

K-One

K-One Technology Berhad (539757-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

**Condensed Consolidated Income Statement
For The Third Quarter Ended 30 September 2011**

Figures in RM'000	3 months ended		9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	Unaudited	Unaudited	Unaudited	Unaudited
Operating revenue	36,452	41,868	101,721	100,015
Other income	458	37	495	55
Cost of sales	36,910	41,905	102,216	100,070
Other operating expenses	(31,883)	(34,543)	(85,121)	(80,841)
Profits from operations	(2,619)	(3,997)	(9,737)	(11,532)
Finance costs	2,408	3,365	7,358	7,697
Profits before tax	(424)	(304)	(1,103)	(894)
Income tax expense	1,984	3,061	6,255	6,803
Profits for the period	-	-	(35)	-
Non-controlling interests	1,984	3,061	6,220	6,803
Profits after tax after non-controlling interest	1,984	3,061	6,220	6,803

Profit attributable to:

Owners of the Parent	1,984	2,994	6,220	6,873
Non-controlling interests	-	67	-	(70)
	1,984	3,061	6,220	6,803

Earnings per share (EPS)

Attributable to owners
of the Parent (sen):

Basic EPS	0.58	2.63	2.08	6.03
Diluted EPS	0.48	2.21	1.76	5.08

The above condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Comprehensive Income
For The Third Quarter Ended 30 September 2011**

Figures in RM'000	3 months ended		9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	Unaudited	Unaudited	Unaudited	Unaudited
Profit for the period	1,984	3,061	6,220	6,803
Currency translation differences arising from consolidation	311	60	234	(392)
Total comprehensive income	2,295	3,121	6,454	6,411

Profit attributable to:

Owners of the Parent	2,295	3,055	6,454	6,676
Non-controlling interests	-	66	-	(265)
	2,295	3,121	6,454	6,411

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Financial Position
As At 30 September 2011

Figures in RM'000	As at 30.09.2011	As at 31.12.2010
	Unaudited	Audited
ASSETS		
<i>Non-Current Assets</i>		
Property, plant and equipment	11,472	10,954
Prepaid land leases	811	829
Intangible assets	806	821
Goodwill	5,546	5,546
Non-Current Assets	18,635	18,150
<i>Current Assets</i>		
Inventories	66,867	56,304
Trade receivables	33,264	31,285
Other receivables	1,898	1,905
Tax recoverable	263	125
Fixed deposits - pledged	500	-
Cash and bank balances	12,881	7,474
Current Assets	115,673	97,093
TOTAL ASSETS	134,308	115,243

EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	34,186	11,395
Share premium	-	15,117
Other reserves	159	(75)
Retained earnings	28,146	29,600
Equity Attributable to Owners of the Parent	62,491	56,037
Non-controlling interests	-	-
Total Equity	62,491	56,037

Condensed Consolidated Statement of Financial Position (Cont'd)
As At 30 September 2011

Figures in RM'000	As at 30.09.2011	As at 31.12.2010
	Unaudited	Audited
EQUITY AND LIABILITIES		
<i>Non-Current Liabilities</i>		
Bank borrowings	2,386	2,726
Hire purchase payables	427	581
Deferred tax liabilities	76	76
Non-Current Liabilities	2,889	3,383
<i>Current Liabilities</i>		
Trade payables	30,992	28,142
Other payables and accruals	2,139	1,565
Amount due to Directors	2,210	2,210
Bank overdraft	7,131	1,963
Bank borrowings	26,246	21,643
Hire purchase payables	209	300
Current Liabilities	68,927	55,823
Total Liabilities	71,816	59,206
TOTAL EQUITY AND LIABILITIES	134,307	115,243
Net assets per share attributable to Owners of the Parent (sen)	18.28	49.18

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity
For The 9 Months Period Ended 30 September 2011**

Figures in RM'000	<-----Attributable to Owners of the Parent ----->					Non-controlling Interest	Total Equity
	Non-distributable Share Capital	Share Premium	Distributable Reserve	Retained Profits	Total		
At 1 January 2011	11,395	15,117	(75)	29,600	56,037	-	56,037
Bonus Issue	22,791	(15,117)	-	(7,674)	-	-	-
Exchange difference arising from foreign subsidiary companies	-	-	234	-	234	-	234
Net profits for the period	-	-	-	6,220	6,220	-	6,220
At 30 September 2011	34,186	-	159	28,146	62,491	-	62,491

Figures in RM'000	<-----Attributable to Owners of the Parent ----->					Non-controlling Interest	Total Equity
	Non-distributable Share Capital	Share Premium	Distributable Reserve	Retained Profits	Total		
At 1 January 2010	11,271	14,893	58	21,557	47,779	517	48,296
Exercised ESOS	124	224	-	-	348	-	348
Exchange difference arising from foreign subsidiary companies	-	-	(197)	-	(197)	(195)	(392)
Net profits for the period	-	-	-	6,873	6,873	(70)	6,803
At 30 September 2010	11,395	15,117	(139)	28,430	54,803	252	55,055

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Cash Flows
For The 9 Months Period Ended 30 September 2011**

Figures in RM'000	9 months ended	
	30.09.2011	30.09.2010
CASH FLOW FROM OPERATING ACTIVITIES		
<i>Profit before taxation</i>	6,220	6,803
Adjustments for:		
Depreciation of property, plant and equipment	1,459	1,251
Amortization of intangible assets	128	52
Amortization of leasehold land	12	18
Interest expenses	1,103	894
(Gain)/loss on disposal of property, plant and equipment	(8)	(29)
Corporate exercise expenses	230	-
Foreign exchange (gain)/loss - unrealized	(1,488)	-
Operating profit before working capital changes	7,656	8,989
Changes in working capital		
Increase in inventory	(10,563)	(6,977)
Decrease/(Increase) in receivables	351	(6,335)
Increase in payables	2,589	2,825
Increase in amount due to Directors	-	10
Cash generated from/(absorbed by) operations	33	(1,488)
Interest paid	(1,103)	(894)
Taxation paid	103	(121)
<i>Net cash used in operating activities</i>	(967)	(2,503)

Condensed Consolidated Statement of Cash Flows (Cont'd)
For The 9 Months Period Ended 30 September 2011

Figures in RM'000	9 months ended	
	30.09.2011	30.09.2010
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,004)	(530)
Proceeds from disposal of property, plant and equipment	76	31
Net cash used in investing activities	(1,928)	(499)
CASH FLOW FROM FINANCING ACTIVITIES		
Net repayment of hire purchases	(245)	(159)
Net proceeds from borrowings	4,263	4,736
Placement of fixed deposits	(500)	-
Corporate exercise expenses paid	(230)	-
Proceed from exercised ESOS	-	348
Net cash generated from financing activities	3,288	4,925
Net decrease/(increase) in cash and cash equivalents	393	1,923
Effect of exchange rate changes	(153)	(386)
Cash and cash equivalents at beginning of the year	5,510	3,535
CASH AND CASH EQUIVALENT AT END OF THE YEAR	5,750	5,072

COMPOSITION OF CASH AND CASH EQUIVALENTS

Figures in RM'000	As at	As at
	30.09.2011	30.09.2010
Overdraft	(7,131)	(3,272)
Cash and Bank Balances	12,881	8,344
	5,750	5,072

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

Part A: Explanatory Notes Pursuant to FRS 134

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendment to FRSs, Interpretations and Technical Release for the financial period beginning on or after 1 January 2010.

2.1 Adoption of FRSs, Amendments to FRSs, Interpretations and Technical Release

The Group adopted the following FRSs:-

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combinations
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentations of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 127 (Revised)	Consolidated and Separate Financial Statements
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards – Limited Exemptions for Comparative FRS 7 Disclosures for First-time Adopters
Amendment to FRS 1	Additional Exemptions for First-time Adopters
Amendment to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendment to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to FRS 2	Scope of FRS 2 and Revised FRS 3 (2010)
Amendment to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary
Amendment to FRS 7	Financial Instruments: Disclosures

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

2.1 Adoption of FRSs, Amendments to FRSs, Interpretations and Technical Release (Cont'd.)

Amendment to FRS 7	Improving Disclosures about Financial Instruments
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 138	Consequential Amendments Arising from Revised FRS 3 (2010)
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendment to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

2.1 Adoption of FRSs, Amendments to FRSs, Interpretations and Technical Release (Cont'd.)

Other than for the application of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs, Interpretations and Technical Release did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

2.2 Application of FRSs

(a) FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operation decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes detail of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

(c) FRS 139: Financial Instruments – Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

2.2 Application of FRSs (Cont'd.)

(c) FRS 139: Financial Instruments – Recognition and Measurement

Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method. Gains and losses arising from the derecognition of the loans and receivables, amortisation under the effective interest method and impairment losses are recognised in the income statement.

In accordance with FRS 139, the accounting requirements are applied prospectively from 1 January 2010. The effects of the re-measurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous year are adjusted to the opening retained profits and other opening reserves as disclosed in the statement of changes in equity.

The adoption of FRS139 does not have any significant impact on the profit for the financial year ended 31 December 2010.

2.3 FRSs, Amendments to FRSs, Interpretations and Technical Releases issued but not yet effective

The Group has not adopted the following new/revised FRSs, Amendments to FRSs, Interpretations and Technical Releases that were in issue but not yet effective:

		<u>Effective date</u>
FRS 124 (Revised)	Related Party Disclosures	1 January 2012
IC Interpretation 12	Service Concession Arrangements	1 July 2011
IC Interpretation 14	Prepayment of a Minimum Funding Requirement (Amendment to IC Interpretation 14)	1 July 2011
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

2.3 FRSs, Amendments to FRSs, Interpretations and Technical Releases issued but not yet effective

For the purpose of presenting consolidated financial statements, the assets and liabilities for the Group's foreign operations (including comparative figures) are expressed in Ringgit Malaysia using exchange rate prevailing on the balance sheet date. Income and expenses items (including comparative figures) are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of transactions are used.

The closing rates per unit of foreign currencies used in the retranslation of subsidiary companies' functional currencies are as follows:

	<u>30.09.2011</u>
Australia Dollar	3.09
United States Dollar	3.16
Euro	4.28
Hong Kong Dollar	0.41
1000 Korea Won	2.70
Singapore Dollar	2.44

Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in the income statement during the period in which the foreign operation is disposed off.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The audited financial statements of the preceding financial year were not subject to any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business, being predominantly export in nature and caters largely for the consumer electronics market, is subject to seasonal fluctuations. Business in the second half of the year is normally stronger than the first half of the year due to surge in consumer demand during Christmas and New Year seasons overseas.

5. UNUSUAL ITEM DUE TO THEIR NATURE, SIZE OR INCIDENCE

During the quarter under review, there were no unusual items affecting assets, liabilities, equity, net income or cash flows to the effect that is unusual in nature, size or incidence.

6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the financial year-to-date results.

7. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the period under review and up to the date. The proposed Bonus Issue exercise had been completed and reported in the quarter ended 31 March 2011.

8. DIVIDENDS

For the quarter under review, there were no dividends declared.

9. SEGMENT INFORMATION

Segment information is provided based on contribution by activities, sales contribution by geography and sales by major customers. Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the segments are presented under unallocated expenses, assets and liabilities respectively.

(a) Contribution by Activities

	Research, D&D and Sales RM'000	Manu- facturing RM'000	Digital Pen & Paper Solutions RM'000	Invest- ment Holding RM'000	Elimina- tion RM'000	Total RM'000
Sales						
External sales	3,766	96,909	1,046	-	-	101,721
Internal sales	438	600	-	-	(1,038)	-
Total operating sales	4,204	97,509	1,046	-	(1,038)	101,721
Other income	35	600	1	-	(142)	495
	4,239	98,109	1,047	-	(1,180)	102,216
Results						
Segment results	1,927	5,604	(104)	(69)	-	7,358
Finance cost	-	(1,103)	-	-	-	(1,103)
Income tax	(5)	(30)	-	-	-	(35)
Profits after tax before non-controlling interest						6,220
Non-controlling interest						-
Profits after tax after non-controlling interest						6,220

	Research, D&D and Sales RM'000	Manu- facturing RM'000	Digital Pen & Paper Solutions RM'000	Invest- ment holding RM'000	Elimina- tion RM'000	Total RM'000
Other information						
Segment assets	16,590	111,052	779	340	-	128,761
Unallocated assets						5,546
						134,307
Segment liabilities	505	34,688	207	17	-	35,417
Unallocated liabilities						36,399
						71,816

9. SEGMENT INFORMATION (Cont'd)

(b) Sales Contribution by Geography

The geographical sales breakdowns are as follows:

	9 months ended	
	30.09.2011	30.09.2010
	RM'000	RM'000
Malaysia	8,709	13,102
Europe	55,701	46,633
USA	1,616	6,476
Oceania	29	35
North Asia*	35,666	33,769
	<u>101,721</u>	<u>100,015</u>

* It should be noted that the majority of this sales is attributed to an European customer with manufacturing and distribution facilities based in China.

(c) Sales from Major Customers

For the 9 months period ended 30 September 2011, 3 major customers contributed RM74.6 million, representing approximately 73% of total sales revenue (2010: RM69.3 million, representing 69% of total sales revenue).

10. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial year ended 31 December 2010.

11. CONTINGENT ASSETS & LIABILITIES

As at end of the quarter under review, the corporate guarantee for credit facilities granted to subsidiary companies are:-

	RM'000
K-One Industry Sdn Bhd	33,926
Syslink Sdn Bhd	6,660
K-One Manufacturing Sdn Bhd	11,000
	<u>51,586</u>

12. CAPITAL COMMITMENTS

There were no material capital commitments for the period under review.

13. SUBSEQUENT EVENT

As at the end of the current quarter and up to the date of this report, there is no subsequent events which have a material impact to the financial statements under review.

14. PERFORMANCE REVIEW

(a) Current quarter compared to the corresponding quarter of last year (3Q11 vs 3Q10)

For the third quarter ended 30 September 2011, the Group achieved sales revenue of RM36.5 million and profit attributable to equity holders of the parent company of RM2.0 million as compared to sales revenue of RM41.9 million and profit attributable to equity holders of the parent company of RM3.1 million for the corresponding third quarter ended 30 September 2010.

Sales revenue declined by about 13%, comparing the current quarter and the same quarter last year. The decrease in sales is mainly due to a drop in sales of USB cables.

Profit attributable to equity holders of the parent company stood at RM2.0 million for the current quarter against RM3.1 million for the same quarter last year. The decline in profits of 35% was due to costs and price pressure on long running products, hence, resulting in a drop in gross profit margin.

(b) Current quarter versus the preceding quarter (3Q11 vs 2Q11)

Sales turnover for the third quarter of 2011 stood at RM36.5 million as compared to sales of RM34.1 million in the second quarter of 2011. This represented an increase of 7%. The sales increase was mainly contributed by sustained and increasing demand of network cameras, electronic sports headlamps, household appliances sub-assemblies and hygiene-care products.

The Group recorded profit attributable to equity holders of the parent company of RM2.0 million for the current quarter as compared to RM2.2 million in the preceding quarter. Despite the sales increase, net profit eased marginally in view of costs pressure in a volatile and increasingly competitive global environment.

15. COMMENTARY ON PROSPECTS AND TARGETS

Sales for the balance of the year is expected to be fairly strong despite some delays in new product launches due to quality issues. The floods in Thailand also affected supply to our multinational customers with factories or manufacturing partners located in the vicinity of Bangkok. With the European crisis expected to escalate in the months ahead, we foresee further costs pressure caused by the volatile commodity prices, unstable foreign exchange rates and increased competition in the fight for business volume as the global economies, in particular the European and US markets stagnate.

The Management of the Group will take all necessary measures to mitigate all such risks to stay in a reasonable position during such challenging times. The Group is working towards growing new businesses by strengthening its business development and project teams, while, taking into consideration the phasing out of a number of existing long running products.

16. INCOME TAX EXPENSE

	3 months ended		9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Deferred tax	-	-	-	-
Current tax	-	-	35	-
Total Income Tax Expense	-	-	35	-

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the year.

There is provision of taxation in respect of a subsidiary company on its other income and there is no provision for subsidiaries companies that has available unabsorbed business losses or with tax exemption status.

The holding company, K-One Technology Bhd. is awarded with MSC-Status, which carries with it tax exemption until 2012. Noting that the Company's business income is exempted from tax in accordance to its MSC-Status, however, non-business income is chargeable to tax and income tax is calculated at the rate of 25% on the estimated taxable profit.

17. SALES OF UNQUOTED SECURITIES AND PROPERTIES

There were no purchases or disposal of unquoted securities during the quarter and financial year to-date. The Group has not disposed off any properties for the current quarter and financial year-to-date.

18. QUOTED SECURITIES

There were no purchases or disposal of quoted securities during the financial quarter under review.

19. CORPORATE PROPOSALS

There are no corporate proposals announced but not completed as at the reporting date.

20. BORROWINGS AND DEBTS SECURITIES

Particulars of the Group's borrowings denominated in Ringgit Malaysia as at 30 September 2011 are as follows:

	RM'000
<i>Short term borrowings</i>	
Bankers' Acceptance	24,758
Revolving Credits	1,000
Bank Overdraft	7,131
Term Loan	428
Trust Receipts	60
Hire-purchase payables	209
	33,586
<i>Long term borrowings</i>	
Hire-purchase payables	427
Term loan	2,386
	2,813
Total Borrowings	36,399

21. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

As at the end of the current quarter and up to the date of this report, there is no off balance sheet financial instruments which have a material impact to the financial statements under review except the following:-

Foreign Exchange Contract	Contract Exchange Rate	Maturity Date
USD1.0 million	3.050	15 November 2011
USD0.5 million	3.129	19 March 2012

22. CHANGES IN MATERIAL LITIGATION

As at the date of this report, the Group is not engaged in any material litigation as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

23. PROPOSED DIVIDEND

There is no dividend proposed in the current quarter and the previous corresponding quarters.

24. REALISED AND UNREALISED PROFITS / LOSSES

As at the end of current quarter under review ended 30 September 2011, the realized and unrealized profits/(losses) are as follows:

	3 months ended 30.09.2011 RM'000	9 months ended 30.09.2011 RM'000
Realised profits	527	4,847
Unrealised profits/(losses)	1,457	1,373
Total Retained Profits	1,984	6,220

24. REALISED AND UNREALISED PROFITS / LOSSES – (Cont'd)

As at the end of last financial year ended 31 December 2010, the realized and unrealized profits are as follows:

	12 months ended 31.12.2010 RM'000
Realised profits	29,316
Unrealised profits	284
Total Retained Profits	29,600

25. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profits for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	3 months ended		9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Profits attributable to equity holders of the parent (RM'000)	1,984	2,994	6,220	6,873
Weighted average number of Ordinary Shares in issue ('000)	341,859	113,953	298,448	113,953
Basic Earnings Per Ordinary Share (sen)	0.58	2.63	2.08	6.03

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of shares has been adjusted for the dilutive effects of the shares options granted to the employees.

	3 months ended		9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Profits attributable to equity holders of the parent (RM'000)	1,984	2,994	6,220	6,873
Weighted average number of Ordinary Shares in issue ('000)	341,859	113,953	298,448	113,953
Effect of dilution of share options ('000)	66,936	21,326	55,166	21,326
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	408,795	135,279	353,614	135,279
Diluted Earnings Per Ordinary Share (sen)	0.48	2.21	1.76	5.08

26. AUTHORIZED FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 22 November 2011.

BY ORDER OF THE BOARD
NG YIM KONG (LS 0009297)
Company Secretary
Dated: 22 November 2011