PLASTRADE TECHNOLOGY BERHAD

(Incorporated in Malaysia)
Company No.: 591077-X

FINANCIAL STATEMENTS
for the financial year ended 31 December 2009

CONTENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Loss after tax for the financial year	(262,053)	(92,896)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the Statement of Changes in Equity.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the making of additional allowance for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are set out in Note 37 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

PUA KONG HOI
CHANG HING LING @ CHEUN POH KERN
CHOW KWAI FONG
TENG CHEE KUAN
WINSTON PAUL WONG CHI-HUANG

Pursuant to Article 101 of the Articles of Association of the Company, Pua Kong Hoi and Winston Paul Wong Chi-Huang will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Pursuant to Section 129(5) of the Companies Act 1965, Chow Kwai Fong retires at the forthcoming annual general meeting and offers himself for re-election.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	AT 1.1.2009	BOUGHT	SOLD	AT 31.12.2009
PUA KONG HOI	59,669,156	-	-	59,669,156
CHANG HING LING @ CHEUN POH KERN	4,798,487	-	-	4,798,487
TENG CHEE KUAN	2,844,816	-	-	2,844,816

By virtue of his interest in the Company, Pua Kong Hoi is deemed to have interests in shares in the subsidiaries to the extent of the Company's interest in accordance with Section 6A of the Companies Act 1965.

None of the other directors holding office at the end of the financial year had any interest in shares in the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Crowe Horwath (formerly known as Messrs. Horwath), have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 3 APRIL 2010

Pua Kong Hoi

Teng Chee Kuan

STATEMENT BY DIRECTORS

We, Pua Kong Hoi and Teng Chee Kuan, being two of the directors of Plastrade Technology Berhad, state that, in the opinion of the directors, the financial statements set out on pages 9 to 61 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company at 31 December 2009 and of its results and cash flows for the financial year ended on that date.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 3 APRIL 2010**

Pua Kong Hoi **Teng Chee Kuan**

STATUTORY DECLARATION

I, Pua Kong Hoi, I/C No.: 480605-10-5493, being the director primarily responsible for the financial management of Plastrade Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 61 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
Pua Kong Hoi, I/C No.: 480605-10-5493,
at Johor Bahru in the state of Johor
on this 3 April 2010

Before me **Pua Kong Hoi**
RUSLY B. MOHD. YUNUS P.I.S. (NO. J112)
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PLASTRADE TECHNOLOGY BERHAD
(Incorporated in Malaysia)
Company No.: 591077-X

Report on the Financial Statements

We have audited the financial statements of Plastrade Technology Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 61.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act;

(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and

(c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Wong Tak Mun
Approval No: 1793/09/10 (J)
Partner

Johor Bahru

3 April 2010

BALANCE SHEETS AT 31 DECEMBER 2009

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	9,749,998	9,749,998
Investment in an associate	7	5,780,573	4,744,335	4,215,390	4,215,390
Property, plant and equipment	8	19,908,123	22,277,104	-	-
Prepaid land lease	9	2,072,114	2,136,897	-	-
Goodwill on consolidation	10	1,792,432	1,792,432	-	-
		29,553,242	30,950,768	13,965,388	13,965,388
CURRENT ASSETS					
Inventories	11	11,135,657	10,443,684	-	-
Trade receivables	12	9,514,184	7,204,091	-	-
Other receivables, deposits and prepayments	13	285,285	231,770	140,219	2,000
Amount owing by related companies	14	-	-	6,450,415	6,740,414
Amount owing by related parties	15	1,087,860	780,271	-	-
Marketable securities	16	16,748	16,519	5,520	5,423
Tax recoverable		180,847	167,230	13,617	-
Fixed deposits with licensed banks	17	2,452,949	2,386,310	-	-
Cash and bank balances		2,529,258	2,173,189	8,179	17,952
		27,202,788	23,403,064	6,617,950	6,765,789
TOTAL ASSETS		56,756,030	54,353,832	20,583,338	20,731,177

BALANCE SHEETS AT 31 DECEMBER 2009 (CONT'D)

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	15,015,000	15,015,000	15,015,000	15,015,000
Share premium	19	6,222,172	6,222,172	6,222,172	6,222,172
Retained profits/ (Accumulated losses)		7,163,447	7,425,500	(713,754)	(620,858)
SHAREHOLDERS' EQUITY		28,400,619	28,662,672	20,523,418	20,616,314
NON-CURRENT LIABILITIES					
Long-term borrowings	20	846,127	2,349,090	-	-
Deferred tax liability	21	1,397,000	1,937,000	-	-
		2,243,127	4,286,090	-	-
CURRENT LIABILITIES					
Trade payables	22	3,749,459	3,236,922	-	-
Other payables and accruals	23	699,138	632,193	59,920	107,480
Provision for tax		69,458	104,178	-	7,383
Short-term borrowings	24	19,759,234	15,043,070	-	-
Bank overdrafts	27	1,834,995	2,388,707	-	-
		26,112,284	21,405,070	59,920	114,863
TOTAL LIABILITIES		28,355,411	25,691,160	59,920	114,863
TOTAL EQUITY AND LIABILITIES		56,756,030	54,353,832	20,583,338	20,731,177
Net assets per share (sen)	28	18.91	19.09		

PLASTRADE TECHNOLOGY BERHAD

(Incorporated in Malaysia)
Company No : 591077-X

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

		THE GROUP		THE COMPANY	
		2009	2008	2009	2008
	NOTE	RM	RM	RM	RM
REVENUE	29	42,085,305	50,513,862	120,000	240,000
COST OF SALES		(40,433,394)	(47,014,794)	-	-
GROSS PROFIT		1,651,911	3,499,068	120,000	240,000
OTHER INCOME		202,242	670,101	97	621
ADMINISTRATIVE AND GENERAL EXPENSES		(1,891,075)	(2,073,225)	(200,734)	(275,859)
SELLING AND DISTRIBUTION EXPENSES		(683,430)	(741,598)	-	-
FINANCE COSTS		(921,670)	(1,463,602)	-	-
SHARE OF PROFIT OF AN ASSOCIATE		1,036,238	528,945	-	-
(LOSS)/PROFIT BEFORE TAX	30	(605,784)	419,689	(80,637)	(35,238)
TAX INCOME/ (EXPENSE)	32	343,731	83,782	(12,259)	(34,652)
(LOSS)/PROFIT AFTER TAX		(262,053)	503,471	(92,896)	(69,890)
ATTRIBUTABLE TO:-					
Equity holders of the Company		(262,053)	503,471	(92,896)	(69,890)
(LOSS)/EARNINGS PER SHARE					
- BASIC (SEN)	33	(0.17)	0.35		
- DILUTED (SEN)	33	(0.17)	0.35		

PLASTRADE TECHNOLOGY BERHAD

(Incorporated in Malaysia)
Company No : 591077-X

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

THE GROUP	SHARE CAPITAL RM	NON DISTRIBUTABLE RESERVE SHARE PREMIUM RM	DISTRIBUTABLE RESERVE RETAINED PROFITS RM	TOTAL RM
Balance at 1.1.2008	14,300,000	6,319,663	6,922,029	27,541,692
Allotment during the financial year	715,000	-	-	715,000
Share issuance expenses	-	(97,491)	-	(97,491)
Profit after tax for the financial year	-	-	503,471	503,471
Balance at 31.12.2008/ 1.1.2009	15,015,000	6,222,172	7,425,500	28,662,672
Loss after tax for the financial year	-	-	(262,053)	(262,053)
Balance at 31.12.2009	15,015,000	6,222,172	7,163,447	28,400,619

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONT'D)

		NON DISTRIBUTABLE RESERVE	DISTRIBUTABLE RESERVE	
THE COMPANY	SHARE CAPITAL RM	SHARE PREMIUM RM	ACCUMULATED LOSSES RM	TOTAL RM
Balance at 1.1.2008	14,300,000	6,319,663	(550,968)	20,068,695
Allotment during the financial year	715,000	-	-	715,000
Share issuance expenses	-	(97,491)	-	(97,491)
Loss after tax for the financial year	-	-	(69,890)	(69,890)
Balance at 31.12.2008/ 1.1.2009	15,015,000	6,222,172	(620,858)	20,616,314
Loss after tax for the financial year	-	-	(92,896)	(92,896)
Balance at 31.12.2009	15,015,000	6,222,172	(713,754)	20,523,418

PLASTRADE TECHNOLOGY BERHAD

(Incorporated in Malaysia)
Company No.: 591077-X

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(605,784)	419,689	(80,637)	(35,238)
Adjustments for:-				
Amortisation of prepaid land lease	64,783	64,783	-	-
Depreciation of property, plant and equipment	2,744,378	2,709,368	-	-
Interest expense	826,556	1,342,368	-	-
Interest income	(63,838)	(74,768)	(97)	(621)
Reversal of allowance for doubtful debts	(776)	(500)	-	-
Share of profit of an associate	(1,036,238)	(528,945)	-	-
Operating profit/(loss) before working capital changes	1,929,081	3,931,995	(80,734)	(35,859)
(Increase)/Decrease in inventories	(691,973)	2,600,467	-	-
(Increase)/Decrease in trade and other receivables	(2,362,832)	5,835,357	(138,219)	60,965
(Increase)/Decrease in amount owing by related parties/companies	(307,589)	(497,613)	289,999	3,628,918
Increase/(Decrease) in trade and other payables	579,482	(4,716,867)	(47,560)	(8,803)
Decrease in amount owing to a related party	-	(217,917)	-	-
CASH (FOR)/FROM OPERATIONS	(853,831)	6,935,422	23,486	3,645,221
Interest paid	(826,556)	(1,342,368)	-	-
Net tax paid	(244,606)	(105,213)	(33,259)	(36,648)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(1,924,993)	5,487,841	(9,773)	3,608,573

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (CONT'D)

	NOTE	THE GROUP 2009 RM	THE GROUP 2008 RM	THE COMPANY 2009 RM	THE COMPANY 2008 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Interest received		63,609	74,363	-	484
Investment in an associate		-	(4,215,390)	-	(4,215,390)
Purchase of plant and equipment	34	(375,397)	(595,401)	-	-
NET CASH FOR INVESTING ACTIVITIES		(311,788)	(4,736,428)	-	(4,214,906)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Net drawdown of bankers' acceptances		4,687,266	5,991,395	-	-
Net drawdown/(repayment) of trust receipts		8,775	(9,573,597)	-	-
Proceeds from issuance of shares		-	715,000	-	715,000
Repayment of hire purchase payables		(562,063)	(480,116)	-	-
Repayment of term loans		(920,777)	(847,344)	-	-
Payment of share issuance expenses		-	(97,491)	-	(97,491)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		3,213,201	(4,292,153)	-	617,509
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		976,420	(3,540,740)	(9,773)	11,176
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		2,170,792	5,711,532	17,952	6,776
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35	3,147,212	2,170,792	8,179	17,952

1. GENERAL INFORMATION

The Company is incorporated as a public company limited by shares under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	101-A, Jalan Sutera Taman Sentosa 80150 Johor Bahru Johor
Principal place of business	:	PLO 264, Jalan Firma 3 Tebrau Industrial Estate IV 81100 Johor Bahru Johor

The financial statements were authorised for issue by the board of directors in accordance with a resolution of the directors dated 3 April 2010.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia.

Foreign currency risk is closely monitored and kept at an acceptable level.

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group obtains financing through bank borrowings. Its policy is to obtain the most favourable interest rates available.

Information relating to the Group's borrowings are disclosed in their respective notes.

(iii) Price Risk

The Group's does not have significant quoted investment and hence exposure to price risk is minimal.

(b) Credit Risk

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised by monitoring receivables regularly and by mostly trading with creditworthy customers.

The carrying amounts of trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

(c) Liquidity and Cash Flow Risks

The Group manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet estimated commitments arising from operational expenditure and financial liabilities. The Group also has an effective control of cash management to ensure that the Group can pay its operating expenses and targeted dividends to shareholders at appropriate times.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

4. BASIS OF PREPARATION (CONT'D)

The Group and the Company have not applied in advance the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

FRSs/IC Interpretations	**Effective date**
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011

4. BASIS OF PREPARATION (CONT'D)

FRSs/IC Interpretations (Cont'd)	**Effective date**
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 January 2010/ 1 March 2010
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	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
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Annual Improvements to FRSs (2009)	1 January 2010

The above FRSs, IC Interpretations and amendments are not relevant to the Group and the Company's operations except as follows:

Revised FRS 3 (2010)
The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

4. BASIS OF PREPARATION (CONT'D)

FRS 7, Revised FRS 139 (2010) and subsequent Amendments
The possible impacts of FRS 7 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

Revised FRS 8
FRS 8 replaces FRS 114_{2004} Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

Revised FRS 101 (2009)
The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial 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 of the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of the Group's financial statements in the next financial year.

Revised FRS 123 (2009)
The revised FRS 123 (2009) removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional provision, the Group will apply this revised standard to borrowing costs related to qualifying assets for which the commencement date of capitalisation is on or after 1 January 2010. This change in accounting policy will not have any financial impact on the financial statements for the current financial year but may impact the accounting for future transactions or arrangements.

Revised FRS 127 (2010)
The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

4. BASIS OF PREPARATION (CONT'D)

Amendments to FRS 1 to FRS 127
Amendments to FRS 1 and FRS 127 remove the definition of "cost method" currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 5
Amendments to FRS 5 requires assets and liabilities of a subsidiary to be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

Amendments to FRS 138
Amendments to FRS 138 clarify the requirements under the revised FRS 3 (2010) regarding accounting for intangible assets acquired in a business combination. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

IC Interpretation 10
IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

4. BASIS OF PREPARATION (CONT'D)

Amendments to IC Interpretation 9
Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

Annual Improvements 2009
Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for leasehold land where in substance a finance lease will be reclassified from 'prepaid lease payments' to 'property, plant and equipment' and measured as such retrospectively.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, incomes and expenses are discussed below.

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(i) Depreciation of Property, Plant and Equipment (Cont'd)

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the Group is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Allowance for Doubtful Debts of Receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer creditworthiness and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(v) Write down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require management to consider the future demand for the products, ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

(b) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The functional currency of each entity in the Group is the currency of the primary economic environment in which the entity operates.

The Group financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currency are measured in the respective functional currencies of the Group and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

(iii) Foreign Operations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
(ii) income and expenses for the income statement are translated at average exchange rates for the year; and
(iii) all resulting exchange differences are recognised as a separate component of equity, as a foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statements as part of the gain or loss on sale.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provision of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2009.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation (Cont'd)

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill on consolidation.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(e) Investments

(i) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are initially stated at cost in the balance sheet of the Company, and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries and associates, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Marketable Securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Market value is determined based on quoted market values. Increases or decreases in the carrying amount of these investments are recognised in the income statement. On disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the income statement.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Associates

An associate is an entity in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in associate in the consolidated financial statements is accounted for under the equity method, based on the financial statements of the associate made up to 31 December 2009. The Group's share of the post acquisition profits of the associate is included in the consolidated income statement and the Group's interest in associate is stated at cost plus the Group's share of the post-acquisition retained profits and reserves.

Unrealised gains or transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

(g) Goodwill on Consolidation

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(h) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property, Plant and Equipment (Cont'd)

Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2% or over the remaining lease period
Plant and machinery	10% - 20%
Furniture, fittings and office equipment	10% - 40%
Renovation and electrical installation	10%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

(i) Impairment of Assets

The carrying amounts of assets, other than financial assets, goodwill on consolidation, and inventories are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and its value-in-use, which is measured by reference to discounted future cash flow. An impairment loss is charged to the income statements immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statements immediately.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Assets Acquired under Hire Purchase

Plant and equipment acquired under hire purchase are capitalised in the financial statements.

Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective hire purchase agreements.

Plant and equipment acquired under hire purchase are depreciated over the useful lives of the assets.

(k) Prepaid Land Lease

The prepaid land lease payments comprise the up-front payments made for the leasehold interest in land and are amortised on a straight line basis over the lease terms.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the cost of materials and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods includes the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

(m) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(n) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination cost or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the business combination cost. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Interest-Bearing Borrowings

The interest-bearing bank borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(q) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(r) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Segmental Information

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property, plant and equipment (net of accumulated depreciation, where applicable), other investments, inventories, receivables, and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions.

Segment revenue, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(u) Related Parties

A party is related to an entity if:-

(a) directly, or indirectly through one or more intermediaries, the party:-
  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the entity that gives it significant influence over the entity; or
  (iii) has joint control over the entity;
(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venturer;
(d) the party is a member of the key management personnel of the entity or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

(w) Revenue Recognition

(i) Sales of Goods

Revenue is recognised upon the transfer of risks and rewards of ownership of goods and net of returns and trade discounts.

(ii) Interest income

Interest income is recognised on an accrual basis.

(iii) Management Income

Management fee is recognised on an accrual basis

(iv) Rental Income

Rental income is recognised on an accrual basis.

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2009	2008
	RM	RM
Unquoted shares, at cost	9,749,998	9,749,998

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Proportion of Ownership Interest 2009 %	2008 %	Principal Activities
MHT Manufacturing Sdn. Bhd. *	Malaysia	100	100	Manufacturing of polyethylene compound for wire and cable insulation and jacketing.
Plascable Polymer Sdn. Bhd. *	Malaysia	100	100	Compounding of plastic master batches, polymer additives, plastic compounds and composites.

* Audited by Crowe Horwath

7. INVESTMENT IN AN ASSOCIATE

	THE GROUP 2009 RM	THE GROUP 2008 RM	THE COMPANY 2009 RM	THE COMPANY 2008 RM
Unquoted shares, at cost	4,215,390	4,215,390	4,215,390	4,215,390
Group's share of post acquisition reserves	1,565,183	528,945	-	-
	5,780,573	4,744,335	4,215,390	4,215,390

Represented by:-

	THE GROUP 2009 RM	THE GROUP 2008 RM
Share of net tangible assets	5,780,573	4,744,335

7. INVESTMENT IN AN ASSOCIATE (CONT'D)

Details of the associate is as follows:

Name of Company	**Country of Incorporation**	**Effective Equity Interest** 2009 %	2008 %	**Principal Activities**
Shanghai Quasar Polymer Technology Co. Ltd.*	The People's Republic of China	25	25	Manufacturing and trading of cross linkable polyethylene compounds, polyethylene compounds and related product.

* Audited by Ing Wang & Co.

8. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	At 1.1.2009 RM	Additions RM	Depreciation Charge RM	At 31.12.2009 RM
Net book value				
Freehold land	700,000	-	-	700,000
Buildings	6,787,107	57,534	(188,900)	6,655,741
Plant and machinery	14,565,137	260,520	(2,499,767)	12,325,890
Furniture, fittings and office equipment	195,398	3,788	(44,323)	154,863
Renovation and electrical installation	29,462	53,555	(11,388)	71,629
	22,277,104	375,397	(2,744,378)	19,908,123

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	At 1.1.2008 RM	Additions RM	Depreciation Charge RM	At 31.12.2008 RM
Net book value				
Freehold land	700,000	-	-	700,000
Buildings	6,929,948	44,351	(187,192)	6,787,107
Plant and machinery	16,019,565	1,008,239	(2,462,667)	14,565,137
Furniture, fittings and office equipment	229,043	16,939	(50,584)	195,398
Renovation and electrical installation	38,387	-	(8,925)	29,462
	23,916,943	1,069,529	(2,709,368)	22,277,104

THE GROUP At 31.12.2009	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Freehold land	700,000	-	700,000
Buildings	7,922,074	(1,266,333)	6,655,741
Plant and machinery	25,124,683	(12,798,793)	12,325,890
Furniture, fittings and office equipment	398,340	(243,477)	154,863
Renovation and electrical installation	188,930	(117,301)	71,629
	34,334,027	(14,425,904)	19,908,123

THE GROUP At 31.12.2008	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
Freehold land	700,000	-	700,000
Buildings	7,864,540	(1,077,433)	6,787,107
Plant and machinery	24,864,163	(10,299,026)	14,565,137
Furniture, fittings and office equipment	394,552	(199,154)	195,398
Renovation and electrical installation	135,375	(105,913)	29,462
	33,958,630	(11,681,526)	22,277,104

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Plant and machinery of the Group acquired under hire purchase terms was carried at net book value of RM 1,654,256 (2008: RM 1,949,052) at the balance sheet date.

The net book value of property, plant and equipment pledged as securities for banking facilities granted to the Group as disclosed in Note 24 and 26 are as follows:-

	THE GROUP	
	2009	2008
	RM	RM
Freehold land	700,000	700,000
Buildings	6,655,741	6,787,107
	7,355,741	7,487,107

9. PREPAID LAND LEASE

	THE GROUP	
	2009	2008
	RM	RM
Balance at 1 January	2,136,897	2,201,680
Amortisation for the year	(64,783)	(64,783)
Balance at 31 December	2,072,114	2,136,897
Analysed as :		
Long term leasehold land	2,072,114	2,136,897

Leasehold land are pledged to financial institutions as security for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

10. GOODWILL ON CONSOLIDATION

	THE GROUP 2009 RM	2008 RM
At cost and net carrying amount		
At 1 January/31 December	1,792,432	1,792,432

Impairment tests for goodwill

Key assumptions used in value-in-use calculations

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations using discounted cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period and the discount rate applied to the cash flow projections is 6.70%.

11. INVENTORIES

	THE GROUP 2009 RM	2008 RM
At cost:-		
Raw materials	6,965,377	6,525,496
Finished goods	3,704,019	3,918,188
	10,669,396	10,443,684
At net realisable value:-		
Raw materials	162,924	-
Finished goods	303,337	-
	466,261	-
	11,135,657	10,443,684

12. TRADE RECEIVABLES

	THE GROUP 2009 RM	THE GROUP 2008 RM
Trade receivables	9,804,989	7,495,672
Less : Allowance for doubtful debts	(290,805)	(291,581)
	9,514,184	7,204,091

The Group's normal trade credit terms range from 30 to 60 days (2008: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

The foreign currency exposure profile of trade receivables is as follows:-

	THE GROUP 2009 RM	THE GROUP 2008 RM
Euro	180,660	-
Singapore Dollar	34,838	450,919
United States Dollar	952,991	1,107,968

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP 2009 RM	THE GROUP 2008 RM	THE COMPANY 2009 RM	THE COMPANY 2008 RM
Other receivables	7,093	12,624	-	-
Deposits	9,950	17,690	-	-
Prepayments	268,242	201,456	140,219	2,000
	285,285	231,770	140,219	2,000

14. AMOUNT OWING BY RELATED COMPANIES

	THE COMPANY	
	2009	2008
	RM	RM
Trade related balances		
Subsidiaries	1,320,000	1,200,000
	1,320,000	1,200,000
Non-trade related balances		
Subsidiaries	5,130,415	5,540,414
	5,130,415	5,540,414
	6,450,415	6,740,414

Amount owing by subsidiaries

The amount owing by subsidiaries represents trade in nature and advances which are unsecured, interest-free and repayable on demand.

15. AMOUNT OWING BY RELATED PARTIES

	THE GROUP	
	2009	2008
	RM	RM
Trade related balances		
Companies in which certain directors have interests	1,087,860	780,271
	1,087,860	780,271

16. MARKETABLE SECURITIES

	THE GROUP		THE COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Carrying amount/ market value	16,748	16,519	5,520	5,423

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits have been pledged with licensed banks as securities for banking facilities granted to the Company as disclosed in Note 24 to the financial statements.

The effective interest rate of fixed deposits at the balance sheet date range from 1.80% to 3.75% (2008: 2.47% to 3.75%). The fixed deposits have maturity period range from 31 to 365 days (2008: 60 to 365 days).

18. SHARE CAPITAL

	THE COMPANY			
	2009	2008	2009	2008
	Number of shares		RM	RM
ORDINARY SHARES OF RM0.10 EACH				
AUTHORISED	250,000,000	250,000,000	25,000,000	25,000,000
ISSUED AND FULLY PAID-UP				
At 1 January	150,150,000	143,000,000	15,015,000	14,300,000
Allotment during the financial year	-	7,150,000	-	715,000
At 31 December	150,150,000	150,150,000	15,015,000	15,015,000

19. SHARE PREMIUM

	THE GROUP AND THE COMPANY 2009 RM	2008 RM
Balance at 1 January	6,222,172	6,319,663
Share issuance expenses	-	(97,491)
Balance at 31 December	6,222,172	6,222,172

The share premium is not distributable by way of cash dividends and may be utilised in the manner as set out in Section 60 (3) of the Companies Act 1965.

20. LONG-TERM BORROWINGS

	THE GROUP 2009 RM	2008 RM
Hire purchase payables (Note 25)	206,285	752,435
Term loans (Note 26)	639,842	1,596,655
	846,127	2,349,090

21. DEFERRED TAX LIABILITY

	THE GROUP 2009 RM	2008 RM
Balance at 1 January	1,937,000	2,259,000
Recognised in the income statement (Note 32)	(540,000)	(322,000)
Balance at 31 December	1,397,000	1,937,000

21. DEFERRED TAX LIABILITY (CONT'D)

Deferred tax liability arises as a result of :

	THE GROUP 2009 RM	2008 RM
Deferred tax liability:-		
- An excess of carrying value over tax base	2,158,000	2,194,000
Gross deferred tax liability	2,158,000	2,194,000
Deferred tax asset:-		
- Unutilised capital allowances	(580,000)	(257,000)
- Unabsorbed business losses	(151,000)	-
- Others	(30,000)	-
Gross deferred tax asset	(761,000)	(257,000)
Net deferred tax liability	1,397,000	1,937,000

The components and movements of deferred tax liability and asset during the financial year are as follows:-

Deferred tax asset

	Unutilised capital allowances RM	Unabsorbed business losses RM	Others RM	Total RM
Balance at 1 January 2009	(257,000)	-	-	(257,000)
Recognised in income statement	(323,000)	(151,000)	(30,000)	(504,000)
Balance at 31 December 2009	(580,000)	(151,000)	(30,000)	(761,000)
Balance at 1 January 2008	-	-	-	-
Recognised in income statement	(257,000)	-	-	(257,000)
Balance at 31 December 2008	(257,000)	-	-	(257,000)

21. DEFERRED TAX LIABILITY (CONT'D)

Deferred tax liability

	Accelerated capital allowances RM	Total RM
Balance at 1 January 2009	2,194,000	2,194,000
Recognised in income statement	(36,000)	(36,000)
Balance at 31 December 2009	2,158,000	2,158,000
Balance at 1 January 2008	2,259,000	2,259,000
Recognised in income statement	(65,000)	(65,000)
Balance at 31 December 2008	2,194,000	2,194,000

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 days (2008: 60 to 90 days).

The foreign currency exposure profile of trade payables is as follows:-

	THE GROUP	
	2009 RM	2008 RM
United States Dollar	343,074	390,199

23. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM	RM	RM	RM
Other payables	444,490	368,325	2,920	9,480
Accrued expenses	195,301	200,530	57,000	98,000
Payroll liabilities	59,347	63,338	-	-
	699,138	632,193	59,920	107,480

The foreign currency exposure profile of other payables is as follows:-

	THE GROUP	
	2009	2008
	RM	RM
United States Dollar	42,323	51,089

24. SHORT-TERM BORROWINGS

	THE GROUP	
	2009	2008
	RM	RM
Bankers' acceptances	18,243,748	13,556,482
Hire purchase payables (Note 25)	544,966	560,879
Term loans (Note 26)	922,220	886,184
Trust receipts	48,300	39,525
	19,759,234	15,043,070

Bankers' acceptances are drawn for a period of up to 149 days (2008: 150 days) which are renewable on maturity. Interest is charged at rates ranging from 1.65% to 4.35% (2008: 3.42% to 5.78%) per annum.

Trust receipts are drawn for a period of up to 103 days (2008: 45 days) which are renewable on maturity. Interest is charged at 6.30% (2008: 7.50% to 7.75%) per annum.

24. SHORT-TERM BORROWINGS (CONT'D)

Bankers' acceptances and trust receipts are secured as follows:-

(i) by legal charges over the Group's and a related party's landed properties;

(ii) by a pledge of the fixed deposits of the Group;

(iii) by the joint and several guarantees of certain directors of the Company;

(iv) by guarantee from Credit Guarantee Corporation Malaysia; and

(v) by corporate guarantee from the Company.

25. HIRE PURCHASE PAYABLES

	THE GROUP	
	2009	2008
	RM	RM
Minimum hire purchase payment:-		
- not later than one year	578,878	623,368
- later than one year and not later than five years	225,555	804,433
	804,433	1,427,801
Less: Future finance charges	(53,182)	(114,487)
Present value of hire purchase payable	751,251	1,313,314

25. HIRE PURCHASE PAYABLES (CONT'D)

The present value of hire purchase liabilities repayable as follows:-

	THE GROUP	
	2009	2008
	RM	RM
Current:-		
- not later than one year (Note 24)	544,966	560,879
Non-current:-		
- later than one year and not later than five years (Note 20)	206,285	752,435
	751,251	1,313,314

The hire purchase liabilities bear interest at the balance sheet date ranging from 4.67% to 7.60% (2008: 4.67% to 7.60%) per annum.

26. TERM LOANS

	THE GROUP	
	2009	2008
	RM	RM
Current portion:-		
- repayable within one year (Note 24)	922,220	886,184
Non-current portion:-		
- repayable between one and two years	369,934	917,691
- repayable between two and five years	269,908	657,794
- repayable more than five years	-	21,170
Total non-current portion (Note 20)	639,842	1,596,655
	1,562,062	2,482,839

The term loans bear interest at rates ranging from 2.50% to 8.15% (2008: 2.50% to 8.15%) per annum.

26. TERM LOANS (CONT'D)

The term loans are secured as follows:-

(i) by legal charges over the Group's landed properties;

(ii) by the joint and several guarantees of certain directors of the Group;

(iii) by guarantee from Credit Guarantee Corporation Malaysia; and

(iv) by the corporate guarantee of the Company.

27. BANK OVERDRAFTS

Bank overdrafts to a limit of RM 4,300,000 (2008: RM 3,800,000) are payable on demand and interest is charged at rates ranging from 6.80% to 8.40% (2008: 8.00% to 8.40%) per annum and are secured in the same manner as the short-term borrowings as disclosed in Note 24 to the financial statements.

28. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net assets of RM 28,400,619 (2008: RM 28,662,672) attributable to ordinary shares divided by the number of ordinary shares in issue at the balance sheet date of 150,150,000 (2008: 150,150,000) ordinary shares of RM 0.10 each.

29. REVENUE

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM	RM	RM	RM
Sale of goods	42,085,305	50,513,862	-	-
Management fees	-	-	120,000	240,000
	42,085,305	50,513,862	120,000	240,000

30. (LOSS)/PROFIT BEFORE TAX

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM	RM	RM	RM
(Loss)/Profit before tax is arrived at after charging:-				
Amortisation of prepaid land lease	64,783	64,783	-	-
Audit fee	42,000	42,800	12,000	12,000
Depreciation of property, plant and equipment	2,744,378	2,709,368	-	-
Directors' remuneration:-				
- EPF contributions	46,080	46,080	-	-
- fees	42,000	84,000	42,000	84,000
- other emoluments	394,800	397,800	10,800	13,800
Interest expense	826,556	1,342,368	-	-
Loss on foreign exchange	-	14,522	-	-
and after crediting:-				
Gain on foreign exchange	(16,339)	(121,017)	-	-
Insurance claim	-	(108,663)	-	-
Interest income	(63,838)	(74,768)	(97)	(621)
Rental income	(96,000)	(96,000)	-	-
Reversal of allowance for doubtful debts	(776)	(500)	-	-

31. EMPLOYEE BENEFITS

	THE GROUP		THE COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	3,103,022	3,386,029	3,000	3,600
Contribution to a defined contribution plan	284,218	317,123	-	-
	3,387,240	3,703,152	3,000	3,600

Included in employee benefits are executive directors' remuneration.

32. TAX (INCOME)/EXPENSE

	THE GROUP		THE COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Malaysian Income Tax				
- Current year	216,000	285,000	13,000	34,000
- (Over)/Under provision in prior years	(19,731)	(46,782)	(741)	652
	196,269	238,218	12,259	34,652
Deferred taxation (Note 21)				
- Relating to origination or reversal of temporary differences	(523,000)	(292,000)	-	-
- Over provision in prior years	(17,000)	(30,000)	-	-
	(540,000)	(322,000)	-	-
	(343,731)	(83,782)	12,259	34,652

32. TAX (INCOME)/EXPENSE (CONT'D)

Subject to agreement with the tax authorities, at the balance sheet date, the unutilised capital allowances, reinvestment allowances and unabsorbed business losses of the Group are as follows:

	THE GROUP	
	2009	2008
	RM	RM
Unutilised capital allowances	2,320,000	1,030,000
Unutilised reinvestment allowances	8,300,000	8,300,000
Unabsorbed business losses	605,000	-
	11,225,000	9,330,000

A reconciliation of the statutory tax rate to the Group and the Company's effective tax rates applicable to loss before tax are as follows:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM	RM	RM	RM
Loss before tax *(excluding shares of results in an associate company)*	(1,642,022)	(109,256)	(80,637)	(35,238)
Malaysian tax at statutory rate	(411,160)	(29,162)	(20,160)	(9,162)
Tax effects of:-				
Differential in tax rate for the first RM500,000	-	(30,000)	-	-
Non-deductible expenses	104,257	129,323	33,257	43,323
Non-taxable income	(97)	(161)	(97)	(161)
(Over)/Under provision of Malaysian Income Tax in prior years	(19,731)	(46,782)	(741)	652
Over provision of deferred tax in prior years	(17,000)	(30,000)	-	-
Reduction in income tax rate	-	(77,000)	-	-
	(343,731)	(83,782)	12,259	34,652

33. (LOSS)/EARNINGS PER SHARE

	THE GROUP	
	2009	2008
	RM	RM
Basic		
Net (loss)/profit attribute to ordinary shareholders	(262,053)	503,471
Number of shares in issue as at 1 January	150,150,000	143,000,000
Effect of the issuance of new ordinary shares	-	2,624,932
Number of shares in issue (weighted average)	150,150,000	145,624,932
Basic (loss)/earnings per share (sen)	(0.17)	0.35

Diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no potential ordinary shares outstanding in both the previous and current financial years.

34. PURCHASE OF PLANT AND EQUIPMENT

	THE GROUP	
	2009	2008
	RM	RM
Cost of plant and equipment purchased	375,397	1,069,529
Amount financed through hire purchase	-	(474,128)
Cash disbursed for purchase of plant and equipment	375,397	595,401

35. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Fixed deposits with licensed banks (Note 17)	2,452,949	2,386,310	-	-
Cash and bank balances	2,529,258	2,173,189	8,179	17,952
Bank overdrafts (Note 27)	(1,834,995)	(2,388,707)	-	-
	3,147,212	2,170,792	8,179	17,952

As disclosed in Note 17 to the financial statements, fixed deposits of the Group totaling RM 2,452,949 (2008: RM 2,386,310) that have been pledged to banks for banking facilities granted to certain subsidiaries are not available for the general use of the Group other than to meet the obligations under the banking facilities.

The foreign currency exposure profile of cash and bank balances of the Group is as follows:-

	THE GROUP	
	2009 RM	2008 RM
Singapore Dollar	23,620	6,953
United States Dollar	239,726	58,535

36. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:-

	THE COMPANY	
	2009 RM	2008 RM
Subsidiaries		
Management fee received/receivable	120,000	240,000

36. RELATED PARTY DISCLOSURES (CONT'D)

(a) The Group and the Company had the following transactions with related parties during the financial year:- (Cont'd)

	THE GROUP	
	2009	2008
	RM	RM
Companies in which certain directors have interests		
Purchase of goods	4,227,267	2,838,349
Sales of goods	7,462,824	6,179,532
Rental received/receivable	96,000	96,000

(b) The significant outstanding balances at the balance sheet date are as follows:-

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM	RM	RM	RM
Subsidiaries				
Trade receivables	-	-	1,320,000	1,200,000
Other receivables	-	-	5,130,415	5,540,414
Companies in which certain directors have interests				
Trade receivables	1,087,860	780,271	-	-

36. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2009	2008	2009	2008
	RM	RM	RM	RM
Short term employee benefits	436,800	481,800	52,800	97,800
Contribution to a defined contribution plan	46,080	46,080	-	-
	482,880	527,880	52,800	97,800

37. CONTINGENT LIABILITY

	THE COMPANY	
	2009	2008
	RM	RM
Unsecured:		
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	47,348,000	48,392,000

38. SEGMENTAL REPORTING - GROUP

(a) BY BUSINESS SEGMENT:-

2009

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
SEGMENT REVENUE					
Revenue from external customers	29,035,123	13,050,182	-	-	42,085,305
Inter-segment revenue	3,266,194	2,348,729	120,000	(5,734,923)	-
Total revenue	32,301,317	15,398,911	120,000	(5,734,923)	42,085,305
SEGMENT RESULTS					
Segment results	1,140,113	(1,779,828)	(80,637)	-	(720,352)
Finance costs					(921,670)
Share of profit of an associate					1,036,238
Loss before tax					(605,784)
Tax expense					343,731
Loss after tax					(262,053)
OTHER INFORMATION					
Capital expenditure	98,339	277,058	-	-	375,397
Depreciation of property, plant and equipment	1,402,372	1,342,006	-	-	2,744,378
Amortisation of prepaid land lease	-	64,783	-	-	64,783

38. SEGMENTAL REPORTING - GROUP (CONT'D)

(a) BY BUSINESS SEGMENT (CONT'D):-

2009

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
CONSOLIDATED BALANCE SHEET					
Segment assets	29,486,326	21,154,366	4,369,308	-	55,010,000
Investment in an associate					1,565,183
Unallocated corporate assets					180,847
Consolidated total assets					56,756,030
Segment liabilities	19,219,074	7,609,959	59,920	-	26,888,953
Unallocated corporate liabilities					1,466,458
Consolidated total liabilities					28,355,411

38. SEGMENTAL REPORTING - GROUP (CONT'D)

(a) BY BUSINESS SEGMENT (CONT'D):-

2008

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
SEGMENT REVENUE					
Revenue from external customers	35,817,789	14,696,073	-	-	50,513,862
Inter-segment revenue	2,506,536	2,685,385	240,000	(5,431,921)	-
Total revenue	38,324,325	17,381,458	240,000	(5,431,921)	50,513,862
SEGMENT RESULTS					
Segment results	1,859,913	(470,329)	(35,238)	-	1,354,346
Finance costs					(1,463,602)
Share of profit of an associate					528,945
Profit before tax					419,689
Tax expense					83,782
Profit after tax					503,471
OTHER INFORMATION					
Capital expenditure	861,868	207,661	-	-	1,069,529
Depreciation of property, plant and equipment	1,371,698	1,337,670	-	-	2,709,368
Amortisation of prepaid land lease	-	64,783	-	-	64,783

38. SEGMENTAL REPORTING - GROUP (CONT'D)

(a) BY BUSINESS SEGMENT (CONT'D):-

2008

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
CONSOLIDATED BALANCE SHEET					
Segment assets	28,776,274	20,640,618	4,240,765	-	53,657,657
Investment in an associate					528,945
Unallocated corporate assets					167,230
Consolidated total assets					54,353,832
Segment liabilities	17,683,569	5,858,933	107,480	-	23,649,982
Unallocated corporate liabilities					2,041,178
Consolidated total liabilities					25,691,160

38. SEGMENTAL REPORTING - GROUP (CONT'D)

(b) BY GEOGRAPHICAL SEGMENT:-

2009

	2009 RM	2008 RM
SALES REVENUE		
Malaysia	35,764,430	40,423,617
Other ASEAN countries	3,065,680	7,123,098
Other Asian countries	2,865,838	2,780,298
Others	389,357	186,849
	42,085,305	50,513,862

The Group's assets are located in Malaysia and the cost of acquisition of property, plant and equipment arose from Malaysia.

39. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

(a) Cash and bank balances and other short-term receivables

The carrying amounts approximated the fair values due to the relatively short term maturity of these instruments.

(b) Quoted investments

The fair values of quoted investments are estimated based on quoted market prices for these investments.

(c) Short-term bank borrowings and other current liabilities

The carrying amounts approximated the fair values because of the short period to maturity of these instruments.

39. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

(d) Long-term bank loans

The carrying amount of floating rate term loans approximates its fair values as its effective interest changes accordingly to movements in the market. The carrying amount of fixed rates term loans approximates its fair value as the changes in the interest charged on similar kind of borrowings in the market have no material impact on the fair value of these loans.

(e) Hire purchase payables

The hire purchase payables approximates its fair value as there is no material change in the interest charged on similar kind of borrowings in the market.

(f) Amount owing by/(to) related companies/parties

The carrying amounts approximated their fair value at the balance sheet date.

The nominal amount and net fair value of financial instruments not recognised in the balance sheet of the Company are as follows:

	2009		2008	
	Nominal Amount	Net Fair Value	Nominal Amount	Net Fair Value
Corporate guarantee	47,348,000	*	48,392,000	*

** The fair value of contingent liabilities is expected to be minimal as the subsidiaries are expected to be able to repay the banking facilities.*