

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

**PART A – COMPLIANCE WITH THE FINANCIAL REPORTING STANDARD 134 ON
“INTERIM FINANCIAL REPORTING” AND BURSA LISTING
REQUIREMENTS**

A1 Accounting Policies and Method of Computation

The interim financial report is unaudited and is prepared in accordance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 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 July 2010.

The same 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 July 2010 except for the adoption of new standards, amendments to standards and IC Interpretations that are mandatory for the Group for the financial year beginning 1 August 2010. The adoption of these standards, amendments to standards and IC Interpretations do not have a material impact on the Group’s interim financial report except FRS 101 (revised): Presentation of Financial Statements.

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group.

The Group has elected to present the statement of comprehensive income in a single statement.

The effects of FRS 101 (revised) in respect of the revision in titles of the financial statements are as follows:

	As previously stated	Revised
1.	Income statement	Statement of comprehensive income
2.	Balance sheet	Statement of financial position
3.	Cash flow statement	Statement of cash flow

The Group has not early adopted any new or revised standards, amendments or IC Interpretations which are applicable to the Group that have been issued by the MASB but are not yet effective for the Group’s current financial year ended 31 July 2011.

A2 Disclosure of Audit Report Qualification

The auditors' report of the Group's most recent audited financial statements for the financial year ended 31 July 2010 did not contain any qualification.

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

**PART A – COMPLIANCE WITH THE FINANCIAL REPORTING STANDARD 134 ON
“INTERIM FINANCIAL REPORTING” AND BURSA LISTING
REQUIREMENTS**

A3 Seasonal or Cyclical Factors Affecting Operations

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A4 Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 31 July 2011.

A5 Material Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter.

A6 Changes in Debt and Equity Securities

There were no issuance and repayment of debt securities, share buy back, share cancellations, shares held as treasury shares and resale of treasury shares for the financial year ended 31 July 2011.

A7 Dividends Paid

Details of the dividend paid during the quarter under review are as follows:

First interim dividend for financial year	31 July 2011
Amount per share (tax-exempt)	2.5 sen
Approved and declared on	29 March 2011
Entitlement to dividends based on	
Record of Depositors as at	15 April 2011
Date paid	6 May 2011

A8 Segmental Reporting

No segmental information has been prepared as the Group is primarily engaged in manufacturing activities. The other activities of the Group are not significant.

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

A9 Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current financial year that have not been reflected in the interim financial reports for the said period as at the date of this report.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter.

A11 Contingent Liabilities and Contingent Assets

The Group has no contingent liabilities or contingent assets as at 31 July 2011.

A12 Capital Commitment

Capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements as at the balance sheet date was as follows:

	<u>Approved and Contracted for</u>
Property, plant and equipment	RM3,313,000 =====

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance

Comparison to preceding year corresponding quarter

For the fourth quarter ended 31 July 2011, the Group achieved consolidated revenue of RM28.58 million which was approximately 5.57% lower than the preceding year corresponding quarter. The decrease is attributable to lower demand for the Group's products from its main customers. The Group recorded a profit after tax of RM2.74 million for the current quarter as compared to RM3.45 million in the preceding year corresponding quarter. This was mainly due to lower revenue and higher cost incurred in the current quarter.

Comparison to preceding year corresponding period

For the 12-month cumulative period ended 31 July 2011, the Group achieved consolidated revenue of RM101.64 million which was approximately 1.98% lower than the preceding year corresponding period. The decrease is attributable to lower demand for the Group's products from its main customers. The Group recorded a profit after tax of RM8.57 million for the current year as compared to RM9.38 million for the same period in preceding year. This was mainly due to lower revenue and higher cost incurred in the current year.

B2 Material Changes in Profit before Taxation for the Current Quarter with Immediate Preceding Quarter

	Current Quarter 31 Jul 2011 RM'000	Preceding Quarter 30 Apr 2011 RM'000
Revenue	28,584	25,052
Pre-tax profit before non-controlling interests and after share of profit after tax of associated company	3,579	3,088

For the current quarter, the Group achieved revenue of RM28.58 million, representing an increase of 14.10% as compared to the preceding quarter ended 30 April 2011. The increase is attributable to higher demand for the Group's products from its main customers. The Group recorded pre-tax profit before non-controlling interests and after share of profit after tax of associated company of RM3.58 million for the quarter under review as compared to RM3.09 million for the preceding quarter attributed mainly to higher revenue in the current quarter.

B3 Prospects Commentary

The Group will continue its drive to build its revenue base by enhancing and differentiating its product offerings for its targeted markets. Towards this purpose, the Group is actively taking various product design and development initiatives and seeking opportunities to secure new businesses. The Group has embarked on a new product offering of automotive lightings and had secured an award to supply a lamp product to one of its existing customers which is expected to come on stream by the later part of the 2nd Quarter of next financial year.

The Group expects the business operating environment to continue to be challenging in view of the current global economic situation. To remain resilient, the Group is working on various measures to improve productivity and operational effectiveness. Barring any unforeseen circumstances, the Board of Directors is optimistic that the Group will be able to improve on the current performance for the next financial year.

B4 Variance of Actual Profit from Forecast Profit & Shortfall on Profit Guarantee

There is no profit forecast prepared for public release and no profit guarantee provided by the Group for the current financial year.

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

**PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B5 Taxation

	Current Quarter 31-Jul-11 RM'000	Cumulative Quarters 31-Jul-11 RM'000
Income tax:		
- current year	606	2,986
- over-provision in prior year	-	(47)
	606	2,939
Deferred tax	232	226
Tax expense	838	3,165

The effective tax rate for the current quarter is lower than the statutory rate mainly due to the utilisation of reinvestment allowance in the current quarter.

The effective tax rate for the current year is higher than the statutory rate mainly due to certain expenses not deductible for income tax purpose.

B6 Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments in the current quarter.

There were disposals of properties in the current year as follows:

	Current Quarter 31-Jul-11 RM'000	Cumulative Quarters 31-Jul-11 RM'000
Gain on disposal of properties	-	80

B7 Purchase/(Disposal) of Quoted Securities

There were no purchase and disposal of quoted securities in the current quarter.

B8 Status of Corporate Proposals

There were no corporate proposals announced by the Company as at the date of issue of this quarterly report.

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B9 Group Borrowings and Debt Securities

Group borrowings as at 31 July 2011:

	<u>RM'000</u>
(a) Secured borrowings	7,729
Unsecured borrowings	-
	7,729
(b) Short term	
- trade financing (secured)	-
- term loan (secured)	1,194
- hire purchase payable	99
	1,293
Long term	
- term loan (secured)	5,947
- hire purchase payable	489
	6,436
Total borrowings	7,729

All the above borrowings are denominated in Ringgit Malaysia.

B10 Off Balance Sheet Financial Instrument

As at the date of issue of this interim financial report, there were no off balance sheet financial instruments being transacted.

B11 Changes in Material Litigation

There were no pending material litigation as at 24 September 2011 being a date not earlier than 7 days from the date of this quarterly report except for the following :-

(i) Kuala Lumpur High Court Originating Petition No. D3-26-59-2005

Between Multi-Code Electronics Industries (M) Berhad. (Petitioner) & Wirapadu Sistem Sdn. Bhd. (1st Respondent) & Dato' Mohd. Nazir bin Mohd. Ali (2nd Respondent)

On 1 September 2005, the Petitioner filed a petition pursuant to Section 181 of the Companies Act 1965 in the Kuala Lumpur High Court against the Respondents.

On 1 October 2009, the High Court in allowing the Petition inter alia made the following Order:

- (i) The 2nd Respondent is to purchase the shares of the Petitioner in the 1st Respondent with the shares to be valued at the date of the Order (i.e. 1 October 2009).
- (ii) A Receiver is to be appointed by the agreement of parties to proceed with the sale of the shares at the value as of 1 October 2009, which is to be assessed by a firm of auditors to be appointed by the Receiver, in accordance with the procedures and terms to be agreed to by the parties.

Pursuant to the Order dated 1 October 2009, the parties had agreed on the appointment of the Receiver. The Notice of Appointment of Receiver (Form 59) was filed with the Companies Commission of Malaysia on 18 August 2010.

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

**PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B11 Changes in Material Litigation (Continued)

(i) Kuala Lumpur High Court Originating Petition No. D3-26-59-2005 (Continued)

On 19 August 2010, the Receiver in accordance with the Order of the High Court dated 1 October 2009 had appointed auditors to carry out the valuation of the shares of the 1st Respondent. The share valuation exercise had been completed and the parties are in the midst of proceeding with the sale of the Petitioner's shares in the 1st Respondent to the 2nd Respondent.

(ii) Kuala Lumpur High Court Commercial Division - Suit No. D8-22-453-2008

Between Multi-Code Electronics Industries (M) Berhad (“1st Plaintiff”), Plasmnet Industries (M) Sdn Bhd (“2nd Plaintiff”), Gordon Toh Chun Toh (“1st Defendant”), Dato’ Abul Hasan Bin Mohamed Rashid (“2nd Defendant”), Kalwant Singh (“3rd Defendant”), Elliott Gordon Singapore Private Limited (“4th Defendant”), Elliott Gordon & Company International Limited (“5th Defendant”), Ace Prelude Holdings Sdn Bhd, formerly known as Ace Prelude Sdn Bhd (“6th Defendant”), Lily Chong Kui Foh (“7th Defendant”), Teng Sin Pyng (“8th Defendant”), Westcape Investments Limited (“9th Defendant”), Wong Jit Kiang (“10th Defendant”), Liew Then Boh (“11th Defendant”) and Paul Ong & Associates (Sued as a Firm) (“12th Defendant”)

A legal action was commenced in the Kuala Lumpur High Court (Commercial Division) by Multi-Code Electronics Industries (M) Berhad (“MCE”) and its subsidiary, Plasmnet Industries (M) Sdn Bhd (“Plasmnet”) (collectively referred to as “the Company”) against the abovementioned Defendants for inter alia, fraud, conspiracy to defraud, knowing assistance and knowing receipt and for breach of fiduciary and fidelity duties owed to the Company by the 1st, 2nd and 3rd Defendants and to recover the sum of RM44,188,262.82 paid out of the Company's funds.

The Company has since filed and obtained an ex-parte Mareva Injunction and an ex-parte Anton Piller Order on 8 April 2008 against various Defendants as an interim measure pending the full disposal of the abovementioned legal proceedings.

On 31 May 2010, the 2nd Defendant's appeal to the Court of Appeal against the learned High Court's Judge's decision of 20 May 2009 for the granting of the inter-partes Mareva Injunction and the dismissal of his application to set aside the ex-partes Mareva Injunction and Anton Piller Order was dismissed with costs of RM15,000 to be paid to the Company. On 21 June 2010, he filed in an application to the High Court to vary the terms of the inter-partes Mareva Injunction pending the conclusion of the High Court proceedings. The application was allowed on 7 July 2010 subjected to the imposition of certain safeguards. The 2nd Defendant has since applied for leave to appeal to the Federal Court which was dismissed with costs of RM10,000 by the Federal Court on 28 September 2010.

The High Court proceedings having been case managed by the learned Judge of the High Court, was initially fixed for trial from 13 September 2011 to 15 September 2011. In the High Court, the 1st and 2nd Plaintiffs' claims are being contested by the 1st Defendant, 2nd Defendant, 3rd Defendant, 7th Defendant and 8th Defendant. On 13 September 2011, the learned Judge of the High Court adjourned the trial to allow parties to comply with the High Court's directions. The learned Judge of the High Court further fixed the proceedings for trial from 28 October 2011 to 1 November 2011.

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11 Changes in Material Litigation (Continued)

(ii) Kuala Lumpur High Court Commercial Division - Suit No. D8-22-453-2008 (Continued)

On 10 August 2009, Hong Leong Bank Berhad had filed an application to intervene and to vary the inter- partes Mareva Injunction to exclude a particular property of the 6th Defendant's which is under a hire purchase agreement from the inter- partes Mareva Injunction to enable the Bank to take possession of the same for sale as the 6th Defendant has since defaulted on its payment under the hire purchase agreement. This application was dismissed with costs on 23 July 2010. The Bank was however given liberty to repossess and resell the car on the condition that the sum of RM64,190.19 from the resale value of the vehicle must be placed in a fixed deposit account to be held jointly by the Bank's and the Company's lawyer pending the disposal of this action. Hong Leong Bank has since filed an appeal to the Court of Appeal against the above decision. No date has been fixed for the appeal.

(iii) Singapore Court Suit No. 258 OF 2008/N

Between Multi-Code Electronics Industries (M) Berhad (“1st Plaintiff”), Plasmet Industries (M) Sdn Bhd (“2nd Plaintiff”), Gordon Toh Chun Toh (“1st Defendant”), Dato’ Abul Hasan Bin Mohamed Rashid (“2nd Defendant”), Kalwant Singh (“3rd Defendant”), Elliott Gordon Singapore Private Limited (“4th Defendant”), and Westcape Investments Limited (“5th Defendant”)

As against the 1st, 3rd and 4th Defendants

A stay of the Singapore proceedings was ordered as against the 1st, 3rd and 4th Defendants on 4 August 2008. Whilst the Singapore Mareva Injunction is discharged as against the 3rd Defendant, it remains in place as against the 1st and 4th Defendants.

The Plaintiffs have filed a proof of debt on or about 22 December 2008 against the 4th Defendants who have been subjected to a compulsory winding up on or about September 2008.

The 3rd Defendant filed for a review of his Bill of Costs No. 1 of 2009/D which was heard on 3 July 2009. The 3rd Defendant was awarded S\$28,493.31 at the review. The Plaintiff's Civil Appeal No. 81 of 2009/W (“the Appeal”) was withdrawn by the Plaintiffs and parties agreed that the Plaintiffs pay the 3rd Defendant S\$650.00 for the withdrawal of the Appeal. Payment of the sums of RM69,304.64 (S\$28,493.31) and RM1,520.03 (S\$650.00) has been made to the 3rd Defendant.

As against the 2nd Defendant

The 2nd Defendant and the Plaintiffs have agreed to a stay of proceedings in Singapore against the 2nd Defendant on condition that the Singapore Mareva Injunction remain in place. An Order of Court pursuant to the agreement was filed on 20 January 2009.

As against the 5th Defendants

Interlocutory Judgment in default of appearance was filed against the 5th Defendants on 20 February 2009 for, inter alia, the sum of RM44,188,262.82. The Plaintiffs' solicitors have served the said Interlocutory Judgment on the 5th Defendants together with their cover letter asking that the 5th Defendants make payment by 31 March 2009. There has been no response from the 5th Defendants to-date, although it is to be noted that the cover letter was returned as undelivered. The Plaintiffs' solicitors have advised, *inter alia*, that if no action is taken to assess damages for fraud and conspiracy (which is a relief separate from the sum of RM44,188,262.82) by 19 February 2010, the matter will be deemed discontinued. However,

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11 Changes in Material Litigation (Continued)

(iii) Singapore Court Suit No. 258 OF 2008/N (Continued)

such discontinuance did not mean that the Interlocutory Judgment was cancelled. Enforcement proceedings may still be carried out against the sum of RM44,188,262.82 within 12 years of the Interlocutory Judgment. The Plaintiffs have decided to put on hold the assessment for damages and enforcement proceedings.

No further steps shall be taken in the Suit until and unless the Plaintiffs so decide to apply to lift the stay of proceedings in Singapore.

(iv) Kuala Lumpur High Court Commercial Division Suit No. D-22-1537-2009

Between Beucar Accessories (M) Sdn Bhd (“Plaintiff”), Gordon Toh Chun Toh (“1st Defendant”), Khoo Ah Kiow @ Koo Teck Hing (“2nd Defendant”), Mohd Noor Bin Ibrahim (“3rd Defendant”), Elliott Gordon Singapore Private Limited (“4th Defendant”), Ace Prelude Freight Logistics Sdn Bhd (“5th Defendant”), Foo Chee Pang (sued as a Partner of WGSB Management Services) (“6th Defendant”) and Mohammad Zulkifli Bin Abdullah (sued as a Partner of WGSB Management Services) (“7th Defendant)

A legal action was commenced in the Kuala Lumpur High Court (Commercial Division) by a subsidiary, Beucar Accessories (M) Sdn Bhd (“the Subsidiary”) against the abovementioned Defendants for inter alia, fraud, conspiracy to defraud, knowing assistance and knowing receipt and for breach of fiduciary and fidelity duties owed to the Subsidiary by the 1st, 2nd and 3rd Defendants as Directors of the Subsidiary and to recover, inter alia, the sum of RM500,000 paid out of the Subsidiary’s funds.

On 26 August 2009, the sealed Writ of Summons and Statement of Claim was issued by the High Court. All of the local Defendants had been served.

On 15 September 2009, the Subsidiary had obtained leave to issue and serve the necessary cause papers on the 1st and 4th Defendants, being Defendants that are ordinarily residents outside the jurisdiction of the Malaysian High Court. The Subsidiary had since served the requisite cause papers on both the Defendants.

The Subsidiary’s claims is being contested by the 1st Defendant, 2nd Defendant, 3rd Defendant, 6th Defendant and 7th Defendant. On 13 September 2011, pleadings are finally closed and as directed by the High Court, the Subsidiary collated and served the Bundle of Pleadings onto the respective Defendants.

On 19 September 2011, the High Court proceedings was fixed before the learned Deputy Registrar to be case managed. The learned Deputy Registrar gave directions in preparation for trial to the Subsidiary, 1st Defendant, 2nd Defendant, 3rd Defendant, 6th Defendant and 7th Defendant. The High Court proceedings has now been fixed for trial from 8 November 2011 to 10 November 2011.

The 4th and 5th Defendants had failed to enter an appearance and the Subsidiary had subsequently entered and obtained Certificate of Non Appearance against them.

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12 Dividends

(a) Details of the interim dividend approved and declared by the Board of Directors is as follows:

	31.07.2011	31.07.2010
Second interim dividend for financial year	31 July 2011	31 July 2010
Amount per share (tax-exempt)	2.5 sen	-
Approved and declared on	30 September 2011	-
Entitlement to dividends based on		
Record of Depositors as at	20 October 2011	-
Date payable	11 November 2011	-

(b) Total dividend for the current financial year: 5.0 sen per share tax exempt

B13 Earnings per Share

The basic and diluted earnings per share are calculated as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Current quarter ended 31 July 2011	Comparative quarter ended 31 July 2010	12-month cumulative to date 31 July 2011	12-month cumulative to date 31 July 2010
Profit for the year attributable to ordinary equity holders of the company (RM'000)	2,773	3,489	8,650	9,396
Weighted average number of ordinary shares in issue ('000)	44,405	44,405	44,405	44,405
Basic and diluted earnings per share (sen)	<u>6.24</u>	<u>7.86</u>	<u>19.48</u>	<u>21.16</u>

B14 Disclosure of Realised and Unrealised Profits

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

MULTI-CODE ELECTRONICS INDUSTRIES (M) BERHAD (193094-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 4TH QUARTER ENDED 31 JULY 2011

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B14 Disclosure of Realised and Unrealised Profits (Continued)

The breakdown of the retained profits of the Group as at 31 July 2011, into realised and unrealised profits, pursuant to the directive, is as follows:

	As at end of Current Quarter 31-Jul-11 <hr style="border-top: 1px solid black;"/>
	RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	13,880
- Unrealised	(1,808)
	<hr style="border-top: 1px solid black;"/>
	12,072
Total share of retained profits from associate	
- Realised	1,074
Less: Consolidation adjustments	(1,353)
	<hr style="border-top: 1px solid black;"/>
Total group retained profits	<hr style="border-top: 3px double black;"/>
	11,793

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1: Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B15 Memorandum of Understanding (“MOU”)

The Company had entered into a MOU with Hella Shanghai Electronics Co. Ltd (“Hella Shanghai”) on 1 March 2010 which sets forth a framework for the consultation and exchange of information and technology. Subject always to the execution of a definitive agreement, Hella Shanghai and the Company agreed that their co-operation and collaboration for the consultation and exchange of information and technology shall be carried out in the manner as set forth in detail in the MOU.

Save for the above, there is no further development to date.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)
 Pow Juliet (MAICSA 7020821)
 Company Secretaries
 Johor Bahru
 Date: 30 September 2011

c.c. Securities Commission