

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME FOR THE 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2011 RM'000	Preceding Year Corresponding Quarter 31.12.2010 RM'000	Current Year To date 31.12.2011 RM'000	Preceding Year Corresponding Period 31.12.2010 RM'000
Revenue	21,740	38,405	119,295	128,495
Cost of Sales	(22,338)	(35,549)	(108,517)	(104,795)
Gross (loss)/profit	(598)	2,856	10,778	23,700
Other operating income	780	1,917	3,213	742
General & administrative expenses	(7,180)	(3,289)	(17,448)	(14,313)
(Loss)/Profit from operations	(6,998)	1,484	(3,457)	10,129
Finance costs	(514)	(951)	(2,415)	(2,552)
(Loss)/Profit before tax	(7,512)	533	(5,872)	7,577
Tax income/(expense)	1,457	1,022	1,063	(752)
Net (loss)/profit for the year/period	(6,055)	1,555	(4,809)	6,825
Other Comprehensive income, net of tax				
Exchange gain / (loss) on translation of net investment in a foreign subsidiary company	(677)	(2,637)	1,929	(2,807)
Total Comprehensive income for the year/period	(6,732)	(1,082)	(2,880)	4,018
Gross (loss)/profit margin (%)	(2.75)	7.44	9.03	18.44
(Loss)/Profit after tax margin (%)	(27.85)	4.05	(4.03)	5.31
Weighted average number of shares ('000)	120,000	120,000	120,000	120,000
(Loss)/Earnings per ordinary share (sen)				
- Basic	(5.05)	1.30	(4.00)	5.69
- Diluted	(5.05)	1.30	(4.00)	5.69

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2011**

	<b>As at 31.12.2011 RM'000</b>	<b>As at 31.12.2010 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	95,364	81,650
Deferred tax assets	110	116
Goodwill on consolidation	-	25
Financial assets designated at fair value	364	356
	<hr/>	<hr/>
Total Non-Current Assets	95,838	82,147
<b>CURRENT ASSETS</b>		
Inventories	30,821	25,553
Trade receivables	21,353	34,530
Other receivables and prepaid expenses	5,685	4,564
Tax recoverable	1,552	82
Cash and bank balances	5,441	6,192
	<hr/>	<hr/>
Total Current Assets	64,852	70,921
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>160,690</b>	<b>153,068</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Share capital	60,000	60,000
Reserves	26,750	29,524
	<hr/>	<hr/>
Shareholders' Equity	86,750	89,524
<b>NON-CURRENT LIABILITIES</b>		
Term loans	26,491	13,703
Hire-purchase payables	5,223	8,185
Deferred tax liabilities	207	1,533
	<hr/>	<hr/>
Total Non-Current and Deferred Liabilities	31,921	23,421
<b>CURRENT LIABILITIES</b>		
Trade payables	8,903	10,038
Other payables and accrued expenses	5,247	5,710
Other bank borrowing	19,091	15,579
Term loans	3,768	2,635
Hire-purchase payables	5,010	6,161
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Total Current Liabilities	42,019	40,123
	<hr/>	<hr/>
Total Liabilities	73,940	63,544
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>160,690</b>	<b>153,068</b>
	<hr/>	<hr/>
Net assets per ordinary share (RM)	0.723	0.746

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2011**

	Share Capital <b>RM'000</b>	Other Reserves <b>RM'000</b>	Retained Profits <b>RM'000</b>	Total <b>RM'000</b>
As at 1 January 2011	60,000	(24,521)	54,045	89,524
Revaluation reserve	-	-	106	106
Total Comprehensive Income for the year	-	1,929	(4,809)	(2,880)
As at 31 December 2011	<u>60,000</u>	<u>(22,592)</u>	<u>49,342</u>	<u>86,750</u>

  

	Share Capital <b>RM'000</b>	Other Reserves <b>RM'000</b>	Retained Profits <b>RM'000</b>	Total <b>RM'000</b>
As at 1 January 2010	60,000	(21,608)	48,314	86,706
Dividend paid	-	-	(1,200)	(1,200)
Transfer of revaluation reserve	-	(106)	106	-
Total Comprehensive Income for the year	-	(2,807)	6,825	4,018
As at 31 December 2010	<u>60,000</u>	<u>(24,521)</u>	<u>54,045</u>	<u>89,524</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE CUMULATIVE QUARTER ENDED 31 DECEMBER 2011**

	<b>Current Year To-date 31.12.2011 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(5,872)	7,577
Adjustments for:		
Impairment on goodwill	25	-
Impairment on loans and receivables	142	-
Inventories written down	1,513	-
Depreciation of property, plant and equipment	12,363	11,373
Interest expenses	2,415	2,552
Gain on disposal of property, plant and equipment	(12)	(26)
Interest income	(23)	(17)
Unrealised loss/(gain) on foreign exchange	1,703	(9)
Operating profit before working capital changes	12,254	21,450
Changes in working capital		
Net change in current assets	5,160	(4,162)
Net change in current liabilities	(1,598)	(808)
Cash generated from operations	15,816	16,480
Tax paid	(1,721)	(3,342)
Net cash generated from operating activities	14,095	13,138
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash acquired	-	(3,000)
Proceeds from disposal of property, plant and equipment	27	1,981
Interest received	23	17
Purchase of other investment	(8)	(6)
Purchase of property, plant and equipment	(22,870)	(7,943)
Net cash used in investing activities	(22,828)	(8,951)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire-purchase	(6,209)	(5,754)
Repayment of term loans	(3,138)	(2,492)
Term loan raised	16,200	-
Increase in other bank borrowings	5,179	4,641
Interest paid	(2,415)	(2,550)
Dividend paid	-	(1,200)
Net cash generated from/(used in) from financing activities	9,617	(7,355)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE CUMULATIVE QUARTER ENDED 31 DECEMBER 2011 (CONTINUED)**

	<b>Current Year To-date 31.12.2011 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2010 RM'000</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	884	(3,168)
Effects of foreign exchange rate changes	903	(1,468)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	748	5,384
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,535</u>	<u>748</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	5,441	6,192
BANK OVERDRAFT	(2,906)	(5,444)
	<u>2,535</u>	<u>748</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 and the accompanying notes to the Interim Financial Statements

## **A. Explanatory Notes Pursuant to Financial Reporting Standard (“FRS”) No. 134**

### **A1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

### **A2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2010 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendment to FRSs and Interpretations with effect from 1 January 2010.

On or after 1 January 2010, the Group adopted the following FRSs:-

#### **FRSs, Amendment to FRS and Interpretations**

FRS 4	Insurance Contract
FRS 7	Financial instruments: Disclosure
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 3	Combinations Business
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operation
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 107	Cash Flow Statements
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events After the Balance Sheet Date
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interests in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting

**A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

**FRSs, Amendment to FRS and Interpretations (Continued)**

Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurements
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Other than for the application of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any changes in the accounting policies and presentation of the financial result of the Group.

**FRS 101 : Presentation of Financial Statements**

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statements of changes in equity only includes details of transaction with owners. All non-owners changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

**FRS 139 : Financial Instruments : Recognition and Measurement**

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010. The adoption of FRS 139 does not have any significant impact on the profit for the financial year-to-date.

**Financial Assets**

Financial assets of the Group and the Company consist of quoted investments, receivables and cash and cash equivalents.

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A regular way purchase or sale of financial assets is recognised or derecognised using settlement date accounting. A financial asset is initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, directly attributable transaction costs.

**Financial Liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loan and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, borrowing and are carried at amortised cost.

**A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS**

There were no audit qualifications on the financial statements of the Company and its subsidiaries for the year ended 31 December 2010.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

**A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review and financial year-to-date.

**A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have a material effect in the current quarter under review and financial year-to-date result.

**A7. ISSUANCES AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

**A8. DIVIDEND PAID**

No dividend was paid during the current quarter ended 31 December 2011.

**A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of property, plant and equipment in the current quarter under review and financial year-to-date.

**A10. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current quarter under review.



**DUFU TECHNOLOGY CORP. BERHAD (COMPANY NO.: 581612 A)**  
(Incorporated in Malaysia)

**A11. SEGMENTAL INFORMATION**

The Group's activities are predominantly in the sector of trading and manufacturing of HDD components. As such, segmental information is only presented by geographical segments. The geographical segments are based on the location of the assets and these are:

- (i) Malaysia
- (ii) Singapore
- (iii) Hong Kong and China

	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Hong Kong and China RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Year to Date – 31 December 2011</b>					
Segment revenue					
Sales to external customers	22,755	92,321	4,219	-	119,295
Inter-segment sales	76,020	2,661	29,889	(108,570)	-
<b>Total</b>	<b>98,775</b>	<b>94,982</b>	<b>34,108</b>	<b>(108,570)</b>	<b>119,295</b>
Segment revenue – current quarter	19,999	15,919	5,956	(20,134)	21,740
<b>As at 31 December 2011</b>					
Total assets	193,728	24,243	44,152	(101,433)	160,690
Total liabilities	84,427	21,816	8,989	(41,292)	73,940
<b>Year to Date – 31 December 2010</b>					
Segment revenue					
Sales to external customers	28,706	95,160	4,629	-	128,495
Inter-segment sales	76,690	-	31,885	(108,575)	-
<b>Total</b>	<b>105,396</b>	<b>95,160</b>	<b>36,514</b>	<b>(108,575)</b>	<b>128,495</b>
Segment revenue – current quarter	25,488	30,379	7,019	(24,481)	38,405
<b>As at 31 December 2010</b>					
Total assets	187,629	31,901	41,310	(107,772)	153,068
Total liabilities	76,105	28,461	9,138	(50,160)	63,544

**A12. CONTINGENT LIABILITIES**

As at 31 December 2011, the Group has no material contingent liabilities save for a corporate guarantee of RM124 million issued by the Company in respect of banking facilities granted to the subsidiary companies.

**A13. CAPITAL COMMITMENT**

Capital commitment not provided for in the financial statements as at 31 December 2011 is as follows:

Contracted but not provided for	<b>RM '000</b> 8,100
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The capital commitment is the balance payment for the conditional sales and purchase agreement of the acquisition of a property by Dufusion Sdn. Bhd., a wholly-owned subsidiary of Dufu Technology Corp Berhad.

**A14. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current quarter under review.

**B. Explanatory Notes Pursuant to Appendix 9B, Part A of the Bursa Securities Main Market Listing Requirements**

**B1. PERFORMANCE REVIEW**

**Year to Date – 31 December 2011**

	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Hong Kong and China RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
Revenue	98,775	94,982	34,108	(108,570)	119,295
EBDITA *	6,076	(821)	4,025	(374)	8,906
Depreciation	(9,680)	(37)	(2,415)	(231)	(12,363)
(Loss)/Profit from operation	(3,604)	(858)	1,610	(605)	(3,457)
Finance cost	(2,135)	(7)	(273)	-	(2,415)
(L)PBT **	(5,739)	(865)	1,337	(605)	(5,872)

**Year to Date – 31 December 2010**

	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Hong Kong and China RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
Revenue	105,397	95,159	36,514	(108,575)	128,495
EBDITA *	11,380	1,006	9,200	(84)	21,502
Depreciation	(8,777)	(41)	(2,008)	(547)	(11,373)
Profit from operation	2,603	965	7,192	(631)	10,129
Finance cost	(2,306)	(6)	(240)	-	(2,552)
PBT ***	297	959	6,952	(631)	7,577

**B1. PERFORMANCE REVIEW (CONTINUED)**

- \* EBDITA - Earning Before Depreciation, Interest expenses, Tax and Amortisation
- \*\* (L)PBT – (Loss)/Profit Before Tax
- \*\*\* PBT – Profit Before Tax

The Group recorded loss before taxation (“LBT”) of RM7.49 million in the quarter under review (“Q4 2011”) as compared to profit before taxation (“PBT”) of RM0.53 million in the preceding year corresponding quarter (“Q4 2010”).

The Malaysia and Singapore segment recorded revenue of RM115.08 million and LBT of RM7.18 million for year ended 31 December 2011 as compared to revenue of RM123.87 million and PBT of RM1.26 million for year ended 2010. The results turned from profit to loss were mainly due to the Thailand floods, which caused sales to drop by approximately 35% during the quarter under review (“Q4 2011”). Furthermore, there are write offs of inventories and bad debts and foreign exchange loss recognised due to US Dollar (“USD”) loan and derivative forward contracts which contributed to LBT during the financial year as follows:

	<b>31.12.2011</b> <b>RM’000</b>
Impairment on loans and receivables	142
Inventories written down	1,513
Loss on foreign exchange	
- realised	1,292
- unrealised	1,703
Total	4,650

The Hong Kong and China segment recorded revenue of RM4.22 million and PBT RM1.33 million for the year ended 31 December 2011 as compared to revenue of RM4.63 million and PBT of RM6.95 million for year ended 2010. The revenue decreased by 8.85% due to decrease in demand from customers especially from HDD industries.

In general, HDD demand reduced due to the Thailand floods disaster which has caused the disruption of supply chain to the HDD manufacturers.

**B2. COMPARISON WITH PRECEDING QUARTER’S RESULTS**

The Group recorded revenue of RM21.74 million in the current quarter (“Q4 2011”) as compared to RM34.45 million in the previous quarter (“Q3 2011”), a decrease of RM12.71 million or 36.9%. The Group also recorded a loss after taxation (“LAT”) of RM6.03 million for the quarter under review, as compared to previous quarter (“PAT”) of RM0.71 million, a decrease of RM6.74 million.

The decrease in revenue and result turned from PAT to LAT were mainly due to the October 2011 Thailand floods and also write offs of inventories and bad debts and loss in foreign exchange as disclosed in B1.

**B3. COMMENTARY ON PROSPECTS**

The current volatility trend of the global economy especially in the financial sector has impacted the profitability performance of the Group. Coupled with the Thailand floods in October 2011 which have significantly affected the landscape of the HDD industry supply chain has resulted in the Group's revenue to decrease by approximately 35%.

However, our HDD customers are taking measures to normalise their production capacity. In view of this, the Group expects its sales performance to improve gradually in the coming quarter and foresee significant improvement in the second quarter of year 2012.

The Group will evaluate all options to take the opportunities of recovery and continue with its diversification programs to enhance its performance.

**B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE**

No profit forecast and profit guarantee was issued or announced for year ended 2011.

**B5. TAXATION**

	<b>Current Quarter 31 December 2011 RM'000</b>	<b>Current Year To date 31 December 2011 RM'000</b>
Corporate tax (income)/expense		
Malaysia	(49)	(49)
Foreign	(94)	300
	<u>(143)</u>	<u>251</u>
Deferred tax (income)/expense		
Malaysia	(1,314)	(1,314)
	<u>(1,457)</u>	<u>(1,063)</u>

**B6. CORPORATE PROPOSAL**

There is no corporate proposal announced as at the date of this announcement.

**B7. BORROWINGS**

The Group's borrowings as at the end of the reporting quarter are as follows:

	<b>Short-term (Secured) RM'000</b>	<b>Long-term (Secured) RM'000</b>
Hire purchase	5,010	5,223
Term Loans	3,768	26,491
Bankers' facilities	16,185	-
Bank overdraft	2,906	-
<b>Total</b>	<b>27,869</b>	<b>31,714</b>

The Group borrowings are dominated in the following currencies:

	<b>RM'000</b>
Ringgit Malaysia	39,279
US Dollar	16,204
Hong Kong Dollar	4,100
<b>Total borrowings</b>	<b>59,583</b>

**B8. MATERIAL LITIGATION**

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

**B9. DIVIDEND**

No dividend has been declared for the current quarter ended 31 December 2011.

**B10. (LOSS)/EARNINGS PER SHARE**

Basic

The basic loss or earning per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Quarter 31.12.2011</b>	<b>Preceding Correspond ing Quarter 31.12.2010</b>	<b>Current Year To Date 31.12.2011</b>	<b>Preceding Correspond ing Quarter 31.12.2010</b>
Net (loss)/profit attributable to ordinary shareholders (RM '000)	(6,055)	1,555	(4,809)	6,825
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	120,000	120,000	120,000	120,000
Basic (loss)/earning per share (sen)	(5.05)	1.30	(4.00)	5.69

**B10. (LOSS)/EARNINGS PER SHARE (CONTINUED)**

Diluted

The Group does not have any convertible shares or financial instruments for the current financial quarter and financial year to-date.

**B11. (LOSS)/PROFIT BEFORE TAX**

The following items have been included in arriving at (loss)/profit before tax:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2011 RM'000	Preceding Year Corresponding Quarter 31.12.2010 RM'000	Current Year To date 31.12.2011 RM'000	Preceding Year Corresponding Period 31.12.2010 RM'000
<b>After charging:-</b>				
Impairment on goodwill	25	-	25	-
Impairment on loans and receivables	142	-	142	-
Interest expense	513	1,052	2,415	2,552
Inventories written down	1,513	-	1,513	-
Depreciation	3,831	3,466	12,363	11,373
Loss on foreign exchange				
- realised	685	404	1,292	2,802
- unrealised	1,703	-	1,703	-
<b>After crediting:-</b>				
Gain on disposal of property, plant and equipment	12	26	12	26
Gain on foreign exchange				
- unrealised	-	9	-	9
Interest income	10	7	23	17

Save as disclose above, the other items as required under appendix 9B, Part A(16) of the Bursa Securities Main Market Listing Requirements are not applicable.

**B12. REALISED OR UNREALISED EARNINGS OR LOSSES DISCLOSURE**

The retained earnings as at 31 December 2011 and 31 December 2010 are analyse as follows:

	31.12. 2011 RM'000	31.12. 2010 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	55,943	60,486
- Unrealised	(636)	(913)
	<u>55,307</u>	<u>59,573</u>
Less: Consolidation adjustments	(5,965)	(5,528)
	<u><u>49,342</u></u>	<u><u>54,045</u></u>