



CHOO BEE METAL INDUSTRIES BERHAD (10587-A)
INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH
FINANCIAL QUARTER ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Individual quarter		Cumulative quarter	
	Current year quarter 31.12.2010 (Unaudited) RM'000	Preceding year corresponding quarter 31.12.2009 (Unaudited) RM'000	Current year todate 31.12.2010 (Unaudited) RM'000	Preceding year todate 31.12.2009 (Audited) RM'000
Revenue	95,660	103,404	401,832	404,418
Other (expense)/income	(99)	97	(1,206)	841
Operating expenses	(90,911)	(95,641)	(376,143)	(378,102)
Finance costs	(260)	(130)	(925)	(725)
Profit before taxation	4,390	7,730	23,558	26,432
Tax expense	(1,476)	(526)	(7,541)	(6,938)
Profit for the quarter/year	2,914	7,204	16,017	19,494
Attributable to:				
Owners of the parent	2,914	7,204	16,017	19,494
Earnings per share:				
a) Basic (sen)	2.67	6.86	15.01	18.49
b) Diluted (sen)	N/A	N/A	N/A	N/A

(The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year corresponding quarter	Current year todate	Preceding year todate
	31.12.2010 (Unaudited)	31.12.2009 (Unaudited)	31.12.2010 (Unaudited)	31.12.2009 (Audited)
	RM'000	RM'000	RM'000	RM'000
Profit for the quarter/year	2,914	7,204	16,017	19,494
Other comprehensive income, net of tax				
Fair value of short-term investment	-	-	1	-
Total comprehensive income for the quarter/year	<u>2,914</u>	<u>7,204</u>	<u>16,018</u>	<u>19,494</u>
Total comprehensive income attributable to:				
Owners of the parent	<u>2,914</u>	<u>7,204</u>	<u>16,018</u>	<u>19,494</u>

(The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

	As at 31 Dec 2010 (Unaudited) RM'000	As at 31 Dec 2009 (Restated) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	119,916	114,443
Prepaid interests in leased land	3,724	3,177
Investment properties	2,280	2,280
Goodwill on consolidation	87	87
	<u>126,007</u>	<u>119,987</u>
Current Assets		
Inventories	187,874	179,831
Trade and other receivables	113,502	111,624
Current tax assets	2,161	2,255
Short-term investment	-	2,000
Cash and cash equivalents	4,794	7,258
	<u>308,331</u>	<u>302,968</u>
TOTAL ASSETS	<u><u>434,338</u></u>	<u><u>422,955</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	109,903	109,903
Reserves attributable to capital	17,830	18,153
Retained earnings	256,847	245,547
	<u>384,580</u>	<u>373,603</u>
Non-current Liabilities		
Retirement benefits obligation	-	568
Deferred tax liabilities	12,655	11,796
	<u>12,655</u>	<u>12,364</u>
Current Liabilities		
Trade and other payables	15,410	13,037
Borrowings	21,646	23,580
Foreign currency forward contracts	47	-
Current tax liabilities	-	371
	<u>37,103</u>	<u>36,988</u>
TOTAL LIABILITIES	<u>49,758</u>	<u>49,352</u>
TOTAL EQUITY AND LIABILITIES	<u><u>434,338</u></u>	<u><u>422,955</u></u>
Net Tangible Assets Per Share (RM)	3.52	3.55
Net Assets Per Share (RM)	3.52	3.55

(The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

	Year ended 31 Dec 2010 (Unaudited) RM'000	Year ended 31 Dec 2009 (Audited) RM'000
Profit before taxation	23,558	26,432
Adjustments for non-cash flow:-		
Non-cash items	14,547	9,768
Non-operating items	925	725
Interest income from operating activities	(231)	(315)
Operating Profit Before Changes In Working Capital	<u>38,799</u>	<u>36,610</u>
Changes In Working Capital :		
Net Change in Current Assets	(20,476)	44,783
Net Change in Current Liabilities	2,379	2,037
Income tax paid	(6,959)	(3,117)
Retirement benefits paid	-	(52)
Interest income	231	315
Net Cash Generated From Operating Activities	<u>13,974</u>	<u>80,576</u>
Investing Activities :		
Purchase of property, plant and equipment	(12,129)	(5,650)
Purchase of unquoted investment	(1,500)	(2,000)
Payment for prepaid interest in leased land	(31)	-
Rental received	116	33
Interest received	968	51
Proceeds from disposal of unquoted investment	3,516	-
Proceeds from disposal of property, plant and equipment	527	108
Net Cash Used In Investing Activities	<u>(8,533)</u>	<u>(7,458)</u>
Financing Activities :		
Repayment of bank borrowings	(2,030)	(64,408)
Finance cost paid	(925)	(725)
Dividends paid	(4,723)	(4,744)
Repurchase of own shares	(323)	(960)
Net Cash Used In Financing Activities	<u>(8,001)</u>	<u>(70,837)</u>
Net Change in Cash and Cash Equivalents	(2,560)	2,281
Cash and Cash Equivalents at beginning of year	<u>7,258</u>	<u>4,977</u>
Cash and Cash Equivalents at end of year	<u><u>4,698</u></u>	<u><u>7,258</u></u>

(The condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



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2010

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	<----- Attributable to Owners of the Parent ----->				Distributable	Total		
	Share Capital	Treasury Shares	Non-distributable				Retained Earnings	Equity
			Share Premium	General Reserve				
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000		
Balance as at 1 January 2010	109,903	(7,148)	24,115	1,186	245,547	373,603		
Effects of applying FRS 139					5	5		
Restated balance	109,903	(7,148)	24,115	1,186	245,552	373,608		
Total comprehensive income for the year	-	-	-	-	16,018	16,018		
Dividends	-	-	-	-	(4,723)	(4,723)		
Buy-back of ordinary shares	-	(323)	-	-	-	(323)		
Share dividend of one (1) treasury share for every twenty-five (25) existing ordinary shares of RM1.00 each held in the Company in respect of the financial year ended 31.12.2009	-	6,350	(6,350)	-	-	-		
Balance as at 31 December 2010	109,903	(1,121)	17,765	1,186	256,847	384,580		
Dividend distribution per ordinary share for the year todate is 4.5 sen.								
Balance as at 1 January 2009	109,903	(6,188)	24,115	1,186	230,797	359,813		
Total comprehensive income for the year	-	-	-	-	19,494	19,494		
Dividends	-	-	-	-	(4,744)	(4,744)		
Buy-back of ordinary shares	-	(960)	-	-	-	(960)		
Balance as at 31 December 2009	109,903	(7,148)	24,115	1,186	245,547	373,603		
Dividend distribution per ordinary share for the year todate is 4.5 sen.								

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009).



CHOO BEE METAL INDUSTRIES BERHAD (10587-A) **INTERIM REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH** **FINANCIAL QUARTER ENDED 31 DECEMBER 2010**

EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

A1 Accounting Policies and Methods of Computation

The interim financial report has been prepared in accordance with FRS 134, “Interim Financial Reporting” and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia). The figures for the cumulative period in the current quarter to 31 December 2010 have not been audited.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2009 except for the followings:

(i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

In the current year ended 31 December 2010, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements and are relevant to its operations:

FRSs/IC Interpretations	Effective date
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 101 : Presentation of Financial Statements (revised)	1 January 2010
FRS 123 : Borrowing Costs (revised)	1 January 2010
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127 : First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 117 : Leases	1 January 2010
Amendments to FRS 132 : Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139 and FRS 7 : Financial Instruments: Recognition and Measurement and Financial Instruments: Disclosures	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2 – Group and Treasury Share Transactions	1 January 2010

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

FRS 101 (revised) Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of an income statement, a balance sheet, a cash flow statement, a statement of changes in equity and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial report presented consist of a statement of comprehensive income, a statement of financial position, a statement of cash flows, a statement of changes in equity and notes to the financial statements.



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Dividend per share that was previously presented on the face of the income statement is removed and presented on the face of the statement of changes in equity.

The total comprehensive income for the year is presented as a one-line item in the statement of changes in equity.

With the adoption of the revised FRS 101, a new capital disclosure is made to explain the Group's capital management objectives, policies and strategies; how it manages capital and whether the objectives for capital management have been achieved. The details of the capital management disclosures are provided in Note A5.

FRS 139 Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognized at contract dates when, and only when, the Group becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, financial assets and financial liabilities recognized and unrecognized in the prior financial year are classed into the following categories:

	Pre-FRS 139	Post-FRS 139
1	Long-term equity investments	Available-for-sale investments
2	Long-term quoted debt instruments	Held-to-maturity investments
3	Private-debt instruments	Loans and receivables
4	Current investments	Financial assets at fair value through profit or loss
5	Unrecognised derivative assets	Financial assets at fair value through profit or loss
6	Long-term borrowings and bonds	Financial liabilities at amortised cost
7	Unrecognised derivative liabilities	Financial liabilities at fair value through profit or loss

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current year. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

	Category	Measurement basis
1	Financial assets or liabilities at fair value through profit or loss	At fair value through profit or loss
2	Held-to-maturity investments	At amortised cost effective interest method
3	Loans and receivables	At amortised cost effective interest method
4	Available-for-sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Financial liabilities at amortised cost	At amortised cost effective interest method



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

Financial assets and financial liabilities designated as hedged items and hedging financial derivatives are accounted for using the specified hedge accounting requirements of FRS 139. All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

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

FRS 7 Financial Instruments: Disclosures

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132 Financial Instruments: Disclosures and Presentation. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. Additional disclosures regarding fair value measurements are required in the year end financial statements.

FRS 132 Financial Instruments: Presentation

Prior to the adoption of the revised FRS 132, the Group allocated the proceeds of a compound financial instrument using the relative fair value method. With the adoption of the revised FRS 132, this basis has been changed to the residual valuation of equity method, whereby the fair value of the liability component is measured first and the balance of the proceeds is then allocated to the equity component. This change in basis has no material effect on the compound instruments recognized in the financial statements.

IC Interpretation 10 Impairment and Interim Financial Reporting

Prior to the adoption of IC Interpretation 10, impairment losses for equity investments recognized in an earlier interim period were reversed in a later interim period when tests revealed that the losses have reversed. With the adoption of IC Interpretation 10 and FRS 139 on 1 January 2010, the policy has been changed to conform to the impairment requirements of FRS 139. Impairment losses recognized for available-for-sale equity investments in an interim period are not reversed in a subsequent period. This change in basis has no effect to the profit or loss of the current financial year ended 31 December 2010.

Amendment to FRS 116 and Amendment to FRS 140

Prior to the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, properties that were being constructed or developed for use as investment properties were treated as capital-work-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140. This change in basis of recognition has no effect to the profit or loss in the current financial year ended 31 December 2010 or the comparative prior year.



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

Amendment to FRS 117 Leases

Amendment to FRS 117 clarifies on the classification of leases of land and buildings. The resulting effect of this standard was the reclassification of leasehold land to property, plant and equipment rather than being separately classified under prepaid interests in leased land on the consolidated statements of financial position, as disclosed below. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The reclassification has been done for leasehold land with remaining lease period of 50 years or more and does not have any impact on the financial performance and earnings per share of the Group.

The following comparatives have been reclassified upon adoption of the Amendment to FRS 117:

31 December 2009	As previously reported (RM'000)	Reclassification (RM'000)	As restated (RM'000)
Property, plant and equipment	112,670	1,773	114,443
Prepaid interests in leased land	4,950	(1,773)	3,177

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no effect to the Group's consolidated financial statements for the current quarter or the comparative consolidated financial statements for the prior financial year.

(ii) *The following FRSs were issued but not yet effective and have not been applied by the Group*

FRSs/IC Interpretations	Effective date
FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 2 : Share-based Payment	1 July 2010
Amendments to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives	1 July 2010

A2 Seasonality or Cyclicity of Operations

The level of business activities usually varies with the festivals at the end and beginning of each year subject to the level of underlying demand and prevailing prices.

A3 Unusual items

There were no material items of an unusual nature and amount for the current quarter and financial year to date.

A4 Material Changes in Estimates of Amounts Reported

There were no material changes in the estimates used in the current quarter compared to the estimates used in the previous financial year, which have a material effect in the current quarter or the financial year to date.



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A5 Capital Management, Issuances, Repurchases, and Repayments of Debts and Equity Instruments

During the current financial year, the Company had repurchased a total of 180,500 ordinary shares of RM1.00 each of its issued share capital from the open market at an average cost of RM1.7921 per share. The total consideration paid for the share buy-back was RM323,467 and was financed by internally generated funds. As at 31 December 2010, a total of 741,525 treasury shares were held by the Company. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

On 20 August 2010, a total of 4,198,375 treasury shares were distributed pursuant to the share dividend for the financial year ended 31 December 2010.

There were no issues of debt or equity securities for the current financial year to date.

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and 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 long-term liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders and non-controlling interests. The Group's strategy is to maintain a low gearing ratio.

The gearing ratios as at 31 December 2010 and 31 December 2009, which are within the Group's objectives for capital management, are as follows:

	31 December 2010	31 December 2009
Total liabilities (RM'000)	49,758	49,352
Total equity (RM'000)	384,580	373,603
Total equity and liabilities (RM'000)	434,338	422,955
Gearing ratio (%)	13	13

There is no change to the gearing ratio for the current year ended 31 December 2010 compared to the previous financial year.

A6 Dividends Paid

The final ordinary dividend of 6% per share less 25% tax amounting to RM4,723,385 in respect of financial year ended 31 December 2009 was paid on 20 August 2010.



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

A7 Operating Segment Information

Segment information for the current financial year ended 31 December 2010 is as follows:-
By Operating Segments :

	Trading RM'000	Manufacturing RM'000	Total RM'000
Revenue - external customers	232,186	169,646	401,832
Intersegment revenue	20,893	37,726	58,619
Reportable segment profit	13,661	11,747	25,408
Unallocated corporate expenses			(925)
Finance costs			(925)
Profit before taxation			23,558

A8 Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment in the financial year to date and the value of property, plant and equipment has been brought forward, without amendment from the previous annual financial statements.

A9 Material Events Subsequent to the End of the Interim Period

There were no material subsequent events that have not been reflected in the financial statements for the year at the date of issue of the quarterly report.

A10 Effects of Changes in Composition of the Group

The Company announced on 26 May 2010 that its wholly-owned subsidiary, Choo Bee Hardwares Sdn Berhad (“CBH”) has acquired the entire issued and paid-up share capital of Choo Bee Hardware (Sel) Sdn Bhd (“CBS”) comprising 4 ordinary shares of RM1 each for a total cash consideration of RM4, resulting in CBS becoming a wholly-owned subsidiary of CBH.

A11 Changes in Contingent Liabilities or Contingent Assets since the last annual statement of financial position date

There were no contingent liabilities or contingent assets at the date of issue of the quarterly report.



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EXPLANATORY NOTES : (As PER FRS 134 – PARAGRAPH 16)

A12 Capital Commitments

Authorised capital commitments not recognized in the interim financial statements as at 31 December 2010 are as follows:

	RM'000
Capital expenditure :	
Contracted but not provided for	3,546
Approved but not contracted for	-
	<u>3,546</u>

A13 Write down of Inventories to Net Realizable Values

Total net inventories write down to either net realizable value or replacement cost for the year ended 31 December 2010 was RM10,193,000.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B1 Review of the Performance of the Company and its Principal Subsidiaries

The Group achieved a turnover of RM401.8 million for the YTD 4Q 2010, a slight decrease of 1% when compared to the turnover achieved of RM404.4 million for YTD 4Q 2009. The Group also recorded revenue of RM95.7 million in 4Q 2010, a decrease of RM7.7 million or 7% (4Q 2009 : RM103.4 million) largely due to the declining average selling prices.

Correspondingly, profit before taxation for the YTD 4Q 2010 decreased to RM23.6 million (YTD 4Q 2009 : RM26.4 million) and RM4.4 million for 4Q 2010 (4Q 2009 : RM7.7 million). This is mainly due to higher write down of inventories and poorer margin.

B2 Comparison with preceding quarter's results

While the Group's revenue for 4Q 2010 of RM95.7 million was a decrease of RM12.8 million or 12% as compared to 3Q 2010 of RM108.5 million, profit before taxation of RM4.4 million was recorded for 4Q 2010 (3Q 2010 : Loss before taxation RM3.7 million). The increase in profit before taxation is mainly due to higher margin for the current quarter.

B3 Prospects for the remaining period of the current financial year

Current steel market price has been firming in this quarter and likely to keep gaining into first half of 2011. The continued increase in price is dependent on the market sentiments on end user demand. State of global economic recovery will also impact the sustainability.

The Group continues to pursue higher productivity and maximum operational efficiency to consolidate its position in market share and remain competitive.

Barring any unforeseen circumstances, the Group expects better performance in the year 2011 as compared to year 2010.

B4 Variance of Actual Profit from Forecast Profit or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B5 Taxation

Tax charges comprise:

	Current Quarter RM'000	Financial Year todate RM'000	
Income tax			
- current year	2,231	5,783	3552
- underprovision in prior years	-	901	901
Deferred tax			
- current year	(755)	857	1612
Net provision for taxation	<u>1,476</u>	<u>7,541</u>	

The effective tax rate for the year todate under review was higher than the statutory tax rate because of the underprovision of tax payable in prior years.

B6 Profits/(Losses) On Sale of Unquoted Investments and/or Properties

The sale of unquoted investment for the year todate resulted in a gain on sale of RM10,000 which was recognized in other income.

B7 Purchase or Disposals of Quoted Securities

There were no purchases or disposals of quoted securities by the Group.

B8 (a) Status of Corporate Proposals announced but not completed

There were no corporate proposals at the date of issue of the quarterly report.

(b) Status of utilization of proceeds raised from any corporate proposal

Not applicable.

B9 Group Borrowings and Debt Securities

Details of Group's borrowings as at 31 December 2010 are as follows:-

Short-term borrowings

	RM'000	
Bankers' acceptances	21,550	Unsecured
Bank overdraft	96	Unsecured
	<u>21,646</u>	

The Group has no debt securities as at 31 December 2010.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B10 Financial Instruments

With the adoption of FRS 139, financial instruments are recognized on their respective contract dates. The related accounting policies are disclosed in Note 1 in the section on Notes to the Interim Report. There are no off-balance sheet financial instruments.

Details of forward contracts which have not matured for the Group as at 31 December 2010 are as follows:

Type of instruments	Contract/Notional amount RM'000	Fair value RM'000	Fair value loss RM'000	Purpose
Foreign currency forward purchase contract (USD)				For hedging
- Less than 1 year	3,203	3,160	43	currency risk
Foreign currency forward sale contract (SGD)				For hedging
- Less than 1 year	4,798	4,802	4	currency risk

The Group's trade receivables denominated in foreign currencies are exposed to currency risk. The Group's strategy for minimizing this risk is to hedge each foreign trade receivable by a forward sale contract.

The foreign currency forward contracts are transacted with the Group's bankers. Credit risk for non-performance by the financial institutions in these instruments is minimal.

B11 Changes in Material Litigation (including status of any pending material litigation)

There was no material litigation against the Group as at the date of this report.

B12 Dividends Proposed

- (a) i) A final ordinary dividend has been recommended.
- ii) Amount per share for final ordinary dividend is 6% less 25% tax.
- iii) Previous year ended 31 December 2009: 6% less 25% tax.
- iv) Date payable: To be decided.
- v) Entitlement date: To be decided.
- (b) Total dividend proposed for the current financial year ended 31 December 2010 of final ordinary dividend of 6% less 25% tax has not been accrued as a liability in compliance with FRS 110, "Events after Balance Sheet Date".

B13 Report of Auditors

The preceding annual financial statements of the Group were reported on without any qualification.



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EXPLANATORY NOTES : (AS PER LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B)

B14 Earnings per share (EPS)

(a) Basic earnings per share

		3 months ended		12 months ended	
		31.12.2010	31.12.2009	31.12.2010	31.12.2009
Profit for the quarter/year attributable to owners of the parent	(RM'000)	2,914	7,204	16,017	19,494
Weighted average number of ordinary shares in issue	('000)	109,161	105,047	106,743	105,441
Basic earnings per share	(sen)	2.67	6.86	15.01	18.49

(b) Diluted earnings per share

Not applicable.

B15 Retained earnings

	RM'000
Total retained earnings of the Company and subsidiaries :-	
- Realised	276,980
- Unrealised	(1,024)
	<hr/> 275,956
Less : Consolidation adjustments	(19,109)
Total group retained earnings	<hr/> <hr/> 256,847