CAM

CAM RESOURCES BERHAD

(535311-D)

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Annual Report 2011

ANNUAL REPORT 2011

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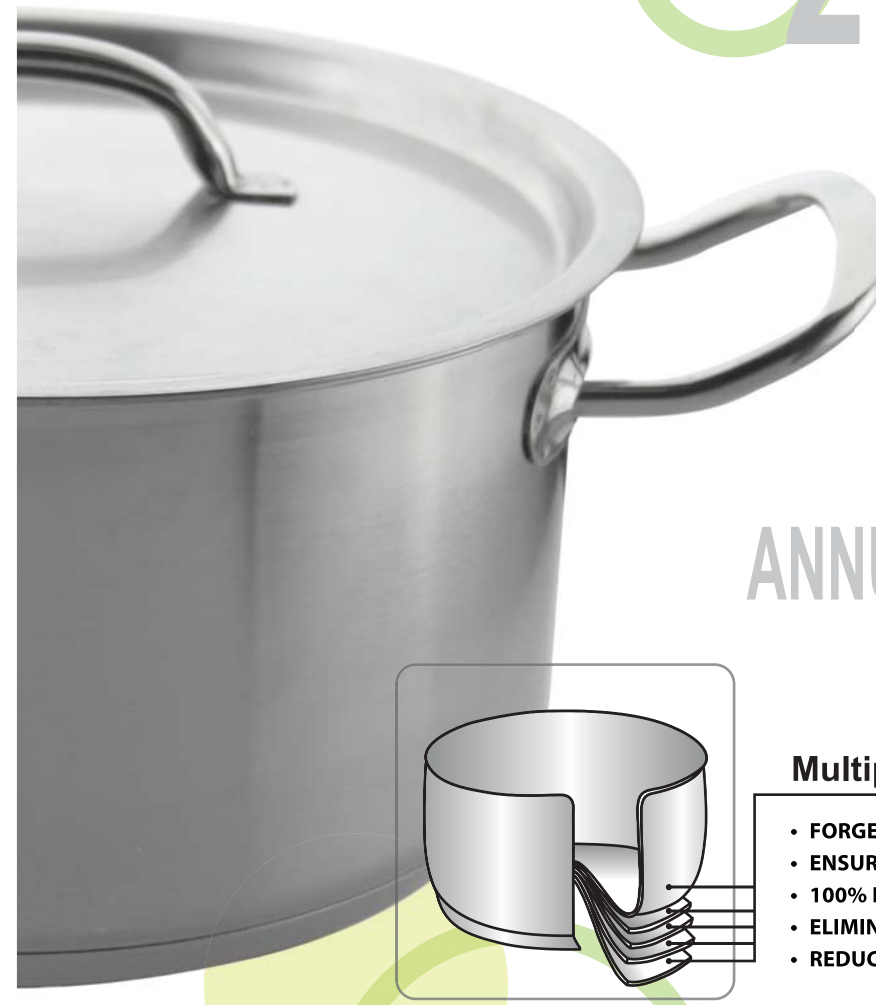

Multiply Capsulated Bottom

- FORGED UNDER 2300 TONS OF PRESSURE
- ENSURING BETTER HEAT DISTRIBUTION
- 100% HYGIENIC AND SAFE
- ELIMINATING HOT SPOT
- REDUCING FOOD BURN

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at Function Room 1, Level 2, Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Friday, 29 June 2012 at 11.00 a.m. for the following purposes:-

AGENDA

1. To table the Audited Financial Statements for the year ended 31 December 2011 together with the Reports of the Directors and Auditors thereon. (Please refer to Note A)

2. To approve the Directors' Fees for the financial year ended 31 December 2011. **(Resolution 1)**

3. To re-elect the following Directors, who retire by rotation in accordance with Article 91 of the Company's Articles of Association:-

   (i) Mr Chai Moi Kim **(Resolution 2)**
   (ii) Mr Hia Wan Kiga **(Resolution 3)**
   (iii) Ms Tan Kim Hong **(Resolution 4)**

4. To re-appoint Messrs Moore Stephens AC as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions and Special Resolution with or without modifications:-

Ordinary Resolutions

5. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to specified recurrent transactions of a revenue or trading nature and with specified class of the related parties as stated in Section 1.4(a) of Part A of the Circular to Shareholders dated 5 June 2012 which is necessary for the Group's day to day operations subject further to the following:-

i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders and that such transactions are made on the arm's length basis and on normal commercial terms; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and

iii) that such approval shall continue in force until:-

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company; at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

   (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or

   (c) revoked or varied by resolution passed by the shareholders in general meeting.

whichever is the earlier; and

iv) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." **(Resolution 6)**

6. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into and give effect to specified recurrent transactions of a revenue or trading nature and with specified class of the related parties as stated in Section 1.4(b) of Part A of the Circular to Shareholders dated 5 June 2012 which is necessary for the Group's day to day operations subject further to the following:-

i) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders and that such transactions are made on the arm's length basis and on normal commercial terms; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and

iii) that such approval shall continue in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company; at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders in general meeting.

whichever is the earlier; and

iv) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." **(Resolution 7)**

Special Resolution 1

7. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENTS")**

"THAT the amendments to the Articles of Association of the Company as set out in Part B of the Circular to Shareholders dated 5 June 2012 be and is hereby approved and adopted and that the Board of Directors be and is hereby authorised to give effect to the said amendments."

By Order of the Board

LIM MING TOONG
PANG CHIA TYNG
Company Secretaries

Kuala Lumpur
5 June 2012

NOTES:

A This item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.

(1) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(2) To be valid, this form, duly completed must be deposited at the Company's Registrar, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.

(3) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.

(4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

(6) Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

(7) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

(8) **GENERAL MEETING RECORD OF DEPOSITORS**

For the purposes of determining a member who shall be entitled to attend this Eleventh AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 49 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 June 2012. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.

EXPLANATORY NOTE ON SPECIAL BUSINESS:

(9) Resolution 6 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.

Please refer to Part A of the Circular to Shareholders dated 5 June 2012 for further information.

(10) Resolution 7 - Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.

Please refer to Part A of the Circular to Shareholders dated 5 June 2012 for further information.

(11) Special Resolution 1 – Proposed Amendments to the Articles of Association of the Company

The proposed amendments to the Articles of Association of the Company are to comply with the amendments made in Chapter 7 of Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to the Appointment of Multiple Proxies by an Exempt Authorised Nominee, Qualification of Proxy and Rights of Proxy to Speak.

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

- **Details of individuals who are standing for election as Directors**

No individual is seeking election as a Director at the forthcoming Eleventh Annual General Meeting of the Company.

CORPORATE INFORMATION

DIRECTORS

LEE CHIN YEN	*Executive Chairman*
TAN HONG CHENG	*Managing Director*
HIA WAN KIGA	*Executive Director*
LEE POH CHOO	*Executive Director*
TAN KIM HONG	*Executive Director*
CHAI MOI KIM	*Independent Non-Executive Director*
CHIA KAY JOO	*Independent Non-Executive Director*
AZIZUL BIN MOHD OTHMAN	*Independent Non-Executive Director*
CHAN KEE LOIN	*Independent Non-Executive Director*

COMPANY SECRETARIES

Lim Ming Toong
Pang Chia Tyng

REGISTERED OFFICE

10th Floor, Menara Hap Seng
1 & 3 Jalan P Ramlee
50250 Kuala Lumpur
Tel : 03-2382 4288
Fax : 03-2382 4170

REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886

PRINCIPAL BANKERS

Maybank Berhad
RHB Bank Berhad
HSBC Bank Berhad
Ambank Berhad

AUDITORS

Messrs Moore Stephens Ac
A-37-1, Level 37
Menara UOA Bangsar
5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
STOCK NAME : CAMRES
STOCK CODE : 7128

100% Central Aluminium Manufactory Sdn. Bhd.

100% Advance Eagle Marketing Sdn. Bhd.

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100% Central Melamineware Sdn. Bhd.

100% Central Eco Fiber Sdn. Bhd.

100% Esquire Concept Sdn. Bhd.

49% Permatang Kiara Sdn. Bhd.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of CAM Resources Berhad, I am pleased to present the Annual Report and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2011.

FINANCIAL PERFORMANCE

The Group's performance has continued to be positive on the backdrop of the recovering economy. For financial year 2011, the Group's revenue recorded slightly higher at RM70.5 million as compared to RM69.9 million in year 2010. The profit before tax remains relatively the same for financial year 2011 of RM5.7 million as compared to RM5.8 million in year 2010.

OUTLOOK & PROSPECTS

Globally, the economic growth for 2012 remains relatively challenging for the Group by looking at the global financial environment, such as Eurozone debt crisis and political instability. However, the full-year GDP forecast for Malaysia is expected at 4% to 5% as domestic demand is expected to remain robust owing to the Government's pump-priming measures and the initial effects of the Economic Transformation Programme to drive the country's economy.

The Group will continue to expand its core business and to explore all new business opportunities to broaden its products and customers' base, with the objective of maximising long term growth and also to increase shareholder value. In the financial year under review, the Group has acquired a new business in manufacturing and sale of crude palm oil, palm kernel and other related products, which expected to contribute positively to the Group's current financial performance. The Group will continue to strike a balance between financial prudence and growth strategy.

Notwithstanding the challenges in our various business segments and barring any unforeseen circumstances, the Group expects to deliver a positive growth in its performance for the financial year 2012.

DIVIDEND

The Board of Directors does not recommend any dividend for the financial year ended 31 December 2011.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my sincere appreciation to the management and employees of the Group for their dedication and commitment in performing their duties during the year.

I also wish to thank all our shareholders, banks, customers and business associates for their continuous support and confidence in the Group.

Last but not least, I wish to record my appreciation to my fellow Board members for their unwavering commitment and invaluable counsel during the year in review.

Lee Chin Yen
Executive Chairman

LEE CHIN YEN – *Executive Chairman*
Malaysian, aged 63

Mr Lee Chin Yen was appointed as the Executive Chairman/Director of CAM Resources Berhad (CAM) on 29 December 2000.

He was appointed the Managing Director of Central Aluminium Manufactory Sdn Bhd (CAluminium) in 1979, a Director of Central Melamineware Sdn Bhd (CMelamine) in 1988 and Advance Eagle Marketing Sdn Bhd (AEMkt) in 1989. A founding member and driving force in the Group, he commenced his career in 1972 as an apprentice in Choo Chin Wah Company, a company principally involved in the manufacturing of aluminium in Thailand. After acquiring all the technical expertise, he returned to Malaysia in 1975 and formed a partnership with Mr Tan Hong Cheng and others to manufacture aluminium household products in 1975. In 1979, this partnership was incorporated into a private limited company under the name of CAluminium and he was appointed its Managing Director.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2011, he attended five (5) out of six (6) Board meetings held.

TAN HONG CHENG – *Managing Director*
Malaysian, aged 63

Mr Tan Hong Cheng was appointed as the Managing Director/Director of CAM on 29 December 2000.

He was appointed the Managing Director of CMelamine in 1988, a Director of CAluminium in 1979 and AEMkt in 1989. He began his career in Loke Hup Porcelain as a shop assistant. In 1975, he formed a partnership with Lee Chin Yen and others to manufacture aluminium household products. This partnership was subsequently incorporated as CAluminium. He has more than 32 years of experience in the manufacturing of aluminium and stainless steel products. At present, he is the Chairman of Board of Directors for San Min Private School and Chong Ming Primary School in Teluk Intan. He also serves as the Vice President of the Chinese Chamber of Commerce of Lower Perak District.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2011, he attended five (5) out of six (6) Board meetings held.

HIA WAN KIGA – *Executive Director*
Malaysian, aged 58

Mr Hia Wan Kiga was appointed as Non-Executive Director of CAM on 29 December 2000 and a Non-Executive Director of CAluminium since 1999. Subsequently, he was re-designated as Executive Director on 22 February 2010.

He began his career as an apprentice in Sungai Besar Engineering Sdn Bhd, a company involved in the engineering works. In 1975, he set up his own partnership company which was incorporated into a private limited company under the name of Hia Engineering Sdn Bhd in year 2001 and the company had further changed its name to Hia Union Engineering Sdn Bhd in Year 2004. The principal activity of the company is agriculture engineering. He is presently a committee member of a few local associations.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2011, he attended four (4) out of six (6) Board meetings held.

TAN KIM HONG – *Executive Director*
Malaysian, aged 39

Ms Tan Kim Hong was appointed as an Executive Director of CAM on 15 January 2002 and a Factory Manager of CMelamine. She joined the Group in 1993 as a clerk and subsequently promoted to her current position since 2000. She is responsible for overseeing the overall production processes and maintenance of product quality in CMelamine.

She does not hold directorship in any other public companies. During the financial year ended 31 December 2011, she attended five (5) out of six (6) Board meetings held.

LEE POH CHOO – *Executive Director*
Malaysian, aged 37

Ms Lee Poh Choo was appointed as an Executive Director of CAM on 15 January 2002.

She graduated from the Campbell University, USA in 1998 with a Bachelor degree in Business Administration. She joined CAluminium in 1998 and was responsible for the area of MIS and Marketing. She was promoted to Factory Manager of CAluminium in December 1998. She is responsible for overseeing the overall processes and maintenance of product quality in CAluminium.

She does not hold directorship in any other public companies. During the financial year ended 31 December 2011, she attended all the Board meetings held.

CHAI MOI KIM – *Independent Non-Executive Director*
Malaysian, aged 54

Mr Chai Moi Kim was appointed as an Independent Non-Executive Director of CAM on 15 January 2002. He sits on the Audit Committee and the Remuneration Committee as Chairman and also serves as a member of the Nomination Committee of the Company.

He is a member of the Malaysia Institute of Certified Public Accountants, the Malaysia Institute of Accountants and the Chartered Tax Institute of Malaysia. He started his career in 1980 as an Article clerk with an established local audit firm, and subsequently worked with several other established audit firms including an international audit firm until 1988. He left for FACB Group of Companies as the Group Accountant in 1989. In 1992, he joined MBF Holdings Berhad as a Senior Manager of the corporate department where he served until 1994. In 1995, he set up his own audit practice, Kim & Co.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2011, he attended all the Board meetings held.

TUAN HAJI AZIZUL BIN MOHD OTHMAN
– *Independent Non-Executive Director*
Malaysian, aged 50

Tuan Haji Azizul bin Mohd Othman was appointed as an Independent Non-Executive Director of CAM on 15 January 2002. He serves as the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company.

Presently, he is the Chief Executive Officer of Institut Teknologi Perak. He is also the secretary of the UITM Collaborative Colleges Association and Chairman of Pertubuhan Kebajikan Darussalam.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2011, he attended four (4) out of six (6) Board meetings held.

CHIA KAY JOO – *Independent Non-Executive Director*
Malaysian, aged 65

Mr Chia Kay Joo was appointed as an Independent Non-Executive Director of CAM on 15 January 2002. He serves as a member of the Audit, Remuneration and Nomination Committees of the Company.

He obtained a Bachelor degree in Law from University of London in 1981 and admitted as an advocate and solicitor in Malaysia in 1985. He has been practicing in the legal profession for approximately 27 years. He was a High Court Interpreter from 1971 to 1981 and a judicial officer serving as the Magistrate at the Teluk Intan Magistrate Court from 1982-1984. He left the judicial service to set up his own legal practice in 1985. Presently, he serves as the legal adviser to a number of Associations and Chinese Guilds.

He does not hold directorship in any other public companies. During the financial year ended 31 December 2011, he attended all the Board meetings held.

CHAN KEE LOIN – *Independent Non Executive Director*
Malaysian, aged 48

Mr Chan Kee Loin was appointed as an Independent Non-Executive Director of CAM on 1 July 2009.

He was educated in the Tuanku Abdul Rahman College where he completed a three years extra-mural course in Financial Accounting and a finalist in professional examination of the Chartered Association of Certified Accountants, United Kingdom, in 1987. His career began in early 1988 as an audit assistant in a small firm of Public Accountants in Johor Bahru. In early 1989, he left for a medium size public accounting firm in Kuala Lumpur where he was promoted as a Director in year 2000. His experience in these firms includes statutory audits, due diligence audits, share and business valuation and rendering professional services as adviser, co-ordinator and Reporting Accountants for corporate exercises. He left the latter in mid 2009 and is currently involved in corporate consultancy.

He also sits in the Board of another unlisted public company. During the financial year ended 31 December 2011, he attended all the Board meetings.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family Relationship

None of the Directors of CAM have any family relationships with any other directors and/or substantial shareholders except as follows:

(i) Mr Lee Chin Yen, the Executive Chairman is the father of Ms Lee Poh Choo, the Executive Director of CAM
(ii) Mr Tan Hong Cheng, the Managing Director is the father of Ms Tan Kim Hong, the Executive Director of CAM

Conflict of Interest

Save as disclosed in the related party transactions on pages 66 to 67 of this Annual Report, none of the other Directors have any conflict of interest with the Company during the financial year.

Convictions for Offences

None of the Directors of CAM have been convicted of any offence (excluding traffic offence) within the past 10 years.

The Board of Directors remains committed in achieving a high standard of corporate governance within the group of companies. The Board has been continuously managing the business and affairs of the Group by applying the Principles ("the Principles") and Best Practices ("the Best Practices") as set out in the Malaysian Code on Corporate Governance ("the Code").

A. BOARD OF DIRECTORS

(i) The Board of Directors

For the year under review, the Board comprises of nine (9) members, five (5) Executive Directors and four (4) Independent Non-Executive Directors, which is in compliance with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad. The Independent Non-Executive Directors are independent of management, and free from any business which could interfere with their independent judgment and their ability to act in the Group's best interest.

The Board consists of members of various professional fields and expertise in financial accounting, legal, business management and commercial which are relevant for the effective management of the Group. The provision of various experiences from the Board's member would effectively discharge its stewardship responsibilities and to achieve the company's corporate objective through strategic business initiatives. The Executive Chairman, the Managing Director and three (3) Executive Directors oversee the management of daily operation of the Group, and they are fully supported by a management team.

(ii) Board Responsibilities

The primarily responsibilities of the Board are as follows:-

- Reviewing and adopting a strategic plan for the Group.
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed.
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks.
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems for compliance with applicable laws, regulations, rules, directives and guidelines.

(iii) Board Meetings

Board meetings are scheduled in advance at the beginning of the new financial year to enable Directors to plan ahead and fix the year's meeting into their own schedule. The Board meets at least four times a year. Special Board meetings to deliberate on corporate proposals or urgent issues which require the Board's consideration are held as and when necessary. At each regularly scheduled meeting, there is a full financial and business review and discussion. Items reviewed would include business performance of the Group, review and approve quarterly and annual financial statements, corporate exercises and other proposals that require the approval of the Board. All Board members bring an independent judgment to bear on issues on strategy, performance, resources and standards of conduct.

The Board met six (6) times during the financial year ended 31 December 2011 and details of each director's attendance are as follows:-

Directors	Number of meeting held	Attended
Lee Chin Yen *(Executive Chairman)*	6	5
Tan Hong Cheng *(Managing Director)*	6	5
Lee Poh Choo *(Executive Director)*	6	6
Tan Kim Hong *(Executive Director)*	6	5
Hia Wan Kiga *(Executive Director)*	6	4
Chai Moi Kim *(Independent Non-Executive Director)*	6	6
Tuan Haji Azizul Bin Mohd Othman *(Independent Non-Executive Director)*	6	4
Chia Kay Joo *(Independent Non-Executive Director)*	6	6
Chan Kee Loin *(Independent Non-Executive director)*	6	6

A. BOARD OF DIRECTORS (cont'd)

(iii) Board Meetings (cont'd)

In discharging its fiduciary duty, the Board has delegated specific responsibilities to three (3) sub committees namely, Audit Committee, Nomination Committee and Remuneration Committee. These Committees have the authority to examine particular issues and will report to the Board with their recommendations. The Board, however, makes the final decision on all matters in the best interest of the Company.

(iv) Appointments of the Board and Re-election

The Board appoints its members through a formal and transparent selection process that is consistent with the Articles of Association of the Company via the recommendation of the Nomination Committee. This process has been reviewed, approved and adopted by the Board. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

Upon appointment, new Directors are advised of their legal and statutory responsibilities. All Directors are also regularly being updated on new requirements affecting their responsibility and are constantly reminded of their obligations.

The Nomination Committee comprising of all Independent Non-Executive Directors.

The members of the Nomination Committee consist of:-

1. Tuan Haji Azizul Bin Mohd Othman *(Chairman)*
2. Chai Moi Kim
3. Chia Kay Joo

The function of the Nomination Committee, amongst others, is to recommend to the Board candidates for directorships or Board Committee members. In addition, the Committee reviews the profile of the skills and experience of each individual director of the Board of Directors and various Committees and to assess the effectiveness of the Board as a whole.

All members to the Board participate in assessing, identifying, recruiting, nominating, appointing and orienting suitable candidates who can contribute effectively to the growth of the Company. Any board members who has interest in any matter raised by the Committee abstains himself from the deliberations and voting.

In accordance with the Company's Articles of Association, one third of the Board members are required to retire at every Annual General Meeting ("AGM") and be subject to re-election by shareholders. Newly appointed Directors shall hold office until the next following AGM and shall then be eligible for re-election by shareholders. All Directors, including the Managing Director shall retire from office at least once in every three years and shall be eligible for re-election.

(v) Supply of Information

The Directors have full and complete access to all information within the Group and access to the advice and services of the Company Secretary in discharging their duties.

The Board has four regular scheduled meetings annually to control and monitor the development of the Group. The agenda for each Board Meeting is circulated to all the Directors for their perusal well in advance of the Board meeting date. The quarterly financial results and business review, including the financial performance to-date against the previous year, provision for doubtful debts and transaction with companies related to the Directors have been tabled at each scheduled meeting for discussion. All proceedings from the Board meetings are minuted and signed by the Chairman of the Meeting.

Directors are empowered to seek independent professional advice as they may require, at the expense of the Group, to enable them to form a decision.

A. BOARD OF DIRECTORS (cont'd)

(vi) Directors' Training

The Directors have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad. In 2011, the training programmes that had been attended by the directors are as follows:-

1. Chai Moi Kim

- Persidangan Cukai Malaysia 2011 — 24-25/05/2011
- 2012 Budget Seminar — 15/10/2011
- Converge Transform,Sustain: Towards World Class Excellence — 02-03/11/2011

2. Chan Kee Loin

- Tax Restructuring for Companies in Economic Downturn — 8/11/2011

3. Lee Poh Choo

- Safety In The Use of Chemicals — 28- 29/09/2011

As for the rest of the directors, their trainings were in some forms which had no identity of a formal seminars/ workshops/courses conducted such as attending expo, overseas business trips and exploring new products related to the Company's business.

The Board will continue to evaluate and determine the training needs of its members so as to keep themselves abreast of the developments in business and regulatory requirements in order to discharge their responsibilities more effectively.

B. DIRECTORS' REMUNERATION

The Remuneration Committee is made up of all Independent Non-Executive Directors. The members of the Remuneration Committee consist of:-

1. Chai Moi Kim *(Chairman)*
2. Tuan Haji Azizul bin Mohd Othman
3. Chia Kay Joo

The Remuneration Committee reviews the salaries, incentive and other benefits of the Executive Directors and recommends the remuneration package to the Board for approval. The Directors concerned would abstain from participating in decisions regarding their own remuneration package.

The remuneration of Executive Director is linked to the Company and individual performance and the remuneration of Non-Executive Director is related to their experience and level of responsibilities. The reviews and recommendations of the Committee would be subject to the approval of the Board.

For the financial year ended 31 December 2011, the details of Directors' remuneration are as follows:

	Fees	Salary & other emoluments*	Benefit in kind	Total
	RM	RM	RM	RM
Executive Directors	60,000	1,174,592	54,650	1,289,242
Non-Executive Directors	50,000	-	-	50,000
Total	110,000	1,174,592	54,650	1,339,242

* *Other emoluments include contribution to Employees' Provident Fund and bonus.*

B. DIRECTORS' REMUNERATION (cont'd)

The number of Directors of the Company whose total remuneration fall within the following bands are shown below:

	Number of Directors	
Range of remuneration	Executive	Non-Executive
Below RM50,000	-	4
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	1	-
RM150,001 to RM250,000	2	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	2	-

C. ACCOUNTABILITY AND AUDIT

(i) Internal Control

The Board recognises its responsibilities for setting up a sound system of internal control to safeguard shareholders' investment and the Group's assets, and to provide reasonable assurance on the reliability of the financial statements. However, any such system can only provide reasonable but not absolute assurance against material misstatement or loss. The components of the Group's internal financial control include:-

- ***Business system***

  The information systems operated within the Group have been developed with controls to safeguard the integrity of financial data.

- ***Financial and operational reporting***

  Financial and operations reports are reported monthly to the Executive Directors and to the Board on a quarterly basis.

- ***Authorisation limits***

  The Group well-defined organisation structure with a clear line of accountability, segregation of duties and strict authorisation, approval and control procedures within which senior management operate.

- ***Financial controls and procedural compliance reporting***

  The Group Internal Auditors who (the Internal Audit Function of the Group was outsourced to them) periodically reports on compliance with the internal financial control and procedures to the Audit Committee. They also ensure that recommendations to improve controls are followed through by the management.

  There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the year under review. The Audit Committee, through the outsourced internal audit function, regularly reviews and reveals to the Board on the adequacy and effectiveness of the accounting and operating control systems.

(ii) Financial Reporting

The Board of Directors are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Group and of the Company as at end of the financial year and of their financial performance and cash flows for the year then ended. The Board of Directors are also responsible in ensuring that the financial statements of the Group and the Company are drawn up in accordance with applicable approved accounting standards in Malaysia, consistently applied and by reasonable and prudent judgments and estimates.

C. ACCOUNTABILITY AND AUDIT (cont'd)

(ii) Financial Reporting (cont'd)

In presenting the annual financial statements and quarterly announcements of its results, the Board has ensured that the financial statements present a fair assessment of the Group's financial position and prospects.

(iii) Relationship with Auditors

The Company always maintained a transparent relationship with both the internal and external auditors in seeking their professional advice and towards ensuring compliance with accounting standards in Malaysia.

D. RELATIONSHIP WITH SHAREHOLDERS

The annual reports and the quarterly announcements are the primary modes of communication to report on the Group's business activities and financial performance.

The Annual General Meeting is the principal forum for dialogue with shareholders. The Company's Annual Reports and notice of the Annual General Meeting are sent out to the shareholders at least 21 days before the meeting. At each Annual General Meeting, shareholders are given ample time and opportunity to raise questions pertaining to the business activities of the Group. The members of the Board are prepared to provide responses to queries and to receive feedbacks from the shareholders during the meeting. The external auditors and the Group Finance Manager are also present to provide their professional clarification on issue of concern raised by the shareholders.

E. CORPORATE SOCIAL RESPONSIBILITIES

The Group is committed to provide a safe and healthy working environment to the employees. Training is essential to prepare or update the employees' knowledge on handling personal health and safety measures. Safety officers had been sent for training programmes regularly in order to further enhance their knowledge on the formulation of safety and health planning and also risk management in the working place.

Contributions had been made to some charitable activities organised by schools, charitable and religion organisations.

To preserve a clean environment, the industrial waste had been arranged to be disposed through a DOE approved waste management company.

F. OTHER INFORMATION

During the financial year ended 31 December 2011, there were no:-

(a) options, warrants or convertible securities issued by the Company or its subsidiaries;
(b) American Depository Receipts or Global Depository Receipt programme sponsored by the Company;
(c) sanctions and / or penalties imposed on the Company or its subsidiary companies;
(d) variance of results which differs by 10% or more from any profit estimate/ forecast/ projection/ unaudited results announced;
(e) profit guarantee given by the Company;
(f) material contracts or contracts relating to loan of the Company and its subsidiary companies involving directors and major shareholders' interests;
(g) revaluation policy on landed property.
(h) proceeds were raised by the Company from any corporate proposals

Share Buyback

During the financial year ended 31 December 2011, the Company bought back a total of 1,767,300 (2010: 1,457,000) of its own shares for a total consideration of RM400,331 (2010: RM364,057). These shares are, presently held as treasury shares. None of the shares purchased has been resold or cancelled during the financial year.

F. OTHER INFORMATION (cont'd)

The details of the shares purchased during the financial year are as follows:

Month	No. of shares repurchased	Price Per Shares Highest	Price Per Shares Lowest	Price Per Shares Average	Total Consideration
		RM	RM	RM	RM
Jan	271,500	0.24	0.25	0.25	67,440
February	295,000	0.24	0.22	0.22	66,295
May	1,200,800	0.23	0.22	0.22	266,596
	1,767,300				400,331

Non-Audit Fee

The amount of non-audit fee paid to external auditors for the financial year ended 31 December 2011 was RM5,300.

Recurrent Related Party Transactions

The aggregate value of recurrent related party transactions entered into by the Company and its subsidiaries during the financial year ended 31 December 2011 are as follow:-

Related Party	Relationship with the Group	Nature of Recurrent Transaction	Amount
			RM
Rubysteel Metal Industry (M) Sdn. Bhd. ('Rubysteel')	Messrs. Khor Mooi Huat and Khor Mooi Soong are brothers-in-law of Mr Tan Hong Cheng, a director of the Group, have substantial financial interests and are also directors of 'Rubysteel'.	Purchase and sale of stainless steel household products as follows:-	
		- Purchases	200,362
		- Sales	54,488
Kedai Pinggan Mangkuk Loke Hup ('Loke Hup')	Mr Tan Hong Tian is a brother of Mr Tan Hong Cheng, a director of the Group, is the proprietor of 'Loke Hup'.	Purchase and sale of stainless steel, plastic and ceramic household products as follow:	
		- Purchase	4,602
		- Sales	260,687

COMPOSITION

The members of the Audit Committee are as follows:-

Chai Moi Kim	*Chairman*	*(Independent Non-Executive Director)*
Chia Kay Joo	*Member*	*(Independent Non-Executive Director)*
Tuan Haji Azizul Bin Mohd Othman	*Member*	*(Independent Non-Executive Director)*

TERM OF REFERENCE

Objective

The primary objectives of the Committee are:-

a) To safeguard the interests of the minority shareholders;
b) To assist the Board in discharging their responsibilities in the areas of management of internal control, accounting policies and financial reporting; and
c) To provide a line of communication between the Board and the internal and external auditors through regular meetings.

Authority

The Committee shall, whenever necessary and reasonable for the performance of its duties, authorized to :-

a) investigate any activity within its term of reference.
b) have the resources which are required to perform its duties.
c) access to any information pertaining to the Company.
d) have direct communication with the external auditors and person(s) carrying out the internal audit function.
e) obtain external legal or other independent professional advice.
f) convene meetings with external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

Members

a) The members of the Committee shall be appointed by the Board of Director from amongst the Non-Executive Directors of the Company.
b) The Committee shall comprise not less than three members, a majority of whom shall be Independent Non-Executive Directors.
c) At least one of the Committee members:-
    i) must be a member of the Malaysian Institute of Accountants; or
    ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years working experience and:-
        1. he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
        2. he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
d) No Alternate Director shall be appointed as a member of the Committee.
e) The Committee shall elect a Chairman from among their members who shall be an Independent Non-Executive Director.
f) The Board of Directors shall review the term of office and performance of the Committee and each of its members at least once every three years to evaluate whether such members have carried out their duties in accordance with their terms of reference.

TERM OF REFERENCE (cont'd)

Duties and Responsibilities

The duties of the Committee shall be:-

a) To review the annual audit plan, evaluation of the system of internal controls and audit report with the external auditors.
b) To recommend to the Board the nomination and appointment of external auditors, their audit fees and any question of resignation or dismissal of them.
c) To review the assistance given by the Company's employees to the external auditors.
d) To review the adequacy of the scope, functions, programmes and the results of the internal audit procedures and that it has the necessary authority to carry out its work.
e) To review the quarterly results, year end consolidated financial statements of the Group, before submission to the Board's approval.
f) To review any related party transaction and to ensure no potential conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
g) To review any procedure established by the management for complying with Bursa Malaysia Securities Berhad ("Bursa Securities") and other statutory authorities' requirements.
h) To carry out other duties as may be agreed to by the Committee and the Board of Directors.

Meeting

a) The quorum for any meeting of the Committee shall be two and the majority of members present shall be Independent Directors.
b) Apart from the members of the Committee who will be present at the meetings, the Committee may invite any member of the executive directors, the head of finance, the head of internal audit function and representatives of the external auditors to be present at meetings of the Committee.
c) The Committee shall meet at least four times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties.
d) Upon request by the external auditors, the Chairman may call for meetings of the Committee to consider any matters that external auditors believe should be brought to the attention of the directors or shareholders of the Company.
e) If at any meeting the Chairman is not present at the time appointed for holding meeting, or is unwilling to act, the members present may choose one of their members to chair the meeting.

A summary of attendance of Audit Committee meetings during the financial year ended 31 December 2011 are as follows:-

Members of Audit Committee	Number of meeting held	Attended
Chai Moi Kim	5	5
Chia Kay Joo	5	5
Tuan Haji Azizul Bin Mohd Othman	4	5

The Finance Manager, and representatives from external auditors and internal auditors were also invited to attend these meetings.

Secretary and Minutes

The Company Secretary or representative of his/her office acts as Secretary to the Committee meeting and minutes of the proceedings for each Committee meeting are prepared and circulated to all Committee members and the Company's directors who are non-members of the Committee.

SUMMARY OF ACTIVITIES

The summary of activities carried out by the Audit Committee during the financial year ended 31 December 2011 is as follows:

a) To review the quarterly financial results before submission for the Board's approval and announcement to Bursa Securities.
b) To review the annual audit plan of the external auditors.
c) To review with the external auditors the annual audited financial statements.
d) To review the scope of work and audit plan with the internal auditors.
e) To review the internal audit reports and assess the recommendations on the audit issues.
f) To review the adequacy of provision for doubtful debts and bad debts written off.
g) To review the recurrent related party transactions within the Company and the Group.

INTERNAL AUDIT FUNCTION

During the financial year ended 31 December 2011, the outsourced internal audit function carried out audits in accordance with the approved audit plan, the results of which were tabled to the Audit Committee periodically. A follow up review was also carried out to ascertain the status of implementation of the agreed management action plans arising from previous internal audit reviews. The results of the follow up review were also tabled to the Audit Committee at one of its quarterly meetings.

The internal audits conducted had not revealed any weaknesses which would result in material losses, contingencies or uncertainties that would require a separate disclosure in the group's annual report.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required to prepare the financial statements which give a true and fair view of the state of affairs of the Company and of the Group as at end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- complied with all the applicable approved accounting standards in Malaysia
- adopted suitable accounting policies and applied them consistently
- made judgements and estimates that are prudent and reasonable

The Directors have responsibility to ensure that proper and adequate accounting records are kept which disclose with reasonable accuracy the financial position of the Company and of the Group, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors have general responsibility for taking such reasonable steps to safeguard the assets of the Company and the Group so as to prevent and detect fraud and other irregularities.

STATEMENT ON INTERNAL CONTROL

BOARD RESPONSIBILITY

In compliance with paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors acknowledges its responsibility on the Group's internal control and for reviewing its effectiveness, adequacy and integrity. Hence, the Board continues with its commitment to maintain a sound system of internal control to safeguard shareholders' interest and assets within the Group. In view of the limitations inherent in any system of internal control, the control system is designed to manage and control the principal business and operation risks rather than to eliminate the risk of failure in achieving the business objective, and it can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

RISK MANAGEMENT

The Board recognises the importance of risk management, as such, the control processes are reviewed by the Board on an ongoing basis for identification and mitigation of the major risks within the Group. The ongoing review process was facilitated with the well defined line of responsibilities, policies and procedures laid down by the Board. Besides this, the participation of the Executive Chairman and Managing Director in the daily activities has also reduced the business and operational risks of the Group. The Executive Chairman, Managing Director and senior management regularly organised meeting to discuss operational matters for the purpose of identifying and managing the business risks of the Group.

KEY ELEMENTS OF INTERNAL CONTROL

The followings are the key elements of the Group's internal control system:-

- A well defined organisational structure with proper lines of responsibilities and delegation of authority for major transactions;
- The information systems capable of reporting financial and operational performance are provided to management for monitoring and decision making;
- The control procedures are also in place to ensure the Group's assets are subject to proper physical controls and periodic regular maintenance;
- The Audit Committee and the Board review and monitor the performance and results of the Group at quarterly meeting, deliberating on significant internal control and performance issues
- The Group has obtained ISO certification for stainless steel and melamineware divisions. The system documentation and control procedures will be audited annually for continuous compliance and enhancement of quality management system.

INTERNAL AUDIT

In accordance with the Best Practice as set out in the Malaysian Code on Corporate Governance, the Board had also engaged the internal audit function which was outsourced to external professional to provide independent assessment of the adequacy, efficiency and integrity of the Group's system of internal control. During the financial year under review, internal control weaknesses were identified and reported to the Audit Committee and the Committee had highlighted the findings and recommendations for improvement to the Board.

The Board has also adopted a Board Charter recommended by the Audit Committee. The primary purpose of the Board of Directors' Charter is to formally define the structure, responsibilities, rights and procedures of the Board.

CONCLUSION

The Directors are of the opinion that the existing system of internal control was satisfactory for the present level of operations and are not aware of any significant deficiency in the system that had resulted in significant losses, contingencies or uncertainties for the financial year under review.

This statement has been duly reviewed by the external auditors, pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group	Company
	RM	RM
Profit for the year, attributable to owners of the parent	3,996,211	1,646,475

DIVIDEND

Since the end of the previous financial year, the dividends declared by the Company on 13 April 2011 and paid on 16 May 2011 in respect of the financial year ended 31 December 2010 as reported in the directors' report of that year are as follows:

	RM
Interim dividend of 2.5% less 25% tax on 178,328,300 ordinary shares of RM0.25 per share	835,918
Interim tax exempt dividend of 2.4% on 178,328,300 ordinary shares of RM0.25 per share	1,069,970
	1,905,888

The Directors do not recommend any dividend payment for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those shown in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position 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 provision for doubtful debts and have satisfied themselves that there were no known bad debts and adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of provision for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values 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 method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

No contingent liability or other liability of the Group or 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 affect the ability of the Group or of the Company to meet their obligations as and 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

In the opinion of the Directors:-

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
(ii) 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 to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES

During the financial year, no new issue of shares was made by the Company.

SHARES REPURCHASED

During the financial year, the Company repurchased 1,767,300 units of its issued and fully paid ordinary shares from the open market at an average price of RM0.23 per share. The total consideration paid for the repurchased shares including transaction costs was RM400,331. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2011, the Company held as treasury shares a total of 19,672,500 of its 196,800,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM4,463,715.

Details of shares repurchased during the financial year are as disclosed in Note 22 to the financial statements.

DIRECTORS OF THE COMPANY

The Directors in office since the date of the last report are:-

LEE CHIN YEN
TAN HONG CHENG
HIA WAN KIGA
LEE POH CHOO
TAN KIM HONG
CHAI MOI KIM
CHIA KAY JOO
CHAN KEE LOIN
AZIZUL MOHD OTHMAN

DIRECTORS' INTERESTS

The interests of the Directors in office as at the end of the financial year in the shares of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965, are as follows:

		Number of Ordinary Shares of RM0.25 Each			
		At 1.1.2011	Bought	Sold	At 31.12.2011
Direct Interest					
Lee Chin Yen		16,287,861	-	-	**16,287,861**
Tan Hong Cheng		7,503,931	-	-	**7,503,931**
Hia Wan Kiga		9,123,706	-	-	**9,123,706**
Tan Kim Hong		507,000	-	-	**507,000**
Lee Poh Choo		2,996,000	-	-	**2,996,000**
Deemed Interest					
Lee Chin Yen	**#	25,608,580	-	-	**25,608,580**
Tan Hong Cheng	***#	26,984,710	-	-	**26,984,710**
Hia Wan Kiga	*	7,521,672	-	-	**7,521,672**

* Shares held through a nominee company
** Shares held by her father, Mr. Lee Chin Yen
*** Shares held by her father, Mr. Tan Hong Cheng
\# Shares held by his children who herself/himself is not director of the Company

By virtue of their substantial interests in the shares of the Company, Mr. Lee Chin Yen and Mr. Tan Hong Cheng are also deemed to have an interest in the shares of the subsidiary companies to the extent of the shareholdings by the Company.

The other Directors in office at the end of the financial year had no interests in the shares of the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' fees, emoluments and benefits-in-kind in Note 5(a)(i) to the financial statements) 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 except for the deemed benefit which may arise from transactions disclosed in Note 34(c) to the financial statements.

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.

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 April 2012.

LEE CHIN YEN **TAN HONG CHENG**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 29 to 78 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 financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 40 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 25 April 2012.

LEE CHIN YEN

TAN HONG CHENG

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lee Chin Yen, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 29 to 78 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 Declarations Act, 1960.

Subscribed and solemnly declared at	)	
Kuala Lumpur in the Federal Territory	)	**LEE CHIN YEN**
on 25 April 2012	)	

Before me

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAM RESOURCES BERHAD (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CAM Resources Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 29 to 78.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. 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 at 31 December 2011 and of their financial performance and cash flows for the 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 financial statements 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.
c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment required to be 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.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 40 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

MOORE STEPHENS AC
Chartered Accountants
AF 001826

LEE KONG WENG
2967/07/13(J)
Chartered Accountant

Kuala Lumpur
Date: 25 April 2012

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Operating revenue	4	**70,505,857**	69,853,717	**2,801,336**	3,719,908
Cost of goods sold		**(55,111,086)**	(54,064,647)	**-**	-
Gross profit		**15,394,771**	15,789,070	**2,801,336**	3,719,908
Other income		**1,110,144**	541,226	**16,784**	6,683
Distribution costs		**(5,745,480)**	(5,441,540)	**-**	-
Administrative costs		**(3,629,831)**	(3,443,414)	**(494,262)**	(313,799)
Other operating costs		**(345,301)**	(950,428)	**(8,183)**	(6,863)
		(9,720,612)	(9,835,382)	**(502,445)**	(320,662)
Profit from operations		**6,784,303**	6,494,914	**2,315,675**	3,405,929
Finance costs		**(1,097,275)**	(733,063)	**-**	-
Share of loss of an associate		**(49)**	-	**-**	-
Profit before taxation	5	**5,686,979**	5,761,851	**2,315,675**	3,405,929
Taxation	6	**(1,690,768)**	(1,682,599)	**(669,200)**	(609,400)
Profit for the year, representing total comprehensive income for the year attributable to owners of the parent		**3,996,211**	4,079,252	**1,646,475**	2,796,529
Basic earnings per share (sen)	7	**2.25**	2.27		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	**46,865,193**	46,036,600	**3,200**	-
Investments in subsidiaries	9	**-**	-	**49,183,462**	47,483,460
Investment in an associate	10	**-**	-	**49**	-
Deferred tax assets	11	**142,900**	65,300	**-**	-
		47,008,093	46,101,900	**49,186,711**	47,483,460
Current assets					
Inventories	12	**36,806,170**	33,988,631	**-**	-
Trade receivables	13	**17,509,554**	19,086,797	**-**	-
Other receivables, deposits and prepayments	14	**3,900,344**	2,472,979	**2,101,099**	1,150
Dividend receivables		**-**	-	**-**	2,461,271
Amount owing by a subsidiary	15	**-**	-	**92**	-
Amount owing by an associate	16	**251**	-	**251**	-
Tax assets	17	**1,778,055**	1,575,002	**236,374**	203,990
Cash deposits with licensed banks	18	**2,250,000**	2,100,000	**-**	1,100,000
Cash and bank balances		**4,575,757**	4,904,442	**294,218**	1,212,228
		66,820,131	64,127,851	**2,632,034**	4,978,639
Non-current asset held for sale	19	**-**	2,616,782	**-**	-
		66,820,131	66,744,633	**2,632,034**	4,978,639
TOTAL ASSETS		**113,828,224**	112,846,533	**51,818,745**	52,462,099

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	20	**49,200,000**	49,200,000	**49,200,000**	49,200,000
Reserves	21	**45,388,955**	43,298,632	**6,938,816**	7,198,229
Treasury shares	22	**(4,463,715)**	(4,063,384)	**(4,463,715)**	(4,063,384)
Total Equity		**90,125,240**	88,435,248	**51,675,101**	52,334,845
Liabilities					
Non-current liabilities					
Finance lease payables	23	**20,836**	55,005	**-**	-
Borrowings	24	**8,204,964**	10,704,601	**-**	-
Deferred tax liabilities	25	**2,381,906**	2,259,570	**800**	-
		10,607,706	13,019,176	**800**	-
Current liabilities					
Trade payables	26	**936,613**	1,148,300	**-**	-
Other payables and accruals	27	**3,316,452**	3,637,432	**142,844**	127,254
Tax liabilities		**300**	-	**-**	-
Provision	28	**326,147**	306,247	**-**	-
Finance lease payables	23	**34,168**	59,169	**-**	-
Borrowings	24	**8,481,598**	6,240,961	**-**	-
		13,095,278	11,392,109	**142,844**	127,254
Total Liabilities		**23,702,984**	24,411,285	**143,644**	127,254
TOTAL EQUITY AND LIABILITIES		**113,828,224**	112,846,533	**51,818,745**	52,462,099

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Share Capital RM	Non-Distributable Share Premium RM	Non-Distributable Treasury Shares RM	Distributable Retained Earnings RM	Total Equity RM
At 1.1.2010		49,200,000	5,178,474	(3,699,327)	34,040,906	84,720,053
Profit for the year, representing total comprehensive income for the year		-	-	-	4,079,252	4,079,252
Transaction with owners						
Purchase of treasury shares	22	-	-	(364,057)	-	(364,057)
At 31.12.2010		49,200,000	5,178,474	(4,063,384)	38,120,158	88,435,248
Profit for the year, representing total comprehensive income for the year		-	-	-	3,996,211	3,996,211
Transactions with owners						
Purchase of treasury shares	22	-	-	(400,331)	-	(400,331)
Dividends	29	-	-	-	(1,905,888)	(1,905,888)
Total transactions with owners		-	-	(400,331)	(1,905,888)	(2,306,219)
At 31.12.2011		**49,200,000**	**5,178,474**	**(4,463,715)**	**40,210,481**	**90,125,240**

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Share Capital RM	Non-Distributable Share Premium RM	Non-Distributable Treasury Shares RM	Distributable Retained Earnings RM	Total Equity RM
At 1.1.2010		49,200,000	5,178,474	(3,699,327)	(776,774)	49,902,373
Profit for the year, representing total comprehensive income for the year		-	-	-	2,796,529	2,796,529
Transaction with owners						
Purchase of treasury shares	22	-	-	(364,057)	-	(364,057)
At 31.12.2010		49,200,000	5,178,474	(4,063,384)	2,019,755	52,334,845
Profit for the year, representing total comprehensive income for the year		-	-	-	1,646,475	1,646,475
Transactions with owners						
Purchase of treasury shares	22	-	-	(400,331)	-	(400,331)
Dividends	29	-	-	-	(1,905,888)	(1,905,888)
Total transactions with owners		-	-	(400,331)	(1,905,888)	(2,306,219)
At 31.12.2011		**49,200,000**	**5,178,474**	**(4,463,715)**	**1,760,342**	**51,675,101**

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Cash Flows from Operating Activities					
Profit before taxation		**5,686,979**	5,761,851	**2,315,675**	3,405,929
Adjustments for:-					
Available-for-sale investment written off		**-**	17,000	**-**	-
Staff advances written off		**4,204**	-	**-**	-
Depreciation of property, plant and equipment		**2,552,761**	2,972,304	**800**	-
Dividend revenue		**-**	-	**(2,801,336)**	(3,719,908)
Gain on disposal of non-current asset held for sale		**(569,390)**	-	**-**	-
Gain on disposal of property, plant and equipment		**(439)**	(370,907)	**-**	-
Impairment loss on trade receivables		**21,214**	148,265	**-**	-
Interest expense		**952,936**	591,934	**-**	-
Interest income		**(19,332)**	(43,198)	**(16,784)**	(6,683)
Net provision for employee benefits		**19,900**	38,958	**-**	-
Property, plant and equipment written off		**1**	2,694	**-**	-
Reversal of impairment loss on trade receivables		**(104,157)**	(41,693)	**-**	-
Share of loss of an associate		**49**	-	**-**	-
Sundry deposits written off		**-**	20,256	**-**	-
Unrealised (gain)/loss on foreign exchange		**(120,300)**	213,613	**-**	-
Operating profit/(loss) before working capital changes		**8,424,426**	9,311,077	**(501,645)**	(320,662)
(Increase)/Decrease in inventories		**(2,817,539)**	2,316,368	**-**	-
Decrease/(Increase) in receivables		**305,086**	(2,126,952)	**(2,099,949)**	-
(Decrease)/Increase in payables		**(532,667)**	952,445	**15,590**	15,119
Cash generated from/(used in) operations		**5,379,306**	10,452,938	**(2,586,004)**	(305,543)
Interest paid		**(952,936)**	(591,934)	**-**	-
Tax refunded		**294,759**	463,192	**-**	-
Tax paid		**(2,143,544)**	(2,712,718)	**(450)**	(550)
Net cash generated from/(used in) operating activities carried down		**2,577,585**	7,611,478	**(2,586,454)**	(306,093)

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Net cash generated from/(used in) operating activities brought down		**2,577,585**	7,611,478	**(2,586,454)**	(306,093)
Cash Flows from Investing Activities					
Acquisition of a subsidiary	30	**-**	-	**(2)**	(2)
Acquisition of an associate		**(49)**	-	**(49)**	-
Additional investment in a subsidiary		**-**	-	**(1,700,000)**	(799,998)
Capital work-in-progress incurred	8	**(2,377,068)**	(3,126,244)	**-**	-
Dividend received		**-**	-	**4,562,273**	600,000
Interest received		**19,332**	43,198	**16,784**	6,683
Placement of deposit with a licensed bank		**(1,000,000)**	-	**-**	-
Proceeds from disposal of non-current asset held for sale		**3,186,172**	-	**-**	-
Proceeds from disposal of property, plant and equipment		**51,599**	2,307,782	**-**	-
Purchase of property, plant and equipment	8	**(1,055,447)**	(15,256,787)	**(4,000)**	-
Advances to an associate		**(251)**	-	**(251)**	-
(Advances to)/Repayment from subsidiaries		**-**	-	**(92)**	3,093,340
Net cash (used in)/generated from investing activities		**(1,175,712)**	(16,032,051)	**2,874,663**	2,900,023
Cash Flows from Financing Activities					
Dividends paid		**(1,905,888)**	-	**(1,905,888)**	-
Drawdown of term loans		**-**	9,775,923	**-**	-
Net proceeds/(repayments) of bankers' acceptances		**3,162,000**	(1,060,000)	**-**	-
Net drawdown/(repayment) of revolving credits		**21,000**	(641,000)	**-**	-
Payments of finance lease		**(59,170)**	(43,220)	**-**	-
Repayments of term loans		**(2,559,130)**	(483,380)	**-**	-
Repurchase of treasury shares		**(400,331)**	(364,057)	**(400,331)**	(364,057)
Net cash (used in)/generated from financing activities		**(1,741,519)**	7,184,266	**(2,306,219)**	(364,057)
Net (decrease)/increase in cash and cash equivalents		**(339,646)**	(1,236,307)	**(2,018,010)**	2,229,873
Effects of exchange rate changes on cash and cash equivalents		**43,831**	(118,239)	**-**	-
Cash and cash equivalents at beginning of the year		**5,998,312**	7,352,858	**2,312,228**	82,355
Cash and cash equivalents at end of the year	31	**5,702,497**	5,998,312	**294,218**	2,312,228

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business is located at Batu 12, Jalan Hutan Melintang, 36400 Hutan Melintang, Perak Darul Ridzuan.

The registered office of the Company is located at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P.Ramlee, 50250 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 9. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 25 April 2012.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act, 1965 in Malaysia.

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Release ("TR") adopted

On 1 January 2011, the Group and the Company adopted the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TR:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)	
Additional Exemptions for First-time Adopters (Amendments to FRS 1)	
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	
Amendments to FRS 2 Share-based Payment	
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)	
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	
Amendments to FRS 132 Financial Instruments: Presentation	
Amendments to FRS 138 Intangible Assets	
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	
TR i-4	Shariah Compliant Sale Contracts

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR does not have any effect on the financial statements of the Group and of the Company except for those discussed below.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

FRS 3, Business Combinations (Revised) and FRS 127, Consolidated and Separate Financial Statements (Revised)

The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest (previously known as minority interest) at either fair value or at its proportionate share of the acquiree's net identifiable assets. The revised FRS 127 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 non-controlling interests to be absorbed by minority shareholders instead of by the parent even if the losses exceed the non-controlling interests in the subsidiary's equity. The Group has applied the changes of revised FRS 3 and FRS 127 prospectively. There is no financial impact on the financial statements of the Group for the current financial year other than changes in accounting policies.

Amendments to FRS 7 [Improvements to FRSs (2010)]

The amendment clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

MFRS Framework, new and revised FRSs, Amendments to FRSs, and IC Interpretations issued but not yet effective

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer.

As such, the Group and the Company will prepare their first financial statements using the MFRS framework for the financial year ending 31 December 2012. In presenting their first MFRS financial statements, the Group and the Company may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework.

The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework.

(b) Basis of measurement

The financial statements of the Group and of the Company are presented under the historical cost convention unless otherwise stated in the respective accounting policies below.

(c) Functional and presentation currency

The financial statements are prepared in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements

Significant areas of estimation, uncertainty and critical judgements in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:

(i) Useful lives of property, plant and equipment (Note 8) - The cost of property, plant and equipment is depreciated on a straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, resulting in revision for future depreciation charges;

(ii) Classification between investment properties and property, plant and equipment – The Group has developed certain criteria based on FRS140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Due to the factory buildings rented out could not be sold separately, the Group has treated the whole property as property, plant and equipment;

(iii) Deferred tax assets (Note 11) – Deferred tax assets are recognised for deductible temporary differences in respect of expenses, unabsorbed capital allowances and unutilised tax losses to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group; and

(iv) Impairment loss on trade receivables (Note 13) – The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectible. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all its subsidiary companies which are disclosed in Note 9 are made up to the end of the financial year. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Subsidiaries are consolidated using the purchase method, from the date of acquisition being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of Consolidation (cont'd)

Where the present ownership interests in the acquiree entitles the holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects for each individual business combination, whether non-controlling interests in the acquisition is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

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

(b) Subsidiaries

A subsidiary is an entity in which the Company has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently exercisable are taken into account.

Investments in subsidiaries, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Associate

An associate is defined as a company, not being a subsidiary, in which the Company has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associate are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associate are stated at cost less accumulated impairment loss.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, Plant and Equipment and Depreciation

Freehold land is stated at valuation. Additions subsequent to the date of the last valuation exercise are stated at cost.

Buildings are stated at valuation less accumulated depreciation and accumulated impairment losses, if any. Additions subsequent to the date of the last valuation exercise are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended uses. This expenditure is stated at cost less accumulated impairment losses, if any, and no depreciation is provided. Upon completion of construction, the cost will be reclassified to the respective property, plant and equipment and depreciated according to the depreciation policy of the Group.

Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

All other property, plant and equipment are depreciated to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Leasehold land	95 to 99 years
Buildings and warehouse	2% - 20%
Plant, machinery and tools	5% - 20%
Furniture, fittings and renovation	5% - 10%
Office equipment and computers	5% - 20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at each financial year end 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 property, plant and equipment. These are adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(e) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets except for inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised in profit or loss.

Any subsequent increase in recoverable amount of an asset due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised as profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Cost includes the actual cost of purchases and incidentals in bringing the inventories into store and for finished goods and work-in-progress, it includes costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and has categorised the financial assets in loans and receivables.

i. Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

The Group and the Company classify the following financial assets as loans and receivables:
- Cash and cash equivalents, except bank overdraft; and
- Trade and other receivables, including amount due from an associate and a subsidiary.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

(h) Non-current Assets Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before reclassification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter the assets are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

i. Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits, which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft.

(k) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(l) Treasury Shares

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as movement in equity.

(m) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Leases

i. *Finance Leases - the Group as Lessee*

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

ii. *Operating Leases - the Group as Lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(o) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group's and the Company's financial liabilities include trade payables, other payables including deposits received and accruals, and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For these financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(p) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Foreign Currency Transactions (cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which the time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(q) Taxation

Taxation in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill 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 nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(r) Revenue Recognition

i. Goods Sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

ii. Interest income

Interest income is recognised on an accrual basis using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Revenue Recognition (cont'd)

iii. Dividend income

Dividend income from subsidiaries are recognised when the right to receive payment is established.

iv. Rental income

Rental income is recognised in profit or loss on the straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of lease.

(s) Employee Benefits

i. Short Term Employee Benefits

Wages, salaries, social security contributions and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as expenses in the profit or loss as incurred.

(t) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment manager reports directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

(u) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(v) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

4. OPERATING REVENUE

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Dividend income	**-**	-	**2,801,336**	3,719,908
Sale of goods	**70,505,857**	69,853,717	**-**	-
	70,505,857	69,853,717	**2,801,336**	3,719,908

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Auditors' remuneration				
- audit services	**77,500**	69,000	**13,500**	11,000
- other services	**45,800**	8,450	**45,800**	8,450
Available-for-sale investment written off	**-**	17,000	**-**	-
Staff advances written off	**4,204**	-	**-**	-
Depreciation of property, plant and equipment	**2,552,761**	2,972,304	**800**	-
Personnel expenses (including key management personnel (Note (a))				
- Contribution to defined contribution plan	**1,003,593**	988,225	**-**	-
- Net provision for employees benefits	**19,900**	38,958	**-**	-
- Wages, salaries and others	**14,008,551**	12,889,642	**-**	-
Hire of equipment	**3,090**	6,560	**-**	-
Impairment loss on trade receivables	**21,214**	148,265	**-**	-
(Gain)/Loss on foreign exchange				
- realised	**(163,475)**	431,212	**-**	-
- unrealised	**(120,300)**	213,613	**-**	-
Interest expense	**952,936**	591,934	**-**	-
Property, plant and equipment written off	**1**	2,694	**-**	-
Rental of premises	**228,580**	228,999	**-**	-
Sundry deposits written off	**-**	20,256	**-**	-
Gain on disposal of non-current asset held for sale	**(569,390)**	-	**-**	-
Gain on disposal of property, plant and equipment	**(439)**	(370,907)	**-**	-
Reversal of impairment loss on trade receivables	**(104,157)**	(41,693)	**-**	-
Interest income	**(19,332)**	(43,198)	**(16,784)**	(6,683)
Rental income	**(70,000)**	-	**-**	-

5. PROFIT BEFORE TAXATION (cont'd)

(a) Included in personnel expenses are:-

(i) Directors' Remuneration

The aggregate amount of remunerations received and receivable by the Directors of the Company during the financial year are as follows:-

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Executive Directors				
- Fees	**60,000**	60,000	**60,000**	60,000
- Other emoluments	**1,174,592**	1,165,180	**-**	-
	1,234,592	1,225,180	**60,000**	60,000
Non-Executive Directors				
- Fees	**50,000**	50,000	**50,000**	50,000
Total remuneration	**1,284,592**	1,275,180	**110,000**	110,000

The estimated monetary value of benefits-in-kind (which were not included in the above directors' remunerations) received by the Directors from the Group amounted to RM54,650 (2010 : RM54,650).

6. TAXATION

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Current tax				
Malaysian - current year	**1,465,966**	1,882,263	**668,400**	609,400
Malaysian - prior year	**150,844**	(40,260)	**-**	-
	1,616,810	1,842,003	**668,400**	609,400
Deferred tax				
(Notes 11 and 25)				
Origination and reversal of temporary differences	**(25,964)**	(220,030)	**800**	-
Underprovision in prior year	**70,700**	38,700	**-**	-
	44,736	(181,330)	**800**	-
Real property gains tax	**29,222**	21,926	**-**	-
Tax expense	**1,690,768**	1,682,599	**669,200**	609,400

6. TAXATION (cont'd)

The reconciliation of the tax amount at statutory tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Profit before taxation	**5,686,979**	5,761,851	**2,315,675**	3,405,929
Tax at the statutory income tax rate of 25%	**1,421,700**	1,440,470	**578,900**	851,500
Tax effect arising from:-				
- non-deductible expenses	**360,502**	370,863	**90,300**	29,300
- non taxable income	**(142,800)**	(92,700)	**-**	(271,400)
- double deduction incentives	**(24,500)**	(56,400)	**-**	-
Real property gains tax	**29,222**	21,926	**-**	-
Reinvestment allowance claimed under Schedule 7A of the Income Tax Act, 1967, in respect of qualifying property, plant and equipment utilised to set-off against taxable profit for the year	**(81,200)**	-	**-**	-
Recognition of deferred tax assets previously not recognised	**(93,700)**	-	**-**	-
Under/(Over)provision in prior year				
- current tax	**150,844**	(40,260)	**-**	-
- deferred tax	**70,700**	38,700	**-**	-
Tax expense	**1,690,768**	1,682,599	**669,200**	609,400

Prior to the year of assessment 2008, Malaysian companies adopted full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2011 and 2010 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2011 and 2010, the Company has the Section 108 balance to pay franked dividends approximately to RM25,400 (2010: RM861,300) subject to availability of distributable earnings. If the balance of the retained earnings of RM1,734,900 (2010 : RM1,158,500) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

The Group has estimated unabsorbed capital allowances and unutilised tax losses of RM904,000 (2010: RM656,000) and RM 330,000 (2010: RM330,000) respectively carried forward, available for set off against future taxable profits of the Company.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to shareholders of RM3,996,211 (2010 : RM4,079,252) by the weighted average number of ordinary shares in issue during the year of 177,612,752 (2010 : 179,960,044) ordinary shares after taking into account the number of shares repurchased and held as treasury shares during the year.

No diluted earnings per share has been presented as the Company has no potential ordinary shares which are dilutive in nature as at the year end.

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Long term Leasehold Land	Buildings and Warehouse	Plant, Machinery and Tools	Furniture, Fittings and Renovation	Office Equipment and Computers	Motor Vehicles	Capital Work-in-Progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
Cost									
At 1.1.2011	9,581,076	8,062,955	19,432,496	42,351,284	380,868	1,666,070	4,144,875	4,545,554	90,165,178
Additions	-	182,920	-	646,069	38,979	201,557	14,065	2,348,925	3,432,515
Reclassification	-	-	2,384,717	785,881	32,670	67,020	-	(3,270,288)	-
Disposals	-	-	-	(51,000)	-	(32,600)	-	-	(83,600)
Written off	-	-	-	-	-	(1,350)	-	-	(1,350)
At 31.12.2011	9,581,076	8,245,875	21,817,213	43,732,234	452,517	1,900,697	4,158,940	3,624,191	93,512,743
Accumulated Depreciation									
At 1.1.2011	-	33,819	3,795,237	35,262,214	166,271	1,172,345	3,698,692	-	44,128,578
Charge for the year	-	99,994	551,145	1,568,974	34,487	149,581	148,580	-	2,552,761
Disposals	-	-	-	(5,950)	-	(26,490)	-	-	(32,440)
Written off	-	-	-	-	-	(1,349)	-	-	(1,349)
At 31.12.2011	-	133,813	4,346,382	36,825,238	200,758	1,294,087	3,847,272	-	46,647,550
Net Carrying Amount									
At 31.12.2011	9,581,076	8,112,062	17,470,831	6,906,996	251,759	606,610	311,668	3,624,191	46,865,193

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold Land	Long term Leasehold Land	Buildings and Warehouse	Plant, Machinery and Tools	Furniture, Fittings and Renovation	Office Equipment and Computers	Motor Vehicles	Capital Work-in-Progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
Cost									
At 1.1.2010	10,983,596	-	17,244,383	40,774,579	366,979	1,672,476	3,908,723	2,425,824	77,376,560
Additions	3,151,137	8,062,955	2,188,113	1,471,282	15,060	185,501	282,739	3,126,244	18,483,031
Reclassification	-	-	-	1,006,514	-	-	-	(1,006,514)	-
Reclassification to non-current asset held for sale	(2,616,782)	-	-	-	-	-	-	-	(2,616,782)
Disposals	(1,936,875)	-	-	-	-	-	-	-	(1,936,875)
Written off	-	-	-	(901,091)	(1,171)	(191,907)	(46,587)	-	(1,140,756)
At 31.12.2010	9,581,076	8,062,955	19,432,496	42,351,284	380,868	1,666,070	4,144,875	4,545,554	90,165,178
Accumulated Depreciation									
At 1.1.2010	-	-	3,423,032	33,878,812	148,744	1,265,482	3,578,266	-	42,294,336
Charge for the year	-	33,819	372,205	2,284,161	18,694	96,413	167,012	-	2,972,304
Written off	-	-	-	(900,759)	(1,167)	(189,550)	(46,586)	-	(1,138,062)
At 31.12.2010	-	33,819	3,795,237	35,262,214	166,271	1,172,345	3,698,692	-	44,128,578
Net Carrying Amount									
At 31.12.2010	9,581,076	8,029,136	15,637,259	7,089,070	214,597	493,725	446,183	4,545,554	46,036,600

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Office Equipment RM
Cost	
At 1.1.2011	-
Additions	4,000
At 31.12.2011	4,000
Accumulated Depreciation	
At 1.1.2011	-
Charge for the year	800
At 31.12.2011	800
Net carrying amount	
At 31.12.2011	3,200

(a) Certain freehold land and buildings of the Group were revalued in year 1984 and year 1998 by the Directors based on valuation carried out by independent professional valuers on the open market value basis and the revalued amount were retained at their surrogate costs.

(b) Property, plant and equipment pledged to licensed banks for term loan facilities granted to the Group as disclosed in Note 24 are as follows:

	Group	
	2011 RM	2010 RM
Net Carrying Amount		
Freehold land	**4,789,870**	6,099,076
Long term leasehold land	**8,112,061**	8,025,803
Buildings	**2,144,192**	2,176,192
	15,046,123	16,301,071

(c) During the year, the Group and the Company acquired property, plant and equipment (excluding capital work-in-progress) with aggregate cost of RM1,055,447 (2010: RM15,356,787) and RM4,000 (2010: RM nil) respectively of which were satisfied as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash payments	**1,083,590**	15,256,787	**4,000**	-
Finance lease arrangement	**-**	100,000	**-**	-
	1,083,590	15,356,787	**4,000**	-

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(d) Included in property, plant and equipment are motor vehicles acquired under finance lease instalment plans as follows:-

	Group 2011 RM	Group 2010 RM
Cost	**157,279**	309,428
Net carrying amount	**110,095**	225,233

(e) The capital work-in-progress is in respect of cost incurred on construction of plant and machinery, factory, office building, renovation of shoplot and extension of factory building of the subsidiaries.

(f) Included in buildings and warehouse of the Group are factory buildings and warehouse of a subsidiary with net carrying amount of RM588,427 (2010: RM489,815) which are erected on a land leased from a third party landlord on a short tenure. During the year, the management has revised the useful life of these assets from 50 years to remaining period of 5 years which the directors believe will continue for the period. The revision in estimate has been applied on a prospective basis from 1 January 2011. The above revision increased the depreciation charge for the current year by RM119,119 and the remaining 4 years by RM129,529 each.

(g) The long term leasehold land of the Group has remaining unexpired lease period of more than 50 years.

9. INVESTMENTS IN SUBSIDIARIES

	Company 2011 RM	Company 2010 RM
Unquoted shares, at cost	49,183,462	47,483,460

The particulars of subsidiaries are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2011	Effective Equity Interest 2010
Central Aluminium Manufactory Sdn. Bhd.	Malaysia	Manufacturing and trading in aluminium and stainless steel household products	**100%**	100%
Central Melamineware Sdn. Bhd.	Malaysia	Manufacturing and trading in melamineware products	**100%**	100%
Advance Eagle Marketing Sdn. Bhd.	Malaysia	Trading of household products	**100%**	100%
Central Eco Fiber Sdn. Bhd.	Malaysia	Manufacturing and production of palm fibre	**100%**	100%
Esquire Concept Sdn. Bhd.	Malaysia	Commercial trading, property dealing and investment holding	**100%**	-

10. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Unquoted shares, at cost	**49**	-	**49**	-
Share of post-acquisition reserves	**(49)**	-	**-**	-
	-	-	**49**	-

On 8 April 2011, the Company acquired 49 ordinary shares of RM1 each representing 49% of the issued and fully paid-up share capital of Permatang Kiara Sdn. Bhd..

The details of the associate are as follows:

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2011	2010
Permatang Kiara Sdn. Bhd.	Malaysia	Commercial trading, property dealing and investment holding	**49%**	-

a) The Group has ceased to equity account its share of losses of the associate from the financial statements as the carrying amount of this investment has reached nil. The share of results not recognised are as follows:

	Group	
	2011	2010
	RM	RM
Loss for the year	**1,135**	-
Accumulated loss	**1,135**	-

b) The summarised financial information of the associate is as follows:

	Group	
	2011	2010
	RM	RM
Assets and liabilities		
Current assets, representing total assets	**100**	-
Current liabilities, representing total liabilities	**2,417**	-
Results		
Revenue	**-**	-
Loss for the year	**(2,417)**	-

11. DEFERRED TAX ASSETS

	Group 2011 RM	Group 2010 RM
At beginning of the year	**65,300**	82,500
Recognised in profit or loss (Note 6)	**77,600**	(17,200)
At end of the year	**142,900**	65,300

This is in respect of deferred tax assets/(liabilities) arising from the following temporary differences:

	Group 2011 RM	Group 2010 RM
Differences between the carrying amount of property, plant and equipment and its tax base	**(353,100)**	(281,300)
Deductible temporary differences in respect of expenses	**187,500**	193,800
Unabsorbed capital allowances	**226,000**	152,800
Unutilised tax losses	**82,500**	-
	142,900	65,300

The deferred tax assets recognised in the financial statements is from deductible temporary differences in respect of expenses and tax credits which can be utilised to set-off against probable future taxable income based on profit projection for the next financial year of the subsidiaries.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group 2011 RM	Group 2010 RM
Unabsorbed capital allowances	**-**	44,600
Unutilised tax losses	**-**	330,000
	-	374,600

12. INVENTORIES

	Group 2011 RM	Group 2010 RM
At cost:		
Raw materials	**13,174,889**	12,452,271
Work-in-progress	**5,592,752**	5,284,829
Finished goods	**18,038,529**	16,220,903
	36,806,170	33,958,003
At net realisable value:		
Raw materials	**-**	30,628
	36,806,170	33,988,631

13. TRADE RECEIVABLES

	Group 2011 RM	Group 2010 RM
Trade receivables		
External parties	**18,216,217**	19,885,444
Related parties	**51,907**	42,866
	18,268,124	19,928,310
Less: Allowance for impairment loss	**(758,570)**	(841,513)
Trade receivables, net	**17,509,554**	19,086,797

The foreign currency exposure profiles are as follows:-

	Group 2011 RM	Group 2010 RM
Brunei Dollar	**80,843**	214,139
Singapore Dollar	**371,430**	393,595
United States Dollar	**582,916**	1,113,781
	1,035,189	1,721,515

(a) Credit term of trade receivables

The Group's normal trade credit term extended to customers ranges from 30 to 120 days.

13. TRADE RECEIVABLES (cont'd)

(b) Ageing analysis of trade receivables

The ageing analysis of the trade receivables are as follows:

	Group	
	2011	2010
	RM	RM
Neither past due nor impaired	**13,509,705**	15,163,980
1 to 90 days past due not impaired	**3,728,933**	3,065,992
91 to 120 days past due not impaired	**210,476**	320,656
More than 121 days past due not impaired	**60,440**	536,169
	3,999,849	3,922,817
Impaired	**758,570**	841,513
	18,268,124	19,928,310

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. More than 63% (2010: 30%) of the Group's trade receivables arise from customers with more than 10 years of experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired are creditworthy debtors who, by past trade practices, have paid after the expiry of the trade credit terms and the Group is currently still in active trading with the debtors. The Group does not anticipate recovery problem in respect of these debtors.

Receivables that are impaired

The trade receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2011	2010
	RM	RM
Trade receivables (nominal amounts)	**758,570**	841,513
Less: Allowance for impairment loss	**(758,570)**	(841,513)
	-	-

The Group has determined that there are no trade receivables which require collective impairment as full allowance for impairment have always been made for specific debtors that are in significant financial difficulties.

13. TRADE RECEIVABLES (cont'd)

(b) Ageing analysis of trade receivables (cont'd)

Movement in allowance accounts:

	Group	
	2011	**2010**
	RM	**RM**
At beginning of the year	**841,513**	734,941
Charge for the year (Note 5)	**21,214**	148,265
Reversal of impairment losses (Note 5)	**(104,157)**	(41,693)
At end of the year	**758,570**	841,513

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
		2011	**2010**	**2011**	**2010**
	Note	**RM**	**RM**	**RM**	**RM**
Advances to suppliers		**809,457**	1,662,230	**-**	-
Other receivables	(a)	**366,779**	140,185	**-**	-
Deposits	(b)	**2,557,048**	483,186	**2,101,099**	1,150
Prepayments		**112,833**	140,580	**-**	-
Staff advances		**54,227**	46,798	**-**	-
		3,900,344	2,472,979	**2,101,099**	1,150

(a) Included in other receivables of the Group is an amount of RM237,000 (2010: RM 62,000) being advances paid to a contractor for construction of a new warehouse and office building.

(b) Included in deposits of the Group and of the Company is an amount of RM2,100,000 (2010: RM nil) being downpayment for the acquisition of land and shares as mentioned in Note 36.

Also, included in deposits of the Group is an amount of RM135,066 (2010 : RM103,540) being deposits paid for the acquisition of property, plant and equipment.

15. AMOUNT OWING BY A SUBSIDIARY

This amounts is non-trade in nature, unsecured, interest free and repayable on demand in cash.

16. AMOUNT OWING BY AN ASSOCIATE

This amount is non-trade in nature, unsecured, interest free and is repayable on demand in cash.

17. TAX ASSETS

This is in respect of tax recoverable from the Inland Revenue Board.

18. CASH DEPOSITS WITH LICENSED BANKS

The cash deposits with licensed banks of the Group and of the Company bear effective interest rates ranging from 1.80% to 3.00% (2010: 1.75%) per annum and mature within one year.

Included in cash deposits of the Group is an amount of RM1,000,000 (2010: RM nil) pledged for banking facilities granted to a subsidiary.

19. NON-CURRENT ASSET HELD FOR SALE

	Group	
	2011	2010
	RM	RM
Freehold land	-	2,616,782

In the previous year, a subsidiary entered into a Sale and Purchase Agreement to dispose a freehold land for a cash consideration of RM3,186,172. The disposal of the freehold land was completed during the current year.

20. SHARE CAPITAL

	Group/Company	
	2011	2010
	RM	RM
Authorised:		
400,000,000 ordinary shares of RM0.25 each	**100,000,000**	100,000,000
Issued and fully paid:		
196,800,000 ordianary shares RM0.25 each	**49,200,000**	49,200,000

The number of issued and fully paid ordinary shares with voting rights as at the year end are as follows:-

	Group/Company	
	2011	2010
	RM	RM
Issued and fully paid ordinary shares of RM0.25 each		
Total number of issued and fully paid ordinary shares	**196,800,000**	196,800,000
Less: Ordinary shares held as treasury shares (Note 22)	**(19,672,500)**	(17,905,200)
At end of the year	**177,127,500**	178,894,800

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual interests.

21. RESERVES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Distributable				
Retained earnings	**40,210,481**	38,120,158	**1,760,342**	2,019,755
Non-distributable				
Share premium	**5,178,474**	5,178,474	**5,178,474**	5,178,474
	45,388,955	43,298,632	**6,938,816**	7,198,229

22. TREASURY SHARES

	Group/Company			
	2011		2010	
	Number of shares	**RM**	**Number of shares**	**RM**
At beginning of the year	**17,905,200**	**4,063,384**	16,448,200	3,699,327
Additions during the year	**1,767,300**	**400,331**	1,457,000	364,057
At end of the year	**19,672,500**	**4,463,715**	17,905,200	4,063,384

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 7 May 2010, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

During the year, the Company repurchased 1,767,300 (2010 : 1,457,000) of its issued and fully paid ordinary shares from the open market at an average price of RM0.23 (2010 : RM0.25) per share. The total consideration paid for the repurchased shares including transaction costs was RM400,331 (2010 : RM364,057). The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

23. FINANCE LEASE PAYABLES

	Group	
	2011	**2010**
	RM	**RM**
Gross instalment payments	**57,632**	121,898
Less: Future finance charges	**(2,628)**	(7,724)
Total present value of finance lease liabilities	**55,004**	114,174

23. FINANCE LEASE PAYABLES (cont'd)

	Group 2011 RM	Group 2010 RM
Current liabilities		
Payable within 1 year		
Gross instalment payments	**36,408**	64,266
Less: Future finance charges	**(2,240)**	(5,097)
Present value of finance lease liabilities	**34,168**	59,169
Non-current liabilities		
Payable after 1 year but not later than 2 years		
Gross instalment payments	**21,224**	36,408
Less: Future finance charges	**(388)**	(2,240)
Present value of finance lease liabilities	**20,836**	34,168
Payable after 2 years but not later than 5 years		
Gross instalment payments	**-**	21,224
Less: Future finance charges	**-**	(387)
Present value of finance lease liabilities	**-**	20,837
Total present value of finance lease liabilities	**55,004**	114,174
Analysed as:		
Payable within 1 year	**34,168**	59,169
Payable after 1 year	**20,836**	55,005
	55,004	114,174

The finance lease payables of the Group bear effective interest at a rate of 5.82% (2010 : rates ranging from 5.82% - 7.34%) per annum.

24. BORROWINGS

	Group 2011 RM	Group 2010 RM
Non-current		
Term loans - secured	**8,204,964**	10,704,601
Current		
Term loans - secured	**1,053,338**	1,112,831
Bank overdrafts - unsecured	**123,260**	1,006,130
Bankers' acceptances - unsecured	**6,643,000**	3,481,000
Revolving credits - unsecured	**662,000**	641,000
	8,481,598	6,240,961
Total borrowings	**16,686,562**	16,945,562

	Current	←		Non-current		→		
	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years	Sub-total RM	Total RM
Group								
2011								
Financial liabilities								
Term loans	**1,053,338**	**855,601**	**862,404**	**928,876**	**995,666**	**4,562,417**	**8,204,964**	**9,258,302**
Revolving credits	**662,000**	**-**	**-**	**-**	**-**	**-**	**-**	**662,000**
Bankers' acceptances	**6,643,000**	**-**	**-**	**-**	**-**	**-**	**-**	**6,643,000**
Bank overdrafts	**123,260**	**-**	**-**	**-**	**-**	**-**	**-**	**123,260**
	8,481,598	**855,601**	**862,404**	**928,876**	**995,666**	**4,562,417**	**8,204,964**	**16,686,562**
2010								
Financial liabilities								
Term loans	1,112,831	1,214,377	1,028,283	1,048,586	1,151,172	6,262,183	10,704,601	11,817,432
Revolving credits	641,000	-	-	-	-	-	-	641,000
Bankers' acceptances	3,481,000	-	-	-	-	-	-	3,481,000
Bank overdrafts	1,006,130	-	-	-	-	-	-	1,006,130
	6,240,961	1,214,377	1,028,283	1,048,586	1,151,172	6,262,183	10,704,601	16,945,562

24. BORROWINGS (cont'd)

Term loans - secured

Term loans bear interest at rates ranging from 5.25% to 8.10% (2010 : 4.40% to 7.80%) per annum and are secured and supported as follows:

(a) legal charge over certain land and buildings of subsidiaries as mentioned in Note 8; and
(b) corporate guarantee of the Company.

Bank overdrafts – unsecured

The bank overdraft facilities bear interest at rates ranging from 7.30% to 7.55% (2010 : 7.30% to 7.55%) per annum and are supported by a corporate guarantee of the Company.

Bankers' acceptances and revolving credits - unsecured

The unsecured bankers' acceptances and revolving credits bear interest at rates ranging from 3.24% to 7.85% (2010 : 3.01% to 7.60%) per annum.

The unsecured bankers' acceptances and revolving credits are supported by the following:-

(a) negative pledge by a subsidiary; and
(b) corporate guarantee of the Company.

25. DEFERRED TAX LIABILITIES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At beginning of the year	**2,259,570**	2,458,100	**-**	-
Recognised in profit or loss (Note 6)	**122,336**	(198,530)	**800**	-
At end of the year	**2,381,906**	2,259,570	**800**	-

This is in respect of estimated deferred tax liabilities/(assets) arising from the following temporary differences:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Differences between the carrying amounts of property,plant and equipment and their tax base	**1,467,640**	1,324,270	**800**	-
Surplus arising from group cost adjustment of buildings	**1,355,600**	1,395,100	**-**	-
Deductible temporary differences in respect of expenses	**(34,200)**	(107,900)	**-**	-
Unrealised profit on inventories	**(407,134)**	(351,900)	**-**	-
	2,381,906	2,259,570	**800**	-

26. TRADE PAYABLES

	Group	
	2011	**2010**
	RM	**RM**
External parties	**931,827**	1,143,077
Related parties	**4,786**	5,223
	936,613	1,148,300

The normal trade credit term granted by trade creditors to the Group ranges from 30 to 120 days.

27. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Advances from customers	**272,236**	165,688	**-**	-
Deposits received	**16,000**	344,617	**-**	-
Other payables	**26,092**	47,305	**-**	-
Accruals	**3,002,124**	3,079,822	**142,844**	127,254
	3,316,452	3,637,432	**142,844**	127,254

Included in accruals of the Group in the previous year was tax penalty owing to Inland Revenue Board of RM32,173.

28. PROVISION

	Group	
	2011	**2010**
	RM	**RM**
At beginning of the year	**306,247**	267,289
Additions	**326,147**	306,247
Incurred	**(306,247)**	(267,289)
At end of the year	**326,147**	306,247

This is in respect of provision for employee benefits on short term accumulating compensated absences for the employees of the Group.

The provision is made based on the number of days of outstanding compensated absences of each employee multiplied by their respective salary/wages as at year end.

29. DIVIDENDS

	Amount		Net dividend per share	
	2011	2010	2011	2010
	RM	RM	Sen	Sen
In respect of financial year ended 31 December 2010:				
Interim dividend of 2.5% less 25% tax on 178,328,300 ordinary shares of RM0.25 per share	**835,918**	-	**0.469**	-
Interim tax exempt dividend of 2.4% on 178,328,300 ordinary shares of RM0.25 per share	**1,069,970**	-	**0.600**	-
	1,905,888	-	**1.069**	-

30. ACQUISITION OF SUBSIDIARIES

In the previous year, the Company acquired 2 ordinary shares of RM1 each representing 100% of the issued and fully paid-up share capital of Central Eco Fiber Sdn. Bhd., a company incorporated in Malaysia. Subsequently, the paid up share capital was increased from RM2 to RM800,000.

On 21 July 2011, the Company acquired 2 ordinary shares of RM1 each representing 100% of the issued and fully paid-up share capital of Esquire Concept Sdn. Bhd., a company incorporated in Malaysia.

(i) The fair value of the identifiable asset of the subsidiaries at the date of acquisition was:-

	Group	
	2011	2010
	RM	RM
Cash on hand	**2**	2

(ii) Effect on Consolidated Statement of Cash Flows

The fair value of the asset acquired is as follows:-

	Group	
	2011	2010
	RM	RM
Cash on hand, representing fair value of net asset	**2**	2
Total purchase consideration	**2**	2
Cash on hand of subsidiaries acquired	**(2)**	(2)
Effect of acquisition of subsidiaries, net of cash acquired	**-**	-

(iii) Impact of acquisition in Statement of Comprehensive Income

From the date of acquisition, the subsidiary has contributed a loss of RM1,875 (2010: RM402,781) to the Group's profit before tax.

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	**4,575,757**	4,904,442	**294,218**	1,212,228
Cash deposits with licensed banks	**2,250,000**	2,100,000	**-**	1,100,000
Bank overdrafts (Note 24)	**(123,260)**	(1,006,130)	**-**	-
	6,702,497	5,998,312	**294,218**	2,312,228
Less: Pledged deposits (Note 18)	**(1,000,000)**	-	**-**	-
	5,702,497	5,998,312	**294,218**	2,312,228

The foreign currency exposure profiles of bank balances are as follows:-

	Group	
	2011	**2010**
	RM	**RM**
Singapore Dollar	**22,875**	19,247
United States Dollar	**712,080**	934,245
	734,955	953,492

32. CONTINGENT LIABILITIES - UNSECURED

	Group	
	2011	**2010**
	RM	**RM**
In respect of corporate guarantee by the Company for credit facilities granted to subsidiaries by licensed banks	**16,686,562**	16,945,562

33. CAPITAL COMMITMENT

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Approved and contracted for:				
- acquisition of a subsidiary	**15,660,000**	-	**15,660,000**	-
- property, plant and equipment	**3,375,066**	50,000	**3,240,000**	-
	19,035,066	50,000	**18,900,000**	-

34. RELATED PARTY DISCLOSURES

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or to the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have a related party relationship with its subsidiaries, associate, related parties and key management personnel. Related parties refer to companies/enterprise in which certain directors of the Company have substantial financial interests.

(b) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group.

The remunerations of the key management personnel are as follows:-

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Directors of the Company				
- Fees	**110,000**	110,000	**110,000**	110,000
- Remuneration	**1,049,200**	1,040,000	**-**	-
Estimated monetary value of benefits-in-kind	**54,650**	54,650	**-**	-
Total short-term employee benefits	**1,213,850**	1,204,650	**110,000**	110,000
- Post-employment benefits	**125,392**	125,180	**-**	-
	1,339,242	1,329,830	**110,000**	110,000

(c) Related party transactions

	Group	
	2011	2010
	RM	RM
(i) Subsidiaries		
Dividend income received and receivables	**2,801,336**	3,719,908

34. RELATED PARTY DISCLOSURES (cont'd)

(c) Related party transactions (cont'd)

	Group 2011 RM	Group 2010 RM
(ii) Related parties		
A company in which the brother-in-law of a Director of the Company has substantial financial interest and is also a director		
- purchases	**200,362**	14,720
- sales	**(54,488)**	(95,312)
An enterprise in which the brother of a Director of the Company is a proprietor owner		
- purchases	**4,602**	2,615
- sales	**(260,687)**	(243,517)
A company in which certain Directors of the Company have substantial financial interest and one of them is also a director		
- purchases	**-**	1,682,620
- sales	**-**	(194)

(d) Related party balances

Information on the outstanding balances with related companies and related parties are disclosed in Notes 13, 15, 16 and 26 respectively.

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

Investment holding	Investment holding
Manufacturing	Manufacturing of aluminium, stainless steel, melamine household products and palm fibre
Trading	Trading of household products

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

35. SEGMENT INFORMATION (cont'd)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of comprehensive income. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

(i) Operating Segment

	Note	Investment Holding	Manufacturing	Trading	Adjustments and Eliminations	Consolidated
		RM	RM	RM	RM	RM
2011						
Segment Revenue						
External revenue		-	34,725,571	35,780,286	-	70,505,857
Inter segment revenue	a	2,801,336	24,964,345	322,463	(28,088,144)	-
Total revenue		2,801,336	59,689,916	36,102,749	(28,088,144)	70,505,857
Segment Result						
Interest expense		-	911,266	80,564	(38,894)	952,936
Interest income		-	(58,226)	-	38,894	(19,332)
Depreciation of property, plant and equipment		800	2,312,418	96,671	142,872	2,552,761
Other non-cash items	b	-	(655,517)	(93,450)	-	(748,967)
Share of loss of an associate		49	-	-	-	49
Segment profit before taxation	c	2,315,675	4,763,531	1,773,030	(3,165,257)	5,686,979
Taxation		669,200	1,161,652	654,984	(795,068)	1,690,768
Segment Assets						
Investment in an associate		49	-	-	(49)	-
Additions to non-current assets excluding deferred tax assets and financial instruments		4,000	2,763,268	665,247	-	3,432,515
Total segment assets	d	51,818,745	93,714,140	23,312,581	(55,017,242)	113,828,224
Total segment liabilities	e	143,644	22,494,356	10,218,929	(9,153,945)	23,702,984

35. SEGMENT INFORMATION (cont'd)

(i) Operating Segment (cont'd)

	Note	Investment Holding RM	Manufacturing RM	Trading RM	Adjustments and Eliminations RM	Consolidated RM
2010						
Segment Revenue						
External revenue		-	32,885,742	36,967,975	-	69,853,717
Inter segment revenue	a	3,719,908	24,749,664	674,103	(29,143,675)	-
Total revenue		3,719,908	57,635,406	37,642,078	(29,143,675)	69,853,717
Segment Result						
Interest expense		-	532,126	81,744	(21,936)	591,934
Interest income		(6,683)	(58,451)	-	21,936	(43,198)
Depreciation of property, plant and equipment		-	2,752,839	76,594	142,871	2,972,304
Other non-cash items	b	-	(85,136)	113,322	-	28,186
Segment profit/(loss) before taxation	c	3,405,929	3,965,929	2,266,208	(3,876,215)	5,761,851
Taxation		609,400	1,250,658	524,078	(701,537)	1,682,599
Segment Assets						
Additions to non-current assets excluding deferred tax assets and financial instruments		-	17,631,637	851,394	-	18,483,031
Total segment assets	d	52,462,099	92,526,592	21,495,612	(53,637,770)	112,846,533
Total segment liabilities	e	127,254	24,907,796	9,119,897	(9,743,662)	24,411,285

(a) Inter-segment revenues are eliminated on consolidation.

35. SEGMENT INFORMATION (cont'd)

(i) Operating Segment (cont'd)

(b) Other non-cash items consist of the following items as presented in the respective notes to the financial statements:

	2011 RM	2010 RM
Available-for-sale investment written off	**-**	17,000
Gain on disposal of non-current asset held for sale	**(569,390)**	-
Gain on disposal of property, plant and equipment	**(439)**	(370,907)
Impairment loss on trade receivables	**21,214**	148,265
Net provision for employees benefits	**19,900**	38,958
Property, plant and equipment written off	**1**	2,694
Reversal of impairment loss on trade receivables	**(104,157)**	(41,693)
Staff advances written off	**4,204**	-
Sundry deposits written off	**-**	20,256
Unrealised (gain)/loss on foreign exchange	**(120,300)**	213,613
	(748,967)	28,186

(c) The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated statement of comprehensive income:

	2011 RM	2010 RM
Profit from inter-segment sales	**(3,126,363)**	(3,854,279)
Finance costs	**(38,894)**	(21,936)
	(3,165,257)	(3,876,215)

(d) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2011 RM	2010 RM
Investment in subsidiaries	**(49,183,462)**	(47,483,460)
Inter-segment assets	**(5,833,780)**	(6,154,310)
	(55,017,242)	(53,637,770)

35. SEGMENT INFORMATION (cont'd)

(i) Operating Segment (cont'd)

(e) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2011 RM	2010 RM
Deferred tax liabilities	**948,466**	1,043,200
Inter-segment liabilities	**(10,102,411)**	(10,786,862)
	(9,153,945)	(9,743,662)

(ii) Geographical Information

Segment revenue based on geographical location of the Group's customers are as follows:-

	2011 RM	2010 RM
Asian - Malaysia	**62,920,493**	61,036,384
Asian - Others	**4,452,389**	6,495,952
Middle East & Africa	**3,123,555**	2,274,640
United States of America	**9,420**	46,741
	70,505,857	69,853,717

(iii) Major customer information

There is no single customer with revenue equal or more than 10% of the Group revenue.

36. SIGNIFICANT EVENTS

(a) On 21 July 2011, the Company acquired 2 ordinary shares of RM1 each representing 100% of the issued and fully paid-up share capital of Esquire Concept Sdn. Bhd., a company incorporated in Malaysia.

(b) On 3 October 2011, the Company subscribed for an additional 1,700,000 ordinary shares of RM1 each in a wholly-owned subsidiary, Central Eco Fiber Sdn. Bhd. ("CEFSB") in cash consideration of RM700,000 and capitalisation of RM1,000,000 advances made to CEFSB.

(c) On 11 November 2011, the Company and its co-purchaser, Mega Western Resources Sdn. Bhd. entered into:

(i) Sale and Purchase Agreement with Gan Jin Yee and Chua Seng Oun for the proposed acquisition of approximately 9.462 hectares of freehold land held under Geran No 1445, Lot No 1109, Geran No 1446, Lot No 1110 and Geran No 1447, Lot No 1128 Mukim Jebong, Perak Darul Ridzuan together with palm oil trees planted thereon for a total purchase cash consideration of RM6,000,000 of which 60% of the purchase price (equivalent to RM3,600,000) is the portion payable by the Company. This acquisition has been completed on 27 February 2012 ; and

(ii) Sale and Purchase of Shares Agreement with Hok Hua Holdings Sdn. Bhd. for the acquisition of 5,000,000 ordinary shares of RM1 each representing 100% equity interest in Hok Hua Palm Oil Industries Sdn. Bhd. ("HHPO") for a total purchase cash consideration of RM29,000,000 of which RM17,400,000 is the portion payable by the Company representing a 60% equity interest in HHPO. This acquisition has been completed on 21 March 2012.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

i. Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Group entities, primarily in United States Dollar ("USD") and Singapore Dollar ("SGD").

Approximately 11% (2010: 13%) of the Group's sales are denominated in foreign currencies while almost 19% (2010: 19%) of costs are denominated in the functional currency of the Group entities. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

The Group also hold cash and bank balances denominated in foreign currencies for working capital purposes.

Financial assets denominated in USD and SGD are as follows:

	Group	
	2011	**2010**
	RM	**RM**
USD		
Cash and bank balances	**712,080**	934,245
Trade receivables	**582,916**	1,113,781
	1,294,996	2,048,026
SGD		
Cash and bank balances	**22,875**	19,247
Trade receivables	**371,430**	393,595
	394,305	412,842

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

i. Foreign Exchange Risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the year to a reasonably possible change in the USD and SGD exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

		Group	
		2011	2010
		RM	RM
		Profit for the year	Profit for the year
USD/RM	- strengthened 5% (2010: 10%)	**48,562**	153,602
	- weakened 5% (2010: 10%)	**(48,562)**	(153,602)
SGD/RM	- strengthened 2% (2010: 2%)	**5,915**	6,193
	- weakened 2% (2010: 2%)	**(5,915)**	(6,193)

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial liabilities. Interest bearing financial liabilities includes bankers' acceptances, bank overdrafts, finance lease, revolving credit and term loans.

The bank overdrafts, bankers' acceptances, revolving credit and term loans totalling RM16,686,562 (2010: RM16,945,562) at floating rate expose the Group to cash flow interest rate risk whilst finance lease of RM55,004 (2010: RM114,174) at fixed rate expose the Group to fair value interest rate risk.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Group also reviews its debt portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

If the interest rate had been 50 basis point higher/lower and all other variables held constant, the Group's profit for the year would decrease /increase by RM62,600 (2010: RM63,600) as a result of exposure to floating rate borrowings.

iii. Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. The Company's exposure to credit risk arises principally from the financial guarantees given. For other financial assets, the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

Receivables

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

iii. Credit Risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group has no significant concentration of credit risk arising from exposure to a single or group of debtors.

Financial Guarantees

The Company provides unsecured corporate guarantees to banks in respect of banking facilities granted to certain subsidiaries.

The maximum exposure to credit risk amounts to RM16,686,562 (2010: RM16,945,562) representing the outstanding banking facilities of the subsidiaries at the reporting date.

At the reporting date, there was no indication that any subsidiaries would default on repayment.

The financial guarantees have not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely the subsidiaries will default within the guarantee period.

iv. Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group and the Company actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash to meet their working capital requirements.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

iv. Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount	Contractual cash flows	On demand or within 1 year	1 to 2 years	2 to 5 years	Over 5 years
	RM	RM	RM	RM	RM	RM
Group						
2011						
Financial liabilities:						
Trade payables	**936,613**	**936,613**	**936,613**	**-**	**-**	**-**
Other payables and accruals	**3,316,452**	**3,316,452**	**3,316,452**	**-**	**-**	**-**
Finance lease payables	**55,004**	**57,632**	**36,408**	**21,224**	**-**	**-**
Term loans	**9,258,302**	**14,515,296**	**2,105,900**	**1,786,359**	**4,910,920**	**5,712,117**
Revolving credits	**662,000**	**662,000**	**662,000**	**-**	**-**	**-**
Bank overdrafts	**123,260**	**123,260**	**123,260**	**-**	**-**	**-**
Bankers' acceptances	**6,643,000**	**6,643,000**	**6,643,000**	**-**	**-**	**-**
	20,994,631	**26,254,253**	**13,823,633**	**1,807,583**	**4,910,920**	**5,712,117**
2010						
Financial liabilities:						
Trade payables	1,148,300	1,148,300	1,148,300	-	-	-
Other payables and accruals	3,637,432	3,637,432	3,637,432	-	-	-
Finance lease payables	114,174	121,898	64,266	36,408	21,224	-
Term loans	11,817,432	18,407,482	2,476,904	2,356,110	5,865,671	7,708,797
Revolving credits	641,000	641,000	641,000	-	-	-
Bank overdrafts	1,006,130	1,006,130	1,006,130	-	-	-
Bankers' acceptances	3,481,000	3,481,000	3,481,000	-	-	-
	21,845,468	28,443,242	12,455,032	2,392,518	5,886,895	7,708,797

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

iv. Liquidity Risk (cont'd)

Company	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM
2011			
Financial liability:			
Other payables and accruals	**142,844**	**142,844**	**142,844**
2010			
Financial liability:			
Other payables and accruals	127,254	127,254	127,254

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair values of each class of financial assets and liabilities are as follows:-

i. Cash and Cash Equivalents, Trade and Other Receivables and Payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial assets and liabilities.

ii. Borrowings

The carrying amounts of bank overdraft, bankers' acceptances and revolving credits approximate fair values due to the relatively short term maturity of these financial liabilities.

The carrying amounts of floating rate term loan approximate to fair values.

The fair value of finance lease payables is estimated using discounted cash flow analysis, based on current lending rate for similar type of lease arrangements.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

ii. Borrowings (cont'd)

The carrying amounts of the Group's and of the Company's financial assets and liabilities at reporting date approximate their fair values except as follows:-

	Group	
	Carrying Amount RM	Fair Value RM
2011		
Financial Liability		
Finance lease payables	**55,004**	**55,255**
2010		
Financial Liability		
Finance lease payables	114,174	114,133

39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the years ended 31 December 2011 and 31 December 2010.

The Group's gearing ratio is measured using total external borrowings over shareholders' equity. As at reporting date, the Group's gearing ratio is at 0.18 (2010: 0.19).

The Group is not subject to any externally imposed capital requirements.

40. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2011 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at 31 December 2011 and 31 December 2010 are analysed as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Total retained earnings of the Company and its subsidiaries				
- realised	**71,351,310**	69,186,244	**1,760,342**	2,019,755
- unrealised	**(1,170,240)**	(1,364,683)	**-**	-
	70,181,070	67,821,561	**1,760,342**	2,019,755
Total share of losses from an associate				
- realised	**(49)**	-	**-**	-
	70,181,021	67,821,561	**1,760,342**	2,019,755
Less: Consolidation adjustments	**(29,970,540)**	(29,701,403)	**-**	-
Total retained earnings	**40,210,481**	38,120,158	**1,760,342**	2,019,755

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

ANALYSIS OF SHAREHOLDINGS

AS AT 18 May 2012

Authorised Capital	:	RM100,000,000.00 divided into 400,000,000 Ordinary Shares of RM0.25 each
Issued and Paid-up	:	RM49,200,000 divided into 196,800,000 Ordinary Shares of RM0.25 each
Class of Shares	:	Ordinary Shares of RM0.25 each
Voting Rights	:	1 vote per ordinary share
Treasury Shares	:	19,672,500 Ordinary Shares of RM0.25 each

SUBSTANTIAL SHAREHOLDERS

The following are the substantial shareholders of the Company according to the Register of Substantial Shareholders.

	Direct	Interest	Indirect	Interest
Name of Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Lee Chin Yen	40,400,441	22.80	5,982,600 *	3.37
Tan Hong Cheng	33,222,591	18.75	1,773,050 *	1.00
Hia Wan Kiga	16,645,378	9.39	-	-

* *Deemed Interest through interests held by their son and daughter(s)*

DIRECTORS' SHAREHOLDINGS

	Direct	Interest	Indirect	Interest
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Lee Chin Yen	40,400,441	22.8	5,982,600 *	3.37
Tan Hong Cheng	33,222,591	18.75	1,773,050 *	1.00
Hia Wan Kiga	16,645,378	9.39	-	-
Lee Poh Choo	2,996,000	1.69	-	-
Tan Kim Hong	507,000	0.28	-	-
Chai Moi Kim	-	-	-	-
Chia Kay Joo	-	-	-	-
Azizul Mohd Othman	-	-	-	-

* *Deemed Interest through interest held by their son and daughter(s)*

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	24	1.506	1,030	0.00
100 – 1,000	75	4.708	49,665	0.028
1,001 – 10,000	768	48.210	5,122,965	2.892
10,001 – 100,000	608	38.166	22,183,980	12.524
100,001 – 8,856,374 (less than 5% of issued shares)	116	7.281	124,450,293	70.260
8,856,375 (5% of issued shares) and above	2	0.125	25,319,567	14.294
TOTAL	**1,593**	**100.0**	**177,127,500** #	**100.0**

Adjusted capital after netting treasury shares of 19,672,500 ordinary shares of RM0.25 each

THIRTY LARGEST SHAREHOLDERS AS AT 18 MAY 2012

	Name of Shareholders	No. of Shares	%
1.	Lee Chin Yen	13,440,432	7.58
2.	HLG Nominee (Tempatan) Sdn Bhd *EON Bank Berhad for Tan Hong Cheng (KLG)*	7,680,000	4.33
3.	HLG Nominee (Tempatan) Sdn Bhd *EON Bank Berhad for Lee Chin Yen (KLG)*	7,680,000	4.33
4.	HLG Nominee (Tempatan) Sdn Bhd *EON Bank Berhad for Hia Wan Kiga (KLG)*	7,521,672	4.24
5.	HLG Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Chin Yen (M)*	6,732,580	3.80
6.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Hong Cheng (508382011853)*	6,700,000	3.78
7.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Chin Yen (508382011883)*	6,700,000	3.78
8.	OSK Nominee (Tempatan) Sdn Berhad *Pledged Securities Account for Tan Hong Cheng*	4,810,020	2.71
9.	HLG Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Hong Cheng (M)*	3,680,000	2.07
10.	Hia Wan Kiga	3,622,008	2.04
11.	Hia Wan Kiga	3,045,768	1.71
12.	OSK Nominee (Tempatan) Sdn Berhad *Pledged Securities Account for Lee Chin Yen*	3,000,000	1.69
13.	Lee Poh Choo	2,996,000	1.69
14.	Lee Poh Hong	2,986,600	1.68
15.	AFFIN Nominees (Asing) Sdn Bhd *Exempt an for Phillip Securities (Hong Kong Ltd)*	2,984,400	1.68
16.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Tan Hong Cheng (MM1103)*	2,848,640	1.60
17.	Chew Pay Chiam	2,503,500	1.41
18.	Loo Hooi Chen	2,400,000	1.35
19.	Koo Fong Ling	2,388,600	1.34
20.	Hoo Sau Yoong	2,276,300	1.28
21.	Tan Hong Cheng	2,236,206	1.26
22.	Chan Eng Thye	2,035,600	1.14
23.	Tan Hong Cheng	2,001,912	1.13
24.	Tan Hong Cheng	1,959,085	1.10
25.	Chew Beng Huat	1,856,100	1.04
26.	Luxware Sdn Bhd	1,785,760	1.01
27.	HLG Nominee (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Beng Keong (M)*	1,635,000	0.92
28.	Lee Chin Yen	1,435,106	0.81
29.	Chew Beng Huat	1,400,000	0.79
30.	Lim Beng Keong	1,341,600	0.75
Total		**113,682,889**	**64.18**

LIST OF PROPERTIES
AS AT 31 DECEMBER 2011

Title Location	Description Existing use	Tenure Age of building	Land area Built-up area sq.ft.	Year of acquisition / revaluation*/ completion#	Net book value RM
Central Aluminium Manufactory Sdn Bhd					
GM 612 Lot 48 Mukim Hutan Melintang (3/4 share)	Vacant land	Freehold	143,748	2000*	198,000
GM 624 Lot 3516 Mukim Hutan Melintang (1/10 share)	Vacant land Quarter	Freehold 15 years	281,506 11,664	2000* 1996#	55,000 36,937
LP 15142 PT 20041 Mukim Durian Sebatang	Vacant land	Freehold	1,308,020	2000*	1,441,000
GM 550 Lot 889 Mukim Changkat Jong	Vacant land	Freehold	72,658	2000*	70,000
GM 544 Lot 51 Mukim Hutan Melintang	Factory land Factory	Freehold 14 years	155,455 70,152	2000* 2000*	643,000 3,194,500
GM 846 Lot 49 GM 875 Lot 2486 Mukim Hutan Melintang	Factory land Factory Office	Freehold 28 years 9 years	278,784 141,165 6,400	2000* 2000* 2003#	1,075,000 5,678,786 411,616
Geran 3843 & 3844 Lot 5298 & 5299 Mukim Hutan Melintang	Factory Quarter Factory cum warehouse	9 years 9 years 7 years	64,000 10,384 48,000	2003# 2003# 2005#	2,060,806 107,499 1,156,139
Geran 27879 Lot 12208 Mukim Durian Sebatang	Factory land Factory	Freehold 2 years	281,261 44,496	2010 2010	3,014,516 2,180,433
PN 104453 Lot 17094 Mukim Durian Sebatang	Factory land	Leasehold expiring 12/5/2087	320,549	2010	2,715,950
PN 104454 Lot 17095 Mukim Durian Sebatang	Vacant land	Leasehold expiring 12/5/2087	870,800	2010	3,137,288
	Quarter	1 year	3,000	2011	22,971
					27,199,441

LIST OF PROPERTIES
(Cont'd)

Title Location	Description Existing use	Tenure Age of building	Land area Built-up area sq.ft.	Year of acquisition / revaluation*/ completion#	Net book value RM
Geran 3843 Lot 5298 Mukim Hutan Melintang	Factory land	Freehold	224,062	2000*	537,131
Geran 3844 Lot 5299 Mukim Hutan Melintang	Factory land Factory	Freehold 1 year	324,250 34,880	2000* 2011	772,075 1,460,287
Railway Wharf Jalan Maharaja Lela Teluk Intan	Factory building cum warehouse	16 years	16,000	1996#	3
	Factory building cum warehouse	3 years	7,670	2008	588,424
Geran HS(D) 17662 PT19518 Mukim Durian Sebatang	Vacant land	Leasehold expiring 12/9/2104	99,943	2010	2,258,824
					5,616,744
Advance Eagle Marketing Sdn Bhd					
Geran HS(D) 6152 Lot 3945 Mukim Tebrau, Johor Bahru	Vacant land	Freehold	34,057	2008	858,976
Geran HS(D) 6153 Lot 3946 Mukim Tebrau, Johor Bahru	Vacant land	Freehold	36,317	2008	916,378
Geran 38304 Lot 13209S Bandar Ipoh(S)	3 Storey Shophouse	Freehold	1,938	2010	572,430
					2,347,784

CAM

CAM RESOURCES BERHAD

(535311-D)

PROXY FORM

*I / We ____ NRIC No. ____________________
(Full Name In Capital Letters)

of ____
(Address)

being a member(s) of **CAM RESOURCES BERHAD**, hereby appoint ______________________

____ NRIC No. ____________________
(Full Name In Capital Letters)

of ____
(Address)

*and/or failing him/her, __________________________________ NRIC No. ____________________
(Full Name In Capital Letters)

of ____
(Address)

as *my/our proxy to vote for* me/us on *my/our behalf at the Eleventh Annual General Meeting of CAM Resources Berhad to be held at Function Room 1, Level 2, Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, on Friday, 29 June 2012 at 11.00 a.m. or at any adjournment thereof.

The proportion of *my/our holding to be represented by *my/our proxies are as follows :-
(The next paragraph should be completed only when two proxies are appointed)

* First Proxy (1) __________ % * Second Proxy (2) __________ % Number of Shares Held: __________

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the Directors' fees for the financial year ended 31 December 2011		
2.	To re-elect Mr Chai Moi Kim as Director		
3.	To re-elect Mr Hia Wan Kiga as Director		
4.	To re-elect Ms Tan Kim Hong as Director		
5.	To re-appoint Messrs Moore Stephens AC as Auditors and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
	Ordinary Resolution		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		
7.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions		
	Special Resolution		
8.	Proposed Amendments to the Articles of Association of the Company		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this __________ day of ______________ 2012

____
*Signature(s)/Common Seal of Shareholder(s)

**Delete where inapplicable*

Notes:-

1. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *To be valid, this form, duly completed must be deposited at the Company's Registrar, Tricor Investor Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.*
3. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.*
4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
6. *Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
7. *If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.*

Fold this flap for sealing

Then Fold Here

AFFIX
STAMP

The Share Registrar

Tricor Investor Services Sdn Bhd (118401-V)

Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia

1st Fold Here