

Part A-Explanatory Notes Pursuant to FRS 134

A1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures for the financial year ended 31 October 2010 have not been audited.

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

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

For the financial year ended 31 October 2010, the Group adopted (and early 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:

FRS 7, Financial Instruments: Disclosures.
FRS 8, Operating Segments.
FRS 101 (revised), Presentation of Financial Statements.
FRS 123 (revised), Borrowing Costs.
FRS 132 (revised), Financial Instruments: Presentation.
FRS 139 (revised), Financial Instruments: Recognition and Measurement.
Amendment to FRS 5
Amendment to FRS 8
Amendment to FRS 139, FRS 7 and IC Interpretation 9
Amendment to FRS 107
Amendment to FRS 108
Amendment to FRS 110
Amendment to FRS 116
Amendment to FRS 117
Amendment to FRS 118
Amendment to FRS 119
Amendment to FRS 120

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

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

The total comprehensive income for the period 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 (now known as date of statement

of financial position) 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 Company or any subsidiary become 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 investment	Available-for-sale investments
2	Long-term quoted debt instruments	Held-to-maturity investments
3	Private-debt instruments	Loans and receivables
4	Current investment	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 quarter. 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 instruments 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	Loans and other financial liabilities	At amortised cost effective interest method

Financial assets and financial liabilities designated as hedged items and hedging financial derivatives are accounted for using 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, derecognition, 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 the financial instruments were based on the requirement of the original FRS 132, Financial Instruments: Disclosure 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. An additional disclosure is made in Note A3 for the sensitivity analysis for each type of market risk to which the Group is exposed at the reporting date to show how profit or loss and equity would be affected by changes in the risk variables that were reasonably possible at that date.

FRS 8, Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments and a secondary reporting format of geographical segments. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segment based on the segment information provided to the Managing Director and the Board of Directors. This change has resulted in reduction of one operating segment as being reported previously. The comparatives of the preceding year

corresponding period are re-presented to conform to the current period presentation, as disclosed in Note A7.

Amendment to FRS 117, Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The consideration paid were classified and presented as prepaid lease payment in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. In making this judgement, the Directors have concluded that the lands with an initial lease period of 50 years or more are finance leases because the present value of the minimum lease payment (i.e. the consideration paid or payable) is substantially equal to the fair value of the land.

- (ii) New and Revised FRSs, IC Interpretations and Amendments issued but are not yet effective and not adopted early for the Group's current period.

The Group has not adopted the following new and revised FRSs, IC Interpretations and Amendments because they are not yet effective for the current financial year ending 31 October 2010:

- (a) FRS 3 (revised), Business Combination.
- (b) FRS 137 (revised), Consolidated and Separate Financial Statements.
- (c) Amendments to FRS 2, FRS 5, FRS 138, FRS 139

The Group will adopt these Standards, if relevant to the Group's operation, beginning on 1 November 2010.

A2. Seasonal or cyclical of Interim operations

The Group's business operations were not affected by any seasonal or cyclical factors.

A3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There are no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during for the current quarter ended 31 October 2010.

A4. Material changes in estimates

There were no changes in the nature and amount of changes in estimates of amounts reported in the immediate preceding quarter or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

A5. Capital management, issuances, repurchase, and repayment of debts and equity instruments

The Group's objective of managing capital are to safeguard the Group's ability to continue in operations as going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal 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.

The Group's strategy is to maintain a maximum gearing ratio of 50%. The ratio is calculated as the total liabilities to total equity. Total equity includes non-controlling interests.

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

As At	31-Oct-10 RM '000	31-Oct-09 RM '000	Changes RM '000
Total liabilities	12,469	7,637	4,832
Total equity	51,207	49,998	1,209
Total capital	63,676	57,635	6,041
Gearing Ratio	24.4%	15.3%	9.1%

The increase in the gearing ratio in the current quarter mainly arises from additional term loan drawdown from refinancing of a subsidiary's property and increase in trade payable.

There were no shares issued, shares cancellation, resale of treasury shares and repayments of debts and equity securities during the current quarter.

On 28 March 2007, approval has been obtained from the shareholders for the Company to buy-back its own shares. The authority granted by the shareholders was subsequently renewed in the recent Annual General Meeting held on 28 April 2010. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy-back scheme can be applied in the best interest of the Company and its shareholders.

No ordinary shares were repurchased during the quarter under review. Since the inception of the scheme, a total of 2,963,560 ordinary shares (after a share dividend distributed in May 2009) were repurchased from the open market for a total consideration of RM2,484,860 at an average price of RM0.84 per share and held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The share buy-back transactions were wholly financed by internally generated fund.

A6. Dividends paid

A first and final tax exempted dividend of 1.0 sen per ordinary share of RM1.00 each in respect of financial year ended 31 October 2009 has been paid on 20 May 2010.

A7. Operating segment information

In the prior year's audited consolidated financial statements, the basis of segmentation was on a primary format of business segments and a secondary format of geographical segment. For the year ended 31 October 2010, the basis of segmentation has been changed to operating segments based on information reported internally to the Managing Director and the Board of Directors. In the prior financial year, the Group has three reportable segments: Manufacturing and trading, property investment and investment holding. With the adoption of FRS 8, *Operating Segments*, the investment holding segment has been removed in the year ended 31 October 2010.

Segment information for the year ended 31 October 2010	Manufacturing & Trading	Property Investment	Total
	<i>RM '000</i>	<i>RM '000</i>	<i>RM '000</i>
Revenue from external customer	21,925	1,533	23,458
Intersegment revenue	-	-	-
Reportable segment profit / (loss)	(444)	938	494

Reconciliation of profit or loss	<i>RM '000</i>
Total profit for reportable segments	494
Investment income	8
Unallocated amounts:-	
Corporate expenses	(101)
Other non-reportable segments	(14)
Group's profit before income tax expense	387

A8. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statement for the interim period.

A9. Effects of changes in composition of the Group

There were no changes to the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A10. Changes in contingent liabilities and contingent assets since the date of statement of financial position of prior audited financial statement

Save as disclosed below, the Company is not aware of any contingent liabilities or contingent assets as at 31 October 2010:-

Contingent liabilities for corporate guarantee given by the Company to financial institutions for credit facilities granted to subsidiary companies.

	<i>RM '000</i>
Total contingent liabilities	5,750

A11. Capital Commitment

There were no capital commitments not provided for in the financial statement as at 31 October 2010.

**Part B-Explanatory Notes Pursuant to BURSA MALAYSIA SECURITIES BERHAD,
Chapter 9 of the Listing Requirement, Part A of Appendix 9B**

B1. Performance review for the current quarter and financial year-to-date

For the fourth quarter ended 31 October 2010, the group achieved a pretax profit of RM0.220 million compared to pretax profit of RM0.841 million recorded in the previous corresponding quarter. The lower profitability was attributed to a lower gross profit margin from 30.1% to 16.2% despite operating expenses decreased by 9.8% or RM0.148 million.

For the financial year ended 31 October 2010, the group pretax profit when compared to a year earlier improved to RM0.387 million from a pretax profit of RM0.068 million. The improvement was due to revenue increased to RM23.458 million from RM19.338 million or 21.3%

B2. Comment on any material change in the profit before taxation as compared with immediate preceding quarter.

For the fourth quarter ended 31 October 2010, the group pretax profit when compared to immediate preceding quarter lowered to RM0.220 million from a pretax profit of RM0.761 million, caused by gross profit margin dropped to 16.2% from 30.4% despite other income increased by 65.3% or RM0.196 million.

B3. Current year's prospect

Barring any unforeseen circumstances, the Directors envisage to maintain current performance for the next quarter of the next financial year.

B4. Variance of actual profit from forecast profit

There were no profits forecast and profit guarantee issued by the Company for the quarter under review.

B5. Taxation

	Current Quarter RM '000	Cumulative Quarters RM '000
Current Year	123	256
Prior Year	4	(153)
Deferred Taxation	(1,172)	(1,164)
Tax expense *	<u>(1,045)</u>	<u>(1,061)</u>
* Effective tax rate	-137.3%	-635.3%

The effective tax rate for quarter and year ended 31 October 2010 were lower than the statutory tax rate of 25% mainly due to the refund of tax from Inland Revenue Board received by one of the subsidiaries in respect of prior year and the reversal of deferred tax liability.

B6. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the current quarter and financial year to date.

B7. Purchase or disposal of quoted securities

As at 31 October 2010, the investments in quoted securities are as follow:-

Cost	Carrying Value	Market Value
<i>RM '000</i>	<i>RM '000</i>	<i>RM '000</i>
893	838	838

B8. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 October 2010.

B9. Group borrowings and debt securities

The group's borrowings as at 31 October 2010 are as follow:-

<i>RM '000</i>	Secured	Unsecured	Total
Short term	619	-	619
Long term	5,294	-	5,294
Total	5,913	-	5,913

All borrowings are denominated in local currency.

There was no debt securities issued as at 31 October 2010.

B10. Derivative financial instruments

[New note requested by Bursa via directive dated 25 March 2010]

With the early adoption of FRS 139, financial derivatives are recognized on their respective contract dates. The related accounting policies are disclosed in Note A1.

As at the date of statement of financial position, the Group has no outstanding derivative financial instruments.

B11. Gains and losses arising from fair value changes of financial liabilities

[New note requested by Bursa via directive dated 25 March 2010]

There were no gains or losses recognized for changes in the fair values of financial liabilities measured at fair value through profit or loss for current and cumulative quarters.

B12. Changes in material litigation

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

B13. Dividends

The Board of Directors proposed a First and Final Dividend of 1.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2010. The proposed dividend is subject to the approval of the shareholders at the annual general meeting to be held on a date which shall be announced later.

B14. Earnings per share

a. Basic

The calculation of the basic earnings per share is based on the Group's net profit attributable to the equity holders divided by the weighted average number of ordinary shares of RM1.00 each in issue during the year excluding the weighted average treasury shares held by the Company.

	Current Quarter	Cumulative Quarters
Net profit / (loss) attributable to equity holders of the Company (RM '000)	1,428	1,691
Weighted average number of ordinary shares ('000)	37,649	37,649
Basic earnings per share (sen)	3.79	4.49

b. Diluted

Not applicable

B15. Audit report qualification and status of matters raised

The audit report of the Group's annual financial statements for the financial year ended 31 October 2009 did not contain any qualification.

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary
Kuala Lumpur