



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

The Directors have pleasure in announcing the following:-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended	(Restated) Comparative Quarter Ended	12 months Cumulative To Date	12 months Cumulative To Date
NOTE	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Revenue	38,639	36,114	155,111	122,439
Cost of sales	(32,552)	(27,744)	(131,408)	(102,596)
Gross profit	6,087	8,370	23,703	19,843
Other operating income	3,551	1,086	4,752	2,346
Selling and distribution expenses	(1,057)	(901)	(5,644)	(3,711)
Administration expenses	(2,901)	(3,881)	(9,056)	(8,866)
Other operating expenses	(72)	(2,748)	(72)	(3,500)
Operating profit	5,608	1,926	13,683	6,112
Finance cost	(2)	(22)	(248)	(57)
Share of profit of an associate	206	238	761	775
Profit before tax	5,812	2,142	14,196	6,830
Taxation	(531)	(1,083)	(1,769)	(1,406)
Profit for the period	5,281	1,059	12,427	5,424
Other comprehensive income:				
Exchange differences on translation of foreign operations	710	6	(491)	753
Total comprehensive income for the period	5,991	1,065	11,936	6,177
Profit for the period attributable to:				
Equity holders of the Company	5,281	1,059	12,427	5,424
Total comprehensive income attributable to:				
Equity holders of the Company	5,991	1,065	11,936	6,177
Earnings per share attributable to equity holders of the Company:				
(a) Basic (Sen)	13.43	2.59	31.00	13.24
Weighted average number of ordinary shares in issue ('000)	39,331	40,911	40,085	40,955
(b) Fully Diluted (Sen)	N/A	N/A	N/A	N/A
Weighted average number of ordinary shares in issue ('000)	N/A	N/A	N/A	N/A

N/A - not applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT END OF CURRENT QUARTER 31/12/2010 RM'000	Restated AS AT PRECEDING FINANCIAL YEAR END 31/12/2009 RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment	A9	47,997	35,946
Intangible assets		257	-
Investment in an associate		6,102	5,747
Other investments		314	-
		<u>54,670</u>	<u>41,693</u>
Current Assets			
Inventories		23,593	18,653
Trade receivables		38,392	31,802
Others-receivables, sundries & prepayments		6,346	6,259
Tax recoverable		278	199
Short term deposits		21,788	31,840
Cash and bank balances		7,994	4,978
		<u>98,391</u>	<u>93,731</u>
TOTAL ASSETS		<u>153,061</u>	<u>135,424</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	A6	40,957	40,957
Treasury shares		(3,976)	(213)
Share premium		7,162	7,162
Statutory reserve		1,248	838
Exchange reserve		2,358	2,849
Unappropriated profits		64,758	54,716
Total equity		<u>112,507</u>	<u>106,309</u>
Non-current liabilities			
Term loan		8,211	-
Retirement benefits		1,571	1,138
Deferred taxation		912	1,013
		<u>10,694</u>	<u>2,151</u>
Current Liabilities			
Trade payables		24,041	18,100
Other payables		4,786	6,418
Amount due to an associate		317	250
Short term borrowings	B9	64	1,889
Provision for taxation		652	307
Dividend payable		-	-
		<u>29,860</u>	<u>26,964</u>
Total liabilities		<u>40,554</u>	<u>29,115</u>
TOTAL EQUITY AND LIABILITIES		<u>153,061</u>	<u>135,424</u>
Net assets per share attributable to equity holders of the parent (RM)			
		<u>2.91</u>	<u>2.60</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →				→ Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Statutory Reserve RM'000	Exchange Translation Reserve RM'000	Unappropriated Profits RM'000	
12 months ended 31/12/2010							
Balance at 1 January 2010	40,957	7,162	(213)	838	2,849	54,735	106,328
Effect arising from adoption of FRS 139	-	-	-	-	-	(19)	(19)
Balance at 1 January 2010, as restated	40,957	7,162	(213)	838	2,849	54,716	106,309
Shares repurchased	-	-	(3,763)	-	-	-	(3,763)
Appropriation to statutory reserve	-	-	-	410	-	(410)	-
Total comprehensive income for the period	-	-	-	-	(491)	12,427	11,936
Dividend paid	-	-	-	-	-	(1,975)	(1,975)
Balance at 31 December 2010	40,957	7,162	(3,976)	1,248	2,358	64,758	112,507
Restated							
12 months ended 31/12/2009							
Balance at 1 January 2009	40,957	7,162	-	838	2,096	52,158	103,211
Shares repurchased	-	-	(213)	-	-	-	(213)
Appropriation for statutory reserve	-	-	-	-	753	-	753
Total comprehensive income for the period	-	-	-	-	-	5,424	5,424
Dividend paid	-	-	-	-	-	(2,866)	(2,866)
Balance at 31 December 2009	40,957	7,162	(213)	838	2,849	54,716	106,309

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



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The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months Ended 31/12/2010 RM'000	Restated 12 months Ended 31/12/2009 RM'000
Net profit before tax	14,196	6,830
Adjustment for non-cash flow:-		
Non-cash items	6,982	6,398
Non-operating items (which are investing /financing)	(745)	2,629
Operating profit before changes in working capital	<u>20,433</u>	<u>15,857</u>
Changes in working capital		
- Net change in current assets	(12,057)	(8,812)
- Net change in current liabilities	2,568	(187)
Net cash flow from operating activities	<u>10,944</u>	<u>6,858</u>
Investing activities		
- Dividend received	57	96
- Other investments	(18,107)	(3,901)
	<u>(18,050)</u>	<u>(3,805)</u>
Financing activities		
- Dividend paid	(1,975)	(2,866)
- Shares repurchased	(3,763)	(213)
- Bank borrowings	6,994	304
	<u>1,256</u>	<u>(2,775)</u>
Net change in cash and cash equivalents	(5,850)	278
Currency translation differences	(578)	197
Cash and cash equivalents at beginning of year	36,146	35,671
Cash and cash equivalents at end of period	<u><u>29,718</u></u>	<u><u>36,146</u></u>
Cash and cash equivalents comprise:-		
- Bank overdraft	(64)	(672)
- Short term deposits	21,788	31,840
- Short term money market funds	6	3,226
- Cash and bank balances	7,988	1,752
	<u><u>29,718</u></u>	<u><u>36,146</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

A. NOTES TO THE INTERIM FINANCIAL STATEMENTS ON CONSOLIDATED RESULTS

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since year ended 31 December 2009.

A2. Significant Accounting Policies

Save as disclosed below, all significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those applied in the audited financial statements for the financial year ended 31 December 2009.

The Group has adopted the following new and revised Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and amendments to FRSs which are relevant to the Group's operations with effect from 1 January 2010:

FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
FRS 139	Financial Instruments : Recognition and Measurement
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates or Errors
Amendment to FRS 110	Events After the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 118	Revenue
Amendment to FRS 123	Borrowing Costs
Amendments to FRS 132	Financial Instruments : Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
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

The adoption of the new and revised FRSs and IC Interpretations and amendments to FRSs has resulted in changes of certain accounting policies and classification adopted by the Group as well as presentation of financial statements as described hereunder:-

(a) FRS 101, Presentation of Financial Statements (Revised)

Prior to 1 January 2010, the components of a set of financial statements consisted of a balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

Upon the adoption of the revised FRS 101, a set of financial statements shall now comprise a statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in the statement of comprehensive income as components in other comprehensive income.



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

A2. Significant Accounting Policies (Cont'd)

(a) FRS 101, Presentation of Financial Statements (Revised) (Cont'd)

The comparative financial information on the consolidated statement of comprehensive income have been re-presented as summarised below so that it is in conformity with the revised standard:

	Consolidated Income Statement As previously reported RM'000	Effects of adoption of FRS 101 RM'000	Consolidated Statement of Comprehensive Income As restated RM'000
Profit for the period	5,443	(19)	5,424
Other comprehensive income			
Exchange gain on translation of foreign operations	-	753	753
Total comprehensive income	<u>5,443</u>	<u>734</u>	<u>6,177</u>

(b) FRS 139, Financial Instruments : Recognition and Measurement

The adoption of FRS 139 has resulted in financial instruments of the Group to be categorised and measured using the accounting policies summarised below:

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at its fair value. In the case of a financial instrument not categorised as fair value through profit or loss, the financial instrument is initially recognised at its fair value plus transaction costs that are directly attributable to acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. In the event that the embedded derivative is recognised separately, the host contract is accounted for in accordance with the policy applicable to the nature of the host contract.

(ii) Financial assets

Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading including derivatives, unless they are designated as hedges. Financial assets at fair value through profit or loss are subsequently measured at fair value with gain or loss recognised in profit or loss. This category of financial assets is classified as current assets.

Loans and receivables

Loans and receivables category comprises trade and other receivables and cash and cash equivalents. Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method. This category of financial assets is classified as current assets unless the maturities are greater than twelve months in which case they are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are not held for trading. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other available-for-sale financial assets are subsequently measured at fair value with gain or loss recognised in other comprehensive income.



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

A2. Significant Accounting Policies (Cont'd)

(b) FRS 139, Financial Instruments : Recognition and Measurement (Cont'd)

(iii) Financial liabilities

Financial liabilities of the Group comprise trade and other payables and borrowings and derivative financial liabilities. All financial liabilities are subsequently measured at amortised cost using effective interest method other than derivative financial liabilities which are categorised as fair value through profit or loss. Derivative financial liabilities are subsequently measured at fair value with the gain or loss recognised in profit or loss.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Company has provided various financial guarantees to banks for the guarantee of credit facilities granted to its various subsidiaries. The Company monitors the performance of its subsidiaries closely to ensure they meet all their financial obligations. The fair value of the financial guarantee, at initial recognition, is measured by discounting the interest differential between the actual interest rate with the guarantee and the interest rate that would have been charged without the guarantee, at the subsidiary's current borrowing cost.

Following the adoption of FRS 139, the changes to accounting policies relating to recognition and measurement of the Group's financial instruments are as follows:

(i) Investments in non-current equity instruments

Prior to 1 January 2010, non-current investments in equity instruments were stated at cost less allowance for diminution in value which was other than temporary in nature.

With the adoption of FRS 139, such investments are now categorised as available-for-sale financial assets and measured at fair value through profit or loss for quoted shares and debts instruments and at cost for unquoted shares.

(ii) Derivative financial instruments

Prior to 1 January 2010, outstanding financial derivatives contracts were off balance sheet items with gains and losses recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now required to be initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Derivatives are classified as fair value through profit and loss with any gains or losses arising from changes in fair value of these derivatives being recognised in the income statement.

FRS 139 has been applied prospectively in accordance with the transitional provisions of the standard. In accordance to the transitional provisions for first-time adoption of FRS 139, adjustments arising from re-measuring the financial instruments as at 1 January 2010 were recognised as adjustments of the opening balance of retained profits or other appropriate reserves. Comparatives are not adjusted.

Since FRS 139 is applied prospectively, its adoption does not affect the profit or loss for the preceding year corresponding quarter ended 31 December 2009.



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

A2. Significant Accounting Policies (Cont'd)

(b) FRS 139, Financial Instruments : Recognition and Measurement (Cont'd)

The effects on adoption of FRS 139 on the opening reserves of the Group and other items of the consolidated statement of financial position as at 1 January 2010 are as follows:

	Balance as at 1 January 2010 before the adoption of FRS 139 RM'000	Effects of adoption of FRS 101 RM'000	Balance as at 1 January 2010 after the adoption of FRS 139 RM'000
Trade receivables	31,826	(24)	31,802
Retained profits	54,735	(19)	54,716
Bank borrowings	1,894	(5)	1,889

The effects on adoption of FRS 139 on the current interim financial statements are as follows:

	Increase/ (Decrease) RM'000
Statement of financial position as at 31 December 2010	
Trade receivables	(183)
Retained profits	(194)
Bank borrowings	(11)
Statement of comprehensive income for the period ended 31 December 2010	
Profit for the period	(194)
Other comprehensive income	-
Total comprehensive income	(194)

The adoption of other new and revised FRSs, IC Interpretations and amendments to FRSs and IC Interpretations has no material financial impact on the current interim financial statements or on the consolidated financial statements of the previous financial year.

A3. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's most recent annual audited financial statement for the year ended 31 December 2009 was not qualified.

A4. Explanatory Comments about the Seasonality or Cyclicity of Operations

The Group's operation is not dependent on any seasonality or cyclicity of its operation.

A5. Unusual Items

There were no exceptional/extraordinary items affecting the assets, liabilities, equity, net income or cash flows for the current quarter and financial year-to-date ended 31 December 2010.

A6. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the interim period.



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

A7. Changes in Share Capital and Debt Securities

There were no issuances, cancellations, repurchases, resale and repayments of either debt or equity securities for the current quarter and financial year-to-date ended 31 December 2010 except for the buy back of its own 2,116,500 issued share capital from the open market as follows:-

	No. of shares purchased	Average price per share RM	Total consideration paid including transaction costs RM	Treasury shares No. of shares retained
Opening balance at 1.01.2010	172,000	1.23	213,361	172,000
January	19,500	1.26	24,703	19,500
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	159,500	1.40	225,307	159,500
June	468,500	1.66	783,418	468,500
July	489,200	1.82	895,456	489,200
August	128,400	1.82	235,075	128,400
September	17,500	1.80	31,730	17,500
October	51,100	1.74	89,660	51,100
November	115,000	1.73	200,234	115,000
December	667,800	1.90	1,277,131	667,800
Closing balance at 31.12.2010	2,288,500	1.73	3,976,075	2,288,500

The repurchased transaction was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance to the requirement of Section 67A of the Companies Act, 1965. As at 31 December 2010, the number of outstanding shares in issue and fully paid is 38,668,500 ordinary shares of RM1.00 each.

A8. Dividend Paid

The Company had paid the following dividend during the quarter and financial year-to-date ended 31 December 2010:

An interim tax exempt dividend of 5.0 sen per ordinary share in respect of financial year ended 31 December 2010, declared on 25 August 2010 and paid on 28 October 2010 (year ended 31 December 2009: the first and final tax exempt dividend of 5.0 sen per ordinary share in respect of financial year ended 31 December 2008, declared on 28 April 2009 and paid on 18 August 2009 and a tax exempt interim dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 December 2009, declared on 20 May 2009 and paid on 18 August 2009).	Current year-to-date RM'000
	<u>1,975</u>

A9. Segmental Reporting

The Group operates in a single industry segment and as such, no segment information in respect of analysis by activity has been provided. The analysis of Group operation by geographical location is as follows:-

	Cumulative Operating Revenue RM'000	Cumulative Profit/ (Loss) before taxation RM'000	Assets Employed RM'000
Malaysia	83,865	7,782	71,843
Thailand	60,210	5,697	61,121
India	11,036	(44)	13,995
Group's share of associated company result	N/A	761	6,102
	155,111	14,196	153,061

A10. Valuations of Property, Plant and Equipment

The Group did not carry out any valuation on its property, plant and equipment.



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A11. Material Events Subsequent to the End of the Period

No material event has arisen in the interval between the end of the current quarter and the date of this release to affect substantially the results of the Group and Company as at 17 February 2011, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

A12. Changes in the Composition of the Group

There were no changes to the composition of the Group since the last quarter.

A13. Commitments and Contingent Liabilities

The Group has entered into a number of agreements in the course of business. Details of the commitments and contingent liabilities as at 17 February 2011 (latest practicable date which is not earlier than 7 days from the date of issue of this interim report) are as follows:-

	Company RM'000	Group RM'000
Capital Commitments		
Authorised and contracted for	1,457	25,345
Authorised but not contracted for	<u>5,500</u>	<u>5,500</u>
Contingent Liabilities	<u>21,590</u> *	<u>-</u>

* The Company has issued the following guarantees for its subsidiary to secure banking facilities:-

- i. A corporate guarantee of THB134.0 million and USD2.0 million for its Thai subsidiary, Sunchirin Industry (Thailand) Ltd.
- ii. Two bank guarantees of USD0.28 million and USD0.26 million for its Indian sub-subsidiary, Sunchirin Autoparts India Pvt. Ltd.

B. ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

B1. Review of the Performance

The Group achieved revenue of RM38.64 million in the fourth quarter, an increase of 7% compared to RM36.11 million for the corresponding period last year. The Group recorded a higher profit before tax at RM5.81 million, an increase 171% compared to RM2.14 million for the corresponding period last year. During the review quarter, the Malaysian and Thai operations registered higher demand by 63% and 113% respectively while the Indian operation registered an increase in revenue by 41%.

For the 12 months ended 31 December 2010, the Group registered a revenue of RM155.11 million, an increase of 27% compared to RM122.44 million achieved in the same period in the preceding year. The Group recorded a profit before tax of RM14.20 million, increase by 108% compared to RM6.83 million achieved in the same period in the preceding year. The Company has accounted in the other operating income, an additional compensation of RM2.76 million from the successful appeal for compensation in respect of the compulsory land acquisition by the Government in 2007.

B2. Explanatory Comments on Any Material Change in the Profit Before Taxation for the Quarter Reported on as Compared with the Immediate Preceding Quarter.

The global economic recovery was less robust in the final quarter. The Group registered a slight decline in turnover of RM38.64 million compared to the RM39.80 million achieved in the preceding quarter. The Malaysian operation managed to maintain a similar revenue level while revenue for Thai operation declined by 8%. The revenue of the Indian operation increased by 9%. Profit before tax increased to RM5.81 million from RM2.71 million achieved previously. This included a compensation amount of RM2.76 million arising from our appeal in respect of the compulsory land acquisition made in 2007. The share of profit from the associated company in China increase to RM0.21 million compared to previous quarter.

B3. Prospects for the Current Financial Year 2011

The global economy is expected to experience slower growth for 2011. However, the Group is cautiously optimistic that the automotive industry in South Asia and the ASEAN region will continue to experience growth albeit at a lower rate compared to 2010. However, the rising prices of commodities and the prospect of higher interest rates may dampen outlook.

The Thai operation is proceeding with its expansion plan and a new plant is been constructed on the plot of land purchased last year. The new plant shall be completed towards the fourth quarter of 2011. Total investment for this expansion is in excess of RM30.00 million.

B4. Explanatory Notes for Variance of Actual Profit from Forecast Profit

There were no profits forecast or profit guarantee issued during the financial period to-date.



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

B5. Taxation

Taxation comprised the following:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Current year's taxation				
- Malaysian income tax - current	643	628	1,428	896
- Malaysian income tax - prior year	-	(4)	58	113
- Foreign income tax	(99)	57	384	267
- Transfer from Malaysian deferred taxation account	(92)	402	(179)	131
- Transfer from foreign deferred taxation account	78	-	78	-
	<u>530</u>	<u>1,083</u>	<u>1,769</u>	<u>1,407</u>

The effective tax rate of the Group after the transfer from deferred taxation account is lower than the statutory tax rate due to availability of reinvestment allowances. A local subsidiary, Sunchirin Corporation Sdn Bhd, had obtained the Operational Headquarters status with a 10 years tax waiver effective from 1 January 2006. The first 7 years tax exempt promotion privilege granted by the Board of Investment ("BOI"), Thailand to our Thai subsidiary on 5 June 2000 had expired on 4 June 2007. Provision for corporate tax of 30% was made for this project. The Thai subsidiary had obtained another 7 years tax exempt promotion privileges for its second qualifying project effective from 23 June 2004 until 22 June 2011 and also another 7 years tax exempt promotion privileges for its third qualifying project effective from 7 January 2008 to 6 January 2014. The Withholding tax of 15% was paid in Thailand in respect of interest and royalty income arising from the loans and technical assistance extended to the Thai subsidiary.

B6. Profits/(losses) on Sale of Unquoted Investment and/or Properties

There were no sales of unquoted investment and/or properties for the quarter ended 31 December 2010.

B7. Quoted Investments

- (a) There were no purchases or sales of quoted securities for the current quarter and financial year-to-date.
(b) There were no investments in quoted shares for the current quarter and financial year-to-date.

B8. Status of Corporate Proposals

There were no corporate proposals announced as at 17 February 2011 (latest practicable date which is not earlier than 7 days from the date of issue of this interim report).

B9. Group Borrowings

Total borrowings as at 31 December 2010 were as follows:-

	Company RM'000	Group RM'000	Included in the borrowings are amounts denominated in foreign currency FC '000
Bank borrowings (Unsecured):			
<u>Classified as current liabilities</u>			
Repayable within 12 months			
Bankers' Acceptances	-	-	N/A
Revolving credit	-	-	N/A
Overdraft	-	64	INR 925
Onshore Foreign Currency Loan	-	-	N/A
Term Loan	-	-	N/A
	<u>-</u>	<u>64</u>	
Bank borrowings (secured):			
<u>Classified as non-current liabilities</u>			
Term Loans			
- Repayable later than 1 year and not later than 2 years	-	996	THB 9,717
- Repayable later than 2 year and not later than 5 years	-	4,515	THB 44,049
- Repayable later than 5 years	-	2,700	THB 26,341
	<u>-</u>	<u>8,211</u>	
Total borrowings	<u>-</u>	<u>8,275</u>	



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

B10. Derivative Financial Instruments

The Group enters into short-term forward foreign exchange contracts to hedge its exposure to currency fluctuations affecting certain foreign currency denominated trade payables and receivables. The Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

There is no outstanding derivative financial instrument as at 17 February 2011, the latest practicable date which is not earlier than 7 days from the date of issue of this interim report.

There are no cash requirements on these contracts and the Group only uses forward foreign currency contracts as a hedging instrument on a certain portion of the Group's purchases from foreign exchange rate movement.

Forward foreign currency exchange contracts are recognised on the contract date and are measured at fair value at the end of reporting period and changes in fair value are recognised in profit or loss.

B11. Material Litigation

Saved as disclosed below, there was no material litigation as at 17 February 2011, the latest practicable date which is not earlier than 7 days from the date of issue of this interim report:-

The Company had previously reported that it had on 26 October, 2007, appealed against the compensation sum offered for the compulsory land acquisition of EMR7697, Lot 1290 Mukim of Klang, District of Klang, Selangor Darul Ehsan. Following the trial on 26 November 2010, the High Court of Shah Alam has on 26 November 2010 allowed the Company's objection to the market value and compensation and granted an order that the land acquired be valued at RM40.00 per square feet; thereby granting the Company an additional compensation of RM2,583,105.17 and additional cost of RM180,391.65 was awarded to the Company for costs incurred arising from the aborted land acquisition in 2005. The aborted land acquisition in 2005 was in respect of a partial acquisition whereas the acquisition in 2007 was in respect of the entire piece of land.

B12. Dividend

The dividend announced and paid in the current financial year-to-date was the interim tax exempt dividend of 5.0 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December, 2010. This dividend was declared on 25 August 2010 and paid on 28 October 2010.

The Board recommends a final tax exempt dividend of 3.0 sen and a special tax exempt dividend 7.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2010 for the approval of the shareholders at the forthcoming annual general meeting.

B13. Earnings Per Ordinary Share

	Current Quarter 2010	Year-To-Date 2010
Earnings		
Net profit/(loss) for the year (RM'000)	<u>5,281</u>	<u>12,427</u>
Weighted average number of shares		
(a) Basic		
Weighted average number of ordinary shares in issue ('000)	<u>39,331</u>	<u>40,085</u>
(b) Fully Diluted		
There is no diluted earnings per share as the Group has no dilutive potential ordinary share.		
Basic earnings/(loss) per share (sen)	<u>13.43</u>	<u>31.00</u>



Interim financial report for the fourth quarter ended 31 December 2010

The figures have not been audited.

B14. Disclosure of realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31/12/2010 RM'000	As at 30/9/2010 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	58,635	55,439
- Unrealised	3,271	2,126
	<u>61,906</u>	<u>57,565</u>
Total share of retained earnings from an associated company:		
- Realised	2,947	2,742
- Unrealised	-	-
	<u>64,853</u>	<u>60,307</u>
Less: Consolidation adjustments	(95)	(827)
Total Group retained earnings as per consolidated financial statements	<u>64,758</u>	<u>59,480</u>

By Order of the Board

Lim Kau Chia
Leong Oi Wah
Company Secretaries

Shah Alam
24 February 2011