdn. Bhd., the Company exercises significant influence by virtue of its representation on the board of Oriem Technology Sdn. Bhd. and Cape Technology Sdn. Bhd. and participation in the policy making processes of Oriem Technology Sdn. Bhd. and Cape Technology Sdn. Bhd.

(a) Strike-off of a subsidiary company

Techfast Advanced Tech Sdn. Bhd., a wholly-owned subsidiary of the Company was struck off on 9 September 2011.

(b) Acquisition of subsidiary companies in the previous financial year

- (i) In the previous financial year, the Company acquired 500,000 ordinary shares of RM1 each in Cape Technology Sdn. Bhd., which represent 50% of the issued and paid-up share capital in Cape Technology Sdn. Bhd. for a total consideration of RM5,546,108. Following the acquisition, the Company is regarded as the holding company. The goodwill arising on the acquisition was RM362,707.
- (ii) In the previous financial year, the Company acquired 1,500,000 ordinary shares of RM1 each in Oriem Technology Sdn. Bhd., which represent 50% of the issued and paid-up share capital in Oriem Technology Sdn. Bhd. for a total consideration of RM3,545,872. Following the acquisition, the Company is regarded as the holding company. The goodwill arising on the acquisition was RM747,069.

(c) The effect of the acquisition of the subsidiary companies in the previous financial year on the financial results of the Group were as follows :

	2010
	RM
Post-acquisition results of the subsidiary companies acquired :	
Revenue	13,234,781
Cost of sales	<u>(7,436,665)</u>
Gross profit	5,798,116
Other income	(46,062)
Administrative expenses	(2,310,124)
Selling and distribution expenses	<u>(570,930)</u>
Profit from operations	2,871,000
Finance costs	<u>(1,860)</u>
Profit before taxation	2,869,140
Income tax expense	<u>(206,303)</u>
Profit on acquisition of subsidiary companies	<u>2,662,837</u>

If the acquisition had occurred on 1 January 2010, the Group's revenue and profit in the previous financial year would have been RM34,760,537 and RM4,620,885 respectively.

- (d) The assets and liabilities arising from the acquisition in the previous financial year were as follows :

	Fair value recognised on acquisition 2010 RM
Property, plant and equipment (Note 4)	4,374,133
Development expenditure (Note 5)	259,242
Inventories	1,968,650
Trade and other receivables	9,159,200
Cash and bank balances	<u>6,905,175</u>
	<u>22,666,400</u>
Trade and other payables	(6,219,863)
Hire purchase creditors	(414,788)
Deferred taxation (Note 17)	(312,000)
Current tax payable	<u>(682,343)</u>
	<u>(7,628,994)</u>
Total net assets	15,037,406
Less : Non-controlling interests	<u>(7,055,202)</u>
	7,982,204
Goodwill on acquisition (Note 6)	<u>1,109,776</u>
Total purchase consideration	9,091,980
Less : Cash and cash equivalents of subsidiary companies acquired	<u>(6,905,175)</u>
Effect of acquisition of subsidiary companies, net of cash acquired	<u>2,186,805</u>

21. REVENUE

The revenue of the Group represents invoiced value of goods sold and services rendered less returns, discounts and sales tax.

The revenue of the Company represents dividend income, interest income and management fee receivable.

22. OPERATING PROFIT

(a) The operating profit is arrived at after charging :	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Employee benefits expense [Note 22(b)]	7,855,805	7,373,632	1,180,340	844,719
Impairment loss on property, plant and equipment	1,526,595	-	-	-
Depreciation of property, plant and equipment	1,868,556	1,795,797	480	480
Impairment loss on loans and receivables	150,000	-	150,000	-
Amortisation of development expenditure	115,200	57,599	-	-
Non-Executive Directors' remuneration :				
- Fee	90,000	62,500	90,000	62,500
- Allowances	15,600	13,200	15,600	13,200
Audit fee - statutory audit	66,190	64,473	15,000	10,000
- under/(over) provision in prior year	10,500	(1,000)	10,500	-
- other services	2,000	7,000	2,000	7,000
Loss on foreign exchange - realised	36,810	481,707	-	-
- unrealised	6,152	-	2,289	-
Professional fee paid to firms connected to directors of the Company	32,100	30,233	3,200	-
Impairment loss on non-current asset held for sale	20,000	-	-	-
Impairment of goodwill	17,223	-	-	-
Bad debts written off	2,120	16,520	764	5,027
Fee expense for financial instruments not at fair value through profit or loss	1,583	465	-	-
Property, plant and equipment written off	13	-	-	-
Rental of warehouse	-	12,200	-	-
Rental of motor vehicles	-	4,250	-	-
Impairment loss on investment in an associated company	-	3	-	3
Impairment loss on investment in a subsidiary company	-	-	2,549,510	100

(forward)

	2011	Group 2010	2011	Company 2010
	RM	RM	RM	RM
And crediting :				
Gain on foreign exchange				
- realised	177,045	-	-	-
- unrealised	-	58,495	-	-
Interest income	95,463	137,250	122,473	98,706
Income from short term investment	48,116	767	15,687	-
Fair value gain on derivative				
- forward foreign currency exchange contract	15,761	-	-	-
Gain on disposal of property, plant and equipment	11,499	42,441	-	-
Gain on disposal of non-current asset held for sale	8,770	555,707	-	-
Gain on striking-off of a subsidiary company	144	-	-	-
Rental income	-	126,000	-	-
Recovery from liquidation of a subsidiary company	-	84,709	-	84,709

(b) Employee benefits expense [Note 22(a)]

Salaries, wages, bonuses and allowances	6,585,872	6,293,020	994,972	731,751
EPF and SOCSO	653,260	385,207	181,068	109,915
Other staff related expenses	616,673	695,405	4,300	3,053
	<u>7,855,805</u>	<u>7,373,632</u>	<u>1,180,340</u>	<u>844,719</u>

Included in employee benefits expenses of Group and Company is executive directors' remuneration amounting to RM1,106,240 (2010 : RM892,640) and RM1,066,240 (2010 : RM772,640) respectively.

(c) Directors' Remuneration

	Executive Directors 2011 No.	Non-Executive Directors 2011 No.
Remuneration paid and payable to Directors of the Company analysed into bands of RM50,000 :		
RM50,000 and below	-	3
RM50,001 - RM100,000	-	-
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	-	-
RM250,001 - RM300,000	-	-
RM300,001 - RM350,000	-	-
RM350,001 - RM400,000	-	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	1	-
RM500,001 - RM550,000	-	-
RM550,001 - RM600,000	-	-
RM600,001 - RM650,000	1	-

	<u>Group</u>		<u>Company</u>	
	2011 RM	2010 RM	2011 RM	2010 RM
Executive :				
Emoluments	895,772	669,039	895,772	669,039
Fee	40,000	120,000	-	-
Benefits-in-kind	170,468	103,601	170,468	103,601
	<u>1,106,240</u>	<u>892,640</u>	<u>1,066,240</u>	<u>772,640</u>
Non-Executive :				
Fee	90,000	62,500	90,000	62,500
Allowances	15,600	13,200	15,600	13,200
	<u>105,600</u>	<u>75,700</u>	<u>105,600</u>	<u>75,700</u>

23. FINANCE COSTS

	<u>Group</u>	
	2011 RM	2010 RM
Term loan interests	161,354	358,370
Hire purchase interests	20,109	47,415
Bank overdraft interests	15,963	30,441
Bankers' acceptance interest	22,937	-
	<u>220,363</u>	<u>436,226</u>

24. INCOME TAX EXPENSE

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Tax expense for the year	910,700	474,025	-	-
Deferred tax expense relating to origination and reversal of temporary differences (Note 17)	516,100	(71,300)	(200)	-
	1,426,800	402,725	(200)	-
(Over)/Underprovision in prior year	(48,220)	(39,442)	-	7,896
	<u>1,378,580</u>	<u>363,283</u>	<u>(200)</u>	<u>7,896</u>

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense of the Group and of the Company is as follows :

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Profit/(Loss) before taxation	<u>1,499,122</u>	<u>4,055,890</u>	<u>(1,088,786)</u>	<u>2,451,303</u>
Taxation at Malaysian statutory rate @				
- 25%	292,800	560,500	(272,200)	612,800
- 20%	98,000	264,600	-	-
Effect of difference tax rate	(25,000)	-	-	-
Expenses not deductible for tax purposes	933,400	954,521	302,800	63,100
Income not subject to taxation	(53,200)	(701,100)	(30,600)	(675,900)
Overprovision of deferred taxation in prior year	(1,000)	(110,100)	-	-
Under/(Over) provision of tax expense in prior year	(48,220)	(39,442)	-	7,896
Deferred tax assets not recognised due to pioneer status	-	(231,700)	-	-
Pioneer income exempted from tax	(118,700)	(288,696)	-	-

(forward)

	<u>Group</u>		<u>Company</u>	
	2011 RM	2010 RM	2011 RM	2010 RM
Utilisation of deferred tax assets previously not recognised	(14,400)	(45,300)	(200)	-
Deferred tax liabilities recognised upon expiry of pioneer status	<u>314,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>1,378,580</u>	<u>363,283</u>	<u>(200)</u>	<u>7,896</u>

Subject to the agreement by the Inland Revenue Board, the Group has unabsorbed tax losses and unutilised capital allowances of approximately RM1,956,308 (2010 : RM3,949,200) and RM247,200 (2010 : RM1,399,800) respectively to set-off against its future taxable profit.

As at the end of the financial year, the deferred tax assets/(liabilities) not recognised in the financial statements are as follows :

	<u>Group</u>	
	<u>Assets/(Liabilities)</u>	
	2011 RM	2010 RM
Development expenditure	(17,300)	(40,300)
Property, plant and equipment	(175,800)	322,100
Unabsorbed tax losses*	476,400	679,100
Unutilised capital allowances*	61,800	(140,400)
Others	-	2,000
	<u>345,100</u>	<u>822,500</u>

* Subject to the agreement by the Inland Revenue Board

The unabsorbed tax losses and unutilised capital allowances are available indefinitely to offset against future taxable profit in which those items arose. Deferred tax assets have not been recognised in respect of these items because it is not probable that the future taxable profit will be available against which the Company can utilise the benefits.

The incentives applicable to certain subsidiary companies are summarised below :

Techfast Precision Sdn. Bhd.

The subsidiary company has been granted pioneer status under the Promotion of Investments Act, 1986 by the Malaysian Industrial Development Authority with a tax exemption equivalent to 70% of statutory income for a period of 5 years for the production of machined and turned parts services from 1 November 2006 to 31 October 2011.

Oriem Technology Sdn. Bhd.

The subsidiary company has been granted Pioneer Status under the Promotion of Investments Act, 1986 with 100% tax exemption on its statutory income for a period of 5 years commencing from 1 July 2007.

25. (LOSS)/EARNINGS PER SHARE

Basic earnings per share

Basic (loss)/earnings per share is calculated by dividing (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	<u>2011</u>	<u>Group</u> <u>2010</u>
	RM	RM
(Loss)/Profit attributable to owners of the Company	<u>(43,734)</u>	<u>2,515,965</u>
Weighted average number of ordinary shares in issue	<u>155,911,800</u>	<u>156,049,778</u>
Basic (loss)/earnings per share (sen)	<u>(0.03)</u>	<u>1.61</u>

Diluted earnings per share

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the reporting date.

26. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company acquired certain property, plant and equipment by the following mode of payments :

	<u>2011</u>	<u>Group</u> <u>2010</u>
	RM	RM
Aggregate cost	626,371	316,546
Financed by hire purchase	<u>(300,000)</u>	<u>-</u>
Cash consideration	<u>326,371</u>	<u>316,546</u>

27. CASH AND CASH EQUIVALENTS

	2011 RM	Group 2010 RM	2011 RM	Company 2010 RM
Cash and bank balances	4,693,735	5,186,190	49,662	515,143
Deposits with licensed banks	4,074,827	3,575,188	3,500,000	3,500,000
Short term investment (Note 11)	2,548,884	1,000,768	1,015,687	-
Bank overdrafts (Note 19)	<u>(203,773)</u>	<u>(241,277)</u>	<u>-</u>	<u>-</u>
	11,113,673	9,520,869	4,565,349	4,015,143
Less : Deposits pledged to licensed banks (Note 9)	<u>(74,827)</u>	<u>(75,188)</u>	<u>-</u>	<u>-</u>
	<u>11,038,846</u>	<u>9,445,681</u>	<u>4,565,349</u>	<u>4,015,143</u>
The currency exposure profile of cash and cash equivalents is as follows :				
- Ringgit Malaysia	10,800,848	9,518,680	4,565,349	4,015,143
- United States Dollar	384,950	125,050	-	-
- Euro	32,576	11,870	-	-
- Singapore Dollar	13,096	6,743	-	-
- Thai Baht	<u>(192,624)</u>	<u>(216,662)</u>	<u>-</u>	<u>-</u>
	<u>11,038,846</u>	<u>9,445,681</u>	<u>4,565,349</u>	<u>4,015,143</u>

28. TAX EXEMPT ACCOUNT

Subject to the agreement by the Inland Revenue Board, the Group has the following tax exempt account balances which are available for the distribution of tax exempt dividend :

	2011 RM	Group 2010 RM
Reinvestment allowances	3,426,839	3,513,335
Pioneer income	1,883,400	1,883,400
Chargeable income earned in waiver year	<u>839,285</u>	<u>839,285</u>
	<u>6,149,524</u>	<u>6,236,020</u>

29. INVESTMENT IN ASSOCIATED COMPANY

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	RM	RM	RM	RM
Unquoted shares, at cost	-	3	-	3
Less : Impairment loss of associated company	-	(3)	-	(3)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Details of the associated company are as follows :

	Country of Incorporation	Effective Equity Interest		Principal Activities
		2011 (%)	2010 (%)	
*Cape Tech Corporation Sdn. Bhd.	Malaysia	50	50	Dormant

* Associated company not audited by the auditors of the Company

The results of associated company were not equity accounted for as the associated company is dormant and the results are insignificant.

30. CONTINGENT LIABILITY

	<u>Group</u>		<u>Company</u>	
	2011	2010	2011	2010
	RM	RM	RM	RM
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM16,067,608 (2010 : RM18,217,950)	-	-	1,811,353	3,893,814
	<u>-</u>	<u>-</u>	<u>1,811,353</u>	<u>3,893,814</u>

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

(i) Significant related party transactions are as follows :

<u>GROUP</u>	2011 RM	2010 RM
Sale of goods to a substantial shareholder of a subsidiary company - Chin - I Metal Co., Ltd.	112,729	111,359
Professional fees paid to firms connected to directors of the Company - ML Taxation Services Sdn. Bhd.	31,900	-
- A.T. Aun & Associates	200	30,233
- Michael Lim & Co.	-	44,000
	2011 RM	2010 RM
Professional fees paid to firms connected to directors of the Company - ML Taxation Services Sdn. Bhd.	3,200	-
Subsidiary companies		
Management fee receivable	900,000	810,000
Interest income	27,253	-

The directors are of the opinion that all the transactions above have entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

The outstanding balances with the related parties are as follows:

	2011 RM	Group 2010 RM
Included in trade receivables	-	21,572

(ii) Compensation of the key management

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any director of the Company.

The remuneration of the key management are disclosed in Note 22(b) to the Financial Statements.

32. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

- (a) Cape Tech Corporation Sdn. Bhd., an associated company of the Company was struck off on 15 February 2012.
- (b) On 27 January 2012, Techfast Precision (Thailand) Co. Ltd., a 56% owned subsidiary of the Group entered into a Sale and Purchase Agreement to dispose off its freehold land and building for a cash consideration of THB28,000,000 (approximately RM2,802,800).
- (c) On 27 February 2012, the Company announced that the Board of Directors had resolved to cease the business operations of its 56% owned subsidiary, Techfast Precision (Thailand) Co. Ltd.

33. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The overall financial risk management objective of the Group and the Company is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's and Company's exposure to credit risk arises principally from trade receivables and financial guarantees given.

(a) Trade receivables

The Group typically gives the existing customers credit terms that range between 30 to 120 days. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. In addition, debt monitoring procedures are performed on an on-going basis.

As at 31 December 2011, the maximum exposure to credit risk for the Group is presented by the carrying amount of each class of financial assets recognised in the statements of financial position.

(b) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies.

The maximum exposure to credit risk is as disclosed in Note 30 to the Financial Statements representing the outstanding banking facilities of the companies as at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure as far as possible, that it will have sufficient liquidity to meet its liability when they fall due.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

2011 Group	Total RM	Within one year RM	Between two to five years RM	More than five years RM
Financial liabilities				
Trade and other payables	3,478,462	3,478,462	-	-
Term loans	1,529,122	863,598	660,230	5,294
Hire purchase creditors	488,049	100,836	387,213	-
Bank overdrafts	203,773	203,773	-	-
Bills payable	124,904	124,904	-	-
	5,824,310	4,771,573	1,047,443	5,294

2010 Group	Total RM	Within one year RM	Between two to five years RM	More than five years RM
Financial liabilities				
Trade and other payables	4,869,994	4,869,994	-	-
Term loans	3,340,009	1,664,577	1,654,121	21,311
Hire purchase creditors	328,921	123,149	188,804	16,968
Bank overdrafts	241,277	241,277	-	-
Bills payable	381,018	381,018	-	-
	9,161,219	7,280,015	1,842,925	38,279

2011 Company	Total RM	Within one year RM	Between two to five years RM
Financial liabilities			
Other payables	347,391	347,391	-
Amount due to subsidiary companies	2,605,000	2,605,000	-
	<u>2,952,391</u>	<u>2,952,391</u>	<u>-</u>

2010 Company	Total RM	Within one year RM	Between two to five years RM
Financial liabilities			
Other payables	245,852	245,852	-
Amount due to subsidiary companies	2,990,000	2,990,000	-
	<u>3,235,852</u>	<u>3,235,852</u>	<u>-</u>

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Group. The foreign currencies in which these transactions are denominated are mainly US Dollars ("USD"), Singapore Dollar ("SGD"), Thai Baht ("THB"), Japanese Yen ("JPY") and EURO.

The Company entered into forward currency exchange contracts to limit its exposure arising from sales denomination in USD.

Exposure to foreign currency risk

2011 Group	USD	SGD	Denominated in			Total
			THB	JPY	EURO	
In RM						
Trade and other receivables	2,286,860	3,884	375,749	-	114,693	2,781,186
Cash and cash equivalents	384,950	13,096	(192,624)	-	32,576	237,998
Trade and other payables	(184,644)	(115,308)	(607,521)	-	-	(907,473)
Net exposure	<u>2,487,166</u>	<u>(98,328)</u>	<u>(424,396)</u>	<u>-</u>	<u>147,269</u>	<u>2,111,711</u>

2010 Group	Denominated in					Total
	USD	SGD	THB	JPY	EURO	
In RM						
Trade and other receivables	3,653,658	67,919	425,935	195	221,086	4,368,793
Cash and cash equivalents	125,050	6,743	(216,662)	-	11,870	(72,999)
Trade and other payables	(740,322)	(208,291)	(831,650)	-	-	(1,780,263)
Net exposure	3,038,386	(133,629)	(622,377)	195	232,956	2,515,531

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, SGD, THB, JPY and EURO exchange rate against the functional currency of the Group, with all other variables held constant.

	2011 RM	2010 RM
Impact on profit net of tax		
USD - strengthened by 5%	93,269	113,939
- weakened by 5%	(93,269)	(113,939)
SGD - strengthened by 5%	(3,687)	(5,011)
- weakened by 5%	3,687	5,011
THB - strengthened by 5%	(15,915)	(23,339)
- weakened by 5%	15,915	23,339
JPY - strengthened by 5%	-	7
- weakened by 5%	-	(7)
EURO - strengthened by 5%	5,523	8,736
- weakened by 5%	(5,523)	(8,736)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their deposits, short term investment and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on the carrying amount as at the reporting date is as follows:

Group	Effective Interest rate %	2011 RM	2010 RM
Fixed rate instruments			
<u>Financial asset</u>			
Deposits with licensed banks	0.75 to 3.15	<u>4,074,827</u>	<u>3,575,188</u>
<u>Financial liabilities</u>			
Hire purchase creditors	2.45 to 3.41	488,049	328,921
Term loans	4.00 to 7.76	<u>470,901</u>	<u>1,787,825</u>
		<u>958,950</u>	<u>2,116,746</u>
Floating rate instruments			
<u>Financial liabilities</u>			
Term loans	6.75 to 8.10	1,058,221	1,552,184
Bank overdraft		203,773	241,277
Bills payable		<u>124,904</u>	<u>381,018</u>
		<u>1,386,898</u>	<u>2,174,479</u>
Company			
Fixed rate instruments			
<u>Finance asset</u>			
Deposits with licensed banks	3.05 - 3.15	<u>3,500,000</u>	<u>3,500,000</u>

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis point lower/higher, with all other variables held constant, the impact is immaterial to the Group's and Company's profit net of tax.

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

Financial instruments that are not carried at fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

Trade and other receivables	Note 8
Hire purchase creditors	15
Term loans	16
Trade and other payables	18
Bank borrowings	19

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair value of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows :

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group 2011	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets				
Derivative assets	-	15,761	-	15,761

Comparative figures have not been presented for 31 December 2010 by virtue of the exemption provided in paragraph 44G of FRS 7.

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue in operation as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity, non-controlling interests and total debt to be the key components in the Group's capital structure. The Group monitors capital on the basis of the net gearing ratio. The ratio is calculated as the total debt net of cash and cash equivalents to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The net gearing ratio as at 31 December 2011 and 31 December 2010, which are within the Group's objectives for capital management, are as follows :

		2011 RM	Group 2010 RM
Cash and cash equivalents	27	(11,317,446)	(9,762,146)
Total borrowings	15,16,19	<u>2,345,848</u>	<u>4,291,225</u>
Net cash		<u>(8,971,598)</u>	<u>(5,470,921)</u>
Total equity		30,347,206	32,283,069
Debt to equity ratios		Nil	Nil

36. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's geographical segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms. A secondary format is not presented as the Group's activities in each geographical location are similar.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segments

The Group comprises the following main geographical segments :

	Malaysia RM	Thailand RM	Elimination RM	Consolidated RM
Revenue				
Revenue from external customers	28,465,690	1,815,334	-	30,281,024
Inter-segment revenue	8,657,338	2,432,348	(11,089,686)	-
Total revenue	<u>37,123,028</u>	<u>4,247,682</u>	<u>(11,089,686)</u>	<u>30,281,024</u>
Segment results				
Net profit/(loss) from ordinary activities	2,327,514	(2,613,204)	406,232	120,542
Segment assets	<u>60,578,755</u>	<u>3,856,561</u>	<u>(27,431,304)</u>	<u>37,004,012</u>
Segment liabilities	<u>7,613,533</u>	<u>3,479,944</u>	<u>(4,436,671)</u>	<u>6,656,806</u>

37. REALISED AND UNREALISED PROFITS

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	<u>Group</u>		<u>Company</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	RM	RM	RM	RM
Total retained earnings of the Group and the Company :				
- realised	7,726,997	12,433,353	1,531,972	2,618,069
- unrealised	<u>773,048</u>	<u>351,722</u>	<u>(2,089)</u>	<u>400</u>
	8,500,045	12,785,075	1,529,883	2,618,469
Add : Consolidation adjustments	<u>(9,072,433)</u>	<u>(13,313,729)</u>	<u>-</u>	<u>-</u>
Total retained earnings at 31 December	<u>(572,388)</u>	<u>(528,654)</u>	<u>1,529,883</u>	<u>2,618,469</u>

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.