EMICO®

EMICO HOLDINGS BERHAD (230326-D)

Annual Report 2010

CONTENTS

Corporate Information	2
Board of Directors' Profile	3
Corporate Structure	5
Audit Committee	6
Corporate Governance Statement	9
Statement on Internal Control	13
Other Compliance Statements	15
Chairman's Statement	16
Directors' Report	20
Statement by Directors	24
Independent Auditors' Report	25
Statements of Financial Position	27
Statements of Comprehensive Income	29
Statements of Changes in Equity	30
Statements of Cash Flows	33
Notes to the Financial Statements	36
Analysis of Shareholdings	93
List of Properties	97
Notice of Annual General Meeting	98
Proxy Form	

CORPORATE INFORMATION

DIRECTORS	**LIM TEIK HIAN**	| EXECUTIVE CHAIRMAN |
	JIMMY ONG CHIN KENG	| MANAGING DIRECTOR |
	LIM TECK CHYE	| EXECUTIVE DIRECTOR |
	WONG SEW YUN	| NON EXECUTIVE DIRECTOR |
	NG CHEE KONG	| NON EXECUTIVE DIRECTOR |
	WONG THAI SUN	| NON EXECUTIVE DIRECTOR |

SECRETARIES

LEE PENG LOON
P'NG CHIEW KEEM

REGISTERED OFFICE

51-21-A MENARA BHL BANK
JALAN SULTAN AHMAD SHAH
10050 PENANG
TEL : 04-210 8833
FAX : 04-210 8831

SHARE REGISTRAR

TRICOR INVESTOR SERVICES SDN BHD (118401-V)
LEVEL 17, THE GARDENS NORTH TOWER
MID VALLEY CITY, LINGKARAN SYED PUTRA
59200 KUALA LUMPUR
TEL : 03-2264 3883
FAX : 03-2282 1886

AUDIT COMMITTEE	**WONG THAI SUN**	| CHAIRMAN AND INDEPENDENT NON EXECUTIVE DIRECTOR |
	NG CHEE KONG	| INDEPENDENT NON EXECUTIVE DIRECTOR |
	WONG SEW YUN	| INDEPENDENT NON EXECUTIVE DIRECTOR |

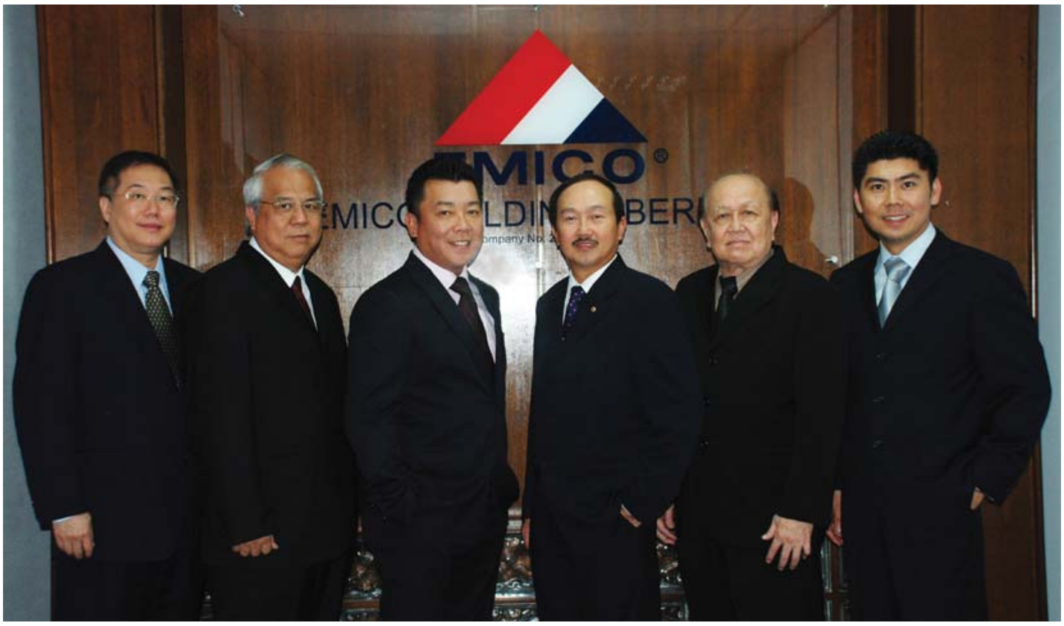
PRINCIPAL BANKERS

CIMB BANK BERHAD (13491-P)
HSBC BANK MALAYSIA BERHAD (127776-V)
MALAYAN BANKING BERHAD (3813-K)

AUDITORS

UHY
CHARTERED ACCOUNTANTS
51-21-F MENARA BHL BANK
JALAN SULTAN AHMAD SHAH
10050 PULAU PINANG

STOCK EXCHANGE LISTING BURSA MALAYSIA / MAIN MARKET



from right to left :
Mr Lim Teck Chye, Mr Ng Chee Kong, Mr Jimmy Ong Chin Keng, Mr Lim Teik Hian, Mr Wong Sew Yun, Mr Wong Thai Sun

LIM TEIK HIAN | Executive Chairman

Mr Lim Teik Hian, a Malaysian aged 44 was appointed to the Board on 16 February 1996. He has a Diploma in Business Administration from Australia Business College, Melbourne, Australia. Upon graduation, he joined the Company in 1989 as the Marketing Manager and was responsible for the development of domestic market for Emico. At a later stage, he was involved in the general management of the manufacturing concern and was instrumental in the commissioning of modern manufacturing facilities for Emico Group. He was re-designated as Executive Chairman on 24 March 2009. He and his younger brother, Mr Lim Teck Chye sits on the Board of the Company as Executive Director. He is a member of Emico's Nominating Committee. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, he has no other conflict of interest.

Mr Lim has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

JIMMY ONG CHIN KENG | Managing Director

Mr Jimmy Ong Chin Keng, a Malaysian aged 48 was appointed to the Board on 16 February 1996. He is a Chartered Accountant and holds a professional qualification from the Malaysian Institute of Certified Public Accountants and is a member of Malaysian Institute of Accountants. He joined Emico Group in February 1993 as the Financial Controller and rose to the rank of Finance Director in 1996 and re-designated as Managing Director on 23 January 2009. Mr Ong has an extensive experience and knowledge in the field of accounting, finance, corporate finance, manufacturing and property development. Prior to his engagement in Emico, he served in two international accounting firms namely PriceWaterhouseCoopers and KPMG for a total of 8 years. Mr Ong has no family relationship with any Director/Substantial shareholders. He is a member of Emico’s Remuneration Committee and sits on the Board of several private limited companies. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, he has no other conflict of interest.

Mr Ong has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

LIM TECK CHYE | Executive Director

Mr. Lim Teck Chye, a Malaysian aged 37, was appointed to the Board on 11 May 2004. He graduated from University of Toledo, Ohio, USA in Bachelor of Science in Engineering and Master of Science in Industrial Engineering. Upon graduation, he joined Fuji Lift & Escalator Manufacturing Sdn. Bhd. (formerly known as Northern Elevator Manufacturing Sdn Bhd) as its Marketing Manager in July 1997. In mid 1998, he was transferred abroad to set up an elevator manufacturing plant in Fujian province, China. The China factory is in full operation since July 1999 and has obtained ISO 9001:2000 quality certification. He was appointed to the Board of NEB Development Berhad formerly known as Northern Elevator Berhad as the Executive Director in October 1999 and has held the position since then. He and his brother, Mr Lim Teik Hian sits on Board of the Company as Executive Director and Executive Chairman respectively. Other than as disclosed in the related party transactions in Note 32 of the Financial Statements, he has no other conflict of interest.

Mr Lim has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

NG CHEE KONG | Independent and Non-Executive Director

Mr Ng Chee Kong, a Malaysian aged 68 is an Independent Non-Executive Director of the Company. He was appointed to the Board on 24 May 1999 and is a member of the Audit and the Remuneration Committee. He also sits as the Chairman of the Nominating Committee. He received his early education in Penang and joined the banking profession with a major local bank until his retirement 36 years later. During his tenure with the bank, he obtained a Diploma in Marketing & Selling Bank Services conferred by The International Management Centres, Buckingham, England.

Mr Ng has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

WONG SEW YUN | Independent and Non-Executive Director

Mr Wong Sew Yun, a Malaysian aged 55 was appointed to the Board on 14 January 1995. He has been involved in business for more than 28 years. He has his own business operating a transportation company plying East, West Malaysia and Indonesia. He is also involved in ceramic wares business and sits on the Board of several private limited companies.

Mr Wong has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

WONG THAI SUN | Independent and Non-Executive Director

Mr Wong Thai Sun, a Malaysian aged 56 was appointed to the Board on 26 December 2008. He holds a Bachelor of Economics and Accountancy from Australia 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 in overseas and is currently having his own public practice firm, which is Wong Thai Sun & Associates. He is also a director of D'Nounce Technology Bhd and Suiwah Corporation Bhd.

Mr Wong has not been convicted of any offence in the past 10 years and has attended all Board meetings held during the financial year.

EMICO HOLDINGS BERHAD

PROPERTY DEVELOPMENT & INVESTMENT

- ♦ 100% Emico Development Sdn Bhd
- ♦ 100% Emico Capital Sdn Bhd
- ♦ 71% Mercu Tanah Langkawi Sdn Bhd
- ♦ 60% NEB Development Berhad
- ♦ 49.7% Operasi Tembaga Sdn Bhd
- ♦ 39.8% PKB - Operasi Tembaga Sdn Bhd
- ♦ 60%** NEB Pacific Sdn Bhd
- ♦ 60%** Unic Builders Sdn Bhd
- ◊ 50%** Panashiba Industries (M) Sdn Bhd

TRADING

- ♦ 100% Emico Asia Sdn Bhd
- ♦ 51% Emico Melaka Sdn Bhd
- ♦ 100%** Emico Newk Sdn Bhd

MANUFACTURING

Consumer Products

- ♦ 100% Emico Penang Sdn Bhd
- ♦ 100% Emico Marketing Sdn Bhd
- ♦ 100% Emico Metalizing Sdn Bhd
- ♦ 100% Emico (Vietnam) Co. Ltd
- ♦ 100%** Emico Creative Design Sdn Bhd
- ♦ 100%** Emico Tools Sdn Bhd
- ♦ 53.3%** Standard Trend Apparel Industries Sdn Bhd
- ◊ 24.5%** PT Panashiba Industries, Indonesia

Lifts and Escalators

- ◊ 20.9% Quanzhou Fuji-Sino Elevators Co. Ltd, China
- ◊ 24%** Asian Elevator (M) Sdn Bhd
- ◊ 18%** Jiangnan Escalator (M) Sdn Bhd

♦ Subsidiary Companies
◊ Associated Companies
** Dormant / Inactive

The Board has appointed the Audit Committee to assist the Board in discharging its duties of maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

TERMS OF REFERENCE

- **Purpose**

  The primary objective of the Audit Committee (as a sub-committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

- **Reporting Responsibilities**

  The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

- **Attendance at Meeting**

  The head of finance, the head of internal audit and a representative of external audit shall normally attend meetings. The Company Secretary shall be the Secretary of the Audit Committee. Other board members or employees may be invited to brief the Audit Committee on issues that are incorporated into the agenda.

- **Frequency of Meeting**

  The Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and shall record its conclusions whilst discharging its duties and responsibilities.

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

  The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chairman, chief executive officer, the finance director, the head of the internal audit and the external auditors in order to be kept informed of matters affecting the Company.

- **Quorum**

  The quorum for a meeting shall be 2 (two) members, the majority of whom shall be independent directors.

- **Authority**

  The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Audit Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The internal audit function reports directly to the Audit Committee. The Audit Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

MEMBERSHIP AND MEETINGS

The composition of the Company's Audit Committee, appointed by the Board from amongst its members, comprises of 4 (four) members of which all are Non-Executive Directors.

Membership

- The members of the Audit Committee shall be appointed by the Board.
- The Audit Committee shall consist of not less than three (3) members of whom :
  - a) all members of the Audit Committee must be non-executive directors with a majority of them being independent directors;
  - b) at least one (1) member of the Audit Commmittee :
    - i) must be a member of the Malaysian Institute of Accountants; or
    - ii) if he or she is not a member of the Malaysian Institute of Accountants,
      - a) he or she must have at least three (3) years' working experience; and
        - he or she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
        - he or she must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
    - iii) he or she fulfils such other requirements as prescribed or approved by Bursa Securities
  - c) all members of the Audit Committee should be financially literate.
- No alternate director shall be appointed as a member of the Audit Committee.
- The Chairman of the Audit Committee shall be appointed by the members of the Audit Committee among their member who is an independent director.
- The Board must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
- The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

Meetings

During the year ended 31 December 2010, the Committee held meetings on 25 February, 16 April, 31 May, 26 August, and 29 November respectively, making a total of 5 (five) meetings.

No.	Name	Status of directorship	Independence Status	Attendance of meetings
(i)	Nik Azalan Bin Nik Abdul Kadir (Resigned on 29 November 2010)	Non-Executive	Independent	4/5
(ii)	Ng Chee Kong (Member)	Non-Executive	Independent	5/5
(iii)	Wong Sew Yun (Member)	Non-Executive	Independent	5/5
(iv)	Wong Thai Sun (Chairman)	Non-Executive	Independent	5/5

DUTIES AND RESPONSIBILITIES

The primary goal of the Committee is to review the financial condition of the Group, its internal controls, performance and findings of the internal auditors and to recommend appropriate remedial action.

The primary duties and responsibilities of the Committee are as follows:

- to review both the internal and external auditor's scope of audit plan, their evaluation of the system of internal controls and audit reports.
- to review and evaluate 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.
- to consider the appointment and/or reappointment of external and internal auditors, their fees and any question of their resignation or dismissal and to recommend to the Board.
- to nominate, for the approval of the Board of Directors, a person or persons as auditor(s).
- to review the assistance and co-operation given by the Company's officers to the external and internal auditors.
- to review the quarterly and year end financial statements before submission to the Board of Directors, focusing particularly on :
    a) changes in or implementation of major accounting policy changes
    b) significant and unusual events; and
    c) compliance with accounting standards and other legal requirements
- to review any related party transactions that may arise within the Company or the Group.
- to consider adequacy of Management's actions taken on internal and external audit reports.
- to review the allocation of shares to employees under the Employees' Share Option Scheme.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the year, the Audit Committee reviewed and appraised the annual audit plan and audit reports prepared by the Internal Auditors. The Committee also appraised the adequacy of actions taken by the Management in resolving the reported audit issues and in implementing suggested improvement measures.

On quarterly basis and financial year end the Committee reviewed the financial statements prepared by the Management for proper approval by the Board on its announcements. Any significant issues resulting from the audit of the financial statements by the External Auditors were noted by the Committee.

The Committee, at the conclusion of each meeting, recommended the Management to improve on internal controls, procedures and systems of the Company, where deemed appropriate.

Reviewed and considered the disclosure of Related Party Transactions in the Financial Statements and the Recurrent Related Party Transactions Circular to shareholders.

Reviewed the Statement of Corporate Governance and Statement on Internal Controls.

ACTIVITIES OF INTERNAL AUDIT

The role of the Internal Auditors is to examine, evaluate and ensure compliance with the Group's policies, procedures and system of internal controls so as to provide reasonable assurance that such system continue to operate effectively in the Emico Group of Companies. The Internal Auditors work focuses on areas of priority as identified in accordance with the annual audit plan approved each year by the Audit Committee. For the year 2010, audit visits were conducted in all active subsidiaries of the Group.

The audit activities were as follows:-

a. ascertaining the extent of compliance with the established policies, procedures and statutory requirements;

b. reviewing of new systems and modified systems to ensure that proper controls exist in the systems or where certain necessary controls were absent, to prescribe controls before implementation;

c. identifying opportunities to improve the operations and the processes in the Company and the Group

The Internal Auditors reports their audit findings to the Audit Committee and the Management of the respective subsidiaries.

The Board of Directors of Emico Holdings Berhad is committed to ensuring that the Group is moving towards the highest standards of Corporate Governance in discharging its responsibilities to protect and enhance shareholders value and the Group's financial performance.

Currently, the Board is moving towards full compliance with all the principles in Part 1 of the Malaysian Code on Corporate Governance and is also committed to ensuring adoption of the Best Practice as recommended in Part 2 of the Code.

The Board

The Board consists of the following members:

- one executive chairman
- two executive directors
- three independent non-executive directors

The Board of Directors is leading and controlling the Group while the Company's Executive Chairman and Managing Director has the responsibility for the running of the Group's businesses.

Board Meeting

There were five Board Meetings held during the financial year ended 31 December 2010 and the attendance of the Directors were as follows:

Name of Director	Directorship	Attendance
Lim Teik Hian	Executive Chairman	5/5
Jimmy Ong Chin Keng	Managing Director	5/5
Lim Teck Chye	Executive Director	5/5
Wong Sew Yun	Independent Non-Executive Director	5/5
Nik Azalan Bin Nik A. Kadir (Resigned on 29 November 2010)	Independent Non-Executive Director	4/5
Ng Chee Kong	Independent Non-Executive Director	5/5
Wong Thai Sun	Independent Non-Executive Director	5/5

Supply Of Information

The Board is able to access a complete information in a timely basis in form and of a quality necessary for the discharge of their duties and responsibilities. Where required, the Board has the authority to source for independent or expert advice and views from outside the Group.

Appointment and Re-election of The Board

All Directors are required to submit themselves for re-election at least every three years.

The Board is responsible for the appointments of Directors and determining the remuneration package of each Director. In order to improve its effectiveness, the Board had set up a Nominating and a Remuneration Committee which consist of the following:

- **Nominating Committee**

  Chairman
  Mr Ng Chee Kong | Independent and Non-Executive Director

  Member
  Mr Lim Teik Hian | Executive Chairman
  Mr Wong Thai Sun | Independent and Non-Executive Director

- **Remuneration Committee**

  Chairman
  Mr Ng Chee Kong | Independent and Non-Executive Director

  Member
  Mr Wong Thai Sun | Independent and Non-Executive Director
  Mr Jimmy Ong Chin Keng | Managing Director

DIRECTORS' REMUNERATION

Directors do not participate in decisions regarding their own remuneration. Directors' fee and emoluments are endorsed by the Board and approved by shareholders of the Company at Annual General Meeting.

The remuneration of the Directors for the financial year ended 31 December 2010 is as follows:

	Fee	Salaries and other emoluments	Benefits-in-kind
	RM	RM	RM
Executive Directors	30,000	551,825	34,525
Non- Executive Directors	27,000	15,750	-
Total	57,000	567,575	34,525

The number of Directors whose remuneration fall into the respective bands are as follows:

Range of Remuneration (RM)	Executive	Non-Executive
25,000 & below	1	4
25,001 - 50,000		
50,001 - 100,000		
100,001 - 150,000		
150,001 - 200,000		
200,001 - 250,000	1	
250,001 - 300,000		
300,001 - 350,000	1	

DIRECTORS' TRAINING AND EDUCATION

On joining, all new directors are given background information describing the Company and its activities. Site visits are arranged whenever necessary. All the Directors holding office have completed the Mandatory Accreditation Programme as specified by Bursa Securities. The Directors are also encouraged to attend various external professional programmes on a continuous basis to enable them to discharge their duties and to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates.

The Directors have during the financial year ended 31 December 2010, evaluated their own training needs on a continuous basis and attended the following programmes:-

Director's name	Training Programme
Jimmy Ong Chin Keng	Developing & Managing Key Performance Indicators The PricewaterhouseCoopers Seminar 2010-Tax and Finance Developments Sustainability Programme For Corporate Malaysia
Lim Teck Chye	Time Management Leadership Program Consultative Selling Skill Training Contracts Refresher Training Leadership Program - Team Dynamic Process Management Selling Integrated Solution Training
Ng Chee Kong	Sustainability Programme For Corporate Malaysia Opportunities in Foreign Markets OSK FMM NCIA Presentation MOH Seminar On Health And Food Safety Wealth Management Seminar FTA Australia/AZ Asean/AANZ FTA By Australian Embassy
Wong Thai Sun	National Taxation Seminar 2010 An Overview of GST Bill (Its Impact, Policy and Implementation) Real Property Gains Tax (RPGT)- Implications and Exemptions 2010 Tax Updates Tax Incentives and Double Deductions for the Manufacturing Sector
Lim Teik Hian	In-house Program
Wong Sew Yun	Corporate Governance Guide- Towards Boardroom Excellence

SHAREHOLDERS

The Group has always placed high emphasis on communication with its shareholders on any major developments of the Group on a timely basis. This is achieved through regular quarterly and annual reports, and announcements.

The principal forum for dialogue with shareholders is at General Meeting, where investors are also encouraged to participate and pose questions to the Board on matters relating to operational and financial information.

ACCOUNTABILITY AND AUDIT

In presenting and reporting the annual reports and the quarterly announcement to shareholders, the Board has presented a balanced and understandable assessment of the Group's position and prospects.

The Board acknowledges its duty and responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. It has established an Audit Committee comprising four (4) directors, the majority of whom are independent, to perform internal control covering financial, operational and compliance control and risk management necessary for the Group to achieve its objectives within acceptable risk profile. These controls can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has established formal and transparent relationship with the external auditors. The appointment of the auditors is recommended by Audit Committee and subject to the approval of the shareholders in Annual General Meeting. The auditors remuneration is determined by the Board but is recommended by the Audit Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the profit or loss of the Group and the Company for the financial year. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

The Directors consider that in preparing the financial statements for the year ended 31 December 2010 set out on pages 27 to 92, the Group has used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors of Emico Holdings Berhad is pleased to provide the following statement on the state of internal control of the Group, which outlines the nature and scope of internal control of the Group during the financial year.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board recognises the importance of a sound system of internal control and a structured risk management framework to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any systems of internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Following the publication of The Statement on internal control: Guidance for Directors of public listed companies (the "Internal Control Guidance"), the Board affirms that there is an established 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.

Although the Board is the ultimate owner of risk assessment and internal control systems of the Group, Management has been tasked with the implementation of risk management and internal control systems, within the framework adopted by the Board.

RISK MANAGEMENT

The Board and management practise proactive significant risks identification on a quarterly basis or earlier as appropriate, 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 level acceptable to the Board.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of internal audit function and has engaged the services of an independent professional accounting and consulting firm, internal auditor : Q-West Corporate Consultants Sdn. Bhd. to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

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. Scheduled internal audits are carried out by the Internal Auditors based on the audit plan presented to and approved by the Audit Committee. 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 organisation 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 for operational, financial and human resource management, 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;
- A comprehensive business planning and detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board;
- 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.

Based on the internal auditors' report for the financial year ended 31 December 2010, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

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

This statement is issued in accordance with a resolution of the Directors dated 15 April 2011.

1. **Utilisation of Proceeds**
There was no capital raising exercise carried out by the Company during the financial year.

2. **Share Buy-Backs**
The Company has not purchased any of its own shares and as such, there is no treasury shares maintained by the Company for share buy-backs.

3. **Options, Warrants or Convertible Securities**
During the financial year, there were no options, or convertibles securities exercised by the Company.

4. **Depository Receipts Programme**
During the financial year, the Company did not sponsor any depository receipts programme.

5. **Sanctions And/Or Penalties**
There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

6. **Non-Audit Fees**
The non-audit fee paid/payable to external auditors for the financial year ended 31 December 2010 was RM2,000.

7. **Variation in Results**
There were no variations of 10% or more between the audited results for the financial year ended 31 December 2010 and the unaudited results announced on 28 Feb 2011.

8. **Profit Guarantee**
During the financial year, there was no profit guarantee given by the Company.

9. **Material Contracts**
There were no material contracts entered by the Company and its subsidiaries involving Director's and major shareholder's interest other than those disclosed in the financial statements.

10. **Revaluation Policy**
The Company has not adopted a regular revaluation policy on landed properties.

11. **Recurrent Related Party Transactions of a Revenue Nature**
There were no material recurrent related party transactions of a revenue nature during the year other than those disclosed in the financial statements.

12. **Corporate Social Responsibility (CSR)**
The Group acknowledges that in pursuit of any business objective, there is a need to find a balance between profitability and contributions towards being a socially responsible corporate citizen. With such belief, the Group is committed and uses its best endeavour, on ongoing basis, to integrate CSR practices into its day to day business operations i.e. constantly review of the staff benefits to enhance the quality of life of its employees and adopting eco-friendly practices such as recycling to protect the environment.

On behalf of the Board of Directors of Emico Holdings Berhad, I am pleased to present herewith the Annual Report and Accounts of the Group and the Company for the financial year ended 31 December 2010.

REVIEW OF RESULTS

The Group recorded a higher turnover of RM64.7 million and profit for the year of RM1.2 million as compared to 2009 results of RM61.2 million for turnover and profit of RM1.4 million. The 6% increase in turnover was primarily attributed to the higher turnover from all sectors especially manufacturing and trading of consumer products and property development division. However, the Group posted a 14% lower profit for the current year due to rise in raw material costs and unfavorable foreign exchange translations caused by the strengthening of Ringgit against the US Dollar.

DIVIDEND

The Board of Directors is not recommending any payment of dividend for the financial year ended 31 December 2010.

REVIEW OF OPERATIONS

The Group's operation is organized into the following divisions:

(i) Manufacturing and trading -consumer products

(ii) Property Development

MANUFACTURING AND TRADING -CONSUMER PRODUCTS

Manufacturing and Trading of consumer products posted a higher turnover of RM53.2 million as compared to RM51.4 million last year, an increase of RM1.8 million or 3.5%.

TROPHY DIVISION

The trophy division posted a turnover of RM12.9 million as compared to RM13.5 million last year, a slight drop of RM0.6 million or 4%.

The local trophy business recorded a lower sales turnover of RM7.5 million as compared to RM9.2 million last year. However, the decline was mitigated by an increase in export of trophy which posted a higher turnover of RM 5.4 million as compared to RM4.3 million in 2009. The export of trophy business achieved strong growth in the second half of 2010 especially from the European market.

OEM DIVISION

The OEM division posted a higher turnover of RM16.1 million as compared to RM13.2 million last year, an increase of RM2.9 million or 22%.

The manufacturing of OEM products posted a higher turnover of RM12.6 million as compared to RM9.0 million last year, an increase of RM3.6 million or 40%. However, the strengthening of Ringgit against the US Dollar and the higher cost of raw materials had affected the profit margin. Strong measures have been taken to manage price risk and to streamline the manufacturing processes to improve efficiency and productivity.

Emico Vietnam posted a lower turnover of RM3.5 million as compared to RM4.2 million last year, a decrease of RM0.7 million or 17%.Currently, Emico Vietnam is occupied mainly by OEM of plastic products. The operation posted a net loss of RM1.3 million as compared to RM1.4 million net loss in 2009. The OEM business is expected to improve in 2011 due to a stronger demand and better order forecast projected by its customers. The paper carton division recorded a better turnover this year and is expected to contribute positively towards the business in 2011.

The management is taking action to reduce its overheads and increasing its turnover and we hope to achieve better results for 2011.

TRADING DIVISION

Trading of consumer products posted a lower turnover of RM18.4 million and profit of RM0.3 million as compared to RM21.7 million turnover and profit of RM1.3 million in 2009.

The drop in turnover for Emico Asia which deals with trading of household furniture and accessories was caused by the slow down in UK economy and excess inventories from the previous year. However, we expect the turnover to be moderate in 2011 in view of the stagnation in the recovery of the UK economy.

During the year, Emico Melaka posted a turnover of RM2.7 million from the sales of souvenirs and medals for SUKAN MALAYSIA X111 2010 held in the state of Melaka.

PROPERTY DEVELOPMENT

The turnover from the property development division posted an increase of RM1.8 million or 16%, from RM9.7 million last year to RM11.5 million. The increase in turnover was mainly contributed by the property development project in Sungai Petani.

Status of construction and sales as at 31 December 2010		% of completion	% of Sales
Taman Batik, Sungai Petani			
Phase 1	26 units double-storey shop lots	75%	65.4%
	34 units double-storey shop lots	25%	-
Phase 2	185 units double-storey terrace house	100%	93.5%
	82 units double-storey semi-detached house	100%	100%
Phase 3	46 units double-storey shop lots	25%	8.7%
	32 units double-storey shop lots	100%	56.2%
	16 units double-storey shop lots	85%	12.5%
Bandar Mutiara, Sungai Petani			
Phase 2	109 units single-storey terrace house	100%	98.0%
(Villa Mas & Mutiara)	50 units single-storey terrace house	35% - 55%	28%
	92 units single-storey semi-detached house	100%	97.8%
Phase 3 (Jade Ridge)	174 units single-storey terrace house	100%	92.0%
Phase 3A (Ametis Valley)	61 units double-storey terrace house	100%	93.4%
Taman Seri Pertam, Melaka			
Mutiara	42 units 1 1/2 storey terrace house	100%	42.9%
	13 units 1 1/2 storey terrace house	Earthworks	-
	17 units single-storey terrace house	Earthworks	-

We foresee that the property development division will remain moderate in 2011 in view of the increasing interest rate and higher cost of construction materials. However, we are still optimistic in selling the remaining completed unsold units and vacant development land.

EMICO®

CORPORATE DEVELOPMENT

Emico Group will continue to sell those non productive assets with market value of at least RM56 million to repay its outstanding loan stocks which stand at RM33 million as at 31 December 2010. Emico has obtained a further extension of another two years until 2012 for its repayment to the Loan Stocks holders.

PROSPECTS

The management will concentrate its resources to strengthen its core business as explained below:-

(1) Manufacturing and trading -consumer products division

The trophy division will continue to expand its export business aggressively especially in Europe and the USA. The success in new trophy design series has brought overwhelming response from the overseas market. As such, we will continue to invest and focus on product development in order to sustain our company's reputation as one of the leading trophy player in the European region as well as the global market. In addition, we will continue to expand our production capacity and implement automation of certain processes to increase productivity and efficiency. The contribution from the local trophy business is expected to be moderate.

The OEM business will continue to grow at a steady pace. We will continue to implement stringent cost reduction measures, improve production efficiency and better management of price risk.

(2) Property development

For Sungai Petani project, the management will continue to market the existing completed units before we embark on new phases. We will continue to increase our marketing effort whilst managing our cash flow during this period.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to thank all bankers, suppliers, customers, business associates and most important of all the management and staff of Emico for the dedication and professionalism that underpins everything we do, and for their part in further developing the Emico business. We are also grateful to all our shareholders of the Company and relevant authorities for their continued invaluable support and confidence in the Group.

Lim Teik Hian
Executive Chairman

FINANCIAL | STATEMENTS

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended **31 December 2010**.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies and associated companies are stated in Note 8 and Note 9 respectively. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit attributable to:		
Owners of the parent	1,053,856	14,854,688
Minority interest	150,975	0
Profit for the financial year	1,204,831	14,854,688

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 payment of dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Company under options. As at the end of the financial year, no unissued shares of the Company were under options.

WARRANTS

On 1 December 2003, 11,130,000 detachable warrants were granted by the Company to the subscribers of the rights shares. The warrants may be exercised at any time after the issue date but not later than 5.00 p.m. on 1 December 2013. Each warrant entitles its registered holder, at any time during the exercise period of the warrants, to subscribe for one new ordinary share. The exercise price of each warrant is fixed at RM1 payable in cash for each new ordinary share of RM1 each in the Company. As at 31 December 2010, none of the 11,130,000 warrants were exercised to subscribe for new ordinary shares.

DIRECTORS

The Directors who have held office during the period since the date of the last report are follows: -

Lim Teik Hian
Jimmy Ong Chin Keng
Lim Teck Chye
Wong Sew Yun
Ng Chee Kong
Wong Thai Sun
Nik Azalan Bin Nik A. Kadir (Resigned on 29 November 2010)

DIRECTORS' INTEREST

The shareholdings in the Company and its related corporations of those who are Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965, are as follows :-

		Number of Ordinary Shares of RM1 each		
Shareholdings in the Company	At 1-1-2010	Bought	Sold	At 31-12-2010
Direct interest				
Lim Teik Hian	52,000	0	0	52,000
Wong Sew Yun	895,859	0	0	895,859
Lim Teck Chye	1,241,630	0	(30,000)	1,211,630
Indirect interest				
Lim Teik Hian	18,164,759	501,000	0	18,665,759
Wong Sew Yun	55,320	0	(55,320)	0
Lim Teck Chye	16,975,129	531,000	0	17,506,129

		Number of warrants of RM1 each		
Warrants in the Company	At 1-1-2010	Bought	Sold	At 31-12-2010
Direct interest				
Lim Teik Hian	13,000	0	0	13,000
Wong Sew Yun	263,488	0	0	263,488
Lim Teck Chye	7	0	0	7

By virtue of their interest in the shares of the Company, Lim Teik Hian and Lim Teck Chye are deemed to have an interest in the shares of all the subsidiary companies of Emico Holdings Berhad to the extent that the Company has an interest.

No other Director in office at the end of the financial year held or dealt in shares of the Company during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the warrants granted by the Company to eligible employees including Directors of the Company to subscribe for shares in the Company.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except that the Directors received remuneration as directors of related corporations.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:-

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(c) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

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

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

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

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

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

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

AUDITORS

The Auditors, UHY, retire and do not wish to seek for re-appointment. A resolution to appoint BDO will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors in accordance with their Resolution,

LIM TEIK HIAN
Director

JIMMY ONG CHIN KENG
Director

Dated: 15 April 2011

STATEMENT BY DIRECTORS

The Directors of **EMICO HOLDINGS BERHAD**, state that, in their opinion, the financial statements set out on pages 27 to 92 are drawn up in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2010** and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 41 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with their Resolution,

LIM TEIK HIAN	**JIMMY ONG CHIN KENG**
Director	Director

Dated: 15 April 2011

STATUTORY DECLARATION

I, **JIMMY ONG CHIN KENG**, being the Director primarily responsible for the financial management of **EMICO HOLDINGS BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 27 to 92 are 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 **JIMMY ONG CHIN**)
KENG at Georgetown in the State of)
Penang this 15 April 2011) **JIMMY ONG CHIN KENG**

Before me,

QUAH KEAT JIN, PJM
Commissioner for Oaths

Report on the Financial Statements

We have audited the financial statements of **EMICO HOLDINGS BERHAD**, which comprise the statements of financial position as at **31 December 2010** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 92.

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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2010** and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors ' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.

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

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

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 41 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

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

UHY
No. AF-1411
Chartered Accountants

KOAY THEAM HOCK
No. 2141/04/13 (J)
Chartered Accountant

Penang

Dated : 15 April 2011

		Group			Company	
		2010 RM	2009 RM (Restated, Note 2(a))	1.1.2009 RM (Restated, Note 2(a))	2010 RM	2009 RM
NON-CURRENT ASSETS						
Property, plant and equipment	5	12,118,245	12,553,859	12,540,101	0	0
Investment properties	6	4,405,853	5,200,018	5,230,138	2,800,000	2,800,000
Goodwill	7	551,552	551,552	551,552	0	0
Investment in subsidiary companies	8	0	0	0	28,116,497	16,116,497
Investment in associated companies	9	1,684,550	1,504,427	1,602,283	0	0
Property development projects	11	28,766,166	29,343,197	28,469,332	0	0
Deferred tax assets	12	215,600	278,400	304,800	0	0
		47,741,966	49,431,453	48,698,206	30,916,497	18,916,497
CURRENT ASSETS						
Property development projects	11	16,764,049	21,129,291	22,089,168	0	0
Inventories	13	17,261,299	13,249,033	13,280,303	0	0
Receivables, deposits and prepayments	14	12,964,887	14,865,858	18,062,177	41,474,354	41,328,554
Tax recoverable		55,579	92,574	151,214	0	0
Fixed deposits with a licensed bank	15	821,190	790,156	514,616	0	0
Cash and bank balances	16	4,917,747	3,259,770	4,328,119	3 2,544	17,537
		52,784,751	53,386,682	58,425,597	41,506,898	41,346,091
TOTAL ASSETS		100,526,717	102,818,135	107,123,803	72,423,395	60,262,588

The annexed notes form part of the financial statements.

	Note	Group 2010 RM	Group 2009 RM (Restated, Note 2(a))	Group 1.1.2009 RM (Restated, Note 2(a))	Company 2010 RM	Company 2009 RM
EQUITY AND LIABILITIES						
Share capital	17	95,926,521	95,926,521	52,785,921	95,926,521	95,926,521
Equity component of irredeemable convertible secured loan stocks		0	0	40,448,421	0	0
Reserves	19	6,561,646	7,003,039	7,052,940	7,736,782	7,736,782
Accumulated losses		(75,667,358)	(76,721,214)	(77,019,648)	(76,297,704)	(91,152,392)
Equity attributable to equity holders of the parent		26,820,809	26,208,346	23,267,634	27,365,599	12,510,911
Minority interest		8,305,651	8,154,676	7,962,406	0	0
TOTAL EQUITY		35,126,460	34,363,022	31,230,040	27,365,599	12,510,911
NON-CURRENT LIABILITIES						
Loans and borrowings	21	176,800	538,484	423,443	0	0
Deferred tax liabilities	23	455,881	580,069	568,518	0	0
		632,681	1,118,553	991,961	0	0
CURRENT LIABILITIES						
Payables	24	28,498,430	28,340,492	34,478,517	11,785,096	11,913,977
Redeemable secured loan stocks	20	33,146,600	35,711,600	35,552,039	33,146,600	35,711,600
Irredeemable convertible secured loan stocks		0	0	1,736,220	0	0
Loans and borrowings	21	2,007,085	2,218,978	2,413,569	0	0
Taxation		1,115,461	1,065,490	721,457	126,100	126,100
		64,767,576	67,336,560	74,901,802	45,057,796	47,751,677
TOTAL LIABILITIES		65,400,257	68,455,113	75,893,763	45,057,796	47,751,677
TOTAL EQUITY AND LIABILITIES		100,526,717	102,818,135	107,123,803	72,423,395	60,262,588

The annexed notes form part of the financial statements.

		Group		Company	
	Note	**2010 RM**	**2009 RM**	**2010 RM**	**2009 RM**
REVENUE	25	64,729,801	61,173,448	240,000	240,000
OTHER ITEMS OF INCOME					
Interest income	26	218,938	218,162	276	4,142
Other income	27	3,651,153	2,025,647	17,000,000	34,135
ITEMS OF EXPENSE					
Share of profit/(loss) of associated companies		180,123	(97,856)	0	0
Property development expenditure recognised		(9,358,779)	(5,872,611)	0	0
Changes in inventories of finished goods and work-in-progress		1,115,863	550,224	0	0
Purchase of finished goods		(26,318,990)	(27,906,350)	0	0
Raw materials and consumables used		(11,460,773)	(8,485,255)	0	0
Employee benefits expense	28	(6,860,555)	(5,419,900)	(262,063)	(188,888)
Depreciation and amortisation		(2,176,004)	(2,134,158)	0	0
Finance costs	29	(1,868,387)	(2,203,753)	(1,598,194)	(1,939,156)
Other expenses		(10,524,496)	(9,745,277)	(525,331)	(653,398)
PROFIT/(LOSS) BEFORE TAX	30	1,327,894	2,102,321	14,854,688	(2,503,165)
Taxation	31	(123,063)	(704,658)	0	0
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,204,831	1,397,663	14,854,688	(2,503,165)
Attributable to:					
Equity holders of the parent		1,053,856	1,254,393	14,854,688	(2,503,165)
Minority interest		150,975	143,270	0	0
		1,204,831	1,397,663	14,854,688	(2,503,165)
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		441,393	49,901	0	0
Total comprehensive income for the financial year		763,438	1,347,762	14,854,688	(2,503,165)
Earnings per share attributable to equity holders of the parent:					
Basic earnings per share (sen)	32	1.10	1.58		

The annexed notes form part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	Share Capital RM	Irredeemable convertible secured loan stocks ("ICSLS") RM	Share premium RM	Exchange reserve RM	Accumulated losses RM	Attributable to equity holders of the parent RM	Minority interest RM	Total equity RM
Group									
At 1 January 2009		52,785,921	40,448,421	7,736,782	(683,842)	(77,019,648)	23,267,634	7,962,406	31,230,040
Increase in ICSLS theoretical value	18	0	955,959	0	0	(955,959)	0	0	0
Exchange loss on translation of net investment in a foreign subsidiary company		0	0	0	(49,901)	0	(49,901)	0	(49,901)
Net income and expenses recognised directly in equity		0	955,959	0	(49,901)	(955,959)	(49,901)	0	(49,901)
Profit for the financial year		0	0	0	0	1,254,393	1,254,393	143,270	1,397,663
Total recognised income and expenses		0	955,959	0	(49,901)	298,434	1,204,492	143,270	1,347,762
Conversion of ICSLS into shares	18	43,140,600	(43,140,600)	0	0	0	0	0	0
Transfer from liability component of ICSLS	18	0	1,736,220	0	0	0	1,736,220	0	1,736,220
Minority interest arising from increase in share capital of a subsidiary company		0	0	0	0	0	0	49,000	49,000
At 31 December 2009		95,926,521	0	7,736,782	(733,743)	(76,721,214)	26,208,346	8,154,676	34,363,022

The annexed notes form part of the financial statements.

	Attributable to equity holders of the parent						
	Share capital RM	Share premium RM	Exchange reserve RM	Accumulated losses RM	Total RM	Minority interest RM	Total equity RM
Group							
At 1 January 2010	95,926,521	7,736,782	(733,743)	(76,721,214)	26,208,346	8,154,676	34,363,022
Exchange loss on translation of net investment in a foreign subsidiary company	0	0	(441,393)	0	(441,393)	0	(441,393)
Net income and expenses recognised directly in equity	0	0	(441,393)	0	(441,393)	0	(441,393)
Profit for the financial year	0	0	0	1,053,856	1,053,856	150,975	1,204,831
Total recognised income and expenses	0	0	(441,393)	1,053,856	612,463	150,975	763,438
At 31 December 2010	95,926,521	7,736,782	(1,175,136)	(75,667,358)	26,820,809	8,305,651	35,126,460

The annexed notes form part of the financial statements.

	Note	Share capital RM	Irredeemable convertible secured loan stocks ("ICSLS") RM	Share premium RM	Accumulated losses RM	Total equity RM
Company						
At 1 January 2009		52,785,921	40,448,421	7,736,782	(87,693,268)	13,277,856
Increase in ICSLS theoretical value	18	0	955,959	0	(955,959)	0
Net income and expenses recognised directly in equity		0	955,959	0	(955,959)	0
Loss for the financial year		0	0	0	(2,503,165)	(2,503,165)
Total recognised income and expenses		0	955,959	0	(3,459,124)	(2,503,165)
Conversion of ICSLS into shares	18	43 ,140,600	(43,140,600)	0	0	0
Transfer from liability component of ICSLS	18	0	1,736,220	0	0	1,736,220
At 31 December 2009		95,926,521	0	7,736,782	(91,152,392)	12,510,911
At 1 January 2010		95,926,521	0	7,736,782	(91,152,392)	12,510,911
Profit for the financial year		0	0	0	14,854,688	14,854,688
At 31 December 2010		95,926,521	0	7,736,782	(76,297,704)	27,365,599

The annexed notes form part of the financial statements.

	Group 2010 RM	Group 2009 RM (Restated, Note 2(a))	Company 2010 RM	Company 2009 RM
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	1,327,894	2,102,321	14,854,688	(2,503,165)
Adjustments for:				
Finance costs	1,868,387	2,203,753	1,598,194	1,939,156
Depreciation and amortisation	2,176,004	2,134,158	0	0
Unrealised loss on foreign exchange	174,076	18,644	0	0
Share of (profit)/loss of associated companies	(180,123)	97,856	0	0
Allowance for foreseeable loss no longer required	0	(552,000)	0	0
Allowance for slow moving inventories	0	43,416	0	0
Reversal of allowance for slow moving inventories	(5,572)	0	0	0
Property, plant and equipment written off	3,741	18,980	0	0
Impairment loss	409,094	301,786	0	0
Bad debts written off	0	1,900	0	0
Reversal of impairment loss	(1,140)	(48,321)	(17,000,000)	(34,135)
Net loss/(gain) on disposal of property, plant and equipment	53,949	(18,317)	0	0
Gain on disposal of investment property and prepaid leasehold land	(2,816,173)	0	0	0
Interest income	(218,938)	(218,162)	(276)	(4,142)
Operating profit/(loss) before working capital changes	2,791,199	6,086,014	(547,394)	(602,286)
Property development projects	4,942,273	638,012	0	0
Inventories	(4,006,694)	(12,146)	0	0
Receivables, deposits and prepayments	1,493,017	2,989,954	16,854,200	1,314,663
Payables	(16,138)	(6,156,669)	(128,881)	918,805
	5,203,657	3,545,165	16,177,925	1,631,182

The annexed notes form part of the financial statements.

	Group 2010 RM	Group 2009 RM (Restated, Note 2(a))	Company 2010 RM	Company 2009 RM
Interest received	218,938	218,162	276	4,142
Tax refund	10,320	51,114	0	0
Taxation paid	(107,805)	(315,148)	0	0
Net cash flow from operating activities	5,325,110	3,499,293	16,178,201	1,635,324
CASH FLOW FROM INVESTING ACTIVITIES				
Additional investment in a subsidiary company	0	0	(12,000,000)	0
Proceeds from disposal of property, plant and equipment	74,239	107,199	0	0
Proceeds from disposal of investment property	3,900,000	0	0	0
Purchase of property, plant and equipment (Note a)	(2,523,250)	(2,244,917)	0	0
Net cash flow from investing activities	1,450,989	(2,137,718)	(12,000,000)	0
CASH FLOW FROM FINANCING ACTIVITIES				
Changes in fixed deposits with a licensed bank	(51,034)	44,460	0	90,774
Redemption of redeemable secured loan stocks	(2,565,000)	(900,000)	(2,565,000)	(900,000)
Interest paid	(1,868,387)	(1,144,192)	(1,598,194)	(879,595)
Repayment of term loans	(255,015)	(203,031)	0	0
(Decrease)/Increase in bank borrowings	(165,119)	239,425	0	0
Repayment of hire purchase payables	(153,706)	(186,554)	0	0
Net cash flow from financing activities	(5,058,261)	(2,149,892)	(4,163,194)	(1,688,821)

The annexed notes form part of the financial statements.

	Group		Company	
	2010 RM	2009 RM (Restated, Note 2(a))	2010 RM	2009 RM
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,717,838	(788,317)	15,007	(53,497)
CURRENCY TRANSLATION DIFFERENCES	(80,124)	(642)	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	3,513,252	4,302,211	17,537	71,034
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (Note b)	5,150,966	3,513,252	32,544	17,537
Represented by :				
(a) Purchase of property, plant and equipment:				
- financed by hire purchase arrangements	0	30,000	0	0
- financed by cash	2,523,250	2,244,917	0	0
- additions during the financial year (Note 5)	2,523,250	2,274,917	0	0
(b) Analysis of cash and cash equivalents:				
- cash and bank balances	4,917,747	3,259,770	32,544	17,537
- fixed deposits with a licensed bank	300,000	320,000	0	0
- bank overdrafts (Note 21)	(66,781)	(66,518)	0	0
	5,150,966	3,513,252	32,544	17,537

The annexed notes form part of the financial statements.

1. GENERAL INFORMATION

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies and associated companies are stated in Note 8 and Note 9 respectively. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

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

The registered office of the Company is located at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 18, Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 15 April 2011.

2. BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards ("FRS") in Malaysia.

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM") and have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

On 1 January 2010, the Group and the Company adopted the following new and amended Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("IC Interpretations") mandatory for annual financial periods beginning on or after 1 January 2010.

(a) Standards, amendments to published standards and interpretations that are effective

FRSs, amendments to FRSs and IC Interpretations

FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation [Compilation]
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 7 and IC Interpretation 9	Amendments to FRS 7 Financial Instruments: Disclosures [Compilation] and IC Interpretation 9 Reassessment of Embedded Derivatives

(a) Standards, amendments to published standards and interpretations that are effective (cont'd)

Amendments to FRSs	Improvement to FRSs (2009)
IC Interpretations 9 and Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretations 10	Interim Financial Reporting and Impairment
IC Interpretations 11	FRS 2: Group and Treasury Share Transactions
IC Interpretations 13	Customer Loyalty Programmes
IC Interpretations 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Adoption of the mentioned 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 January 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 has 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 December 2010.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 40 to the financial statements.

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 has elected to present this statement as one single 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 39).

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

FRS 117 Leases (Amendments)

Prior to 1 January 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 buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment 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. The following are the effects to the statement of financial position as at 31 December 2010 arising from the above change in accounting policy:

	Group RM
Increase/(Decrease) in:	
Property, plant and equipment	774,458
Prepaid land lease payments	(774,458)

The following comparatives have been restated:

Consolidated statement of financial position	As previously stated RM	Reclassified RM	As restated RM
31 December 2009			
Property, plant and equipment	11,433,528	1,120,331	12,553,859
Prepaid land lease payments	1,120,331	(1,120,331)	0
1 January 2009			
Property, plant and equipment	11,391,043	1,149,058	12,540,101
Prepaid land lease payments	1,149,058	(1,149,058)	0

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 has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are as discussed below:

Impairment of receivables

Prior to 1 January 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 January 2010, there was no provision for doubtful debts being recognised in the previous year. As such, there is no impact on the opening balance as at that date.

(b) Standards and Interpretations issued but not yet effective

At the date of authorisation for issue of these financial statements, the following FRSs, amendments to FRS and IC Interpretations were in issue but not yet effective and have not been early adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments: Presentation

Effective for financial periods beginning on or after 1 July 2010

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations

(b) Standards and Interpretations issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 July 2010 (cont'd)

Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

Amendment to FRS 1	Limited Exemption from Comparative FRS 7, Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRSs	Improvement to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfer of Assets from Customers

Effective for financial periods beginning on or after 1 July 2011

IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

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

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

The differences between the cost of acquisition over the Group's share of fair value of the identifiable net assets of the subsidiary companies acquired at the date of acquisition is reflected as goodwill or reserve on consolidation. Reserve on consolidation in excess of the fair value of the non-monetary assets acquired is recognised immediately in profit or loss.

All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised loss are also eliminated unless cost cannot be recovered.

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

3.2 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, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.20.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated to write off the cost on a straight line basis over the expected useful lives of the assets concerned.

The annual rates of depreciation are as follows :

Buildings	2% - 10%
Plant and machinery	10% - 20%
Moulds	10% & 20%
Motor vehicles	10% - 33%
Office equipment, furniture and fittings	8% - 20%
Tools, implements and equipment	10% & 20%
Electrical installation and renovation	10% & 20%

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

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

3.3 Investment properties

Investment properties are properties held for long-term to earn rentals and/or for capital appreciation or both, and are not occupied by the Group and the Company.

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated. Depreciation of buildings is computed on the straight line method in order to write off the cost to its residual value over its estimated useful life of 50 and 96 years.

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 and the Company holds it to earn rentals or for capital appreciation or both.

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 gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3.4 Leases

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risk and rewards are classified as operating leases, with the following exceptions:

Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease.

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(a) The Group as lessee under finance leases

Assets acquired by way of hire purchase or finance lease are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payment at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's and the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amounts of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statements over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

(b) The Group as lessee under operating leases

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

In the case of a lease of land and buildings, the minimum lease payment or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight line basis over the lease term.

(c) The Group as lessor under operating leases

Assets leased out under operating leases are presented on the reporting date according to the nature of the assets. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

3.5 Goodwill

Goodwill arising on the acquisition of a subsidiary company represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary company recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Negative goodwill on consolidation is recognised in profit or loss at the date of acquisition.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3.6 Investments in subsidiary companies

Investments in subsidiary companies are stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.20.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

3.7 Investments in associated companies

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.8 Property development costs

Property development costs comprise of cost of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the financial outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. When the financial outcome of the development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the properties sold are recognised as an expense when incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately. Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is shown as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in profit or loss is shown as progress billings within payables.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined either on the first-in, first-out, weighted average or specific identification basis, depending on the nature of the inventories. Cost of finished goods and work-in-progress consist of cost of raw materials, direct labour and a proportion of factory overheads while the cost of raw materials consist of the purchase price plus the cost of bringing the inventories to their present location.

Cost of completed properties held for sales consists of the cost of land, construction and appropriate development overheads. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated selling and distribution costs and all other estimated costs to completion.

3.10 Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Group and the Company becomes 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 determines the classification of its financial assets at initial recognition, and the category includes the following:

(i) 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.

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has 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 assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-for-sale financial assets

Available-for sale 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 asset 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.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

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

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 commits to purchase or sell the asset.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fixed deposit with a licensed bank which is pledged as security for banking facilities is not included in cash and cash equivalents.

3.12 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity.

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 year in which they are declared.

3.13 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 on the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument and the category includes the following:

(i) 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.

(ii) Other financial liabilities

The Group’s and the Company's other financial liabilities include trade payables, other payables 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.

Payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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 liabilities unless the group has an unconditional right to defer settlement or 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.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another form 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.

3.14 Borrowing 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 incurred in connection with the borrowing of funds.

3.15 Provisions

Provision for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits 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.

3.16 Income tax

Income tax on the profit or loss for the financial year comprise of current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or lost, except when it arises from a transaction which is recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

3.17 Foreign currency conversion

Items included in the financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

Transaction in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the time of the transactions. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at reporting date. Translation gains and losses are recognised in profit or loss.

3.18 Contingent liabilities

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

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

3.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue relating to property development activities are accounted for based on the percentage of completion method on development units that have been sold. The stage of completion is determined by the proportion of development costs incurred todate against the total estimated costs on projects where the outcome of the projects can be reliably estimated. All anticipated losses on property development projects are fully provided for.

Sales of developed properties are recognised when deposits are received and upon the signing of the individual sales and purchase agreements.

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

(i) the Group and the Company have transferred to the buyer the significant risks and rewards of ownership of the goods;

(ii) the Group and the Company retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(iii) the amount of revenue can be measured reliably;

(iv) it is probable that the economic benefits associated with the transaction will flow to the Group and the Company; and

(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised using the effective interest method.

Rental income from investment properties is recognised on an accrual basis, by reference to the agreements entered.

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

Management fee and other operating income are recognised on an accrual basis.

3.20 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amount of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in used, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in profit or loss immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

3.21 Impairment of financial assets

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group consider factors such as the probability of insolvency or significant financial difficulties of the receivable 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 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 defaults 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.

3.22 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's and the Company's contribution to defined contribution plans, known as Employees' Provident Fund ("EPF") are recognised in profit or loss in the financial year to which they relate.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the property, plant and equipment to be 5 to 50 years. The carrying amounts of the Group's property, plant and equipment as at 31 December 2010 were RM12,118,245 (2009: RM12,553,859). Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore the future depreciation charge could be revised.

(iii) Property development

The Group recognised property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is measured by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development costs. In making the judgment, the Group evaluates based on past experience by relying on the work of specialists.

(iv) Impairment of receivables

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 experiences for assets with similar credit risk characteristics.

The carrying amount of the Group's receivables at the reporting date is as disclosed in Note 14.

(v) Income taxes

Significant judgment is required in determining capital allowances, deductibility of certain expenses and the chargeability of certain income during the estimation of the provision for income taxes. In determining the tax treatment, the Directors have relied upon industry practice and experts opinion. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. PROPERTY, PLANT AND EQUIPMENT

2010 Group	Buildings RM	Short term leasehold land RM	Plant and machinery RM	Moulds RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Tools, implements and equipment RM	Electrical installation and renovation RM	Total RM
At cost or valuation									
At 1 January 2010									
- as previously stated	8,605,417	0	9,927,518	10,267,786	2,458,846	2,300,376	2,675	29,446	33,592,064
- effects of adopting the Amendments to FRS 117	0	1,580,000	0	0	0	0	0	0	1,580,000
As restated	8,605,417	1,580,000	9,927,518	10,267,786	2,458,846	2,300,376	2,675	29,446	35,172,064
Additions	0	0	838,819	973,072	10,000	681,749	8,419	11,191	2,523,250
Disposals	0	(459,000)	(320,468)	0	(68,000)	0	0	0	(847,468)
Written off	0	0	(1,398,000)	0	0	(4,339)	0	0	(1,402,339)
Currency translation reserve	(119,495)	0	(662,332)	0	(62,620)	(9,247)	0	0	(853,694)
At 31 December 2010	8,485,922	1,121,000	8,385,537	11,240,858	2,338,226	2,968,539	11,094	40,637	34,591,813
At cost	2,130,922	1,121,000	8,385,537	11,240,858	2,338,226	2,968,539	11,094	40,637	28,236,813
At valuation	6,355,000	0	0	0	0	0	0	0	6,355,000
	8,485,922	1,121,000	8,385,537	11,240,858	2,338,226	2,968,539	11,094	40,637	34,591,813

5. PROPERTY, PLANT AND EQUIPMENT

2010 Group	Buildings RM	Short term leasehold land RM	Plant and machinery RM	Moulds RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Tools, implements and equipment RM	Electrical installation and renovation RM	Total RM
Accumulated depreciation									
At 1 January 2010									
- as previously stated	2,847,396	0	7,912,619	7,901,408	1,865,224	1,608,160	1,746	21,983	22,158,536
- effects of adopting the Amendments to FRS 117	0	459,669	0	0	0	0	0	0	459,669
As restated	2,847,396	459,669	7,912,619	7,901,408	1,865,224	1,608,160	1,746	21,983	22,618,205
Current charge	256,869	28,032	575,245	852,621	250,334	176,826	881	7,044	2,147,852
Disposals	0	(141,186)	(192,281)	0	(67,999)	0	0	0	(401,466)
Written off	0	0	(1,397,997)	0	0	(601)	0	0	(1,398,598)
Currency translation reserve	(64,143)	0	(380,675)	0	(41,866)	(5,741)	0	0	(492,425)
At 31 December 2010	3,040,122	346,515	6,516,911	8,754,029	2,005,693	1,778,644	2,627	29,027	22,473,568
At cost	796,469	346,515	6,516,911	8,754,029	2,005,693	1,778,644	2,627	29,027	20,229,915
At valuation	2,243,653	0	0	0	0	0	0	0	2,243,653
	3,040,122	346,515	6,516,911	8,754,029	2,005,693	1,778,644	2,627	29,027	22,473,568
Net book value									
- At cost	1,334,453	774,485	1,868,626	2,486,829	332,533	1,189,895	8,467	11,610	8,006,898
- At valuation	4,111,347	0	0	0	0	0	0	0	4,111,347
At 31 December 2010	5,445,800	774,485	1,868,626	2,486,829	332,533	1,189,895	8,467	11,610	12,118,245

5. PROPERTY, PLANT AND EQUIPMENT

2009 Group	Buildings RM	Short term leasehold land RM	Plant and machinery RM	Moulds RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Tools, implements and equipment RM	Electrical installation and renovation RM	Total RM
At cost or valuation									
At 1 January 2009									
- as previously stated	8,565,430	0	10,874,527	7,814,175	2,377,091	2,212,931	1,917	22,712	31,868,783
- reclassification	0	0	(2,092,108)	2,092,108	0	0	0	0	0
- effects of adopting the Amendments to FRS 117	0	1,580,000	0	0	0	0	0	0	1,580,000
As restated	8,565,430	1,580,000	8,782,419	9,906,283	2,377,091	2,212,931	1,917	22,712	33,448,783
Additions	55,459	0	1,584,803	361,503	119,520	138,319	758	14,555	2,274,917
Disposals	0	0	(358,502)	0	(29,801)	0	0	0	(388,303)
Written off	0	0	0	0	0	(49,759)	0	(7,821)	(57,580)
Currency translation reserve	(15,472)	0	(81,202)	0	(7,964)	(1,115)	0	0	(105,753)
At 31 December 2009	8,605,417	1,580,000	9,927,518	10,267,786	2,458,846	2,300,376	2,675	29,446	35,172,064
At cost	2,250,417	1,580,000	9,927,518	10,267,786	2,458,846	2,300,376	2,675	29,446	28,817,064
At valuation	6,355,000	0	0	0	0	0	0	0	6,355,000
	8,605,417	1,580,000	9,927,518	10,267,786	2,458,846	2,300,376	2,675	29,446	35,172,064

5. PROPERTY, PLANT AND EQUIPMENT

2009 Group	Buildings RM	Short term leasehold land RM	Plant and machinery RM	Moulds RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Tools, implements and equipment RM	Electrical installation and renovation RM	Total RM
Accumulated depreciation									
At 1 January 2009									
- as previously stated	2,590,343	0	7,685,322	7,051,545	1,622,246	1,506,181	1,446	20,657	20,477,740
- effects of adopting the Amendments to FRS 117	0	430,942	0	0	0	0	0	0	430,942
As restated	2,590,343	430,942	7,685,322	7,051,545	1,622,246	1,506,181	1,446	20,657	20,908,682
Current charge	264,198	28,727	540,961	849,863	277,510	135,027	300	7,452	2,104,038
Disposal	0	0	(269,621)	0	(29,800)	0	0	0	(299,421)
Written off	0	0	0	0	0	(32,474)	0	(6,126)	(38,600)
Currency translation reserve	(7,145)	0	(44,043)	0	(4,732)	(574)	0	0	(56,494)
At 31 December 2009	2,847,396	459,669	7,912,619	7,901,408	1,865,224	1,608,160	1,746	21,983	22,618,205
At cost	730,843	459,669	7,912,619	7,901,408	1,865,224	1,608,160	1,746	21,983	20,501,652
At valuation	2,116,553	0	0	0	0	0	0	0	2,116,553
	2,847,396	459,669	7,912,619	7,901,408	1,865,224	1,608,160	1,746	21,983	22,618,205
Net book value									
- At cost	1,519,574	1,120,331	2,014,899	2,366,378	593,622	692,216	929	7,463	8,315,412
- At valuation	4,238,447	0	0	0	0	0	0	0	4,238,447
At 31 December 2009	5,758,021	1,120,331	2,014,899	2,366,378	593,622	692,216	929	7,463	12,553,859

5. PROPERTY, PLANT AND EQUIPMENT

Company

2010	**Office equipment, furniture and fittings RM**
At cost	
At 1 January/31 December 2010	10,450
Accumulated depreciation	
At 1 January/31 December 2010	10,450
Net book value	
At 31 December 2010	0

Company

2009	**Office equipment, furniture and fittings RM**
At cost	
At 1 January/31 December 2009	10,450
Accumulated depreciation	
At 1 January/31 December 2009	10,450
Net book value	
At 31 December 2009	0

At reporting date, the unexpired lease period of the short leasehold land is 36 and 37 years (2009: 36 to 38 years).

At reporting date, the short term leasehold land is charged as security for the banking facilities mentioned in Note 21 and for the redeemable secured loan stocks issued by the Company as mentioned in Note 20.

Certain property, plant and equipment of the Group with net book values of RM7,383,522 (2009: RM8,374,387) are charged to local banks as securities for banking facilities as mentioned in Note 21.

Certain property, plant and equipment of the Group with net book values of RM4,955,348 (2009: RM5,430,822) are charged as securities for the redeemable convertible secured loan stocks issued by the Company as mentioned in Note 20.

The property, plant and equipment of the Group with net book value of RM159,092 (2009: RM340,683) are acquired under hire purchase arrangements of which instalments are still outstanding.

Certain motor vehicles of the Group with net book values of RM5 (2009: RM38,444) are registered in the names of certain directors of the Group and third parties who hold them in trust for the subsidiary companies.

5. PROPERTY, PLANT AND EQUIPMENT

The freehold land and buildings of the subsidiary companies were revalued by the Directors in 1994 based on valuation exercises carried out by independent professional valuers on the open market value basis.

Had these assets been carried at historical cost, the carrying amount of the revalued buildings of the Group will be as follows:

	Group	
	2010 RM	2009 RM
Cost	4,754,340	4,754,340
Less: Accumulated depreciation	(1,829,405)	(1,734,318)
Carrying amount	2,924,935	3,020,022

6. INVESTMENT PROPERTIES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At cost				
1 January	5,693,561	5,693,561	2,800,000	2,800,000
Disposal	(1,181,000)	0	0	0
31 December	4,512,561	5,693,561	2,800,000	2,800,000
Accumulated depreciation				
1 January	(493,543)	(463,423)	0	0
Current charge	(28,152)	(30,120)	0	0
Disposal	414,987	0	0	0
31 December	(106,708)	(493,543)	0	0
Net book value	4,405,853	5,200,018	2,800,000	2,800,000
Fair value	6,035,000	9,967,000	2,800,000	3,000,000

6. INVESTMENT PROPERTIES

The fair value of certain properties are based on Directors' estimation by reference to market evidence of transaction prices for similar properties and recent experience in the location and category of the properties being valued whilst the rest of properties in the Group are based on valuation by Rahim & Co.

The investment properties at reporting date are as follows:

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Freehold land	4,187,561	4,187,561	2,800,000	2,800,000
Buildings	218,292	1,012,457	0	0
	4,405,853	5,200,018	2,800,000	2,800,000

The buildings which are leased out under operating leases amounted to RM218,292 (2009: RM1,012,457). The rental income earned by the Group from its investment properties during the financial year amounted to RM191,936 (2009: RM204,000).

The title deed of a parcel of freehold land of the Company with a net book value of RM2,800,000 (2009: RM2,800,000) is registered in the name of a subsidiary company.

Certain investment properties with a net book value of RMNil (2009: RM787,665) is charged as security for the credit facility mentioned in Note 21.

7. GOODWILL

	Group	
	2010 RM	**2009 RM**
At 1 January/31 December	551,552	551,552

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to the following business segments as independent CGUs:

	Group	
	2010 RM	**2009 RM**
Property development	551,552	551,552

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

(i) Key assumptions used

The recoverable amount of a CGU is determined based on higher of fair value less costs to sell and value-in-use. The value-in-use calculations are based on the discounted net cash projections based on financial budgets at a discount rate of 2% to 3.5% per annum above the lending banks' base lending rates (2009: 2% to 3.5% per annum above the lending banks' base lending rates).

(ii) Sensitivity analysis

With regard to the assessment of value-in-use and fair value less cost to sell, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amounts of the units to be materially below their carrying amounts.

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2010 RM	2009 RM
Unquoted shares		
At cost	49,982,791	37,982,791
Less: Impairment losses	(21,866,294)	(21,866,294)
	28,116,497	16,116,497

Details of the subsidiary companies are as follows:

Name of subsidiary companies	Place of incorporation	Effective interest 2010	Effective interest 2009	Principal activities
Emico Penang Sdn. Bhd.	Malaysia	100%	100%	Manufacturing of original equipment manufacturer products, awards, trophy components, medallions, souvenir, gift items, furniture products and general trading
Emico Tools Sdn. Bhd.	Malaysia	100%	100%	Inactive
Emico Capital Sdn. Bhd.	Malaysia	100%	100%	Inactive
Emico Marketing Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and marketing of awards, trophy components, souvenir items and general trading
Emico Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding and property development

Name of subsidiary companies	Place of incorporation	Effective interest 2010	2009	Principal activities
Emico Newk Sdn. Bhd.*	Malaysia	100%	100%	Inactive
Emico (Vietnam) Co. Ltd.*	Vietnam	100%	100%	Manufacturing of plastic products from plastic particles, plastic and metal souvenirs and household utensils
Mercu Tanah Langkawi Sdn. Bhd.	Malaysia	71%	71%	Investment holding
NEB Development Berhad	Malaysia	60%	60%	Investment holding company property development and provision of management services
Emico Creative Design Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiary of Emico Marketing Sdn. Bhd.				
Emico Melaka Sdn. Bhd.	Malaysia	51%	51%	Marketing of awards, trophy components and souvenir items and general trading
Emico Metalizing Sdn. Bhd.	Malaysia	100%	100%	Offering chroming services
Subsidiary of NEB Development Berhad				
NEB Pacific Sdn. Bhd.	Malaysia	60%	60%	Dormant
Unic Builders Sdn. Bhd.	Malaysia	60%	60%	Dormant
Subsidiary of Emico Penang Sdn. Bhd.				
Standard Trend Apparel Industries Sdn. Bhd.	Malaysia	53.3%	53.3%	Inactive
Emico Asia Sdn. Bhd.	Malaysia	100%	100%	Trading of houseware and furniture
Subsidiary of Mercu Tanah Langkawi Sdn. Bhd.				
Operasi Tembaga Sdn. Bhd.	Malaysia	49.7%	49.7%	Investment holding
Subsidiary of Operasi Tembaga Sdn. Bhd.				
PKB-Operasi Tembaga Sdn. Bhd.	Malaysia	39.8%	39.8%	Property development

* The financial statements of these companies are not audited by UHY, Malaysia.

As at 31 December 2010, all the shares held by the Company in NEB Development Berhad and Mercu Tanah Langkawi Sdn. Bhd. are charged as securities for the redeemable secured loan stocks.

9. INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2010 RM	2009 RM
Unquoted shares		
At cost	2,887,273	2,887,273
Share of post-acquisition results and reserves, net of dividend received	(1,197,923)	(1,378,046)
Less: Impairment losses	(4,800)	(4,800)
	1,684,550	1,504,427

The Group's interest in the associated companies is analysed as follows:

	Group	
	2010 RM	2009 RM
Share of net assets	1,678,752	1,498,629
Premium on acquisition	5,798	5,798
	1,684,550	1,504,427

The associated companies are as follows:

Associated companies	Place of incorporation	Effective interest 2010	Effective interest 2009	Principal activities
Panashiba Industries (M) Sdn. Bhd.	Malaysia	50%	50%	Investment holding
PT Panashiba Industries Indonesia*@	Republic of Indonesia	24.5%	24.5%	Inactive
Quanzhou Fuji-Sino Elevators Co. Ltd.*	People's Republic of China	20.9%	20.9%	Manufacturing, installing and maintaining lifts and escalators
Asian Elevator (M) Sdn. Bhd.*	Malaysia	24%	24%	Dormant
Jiangnan Escalator (M) Sdn. Bhd.*	Malaysia	18%	18%	Dormant

* The financial statements of these associated companies are not audited by UHY, Malaysia.

@ PT Panashiba Industries Indonesia is formed as a joint venture company on 1 April 1997 in Indonesia. The result of the operations of this associated company have not been equity accounted for in the consolidated financial statements as it had ceased operations and has not recommenced operations.

The summarised unaudited financial information of an associate, Quanzhou Fuji-Sino Elevators Co. Ltd is as follows:

	Group	
	2010	**2009**
	RM	**RM**
Total assets	37,729,653	22,960,258
Total liabilities	32,911,192	18,658,797
Revenue	18,847,055	12,522,285
Profit for the financial year	694,526	226,710

10. OTHER INVESTMENTS

	Group	
	2010	**2009**
	RM	**RM**
Unquoted shares in Malaysia, at cost	57,500	57,500
Less: Allowance for diminution in value of investments	(57,500)	(57,500)
	0	0

11. PROPERTY DEVELOPMENT PROJECTS

	Group			
	2010		2009	
	Non-current assets RM	Current assets RM	Non-current assets RM	Current assets RM
At 1 January				
- Freehold land	10,024,399	3,313,515	9,778,660	3,990,636
- Development costs	18,974,267	28,048,305	18,690,672	28,182,531
	28,998,666	31,361,820	28,469,332	32,173,167
Cost incurred/(reversed) during the financial year:				
- Development costs	89,573	6,828,587	0	7,107,753
- Eliminated due to completion of project	0	(8,219,242)	0	(7,389,765)
- Transfer to inventories	0	(5,928,189)	0	0
	89,573	(7,318,844)	0	(282,012)
Costs recognised in profit or loss:				
1 January	0	(9,101,999)	0	(8,745,999)
Recognised during the financial year	0	(5,932,001)	0	(6,324,000)
Eliminated due to completion of project	0	8,219,000	0	5,968,000
Foreseeable loss	0	(786,000)	0	(786,000)
31 December	0	(7,601,000)	0	(9,887,999)
Transfer of non-current assets (to)/from current assets of property development costs:				
- Freehold land	(154,078)	154,078	245,739	(245,739)
- Development costs	(167,995)	167,995	628,126	(628,126)
	(322,073)	322,073	873,865	(873,865)
At 31 December	28,766,166	16,764,049	29,343,197	21,129,291

The property development costs at end of the financial year are analysed as follows:

	Group			
	2010		2009	
	Non-current assets RM	Current assets RM	Non-current assets RM	Current assets RM
Freehold land, at cost	9,870,321	3,467,593	10,024,399	3,990,636
Development costs	18,895,845	13,296,456	19,318,798	17,138,655
	28,766,166	16,764,049	29,343,197	21,129,291

The freehold land of certain subsidiary companies with a total carrying value of RM11,133,013 (2009: RM11,810,133) are charged as security for the redeemable secured loan stocks issued by the Company as mentioned in Note 20. The fair value of the stated properties in the Group are based on valuation by Rahim & Co.

12. DEFERRED TAX ASSETS

	Group	
	2010 RM	2009 RM
At 1 January	278,400	278,400
Recognised in profit or loss	(62,800)	0
At 31 December	215,600	278,400

The deferred tax assets are in respect of the unused tax losses.

The estimated amount of net deferred tax assets calculated at the applicable tax rate which have not been recognised in the financial statements are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Property, plant and equipment	(213,400)	(194,900)	0	0
Allowance for inventory obsolescence	50,600	50,700	0	0
Others	15,800	14,200	0	0
Unused tax losses	12,262,294	6,065,000	925,800	929,700
	12,115,294	5,935,000	925,800	929,700

13. INVENTORIES

	Group	
	2010 RM	2009 RM
At cost		
Raw materials	1,516,282	1,073,869
Work-in-progress	1,156,692	1,184,346
Finished goods	4,986,165	3,899,124
Developed properties	9,602,160	7,091,694
	17,261,299	13,249,033

The cost of inventories of the Group recognised as an expense during the year was RM52,802,921 (2009: RM49,686,660).

14. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade receivables	11,367,980	15,775,058	0	0
Less: Impairment loss	(1,986,204)	(5,197,831)	0	0
	9,381,776	10,577,227	0	0
Non-trade receivables	2,302,346	4,364,741	0	0
Less: Impairment loss	(12,852)	(1,218,708)	0	0
	2,289,494	3,146,033	0	0
Amount owing by subsidiary companies	0	0	58,242,228	75,068,928
Less: Impairment loss	0	0	(16,768,874)	(33,768,874)
	0	0	41,473,354	41,300,054
Amount owing by associated companies	127,607	127,607	0	0
Less: Impairment loss	(127,607)	(127,607)	0	0
	0	0	0	0
Amount owing by related parties	483,953	42,873	0	0
Amount owing by a Director	0	56,000	0	0
Deposits	683,958	554,931	1,000	1,000
Prepayments	125,706	119,171	0	27,500
Accrued billings in respect of property development	0	369,623	0	0
	12,964,887	14,865,858	41,474,354	41,328,554

The credit period granted on sale of goods and services rendered ranges from 30 to 120 days (2009: 30 to 120 days) while the credit period for purchases of properties is 21 to 90 days (2009: 21 to 90 days).

Amount owing by subsidiary companies arose mainly from transfer of bank borrowings from subsidiary companies pursuant to the debt restructuring scheme of the Group implemented in 2004 and unsecured advances which are non-interest bearing and are repayable upon demand.

The amount owing by related parties are trade in nature, unsecured, non-interest bearing and are repayable upon demand.

The amount owing by associated companies arose mainly from advances which are unsecured, non-interest bearing and are repayable upon demand.

The amount owing by a Director arose from housing loan and car loan given to Directors which were unsecured, non-interest bearing and was repayable upon demand.

The related parties are companies in which certain directors and shareholders are connected to certain directors of the Company.

Ageing analysis of trade receivables

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

	Group	
	2010	**2009**
	RM	**RM**
Neither past due nor impaired	7,800,185	7,838,047
1 to 30 days past due not impaired	462,770	432,912
31 to 60 days past due not impaired	655,218	524,891
61 to 90 days past due not impaired	413,888	290,331
More than 90 days past due not impaired	49,715	1,491,046
	9,381,776	10,577,227
Impaired	1,986,204	5,197,831
	11,367,980	15,775,058

Trade 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 and the Company.

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,581,591 (2009: RM2,739,180) respectively that are past due at the reporting date but not impaired.

Stakeholders' fund represents monies paid by purchasers of development properties which are held by solicitors and would be released to the Company upon expiry of defective period.

Non-trade receivables of the Group and of the Company comprise mainly payment of expenses made on behalf of certain third parties.

The currency exposure profile of receivables, deposits and prepayments is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	8,566,119	9,888,019	41,474,354	41,328,554
United States Dollar ("USD")	3,501,423	3,927,615	0	0
Chinese Yuan ("CNY")	39,116	20,038	0	0
Singapore Dollar ("SGD")	4,450	79,954	0	0
Euro Dollar ("EURO")	461	0	0	0
Vietnamese Dong ("VND")	853,318	950,232	0	0
	12,964,887	14,865,858	41,474,354	41,328,554

15. FIXED DEPOSITS WITH A LICENSED BANK

Fixed deposits of the Group and of the Company which have been pledged are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Pledged as security for banking facilities granted to a subsidiary company	521,190	470,156	0	0

The effective annual rates of fixed deposits with licensed banks of the Group range from 2.5% to 3.0% (2009: 2.5% to 3.7%) per annum.

16. CASH AND BANK BALANCES

Included in the cash and bank balances is an amount of RM2,935,529 (2009: RM1,187,382) maintained under the Housing Development Account pursuant to the Housing Development (Housing Development Account) Regulations 1991.

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	3,887,482	2,075,956	32,544	17,537
United States Dollar	693,672	965,029	0	0
European Euro	282,064	215,118	0	0
Hong Kong Dollar	1,517	437	0	0
British Pound	356	0	0	0
Chinese Yuan	1,320	2,994	0	0
Thai Baht	48	48	0	0
Vietnamese Dong	51,196	188	0	0
Singapore Dollar	92	0	0	0
	4,917,747	3,259,770	32,544	17,537

17. SHARE CAPITAL

	Group/Company	
	2010 RM	2009 RM
Authorised		
Ordinary shares of RM1 each	150,000,000	150,000,000
Issued and fully paid		
Ordinary shares of RM1 each:		
At 1 January	95,926,521	52,785,921
Increased during the financial year	0	43,140,600
At 31 December	95,926,521	95,926,521

On 1 December 2003, 11,130,000 detachable warrants were granted by the Company to the subscribers of the rights shares. The warrants may be exercised at any time after the issue date but not later than 5.00 p.m. on 1 December 2013. Each warrant entitles its registered holder, at any time during the exercise period of the warrants, to subscribe for one new ordinary share. The exercise price of each warrant is fixed at RM1 payable in cash for each new ordinary share of RM1 each in the Company. As at 31 December 2010, none of the 11,130,000 warrants were exercised to subscribe for new ordinary shares.

18. IRREDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("ICSLS") [2009 ONLY]

On 24 May 2004, the Company issued 451,537 units of 4% 5 year ICSLS at nominal value of RM100 per 4% ICSLS at an issue price of RM88.59 to its Scheme Lenders pursuant to the Debt Restructuring Scheme implemented.

The principal terms of the ICSLS are as follows:

i) Conversion rights - each holder of the ICSLS shall have the right to convert the ICSLS into fully paid-up new ordinary shares of RM1 each in the Company based on the conversion ratio at any time during the conversion period of five years commencing from the date of issue;

ii) Conversion ratio - one new ordinary share of RM1 in the Company issued as fully paid-up for every theoretical value of ICSLS at the conversion price of RM1;

iii) The theoretical value of the 4% ICSLS at the following anniversary date of the issue of the 4% ICSLS are tabulated below:

Anniversary date	Nominal value per 4% ICSLS	Theoretical value per 4% ICSLS
	RM	RM
First	100.00	89.90
Second	100.00	91.30
Third	100.00	92.77
Fourth	100.00	94.34
Fifth	100.00	100.00

iv) The ICSLS bears a fixed coupon rate of 4% per annum and is payable annually in arrears; and

v) The new ordinary shares to be allotted and issued upon conversion of the ICSLS will rank pari passu in all aspects with the existing ordinary shares of the Company except that they will not rank for any dividends, rights, allotment or other distributions, declared, made or paid prior to the allotment of the shares.

The ICSLS and the redeemable secured loan stocks mentioned in Note 20 are secured by certain property, plant and equipment of the subsidiary companies, certain properties of the subsidiary companies and all the shares held by the Company in NEB Development Berhad and Mercu Tanah Langkawi Sdn. Bhd..

The ICSLS have been presented as a compound instrument which comprises both an equity and a liability component. At the reporting date, the carrying amount of each component is as follows:

	Group/Company 2009 RM
ICSLS (Equity Component):	
At 1 January	40,448,421
Converted into ordinary shares during the financial year	(43,140,600)
Transfer from liability component to equity component due to reduction in interest obligation	1,736,220
Increase in ICSLS theoretical value	955,959
At 31 December	0
ICSLS (Liability Component):	
At 1 January	1,736,220
Transfer from liability component to equity component due to reduction in interest obligation	(1,736,220)
At 31 December	0
Total	0

19. RESERVES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Non-distributable as cash dividends:				
Share premium	7,736,782	7,736,782	7,736,782	7,736,782
Exchange reserve	(1,175,136)	(733,743)	0	0
	6,561,646	7,003,039	7,736,782	7,736,782

Share premium of the Group and of the Company arose from allotments of ordinary shares at premium.

Exchange reserve of the Group is used to record exchange differences arising on translation of the financial statements of foreign operations as described in the accounting policies.

20. REDEEMABLE SECURED LOAN STOCKS ("RSLS")

On 24 May 2004, the Company issued 840,001 units of 4% 5 year RSLS at nominal value of RM100 per 4% RSLS at an issue price of RM81.31 to its Scheme Lenders pursuant to the Debt Restructuring Scheme implemented.

The principal terms of the RSLS are as follows:

(i) Convertibility - the RSLS would be fully redeemed and not convertible into new shares of the Company;

(ii) The RSLS bear a fixed coupon rate of 4% per annum and is payable annually in arrears; and

(iii) The RSLS may be redeemable in part or in full at the option of the Company from the date of issuance. Any RSLS not redeemed within one year from the date of issuance will be redeemed by the Company pro-rated among the holders of the RSLS as follows:

Anniversary date	Nominal value	Redemption value	Redemption price
	RM	RM	RM per 4% RSLS
First	0	0	83.81
Second	13,870,000	12,000,000	86.52
Third	22,362,000	20,000,000	89.44
Fourth	21,600,000	20,000,000	92.59
Fifth	26,168,000	26,168,000	100.00
	84,000,000	78,168,000	

The securities on the RSLS are disclosed in Note 18.

The movements of the RSLS during the financial year are as follows:

	Group/Company 2010 RM	Group/Company 2009 RM
At 1 January	35,711,600	35,552,039
Redemption during the financial year	(2,565,000)	900,000
Increase in RSLS redemption price	0	1,059,561
At 31 December	33,146,600	35,711,600

21. LOANS AND BORROWINGS

	Group	
	2010	**2009**
	RM	**RM**
Short term		
Secured:		
Bank overdrafts	66,781	66,518
Trust receipts	919,612	699,127
Hire purchase payables (Note 22)	134,156	158,591
Term loans	206,050	228,652
Other borrowings	680,486	1,066,090
	2,007,085	2,218,978
Long term		
Secured:		
Hire purchase payables (Note 22)	142,507	271,778
Term loans	34,293	266,706
	176,800	538,484
Total loans and borrowings		
Bank overdrafts	66,781	66,518
Trust receipts	919,612	699,127
Hire purchase payables (Note 22)	276,663	430,369
Term loans	240,343	495,358
Other borrowings	680,486	1,066,090
	2,183,885	2,757,462

The non-current portion of term loans is repayable as follows:

- later than 1 year but not later than 5 years	34,293	266,706

The currency exposure profile of loans and borrowings is as follows:

	Group	
	2010	**2009**
	RM	**RM**
Ringgit Malaysia	1,263,056	1,196,014
Vietnam Dong	920,829	1,561,448
	2,183,885	2,757,462

The secured loans and borrowings of the Group are secured over a pledge of short-term deposit, charges over certain or entire assets of the subsidiary companies and are further guaranteed by the Company.

The Group's bank overdrafts and trust receipts bear interest at 2.00% (2009: 2.00%) per annum above the banks' base lending rates. The Group's other borrowings represents a restructured loan to be settle by way of fixed instalments with no further interest charge.

The term loans bear interest rate of 3.50% (2009: 3.50%) per annum above the banks' base lending rates with a minimum rate of 7.00% per annum.

The effective interest rates per annum as at the reporting date for the Group are as follows:

	Group	
	2010	2009
	%	%
Bank borrowings	10.50	10.50
Bank overdrafts	8.30	7.55
Trust receipts	8.30	7.55
Term loans	8.30	7.00

22. HIRE PURCHASE PAYABLES

	Group	
	2010	2009
	RM	RM
Representing hire purchase liabilities		
- current	134,156	158,591
- non-current	142,507	271,778
	276,663	430,369
Hire purchase liabilities:		
Minimum hire purchase repayments		
- not later than 1 year	143,951	171,972
- later than 1 year but not later than 5 years	149,039	292,993
	292,990	464,965
Future finance charges on hire purchase	(16,327)	(34,596)
Present value of hire purchase liabilities	276,663	430,369
Present value of hire purchase liabilities		
- not later than 1 year	134,156	158,761
- later than 1 year but not later than 5 years	142,507	271,778
	276,663	430,539

The hire purchase payables bear interest at the rate of 2.44% to 4.37% (2009: 2.30% to 7.15%) per annum.

The hire purchase payables are secured by the financial institutions' charges over the assets under hire purchase.

23. DEFERRED TAX LIABILITIES

The movement of deferred tax liabilities is as follows:

	Group	
	2010 RM	2009 RM
At 1 January	580,069	568,518
Recognised in profit or loss (Note 31):		
- property, plant and equipment	(12,300)	0
- reversal of deferred tax liability on revaluation surplus arising from the change in tax rates	0	6,500
- deferred tax liabilities recognised during the financial year	1,000	0
- (over)/underprovision in respect of prior year	(76,200)	17,000
- crystallisation of deferred tax liability on revaluation surplus	(36,688)	(11,949)
At 31 December	455,881	580,069

The deferred tax liabilities are in respect of the following:

Property, plant and equipment	91,200	178,700
Revaluation surplus of revalued properties	364,681	401,369
	455,881	580,069

24. PAYABLES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade payables	11,425,343	9,423,780	0	0
Non-trade payables	5,008,504	5,377,994	614,118	521,888
Amount owing to subsidiary companies				
- non-trade	0	0	9,568,012	9,569,689
Amount owing to Directors	222,100	184,732	0	0
Amount owing to related parties				
- trade	0	30,000	0	0
- non-trade	5,323,231	6,007,087	207,879	307,879
Progress billing in respect of property development costs	278,516	925,855	0	0
Deposit received	32,420	3,750	0	0
Accruals	6,208,316	6,387,294	1,395,087	1,514,521
	28,498,430	28,340,492	11,785,096	11,913,977

Trade payables comprise amounts outstanding for trade purchases and construction related costs. The credit period granted to the Group ranges from 30 to 150 days (2009: 30 to 150 days).

The amounts owing to subsidiary companies and related parties are unsecured, non-interest bearing and are repayable upon demand.

The amount owing to Directors is unsecured, non-interest bearing and is repayable upon demand.

The related parties are companies in which certain Directors of the Group and their family members have significant financial and controlling interests.

The currency exposure profile of payables is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Ringgit Malaysia	25,306,952	26,347,152	11,785,096	11,913,977
United States Dollar	557,621	113,515	0	0
Chinese Yuan	5,122	7,948	0	0
Vietnamese Dong	2,496,661	1,496,973	0	0
European Euro	75	239,936	0	0
Japanese Yen ("JPY")	7,701	0	0	0
Hong Kong Dollar	124,298	125,321	0	0
Swedish Krona	0	9,647	0	0
	28,498,430	28,340,492	11,785,096	11,913,977

25. REVENUE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Sales of goods	53,054,380	51,166,807	0	0
Revenue from property development activities	11,518,980	9,746,408	0	0
Chroming services rendered	156,441	260,233	0	0
Management services rendered	0	0	240,000	240,000
	64,729,801	61,173,448	240,000	240,000

26. INTEREST INCOME

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest income from:				
Loans and receivables	9,987	0	0	0
House buyer	125,372	147,098	0	0
Financial institutions	83,579	71,064	276	4,142
	218,938	218,162	276	4,142

27. OTHER INCOME

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Allowance for foreseeable loss no longer required	0	552,000	0	0
Reversal of allowance for slow moving inventories	5,573	0	0	0
Compensation received	700	0	0	0
Forfeiture income	188,950	685,869	0	0
Gain on disposal of investment property and prepaid leasehold land	2,816,173	0	0	0
Gain on disposal of property, plant and equipment	45,997	18,317	0	0
Insurance claim	11,555	0	0	0
Other income	29,029	8,400	0	0
Overprovision of accrued expense	10,400	9,639	0	0
Realised gain on foreign exchange	122,128	199,101	0	0
Rental received from machinery	138,000	180,000	0	0
Rental received from premises	275,936	324,000	0	0
Reversal of impairment loss	1,140	48,321	17,000,000	34,135
Reversal of allowance for slow moving inventories	5,572	0	0	0
	3,651,153	2,025,647	17,000,000	34,135

28. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Contributions to employees' provident fund	388,899	313,281	17,640	12,240
Other employee benefits expense	6,471,656	5,106,619	244,423	176,648
	6,860,555	5,419,900	262,063	188,888

Included in employee benefits expense are Directors' remuneration as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive Directors of the Company:				
Fee	30,000	15,000	30,000	15,000
Contributions to employees' provident fund	58,680	36,000	17,640	12,240
Other emoluments	493,145	301,593	147,398	102,398
Non-executive Directors of the Company:				
Fee	27,000	20,000	27,000	20,000
Other emoluments	15,750	15,250	15,750	15,250
Executive Directors of the subsidiaries:				
Contributions to employees' provident fund	15,156	11,520	0	0
Other emoluments	127,097	108,797	0	0
	766,828	508,160	237,788	164,888

29. FINANCE COSTS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest on loan stock	1,412,160	1,939,099	1,412,160	1,939,099
Interest on loans and borrowings	69,737	79,105	0	0
Interest on term loans	169,025	140,746	0	0
Interest on hire purchase	18,269	25,496	0	0
Interest on others	199,196	19,307	186,034	57
	1,868,387	2,203,753	1,598,194	1,939,156

30. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit/(Loss) before tax is arrived at after charging:				
Allowance for slow moving inventories	0	43,416	0	0
Impairment loss				
- trade receivables	396,242	301,786	0	0
- non-trade receivables	12,852	0	0	0
Audit fee				
- current year	98,336	98,637	23,000	23,000
Bad debts written off	0	1,900	0	0
Depreciation and amortisation	2,176,004	2,134,158	0	0
Loss on foreign exchange				
- unrealised	174,076	18,644	0	0
- realised	194,521	188,825	0	0
Loss on disposal of property, plant and equipment	99,946	0	0	0
Property, plant and equipment written off	3,741	18,980	0	0
Rental of:				
- premises	340,050	373,336	0	0
- equipment	7,344	2,388	0	0
- server space	2,400	0	0	0
- machinery	2,760	0	0	0

31. TAXATION

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
The major components of the tax expense are:				
Current tax expense based on profit for the year	30,400	22,500	0	0
Underprovision of taxation in respect of prior years	154,051	644,207	0	0
	184,451	666,707	0	0
Deferred tax expense (Note 23):				
- relating to origination and reversal of temporary differences	51,500	32,900	0	0
- (over)/underprovision in respect of prior year	(76,200)	17,000	0	0
- crystallisation of deferred tax liability on revaluation surplus	(36,688)	(11,949)	0	0
	123,063	704,658	0	0

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Reconciliation of tax expense and accounting profit/(loss):				
Accounting profit/(loss) before tax	1,327,894	2,102,321	14,854,688	(2,503,165)
Tax at the applicable tax rate of 25%	332,000	525,580	3,713,700	(625,800)
Tax effect of :				
- expenses not deductible for tax purposes	5,075,600	952,331	555,300	693,100
- income not subject to tax	(4,970,700)	(647,300)	(4,250,000)	(8,500)
- different tax rate	(1,200)	(5,500)	0	0
Underprovision of taxation in respect of prior years	154,051	644,207	0	0
Permanent loss not recognised during the year	88,400	90,140	0	200
Utilisation of deferred tax assets not recognised in prior year	(478,888)	(871,800)	(19,000)	(59,000)
(Over)/Underprovision of deferred taxation in respect of prior years	(76,200)	17,000	0	0
Tax expense for the financial year	123,063	704,658	0	0

The Malaysian Budget 2008 introduced a single tier income tax system with effect from year of assessment 2008. Companies without Section 108 tax credit will automatically move to the new single tier dividend system on 1 January 2008 whilst companies with tax credit are given an irrevocable option to elect for a switch to the new system during the transitional period of six years. All the companies will be in the new system on 1 January 2014. Under the new system, tax on profits of companies is a final tax and dividend distributed will be exempted from tax in the hands of the shareholders. The Company did not elect for the irrevocable option to switch to the new system.

Subject to agreement by the Inland Revenue Board, the Company has unabsorbed tax losses which may be utilised to offset against future taxable income of the Company as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Unabsorbed tax losses	22,162,748	25,249,048	3,627,000	3,719,000
Unused tax capital allowances	590,800	583,100	0	0

32. BASIC EARNING PER SHARE

	Group	
	2010 RM	2009 RM
Profit attributable to equity holders of the Company	1,053,856	1,254,393

	Group	
	2010 Units	2009 Units
Number of ordinary shares issue as at 1 January	95,926,521	52,785,921
Effect of share issue during the year	0	26,357,134
Weighted average number of ordinary shares in issue	95,926,521	79,143,055
Basic earnings per share (sen)	1.10	1.58

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

33. RELATED PARTY BALANCES AND TRANSACTIONS

Significant transactions between the Group and the Company with related parties during the financial year were as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
With subsidiary companies:				
Management fee received				
Emico Development Sdn. Bhd.	0	0	120,000	240,000
Emico Asia Sdn. Bhd.	0	0	120,000	0
With other related parties				
Purchases:				
Century Plas Industries Sdn. Bhd.	7,043,266	6,667,608	0	0
U-Can Marketing Sdn. Bhd.	143,860	206,626	0	0
Sales:				
Century Plas Industries Sdn. Bhd.	4,643,014	4,274,575	0	0
U-Can Marketing Sdn. Bhd.	2,223	6,556	0	0
Project management fees paid				
Emiglow Ventures (M) Sdn. Bhd.	0	60,000	0	0
Rental of machinery received:				
Century Plas Industries Sdn. Bhd.	138,000	180,000	0	0
Rental of premises received:				
Century Plas Industries Sdn. Bhd.	120,000	120,000	0	0
Rental premises paid and payable:				
Beng Choo Marketing Sdn. Bhd.	324,000	324,000	0	0
Project coordination & supervision charges paid:				
Emiglow Ventures (M) Sdn. Bhd.	60,000	60,000	0	0
Rental paid and payable:				
Mr. Tan Chin Peng, a director of a subsidiary company	13,316	22,828	0	0

The Directors are of the opinion that the above transactions were entered into in the normal course of business and have been determined based on terms negotiated and agreed between the parties.

The related parties are companies in which certain Directors of the Group and their family members have significant financial and controlling interests.

34. DIRECTORS' BENEFIT-IN-KIND

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Estimated cash value of benefits-in-kind provided to directors	34,525	34,525	0	0

35. CONTINGENT LIABILITY

	Company	
	2010 RM	2009 RM
Corporate guarantee extended to local banks and creditors for credit facility granted to and utilised by the subsidiary companies	1,608,000	2,018,000

36. OPERATING LEASE ARRANGEMENTS

The Group has entered into an operating lease agreement for the use of land and premises for a lease term of 44 years.

The future aggregate minimum lease payments under operating leases contracted for as at reporting date but not recognised as liabilities are as follows:

	Group	
	2010 RM	2009 RM
Not later than 1 year	97,960	108,705
Later than 1 year but not later than 5 years	391,838	434,820
Later than 5 years	2,963,277	3,397,027
	3,453,075	3,940,552

37. FINANCIAL INSTRUMENTS

The categories of financial instruments are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Financial Assets				
Trade receivables	9,381,776	10,577,227	0	0
Non-trade receivables	2,289,494	3,146,033	0	0
Amount owing by subsidiary companies	0	0	41,473,354	41,300,054
Amount owing by related parties	483,953	42,873	0	0
Amount owing by a Director	0	56,000	0	0
Deposits	683,958	554,931	1,000	1,000
Accrued billings in respect of property development	0	369,623	0	0
Fixed deposits with licensed banks	821,190	790,156	0	0
Cash and bank balances	4,917,747	3,259,770	32,544	17,537
	18,578,118	18,796,613	41,506,898	41,318,591
Financial liabilities carried at amortised cost				
Payables	28,498,430	28,340,492	11,785,096	11,913,977
Redeemable secured loan stocks	33,146,600	35,711,600	33,146,600	35,711,600
Loans and borrowings	2,183,885	2,757,462	0	0
	63,828,915	66,809,554	44,931,696	47,625,577

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group's overall financial risk management program seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue any derivative financial instruments.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(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's exposure to credit risk arises principally from its trade receivables.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any trade receivables having significant past dues, are deemed to have higher credit risk, are monitored individually.

There exist concentration of credit risk in respect of one trade receivable which is based in United Kingdom. The amount outstanding from this receivable represents 22% of the Group's trade receivables. Management believes that the financial standing of this customer substantially mitigates the Group's exposure to credit risk. In addition, the sales to this customer are covered by export shipment insurance from a local bank.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

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.

	Group As at 31.12.2010 RM		
	On demand or within one year	**One to five years**	**Total**
Group			
Financial liabilities:			
Payables	28,498,430	0	28,498,430
Redeemable secured loan stocks	33,146,600	0	33,146,600
Loans and borrowings	2,007,085	176,800	2,183,885
Total undiscounted financial liabilities	63,652,115	176,800	63,828,915

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate. Interest rates of loans and borrowings are mainly subject to fluctuations in the banks' base lending rates.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been approximately RM9,500 higher/lower, arising mainly as a result of lower/higher interest expense on loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily USD.

There is no formal hedging policy in respect of foreign currency exposure. Exposure in foreign currency is monitored on an ongoing basis and the endeavours to keep the net exposure at an acceptable level.

The Group's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

	Denominated in USD RM
Trade receivables	3,501,423
Cash and cash equivalents	693,672
Trade payables	(557,621)
	3,637,474

Sensitivity analysis for foreign currency risk

A 10% strengthening of the Ringgit Malaysia against the USD at the end of the reporting period would have decreased profit net of tax by approximately RM364,000. The opposite apply if the Ringgit Malaysia weaken by 10% against the USD.

39. CAPITAL MANAGEMENT

Our objectives and policies of managing capital are to safeguard the Group's ability to continued in its operations as going concern in order to provide fair returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust/vary the dividend payouts to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

For capital management purposes, the Group considers shareholders' equity and borrowings to be the key components in the Group capital structure. The Group monitors capital on the basis of gearing ratio. The Group include within net debt, loans and borrowings less fixed deposits with a licensed bank and cash and bank balances. The Group's strategy is to maintain a gearing ratio of below 50%. There were no changes in the Group's approach to capital management during the financial year. The debts-to-equity as at 31 December 2010 and 31 December 2009 were as follows:

		Group	
		2010	**2009**
	Note	**RM**	**RM**
Loans and borrowings	21	2,183,885	2,757,462
Less:			
Cash and bank balances		(4,917,747)	(3,259,770)
Fixed deposits with a licensed bank		(821,190)	(790,156)
Net debts		(3,555,052)	(1,292,464)
Total equity		26,820,809	26,208,346
Debts-to-equity ratio (%)		-13.25%	-4.93%

40. SEGMENTAL REPORTING

(a) Business Segments

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

(i) Investment holding

(ii) Consumable products - Manufacturing and trading of consumable products.

(iii) Property development - Development of land into residential and commercial building.

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profit which, in certain respects as explained in the table below, is measured differently from operating profit in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidation financial statements.

A Inter-segment revenues are eliminated on consolidation.

B The following item is deducted from segment profit to arrive at "Profit before tax" presented in the consolidation statement of comprehensive income:

	2010 RM	2009 RM
Finance cost	(1,868,387)	(2,203,753)

C Addition to non-current assets consist of:

	2010 RM	2009 RM
Property, plant and equipment (Note 5)	2,523,250	2,274,917

D The following item is added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2010 RM	2009 RM
Goodwill on acquisition	551,552	551,552

	Consumable products RM	Property development RM	Investment holding RM	Elimination RM	Note	Group RM
2010						
Revenue:						
External sales	53,210,821	11,518,980	0	0		64,729,801
Inter-segment	9,350,158	0	240,000	(9,590,158)	A	0
Total revenue	62,560,979	11,518,980	240,000	(9,590,158)		64,729,801
Results:						
Interest income	20,354	198,308	276	0		218,938
Share of profit of associated companies	0	180,123	0	0		180,123
Depreciation and amortisation	1,931,767	242,983	1,254	0		2,176,004
Other non-cash expenses	586,911	0	0	0		586,911
Segment profit/(loss)	3,247,521	224,007	(2,143,634)	0	B	1,327,894
Assets:						
Investment in associated companies	0	1,684,550	0	0		1,684,550
Additions to non-current assets	2,513,854	9,396	0	0	C	2,523,250
Segment assets	30,596,259	66,283,269	3,095,637	551,552	D	100,526,717
Segment liabilities	14,218,552	15,189,412	35,992,293	0		65,400,257
2009						
Revenue:						
External sales	51,427,040	9,746,408	0	0		61,173,448
Inter-segment	6,946,088	0	240,000	(7,186,088)	A	0
Total revenue	58,373,128	9,746,408	240,000	(7,186,088)		61,173,448
Results:						
Interest income	12,115	201,905	4,142	0		218,162
Share of loss of associated companies	0	(97,856)	0	0		(97,856)
Depreciation and amortisation	1,892,538	240,369	1,251	0		2,134,158
Other non-cash expenses	364,451	12,833	7,442	0		384,726
Segment profit/(loss)	2,129,047	2,475,209	(2,501,935)	0	B	2,102,321
Assets:						
Investment in associated companies	0	1,504,427	0	0		1,504,427
Additions to non-current assets	2,169,778	105,139	0	0	C	2,274,917
Segment assets	31,746,167	66,620,130	3,900,286	551,552	D	102,818,135
Segment liabilities	12,929,069	16,045,851	39,480,193	0		68,455,113

(b) Geographical segments

The segmental financial information by geographical segments is not presented as the Group's activities are mainly carried out in Malaysia.

Non-current assets information based on the geographical location of the assets located are as follows:

	Non-current assets	
	2010 RM	2009 RM
Malaysia	44,863,007	45,776,643
Other Asian countries	2,878,959	3,654,810
	47,741,966	49,431,453

Non-current assets information presented consist of the following items as presented in the consolidated statement of financial position.

	2010 RM	2009 RM
Property, plant and equipment	12,118,245	12,553,859
Investment properties	4,405,853	5,200,018
Goodwill	551,552	551,552
Investment in associated companies	1,684,550	1,504,427
Property development projects	28,766,166	29,343,197
Deferred tax assets	215,600	278,400
	47,741,966	49,431,453

The segment revenue from external customer by geographical area based on the geographical location of its customers are as follows:

	2010 RM	2009 RM
Malaysia	27,497,666	21,863,835
Europe	31,449,172	33,240,969
Other countries	5,782,963	6,068,644
	64,729,801	61,173,448

41. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group as at 31 December 2010 into realised and unrealised profits is presented 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.

	2010	
	Group RM	**Company RM**
Total accumulated losses of the Company and its subsidiaries		
- realised	(97,865,027)	(76,297,704)
- unrealised	(240,281)	0
Total share of accumulated losses from associated companies		
- realised	(1,197,923)	0
Total before consolidation adjustment	(99,303,231)	(76,297,704)
Consolidation adjustments	23,635,873	0
Accumulated losses as per financial statements	(75,667,358)	(76,297,704)

Authorised Share Capital	:	RM150,000,000
Issued and Fully Paid Up Capital	:	RM95,926,521
Class of Shares	:	Ordinary shares of RM1 each
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

	No. of Shares Held		No. of Shareholders	
Size of Holdings	**Quantity**	**%**	**Number**	**%**
1 To 99	676	-	20	0.56
100 To 1,000	777,571	0.81	844	23.68
1,001 To 10,000	8,457,020	8.82	1 ,771	49.69
10,001 To 100,000	27,866,877	29.05	822	23.06
100,001 To 4,796,325 (*)	44,720,901	46.62	105	2.95
4,796,326 AND ABOVE (**)	14,103,476	14.70	2	0.06
Total	95,926,521	100.00	3,564	100.00

REMARK: * Less than 5% of issued shares
** 5% or more of issued shares

SUBSTANTIAL SHAREHOLDERS

		No. of Shares Held			
	Name	**Direct**	**%**	**Indirect**	**%**
1.	Lim Poh Hoon	112,000	0.12	18,955,242 #	19.76
2.	Lim Teik Hian	52,000	0.05	20,606,342 # ^	21.48
3.	Lim Teck Chye	1,211,630	1.26	17,855,612 #	18.62
4.	Lim Poh Leng	226,300	0.24	18,840,942 #	19.64
5.	ABB Nominee (Tempatan) Sdn Bhd Affin Bank Berhad	7,099,176	7.40	-	-
6.	CIMSEC Nominees (Tempatan) Sdn Bhd Danaharta Urus Sdn Bhd	7,004,300	7.30	-	-

Note :

\# *By virtue of their beneficial interest in the shares held by Mercsec Nominees (Tempatan) Sdn. Bhd., HDM Nominees (Tempatan) Sdn. Bhd., PM Nominees (Tempatan) Sdn. Bhd., Alliancegroup Nominees (Tempatan)Sdn. Bhd.,CIMSEC Nominees (Tempatan) Sdn. Bhd., AIBB Nominees (Tempatan) Sdn. Bhd.and Beng Choo Marketing Sdn. Bhd. for the substantial shareholders listed above. In addition it includes the deemed interest via their family members Lim Teik Hian (brother), Lim Poh Hoon (sister), Lim Teck Chye (brother) and Lim Poh Leng (sister).*

^ *By virtue of Chan Lay Li (spouse) direct interest.*

DIRECTORS' SHAREHOLDINGS

		No. of Shares Held			
	Name	**Direct**	**%**	**Indirect**	**%**
1.	Lim Teik Hian	52,000	0.05	20,606,342 # ^	21.48
2.	Lim Teck Chye	1,211,630	1.26	17,855,612 #	18.62
3.	Wong Sew Yun	895,859	0.93	-	-

DISTRIBUTION OF WARRANTS

Size of Holdings	No. of Warrants Held Quantity	%	No. of Warrantholders Number	%
1 To 99	1,934	0.02	42	3.44
100 To 1,000	392,222	3.52	549	44.96
1,001 To 10,000	1,842,926	16.56	443	36.28
10,001 To 100,000	5,678,130	51.02	172	14.09
100,001 To 556,499 (*)	3,214,788	28.88	15	1.23
556,500 AND ABOVE (**)	-	-	-	-
Total	11,130,000	100.00	1,221	100.00

REMARK: * Less than 5% of issued warrants
** 5% and above of issued warrants

DIRECTORS' WARRANTHOLDINGS

	Name	No. of Warrants Held Direct	%	Indirect	%
1.	Wong Sew Yun	263,488	2.37	-	-
2.	Lim Teik Hian	13,000	0.12	-	-

EMICO®

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Person)

	Name	No. of Shares	Percentage
1.	ABB Nominee (Tempatan) Sdn Bhd - Affin Bank Berhad	7,099,176	7.40
2.	CIMSEC Nominees (Tempatan) Sdn Bhd - Danaharta Urus Sdn Bhd	7,004,300	7.30
3.	PM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Teck Chye	4,683,300	4.88
4.	AIBB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Poh Leng	3,766,800	3.93
5.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Teck Chye	2,450,000	2.55
6.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pang Lan Yin	2,271,900	2.37
7.	Ooi Hock Heng	2,176,900	2.27
8.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Lim Poh Leng	1,997,000	2.08
9.	Beng Choo Marketing Sdn Bhd	1,964,212	2.05
10.	Chan Lay Li	1,591,100	1.66
11.	Lim Teck Chye	1,211,630	1.26
12.	Wong Sew Yun	895,859	0.93
13.	Hupson (B'worth) Sdn Bhd	791,000	0.82
14.	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Poh Leng	700,900	0.73
15.	Mercsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Beng Choo Marketing Sdn Bhd	692,600	0.72
16.	Thien Su On	667,300	0.70
17.	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Teck Chye	580,000	0.60
18.	Siah Gim Siew	519,000	0.54
19.	Mercury Industries Berhad	510,000	0.53
20.	Low Koon Seng	500,000	0.52
21.	Tok Hock Bang	500,000	0.52
22.	Beng Choo Marketing Sdn Bhd	437,000	0.46
23.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Numina Gem Sdn Bhd	431,500	0.45
24.	Pang Khip Kwek	413,000	0.43
25.	Kong Aliong @ Kong Foo Liong	409,000	0.43
26.	Chuah Tiong Pan	367,900	0.38
27.	Bank Perusahaan Kecil & Sederhana Malaysia Berhad	361,200	0.38
28.	Wong Yoke Yun	350,000	0.36
29.	Kee Ngeng Hong	332,100	0.35
30.	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Hupson (B'worth) Sdn Bhd	322,900	0.34
	Total	45,997,577	47.94

LIST OF TOP 30 WARRANTHOLDERS
AS AT 29 APRIL 2011

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Person)

	Name	No. of Shares	Percentage
1.	Rodzali bin Din	439,500	3.95
2.	Yeo Pow Choo	359,400	3.23
3.	Lee Ah Yew	340,000	3.05
4.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chai Choo Mee	295,500	2.65
5.	Wong Sew Yun	263,488	2.37
6.	Chai Choo Mee	259,700	2.33
7.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for AB Ghani bin Haji Mahmood	208,000	1.87
8.	Ong Lian Oeu	153,000	1.37
9.	Soo Lai Yin	141,200	1.27
10.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Swee Thaim	132,800	1.19
11.	Chua Jui Meng	131,600	1.18
12.	Gan Keng Meng	129,900	1.17
13.	Low Teong Hwa	127,000	1.14
14.	CIMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Giauw Yong Lee @ Giaw Yong Lee (Kuching)	125,700	1.13
15.	Kong Kee Sang	108,000	0.97
16.	Chua Jui Kiat	100,000	0.90
17.	HLG Nominee (Tempatan) Sdn Bhd - Hong Leong Bank for Phang Wai Keen	100,000	0.90
18.	SJ SEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Siew Mooi	100,000	0.90
19.	Tan Kong Beng	100,000	0.90
20.	Mercsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Li Li	94,000	0.84
21.	Ho Mee Yuong	90,000	0.81
22.	JF Apex Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mahalingam A/L Veluppillai	90,000	0.81
23.	Chu Mun Len @ Chu Lee Sen	87,000	0.78
24.	Idris bin Abdul Ghani	85,000	0.76
25.	Lim Suey Hock	84,000	0.75
26.	Tee Chai Lok	82,000	0.74
27.	Mercsec Nominees (Tempatan) Sdn Bhd - Mercury Securities Sdn Bhd	75,600	0.68
28.	Lee Fook On	73,500	0.66
29.	Leong Tak Hong	70,000	0.63
30.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Sing Ka Tong	69,000	0.62
	Total	4,514,888	40.55

Location	Tenure	Description / Existing Use	Land Area (sq ft)	Built-up Area (sq ft)	Age of Building (Years)	Net Book Value RM'000	Acquisition / Revaluation*
Plot 18 & 19 Kawasan Perindustrian Bayan Lepas, Mukim 12 Daerah Barat Daya, Pulau Pinang	60-years Leasehold Expiring 2046 and 2047 respectively	Land and factory buildings,warehouse and office for industrial use	81,350	116,847	19 to 26	4,955	1994*
Unit 2-5-9 Harbour Trade Centre, Lebuh Macallum, Pulau Pinang	99-years Leasehold Expiring 2089	Office unit for rental	-	2,031	16	218	1992
Taman Batik, Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	On-going mix development project	865,615	-	-	2,649	1996
HS(D) 773/97, PT 49753 Mk Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	On-going mix development project	2,694,949	-	-	7,940	1996
HS(D) 1/97, PT 48979 Mk Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	Vacant commercial land for future development	154,118	-	-	2,800	1997
Lot D-2, LOTECO Industrial Park, Route 15A, Long Binh, Bien Hoa, Dong Nai, Vietnam	44 years Leasehold Expiring 2046	Factory buildings and office for industrial use	97,204	79,591	8	396	2003
PT 296 to PT 432, Mukim Kuah, Daerah Langkawi, Kedah	99 years Leasehold Expiring 2095	On-going mix development project	877,861	-	-	2,205	1996
HS(D) 762/97, PT 49740 & HS(D) 763/97, PT 49741 Mk Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	Vacant commercial land for petrol station	66,930	-	-	1,388	2007
Geran 127391 & 127392 Bandar Sungai Petani, Daerah Kuala Muda, Kedah	Freehold	3 storey office building	2,800	7,394	3	869	2008

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be held at The Conference Room of Emico Holdings Berhad, 18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Monday, 27 June 2011, at 11.00 a.m. for the following purposes :-

AGENDA

As Ordinary Business :

1 To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Reports of Directors and Auditors thereon. **Please refer to Note 6**

2 To approve the increase of Directors' fees of RM5,000 and payment of Directors' fees for the financial year ended 31 December 2010. **Ordinary Resolution 1**

3 To re-elect the following Directors who retire by rotation in accordance with Article 80 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

i. Mr. Jimmy Ong Chin Keng **Ordinary Resolution 2**

ii. Mr. Lim Teik Hian **Ordinary Resolution 3**

4 To appoint auditors and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (set out in Appendix I attached to the 2010 Annual Report), has been received by the Company for the nomination of Messrs. BDO who have given their consent to act, for appointment as auditors and of the intention to propose the following resolution :

"That, Messrs. BDO be and are appointed as Auditors of the Company in place of the retiring Auditors, Messrs. UHY, to hold office until the conclusion of the next annual general meeting at remuneration to be determined by the Directors"

As Special Business :

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

5 **AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES** **Ordinary Resolution 5**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and 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, deemed 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 are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued."

6 **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING MADAM CHAN LAY LI** **Ordinary Resolution 6**

"THAT, approval be given to the Company and/or its subsidiary companies to enter into recurrent transactions of a revenue or trading nature as stated in Section 2.1 of the Circular to Shareholders dated 3 June 2011 ("Circular") involving Madam Chan Lay Li with related parties which are necessary for the day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders as set out in the Circular ("the Mandate").

THAT the Directors be empowered to do all such acts and things (including executing all such documents as may be required) as they may be considered expedient or necessary to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities AND THAT such Mandate shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next AGM of the Company following the passing of this ordinary resolution or the expiry of the period within which the next AGM is required by law to be held but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965 (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, whichever is earlier);

THAT disclosure will be made in the Annual Report of the Company of the aggregate value of Recurrent Related Party Transactions conducted pursuant to the Mandate during the financial year based on the following information :-

i) the type of Recurrent Related Party Transactions made; and
ii) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company."

7 **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING MR. LIM TECK CHYE, MADAM LIM POH LENG AND MADAM CHAN LAY LI** **Ordinary Resolution 7**

"THAT, approval be given to the Company and/or its subsidiary companies to enter into recurrent transactions of a revenue or trading nature as stated in Section 2.1 of the Circular to Shareholders dated 3 June 2011 ("Circular") involving Mr. Lim Teck Chye, Madam Lim Poh Leng and Madam Chan Lay Li with related parties which are necessary for the day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders as set out in the Circular ("the Mandate").

THAT the Directors be empowered to do all such acts and things (including executing all such documents as may be required) as they may be considered expedient or necessary to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities AND THAT such Mandate shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next AGM of the Company following the passing of this ordinary resolution or the expiry of the period within which the next AGM is required by law to be held but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965 (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, whichever is earlier);

THAT disclosure will be made in the Annual Report of the Company of the aggregate value of Recurrent Related Party Transactions conducted pursuant to the Mandate during the financial year based on the following information:-

i) the type of Recurrent Related Party Transactions made; and
ii) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company."

8 To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Joint Secretaries

Penang
3 June 2011

NOTES ON APPOINTMENT OF PROXY

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

2. For a proxy to be valid, the proxy form duly completed must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.

3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.

4. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportion of his shareholdings to be represented by each proxy.

5. If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.

EXPLANATORY NOTES ON ORDINARY BUSINESS

6. The Agenda 1 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 of the Company and hence, Agenda 1 is not put forward for voting.

7. Agenda 4 -Appointment of BDO as Auditors
   The Auditors, Messrs. UHY, retire and do not wish to seek re-appointment.

   The Directors have confirmed that there were no disagreements with Messrs. UHY on accounting treatments within the last 12 months and that there are no other circumstances connected with the change of auditors that should be brought to the attention of shareholders.

EXPLANATORY NOTES ON SPECIAL BUSINESS

8. The proposed Ordinary Resolution 5, if passed, will give the Directors of the Company authority to issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

   The general mandate for issue of shares is a renewal. As at the date of notice of meeting, no shares has been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company and of which, it will lapse at the conclusion of the 19th Annual General Meeting of the Company to be held on 27 June 2011.

   The general mandate for issue of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

9. The proposed Ordinary Resolution 6 and 7, if passed, will enable the Company and its subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of minority shareholders of the Company, particulars of which have been disclosed in the Circular to Shareholders dated 3 June 2011 which have been dispatched together with the Company's 2010 Annual Report.

10. 2010 Annual Report
    The 2010 Annual Report is in CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholder upon request within four (4) market days from the date of receipt of the verbal or written request.

    Shareholders who wish to receive the printed Annual Report, kindly contact Puan Nor Azimah Binti Bulat at telephone no. 03-2264 3883 or email your request to nor.azimah@my.tricorglobal.com

EMICO®

APPENDIX I

Lim Teck Chye
674-K Jalan Air Terjun
10350 Georgetown
Penang

Date : 01 Apr 2011

The Board of Directors
EMICO HOLDINGS BERHAD
51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

Dear Sirs,

EMICO HOLDINGS BERHAD ("THE COMPANY")
NOTICE OF NOMINATION OF MESSRS. BDO AS AUDITORS
I, being a shareholder of the Company, hereby give notice pursuant to Section 172(11) of the Companies Act, 1965 of my nomination of Messrs. BDO as Auditors of the Company in place of the retiring Auditors, Messrs. UHY and my intention to propose the following ordinary resolution at the forthcoming Annual General Meeting of the Company:-

"That Messrs. BDO be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. UHY, to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the Directors."

Yours faithfully,

LIM TECK CHYE

This page is left blank intentionally

PROXY FORM

EMICO HOLDINGS BERHAD
(Company No. 230326-D)
(Incorporated In Malaysia)

*I / We ____
(Full Name In Block Letters)

of ____
(Address)

being a *member / members of the above named Company, hereby appoint ____________________

____
(Full Name In Block Letters)

of ____
(Address)

or failing him, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf, at the Nineteenth Annual General Meeting of the Company to be held at The Conference Room of Emico Holdings Berhad, 18 Lebuhraya Kampung Jawa, 11900 Bayan Lepas, Penang on Monday, 27 June 2011 at 11.00 a.m. and at any adjournment thereof.

	ORDINARY RESOLUTION						
	1	2	3	4	5	6	7
FOR							
AGAINST							

Please indicate with an 'x' in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote or abstain from voting at his/her discretion.

Signed this .... day of .... ,2011

No. of shares held

....
Signature of Member(s)

Notes:

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply to the Company.
2. For a proxy to be valid, this form duly completed must be deposited at the Registered Office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportion of his shareholdings to be represented by each proxy.
5. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

** Strike out whichever is not desired.*

EMICO

EMICO HOLDINGS BERHAD (230326-D)

18, Lebuhraya Kampung Jawa, Bayan Lepas 11900, Penang, Malaysia
Tel: +60 4 644 3843 • Fax: +60 4 643 8563
Email: info@emico.com.my • www.emico.com.my