D'nonce TECHNOLOGY BHD
503292-K
Your Dependable Partner

ANNUAL REPORT 2011

STRENGTH. SYNERGY. SUCCESS.

CONTENTS **PAGES**

Concept: Always Ahead
Success, more often than not, requires a strong foundation and good teamwork. The running track shown on the cover is representative of popular track events such as relay races, and is symbolic of the team efforts of the Group's workforce as well as its rapid progression in the industry. The focus on the first track tells of the Group's strength and determination to always stay ahead.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of **D'nonce Technology Bhd.** ("the Company") will be held at The Northam All Suite Penang, Hall 3, Level 3, 55 Jalan Sultan Ahmad Shah, 10050 Penang on Thursday, 23 February 2012 at 11.30 a.m.

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2011 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

2. (i) To re-elect Dato' Ahmad Ibnihajar who retires in accordance with Article 95(1) of the Company's Articles of Association. **Resolution 1**

   (ii) To re-elect Mr Law Kim Choon who retires in accordance with Article 95(1) of the Company's Articles of Association. **Resolution 2**

   (iii) To re-appoint Dato' Oon Choo Eng @ Oon Choo Khye who retires in accordance with Section 129(6) of the Companies Act, 1965. **Resolution 3**

3. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to determine their remuneration. **Resolution 4**

AS SPECIAL BUSINESS

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

Ordinary Resolutions

4. To approve the payment of Directors' fees of RM172,780 for the financial year ended 31 August 2011. **Resolution 5**

5. **Approval for issuance of new ordinary shares pursuant to Section 132D of the Companies Act, 1965** **Resolution 6**

   "THAT, subject to the Companies Act 1965, the Articles of Association of the Company and the approvals from the relevant governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

6. To transact any other business of which due notice shall have been received.

By Order of the Board

MOLLY GUNN CHIT GEOK (MAICSA 0673097)
CHEW SIEW CHENG (MAICSA 7019191)
Company Secretaries

Penang

31 January 2012

Note A

This Agenda 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.

NOTES:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint at least one proxy but not more than two (who need not be members of the Company) to attend and vote on his behalf.

2. Where a member appoints two proxies, the appointments shall be invalid unless the percentage of the holding to be represented by each proxy is specified.

3. 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.

4. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Suite 12-02, 12th Floor Menara MAA, 170 Jalan Argyll, 10050 Penang, Malaysia not less than 48 hours before the time set for the meeting.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting in accordance with Section 147 of the Companies Act, 1965.

7. Only members registered in the Record of Depositors as at 15 February 2012 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. **Resolution 5 – To approve the payment of Directors' fees of RM172,780 for the financial year ended 31 August 2011**

   The Ordinary Resolution proposed under item 4 of the agenda, if passed, will authorize the payment of the Directors' fees for the financial year ended 31 August 2011 amounting to RM172,780.

2. **Resolution 6 – Approval for issuance of new ordinary shares pursuant to Section 132D of the Companies Act, 1965**

   This general mandate for issue of shares (the "Mandate") was sought for in the preceding year and the Board did not carry out the Mandate since the last Annual General Meeting ("AGM") of the Company until the latest practicable date before the printing of this Annual Report. As the Mandate will expire on 23 February 2012, the Board is desirous of seeking a fresh general mandate at the forthcoming AGM.

   The Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for the purpose of funding further investment project(s), working capital and/or acquisition.

   The Ordinary Resolution proposed under item 5 of the agenda, if passed, will from the date of the above meeting give the Directors of the Company authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

There are no individuals who are standing for election as Director (excluding Directors standing for re-election) at the forthcoming Annual General Meeting.

CORPORATE STRUCTURE

D'nonce TECHNOLOGY BHD 503292-K
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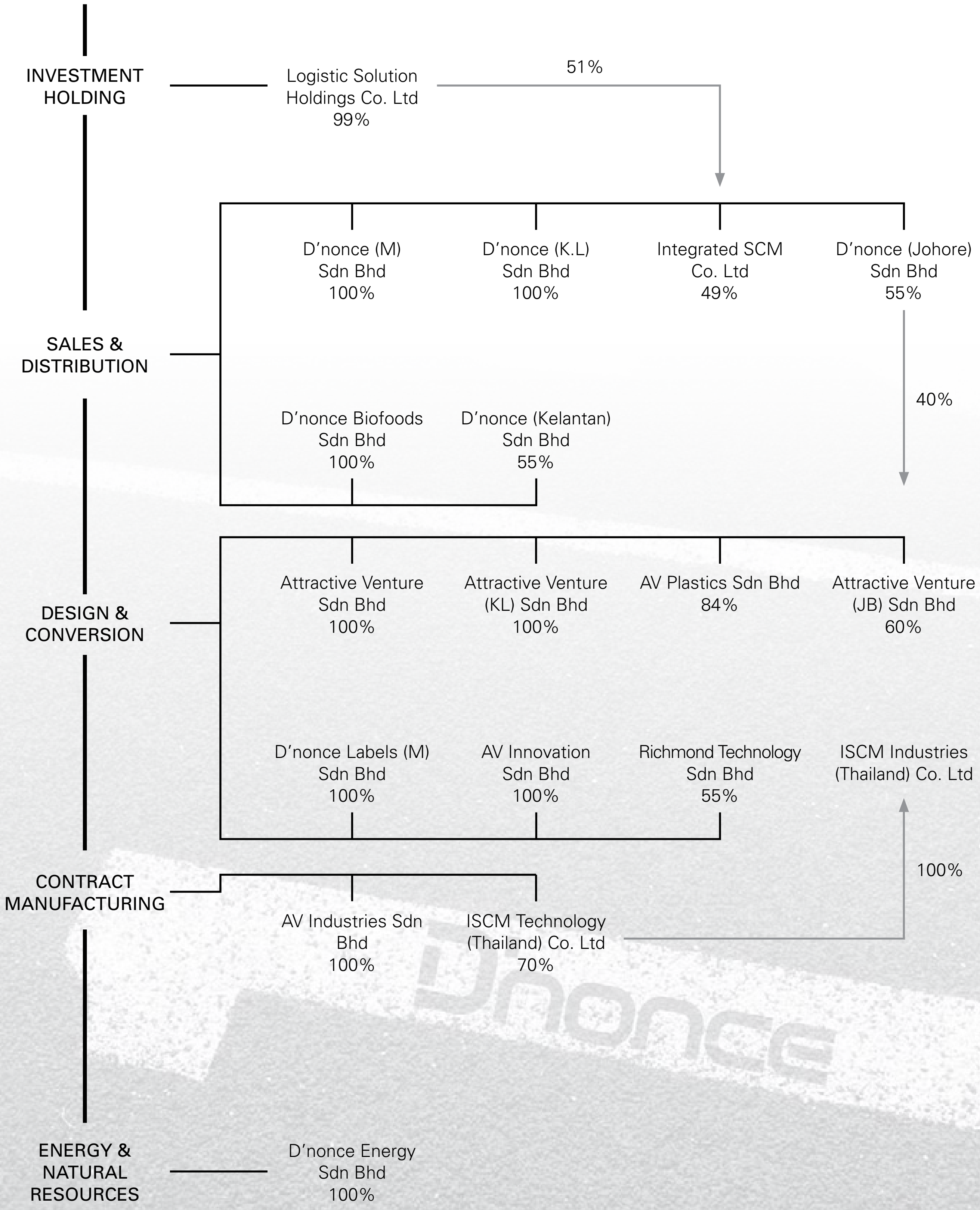

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Dato' Ahmad Ibnihajar
  Independent Non-Executive Chairman
- Dato' Oon Choo Eng @ Oon Choo Khye
  Independent Non-Executive Director
- Wong Thai Sun
  Independent Non-Executive Director
- Law Kim Choon
  Chief Executive Officer/Group Managing Director
- Lim Teik Hoe
  Executive Director

AUDIT COMMITTEE

- Wong Thai Sun
  Chairman
- Dato' Ahmad Ibnihajar
  Member
- Dato' Oon Choo Eng @ Oon Choo Khye
  Member

NOMINATION COMMITTEE

- Dato' Oon Choo Eng @ Oon Choo Khye
  Chairman
- Dato' Ahmad Ibnihajar
  Member
- Wong Thai Sun
  Member

REMUNERATION COMMITTEE

- Wong Thai Sun
  Chairman
- Dato' Ahmad Ibnihajar
  Member
- Dato' Oon Choo Eng @ Oon Choo Khye
  Member
- Law Kim Choon
  Member

EMPLOYEES' SHARES OPTION SCHEME COMMITTEE

- Dato' Oon Choo Eng @ Oon Choo Khye
  Independent Non-Executive Director
  Chairman
- Nellie Poh Saw Ei
  Group Human Resource Manager
- Chong Hooi Na
  Senior Manager

COMPANY SECRETARIES

Gunn Chit Geok (MAICSA 0673097)
Chew Siew Cheng (MAICSA 7019191)

REGISTERED OFFICE

Suite 12-02, 12th Floor Menara MAA
170 Jalan Argyll, 10050 Penang
Tel No.: 04-229 6318
Fax No.: 04-226 8318
E-mail: Molly.Gunn@my.tricorglobal.com

HEAD OFFICE

51-14 B&C Menara BHL
Jalan Sultan Ahmad Shah
10050 Penang
Tel No.: 04-228 1198
Fax No.: 04-228 3016

SHARE REGISTRARS

Tricor Investor Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No.: 03-2264 3883
Fax No.: 03-2282 1886

AUDITORS

Ernst & Young (AF: 0039)
Chartered Accountants
22nd Floor MWE Plaza
No. 8 Lebuh Farquhar
10200 Penang

PRINCIPAL BANKERS

Public Bank Berhad
No. 6862-6864 Jalan Bagan Jermal
Bagan Ajam, Butterworth, 13000 Penang

Bangkok Bank PLC
108 Kanchanavanitch Road
T Sadao, 90120 Songkhla, Thailand

SOLICITORS

Zaid Ibrahim & Co
Advocates and Solicitors
51-22 B&C Menara BHL
Jalan Sultan Ahmad Shah
10050 Penang

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad
Stock code: 7114
Stock name: DNONCE

CORPORATE SOCIAL RESPONSIBILITY

CONTINUOUS COMMITMENT

Our philosophy of Corporate Social Responsibility (CSR) is primarily to be committed in social and humanitarian programmes and activities that would reach all levels of society with lasting and meaningful impact. At the moment the activities are centred within Penang with a few activities in other states but we hope to escalate our CSR programmes geograpically in the near future to reach the communities in other states as well as in the regions of our operations in Thailand.

ACTIVITIES

As we progressed into promoting hiking in Penang through www.penangtrails.com, which provides vital information on the vast tracks and trails of Penang, we believe that there are more to be done in making hiking a popular activity not only for Penangites but for tourists and others from outside Penang. We have continued supporting the various hiking huts managed by volunteer groups and we hope that they will play their part in keeping the huts in good order and environmentally sustainable. We will continue exploring other avenues to spread the interest in this healthy outdoor activity to the mass, especially Penangites who has not been introduced to the hiking trails.

In sports, we have been engaged in several sporting activities in Penang, notably in the sports of basketball where we have supported the Penang Basketball Association and its affliates in some of its programmes.

We take pride in promoting Penang with the publication of the book, "PENANG 12/31" in July 2010 which we have sponsored and for the year 2011 we have continued with our sponsorship for the publication of another book, "Penangism" also by the same publisher, a non-governmental organisation (NGO), the Nanyang Folk Culture, which presents a visual account of the 24 hours of 1 January 2011 (1.1.11). Through our sponsorship for the publication of the book, the public has benefited from the low price tag that was offered by the publisher. The Penang State Government also benefited indirectly from the book as it was published in conjunction with the 3rd anniversary of the heritage status accorded to George Town by UNESCO.

Apart from the direct initiatives, we have also supported the Japan tsunami disaster fund raising activities by an NGO in Penang and also the fund raising for the Bangkok flood disaster victims. There are also several Penang State Government initiatives which we have supported, which have indirectly passed on the contribution to benefit the society in many forms.

Other than the above-mentioned activities, on a smaller scale we continue to support and sponsor fund-raising activities by various associations and NGOs in Penang such as hospitals, education centres and we hope that our sincere contributions will bring some benefits to the stake holders associated with the associations.

ENHANCED CSR PROGRAMMES

We hope that our contributions, big or small, would pave the way for many more activities for the benefit of the local communities as well as others as we progress further.

THANK YOU

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of D'nonce Technology Bhd., I am pleased to present to you the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 August 2011 ("current year").

There have been several events that have affected the performance of the Group notably the floods in Thailand. The December 2010 flood in Southern Thailand has affected our customers' businesses and operations resulting in substantial loss of revenue for our subsidiaries that support their businesses. The Group performance for the current year has seen a substantial drop in revenue which was attributable to the impact of the flood. Nevertheless, the Group has managed to record higher result due to better results from certain business segment. Apart from this flood in Southern Thailand, another big flood in October and November 2011 in Bangkok, Thailand has also impacted our subsidiaries in that region.

As we move into 2012, several events in Thailand may affect our subsidiaries in that country which in turn would also impact the Group performance i.e the recurrence of the flood in Southern Thailand in the early January 2012 and the country-wide increase in the minimum wage in Thailand with effect from 1 April 2012. As for our subsidiaries operating in Bangkok, Thailand the minimum wage imposed would be Baht 300 (RM30) per day.

Within the electronic and electrical (E&E) sector, where the Group's main businesses are derived from, the environment remained competitive and very challenging but through persistent efforts and better management especially in the cost and inventories, the Group has managed to ride through the challenges and achieved its desired result. Despite the success, the market environment will continue to be tough and the Group will continue to adapt its business strategies to current market environment.

OPERATIONAL FINANCIAL REVIEW

The current year's revenue of RM171.7 million is lower by RM15 million compared to the revenue recorded for the financial year ended 31 August 2010 ("previous year"). The deficit was mainly attributable to the lower revenue recorded by the subsidiaries in Hatyai, Thailand whereby their customers were affected by the big flood in Southern Thailand in December 2010. Despite the lower revenue, the Group has recorded higher result in the current year, with a profit before tax of RM6.6 million as compared to RM5.1 million in the previous year. All the 3 business segments achieved lower revenue in the current year as compared to the previous year with the biggest drop in revenue from the Integrated Supply Chain Products and Services business subsidiaries operating in the flood-hit Southern Thailand. This event has also resulted in a lower revenue contribution from the overall Thailand operation which has decreased from 53% of the total Group revenue in the previous year to just over 50% in the current year.

INTEGRATED SUPPLY CHAIN PRODUCTS AND SERVICES

Revenue for Integrated Supply Chain Products and Services business segment has decreased substantially from RM63.8 million in the previous year to RM52.3 million in the current year whereby the subsidiaries were affected by the impact of the flood in Southern Thailand. The revenue for this segment is mainly from the E&E and the health care sector. Correspondingly this segment has also recorded a lower result of RM1.5 million for the current year as compared to RM3.6 million for the previous year.

CONTRACT MANUFACTURING

Revenue for Contract Manufacturing business segment for the current year has decreased slightly from RM25.1 million in the previous year to RM24.8 million for the current year mainly contributed by our operations servicing the Hard Disk Drive market. The segmental result was however higher for the current year due to higher capacity utilisation.

SUPPLY OF PACKAGING MATERIALS

The Supply of Packaging Materials business segment has recorded a lower revenue of RM94.7 million for the current year compared to RM97.7 million for the previous year mainly contributed by lower demand arising from the impact of the flood in Southern Thailand whereby some of the business support are from customers located here. This segment however has recorded a higher result of RM5.9 million in the current year compared to RM4.2 million for the previous year mainly due to the RM1.5 million gain on purchases written back from a long-standing legal case as well as a result of better control of the cost and inventories.

PROSPECTS

Despite the lower revenue recorded for the current year, the momentum of the previous year's record performance for the Group has brought about positive changes within the Group to continue improving its performance and processes. Discounting the impact of the December 2010 flood in Southern Thailand which has caused substantial loss of revenue, the Group would have seen better performance for the current year, in tandem with the previous year's good performance. It is also encouraging to see that the businesses affected by the December 2010 flood in Southern Thailand has been normalised within a short period of time.

Moving forward, the Group shall continue to be in the E&E sector in line with the positive outlook for the sector. With a good prospect of the Hard Disk Drive (HDD) industry for 2012 as projected by the HDD players, our contract manufacturing support for this industry is expected to move in tandem. The Bangkok flood in October and November 2011, however, has negatively impacted the affected subsidiary's performance with loss of revenue while at the same time incurring overheads for about 6 months before normalisation of its operation. This will also have a negative impact on the Group's performance for FY2012. To soften this impact, the Group hopes to see support from the Thai government to assist in the recovery of the industrial parks affected by the flood.

The Group also forsee further impact on its performance in FY2012 from the recurrence of the flood in Southern Thailand in early January 2012 which would affect the customers in that region as well as the impact from the country-wide increase in the minimum wage to Baht 300 (RM30) per day from 1 April 2012 which would be made effective in the region where our subsidiaries operate from.

The Group's strength in specialised packaging and design for the E&E sector is also expected to contribute towards higher demand and the Group will continue to actively support the total packaging needs for this sector.

The Group's venture into businesses outside the E&E sector has shown good progress in terms of contribution and expansion opportunities and the Group will actively pursue to explore other non-E&E businesses while continuing its efforts in business penetration and cost management so as to be well prepared to face the challenges ahead.

The Group expects a challenging outlook for FY2012 and hopes for a speedy recovery of our operations in Bangkok and Southern Thailand to continue supporting our ready customers.

CORPORATE GOVERNANCE

The Board of Directors continues to ensure that the principles of corporate governance and best practices is observed and practised throughout the Group.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I offer my heartfelt thanks to the management team, employees as well as our shareholders, customers and business partners for their unwavering commitment, support and confidence.

Last but not least, I wish to extend my appreciation to my fellow directors and the staff for their dedication and contribution to the Group.

Thank you.

Dato' Ahmad Ibnihajar
Chairman

KENYATAAN PENGERUSI

Bagi pihak Lembaga Pengarah D'nonce Technology Bhd., saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan bagi Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Ogos 2011 ("tahun semasa").

Terdapat beberapa kejadian yang telah menjejaskan prestasi Kumpulan, yang ketaranya adalah kejadian banjir di Thailand. Banjir yang berlaku pada Disember 2010 di Selatan Thailand telah menjejaskan perniagaan dan operasi pelanggan-pelanggan kami yang menyebabkan kurang perolehan bagi anak-anak syarikat kami yang menyokong perniagaan mereka. Prestasi Kumpulan bagi tahun semasa telah menampakkan penurunan ketara dalam perolehan, kesan daripada banjir tersebut. Sungguhpun demikian Kumpulan telah berupaya mencatatkan keuntungan lebih tinggi yang sebahagian besarnya disumbang oleh beberapa segmen perniagaan. Selain daripada banjir di Selatan Thailand, satu lagi kejadian banjir besar di Bangkok, Thailand pada bulan Oktober dan November 2011 juga telah menjejaskan anak-anak-syarikat kami di daerah berkenaan.

Melangkah ke tahun 2012, beberapa kejadian di Thailand berkemungkinan menjejaskan anak-anak syarikat di negara tersebut yang juga boleh menjejaskan prestasi Kumpulan, iaitu, berulangnya kejadian banjir di Selatan Thailand pada awal Januari serta penguatkuasaan gaji minimum di seluroh Thailand bermula pada 1 April 2012. Bagi anak-anak syarikat kami yang beroperasi di Bangkok, Thailand, gaji minima yang dikenakan adalah sebanyak Baht 300 (RM30) sehari.

Di dalam sektor elektronik dan elektrikal (E&E) dimana sebahagian besar perniagaan Kumpulan diperolehi, persaingan masih berterusan dan sangat mencabar. Namun melalui usaha yang tabah dan pengurusan yang lebih baik terutamanya mengenai kos dan inventori, Kumpulan telah berupaya meredah cabaran-cabaran tersebut dan mencapai hasil yang baik. Disamping mencapai kejayaan, keadaan pasaran akan terus sukar dan mencabar dan Kumpulan akan terus menyesuaikan strategi-strategi perniagaannya dengan persekitaran pasaran semasa.

SEMAKAN KEWANGAN OPERASI

Perolehan bagi tahun semasa sebanyak RM171.7 juta adalah RM15 juta lebih rendah daripada perolehan yang dicapai bagi tahun kewangan berakhir 31 Ogos 2010 ("tahun sebelumnya"). Defisit ini adalah disebabkan oleh perolehan yang rendah yang dicatat oleh anak-anak syarikat di Hatyai, Thailand dimana pelanggan-pelanggan mereka telah terjejas akibat banjir besar di Selatan Thailand pada bulan Disember 2010. Sungguhpun perolehan menurun, Kumpulan telah mencatatkan keuntungan yang lebih tinggi dalam tahun semasa, iaitu keuntungan sebelum cukai sebanyak RM6.6 juta berbanding dengan RM5.1 juta bagi tahun sebelumnya. Ketiga-tiga segmen perniagaan mencapai perolehan yang lebih rendah pada tahun semasa berbanding tahun sebelumnya, yang mana kejatuhan perolehan terbesar dicatatkan oleh anak-anak syarikat didalam perniagaan Barangan Rangkaian Bekalan Berintegrasi dan Perkhidmatan yang beroperasi di Selatan Thailand yang dilanda banjir. Kejadian banjir ini juga telah mengakibatkan sumbangan perolehan bagi operasi dari Thailand menurun daripada 53% daripada jumlah perolehan Kumpulan pada tahun sebelumnya kepada lebih kurang 50% pada tahun semasa.

BARANGAN RANGKAIAN BEKALAN BERINTEGRASI DAN PERKHIDMATAN

Perolehan bagi segmen Perkhidmatan dan Barangan Rangkaian Bekalan Berintegrasi telah menurun dengan ketara daripada RM63.8 juta dalam tahun sebelumnya kepada RM52.3 juta dalam tahun semasa dimana anak-anak syarikat berkenaan telah terjejas akibat daripada kesan banjir di Selatan Thailand. Perolehan bagi segmen ini kebanyakannya adalah daripada sektor E&E dan penjagaan kesihatan. Seiringan dengan ini, segmen ini juga mencatatkan keuntungan yang lebih rendah sebanyak RM1.5 juta bagi tahun semasa berbanding dengan RM3.6 juta bagi tahun sebelumnya.

PEMBUATAN SECARA KONTRAK

Perolehan bagi segmen Pembuatan Secara Kontrak bagi tahun semasa telah menurun sedikit daripada RM25.1 juta dalam tahun sebelumnya kepada RM24.8 juta bagi tahun semasa dimana kebanyakannya adalah sumbangan daripada operasi kami yang menyokong pasaran Pemacu Cakera Keras. Walau bagaimanapun keuntungan bagi segmen ini meningkat pada tahun semasa hasil daripada peningkatan penggunaan kapasiti.

PEMBEKALAN BAHAN PEMBUNGKUSAN

Segmen Pembekalan Bahan Pembungkusan telah mencatatkan perolehan lebih rendah sebanyak RM94.7 juta bagi tahun semasa berbanding dengan RM97.7 juta bagi tahun sebelumnya, sebahagian besar penurunan itu adalah berikutan permintaan yang lebih rendah akibat kesan banjir di Selatan Thailand dimana sebahagian daripada sokongan perniagaan adalah dari pelanggan di daerah ini. Walau bagaimanapun segmen ini mencatatkan keuntungan yang lebih tinggi sebanyak RM5.9 juta bagi tahun semasa berbanding dengan RM4.2 juta bagi tahun sebelumnya, kebanyakannya berikutan daripada sejumlah RM1.5 juta keuntungan atas keuntungan daripada belian yang terdahulunya dihapuskan daripada satu kes perundangan yang lama serta kawalan yang lebih baik terhadap kos dan inventori.

PROSPEK

Sungguhpun perolehan lebih rendah dicatat bagi tahun semasa, momentum daripada prestasi terbaik Kumpulan yang dicatat bagi tahun sebelumnya telah membawa perubahan positif didalam Kumpulan untuk terus memperbaiki prestasi dan proses. Tanpa mengambilkira kesan banjir pada bulan Disember 2010 di Selatan Thailand yang mengakibatkan kehilangan perolehan yang ketara, Kumpulan seharusnya melihat prestasi yang lebih baik pada tahun semasa, selaras dengan prestasi baik tahun sebelumnya. Adalah juga suatu yang memberangsangkan apabila melihat perniagaan-perniagaan yang terjejas akibat banjir tersebut dapat dipulihkan dalam masa yang singkat.

Dalam melangkah kehadapan, Kumpulan akan terus terlibat didalam sektor E&E selaras dengan prospek positif sektor tersebut. Daripada tanggapan prospek yang baik terhadap industri Pemacu Cakera Keras bagi tahun 2012 seperti yang diunjur oleh pengeluar-pengeluar Pemacu Cakera Keras, adalah juga dijangkakan bahawa sokongan pembuatan secara kontrak bagi industri ini akan juga bergerak selaras. Walau bagaimanapun banjir di Bangkok pada bulan Oktober dan November 2011, telah menjejaskan prestasi anak-anak syarikat yang terlibat dari segi kehilangan perolehan dan pada masa yang sama menanggung kos overhed selama lebih kurang 6 bulan sebelum operasi mereka pulih semula. Keadaan ini akan juga akan memberi kesan negative terhadap prestasi Kumpulan bagi tahun 2012. Untuk mengurangkan kesan tersebut, Kumpulan mengharapkan sokongan Kerajaan Thailand bagi membantu proses baikpulih taman-taman perindustrian yang terjejas oleh banjir tersebut.

Kumpulan juga menjangkakan tambahan impak kepada prestasi Kumpulan dalam tahun kewangan 2012 berikutan berulangnya kejadian banjir di Selatan Thailand pada awal Januari 2012 yang akan menjejaskan pelanggan-pelanggan di daerah berkenaan dan juga impak daripada penguatkuasaan tambahan gaji minimum yang diselaraskan di seluroh negara Thailand yang mana tambahan gaji minimum yang dikenakan di kawasan dimana anak-anak syarikat kami beroperasi adalah sebanyak Baht 300 (RM30) sehari berkuatkuasa pada 1 April 2012.

Kekuatan Kumpulan dalam pembungkusan khas serta desain bagi sektor E&E juga dijangka dapat menyumbang kepada permintaan yang meningkat dan Kumpulan akan terus memberi perkhidmatan pembungkusan yang menyeluroh bagi sektor ini.

Penglibatan Kumpulan dalam bidang-bidang di luar sektor E&E telah menunjukkan perkembangan yang baik dari segi sumbangan dan peluang-peluang untuk berkembang. Kumpulan akan terus meneroka secara aktif perniagaan-perniagaan bukan-E&E sambil meneruskan usaha-usahanya kearah penembusan perniagaan dan pengurusan kos untuk lebih bersedia menghadapi cabaran-cabaran pada masa hadapan.

Kumpulan menjangkakan masa hadapan yang mencabar bagi tahun kewangan 2012 dan mengharapkan pemulihan segera semua operasinya di Bangkok dan Selatan Thailand untuk terus menyokong pelanggan-pelanggan sedia adanya.

URUSTADBIR KORPORAT

Lembaga Pengarah akan terus mempastikan agar prinsip urustadbir korporat dan tatacara terbaik diberi perhatian dan diamalkan disemua peringkat dalam Kumpulan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, secara ikhlasnya saya ingin merakamkan ucapan terima kasih kepada kumpulan pengurusan, kakitangan dan juga kepada pemegang-pemegang saham, pelanggan-pelanggan dan rakan-rakan niaga di atas semua komitmen, sokongan dan keyakinan yang diberi.

Akhir sekali, saya ingin merakamkan penghargaan kepada semua ahli Lembaga Pengarah di atas sumbangan dan dedikasi kepada Kumpulan.

Terima kasih.

Dato' Ahmad Ibnihajar
Pengerusi

BOARD OF DIRECTORS

Dato' Ahmad Ibnihajar
Aged 61, Malaysian
Independent Non-Executive Chairman, Member of the Audit, Nomination and Remuneration Committees

Dato' Ahmad Ibnihajar was appointed to the Board of D'nonce Technology Bhd. on 2 November 2000. He is a member of the Audit, Nomination and Remuneration Committees.

He is currently the Managing Director of Penang Port Sdn. Bhd., a company principally involved in port operations. He graduated with a Bachelor degree in Economics from University of Malaya in 1975 and is a member of the Chartered Institute of Logistics & Transport, Malaysia. He was a Forex Dealer and Portfolio Manager from 1976 to 1979 and Branch Manager with Malayan Banking Berhad from 1980 to 1984. He was a Director with United Traders Securities Sdn. Bhd. from 1984 to 1991 and Taiping Securities Sdn. Bhd. in 1995, both of which are involved in stockbroking business. Since 1991, he has been the Chairman of Heirs Corporation Sdn. Bhd., a property development company. Currently, he also sits on the boards of several other private limited companies principally involved in property development and investment holding.

Dato' Ahmad Ibnihajar holds directorship in Malaysian Resources Corporation Berhad. He has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past ten (10) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Dato' Oon Choo Eng @ Oon Choo Khye
Aged 75, Malaysian
Independent Non-Executive Director, Chairman of the Nomination and Employees' Shares Option Scheme Committees, Member of the Audit and Remuneration Committees

Dato' Oon Choo Eng @ Oon Choo Khye was appointed to the Board of D'nonce Technology Bhd. on 2 November 2000. He is Chairman of the Nomination and Employees' Shares Option Scheme Committees and is a member of the Audit and Remuneration Committees.

He is currently a Director of Kwong Wah Yit Poh Press Bhd., a company principally involved in publishing newspapers and is also the Chairman of the Board of Directors of Howe Keat Sdn. Bhd. He is the Honorary Assistant Secretary of Sekolah Menengah Kebangsaan Chung Ling since 1961 and sits on the boards of several other Chinese High Schools and Primary Schools in Penang. He also acts as Patron or Trustee or Chairman for various associations and sports clubs in Penang. He sits on the boards of several other private limited companies principally involved in publication, printing, tourism and trading of chemicals and is also a director of Lam Wah Ee Hospital. He is a committee member of the Penang Home for Infirm & Aged.

Dato' Oon Choo Eng @ Oon Choo Khye has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past ten (10) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Law Kim Choon
Aged 54, Malaysian
Chief Executive Officer/Group Managing Director and Member of the Remuneration Committee

Law Kim Choon was appointed to the Board of D'nonce Technology Bhd. on 23 October 2000. He has been the Chief Executive Officer of D'nonce Group since 2002 and was appointed the Group Managing Director on 1 February 2008. He was appointed as a member of the Remuneration Committee on 30 January 2007 and he resigned as a member of the Audit Committee on 30 October 2007.

He has Diploma in Management from the Malaysian Institute of Management. He started his career working in a bank in 1977 before leaving in 1991 to join the D'nonce Group.

Law Kim Choon is a Director and substantial shareholder of Binary Decode Sdn. Bhd. and Viva Knowledge Sdn. Bhd., both of which are investment holding companies. He is also a substantial shareholder of Yield Technology (M) Sdn. Bhd., which is also an investment holding company.

Law Kim Choon has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past ten (10) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Lim Teik Hoe
Aged 52, Malaysian
Executive Director

Lim Teik Hoe was appointed to the Board of D'nonce Technology Bhd. on 23 October 2000.

He obtained a Diploma in Radiography from the Ministry of Health, Malaysia in 1982. He started his career in 1982 as a Radiographer with Penang General Hospital where he served for 9 years before leaving to join the D'nonce Group in 1991. He was also a former member of the College of Radiographers, United Kingdom and Malaysian Society of Radiographers.

He is a Director and substantial shareholder of Kalungan Prestij Sdn. Bhd., Binary Decode Sdn. Bhd. and Viva Knowledge Sdn. Bhd., all of which are investment holding companies. He is also a substantial shareholder of Yield Technology (M) Sdn. Bhd., which is also an investment holding company.

Apart from developing new business, he is responsible for the Group's sales and marketing functions.

Lim Teik Hoe has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past ten (10) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Wong Thai Sun
Aged 56, Malaysian
Independent Non-Executive Director, Chairman of the Audit and Remuneration Committees, Member of the Nomination Committee

Wong Thai Sun was appointed to the Board of D'nonce Technology Bhd. and as a member of Audit Committee on 6 November 2006. He was appointed as a member of the Nomination and Remuneration Committees on 30 January 2007 and subsequently was redesignated as Chairman of the Audit and Remuneration Committees on 16 April 2007.

He holds a Bachelor Degree in Economics and Accountancy from Australian National University. He is a member of the Malaysian Institute of Accountants and the Certified Public Accountants, Australia. He has public practice experience in accountancy for over 20 years in Malaysia and overseas and currently has his own public practice firm, Wong Thai Sun & Associates. He is also a Director of Suiwah Corporation Bhd. and Emico Holdings Berhad, both companies listed on the Main Market of Bursa Malaysia Securities Berhad.

Wong Thai Sun has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past ten (10) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

STATEMENT ABOUT THE STATE OF INTERNAL CONTROL

INTRODUCTION

The Malaysia Code of Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

Guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies, the Board of Directors of D'nonce Technology Bhd. is pleased to present the Statement on Internal Control which is prepared in accordance with Rule 15.26(b) of the Listing Requirements of Bursa Securities.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board recognises its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

RISK MANAGEMENT

The Board and the management practice proactive significant risks identification in the processes and activities of the Group, particularly any major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a tolerance level acceptable by the Board.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional firm of consultants, BDO Governance Advisory Sdn Bhd as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out as per the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on areas with high risk and inadequate controls to ensure that an adequate action plan has in place to improve the controls. For those areas with high risk and adequate controls, the audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement and will subsequently follow up to determine the extent of their recommendations that have been implemented.

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:-

- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Regular visits to operating units by members of the Board and senior management.

CONCLUSION

The Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 31 August 2011. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its internal control environment and processes.

This statement has been reviewed by the external auditors in compliance with Rule 15.23 of the Listing Requirements of Bursa Securities.

This statement is issued in accordance with a resolution of the Directors dated 28 October 2011.

STATEMENT OF CORPORATE GOVERNANCE

The Malaysian Code on Corporate Governance ("the Code") sets out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The Board of Directors of D'nonce Technology Bhd. ("the Board") has always recognised the importance of adopting good corporate governance. The Board is committed to ensure that the highest standards of corporate governance are practised throughout the Group. The Board views this as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the performance of the Company.

The Board is fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Part 1 and Part 2 of the Malaysian Code of Corporate Governance.

The statement below sets out how the Group has applied the principles and the extent of its compliance with the best practices of good governance throughout the financial year ended 31 August 2011.

THE BOARD OF DIRECTORS

The Board

The Board is responsible for the control and proper management of the Company. The Board has delegated specific responsibilities to four main committees namely the Audit, Remuneration, Nomination and ESOS Committees, which operate within approved terms of reference. These Committees have the authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however lies with the entire Board.

Board Composition

The Board currently consists of two Executive Directors and three Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The Group is led and controlled by an experienced Board, many of whom have intimate knowledge of the business and industry. There is a clear division of responsibility between the Chairman and the Chief Executive Officer.

The Board considers that the current size of the Board is adequate and facilitates effective decision-making. The Nomination Committee has reviewed the present composition of the Board and the four main existing committees and is satisfied that they have adequately carried out their functions within their scope of work.

The presence of the Independent Non-Executive Directors will ensure an independent and unbiased view at Board deliberations and fair judgement to safeguard the interest of the Company and shareholders.

THE BOARD OF DIRECTORS (cont'd)

Board Meetings

The Board meets on a scheduled basis at least four times a year, at quarterly intervals, with additional meetings convened as and when necessary. At each regularly scheduled meetings, full financial business review including business performance is carried out. Besides Board meetings, the Board also exercises control on matters that require Board's approval through Directors' Circular Resolutions. Amongst others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major expenditure, risk management policies and appointment of Directors are discussed and decided by the Board.

During the financial year ended 31 August 2011, five (5) Board Meetings were held. The attendance record of each Director is as follows:--

	Board of Directors' Meeting		**Oct 10**	**Dec 10**	**Jan 11**	**Apr 11**	**Jul 11**		
	Directors	**Position**	**Attendance**					**Total**	**%**
1	Dato' Ahmad Ibnihajar	Independent Non- Executive Chairman	•	•	•	•	•	5/5	100
2	Dato' Oon Choo Eng @ Oon Choo Khye	Independent Non- Executive Director	•	•	•	•	•	5/5	100
3	Law Kim Choon	Chief Executive Officer/Group Managing Director	•	•	•	•	•	5/5	100
4	Lim Teik Hoe	Executive Director	•	•	•	•	•	5/5	100
5	Wong Thai Sun	Independent Non- Executive Director	•	•	•	•	•	5/5	100
Total number of meetings held:								**5**	

Supply of Information

The Board is supplied with full and timely information to discharge their duties and responsibilities effectively. All Directors are supplied with an agenda and a set of Board Papers issued in sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues to be deliberated and to obtain further explanations, where necessary, in order to be properly briefed before the meeting.

The Board reports provide, amongst others, periodical financial and corporate information, significant operational, financial and corporate issues, performance of the various business units and management proposals that require Board's approval. In addition there is a schedule of matters reserved specifically for the Board's decision, including amongst others, the approval of corporate policies and procedures, Group operational plan and budget, acquisitions and disposals of assets that are material to the Group, major investments, risk management policies, changes to management and control structure of the Group, including key policies, procedures and authority limits.

In exercising their duties, the Directors have access to all information within the Company. All Directors have access to the advice and services of the Company Secretary and may also seek independent professional advice from external consultants at the Company's expense if deemed reasonable and necessary.

At Board meetings, the Management updates the Board on the business and market factors relevant to the Group.

THE BOARD OF DIRECTORS (cont'd)

Appointments to the Board

The Nomination Committee currently comprises the following Independent Non-Executive Directors.

Dato' Oon Choo Eng @ Oon Choo Khye - Chairman	Independent Non-Executive Director
Dato' Ahmad Ibnihajar – Member	Independent Non-Executive Director
Wong Thai Sun – Member	Independent Non-Executive Director

The Nomination Committee assists the Board on the following functions:-

1. Recommends to the Board, all directorships to be filled by the shareholders or the Board.
2. Proposes new nominees for the Board and assess directors on an on-going basis.
3. Recommends to the Board of Directors to fill the seats on Board committees.
4. Recommends on the re-election of directors due for retirement under the Articles of Association of the Company taking into account the directors' contribution.
5. Reviews the Board structure, size, mix of skills, experience and other qualities and its composition.
6. Reviews the performance of members of the Board.

As an integral element of the process of appointing new Directors, the Nomination Committee will ensure that there is an orientation and education programme for new Directors with respect to the business and management of the Group.

During the financial year ended 31 August 2011, the Nomination Committee had one meeting on 13 December 2010 and was attended by all members.

On 13 December 2010, the Nomination Committee held a meeting to review the assessment of the Directors and Board Committees and the effectiveness and composition of the Board and Board Committees.

Re-election of Directors

In accordance with the Company's Articles of Association, at least one third of the Board are subject to retirement by rotation at each Annual General Meeting ("AGM"). All Directors shall retire once in every three years and are eligible for re-election.

THE BOARD OF DIRECTORS (cont'd)

Directors' Training

As required under the Main Market Listing Requirements of BMSB, all the Directors have attended the Directors' Mandatory Accreditation Programme ("MAP"). The Directors will continue to attend various professional programmes necessary to enhance their professionalism in the discharge of their duties.

During the financial year ended 31 August 2011, the Directors have evaluated their own training needs on a continuous basis and attended the following:–

Dato' Ahmad Ibnihajar
Law Kim Choon
Lim Teik Hoe

• Leadership & Good Management Practice Training	20 August 2011

Dato' Oon Choo Eng @ Oon Choo Khye

• Impact of FRS on Assets:- Practical Accounting Issues Explained	5 August 2011
• Leadership & Good Management Practice Training	20 August 2011

Wong Thai Sun

• Tax Incentives and Double Deductions for the Manufacturing Sector	20 & 21 September 2010
• Seminar Percukaian Kebangsaan 2010	21 October 2010
• Tax Planning for Employers and HR Managers	12 & 13 January 2011
• Sales Tax & Service Tax and Its Implications on the Introduction of Goods & Services Tax (GST)	10 & 11 March 2011
• New Public Rulings Issued in 2009 and 2010	21 March 2011
• 2011 Tax Updates	19 May 2011

Employees' Share Option Scheme (ESOS) Committee

The ESOS Committee was established to administer the D'nonce Employees' Share Option Scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required. The members of the ESOS Committee are as follows:-

Dato' Oon Choo Eng @ Oon Choo Khye	Independent Non-Executive Director - Chairman
Nellie Poh Saw Ei	Manager - Group Human Resource
Chong Hooi Na	Senior Manager

During the financial year ended 31 August 2011, the ESOS Committee had one meeting on 5 May 2011 and was attended by all members.

DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee currently comprises the following members, the majority of whom are Independent non-Executive Directors:

Wong Thai Sun	Independent Non-Executive Director – Chairman
Dato' Ahmad Ibnihajar	Independent Non-Executive Director – Member
Dato' Oon Choo Eng @ Oon Choo Khye	Independent Non-Executive Director – Member
Law Kim Choon	Chief Executive Officer/Group Managing Director – Member

During the financial year ended 31 August 2011, the Remuneration Committee had one meeting on 13 December 2010 and was attended by all members.

Remuneration Policy

The Remuneration Committee recommends to the Board for approval the remuneration package of the Executive Directors. The remuneration system takes into account individual performance, comparison of the Company's actual performance relative to other companies in the same sector and additional responsibilities of the Directors. The fees of the Directors are subject to shareholders' approval at the AGM.

Details of the Directors' remuneration

The aggregate remuneration of the Directors during the financial year ended 31 August 2011 is set out below:-

A. Aggregate Remuneration

	Executive Directors RM	Non-Executive Directors RM
Fees	65,720	112,060
Salaries	1,171,785	14,604
Bonus	330,938	–
Benefits in kind	–	–
Other benefits	427,136	–

B. Band (RM)

Band (RM)	Executive Directors	Non-Executive Directors	Total
Less than 50,000	–	3	3
850,001 – 900,000	1	–	1
1,150,001 – 1,200,000	1	–	1

The Board feels that it is inappropriate to disclose the remuneration of individual Directors and has opted not to do so.

COMMUNICATION WITH SHAREHOLDERS

The Company recognises the importance of timely and thorough dissemination of information on all material business and corporate developments to shareholders and investors.

The Company keeps shareholders informed by announcements and timely release of quarterly financial results through the Bursa Link, press releases, annual report and circulars to shareholders. The Company also responds to ad-hoc requests from institutional investors and analysts for a better understanding on the Group's strategy and financial performance, all within the legal and regulatory framework in respect of information.

Any queries and concerns regarding the Group may be conveyed to the following person:-

Dato' Ahmad Ibnihajar, Senior Independent Non-Executive Director
Telephone number : 04-228 1198
Facsimile number : 04-228 3016

Shareholders and investors of the public are invited to access the BMSB website at www.bursamalaysia.com to obtain the latest information on the Group.

The AGM is the principal forum for dialogue and interaction with individual shareholders and investors where they may seek clarifications on the Group's businesses. The notice of the AGM and the Annual Reports are sent to shareholders at least 21 days before the date of the meeting. The notice of the AGM is also published in a national newspaper and released to the BMSB for public dissemination. Members of the Board are present at the AGM to answer questions raised at the meeting. Auditors of the Company will also be present.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors have a responsibility to present a balanced, true and fair assessment of the Groups' financial position and prospects primarily through the annual report to shareholders and quarterly financial statements to BMSB.

The Audit Committee assists the Board in reviewing the information disclosed to ensure accuracy, adequacy and integrity of all annual and quarterly reports, audited or unaudited, and approved by the Board before releasing to the BMSB.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 22 of this Annual Report.

Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal control and for reviewing its adequacy and integrity. Due to limitations that are inherent in any system of internal control, it should be noted that such system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Further, such system can only provide reasonable but not absolute assurance against material risks or loss.

The Group has in place an on-going process for identifying, evaluating and managing significant risks that may be faced by the Group. The system of internal control covers operational, financial, compliance with applicable laws and risk management. The internal control system helps to safeguard shareholders' investment and the Group's assets.

The information on the Group's internal control is presented in the Statement about The State of Internal Control set out on pages 14 to 15. The Internal Auditors facilitate the overall internal control system and an internal control working committee comprising the Group Chief Executive Officer and heads of major departments assists the Board to oversee the existing risk management framework that had been in place within the Group. The risk management framework had been reviewed subsequent to updates given by executives and heads of various key departments to the Internal Auditors and internal control working committee.

ACCOUNTABILITY AND AUDIT (cont'd)

Relationship with the External Auditors

The Audit Committee's terms of reference formalises the relationship with the External Auditors to report to the members of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the financial statements. In doing so, the Company has established a transparent arrangement with the Auditors to meet their professional requirements and seeking professional advice and ensuring compliance with accounting standards. In the course of audit of the Group's operation, the External Auditors have highlighted to the Audit Committee and the Board on matters that require the Board's attention. The role of the Audit Committee in relation to the External Auditors is described on pages 23 to 26 of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

During the financial year:-

a) No proceeds were raised by the Company from any corporate proposal.
b) There were no share buybacks by the Company.
c) None of the Directors has been convicted for offences within the past ten (10) years other than traffic offences, if any.
d) The Company did not sponsor any American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") programmes.
e) There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies.
f) No options, warrants or convertible securities issued by the Company that were exercised during the financial year.
g) The Company did not release any profit estimate, forecast or projection. There is no variance between the results for the financial year and the unaudited results previously released by the Company.
h) There was no profit guarantee given by the Company.
i) The Company does not have any revaluation policy on landed property for the financial year.
j) There were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests.
k) The amount of non-audit fees payable to external auditors for the financial year was RM56,200.

Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

During the financial year, the Company did not enter into any RRPT.

Directors' Responsibilities Statement in respect of Audited Financial Statements

Under the Companies Act, 1965, the Directors are required to prepare financial statements for each financial year to give a true and fair view of the state of affairs of the Group and the Company. In preparing the financial statements, the Directors have:–

- adopted and used accounting policies consistently in dealing with items which are considered material in relation thereto;
- made accounting estimates where applicable that are prudent, just and reasonable; and
- ensured that the Company has taken reasonable steps to deter and minimize fraud and other irregularities.

AUDIT COMMITTEE REPORT

MEMBERS

The present members of the Audit Committee are as follows:-

Wong Thai Sun, Chairman	Independent Non-Executive Director
Dato’ Ahmad Ibnihajar, Member	Independent Non-Executive Director
Dato’ Oon Choo Eng @ Oon Choo Khye, Member	Independent Non-Executive Director

TERMS OF REFERENCE

1. Membership

1.1 The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:-

(a) the Committee must be composed of no fewer than 3 members, a majority of whom must be independent directors;

(b) all members of the Audit Committee shall be non-executive directors and should be financially literate; and

(c) at least one member of the Committee:-

(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 3 years’ working experience and:-

(aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
(bb) 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.

(iii) fulfils such other requirements as prescribed or approved by the Exchange.

1.2 No alternate director should be appointed as a member of the Committee.

1.3 In the event of any vacancy in the Committee resulting in the non-compliance of the listing requirement of the Exchange pertaining to composition of audit committee, the Board of Directors shall within three months of that event fill the vacancy.

1.4 The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

TERMS OF REFERENCE (cont'd)

2. Chairman

2.1 The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.

3. Secretary

3.1 The Company Secretary or if more than one, any one of them, shall be the Secretary of the Committee.

4. Meetings

4.1 Meetings shall be held not less than four times a year.

4.2 The Finance Director/Finance Manager, the Head of Internal Audit (where such a function exists) and a representative of the external auditors shall normally attend meetings.

4.3 Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

4.4 Upon the request of the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.

4.5 The Committee shall regulate its own procedure, in particular:-

(a) the calling of meetings;
(b) the notice to be given of such meetings;
(c) the voting and proceedings of such meetings;
(d) the keeping of minutes; and
(e) the custody, production and inspection of such minutes.

4.6 The Committee should meet with the external auditors without executive Board members present at least twice a year.

5. Quorum

5.1 To form a quorum the majority of members present must be independent directors.

6. Rights

6.1 The Committee in performing its duties shall in accordance with a procedure to be determined by the Board of Directors:–

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Company;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) be able to obtain independent professional or other advice; and
(f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of Company, whenever deemed necessary.

TERMS OF REFERENCE (cont'd)

7. Functions

The Committee shall, amongst others, discharge the following functions:-

7.1 To review:-

(a) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
(i) changes in or implementation of major accounting policy changes;
(ii) significant and unusual events;
(iii) significant adjustments arising from the audit;
(iv) the going concern assumption; and
(v) compliance with accounting standards and other legal requirements.

(b) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions or management integrity;

(c) with the external auditors:-
(i) the audit plan and to ensure co-ordination where more than one audit firm is involved;
(ii) his evaluation of the system of internal controls;
(iii) his audit report;
(iv) his management letter and the management's response; and
(v) the assistance given by the Company's employees to the external auditors.

7.2 To monitor the management's risk management practices and procedures.

7.3 In respect of the appointment of external auditors:-

(a) to review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment;
(b) to consider the nomination of a person or persons as external auditors and the audit fee; and
(c) to consider any questions of resignation or dismissal of external auditors.

7.4 In respect of the internal audit function:-

(a) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work and that it reports directly to the Audit Committee;
(b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
(c) to review any appraisal or assessment of the performance of members of the internal audit function;
(d) to approve any appointment or termination of senior staff members of the internal audit function; and
(e) to inform itself of any resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

7.5 To promptly report such matter to the Exchange if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

7.6 To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary) to carry out such other functions as may be agreed to by the Committee and the Board of Directors.

ROLE OF AUDIT COMMITTEE

An independent Audit Committee assists, supports and implements the Board's responsibility to oversee the Company's operations in the following manner:-

- provides a means for review of the Company's processes for producing financial data, its internal controls and independence of the Company's External and Internal Auditors;
- reinforces the independence of the Company's External Auditors; and
- reinforces the objectivity of the Company's Internal Auditors.

AUDIT COMMITTEE MEETINGS

During the financial year ended 31 August 2011, the Audit Committee held a total of five meetings. The details of the attendance of the Audit Committee members were as follows:-

Name	Status of Directorship	Position	No. of meetings attended
Wong Thai Sun	Independent Non-Executive Director	Chairman	5/5
Dato' Ahmad Ibnihajar	Independent Non-Executive Director	Member	5/5
Dato' Oon Choo Eng @ Oon Choo Khye	Independent Non-Executive Director	Member	5/5

The External Auditors attended five meetings during the financial year.

ACTIVITIES OF THE AUDIT COMMITTEE

The Group's internal audit function has been outsourced since year 2001. The expenses incurred for internal audit amounted to RM25,500 for the year ended 31 August 2011.

During the financial year, the Audit Committee met at scheduled times with due notices of meetings issued and with agendas planned and itemized so that issues raised were deliberated and discussed in a focused and detailed manner.

The reviews of the Group's consolidated quarterly financial statements were held before the Board meetings at which the financial statements were to be approved.

The Audit Committee had also met with the External Auditors and discussed the nature and scope of the audit before the audit commenced. The Audit Committee reviewed the internal audit plan prepared by the Internal Auditors.

STATEMENT BY AUDIT COMMITTEE

There is no change in the criteria for allocation of ESOS shares since the inception of the scheme. There were no new allocations of ESOS shares during the year.

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
31 August 2011

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of management services and investment holding.

The principal activities of the subsidiaries are described in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Profit net of tax	5,292,125	1,449,959
Attributable to:		
Owners of the parent	4,681,905	1,449,959
Non-controlling interests	610,220	–
	5,292,125	1,449,959

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

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

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend any final dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Ahmad Ibnihajar
Dato' Oon Choo Eng @ Oon Choo Khye
Law Kim Choon
Lim Teik Hoe
Wong Thai Sun

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted to certain of the Company's directors under the Employee Share Options Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 8 to the financial statements or the fixed salary of a full-time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than as disclosed in Note 27 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

	← Number of ordinary shares of RM1 each →			
	1 September 2010	**Bought**	**Sold**	**31 August 2011**
The Company				
Direct interest				
Law Kim Choon	1,700,000	–	–	**1,700,000**
Lim Teik Hoe	2,156,700	–	–	**2,156,700**

	← Number of options over ordinary shares of RM1 each →			
	1 September 2010	**Granted**	**Exercised**	**31 August 2011**
The Company				
Law Kim Choon	100,000	–	–	**100,000**
Lim Teik Hoe	85,000	–	–	**85,000**

The other directors in office at the end of the financial year did not have any interest in shares and share options in the Company or its related corporations during the financial year.

EMPLOYEE SHARE OPTIONS SCHEME

The Company's Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 26 February 2003. The ESOS was implemented on 20 November 2003 and is to be in force for a period of 5 years from the date of implementation. The Board of Directors and ESOS Committee may as deemed fit, extend the ESOS for another 5 years. On 25 April 2008, the Company has extended its existing ESOS which expired on 27 May 2008 for a further period of five years from 27 May 2008 until 26 May 2013.

The salient features and other terms of the ESOS are disclosed in Note 24(b) to the financial statements.

Details of options granted to directors are disclosed in the section on Directors' interests in this report.

There were no options granted during the financial year. No ESOS were exercised during and subsequent to the end of the financial year.

OTHER STATUTORY INFORMATION

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts in respect of the financial statements of the Group. The directors also satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts in respect of the financial statements of the Company; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any substantial extent nor are they aware of any circumstances which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and the Company; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As 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 of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SUBSEQUENT EVENT

The detail of the subsequent event is disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 12 December 2011.

Dato' Ahmad Ibnihajar	Law Kim Choon

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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

We, Dato' Ahmad Ibnihajar and Law Kim Choon, being two of the directors of D'nonce Technology Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 35 to 102 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 August 2011 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

The information set out in Note 36 on page 103 to the financial statements have 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.

Signed on behalf of the Board in accordance with a resolution of the directors dated 12 December 2011.

Dato' Ahmad Ibnihajar

Law Kim Choon

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

I, Law Kim Choon, being the director primarily responsible for the financial management of D'nonce Technology Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 35 to 103 are in my opinion 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 by
the abovenamed Law Kim Choon
at Georgetown in the State of Penang
on 12 December 2011:

Law Kim Choon

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF D'NONCE TECHNOLOGY BHD.
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of D'nonce Technology Bhd., which comprise the statements of financial position as at 31 August 2011 of the Group and of the Company, and the income statements, 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 notes, as set out on pages 35 to 102.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of 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 are 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 about 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 the 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 August 2011 and of their financial performance and cash flows for the year then ended.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 34 to the financial statements which discusses the subsequent event regarding the flood situation in Thailand where a material subsidiary is located.

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 for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 13 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

The supplementary information set out in Note 36 on page 103 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Ernst & Young
AF:0039
Chartered Accountants

Lim Foo Chew
No. 1748/01/12(J)
Chartered Accountant

Penang, Malaysia
12 December 2011

INCOME STATEMENTS

For The Financial Year Ended 31 August 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue	4	**171,698,535**	186,620,196	**4,725,497**	11,234,883
Other income	5	**5,084,727**	1,932,355	**151**	60
Changes in inventories of work-in-progress and finished goods		**(1,007,198)**	13,973	**–**	–
Raw materials and consumables used		**(47,134,993)**	(49,498,292)	**–**	–
Trading goods		**(67,926,940)**	(80,485,460)	**–**	–
Employee benefits expense	6	**(28,095,856)**	(27,977,148)	**(2,891,788)**	(3,455,101)
Depreciation		**(4,058,655)**	(4,744,924)	**(49,257)**	(119,879)
Rental expense		**(2,060,619)**	(1,378,082)	**(13,200)**	(13,200)
Utilities		**(4,134,071)**	(3,887,446)	**(38,552)**	(34,944)
Other expense		**(14,316,499)**	(14,163,743)	**(602,697)**	(3,773,668)
Operating profit	7	**8,048,431**	6,431,429	**1,130,154**	3,838,151
Finance costs	9	**(1,463,756)**	(1,355,977)	**(130,180)**	(156,196)
Profit before tax		**6,584,675**	5,075,452	**999,974**	3,681,955
Income tax expense	10	**(1,292,550)**	(470,623)	**449,985**	169,702
Profit net of tax		**5,292,125**	4,604,829	**1,449,959**	3,851,657
Attributable to:-					
Owners of the parent		**4,681,905**	2,920,714	**1,449,959**	3,851,657
Non–controlling interests		**610,220**	1,684,115	**–**	–
		5,292,125	4,604,829	**1,449,959**	3,851,657
Earnings per share attributable to owners of the parent (sen):					
Basic, for profit for the financial year	11(a)	**10.38**	6.48		
Diluted, for profit for the financial year	11(b)	**10.38**	6.48		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 August 2011

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Profit net of tax	**5,292,125**	4,604,829	**1,449,959**	3,851,657
Other comprehensive income:				
Foreign currency translation	**(251,984)**	(690,357)	**–**	–
Total comprehensive income for the year	**5,040,141**	3,914,472	**1,449,959**	3,851,657
Total comprehensive income attributable to:				
Owners of the parent	**4,493,720**	2,411,070	**1,449,959**	3,851,657
Non–controlling interests	**546,421**	1,503,402	**–**	–
	5,040,141	3,914,472	**1,449,959**	3,851,657

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 August 2011

	Note	Group 2011 RM	Group 2010 RM Restated	Group 1 September 2009 RM Restated	Company 2011 RM	Company 2010 RM
Assets						
Non–current assets						
Property, plant and equipment	12	**36,497,405**	35,783,293	34,389,974	**64,403**	112,485
Investments in subsidiaries	13	**–**	–	–	**36,943,688**	37,214,488
Investment properties	14	**7,175,863**	6,154,300	6,401,480	**–**	–
Other investments	15	**34,000**	34,000	74,000	**–**	–
Intangible asset	16	**289,128**	289,128	289,128	**–**	–
Long term trade receivable	17	**2,360,463**	2,579,656	2,334,340	**–**	–
Deferred tax assets	18	**737,450**	200,000	–	**650,000**	200,000
		47,094,309	45,040,377	43,488,922	**37,658,091**	37,526,973
Current assets						
Inventories	19	**14,601,996**	16,831,284	15,763,563	**–**	–
Trade and other receivables	17	**40,256,892**	36,047,431	30,346,267	**10,031,446**	7,118,504
Tax recoverable		**397,034**	1,139,775	761,113	**–**	–
Derivatives	20	**79,824**	–	–	**–**	–
Cash and bank balances	21	**10,067,696**	11,026,676	14,104,251	**223,868**	459,634
		65,403,442	65,045,166	60,975,194	**10,255,314**	7,578,138
Total assets		**112,497,751**	110,085,543	104,464,116	**47,913,405**	45,105,111

STATEMENTS OF FINANCIAL POSITION (cont'd)

As at 31 August 2011

	Note	Group			Company	
				1 September		
		2011	2010	2009	2011	2010
		RM	RM	RM	RM	RM
			Restated	Restated		
Equity and liabilities						
Current liabilities						
Loans and borrowings	22	**18,136,620**	16,376,412	18,613,144	**23,979**	25,146
Trade and other payables	23	**23,701,555**	27,142,969	22,810,306	**4,373,291**	2,165,409
Current tax payable		**625,045**	193,849	285,775	**–**	–
		42,463,220	43,713,230	41,709,225	**4,397,270**	2,190,555
Net current asset		**22,940,222**	21,331,936	19,265,969	**5,858,044**	5,387,583
Non–current liabilities						
Retirement benefit obligations	24	**3,243,377**	2,886,239	2,247,150	**2,968,586**	2,669,007
Loans and borrowings	22	**6,665,281**	8,025,212	8,957,341	**–**	23,979
Long term trade payable	23	**–**	364,433	364,433	**–**	–
Deferred tax liabilities	18	**96,890**	107,587	111,597	**–**	–
		10,005,548	11,383,471	11,680,521	**2,968,586**	2,692,986
Total liabilities		**52,468,768**	55,096,701	53,389,746	**7,365,856**	4,883,541
Net assets		**60,028,983**	54,988,842	51,074,370	**40,547,549**	40,221,570
Equity attributable to equity holders of the Company						
Share capital	25	**45,101,000**	45,101,000	45,101,000	**45,101,000**	45,101,000
Share premium	25	**12,309,806**	12,309,806	12,309,806	**12,309,806**	12,309,806
Other reserves	26	**5,521,406**	5,716,254	6,237,162	**127,887**	134,550
Accumulated losses		**(13,139,858)**	(17,828,426)	(20,760,404)	**(16,991,144)**	(17,323,786)
		49,792,354	45,298,634	42,887,564	**40,547,549**	40,221,570
Non–controlling interests		**10,236,629**	9,690,208	8,186,806	**–**	–
Total equity		**60,028,983**	54,988,842	51,074,370	**40,547,549**	40,221,570
Total equity and liabilities		**112,497,751**	110,085,543	104,464,116	**47,913,405**	45,105,111

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 August 2011

	← Attributable to owners of the parent				→	
		← Non–distributable →				
Group	Share capital RM (Note 25)	Share premium RM (Note 25)	Other reserves RM (Note 26)	Accumulated losses RM	Non–controlling interests RM	Total equity RM
At 1 September 2010	45,101,000	12,309,806	5,716,254	(17,828,426)	9,690,208	54,988,842
Total comprehensive income	–	–	(188,185)	4,681,905	546,421	5,040,141
Transactions with owners:-						
Realisation of reserves	–	–	(6,663)	6,663	–	–
At 31 August 2011	**45,101,000**	**12,309,806**	**5,521,406**	**(13,139,858)**	**10,236,629**	**60,028,983**
At 1 September 2009	45,101,000	12,309,806	6,237,162	(20,760,404)	8,186,806	51,074,370
Total comprehensive income	–	–	(509,644)	2,920,714	1,503,402	3,914,472
Transactions with owners:-						
Realisation of reserves	–	–	(11,264)	11,264	–	–
At 31 August 2010	45,101,000	12,309,806	5,716,254	(17,828,426)	9,690,208	54,988,842

		← Non–distributable →			
Company	Share capital RM (Note 25)	Share premium RM (Note 25)	Other reserves RM (Note 26)	Accumulated losses RM	Total RM
At 1 September 2010, previously stated	45,101,000	12,309,806	134,550	(17,323,786)	40,221,570
Effect of adopting FRS 139	–	–	–	(1,123,980)	(1,123,980)
As at 1 September 2010 (restated)	45,101,000	12,309,806	134,550	(18,447,766)	39,097,590
Total comprehensive income	–	–	–	1,449,959	1,449,959
Transactions with owners:-					
Realisation of reserves	–	–	(6,663)	6,663	–
At 31 August 2011	**45,101,000**	**12,309,806**	**127,887**	**(16,991,144)**	**40,547,549**
At 1 September 2009	45,101,000	12,309,806	145,814	(21,186,707)	36,369,913
Total comprehensive income	–	–	–	3,851,657	3,851,657
Transactions with owners:-					
Realisation of reserves	–	–	(11,264)	11,264	–
At 31 August 2010	45,101,000	12,309,806	134,550	(17,323,786)	40,221,570

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 August 2011

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
		Restated		
Operating activities				
Profit before tax	**6,584,675**	5,075,452	**999,974**	3,681,955
Adjustments for:				
Allowance for impairment on trade and other receivable	**268,634**	260,072	**–**	2,500,000
Bad debts written off	**3,700**	4,490	**–**	–
Depreciation on:				
- property, plant and equipment	**3,766,647**	4,452,692	**49,257**	119,879
- investment properties	**292,008**	292,232	**–**	–
Fair value changes in derivatives	**(79,824)**	–	**–**	–
Gain on disposal of property, plant and equipment	**(20,408)**	(23,000)	**–**	–
Interest expense	**1,463,756**	1,355,977	**130,180**	156,196
Interest income	**(332,669)**	(318,262)	**(151)**	(60)
Investment property written off	**2,082,867**	–	**–**	–
Inventories written off	**72,954**	842,308	**–**	–
Loss on liquidation of subsidiary	**–**	160,089	**–**	–
Pension costs – defined benefit plan	**359,771**	644,475	**204,054**	495,561
Provision/(reversal) of provision for slow-moving stocks	**24,368**	(184,937)	**–**	–
Property, plant and equipment written off	**39,686**	309,406	**1,813**	465
(Reversal of impairment losses)/Impairment losses on:				
- property, plant and equipment	**–**	(89,602)	**–**	–
- investment in subsidiaries	**–**	–	**270,800**	271,616
- golf club membership	**–**	40,000	**–**	–
Reversal of allowance for impairment on trade and other receivables	**(109,731)**	(33,000)	**(2,189)**	–
Unrealised loss/(gain) on foreign exchange	**70,345**	128,218	**(70,868)**	(75,855)
Total adjustments	**7,902,104**	7,841,158	**582,896**	3,467,802
Operating profit before working capital changes	**14,486,779**	12,916,610	**1,582,870**	7,149,757

STATEMENTS OF CASH FLOWS (cont'd)
For the year ended 31 August 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Changes in working capital					
Increase/(Decrease) in inventories		**2,131,966**	(1,725,092)	**–**	–
(Increase)/decrease in trade and other receivables		**(4,152,871)**	(6,319,127)	**(3,010,303)**	773
(Decrease)/increase in trade and other payables		**(3,876,147)**	4,208,768	**(615,631)**	749,377
Total changes in working capital		**(5,897,052)**	(3,835,451)	**(3,625,934)**	750,150
Cash generated from/(used in) operations		**8,589,727**	9,081,159	**(2,043,064)**	7,899,907
Taxes paid		**(666,760)**	(1,145,221)	**(15)**	(30,298)
Interest paid		**(1,463,756)**	(1,355,977)	**(130,180)**	(156,196)
Net cash generated from/(used in) operating activities		**6,459,211**	6,579,961	**(2,173,259)**	7,713,413
Cash flows from investing activities					
Interest received		**332,669**	318,262	**151**	60
Proceeds from disposal of property, plant and equipment		**57,433**	1,094,810	**–**	–
Incorporation of a new subsidiary		**–**	–	**–**	(250,000)
Net cash surrendered to liquidator		**–**	(28,552)	**–**	–
Expenditure incurred on investment properties		**(3,150)**	(75,100)	**–**	–
Purchase of property, plant and equipment	A	**(6,203,862)**	(6,080,009)	**(2,988)**	(27,046)
Net cash used in investing activities		**(5,816,910)**	(4,770,589)	**(2,837)**	(276,986)
Cash flows from financing activities					
(Repayment)/drawdown of short term borrowings		**(1,378,256)**	13,221	**–**	–
Net change in subsidiaries' balances		**–**	–	**1,965,476**	(7,092,230)
Repayment of obligation under finance lease		**(1,705,013)**	(1,076,581)	**(25,146)**	(24,088)
Drawdown of term loan		**1,746,208**	1,487,765	**–**	–
Repayment of term loans		**(2,769,403)**	(2,409,114)	**–**	–
Net cash (used in)/generated from financing activities		**(4,106,464)**	(1,984,709)	**1,940,330**	(7,116,318)
Net (decrease)/increase in cash and cash equivalents		**(3,464,163)**	(175,337)	**(235,766)**	320,109
Effects of foreign exchange rate changes		**(70,971)**	(61,210)	**–**	–
Cash and cash equivalents at beginning of financial year		**7,453,005**	7,689,552	**459,634**	139,525
Cash and cash equivalents at end of financial year	B	**3,917,871**	7,453,005	**223,868**	459,634

STATEMENTS OF CASH FLOWS (cont'd)
For the year ended 31 August 2011

A. Purchase of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment by way of the following:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Cash payment	**6,203,862**	6,080,009	**2,988**	27,046
Obligation under financial leases	**1,930,587**	1,656,876	**–**	–
	8,134,449	7,736,885	**2,988**	27,046

B. Cash and cash equivalents

Cash and cash equivalents comprise:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Cash and bank balances (Note 21)	**6,436,867**	6,735,403	**223,868**	459,634
Deposits with licensed banks (Note 21)	**3,630,829**	4,291,273	**–**	–
Bank overdrafts (Note 22)	**(6,149,825)**	(3,573,671)	**–**	–
	3,917,871	7,453,005	**223,868**	459,634

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 August 2011

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities. The principal place of business of the Company is located at 51-14-B & C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal activities of the Company are the provision of management services and investment holding.

The principal activities of the subsidiaries are described in Note 13.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for current financial year as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 September 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for the current financial year.

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 3 Business Combinations (Revised)
- FRS 7 Financial Instruments: Disclosures
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 127 Consolidated and Separate Finance Statements
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 2 Share-based Payment
- Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 5 Non-current Asset Held for Sales and Discontinued Operations
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 132 Financial Instruments: Classification of Right Issues
- Amendments to FRS 138 Intangible Assets
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRSs issued in 2009
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- Amendments to IC Interpretation 15 Agreements for the Construction of Real Estate

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRSs are, however, not applicable to the Group or the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 September 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 August 2011.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as two linked statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group's and the Company's objectives, policies and processes for managing capital (see Note 32).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Improvements to FRSs (2009)' Amendments to FRS 117 Leases

Prior to 1 September 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the building elements in proportion to the relative fair values for leasehold interest in the land element and building element of the lease at the inception of the lease. The up-front payments represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases.

The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

The following are effects arising from the above change in accounting policies in relation to Amendments to FRS 117:

	Group 2011 RM
Increase/(decrease) in:	
Property, plant and equipment	**863,593**
Investment properties	**1,133,906**
Prepaid land lease payment	**(1,997,499)**

The following comparatives have been restated:

	As previously stated RM	Adjustment RM	As restated RM
Statements of financial position			
Group			
31 August 2010			
Property, plant and equipment	34,678,528	1,104,765	35,783,293
Investment properties	5,208,786	945,514	6,154,300
Prepaid land lease payment	2,050,279	(2,050,279)	–
Statements of financial position			
Group			
1 September 2009			
Property, plant and equipment	33,396,553	993,421	34,389,974
Investment properties	5,433,533	967,947	6,401,480
Prepaid land lease payment	1,961,368	(1,961,368)	–

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 September 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard if any, are accounted for by adjusting the opening balance of retained earnings as at 1 September 2010. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- **Non-hedging derivatives**
  Prior to 1 September 2010, all derivative financial instruments were recognised in the financial statements only upon settlement. These instruments do not qualify for hedge accounting under FRS 139. Hence, upon the adoption of FRS 139, all non-hedging derivatives held by the Group as at 1 September 2010 are recognised at their fair values. No adjustment was made to the opening accumulated losses as at 1 September 2010 as the Company has determined that the fair values of such derivative financial instrument were not significant.

- **Impairment of trade and other receivables**
  Prior to 1 September 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 September 2010, the Company has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustment to the opening balance of accumulated losses as at that date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

FRS 139 Financial Instruments: Recognition and Measurement (cont'd)

The following are effects arising from the above changes in accounting policies:

	Increase/(decrease) As at 31 August 2011 RM	As at 1 September 2010 RM
Statements of financial position		
Group		
Derivatives assets	**79,824**	–
Accumulated losses	**(79,824)**	–
Company		
Trade and other receivables	**(1,121,791)**	(1,123,980)
Accumulated losses	**1,121,791**	1,123,980
Statements of comprehensive income		
Group		
Other expenses	**(79,824)**	–
Profit before tax	**79,824**	–
Profit net of tax	**79,824**	–
Company		
Other expenses	**(2,189)**	–
Profit before tax	**2,189**	–
Profit net of tax	**2,189**	–

FRS 3 Business Combinations (revised)

The revised FRS 3 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the early adoption of the revised FRS 3 include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;
- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss;
- The Group elects, for each acquisition of a business, whether to measure non-controlling interest (previously described as minority interests) at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, and this impacts the amount of goodwill recognised; and
- When a business is acquired in stages, the previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 3 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 September 2010 are not adjusted.

There is no material impact on the Group's consolidated financial statements upon adoption of this standard.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies (cont'd)

FRS 127 Consolidated and Separate Financial Statements (revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 127 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss;

- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and

- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 September 2010. The changes will affect future transactions with non-controlling interest.

There is no material impact on the Group's consolidated financial statements upon adoption of this standard.

2.3 Standards and interpretations issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:-

Description	Effective for annual periods beginning on or after
Technical Release 3 Guidance on Disclosures of Transition to IFRSs	31 December 2010
Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1 Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2 Group Cash-Settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7 Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Technical Release i-4 Shariah Compliant Sale Contracts	1 January 2011
Improvements to FRSs issued in 2010	1 January 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards and interpretations issued but not yet effective (cont'd)

Except for the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual 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.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 August 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 August 2013.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.6 Foreign currency

a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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.

c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings	2% - 2.5%
- Leasehold land	60 - 99 years
- Plant and machinery	10% - 20%
- Office furniture, fittings and computer equipment	10% - 33.33%
- Motor vehicles	20%
- Renovation	2% - 10%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and 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. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses.

2.12 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 the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

b) 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, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial assets (cont'd)

c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

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

Held-to-maturity investments are classified as non-current, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any accumulated impairment losses.

Available-for-sale financial assets are classified as non-current unless they are expected to be realised within 12 months after the reporting date.

The Group and the Company have not designated any financial assets as available-for-sale financial assets.

A financial asset is derecognised when 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.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 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.

a) 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, assets 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.

b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Raw materials: purchase costs on a first-in first-out basis.
– Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

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

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 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 statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables (including amounts due to related companies) and loans 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.

Loans and 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 unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Financial liabilities (cont'd)

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.

2.18 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.

2.19 Borrowings costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

2.20 Employee benefits

a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense 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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Defined contribution plans

The Group participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

c) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Employee benefits (cont'd)

c) Employee share option plans (cont'd)

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.21 Leases

a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. 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.

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(f).

2.22 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

b) Revenue from services

Revenue from services rendered is recognised net of discounts as and when the services are performed.

c) Interest income

Interest income is recognised using the effective interest method.

d) Management fees

Management fees are recognised when services are rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue (cont'd)

e) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

f) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.23 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. 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 allow the deferred tax assets to be utilised.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Income taxes (cont'd)

b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on business segments which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report 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 shown in the notes to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

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.

2.26 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that has significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

a) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. 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 there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 17. If the present value of estimated future cash flows varies by 10% from management's estimates, the Company's allowance for impairment will increase by RM388,313 (2010: Nil).

b) Impairment of investments in subsidiaries

In previous year, the Company has recognised an impairment loss in respect of investments in subsidiaries. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units ("CGU") to which the investments in subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The net carrying amount of investment in one of the subsidiaries of the Company as at 31 August 2011 for which impairment loss had been recognised was RM11,626,275 (2010: RM11,355,475) . Further details of the impairment losses recognised are disclosed in Note 13.

c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised reinvestment allowances and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumption about generation of future taxable profits depends on management's estimates of future cash flows. These depends on estimates of future productions and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. These judgements and assumptions are subject to risks and uncertainty; hence, there is a possibility that changes in circumstances will alter expectations, which financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

During the year, the Group and Company has recognised RM537,479 and RM450,000 respectively on unrecognised tax losses and other temporary differences on 31 August 2011 as management considered that it is probable that taxable profits will be available against which the losses can be utilised. Further details of the recognised deferred tax assets are disclosed in Note 18.

The total carrying value of unrecognised tax losses, unabsorbed reinvestment allowances and capital allowances of the Group and the Company was RM33,808,000 and RM1,297,000 respectively (2010: RM 36,888,000 and RM4,154,000). Further details are disclosed in Note 18.

4. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Sales of goods	**164,884,100**	181,634,469	**–**	–
Revenue from services	**6,039,732**	4,180,927	**–**	–
Management fees	**–**	–	**4,725,497**	4,814,883
Dividends from subsidiaries	**–**	–	**–**	6,420,000
Rental income from investment properties	**774,703**	804,800	**–**	–
	171,698,535	186,620,196	**4,725,497**	11,234,883

5. OTHER INCOME

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Interest income from loan and receivables	**332,669**	318,262	**151**	60
Rental income	**44,769**	22,706	**–**	–
Scrap sales	**474,869**	427,258	**–**	–
Management income	**–**	35,856	**–**	–
Compensation received	**–**	590,057	**–**	–
Insurance claim	**2,478,865**	–	**–**	–
Gain on litigation settlement	**1,509,681**	–	**–**	–
Miscellaneous	**243,874**	538,216	**–**	–
	5,084,727	1,932,355	**151**	60

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Wages and salaries	**23,509,126**	23,487,670	**2,333,736**	2,563,075
Social security contributions	**382,479**	335,147	**9,851**	9,118
Contributions to defined contribution plan	**1,431,983**	1,356,584	**262,938**	302,478
Defined benefit plan (Note 24(a))	**359,771**	644,475	**204,054**	495,561
Other benefits	**2,412,497**	2,153,272	**81,209**	84,869
	28,095,856	27,977,148	**2,891,788**	3,455,101

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,673,679 (2010: RM3,521,882) and RM1,165,551 (2010: RM1,276,350) respectively as further disclosed in Note 8.

7. OPERATING PROFIT

The following amounts of the Group and of the Company have been included in arriving at operating profit:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
		Restated		
Auditors' remuneration				
- statutory audits				
- current year	**253,381**	229,969	**10,000**	10,000
- underprovision in prior financial year	**24,985**	2,892	**–**	–
- other services	**63,525**	87,987	**–**	–
Allowance for impairment on trade and other receivables	**268,634**	260,072	**–**	2,500,000
Bad debts written off	**3,700**	4,490	**–**	–
Bad debts recovered	**–**	(24,000)	**–**	–
Fair value changes in derivatives	**(79,824)**	–	**–**	–
Freight costs	**1,768,508**	1,800,567	**–**	–
Gain on disposal of property, plant and equipment	**(20,408)**	(23,000)	**–**	–
Inventories written off	**72,954**	842,308	**–**	–
Investment property written off	**2,082,867**	–	**–**	–
Loss on liquidation of subsidiary	**–**	160,089	**–**	–
Non-executive directors remuneration (Note 8)	**126,664**	123,604	**121,664**	118,604
Professional fee	**443,870**	435,845	**134,203**	77,234
Property, plant and equipment written off	**39,686**	309,406	**1,813**	465
Provision/(reversal) of provision for slow-moving stocks	**24,368**	(184,937)	**–**	–
Realised loss on foreign exchange	**397,276**	1,297,063	**53,836**	67,172
(Reversal of impairment losses)/ Impairment losses on:				
- property, plant and equipment	**–**	(89,602)	**–**	–
- investment in subsidiaries	**–**	–	**270,800**	271,616
- golf club membership	**–**	40,000	**–**	–
Reversal of allowance for impairment loss on trade and other receivables	**(109,731)**	(33,000)	**(2,189)**	–
Sub-contractor charges	**762,890**	220,737	**–**	–
Upkeep expenses	**808,729**	954,614	**28,501**	52,326
Unrealised loss/(gain) on foreign exchange	**70,345**	128,218	**(70,868)**	(75,855)

8. DIRECTORS' REMUNERATION

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Executive:				
Salaries and other emoluments	**1,171,785**	1,016,028	**656,509**	535,312
Fees	**65,720**	64,000	**65,720**	64,000
Bonus				
- current year	**153,962**	113,199	**79,240**	113,199
- under provision in prior year	**176,976**	36,094	**107,918**	27,343
Defined contribution plan	**223,082**	194,990	**117,830**	104,935
Defined benefit plan	**204,054**	495,561	**204,054**	495,561
	1,995,579	1,919,872	**1,231,271**	1,340,350
Non-executive:				
Salaries and other emoluments	**14,604**	14,604	**14,604**	14,604
Fees	**112,060**	109,000	**107,060**	104,000
	126,664	123,604	**121,664**	118,604
	2,122,243	2,043,476	**1,352,935**	1,458,954
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	**1,446,374**	1,418,465	**–**	–
Bonus	**297,446**	247,545	**–**	–
Fee	**110,000**	151,020	**–**	–
	1,853,820	1,817,030	**–**	–
Total	**3,976,063**	3,860,506	**1,352,935**	1,458,954

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2011	**2010**
Executive directors:		
RM850,001 – RM1,000,000	**1**	1
RM1,000,001 – RM1,150,000	**–**	1
RM1,150,001 – RM1,200,000	**1**	–
Non-executive directors:		
RM50,000 and below	**3**	3

9. FINANCE COSTS

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Interest expense on:				
Bank borrowings	**623,560**	620,346	**128,638**	153,596
Term loans	**650,638**	562,911	**–**	–
Obligation under finance leases	**189,558**	172,720	**1,542**	2,600
Total interest expense	**1,463,756**	1,355,977	**130,180**	156,196

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense are:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Current income tax:				
Malaysian income tax	**1,743,700**	731,037	**–**	–
Withholding tax	**148,119**	30,298	**–**	30,298
(Over)/underprovision in prior years	**(51,092)**	(86,702)	**15**	–
	1,840,727	674,633	**15**	30,298
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	**(19,449)**	(16,766)	**–**	–
Deferred tax asset not recognised in prior year, now recognised	**(537,479)**	(200,000)	**(450,000)**	(200,000)
Under provision in prior years	**8,751**	12,756	**–**	–
	(548,177)	(204,010)	**(450,000)**	(200,000)
Income tax expense recognised in profit or loss	**1,292,550**	470,623	**(449,985)**	(169,702)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

Two overseas subsidiaries in Thailand have been granted certain promotional privileges, subject to certain terms and conditions being complied with, inter alia, the following:

(i) full tax exemption from corporation income tax on the net profit from the promoted business for a period of between 7 to 8 years; and

(ii) 50% deduction of normal corporate income tax for a period of 5 years following the end of the promotional period of 1 year in respect of a subsidiary.

10. INCOME TAX EXPENSE (CONT'D)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 August 2011 and 2010 are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Profit before tax	**6,584,675**	5,075,452	**999,974**	3,681,955
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	**1,646,169**	1,268,863	**249,994**	920,489
Effect of different tax rates in another country	**26,122**	241,008	**–**	–
Income not subject to tax	**(403,066)**	(1,177,654)	**–**	(1,605,000)
Withholding tax	**148,119**	30,298	**–**	30,298
Expenses not deductible for tax purposes	**821,833**	525,179	**79,695**	790,453
Expenses allowable for double deductions	**(7,525)**	(17,467)	**–**	–
Utilisation of current year reinvestment allowances	**(61,523)**	(55,039)	**–**	–
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(592,881)**	(492,444)	**(329,689)**	(351,281)
Utilisation of previously unrecognised deferred tax assets	**–**	(40,342)	**–**	–
Deferred tax assets not recognised during the financial year	**295,122**	462,167	**–**	245,339
Deferred tax assets not recognised in prior years, now recognised	**(537,479)**	(200,000)	**(450,000)**	(200,000)
(Over)/under provision in prior years				
- tax expense	**(51,092)**	(86,702)	**15**	–
- deferred tax	**8,751**	12,756	**–**	–
Income tax expense recognised in profit or loss	**1,292,550**	470,623	**(449,985)**	(169,702)

Tax savings recognised during the financial year arising from:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Utilisation of previously unrecognised tax losses	**491,705**	448,717	**329,689**	351,281
Utilisation of previously unabsorbed capital allowances	**101,176**	43,727	**–**	–

11. EARNINGS PER SHARE

Group

(a) Basic

Basic earnings per share is calculated by dividing the profit net of tax for the year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue during the financial year.

	2011	2010
Profit attributable to ordinary equity holders of the Company (RM)	**4,681,905**	2,920,714
Number of ordinary shares in issue	**45,101,000**	45,101,000
Basic earnings per share (sen)	**10.38**	6.48

(b) Diluted

The effect on the basic earnings per share arising from the assumed conversion of the options over shares is anti-dilutive. Accordingly, the diluted earnings per share is presented as equal to basic earnings per share.

12. PROPERTY, PLANT AND EQUIPMENT

Group	* Land and buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work–in–progress RM	Total RM
2011							
Cost							
At 1 September 2010, previously stated	19,054,292	26,765,375	7,493,063	3,658,528	8,610,585	3,191,206	68,773,049
Effect of adopting the amendments to FRS 117	1,478,643	–	–	–	–	–	1,478,643
As restated	20,532,935	26,765,375	7,493,063	3,658,528	8,610,585	3,191,206	70,251,692
Additions	2,841,943	1,072,617	1,068,466	384,784	817,730	1,948,909	8,134,449
Reclassification	–	291,162	–	–	185,336	(476,498)	–
Transferred to investment properties	(4,644,508)	–	–	–	–	–	(4,644,508)
Disposals	–	(348,980)	(20,949)	(51,291)	(2,358)	–	(423,578)
Write off	–	(41,740)	(85,466)	–	(8,754)	–	(135,960)
Exchange differences	(77,566)	(103,532)	(14,288)	(14,803)	(54,702)	(45,049)	(309,940)
At 31 August 2011	18,652,804	27,634,902	8,440,826	3,977,218	9,547,837	4,618,568	72,872,155

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

Group	* Land and buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work–in–progress RM	Total RM
2011							
Accumulated depreciation and impairment							
At 1 September 2010, previously stated							
Accumulated depreciation	2,854,831	18,756,062	6,223,318	2,383,267	3,199,584	11,085	33,428,147
Accumulated impairment	–	660,573	5,801	–	–	–	666,374
	2,854,831	19,416,635	6,229,119	2,383,267	3,199,584	11,085	34,094,521
Effect of adopting the amendments to FRS 117	373,878	–	–	–	–	–	373,878
As restated	3,228,709	19,416,635	6,229,119	2,383,267	3,199,584	11,085	34,468,399
Depreciation charge for the financial year	275,349	1,721,357	493,723	466,595	809,623	–	3,766,647
Reclassification	–	–	–	–	11,014	(11,014)	–
Transferred to investment properties	(1,251,220)	–	–	–	–	–	(1,251,220)
Disposal	–	(315,381)	(18,683)	(51,290)	(1,199)	–	(386,553)
Write off	–	(39,787)	(54,233)	–	(2,254)	–	(96,274)
Exchange differences	(9,453)	(73,167)	(11,260)	(7,996)	(24,302)	(71)	(126,249)
At 31 August 2011	2,243,385	20,709,657	6,638,666	2,790,576	3,992,466	–	36,374,750

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

Group	* Land and buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
2011							
Analysed as:							
Accumulated depreciation	**2,243,385**	**20,049,084**	**6,632,865**	**2,790,576**	**3,992,466**	**–**	**35,708,376**
Accumulated impairment	**–**	**660,573**	**5,801**	**–**	**–**	**–**	**666,374**
At 31 August 2011	**2,243,385**	**20,709,657**	**6,638,666**	**2,790,576**	**3,992,466**	**–**	**36,374,750**
Net carrying amount							
At 31 August 2011	**16,409,419**	**6,925,245**	**1,802,160**	**1,186,642**	**5,555,371**	**4,618,568**	**36,497,405**
2010							
Cost							
At 1 September 2009, previously stated	19,330,362	27,252,276	8,000,041	3,211,099	6,338,549	1,527,650	65,659,977
Effect of adopting the amendments to FRS 117	1,338,283	–	–	–	–	–	1,338,283
As restated	20,668,645	27,252,276	8,000,041	3,211,099	6,338,549	1,527,650	66,998,260
Additions	139,671	2,454,964	365,281	697,456	458,482	3,621,031	7,736,885
Reclassification	–	(19,337)	19,337	–	1,910,896	(1,910,896)	–
Transfer from investment properties	–	–	–	–	30,048	–	30,048
Disposals	–	(1,923,789)	(4,680)	(213,097)	–	–	(2,141,566)
Write off	–	(612,192)	(845,648)	(6,000)	–	–	(1,463,840)
Reversal of impairment loss	689	–	–	–	–	–	689
Exchange differences	(276,070)	(386,547)	(41,268)	(30,930)	(127,390)	(46,579)	(908,784)
At 31 August 2010	20,532,935	26,765,375	7,493,063	3,658,528	8,610,585	3,191,206	70,251,692

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

Group	* Land and buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
Accumulated depreciation and impairment							
At 1 September 2009, previously stated							
Accumulated depreciation	2,542,217	17,606,517	6,642,468	2,173,237	2,543,698	–	31,508,137
Accumulated impairment	–	755,287	–	–	–	–	755,287
	2,542,217	18,361,804	6,642,468	2,173,237	2,543,698	–	32,263,424
Effect of adopting the amendments to FRS 117	344,862	–	–	–	–	–	344,862
As restated	2,887,079	18,361,804	6,642,468	2,173,237	2,543,698	–	32,608,286
Depreciation charge for the financial year	352,478	2,521,389	423,824	443,012	711,989	–	4,452,692
Reclassification	–	(13,536)	13,536	–	(11,085)	11,085	–
Disposals	–	(853,807)	(2,853)	(213,096)	–	–	(1,069,756)
Write off	–	(328,318)	(823,716)	(2,400)	–	–	(1,154,434)
(Reversal of impairment loss)/ impairment loss recognised in income statements	–	(94,714)	5,801	–	–	–	(88,913)
Exchange differences	(10,848)	(176,183)	(29,941)	(17,486)	(45,018)	–	(279,476)
At 31 August 2010	3,228,709	19,416,635	6,229,119	2,383,267	3,199,584	11,085	34,468,399
Analysed as:							
Accumulated depreciation	3,228,709	18,756,062	6,223,318	2,383,267	3,199,584	11,085	33,802,025
Accumulated impairment	–	660,573	5,801	–	–	–	666,374
At 31 August 2010	3,228,709	19,416,635	6,229,119	2,383,267	3,199,584	11,085	34,468,399
Net carrying amount							
At 1 September 2009	17,781,566	8,890,472	1,357,573	1,037,862	3,794,851	1,527,650	34,389,974
At 31 August 2010	17,304,226	7,348,740	1,263,944	1,275,261	5,411,001	3,180,121	35,783,293

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

*** Land and buildings of the Group:**

2011	**Freehold land RM**	**Leasehold land RM**	**Buildings RM**	**Total RM**
Cost				
At 1 September 2010, previously stated	**4,247,962**	**–**	**14,806,330**	**19,054,292**
Effect of adopting amendments to FRS 117	**–**	**1,478,643**	**–**	**1,478,643**
As restated	**4,247,962**	**1,478,643**	**14,806,330**	**20,532,935**
Additions	**2,275,911**	**–**	**566,032**	**2,841,943**
Transferred to investment properties	**(229,460)**	**(268,804)**	**(4,146,244)**	**(4,644,508)**
Exchange differences	**(32,549)**	**–**	**(45,017)**	**(77,566)**
At 31 August 2011	**6,261,864**	**1,209,839**	**11,181,101**	**18,652,804**
Accumulated depreciation				
At 1 September 2010, previously stated	**–**	**–**	**2,854,831**	**2,854,831**
Effect of adopting amendments to FRS 117	**–**	**373,878**	**–**	**373,878**
As restated	**–**	**373,878**	**2,854,831**	**3,228,709**
Depreciation charge for the financial year	**–**	**25,075**	**250,274**	**275,349**
Transferred to investment properties	**–**	**(52,707)**	**(1,198,513)**	**(1,251,220)**
Exchange differences	**–**	**–**	**(9,453)**	**(9,453)**
At 31 August 2011	**–**	**346,246**	**1,897,139**	**2,243,385**
Net carrying amount				
At 31 August 2011	**6,261,864**	**863,593**	**9,283,962**	**16,409,419**
2010				
Cost				
At 1 September 2009, previously stated	4,363,146	–	14,967,216	19,330,362
Effect of adopting amendments to FRS 117	–	1,338,283	–	1,338,283
As restated	4,363,146	1,338,283	14,967,216	20,668,645
Additions	–	139,671	–	139,671
Reversal of impairment loss	–	689	–	689
Exchange differences	(115,184)	–	(160,886)	(276,070)
At 31 August 2010	4,247,962	1,478,643	14,806,330	20,532,935
Accumulated depreciation				
At 1 September 2009, previously stated	–	–	2,542,217	2,542,217
Effect of adopting amendments to FRS 117	–	344,862	–	344,862
As restated	–	344,862	2,542,217	2,887,079
Depreciation charge for the financial year	–	29,016	323,462	352,478
Exchange differences	–	–	(10,848)	(10,848)
Accumulated depreciation				
At 31 August 2010	–	373,878	2,854,831	3,228,709

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

*** Land and buildings of the Group:(cont'd)**

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
2010				
Net carrying amount				
At 1 September 2009	4,363,146	993,421	12,424,999	17,781,566
At 31 August 2010	4,247,962	1,104,765	11,951,499	17,304,226

Company	Motor vehicle RM	Office furniture, fittings and computer equipment RM	Total RM
2011			
Cost			
At 1 September 2010	**504,306**	**783,266**	**1,287,572**
Additions	**–**	**2,988**	**2,988**
Write off	**–**	**(3,200)**	**(3,200)**
At 31 August 2011	**504,306**	**783,054**	**1,287,360**
Accumulated depreciation			
At 1 September 2010	**453,226**	**721,861**	**1,175,087**
Depreciation charge for the financial year	**27,861**	**21,396**	**49,257**
Write off	**–**	**(1,387)**	**(1,387)**
At 31 August 2011	**481,087**	**741,870**	**1,222,957**
Net carrying amount	**23,219**	**41,184**	**64,403**

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

*** Land and buildings of the Group: (cont'd)**

Company	Motor vehicle RM	Office furniture, fittings and computer equipment RM	Total RM
2010			
Cost			
At 1 September 2009	504,306	764,168	1,268,474
Additions	–	27,046	27,046
Write off	–	(1,550)	(1,550)
Transfer out to a subsidiary	–	(6,398)	(6,398)
At 31 August 2010	504,306	783,266	1,287,572
Accumulated depreciation			
At 1 September 2009	358,448	703,710	1,062,158
Depreciation charge for the financial year	94,778	25,101	119,879
Write off	–	(1,085)	(1,085)
Transfer out to a subsidiary	–	(5,865)	(5,865)
At 31 August 2010	453,226	721,861	1,175,087
Net carrying amount	51,080	61,405	112,485

Assets held under finance leases

During the financial year, the Group acquired property, plant and equipment with aggregate cost of RM1,930,587 (2010: RM1,656,876) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to RM6,203,862 (2010: RM6,080,009).

The carrying amounts of property, plant and equipment held under finance leases at the reporting date are as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Plant and machinery	**2,021,086**	1,842,688	**–**	–
Office furniture, fittings and computer equipment	**61,648**	–	**–**	–
Motor vehicles	**791,822**	957,107	**23,218**	51,079
	2,874,556	2,799,795	**23,218**	51,079

Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 22.

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

Assets pledged as security

In addition to assets held under finance leases, the Group's property, plant and equipment as below are mortgaged to secure the Group's bank borrowings as disclosed in Note 22.

	Group	
	2011	**2010**
	RM	**RM**
		Restated
Land and buildings	**15,364,440**	13,925,921
Plant and machinery	**3,091,420**	6,786,608
Renovation	**529,863**	549,178
	18,985,723	21,261,707

Assets fully depreciated

Included in plant and equipment of the Group and of the Company are fully depreciated assets which are still in use costing RM17,071,966 (2010: RM14,917,136) and RM1,059,264 (2010: RM1,001,422) respectively.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2011	**2010**
	RM	**RM**
Unquoted shares, at cost	**48,569,963**	48,569,963
Accumulated impairment losses	**(11,626,275)**	(11,355,475)
	36,943,688	37,214,488

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Proportion of ownership interest 2011 %	2010 %	Principal activities
D'nonce (M) Sdn. Bhd.	Malaysia	**100**	100	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (K.L) Sdn. Bhd.	Malaysia	**100**	100	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (Kelantan) Sdn. Bhd.	Malaysia	**55**	55	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (Johore) Sdn. Bhd.	Malaysia	**55**	55	Sales and distribution of advanced packaging materials and security products.
D'nonce Biofoods Sdn. Bhd.	Malaysia	**100**	100	Trading and manufacturing of food related products.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Proportion of ownership interest 2011 %	2010 %	Principal activities
Attractive Venture Sdn. Bhd.	Malaysia	**100**	100	Design and conversion of advanced packaging materials.
Attractive Venture (KL) Sdn. Bhd.	Malaysia	**100**	100	Design and conversion of advanced packaging materials.
Attractive Venture (JB) Sdn. Bhd.	Malaysia	*** 82**	* 82	Design and conversion of advanced packaging materials.
AV Industries Sdn. Bhd.	Malaysia	**100**	100	Contract manufacturer of electronic components and renting of plant and machinery.
AV Innovation Sdn. Bhd.	Malaysia	**100**	100	Dormant.
AV Plastics Sdn. Bhd.	Malaysia	**84**	84	Processing of plastic injected moulded products.
D'nonce Labels (M) Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Richmond Technology Sdn. Bhd.	Malaysia	**55**	55	Manufacturer of packaging materials.
Integrated SCM Co., Ltd. ^	Thailand	**** 99**	** 99	Sales and distribution of chemicals, packaging materials, spare parts and consumables.
D'nonce Energy Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Logistic Solution Holdings Co., Ltd.^	Thailand	**99**	99	Investment holding.
ISCM Technology (Thailand) Co., Ltd. ^	Thailand	***** 70**	70	Contract manufacturer of electronic components.
ISCM Industries (Thailand) Co., Ltd. ^	Thailand	**70**	70	Printing of packaging materials.

* The Company has a direct interest of 60% and an indirect interest of 22% via another subsidiary, D'nonce (Johore) Sdn. Bhd.

** The Company has a direct interest of 49% and an indirect interest of 50% via another subsidiary, Logistic Solution Holdings Co., Ltd.

*** The audit report of this subsidiary included an emphasis of matter in respect of the subsequent event regarding the flood situation.

^ Audited by member firm of Ernst & Young Global in Thailand.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Impairment loss recognised

The management of the Company has carried out a review of the recoverable amount of its investments in subsidiaries during the year. The review has led to recognition of impairment loss of RM270,800 for D'nonce Labels (M) Sdn. Bhd. The subsidiary has remained as dormant since year 2006 and there is no plan to resume the operation in foreseeable future.

14. INVESTMENT PROPERTIES

	Group	
	2011	**2010**
	RM	**RM**
		Restated
Lands and buildings, at cost		
At 1 September, previously stated	**7,849,493**	7,804,441
Effect of adopting the amendments to FRS 117	**1,126,941**	1,126,941
As restated	**8,976,434**	8,931,382
Additions	**3,150**	75,100
Transfer from/(to) property, plant and equipment	**4,644,508**	(30,048)
Written off	**(3,621,944)**	–
At 31 August	**10,002,148**	8,976,434
Accumulated depreciation		
At 1 September, previously stated	**2,640,707**	2,370,908
Effect of adopting the amendments to FRS 117	**181,427**	158,994
As restated	**2,822,134**	2,529,902
Depreciation charge for the year	**292,008**	292,232
Transfer from property, plant and equipment	**1,251,220**	–
Written off	**(1,539,077)**	–
At 31 August	**2,826,285**	2,822,134
Net carrying amount		
At 1 September	**6,154,300**	6,401,480
At 31 August	**7,175,863**	6,154,300

Valuation of investment properties

The investment properties have an open market value of approximately RM8,565,000 (2010: RM6,953,245). The valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on the income method that makes reference to estimated market rental values and equivalent yields. Investment properties comprise a number of commercial and residential properties leased to third parties.

14. INVESTMENT PROPERTIES (CONT'D)

Investment properties written off

During the year, a factory building belonging to one of the subsidiaries, Attractive Venture Sdn. Bhd. had caught fire. The fire has destroyed the entire factory building.

Properties pledged as security

Investment properties with an aggregate carrying value of RM6,131,674 (2010: RM6,040,038) are mortgaged to secure bank borrowings (Note 22).

The leasehold properties have unexpired lease periods between 42 to 80 (2010: 43 to 81) years.

The Group's direct operating expenses of revenue generating investment properties are RM169,404 (2010: RM157,288).

15. OTHER INVESTMENTS

	Group	
	2011	**2010**
	RM	**RM**
Golf club memberships, at cost		
At 1 September	**188,205**	188,205
Accumulated impairment	**(154,205)**	(154,205)
At 31 August	**34,000**	34,000

The management has carried out a review of the recoverable amount of its investments in golf club memberships.

16. INTANGIBLE ASSET

	Group	
Goodwill	**2011**	**2010**
	RM	**RM**
At 1 September	**413,371**	413,371
Accumulated impairment	**(124,243)**	(124,243)
At 31 August	**289,128**	289,128

(a) During the year, the Group has carried out a review of the recoverable amount of its goodwill and it does not lead to any impairment loss.

(b) Impairment test for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's cash generating units ("CGU") identified according to country of operation and business segment as follows:-

	Thailand	**Thailand**
	2011	**2010**
	RM	**RM**
Contract Manufacturing	**289,128**	289,128

16. INTANGIBLE ASSET (CONT'D)

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial forecast approved by management covering a five year period.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Selling price

The selling price used to calculate the cash inflows from operations was determined after taking into consideration price trends of the industry which the CGUs are exposed. Values assigned are consistent with the external sources of information.

(ii) Exchange rate

The exchange rate used to translate foreign currencies into the CGUs' functional currency is based on the average exchange rates obtained immediately before the forecast year. Values assigned are consistent with external sources of information.

(iii) Discount rate

The discount rates used is 8.96% per annum (2010: 9.77% per annum) which is pre-tax and reflect the specific risks relating to the relevant countries.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of CGU, management believes that no reasonable change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amounts.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Trade receivables				
Current				
Third parties - interest bearing at 3.58% to 5% p.a.	**1,455,274**	1,961,567	**–**	–
Third parties - non-interest bearing	**30,682,380**	31,957,587	**–**	–
	32,137,654	33,919,154	**–**	–
Less: allowance for impairment	**(334,817)**	(663,008)	**–**	–
Trade receivables, net	**31,802,837**	33,256,146	**–**	–
Non-current				
Third parties - interest bearing at 3.58% to 5% p.a.	**2,360,463**	2,579,656	**–**	–
	34,163,300	35,835,802	**–**	–

17. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Other receivables				
Current:				
Due from related parties	**6,846**	5,088	**–**	–
Subsidiaries	**–**	–	**10,638,864**	9,614,434
Less: allowance for impairment	**–**	–	**(3,621,791)**	(2,500,000)
	6,846	5,088	**7,017,073**	7,114,434
Deposits	**4,720,520**	1,208,399	**3,014,373**	4,070
Prepayments	**929,305**	734,733	**–**	–
Sundry receivables	**2,797,384**	843,065	**–**	–
	8,454,055	2,791,285	**10,031,446**	7,118,504
Total trade and other receivables (current)	**40,256,892**	36,047,431	**10,031,446**	7,118,504
Total trade and other receivables (non-current and current)	**42,617,355**	38,627,087	**10,031,446**	7,118,504
Add: Cash and bank balances (Note 21)	**10,067,696**	11,026,676	**223,868**	459,634
Less: Prepayments	**(929,305)**	(734,733)	**–**	–
Deposits	**(3,548,631)**	–	**(3,010,303)**	–
Total loan and receivables	**48,207,115**	48,919,030	**7,245,011**	7,578,138

(a) Trade receivables

The normal credit terms range from 15 to 90 days (2010: 15 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. Other credit terms are assessed and approved on a case-by-case basis. The Group seeks to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The Group has entered into an arrangement with a customer whereby a certain portion of the receipt from its end customer will be used to pay off the Group's revolving credit.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2011 RM
Neither past due nor impaired	**24,328,827**
1 to 30 days past due not impaired	**6,630,437**
31 to 60 days past due not impaired	**1,138,035**
61 to 90 days past due not impaired	**483,356**
More than 91 days past due not impaired	**1,582,645**
	9,834,473
Impaired	**334,817**
	34,498,117

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

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. The majority of the Group's trade receivables arise from customers with more than four 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

The Group has trade receivables amounting to RM9,834,473 that are past due at the reporting date but not impaired.

Receivables that are impaired

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

	Group 2011 RM
Trade receivables – nominal amounts	334,817
Less: Allowance for impairment	(334,817)
	–

Movement in allowance accounts:

	Group 2011 RM
At 1 September	663,008
Charge during the year (Note 7)	268,634
Written off	(487,042)
Reversal of impairment losses (Note 7)	(109,731)
Exchange differences	(52)
At 31 August	334,817

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.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries included under other receivables comprise of management fees which are unsecured and interest-free.

The advances to subsidiaries included under other receivables are unsecured, non interest bearing and are repayable upon demand.

Further details on related party transactions are disclosed in Note 27.

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables

The Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts to record the impairment are as follows:

Movement in allowance accounts:

	Company 2011 RM
At 1 September	**2,500,000**
Effect of adopting FRS 139	**1,123,980**
Reversal during the year (Note 7)	**(2,189)**
At 31 August	**3,621,791**

Other 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.

Included in the deposits are:

- deposit paid for acquisition of property, plant and equipment amounting to RM548,631 as disclosed in Note 28(a).

- deposit paid amounting to RM3,000,000 for the proposed acquisition by D'nonce Technology Berhad of 30% equity interest in ISCM Technology (Thailand) Co. Ltd., comprising 300,000 ordinary shares of Baht 100 each for a total cash consideration of RM7.5 million.

18. DEFERRED TAX

	Group	
	2011 RM	**2010 RM**
At 1 September	**(92,413)**	111,597
Recognised in the income statements (Note 10)	**(548,177)**	(204,010)
Exchange differences	**30**	–
At 31 August	**(640,560)**	(92,413)
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(737,450)**	(200,000)
Deferred tax liabilities	**96,890**	107,587
	(640,560)	(92,413)

18. DEFERRED TAX (CONT'D)

	Company	
	2011	**2010**
	RM	**RM**
At 1 September	**(200,000)**	–
Recognised in the income statements (Note 10)	**(450,000)**	(200,000)
At 31 August	**(650,000)**	(200,000)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Assets Of The Group:

	Unused tax losses RM	Others RM	Total RM
At 1 September 2010	(200,000)	(17,200)	(217,200)
Recognised in the income statement	(91,000)	(462,459)	(553,459)
Exchange differences	–	30	30
At 31 August 2011	**(291,000)**	**(479,629)**	**(770,629)**
At 1 September 2009	–	(14,394)	(14,394)
Recognised in the income statement	(200,000)	(2,806)	(202,806)
At 31 August 2010	(200,000)	(17,200)	(217,200)

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM	Others RM	Total RM
At 1 September 2010	192,859	(68,072)	124,787
Recognised in the income statements	(1,238)	6,520	5,282
At 31 August 2011	**191,621**	**(61,552)**	**130,069**
At 1 September 2009	190,769	(64,778)	125,991
Recognised in the income statements	2,090	(3,294)	(1,204)
At 31 August 2010	192,859	(68,072)	124,787

18. DEFERRED TAX (CONT'D)

Deferred tax assets of the Company:

	Unused tax losses RM
2011	
At 1 September 2010	**(200,000)**
Recognised in the income statement	**(450,000)**
At 31 August 2011	**(650,000)**
2010	
At 1 September 2009	–
Recognised in the income statement	(200,000)
At 31 August 2010	(200,000)

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

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Unused tax losses	**16,544,000**	18,059,000	**–**	1,835,000
Unabsorbed capital allowances	**6,436,000**	6,881,000	**–**	–
Unabsorbed reinvestment allowances	**9,224,000**	9,224,000	**–**	–
Other deductible temporary differences	**1,604,000**	2,724,000	**1,297,000**	2,319,000
	33,808,000	36,888,000	**1,297,000**	4,154,000

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective Malaysian subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries that are considered dormant under the Income Tax Act, 1967 and guidelines issued by the tax authority.

19. INVENTORIES

	Group	
	2011 RM	**2010 RM**
At cost:		
Raw materials	**3,696,976**	6,119,546
Work-in-progress	**689,998**	413,324
Finished goods	**1,478,219**	2,518,212
Trading goods	**4,149,106**	7,780,202
	10,014,299	16,831,284
At net realisable value:		
Raw materials	**246,589**	–
Finished goods	**690,127**	–
Trading goods	**3,650,981**	–
	4,587,697	–
Total	**14,601,996**	16,831,284

20. DERIVATIVES

	Group			
	2011 RM		2010 RM	
	Contract / Notional amount	Assets	Contract / Notional amount	Assets
Non-hedging derivatives:				
Current:				
Forward currency contracts	**3,358,281**	**79,824**	473,135	–
Total held for trading financial assets		**79,824**		–

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Company's receivables denominated in US Dollar ("USD") for which firm commitments existed at the reporting date, extending to Jan 2012 (Note 31(d)).

During the year, the Company recognised a gain of RM79,824 (2010: Nil) arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 30.

21. CASH AND BANK BALANCES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash on hand and at banks	**6,436,867**	6,735,403	**223,868**	459,634
Short term deposits with licensed banks	**3,630,829**	4,291,273	**–**	–
	10,067,696	11,026,676	**223,868**	459,634

Short term deposits are made for varying periods of between 1 month and 12 months depending on the immediate cash requirement of the Group, and earn interest at the respective short term deposit rates. The interest rates as at 31 August 2011 and 31 August 2010 were ranging from 2.20% to 3.70% (2010: 2.50% to 3.70%).

Deposits with licensed banks of the Group amounting to RM2,431,159 (2010: RM2,096,689) are pledged as securities for borrowings and banking facilities as disclosed in Note 22.

Certain deposits with a licensed bank of the Group amounting to RM109,328 (2010: RM106,148) are registered in the name of a director of a subsidiary who holds them in trust for the Group.

22. LOAN AND BORROWINGS

		Group		Company	
		2011	2010	2011	2010
	Maturity	RM	RM	RM	RM
Current:					
Secured:					
Bank overdrafts	On demand	**6,069,929**	3,573,671	**–**	–
Bankers' acceptances	2012	**3,663,000**	5,208,897	**–**	–
Revolving credit	2012	**1,400,000**	2,200,000	**–**	–
Promissory notes	2012	**2,388,396**	–	**–**	–
Trust receipts	2012	**101,660**	805,415	**–**	–
Term loans	2012	**2,821,424**	2,558,802	**–**	–
Obligations under finance lease (Note 28(d))	2012	**1,362,315**	1,062,627	**23,979**	25,146
		17,806,724	15,409,412	**23,979**	25,146
Unsecured:					
Bank overdrafts	On demand	**79,896**	–	**–**	–
Bankers' acceptance	2012	**250,000**	967,000	**–**	–
		329,896	967,000	**–**	–
		18,136,620	16,376,412	**23,979**	25,146
Non-current:					
Secured:					
Term loans	2013 -2018	**5,439,273**	6,725,090	**–**	–
Obligations under finance leases (Note 28(d))	2013 -2018	**1,226,008**	1,300,122	**–**	23,979
		6,665,281	8,025,212	**–**	23,979
Total borrowings					
Bank overdrafts		**6,149,825**	3,573,671	**–**	–
Bankers' acceptances		**3,913,000**	6,175,897	**–**	–
Revolving credits		**1,400,000**	2,200,000	**–**	–
Promissory notes		**2,388,396**	–	**–**	–
Trust receipts		**101,660**	805,415	**–**	–
Term loans		**8,260,697**	9,283,892	**–**	–
Obligations under finance leases (Note 28(d))		**2,588,323**	2,362,749	**23,979**	49,125
		24,801,901	24,401,624	**23,979**	49,125

22. LOAN AND BORROWINGS (CONT'D)

The remaining maturities of the loans and borrowings as at 31 August 2011 and 2010 are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
On demand or within one year	**18,136,620**	16,376,412	**23,979**	25,146
More than 1 year and less than 2 years	**3,454,490**	3,448,967	**–**	23,979
More than 2 year and less than 5 years	**2,861,553**	4,576,245	**–**	–
5 years or more	**349,238**	–	**–**	–
	24,801,901	24,401,624	**23,979**	49,125

Bank overdrafts

Bank overdrafts are denominated in the respective functional currencies of the relevant entities in the Group. The bank overdrafts are bearing interest rate ranging from 7.85% - 8.35% (2010: 5.00% - 8.33%) p.a. for bank overdraft denominated in RM and 7.63% (2010: 9.25%) p.a. for bank overdraft denominated in Thai Baht ("THB").

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 12). The average discount rate implicit in the leases is ranging from 2.24% - 7.92% (2010: 2.24% - 7.90%). These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

Certain obligations under finance lease of RM1,464,797 (2010: RM676,559) of the Group and of the Company are secured by way of corporate guarantees from the Company.

Bankers' acceptances

Bankers' acceptances are denominated in RM and THB, bear interest ranging from 2.24% - 5.35% (2010: 2.74% - 8.75%).

Revolving credits

Revolving credits are denominated in RM, bear interest at 7.10% p.a. and are secured by legally assigned 3rd party contract's proceed and corporate guarantees by the Company.

Promissory notes

Promissory notes are denominated in THB, bear interest at 7.13% p.a..

Trust receipts

Trust receipts are denominated in THB, bear interest at 7.63% (2010: 5.88% - 9.50%) p.a..

Term loans

Term loans are denominated in the respective functional currencies of the relevant entities in the Group. The term loans are bearing interest ranging from 5.10% - 6.95% (2010: 6.55%) p.a. for term loans denominated in RM and 7.13% - 7.63% (2010: 5.875% - 9.25%) p.a. for term loans denominated in THB.

22. LOAN AND BORROWINGS (CONT'D)

Term loans (cont'd)

Except for obligation under finance lease and revolving credit, the above banking facilities of the Group are secured by the following:

(a) legal charges over certain subsidiaries' property, plant and equipment, and investment properties as disclosed in Note 12 and Note 14 respectively;

(b) deposits with licensed banks of the Group as disclosed in Note 21;

(c) a subsidiary director's guarantee and a third party fixed deposit; and

(d) Credit Guarantee Corporation ("CGC") guarantee under Flexi Guarantee Scheme ("FGS") to a subsidiary.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Trade payables				
Current				
Third party - interest bearing at 5% p.a.	**867,283**	698,433	**–**	–
Third parties - non-interest bearing	**14,930,509**	17,998,478	**–**	–
	15,797,792	18,696,911	**–**	–
Non-current				
Third party - interest bearing at 5% p.a.	**–**	364,433	**–**	–
Other payables				
Current				
Subsidiaries	**–**	–	**3,640,995**	817,482
Accruals	**4,481,624**	5,865,067	**313,653**	1,053,213
Accrued directors' remuneration	**964,213**	752,220	**418,240**	294,311
Due to directors of a subsidiary	**99,220**	97,290	**–**	–
Sundry payables	**2,358,706**	1,731,481	**403**	403
	7,903,763	8,446,058	**4,373,291**	2,165,409
Total trade and other payables (current)	**23,701,555**	27,142,969	**4,373,291**	2,165,409
Total trade and other payables (current and non-current)	**23,701,555**	27,507,402	**4,373,291**	2,165,409
Add: loans and borrowings (Note 22)	**24,801,901**	24,401,624	**23,979**	49,125
Total financial liabilities carried at amortised cost	**48,503,456**	51,909,026	**4,397,270**	2,214,534

23. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2010: 30 to 90 days).

(b) Other payables

The amount of RM99,220 (2010: RM97,290) due to a director represent advances from a director of a subsidiary. The amount due is unsecured, interest free and repayable upon demand.

(c) Amounts due to subsidiaries

Amounts due to subsidiaries are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 27.

24. EMPLOYEE BENEFITS

(a) Retirement benefit obligations

The Group operates an unfunded, defined benefit Retirement Benefit Schemes ("the Scheme") for its eligible employees in Malaysia and Thailand. Under the Scheme, eligible employees are entitled to retirement benefits upon attaining their retirement age.

The Scheme in Malaysia will completely vest on the eligible employees within 5 years from financial year ended 31 August 2006.

The amounts recognised in the statement of financial position are determined as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Present value of unfunded defined benefit obligations being net liability	**3,243,377**	2,886,239	**2,968,586**	2,669,007
Analysed as:				
Non-current	**3,243,377**	2,886,239	**2,968,586**	2,669,007

The amounts recognised in the income statements are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current service cost	**204,726**	196,326	**152,214**	144,416
Interest cost	**154,363**	141,119	**147,365**	132,416
Actuarial gain	**682**	–	**–**	–
Transitional liability	**–**	307,030	**–**	307,030
	359,771	644,475	**299,579**	583,862
Charged to a subsidiary company	**–**	–	**(95,525)**	(88,301)
Total, included in employee benefits expense (Note 6)	**359,771**	644,475	**204,054**	495,561

24. EMPLOYEE BENEFITS (CONT'D)

(a) Retirement benefit obligations (cont'd)

Movements in the net liability in the current financial year were as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
At 1 September	**2,886,239**	2,247,150	**2,669,007**	2,085,145
Recognised in the income statements	**359,771**	644,475	**204,054**	495,561
Amount owing by a subsidiary company	**–**	–	**95,525**	88,301
Exchange differences	**(2,633)**	(5,386)	**–**	–
At 31 August	**3,243,377**	2,886,239	**2,968,586**	2,669,007

Principal actuarial assumptions used:

	2011	**2010**
	%	**%**
Discount rate	**3.7 - 5.4**	4.6 - 5.5
Expected rate of salary increases	**5.0 - 6.0**	5.0 - 6.0

(b) Employee share options scheme ("ESOS")

The Company's Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 26 February 2003. The duration of ESOS was from 20 November 2003 and is to be in force for a period of 5 years from the date of implementation. The Board of Directors and ESOS Committee may as deemed fit, extend the ESOS for another 5 years. On 25 April 2008, the Company has extended its existing ESOS which expired on 27 May 2008 for a further period of five years from 27 May 2008 until 26 May 2013.

The salient features of the ESOS are as follows:

(i) The ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM1 each in the Company.

(ii) Subject to the discretion of the ESOS Committee, any employee whose employment has been confirmed and any executive director holding office in a full-time executive capacity of the Group, shall be eligible to participate in the ESOS.

(iii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.

(iv) The option price for each share shall be the weighted average of the market price as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date on which the option is granted less, if the ESOS Committee shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of the shares of the Company of RM1.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

24. EMPLOYEE BENEFITS (CONT'D)

(b) Employee share options scheme ("ESOS") (cont'd)

The terms and details of share options outstanding as at the end of the financial year are as follows:

Grant Date	Expiry Date	Exercise Price RM	At 1 September 2010	Lapsed	At 31 August 2011
20 November 2003	26 May 2013	1.00	926,000	(42,000)	**884,000**
16 March 2004	26 May 2013	1.34	64,000	(8,000)	**56,000**
			990,000	(50,000)	**940,000**

Number of share options vested:

	2011	2010
At 31 August	**940,000**	990,000

The share options were granted and vested on 23 November 2003 and 16 March 2004. Thus, FRS 2 is not applicable except for modification.

25. SHARE CAPITAL AND SHARE PREMIUM

	Group and Company			
	Number of ordinary shares of RM1 each	Amount: Share capital RM	Amount: Share premium RM	Amount: Total share capital and share premium RM
Authorised share capital				
At 1 September 2010/ 31 August 2011	100,000,000	100,000,000	–	100,000,000
Issued and fully paid				
At 1 September 2010/ 31 August 2011	45,101,000	45,101,000	12,309,806	57,410,806

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

26. RESERVES

Group	Non–distributable Foreign currency translation reserve RM (a)	Other capital reserve RM (b)	Legal reserve RM (c)	ESOS reserve RM (d)	Total RM
At 1 September 2010	429,194	5,120,000	32,510	134,550	5,716,254
Other comprehensive income:					
Foreign currency translation	(188,185)	–	–	–	(188,185)
Transactions with owners:					
Realisation of reserves	–	–	–	(6,663)	(6,663)
At 31 August 2011	**241,009**	**5,120,000**	**32,510**	**127,887**	**5,521,406**
At 1 September 2009	938,838	5,120,000	32,510	145,814	6,237,162
Other comprehensive income:					
Foreign currency translation	(509,644)	–	–	–	(509,644)
Transactions with owners:					
Realisation of reserves	–	–	–	(11,264)	(11,264)
At 31 August 2010	429,194	5,120,000	32,510	134,550	5,716,254

Company	ESOS reserve RM (d)
At 1 September 2010	134,550
Realisation of reserves	(6,663)
At 31 August 2011	**127,887**
At 1 September 2009	145,814
Realisation of reserves	(11,264)
At 31 August 2010	134,550

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currencies.

26. RESERVES (CONT'D)

(b) Other capital reserve

The other capital reserve arose as a result of the capitalisation of retained earnings for bonus shares issues by subsidiaries.

(c) Legal reserve

The legal reserve represents a statutory appropriation by a foreign subsidiary upon declaration of dividend of RM650,210 in prior year.

(d) ESOS reserve

Employee share option reserve (ESOS) reserve represents the equity-settled share options granted to employees (Note 24(b)). The reserve is made up of the cumulative values of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

27. RELATED PARTY DISCLOSURES

(a) Sales and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Purchases from Master-Pack Sdn. Bhd, a company which holds 20% equity interest in a subsidiary	**3,693,862**	3,743,156	**–**	–
Dividend income received from subsidiaries	**–**	–	**–**	(6,420,000)
Management and advisory fees charged to subsidiaries *	**–**	–	**(4,725,497)**	(4,814,883)

*Management fees were arrived at in accordance with prices negotiated between the parties.

(b) Compensation of key management personnel

The key management personnel are the executive directors of the Company and of its subsidiaries and their benefits are as disclosed in Note 6.

Executive directors of the Group and of the Company have been granted the following number of options under the Employees' Share Option Scheme:

	Number of share options			
	Group		Company	
	2011	**2010**	**2011**	**2010**
At 1 September 2009/2010 and at 31 August 2010/2011	**525,000**	525,000	**185,000**	185,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 24(b)).

28. COMMITMENTS

(a) Capital commitments

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Capital expenditure:				
Approved and contracted for:				
Land and buildings	**9,681,000**	1,620,000	**–**	–
Plant and equipment	**851,403**	52,777	**–**	–
Purchase of investment in a subsidiary	**4,500,000**	–	**4,500,000**	–
	15,032,403	1,672,777	**4,500,000**	–
Approved and not contracted for:				
Building	**5,000,000**	–	**–**	–

(c) Operating lease commitments – as lessee

The Group has entered into non-cancellable operating lease agreements for the use of factory/office building and warehouse. These leases have an average life of between 1 and 3 years with no renewal or purchase option included in the contracts. There were no restrictions placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities and the total of future aggregate minimum sublease receipts expected to be received under non-cancellable subleases, are as follows:

	Group	
	2011	2010
	RM	RM
Not later than 1 year	**1,674,235**	1,574,475
Later than 1 year and not later than 5 years	**2,722,698**	2,573,864
	4,396,933	4,148,339

The lease payments recognised in the income statements during the financial year are disclosed in the Income Statement.

(c) Operating lease commitments - lessor

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio. These leases have remaining non-cancellable lease terms of one to three years.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	Group	
	2011	2010
	RM	RM
Not later than 1 year	**1,059,100**	958,000
Later than 1 year and not later than 5 years	**3,030,100**	704,000
	4,089,200	1,662,000

Investment properties rental income recognised in the income statement during the financial year is as disclosed in Note 4.

28. COMMITMENTS (CONT'D)

(d) Finance lease commitments

The Group has entered finance leases for certain items of plant and equipments (Note 12).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Minimum lease payments:				
Not later than 1 year	**1,492,036**	1,161,187	**24,464**	26,688
Later than 1 year and not later than 2 years	**743,664**	763,859	**–**	24,464
Later than 2 years and not later than 5 years	**544,873**	589,538	**–**	–
Later than 5 years	**23,725**	–	**–**	–
Total minimum lease payments	**2,804,298**	2,514,584	**24,464**	51,152
Less: Amounts representing finance charges	**(215,975)**	(151,835)	**(485)**	(2,027)
Present value of minimum lease payment (Note 22)	**2,588,323**	2,362,749	**23,979**	49,125

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Present value of payments:				
Not later than 1 year	**1,362,315**	1,072,387	**23,979**	25,146
Later than 1 year and not later than 2 years	**706,787**	725,404	**–**	23,979
Later than 2 years and not later than 5 years	**498,667**	564,958	**–**	–
Later than 5 years	**20,554**	–	**–**	–
Present value of minimum lease payment	**2,588,323**	2,362,749	**23,979**	49,125
Less: Amount due within 12 months (Note 22)	**(1,362,315)**	(1,062,627)	**(23,979)**	(25,146)
Amount due after 12 months (Note 22)	**1,226,008**	1,300,122	**–**	23,979

29. Contingent liabilities (unsecured)

(a) Corporate guarantees

At the reporting date, the Company's exposure to credit risk is represented by a nominal amount of RM13,152,657 (2010: RM18,046,567) relating to corporate guarantees provided by the Company to licensed banks on subsidiaries' bank loans and banking facilities.

The directors are of the view that the crystallisation of the above guarantees is remote.

(b) The following is the contingent liability involving the Group:

A former Director of the Company filed an industrial claim through the Industrial Court seeking monetary compensation due to wrongful termination. The former Director position in the Company has ceased as he was not re-elected to the Board of Directors of the Company at the members' Annual General Meeting held on 23 February 2006.

The estimated claim is about RM580,000 if the Industrial Court rules in favour of the former Director, which is 24 months of his last drawn salary. It is the Company's legal advisers considered opinion to litigate as there is likelihood of success for the Company. Thus no provision has been made in respect of the claim.

30. FAIR VALUES OF FINANCIAL INSTRUMENTS

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
2011				
Financial liabilities:				
Loan and borrowings				
- Obligation under finance leases	**2,250,130**	**2,193,836**	**–**	–
- Term loan	**1,976,795**	**1,831,697**	**–**	–
2010				
Financial assets:				
Forward currency contract	–	2,309	–	–
Financial liabilities:				
Loans and borrowings				
- Obligation under finance leases	2,362,749	2,005,888	49,125	48,427
- Term loan	9,283,892	8,640,906	–	–

B. Determination of fair values

Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The following are classes of financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values:

	Note
Trade and other receivables (current and non-current)	17
Loan and borrowings (current and non-current)	22
Trade and other payables (current and non-current)	23

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to insignificant impact of discounting.

The fair value of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or lease arrangements at the reporting date.

Amounts due from related companies and subsidiaries/Amount due to subsidiaries

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

30. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

B. Determination of fair values (cont'd)

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Chief Executive Officer and Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a) 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 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, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

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 recognized in the statement of financial position.
- Corporate guarantees provided by the Company to banks for banking facilities granted to subsidiaries as disclosed in Note 29(a).

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2011	
	RM	**%**
By country:		
Malaysia	**19,546,609**	**57.2**
Thailand	**14,014,882**	**41.0**
Others	**601,809**	**1.8**
	34,163,300	**100.0**

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

a) Credit risk (cont'd)

	2011	
	RM	**%**
By industry sectors:		
Electronics and electrical	**16,836,834**	**49.3**
Security and surveillance system	**6,148,430**	**18.0**
Medical, specialty products and gloves	**7,725,645**	**22.6**
Packaging	**1,619,059**	**4.7**
Foods	**307,815**	**0.9**
Others	**1,525,517**	**4.5**
	34,163,300	**100.0**

At the reporting date, approximately 60.36% (2010: 60.56%) of the Group's trade receivables were due from 6 major customers.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with no history of default.

Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 17.

(b) Liquidity risk

Liquidity risk is the risk that the Group or 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 the use of stand-by credit facilities.

The Group and the Company manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and balance its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, approximately 73% (2010: 67%) of the Group's loans and borrowings (Note 22) will mature in less than one year while all the Company's loans and borrowings will mature in one year (2010: 48%).

Analysis of financial instruments by remaining contractual maturities

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

	2011 RM			
	On demand or within one year	**One to five years**	**Over five years**	**Total**
Financial liabilities:				
Trade and other payables	23,701,555	–	–	23,701,555
Loans and borrowings	18,362,072	6,551,933	343,315	25,257,320
Total undiscounted financial liabilities	42,663,627	6,551,933	343,315	48,958,875

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

c) 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 and the Company's exposure to interest rate risk arises primarily from loans and borrowings. Loans and borrowings at floating rates expose the Group and the Company to cash flow interest rate risk.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 20 basis point lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM27,298 lower/higher, arising mainly as a result of lower/higher interest expense from floating rate loans and borrowings from related parties. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit net of tax (through the impact on interest expense from floating rate loans and borrowings).

		2011
	Increase/ decrease in basis point	Effect on profit net of tax RM
- Ringgit Malaysia	+20	(12,739)
- Ringgit Malaysia	-20	12,739
- Thai Baht	+20	(14,559)
- Thai Baht	-20	14,559

d) 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 and the Company have transactional currency exposures arising from sales that are denominated in currency other than the respective functional currencies of the Group entities, RM and Thai Baht ("THB"), United States Dollars ("USD") and Singapore Dollars ("SGD"). The foreign currencies in which these transactions are denominated are mainly USD.

Approximately 32.4 % (2010: 32.0%) of the Group's receivables is denominated in foreign currency whilst almost 8.5% (2010: 25.1%) of the Group's payables are denominated in foreign currencies.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (in USD and SGD) amounted to RM1,343,183 (2010: RM1,427,118) at the reporting date.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Certain companies within the Group uses forward currency contracts to eliminate the currency exposure. The forward currency contracts were in the same currency as the hedged item.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

d) Foreign exchange risk (cont'd)

Sensitivity analysis for foreign currency risk

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

		2011 Profit net of tax RM
USD/MYR -	strengthened 5%	544,129
-	weakened 5%	(544,129)
SGD/MYR -	strengthened 10%	21,976
-	weakened 10 %	(21,976)
USD/THB -	strengthened 10%	215,145
-	weakened 10 %	(215,145)

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The directors monitor and determine to maintain an optimal debt-to-equity ratio, which is net debt divided by total capital plus net debt that complies with debt covenants and regulatory requirements.

There were no changes in the Group's approach to capital management during the financial year.

At the end of the financial year, the Group managed to maintain debt level lower than the total of available cash and cash equivalents and equity.

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Loans and borrowings	22	**24,801,901**	24,401,624	**23,979**	49,125
Trade and other payables	23	**23,701,555**	27,507,402	**4,373,291**	2,165,409
Less: Cash and bank balances	21	**(10,067,696)**	(11,026,676)	**(223,868)**	(459,634)
Net debt		**38,435,760**	40,882,350	**4,173,402**	1,754,900
Equity attributable to owners of the parent		**49,792,354**	45,298,634	**40,547,549**	40,221,570
Capital and net debt		**88,228,114**	86,180,984	**44,720,951**	41,976,470
Gearing ratio		**44%**	47%	**9%**	4%

33. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group is organised into three major business segments:

(i) Integrated supply chain products and services - sales and distribution of advanced packing materials, electronics products, chemicals, spare parts and consumables.

(ii) Contract manufacturing - contract manufacturer of electronic components.

(iii) Supply of packing materials - manufacture, sales and distribution of advanced packing material, electronics products, food related products and consumables.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three major business segments operate in two main geographical areas:

(i) Malaysia - the operations in this area are principally supply of packaging materials.
(ii) Thailand - the operations in this area are mainly engaged in integrated supply chain products and services and contract manufacturing

(d) Allocation basis and transfer pricing

Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Business Segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Integrated supply chain products and services RM	Contract manufacturing RM	Supply of packaging materials RM	Eliminations RM	Consolidation RM
2011					
Revenue					
Sales to external customer	**52,280,761**	**24,788,286**	**94,629,488**	**–**	**171,698,535**
Inter-segments sales	**3,113,963**	**333,347**	**21,106,698**	**(24,554,008)**	**–**
Total revenue	**55,394,724**	**25,121,633**	**115,736,186**	**(24,554,008)**	**171,698,535**

33. SEGMENT INFORMATION (CONT'D)

Business Segments (cont'd)

	Integrated supply chain products and services RM	Contract manufacturing RM	Supply of packaging materials RM	Eliminations RM	Consolidation RM
2011					
Results					
Segment results	**1,508,871**	**5,060,202**	**5,940,402**	**–**	**12,509,475**
Unallocated expenses					**(4,461,044)**
Operating profit					**8,048,431**
Finance costs					**(1,463,756)**
Profit before tax					**6,584,675**
Income tax expense					**(1,292,550)**
Profit for the year					**5,292,125**
Assets					
Segment assets	**8,341,047**	**15,211,094**	**84,206,908**	**–**	**107,759,049**
Unallocated assets					**3,604,218**
Tax assets					**1,134,484**
Total assets					**112,497,751**
Liabilities					
Segment liabilities	**4,747,430**	**2,222,008**	**16,262,454**	**–**	**23,231,892**
Unallocated liabilities					**3,713,040**
Borrowings					**24,801,901**
Tax liabilities					**721,935**
Total liabilities					**52,468,768**
Other Information					
Capital expenditure for property, plant and equipment	**75,926**	**1,987,204**	**6,071,319**	**–**	**8,134,449**
Capital expenditure for investment properties	**–**	**–**	**3,150**	**–**	**3,150**
Depreciation	**65,357**	**1,504,612**	**2,488,686**	**–**	**4,058,655**
Other significant non-cash expenses	**92,231**	**(83,157)**	**2,343,518**	**–**	**2,352,592**

33. SEGMENT INFORMATION (CONT'D)

Business Segments (cont'd)

2010 (Restated)

	Integrated supply chain products and services RM	Contract manufacturing RM	Supply of packaging materials RM	Eliminations RM	Consolidation RM
Revenue					
Sales to external customer	63,806,907	25,074,485	97,738,804	–	186,620,196
Inter-segments sales	5,487,163	117,500	18,474,795	(24,079,458)	–
Total revenue	69,294,070	25,191,985	116,213,599	(24,079,458)	186,620,196
Results					
Segment results	3,578,633	3,302,498	4,198,774	–	11,079,905
Unallocated expenses					(4,648,476)
Operating profit					6,431,429
Finance costs					(1,355,977)
Profit before tax					5,075,452
Income tax expense					(470,623)
Profit for the financial year					4,604,829
Assets					
Segment assets	9,487,307	16,416,692	81,963,885	–	107,867,884
Unallocated assets					877,884
Tax assets					1,339,775
Total assets					110,085,543
Liabilities					
Segment liabilities	6,376,339	2,691,624	17,298,990	–	26,366,953
Unallocated liabilities					4,026,688
Borrowings					24,401,624
Tax liabilities					301,436
Total liabilities					55,096,701
Other Information					
Capital expenditure for property, plant and equipment	155,821	2,472,903	5,108,161	–	7,736,885
Capital expenditure for investment properties	–	–	75,100	–	75,100
Depreciation	63,590	2,060,182	2,621,152	–	4,744,924
Other significant non-cash expenses	133,692	1,029,080	895,747	–	2,058,519

33. SEGMENT INFORMATION (CONT'D)

Geographical Segments:

The following table provides an analysis of the Group's revenue, assets and capital expenditure by geographical segment:

	Total revenue from external customers		Segment assets		Capital expenditure	
	2011	2010	2011	2010	2011	2010
	RM	RM	RM	RM	RM	RM
Malaysia	**85,401,527**	88,043,199	**67,816,277**	62,497,827	**4,700,893**	2,231,505
Thailand	**86,297,008**	98,576,997	**44,681,474**	47,587,716	**3,436,706**	5,580,480
Consolidated	**171,698,535**	186,620,196	**112,497,751**	110,085,543	**8,137,599**	7,811,985

Information about major customer

Revenue from 3 major customers amount to RM80,581,482 (2010: RM 95,204,454) arising from sales by the supply of packing material segment and a major customer amount to RM18,748,731 (2010: RM20,017,759) from contract manufacturing segment.

34. SUBSEQUENT EVENT

In October and November 2011, there was severe flooding in Thailand. The location of a material subsidiary, ISCM Technology (Thailand) Co. Ltd.'s factories and offices are inundated, forcing the subsidiary to temporarily cease operation. The subsidiary is not yet able to estimate the damage to its assets and the financial impact of the floods will be reflected in the next financial year.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 August 2011 were authorised for issue in accordance with a resolution of the directors on 12 December 2011.

36. SUPPLEMENTARY INFORMATION – BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 August 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad 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 accumulated losses as at reporting date may be analysed as follows:

	Group 2011 RM	Company 2011 RM
Total accumulated losses of the Company and its subsidiaries		
- Realised	**84,264**	(17,772,623)
- Unrealised	**591,608**	781,479
Add: Consolidation adjustments	**(13,815,730)**	–
	(13,139,858)	(16,991,144)

Comparative figures for the last financial year ended 31 August 2010 are not required in the first year of complying with the realised and unrealised profits or losses disclosure.

LIST OF PROPERTIES OWNED

As At 31 August 2011

Beneficial owner/Location	Description/ Existing Use	Land/ Built up area (sq.ft.)	Age of building (years) 31 Aug 2011	Type of land/ Tenure (Year of expiry for leasehold)	Net book value as at 31 Aug 2011 RM'000	Date of acquisition
D'nonce (M) Sdn. Bhd.						
No. 12 Hujung Perusahaan 2, Kawasan MIEL, Prai Industrial Estate, 13600 Penang	Industrial land and building/Factory	1,875 / 2,500	2	60 years - leasehold (2045)	179	05.11.1990
51-14 B & C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang	Building/Corporate Head Office	*/ 3,670	17	Freehold	674	14-B:21.03.1994 14C:18.04.1994
BAM Villa, Unit 42C-7-5C, Taman Maluri, Cheras, 56000 Kuala Lumpur	Condominium	*/ 975	20	99 years - leasehold (2090)	111	02.01.1992
Attractive Venture Sdn. Bhd.						
No.1 Puncak Perusahaan 1, Kawasan MIEL, Prai Industrial Estate, 13600 Penang	Industrial land and building/Factory	21,590 / 12,208	26	60 years - leasehold (2045)	591	19.12.1991
Plot 425, Tingkat Perusahaan 6A, Free Trade Zone, 13600 Prai, Penang	Industrial land and building/Factory	46,800 / 29,614	23	60 years - leasehold (2046)	3,000	17.08.1998
Lot 1218 Jalan Sri Putri 3/4, Taman Putri Kulai, 81000 Kulai, Johore	Industrial land and building/Factory	5,381 / 2,777	16	Freehold	277	10.05.1995
Lot 1220 Jalan Sri Putri 3/4, Taman Putri Kulai, 81000 Kulai, Johore	Industrial land and building/Factory	2,400 / 2,777	16	Freehold	247	04.07.1997
Plot 37, 1652 Mukim 11, Lorong Perusahaan Maju 7, Taman Perindustrian Bukit Tengah, Phase IV, 13600 Prai, Penang	Industrial land and building/Factory	44,800 / 50,000	10	60 years - leasehold (2052)	5,579	27.08.1997
Plot 36, Mukim 11, Lorong Perusahaan Maju 7, Taman Perindustrian Bukit Tengah, Phase IV, 13600 Prai, Penang	Industrial land and building/Factory	96,500 / 66,342	17	60 years - leasehold (2052)	974	13.06.2002
Attractive Venture (JB) Sdn. Bhd.						
1273, Jalan Sri Putri 3/4, Taman Putri Kulai, 81000 Kulai, Johor	Building/Factory	2,400 / 2,777	16	Freehold	221	10.09.1999
No.17 1/2, Jalan Ayer Hitam, 81400 Saleng, Senai, Johore	Building/Factory	103,226 / 31,300	15	Freehold	1,858	14.12.2010
D'nonce (Johore) Sdn. Bhd.						
8 Jalan Mutiara Emas 5/17, Taman Mount Austin, Johore Bahru, 81100 Johore	Industrial land and building/Office	3,120 / 2,568	15	Freehold	296	05.08.1996
D'nonce (K.L) Sdn. Bhd.						
No 39, Jalan 1/119, Taman Bukit Hijau, 6th Mile, Jalan Cheras, 56000 Kuala Lumpur	Building and land/ Office	1,540 / 4,510	15	Freehold	511	15.07.1997
ISCM Industries (Thailand) Co., Ltd.						
188 Moo 1, Kanchanavanich Road; Tambol Samnakkam, Sadao, Songkhla Thailand	Industrial land and building/Factory	122,225	12	Freehold	8,140	15.03.2007
ISCM Technology (Thailand) Co., Ltd.						
Plot No. 33, Tanuu, U-Thai, Pranakorn Sri Ayuthaya, Thailand	Vacant industrial land	58,211	0	Freehold	975	21.01.2011
Total					**23,633**	

* Not applicable

ANALYSIS OF SHAREHOLDINGS
30 December 2011

Authorised Capital	:	RM100,000,000.00
Issued and Fully Paid	:	RM45,101,000.00
Class of Shares	:	Ordinary shares of RM1.00 each fully paid
Total Number of Shareholders	:	1,734
Voting right	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of holdings	Number of Shareholders	% of Total Shareholders	Number of Shares	% of Issued Share Capital
1 – 99	5	0.29	176	0.00
100 – 1,000	598	34.49	582,423	1.29
1,001 – 10,000	816	47.06	3,927,300	8.71
10,001 – 100,000	261	15.05	7,855,680	17.42
100,001 – 2,255,049	50	2.88	21,872,583	48.50
2,255,050 & above	4	0.23	10,862,838	24.08

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest	% Number of Share Held	Deemed Interest	%
Enrich Joy Sdn. Bhd.	5,000,000	11.09	-	-
Liew Yoke Ming	2,802,900	6.21	-	-
General Produce Agency Sdn. Bhd.	2,510,143	5.57	-	-
Chan Seng Sun	2,346,800	5.20	-	-

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest	% Number of Share Held	Deemed Interest	%
Lim Teik Hoe	2,156,700	4.78	-	-
Law Kim Choon	1,700,000	3.77	-	-

In the Subsidiaries

None of the directors have any direct shareholdings in the subsidiaries.

THIRTY LARGEST SHAREHOLDERS

	Name of Shareholders	Number of Shares	% of Issued Share Capital
1.	Enrich Joy Sdn. Bhd.	3,202,995	7.10
2.	Liew Yoke Ming	2,802,900	6.21
3.	General Produce Agency Sdn. Bhd.	2,510,143	5.57
4.	Chan Seng Sun	2,346,800	5.20
5.	Ho Yu Min	1,950,000	4.32
6.	Lim Teik Hoe	1,800,000	3.99
7.	Law Kim Choon	1,700,000	3.77
8.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. Mayban-JAIC Management Ltd for Enrich Joy Sdn. Bhd. (MJAF)	1,500,000	3.33
9.	Law Chee Kheong	1,333,600	2.96
10.	Sunrise Paper (M) Sdn. Bhd.	1,105,505	2.45
11.	Ee Wee Lee	900,000	2.00
12.	Khor Chee Kong	872,700	1.93
13.	Lilian Leong Lai Lin	845,900	1.88
14.	Nor Azlinda Tan binti Abdullah	619,200	1.37
15.	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	543,000	1.20
16.	George Lee Sang Kian	529,500	1.17
17.	Koo Seng Chong	518,000	1.15
18.	Khoo Choon Hock	500,000	1.11
19.	Goh Shze Yinn	498,000	1.10
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lam Mei Fong (474021)	449,971	1.00
21.	PM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Peck Guan (B)	319,400	0.71
22.	Chan Su-San	299,500	0.66
23.	Siao Kent Sing	285,400	0.63
24.	Beh Cheng Siong	280,000	0.62
25.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Teik Hoe	235,000	0.52
26.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheok Teck Seng	232,000	0.51
27.	Lilian Leong Lai Lin	231,700	0.51
28.	HLG Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Amil @ Amir Bin Junus	225,000	0.50
29.	Lee Kee Por	214,000	0.47
30.	Lee Moi Ting	210,800	0.47
		29,061,014	64.41

PROXY FORM

D'NONCE TECHNOLOGY BHD.
(Company No. 503292-K)
(Incorporated in Malaysia)

#CDS account no. of authorised nominee

I/We ………………………………………………… (name of shareholder as per NRIC, in capital letters) NRIC No. ……………………… (new) …………………… (old)/ID No./Company No. ………………… of ……… (full address) being a member(s) of the abovenamed Company, hereby appoint ……………………………………………………………………………… (name of proxy as per NRIC, in capital letters) NRIC No. ………………………………. (new) ………………………………. (old) or failing him/her ……………………………………………………………………………….. (name of proxy as per NRIC, in capital letters) NRIC No. ……………………………………… (new) ……………………………………… (old) or failing him/her the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at The Northam All Suite Penang, Hall 3, Level 3, 55 Jalan Sultan Ahmad Shah, 10050 Penang on Thursday, 23 February 2012 at 11.30 a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:-

		Resolutions	For	Against
		Re-election of Directors:		
Resolution 1	-	Dato' Ahmad Ibnihajar		
Resolution 2	-	Mr Law Kim Choon		
Resolution 3	-	Dato' Oon Choo Eng @ Oon Choo Khye		
Resolution 4	-	Re-appointment of Messrs Ernst & Young as Auditors and to authorise the Directors to determine their remuneration		
Resolution 5	-	Approval of Directors' fees		
Resolution 6	-	Approval for issuance of new ordinary shares pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Dated this ………… day of ………………… 2012

Number of shares held	

For appointment of two proxies, number of shares and percentage of shareholdings to be represented by the proxies:-

	No. of shares	Percentage
Proxy 1	________________	________ %
Proxy 2	________________	________ %

…………………………………………
Signature/Common Seal of Appointer

Contact No. of
Shareholder/Proxy: ……………………………….

NOTES:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one but not more than two proxies (who need not be members of the Company) to attend and vote on his behalf. Where a member appoints two proxies, the appointments shall be invalid unless the percentage of the holding to be represented by each proxy is specified.
2. 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.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Suite 12-02, 12th Floor Menara MAA, 170 Jalan Argyll, 10050 Penang not less than 48 hours before the time set for the meeting.
5. If the space provided in the proxy form is not sufficient, an appendix attached to the proxy form duly signed by the appointor is acceptable.
6. Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.
7. Only members registered in the Record of Depositors as at 15 February 2012 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his behalf.

\# Applicable to shares held through a nominee account.

Please fold across the line and close

STAMP

The Company Secretary
D'NONCE TECHNOLOGY BHD. (503292-K)
Suite 12-02,12th Floor, Menara MAA
170 Jalan Argyll,10050 Penang
Malaysia

Please fold across the line and close

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