

COMPUGATES HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No : 669287 - H

FINANCIAL REPORT

for the financial year ended 31 December 2010

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COMPUGATES HOLDINGS BERHAD

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DIRECTORS' REPORT

The directors of Compugates Holdings Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services whilst the principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
(Loss)/Profit after taxation for the financial year	(12,848)	5,333
Attributable to:-		
Owners of the Company	(11,911)	5,333
Minority interests	(937)	-
	(12,848)	5,333

DIVIDENDS

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

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

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DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

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DIRECTORS' REPORT

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities of the Group and of the Company are disclosed in Note 41 to the financial statements. At the date of this report, there does not exist:-

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

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DIRECTORS' REPORT

DIRECTORS

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

TAN SRI DATUK ASMAT BIN KAMALUDIN
GOH KHENG PEOW
SEE THOO CHAN
MOHAMED FAUZI BIN OMAR
GOH TAI WAI

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	AT 1.1.2010	BOUGHT	SOLD	AT 31.12.2010
<i>DIRECT INTERESTS</i>				
GOH KHENG PEOW	538,141,110 *	124,426,100	(32,000,000)	630,567,210
SEE THOO CHAN	49,572,400	20,390,700	-	69,963,100
<i>DEEMED INTERESTS</i>				
TAN SRI DATUK ASMAT BIN KAMALUDIN ^	30,000	-	-	30,000
GOH KHENG PEOW ^	50,280,400	20,390,700	-	70,671,100
SEE THOO CHAN ^	538,849,110 *	124,426,100	(32,000,000)	631,275,210

[^] Deemed interest through spouse's and/or children's shareholdings by virtue of Section 134(12)(C) of the Companies (Amendment) Act 2007.

* Adjustments were made to the shareholdings held by Goh Kheng Peow via RHB Nominees (Tempatan) Sdn Bhd and MIT Nominees (Tempatan) Sdn Bhd and See Thoo Chan via RHB Nominees (Tempatan) Sdn Bhd and RHB Capital Nominees (Tempatan) Sdn Bhd to reconcile with the shareholdings maintained by the respective nominee companies.

By virtue of their shareholdings in the Company, Goh Kheng Peow and See Thoo Chan are deemed to have interests in the shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

The other directors holding office at the end of the financial year did not have any interest in shares in the Company during the financial year.

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DIRECTORS' REPORT

DIRECTORS BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 38 to the financial statements.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 44 to the financial statements.

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DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed that they do not wish to seek re-appointment at the forthcoming annual general meeting.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 22 APRIL 2011**

Goh Kheng Peow

See Thoo Chan

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STATEMENT BY DIRECTORS

We, Goh Kheng Peow and See Thoo Chan, being two of the directors of Compugates Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 95 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2010 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 46, which is not part of the financial statements, is prepared in all material respects, 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 and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 22 APRIL 2011

Goh Kheng Peow

See Thoo Chan

STATUTORY DECLARATION

I, Fong Yin Sien, I/C No. 730111-14-5400, being the officer primarily responsible for the financial management of Compugates Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 95 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Fong Yin Sien, I/C No. 730111-14-5400,
at Kuala Lumpur in the Federal Territory
on this 22 April 2011

Fong Yin Sien

Before me
Datin Hajah Raihela Wanchik
No. W - 275

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPUGATES HOLDINGS BERHAD

(Incorporated in Malaysia)
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Report on the Financial Statements

We have audited the financial statements of Compugates 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 11 to 95.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 Company's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPUGATES HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)
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Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 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 financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 46 on page 96 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMPUGATES HOLDINGS BERHAD (CONT'D)**

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Other Matters

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

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Poon Yew Hoe
Approval No: 956/04/12 (J)
Chartered Accountant

22 April 2011

Kuala Lumpur

COMPUGATES HOLDINGS BERHAD

(Incorporated in Malaysia)
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STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2010

		THE GROUP			THE COMPANY	
	NOTE	31.12.2010 RM'000	RESTATED 31.12.2009 RM'000	RESTATED 1.1.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
ASSETS						
NON-CURRENT ASSETS						
Investments in subsidiaries	5	-	-	-	38,323	38,323
Property and equipment	6	16,722	22,126	18,479	171	83
Investment property	7	5,780	-	-	-	-
Prepaid land lease payments	8	-	-	-	-	-
Plantation expenditure	9	1,130	-	-	-	-
Other investments	10	9,834	12,033	-	9,834	12,033
Goodwill on consolidation	11	35,991	35,991	114,558	-	-
Deferred tax asset	12	6	3	18	-	-
		<u>69,463</u>	<u>70,153</u>	<u>133,055</u>	<u>48,328</u>	<u>50,439</u>
CURRENT ASSETS						
Inventories	13	19,153	26,034	17,924	-	-
Trade receivables	14	16,428	17,028	23,535	-	-
Other receivables, deposits and prepayments	15	5,617	4,404	47,207	64	66
Amount owing by subsidiaries	16	-	-	-	879	391
Tax refundable		1,278	62	1,628	243	339
Short-term deposits with licensed banks	17	4,247	5,890	-	-	-
Fixed deposits with licensed banks	18	10,181	14,874	9,372	-	-
Cash and bank balances		4,415	6,972	6,695	65	45
		<u>61,319</u>	<u>75,264</u>	<u>106,361</u>	<u>1,251</u>	<u>841</u>
TOTAL ASSETS		<u>130,782</u>	<u>145,417</u>	<u>239,416</u>	<u>49,579</u>	<u>51,280</u>

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STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2010 (CONT'D)

		THE GROUP			THE COMPANY	
	NOTE	31.12.2010 RM'000	RESTATED 31.12.2009 RM'000	RESTATED 1.1.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
EQUITY AND LIABILITIES						
EQUITY						
Share capital	19	213,429	213,429	213,429	213,429	213,429
Revaluation reserve	20	883	883	-	-	-
Exchange fluctuation reserve	21	(201)	(199)	186	-	-
Accumulated losses		(122,289)	(107,352)	(13,497)	(163,974)	(166,281)
SHAREHOLDERS' EQUITY		91,822	106,761	200,118	49,455	47,148
MINORITY INTERESTS		1,312	3,089	11,132	-	-
TOTAL EQUITY		93,134	109,850	211,250	49,455	47,148
NON-CURRENT LIABILITIES						
Hire purchase payables	22	-	-	86	-	-
Deferred tax liability	23	609	649	412	-	-
		609	649	498	-	-
CURRENT LIABILITIES						
Trade payables	24	14,149	29,703	18,561	-	-
Other payables and accruals	25	9,916	3,760	5,858	124	99
Amount owing to a subsidiary	16	-	-	-	-	3,956
Amount owing to shareholders of subsidiaries	26	5,884	141	38	-	-
Amount owing to a director	27	-	200	-	-	-
Provision for taxation		742	1,028	1,025	-	-
Bankers' acceptances	28	6,348	-	2,074	-	-
Hire purchase payables	22	-	86	112	-	77
		37,039	34,918	27,668	124	4,132
TOTAL LIABILITIES		37,648	35,567	28,166	124	4,132
TOTAL EQUITY AND LIABILITIES		130,782	145,417	239,416	49,579	51,280
NET ASSETS PER SHARE (RM)	29	0.04	0.05	0.09		

COMPUGATES HOLDINGS BERHAD

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STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	THE GROUP		THE COMPANY	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
REVENUE	30	637,860	733,148	8,330	1,015
COST OF SALES		(635,453)	(726,466)	-	-
GROSS PROFIT		2,407	6,682	8,330	1,015
OTHER INCOME		15,545	10,703	275	67
		17,952	17,385	8,605	1,082
ADMINISTRATIVE EXPENSES		(23,365)	(13,016)	(693)	(727)
SALES AND MARKETING EXPENSES		(935)	(1,221)	-	(11)
OTHER EXPENSES		(5,686)	(2,486)	(2,253)	(82)
FINANCE COSTS		(105)	(142)	(2)	(5)
(LOSS)/PROFIT FROM OPERATIONS		(12,139)	520	5,657	257
IMPAIRMENT LOSS ON INVESTMENTS IN SUBSIDIARIES		-	-	-	(139,777)
IMPAIRMENT LOSS ON GOODWILL ON CONSOLIDATION		-	(92,335)	-	-
(LOSS)/PROFIT BEFORE TAXATION	31	(12,139)	(91,815)	5,657	(139,520)
INCOME TAX EXPENSE	32	(709)	(1,718)	(324)	(134)
(LOSS)/PROFIT AFTER TAXATION		(12,848)	(93,533)	5,333	(139,654)
OTHER COMPREHENSIVE (EXPENSES)/INCOME, NET OF TAX					
- Available-for-sale financial assets:					
- changes in fair value		(1,714)	-	(1,714)	-
- transfer to profit or loss on disposal		59	-	59	-
- transfer to profit or loss on impairment loss		2,115	-	2,115	-
- Foreign currency translation		(326)	(385)	-	-
- Revaluation of property		-	1,137	-	-
- Income tax expense to components of other comprehensive income	33	-	(254)	-	-
		134	498	460	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(12,714)	(93,035)	5,793	(139,654)

The annexed notes form an integral part of these financial statements.

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COMPUGATES HOLDINGS BERHAD

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STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(11,911)	(93,855)	5,333	(139,654)
Minority interests		(937)	322	-	-
		<u>(12,848)</u>	<u>(93,533)</u>	<u>5,333</u>	<u>(139,654)</u>
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(11,453)	(93,357)	5,793	(139,654)
Minority interests		(1,261)	322	-	-
		<u>(12,714)</u>	<u>(93,035)</u>	<u>5,793</u>	<u>(139,654)</u>
LOSS PER SHARE (SEN)					
- basic	34	(0.56)	(4.40)		
- diluted	34	Not applicable	Not applicable		

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	< ----- NON-DISTRIBUTABLE ----- >				DISTRIBU-	ATTRIBUTABLE	MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	FAIR VALUE RESERVE RM'000	REVALUATION RESERVE RM'000	EXCHANGE FLUCTUATION RESERVE RM'000	TABLE ACCUMULATED LOSSES RM'000	TO THE OWNER OF THE COMPANY RM'000		
THE GROUP									
Balance at 1.1.2009		213,429	-	-	186	(13,497)	200,118	11,132	211,250
Total comprehensive income/(expenses) for the financial year		-	-	883	(385)	(93,855)	(93,357)	322	(93,035)
Dividend by subsidiaries to minority interests		-	-	-	-	-	-	(8,377)	(8,377)
Net effect of changes in subsidiaries' interests		-	-	-	-	-	-	12	12
Balance at 31.12.2009/1.1.2010									
- as previously reported		213,429	-	883	(199)	(107,352)	106,761	3,089	109,850
- effect of adopting FRS 139	3(a)(iii)	-	(460)	-	-	(3,026)	(3,486)	-	(3,486)
- as restated		213,429	(460)	883	(199)	(110,378)	103,275	3,089	106,364
Total comprehensive income/(expenses) for the financial year		-	460	-	(2)	(11,911)	(11,453)	(1,261)	(12,714)
Dividend by subsidiaries to minority interests		-	-	-	-	-	-	(528)	(528)
Subscription of shares in a subsidiary		-	-	-	-	-	-	12	12
Balance at 31.12.2010		213,429	-	883	(201)	(122,289)	91,822	1,312	93,134

The annexed notes form an integral part of these financial statements.

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONT'D)

	NOTE	NON-DISTRIBUTABLE SHARE CAPITAL RM'000	FAIR VALUE RESERVE RM'000	DISTRIBUTABLE ACCUMULATED LOSSES RM'000	TOTAL RM'000
THE COMPANY					
Balance at 1.1.2009		213,429	-	(26,627)	186,802
Total comprehensive expenses for the financial year		-	-	(139,654)	(139,654)
Balance at 31.12.2009/1.1.2010					
- as previously reported		213,429	-	(166,281)	47,148
- effect of adopting FRS 139	3(a)(iii)	-	(460)	(3,026)	(3,486)
- as restated		213,429	(460)	(169,307)	43,662
Total comprehensive income for the financial year		-	460	5,333	5,793
Balance at 31.12.2010		213,429	-	(163,974)	49,455

COMPUGATES HOLDINGS BERHAD

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

NOTE	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(12,139)	(91,815)	5,657	(139,520)
Adjustments for:-				
Allowance for inventory obsolescence	100	383	-	-
Bad debts written off	6	1	-	-
Depreciation of investment property	62	-	-	-
Depreciation of property and equipment	833	722	79	82
Equipment written off	38	55	-	-
Impairment loss on investments in subsidiaries	-	-	-	139,777
Impairment loss on goodwill on consolidation	-	92,335	-	-
Impairment loss on available-for-sale investments	2,115	-	2,115	-
Impairment loss on:				
- trade receivables	476	823	-	-
- other receivables	2,000	275	-	-
Interest expense	83	94	2	5
Inventories written down	-	112	-	-
Inventories written off	4	109	-	-
Loss on disposal of interest in a subsidiary	-	7	-	-
Unrealised loss on foreign exchange	2	-	-	-
Dividend income	-	-	(8,330)	(1,015)
Gain on disposal of available- for-sale investments	(21)	(38)	(21)	(38)
Gain on disposal of equipment	(138)	(25)	(133)	-
Interest income	(386)	(432)	(62)	(29)
Write-back of impairment loss on receivables	(459)	(28)	-	-
Write-back of allowance for inventory obsolescence	-	(49)	-	-
Operating (loss)/profit before working capital changes/ BALANCE CARRIED FORWARD	(7,424)	2,529	(693)	(738)

COMPUGATES HOLDINGS BERHAD

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
BALANCE BROUGHT FORWARD		(7,424)	2,529	(693)	(738)
Decrease/(Increase) in inventories		6,777	(8,665)	-	-
(Increase)/Decrease in trade and other receivables		(2,638)	48,239	2	(54)
(Decrease)/Increase in trade and other payables		(9,398)	9,042	25	14
CASH (FOR)/FROM OPERATIONS		(12,683)	51,145	(666)	(778)
Income tax (paid)/refunded		(2,254)	(160)	104	(1)
Interest paid		(83)	(94)	(2)	(5)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(15,020)	50,891	(564)	(784)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash acquired	35	-	(16,000)	-	(16,000)
Proceeds from disposal of equipment		410	26	140	-
Purchase of property and equipment		(1,101)	(1,059)	(174)	-
Purchase of investment property		(552)	-	-	-
Increase in plantation expenditure		(1,130)	-	-	-
Proceeds from disposal of available-for-sale investment		411	688	411	688
Purchase of available-for-sale investments		(3,332)	(12,683)	(3,332)	(12,683)
Interest received		386	432	62	29
Dividend received		-	-	7,998	761
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(4,908)	(28,596)	5,105	(27,205)
BALANCE CARRIED FORWARD		(19,928)	22,295	4,541	(27,989)

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
BALANCE BROUGHT FORWARD		(19,928)	22,295	4,541	(27,989)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Proceeds from issuance of shares to minority shareholders		12	-	-	-
Dividends paid to minority interests		(528)	(8,377)	-	-
Increase/(Decrease) in bankers' acceptances		6,348	(2,074)	-	-
Repayment of hire purchase obligations		(86)	(112)	(77)	(73)
Net repayment (to)/from subsidiaries		-	-	(4,444)	28,085
Advances from shareholders of subsidiaries		5,743	103	-	-
(Repayment to)/Advances from a director		(200)	200	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		11,289	(10,260)	(4,521)	28,012
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(8,639)	12,035	20	23
Effects of foreign exchange rate changes on cash and cash equivalents		(254)	(366)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		27,736	16,067	45	22
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	18,843	27,736	65	45

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. GENERAL INFORMATION

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

Registered office : No. 17-2, Jalan Solaris 3,
Solaris Mont' Kiara,
50480 Kuala Lumpur.

Principal place of business : No. 3, Jalan PJU 1/41, Dataran Prima,
47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 April 2011.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services whilst the principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

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3. BASIS OF PREPARATION (CONT'D)

- (a) During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

FRS 123 (Revised) Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

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3. BASIS OF PREPARATION (CONT'D)

(a) The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

(i) FRS 7 requires additional disclosures about the financial instruments of the Group. Prior to 1 January 2010, information about financial statements was disclosed in accordance with the requirements of FRS 132 - Financial Instruments: Disclosures and Presentation. FRS 7 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 has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the financial statements for the current financial year.

(ii) FRS 101 (Revised) 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 has elected to present this statement as one single statement.

The revised standard also 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 in the statement of comprehensive income as other comprehensive income.

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 statement.

FRS 101 (Revised) also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. This new disclosure is made in Note 43(b) to the financial statements.

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

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3. BASIS OF PREPARATION (CONT'D)

- (a) (iii) The adoption of FRS 139 (including the consequential amendments) has resulted in several changes to accounting policies relating to recognition and measurements of financial instruments.

The financial impact to the financial statements is summarised as follows:-

	NOTE	THE GROUP/ THE COMPANY AT 1.1.2010 RM'000
<u>Accumulated losses</u>		
Impairment loss on non-current quoted shares	(aa)	(3,026)
<u>Fair value reserve</u>		
Fair value of non-current quoted shares	(bb)	(460)

(aa) Prior to 1 January 2010, investments in non-current quoted shares were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, these quoted investments are designated as available-for-sale financial assets and an impairment loss on available-for-sale equity investments is recognised when there has been a significant or prolonged decline in the fair value below their cost. The Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(bb) Prior to 1 January 2010, investments in non-current quoted shares were stated at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, these quoted investments are designated as available-for-sale financial assets and are measured at their fair values at the end of each reporting period. The adjustment to the previous carrying amounts is recognised to the fair value reserve.

All these financial impacts are recognised as an adjustment to the opening balance of retained profits or another appropriate reserve upon the adoption of FRS 139. Comparatives are not adjusted/represented by virtue of the exemption given in this standard.

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3. BASIS OF PREPARATION (CONT'D)

- (a) (iv) The Company has previously asserted explicitly that it regards financial guarantee contracts of banking facilities granted to its subsidiaries as insurance contracts and will apply FRS 4 to such financial guarantee contracts. Accordingly, the adoption of FRS 139 did not have any financial impact on the financial statements in respect of the financial guarantee contracts issued by the Company to its subsidiaries. These financial guarantee contracts issued are disclosed as contingent liabilities under Note 41 to the financial statements.
- (v) The Group has adopted the amendments made to FRS 117 - Leases pursuant to the Annual Improvements to FRSs (2009). The Group has reassessed and determined that the leasehold land of the Group is in substance a finance lease and has been reclassified as property and equipment. This change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.
- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 124 (Revised) Related Party Disclosures	1 January 2010
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. BASIS OF PREPARATION (CONT'D)

(b) FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interprétation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010

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3. BASIS OF PREPARATION (CONT'D)

(b) FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSs (2010)	1 January 2011

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting of its future transactions or arrangements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

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

(i) *Depreciation of Property and Equipment*

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

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

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

(ii) *Income Taxes*

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

(iii) *Impairment of Non-financial Assets*

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iv) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Classification Between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(vi) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vii) *Revaluation of Properties*

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers. The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(viii) *Impairment of Available-for-sale Financial Assets*

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(ix) *Classification of Leasehold Land*

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(x) *Impairment of Goodwill*

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(xi) *Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which require extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2010.

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

All subsidiaries are consolidated using the purchase method. Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated statement of financial position consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented within equity in the consolidated statement of financial position, separately from the Company's shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income. Transactions with minority interests are accounted for as transactions with owners. Gain or loss on disposal to minority interests is recognised directly in equity.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currencies

(i) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) *Foreign Operations*

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

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

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

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Financial Assets at Fair Value Through Profit or Loss (Cont'd)*

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established.

- *Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

- *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) *Financial Assets (Cont'd)*

- *Available-for-sale Financial Assets (Cont'd)*

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

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

(ii) *Financial Liabilities*

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges

(iii) *Equity Instruments*

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually, and is written down for impairment where it is considered necessary. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit of loss.

(g) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at cost or valuation less impairment losses recognised after the date of revaluation. Freehold land is not depreciated. Buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property and Equipment (Cont'd)

Freehold land and buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	99 years
Buildings	2%
Motor vehicles	20%
Office equipment, furniture and fittings	15% to 33 1/3%
Renovation	10% to 50%
Site cabin and tools	10% to 50%
Signboard	20%

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property and Equipment (Cont'd)

In the previous financial year, leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments.

During the financial year, the Group adopted the amendments made to FRS 117 - Leases in relation to the classification of lease of land. The Group's leasehold land which in substance is a finance lease has been reclassified as property and equipment and measured as such retrospectively.

(h) Investment Properties

Investment properties are property held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 4(g) to the financial statements.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is charged to the income statement.

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement; any amount in revaluation reserve relating to that investment property is transferred to retained earnings.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property and equipment set out in Note 4(g) up to the date of change in use.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Plantation Expenditure

Plantation expenditure is not amortised and is stated at cost less impairment losses, if any.

Expenditure incurred on newly planted areas up to maturity of the trees are capitalised in the statement of financial position. Replanting expenditure is recognised in profit or loss as and when incurred.

(j) Impairment

(i) *Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and 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.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment (Cont'd)

(ii) *Impairment of Non-Financial Assets*

With the exception of available-for-sale equity instruments, 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(g) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(l) Inventories

Inventories comprise goods held for trading and are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

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

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

(m) Income Taxes

Income tax for the year comprises current and deferred tax.

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Income Taxes (Cont'd)

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

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

(n) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Borrowing Costs

All borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

(p) Revaluation Reserve

Freehold land and buildings classified under property and equipment are appraised periodically, at least once in every five years.

Surpluses arising from the revaluation of properties are credited to the revaluation reserve account. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are charged to the statement of comprehensive income.

In the year of disposal of the revalued asset, the attributable remaining revaluation surplus is transferred from the revaluation reserve account to retained profits.

(q) Employee Benefits

(i) Short-term Benefits

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

(ii) Defined Contribution Plans

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(s) Related Parties

A party is related to an entity if:-

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Contingent Liabilities

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

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(u) Revenue Recognition

(i) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales returns and trade discounts.

(ii) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) Interest Income

Interest income is recognised on an accrual basis.

(iv) Rental Income

Rental income is recognised on an accrual basis.

(v) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost: - in Malaysia	178,100	178,100
Accumulated impairment losses:- At 1 January	(139,777)	-
Addition during the financial year	-	(139,777)
At 31 December	(139,777)	(139,777)
	<u>38,323</u>	<u>38,323</u>

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
Compugates Sdn. Bhd. ("CSB")	Malaysia	100%	100%	Trading, marketing and distribution of imaging, information technology and communication-based products.
Compugates (S) Pte. Ltd. # ("CSPL")	Republic of Singapore	99.99%	99.99%	Ceased operations.
Compugates Marketing Sdn. Bhd. # ("CMSB")	Malaysia	100%	100%	Trading, marketing and distribution of imaging, information technology and communication-based products.
Classic Distribution Sdn. Bhd. ^ ("CDSB")	Malaysia	51%	51%	Rubber tapping and trading in agricultural products.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
Compugates Development and Mining Sdn. Bhd. ^ ("CDMSB")	Malaysia	60%	60%	Dormant.
Compugates International Sdn. Bhd. ("CISB")	Malaysia	100%	100%	Investment holding and provision of management services.
Compugates Perak Sdn. Bhd. ^ ("CPSB")	Malaysia	51%	51%	Cultivating and trading of agricultural products and general trading.
Compugates Sabah Sdn. Bhd. ^ ("CSSB")	Malaysia	51%	51%	Dealing in solar products and green energy systems.
Selama Muda Jaya Sdn. Bhd. ("SMJSB")	Malaysia	100%	100%	Dormant.
Compugates International Limited ^^* ("CIL")	The British Virgin Islands	51%	51%	Acting as agents by way of commission for distribution of telecommunication products and management agent of franchises.
Compugates International (BD) Limited ^^* ("CIBDL")	The British Virgin Islands	80%	80%	Investment holding, consultancy and project management services.
Compugates International (Bangladesh) Limited ^^* ("CIBL")	Bangladesh	98%	98%	Exclusive distributor for telecommunication products and services.
Compugates International Limited (Cambodia) ^^* ("CILC")	Cambodia	80%	80%	Acting as agents by way of commission for the distribution of telecommunication products and management agent of franchises.

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2010	2009	
PT Compugates International ^{^^*} ("PTCI")	Indonesia	80%	80%	Trading as a main distributor of communication products such as simcards and voucher cards.

Held through CSB.

^ Held through CMSB.

^^ Held through CISB.

^^^ Held through CIBDL

* These subsidiaries were audited by other firms of chartered accountants.

During the financial year:-

- (i) on 15 March 2010, CMSB disposed of 2 ordinary shares of RM1 each in CSSB, representing 2% of the equity interest in CSSB for a cash consideration of RM2. With the aforesaid disposal, CMSB's equity interest in CSSB was reduced from 51% to 49%. CSSB ceased to be the subsidiary of CMSB and became an associate of CMSB; and
- (ii) on 19 May 2010, CMSB re-acquired 2% of the equity interest in CSSB for a cash consideration of RM500, resulting in CMSB's equity interest in CSSB increasing from 49% to 51%. Consequently, CSSB became a subsidiary of CMSB.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. PROPERTY AND EQUIPMENT

THE GROUP	AS PREVIOUSLY REPORTED AT 1.1.2010 RM'000	EFFECTS OF FRS 117 RM'000	AS RESTATE D AT 1.1.2010 RM'000	TRANSFER TO INVESTMENT PROPERTY (NOTE 7) RM'000	ADDITIONS RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	DEPRECIATION CHARGE RM'000	FLUCTUATION ON FOREIGN EXCHANGE RM'000	AT 31.12.2010 RM'000
NET BOOK VALUE										
Leasehold land	-	10,761	10,761	(5,290)	-	-	-	(58)	-	5,413
Freehold land	2,474	-	2,474	-	-	-	-	-	-	2,474
Buildings	7,254	-	7,254	-	-	-	-	(167)	-	7,087
Motor vehicles	835	-	835	-	660	(228)	-	(281)	(18)	968
Office equipment, furniture and fittings	602	-	602	-	196	(44)	(2)	(232)	(39)	481
Renovation	193	-	193	-	183	-	(36)	(75)	(15)	250
Site cabin and tools	-	-	-	-	61	-	-	(14)	-	47
Signboard	7	-	7	-	1	-	-	(6)	-	2
	11,365	10,761	22,126	(5,290)	1,101	(272)	(38)	(833)	(72)	16,722

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. PROPERTY AND EQUIPMENT (CONT'D)

THE GROUP	As PREVIOUSLY REPORTED AT 1.1.2009 RM'000	EFFECTS OF FRS 117 RM'000	As RESTATE D AT 1.1.2009 RM'000	ACQUISITION OF A SUBSIDIARY RM'000	ADDITIONS RM'000	DISPOSAL RM'000	WRITTEN OFF RM'000	REVALUATION SURPLUS RM'000	FLUCTUATION ON FOREIGN EXCHANGE RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2009 RM'000
NET BOOK VALUE											
Leasehold land	-	9,322	9,322	1,458	87	-	-	-	-	(106)	10,761
Freehold land	1,563	-	1,563	790	-	-	-	121	-	-	2,474
Buildings	6,389	-	6,389	-	-	-	-	1,016	-	(151)	7,254
Motor vehicles	387	-	387	-	634	-	-	-	-	(186)	835
Office equipment, furniture and fittings	604	-	604	-	256	(1)	-	-	(11)	(246)	602
Renovation	201	-	201	-	82	-	(55)	-	(8)	(27)	193
Signboard	13	-	13	-	-	-	-	-	-	(6)	7
	9,157	9,322	18,479	2,248	1,059	(1)	(55)	1,137	(19)	(722)	22,126

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6. PROPERTY AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM'000	AT VALUATION RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
AT 31.12.2010				
Leasehold land	5,521	-	(108)	5,413
Freehold land	1,364	1,110	-	2,474
Buildings	2,689	5,137	(739)	7,087
Motor vehicles	1,224	-	(256)	968
Office equipment, furniture and fittings	2,079	-	(1,598)	481
Renovation	1,104	-	(854)	250
Site cabin and tools	61	-	(14)	47
Signboard	61	-	(59)	2
	14,103	6,247	(3,628)	16,722

	RESTATED AT COST RM'000	AT VALUATION RM'000	RESTATED ACCUMULATED DEPRECIATION RM'000	RESTATED NET BOOK VALUE RM'000
AT 31.12.2009				
Leasehold land	10,867	-	(106)	10,761
Freehold land	1,364	1,110	-	2,474
Buildings	2,689	5,137	(572)	7,254
Motor vehicles	1,419	-	(584)	835
Office equipment, furniture and fittings	2,035	-	(1,433)	602
Renovation	986	-	(793)	193
Signboard	60	-	(53)	7
	19,420	6,247	(3,541)	22,126

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6. PROPERTY AND EQUIPMENT (CONT'D)

	AT 1.1.2010 RM'000	ADDITION RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2010 RM'000
THE COMPANY					
NET BOOK VALUE					
Motor vehicle	83	174	(7)	(79)	171

	AT 1.1.2009 RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2009 RM'000
THE COMPANY			
NET BOOK VALUE			
Motor vehicle	165	(82)	83

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
THE COMPANY			
AT 31.12.2010			
Motor vehicle	174	(3)	171
AT 31.12.2009			
Motor vehicle	414	(331)	83

- (a) Included in the property and equipment of the Group and the Company at the end of the previous reporting period were motor vehicles with a total net book value of RM94,000 and RM83,000 respectively which were acquired under hire purchase terms.
- (b) In the financial year ended 2004, the Group's freehold land and buildings were first revalued by an independent professional valuer, Mr. Paul Khong, a registered valuer with Regroup Associates Sdn. Bhd. based on the open market value based on the comparison method of valuation supported by the investment method. The valuation was updated by the same professional valuer using the same basis of valuation during the financial year ended 31 December 2009 and the surpluses which arose from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

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6. PROPERTY AND EQUIPMENT (CONT'D)

- (c) If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:-

	THE GROUP	
	2010 RM'000	2009 RM'000
Freehold land	692	692
Buildings	2,592	2,646
	<hr/>	<hr/>
	3,284	3,338
	<hr/>	<hr/>

7. INVESTMENT PROPERTY

	THE GROUP	
	2010 RM'000	2009 RM'000
Leasehold land and building, at cost:-		
At 1 January	-	-
Transferred from property and equipment (Note 6)	5,346	-
Addition during the financial year	552	-
	<hr/>	<hr/>
	5,898	-
Accumulated depreciation	(118)	-
	<hr/>	<hr/>
At 31 December	5,780	-
	<hr/>	<hr/>
Accumulated depreciation:-		
At 1 January	-	-
Transferred from property and equipment (Note 6)	(56)	-
Charge during the financial year	(62)	-
	<hr/>	<hr/>
At 31 December	(118)	-
	<hr/>	<hr/>

The directors estimated the fair value of the investment property based on comparable market value of similar properties to be approximately RM26 million.

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8. PREPAID LAND LEASE PAYMENTS

	THE GROUP	
	2010 RM'000	2009 RM'000
Leasehold land, at cost:		
- as previously stated	5,521	10,867
- effects of FRS 117	(5,521)	(10,867)
	<hr/>	<hr/>
- as restated	-	-
Accumulated amortisation:-		
- as previously stated	(108)	(106)
- effects of FRS 117	108	106
	<hr/>	<hr/>
- as restated	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

The Group has adopted the amendments made to FRS 117 - Leases during the financial year. The Group has reassessed and determined that the leasehold land of the Group is in substance a finance lease and has been reclassified as property and equipment. This change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

9. PLANTATION EXPENDITURE

	THE GROUP	
	2010 RM'000	2009 RM'000
At 1 January	-	-
Addition during the financial year	1,130	-
	<hr/>	<hr/>
At 31 December	1,130	-
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

10. OTHER INVESTMENTS

	THE GROUP/THE COMPANY	
	2010	2009
	RM'000	RM'000
Quoted shares in Malaysia	9,834	12,033
Represented by:-		
At cost	-	12,033
At fair value	9,834	-
	<u>9,834</u>	<u>12,033</u>
Market value of quoted shares	<u>9,834</u>	<u>8,548</u>

Upon adoption of FRS 139 during the financial year, the Group designated its investments in quoted shares that were previously measured using the cost model as available-for-sale financial assets and are measured at fair value.

11. GOODWILL ON CONSOLIDATION

	THE GROUP	
	2010	2009
	RM'000	RM'000
At cost:-		
At 1 January	129,452	115,684
Arising from the acquisition of SMJSB	-	13,768
At 31 December	<u>129,452</u>	<u>129,452</u>
Accumulated impairment losses	<u>(93,461)</u>	<u>(93,461)</u>
	<u>35,991</u>	<u>35,991</u>
Accumulated impairment losses:-		
At 1 January	(93,461)	(1,126)
Addition during the financial year	-	(92,335)
At 31 December	<u>(93,461)</u>	<u>(93,461)</u>

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11. GOODWILL ON CONSOLIDATION (CONT'D)

- (a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	THE GROUP	
	2010 RM'000	2009 RM'000
Trading	22,224	22,224
Plantation	13,767	13,767
	<u>35,991</u>	<u>35,991</u>

- (b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no additional impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	GROSS MARGIN		GROWTH RATE		DISCOUNT RATE	
	2010	2009	2010	2009	2010	2009
Trading	2.1%	0.1%	5.0%	5%	7%	6%
Plantation	44.0%	N/A	50.0%	N/A	7%	N/A

N/A - Not applicable.

- (i) Budgeted gross margin The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
- (ii) Growth rate The growth rates used are based on the expected projection of the trading and plantation segments.
- (iii) Discount rate The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

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12. DEFERRED TAX ASSET

	THE GROUP	
	2010 RM'000	2009 RM'000
At 1 January	3	18
Recognised in profit or loss (Note 32)	3	(15)
At 31 December	<u>6</u>	<u>3</u>

The deferred tax asset relates to a subsidiary's unutilised tax losses carried forward.

13. INVENTORIES

	THE GROUP	
	2010 RM'000	2009 RM'000
Inventories held for trading	19,666	26,447
Allowance for inventory obsolescence:-		
At 1 January	(413)	(77)
Addition during the financial year	(100)	(383)
Write-back during the financial year	-	49
Fluctuation on foreign exchange	-	(2)
At 31 December	<u>(513)</u>	<u>(413)</u>
	<u>19,153</u>	<u>26,034</u>
Inventories held for trading:		
- at cost	19,116	25,997
- at net realisable value	37	37
	<u>19,153</u>	<u>26,034</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

14. TRADE RECEIVABLES

	THE GROUP	
	2010 RM'000	2009 RM'000
Trade receivables	17,347	17,930
Allowance for impairment losses	(919)	(902)
	<u>16,428</u>	<u>17,028</u>
Allowance for impairment losses:-		
At 1 January	(902)	(109)
Addition during the financial year	(476)	(823)
Written off during the financial year	-	1
Writeback during the financial year	459	28
Fluctuation on foreign exchange	-	1
At 31 December	<u>(919)</u>	<u>(902)</u>

The Group's normal trade credit terms range from 1 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Other receivables, deposits and prepayments	7,892	4,679	64	66
Allowance for impairment losses:-				
At 1 January	(275)	-	-	-
Addition during the financial year	(2,000)	(275)	-	-
At 31 December	<u>(2,275)</u>	<u>(275)</u>	<u>-</u>	<u>-</u>
	<u>5,617</u>	<u>4,404</u>	<u>64</u>	<u>66</u>

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16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2010 RM'000	2009 RM'000
Amount owing by:-		
Interest bearing	379	379
Non-interest bearing	500	12
	<hr/>	<hr/>
	879	391
	<hr/>	<hr/>
Amount owing to:-		
Non-interest bearing	-	(3,956)
	<hr/>	<hr/>

The amounts owing are non-trade in nature, unsecured and represent payments made on behalf. The interest bearing portion bore an effective interest rate of 8.89% (2009 - 8.89%) per annum. The amounts owing are repayable on demand and are to be settled in cash.

17. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The short-term deposits with licensed banks of the Group at the end of the reporting period bore a weighted average effective interest rate of 1.64% (2009 - 1.03%) per annum. The short-term deposits have a maturity period of 4 days (2009 - 4 days).

18. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore a weighted average effective interest rate of 1.64% (2009 - 2.37%) per annum. The fixed deposits have maturity periods ranging from 1 month to 12 months (2009 - 1 month to 12 months).

Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM7,981,000 (2009 - RM7,796,000) which have been pledged to licensed banks as security for banking facilities granted to the Group.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

19. SHARE CAPITAL

	THE COMPANY			
	2010 NUMBER OF SHARES '000	2009 '000	2010 RM'000	2009 RM'000
ORDINARY SHARES OF RM0.10 EACH				
AUTHORISED	3,500,000	3,500,000	350,000	350,000
ISSUED AND FULLY PAID-UP	2,134,289	2,134,289	213,429	213,429

20. REVALUATION RESERVE

	THE GROUP	
	2010 RM'000	2009 RM'000
Revaluation surplus	883	1,137
Deferred tax liability (Note 23)	-	(254)
At 31 December	883	883

The revaluation reserve represents the increase in the fair value of properties of the Group (net of deferred tax, where applicable).

21. EXCHANGE FLUCTUATION RESERVE

The exchange fluctuation reserve arose from the translation of the financial statements of the foreign subsidiaries and is not distributable by way of cash dividends.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

22. HIRE PURCHASE PAYABLES

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Minimum hire purchase payments:				
- not later than one year	-	88	-	79
- later than one year but not later than five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	88	-	79
Less: Future finance charges	-	(2)	-	(2)
	<hr/>	<hr/>	<hr/>	<hr/>
Present value of hire purchase payables	-	86	-	77
	<hr/>	<hr/>	<hr/>	<hr/>
Non-current portion:				
- later than one year but not later than five years	-	-	-	-
Current portion:				
- not later than one year	-	86	-	77
	<hr/>	<hr/>	<hr/>	<hr/>
	-	86	-	77
	<hr/>	<hr/>	<hr/>	<hr/>

The hire purchase payables of the Group and of the Company bore a weighted average effective interest rate of 5.25% per annum at the end of the previous reporting period.

23. DEFERRED TAX LIABILITY

	THE GROUP	
	2010 RM'000	2009 RM'000
At 1 January	649	412
Arising from surplus on revaluation (Note 20)	-	254
Recognised in profit or loss (Note 32)	(40)	(17)
	<hr/>	<hr/>
At 31 December	609	649
	<hr/>	<hr/>

The deferred taxation arose from the revaluation of the properties held by the Group.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

24. TRADE PAYABLES

The normal trade credit term granted to the Group is 60 days.

Included in the trade payables at the end of the reporting period was an amount of approximately Nil (2009 - RM6,847,000) owing to related parties.

25. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Other payables	2,993	2,086	2	-
Accruals	1,952	862	122	99
Staff incentives	4,971	812	-	-
	<u>9,916</u>	<u>3,760</u>	<u>124</u>	<u>99</u>

Included in the other payables and accruals of the Group at the end of the reporting period was an amount of approximately RM95,000 (2009 - RM11,000) owing to related parties. The amount owing is interest-free, unsecured and repayable on demand. The amount owing is to be settled in cash.

26. AMOUNT OWING TO SHAREHOLDERS OF SUBSIDIARIES

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

27. AMOUNT OWING TO A DIRECTOR

The amount owing in the previous financial year was unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

28. BANKERS' ACCEPTANCES

The bankers' acceptances of the Group at the end of the reporting period bore a weighted average effective interest rate of 2.94% per annum and are secured by:-

- (i) a pledge of certain fixed deposits of the Group; and
- (ii) a corporate guarantee of the Company.

29. NET ASSETS PER SHARE

The net assets per share is calculated based on the net assets value at end of the reporting period of RM91,822,000 (2009 - RM106,761,000) divided by the number of ordinary shares in issue at the end of the reporting period of 2,134,289,020 (2009 - 2,134,289,020).

30. REVENUE

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trading	637,003	731,348	-	-
Services	857	1,800	-	-
Dividend income	-	-	8,330	1,015
	<u>637,860</u>	<u>733,148</u>	<u>8,330</u>	<u>1,015</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

31. (LOSS)/PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(Loss)/Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for inventory obsolescence	100	383	-	-
Audit fee:				
- current year	96	87	35	17
- overprovision in the previous financial year	(2)	-	-	-
Bad debts written off	6	1	-	-
Depreciation expense:				
- investment property	62	-	-	-
- property and equipment	833	722	79	82
Directors' fee	324	372	324	372
Directors' non-fee emoluments	7,398	1,270	-	-
Equipment written off	38	55	-	-
Impairment loss on:				
- trade receivables	476	823	-	-
- other receivables	2,000	275	-	-
Impairment loss on available-for-sale investments	2,115	-	2,115	-
Impairment loss on investments in subsidiaries	-	-	-	139,777
Impairment loss on goodwill on consolidation	-	92,335	-	-
Inventories written off	4	109	-	-
Inventories written down	-	112	-	-
Interest expense:				
- hire purchase	2	8	2	5
- bankers' acceptances	66	45	-	-
- others	15	41	-	-
Loss on disposal of interest in a subsidiary	-	7	-	-
Loss/(Gain) on foreign exchange:				
- realised	93	(4)	-	-
- unrealised	2	-	-	-
Rental expense:				
- office	578	459	-	-
- warehouse	459	200	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	7,139	4,464	-	-
- defined contribution plan	779	541	-	-
- other benefits	1,017	986	-	-
Staff retrenchment costs	-	125	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

31. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Dividend income	-	-	(8,330)	(1,015)
Gain on disposal of available- for-sale investments	(21)	(38)	(21)	(38)
Gain on disposal of equipment	(138)	(25)	(133)	-
Interest income:				
- subsidiaries	-	-	(34)	(29)
- others	(386)	(432)	(28)	-
Rental income	(287)	(251)	-	-
Sales incentives	(13,331)	(9,692)	-	-
Write-back of impairment loss on trade receivables	(459)	(28)	-	-
Write-back of allowance for inventory obsolescence	-	(49)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

32. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current tax expense:				
- for the financial year	1,952	1,662	320	140
- (over)/underprovision in the previous financial year	(1,200)	58	4	(6)
	<hr/>	<hr/>	<hr/>	<hr/>
	752	1,720	324	134
Deferred tax asset (Note 12):				
- for the financial year	(3)	15	-	-
Deferred tax liability (Note 23):				
- for the financial year	(40)	(17)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	709	1,718	324	134
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

32. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(Loss)/Profit before taxation	(12,139)	(91,815)	5,657	(139,520)
Tax at the statutory tax rate of 25%	(3,035)	(22,954)	1,414	(34,880)
Tax effects of:				
Non-deductible expenses	4,791	23,928	703	35,036
Non-taxable gain	(300)	(92)	(1,797)	(17)
Tax exemption	-	(22)	-	-
Crystallisation of deferred tax liabilities	(40)	(17)	-	-
Deferred tax assets not recognised during the financial year	185	412	-	1
Utilisation of previously unrecognised deferred tax assets	(5)	-	-	-
(Over)/Underprovision in the previous financial year	(866)	58	4	(6)
Differential in tax rates	(21)	151	-	-
Others	-	254	-	-
Income tax expense for the financial year	709	1,718	324	134

33. INCOME TAX EXPENSE ON COMPONENTS OF OTHER COMPREHENSIVE INCOME

	THE GROUP	
	2010 RM'000	2009 RM'000
Deferred tax on the revaluation surplus of property	-	254

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34. LOSS PER SHARE

The basic loss per share is arrived at by dividing the Group's loss attributable to equity holders of RM11,911,000 (2009 - RM93,855,000) by the number of ordinary shares in issue during the financial year of 2,134,289,020 (2009 - 2,134,289,020).

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

35. ACQUISITION OF A SUBSIDIARY

The details of the net assets acquired and cash flow arising from the acquisition of the subsidiary in the previous financial year were as follows:-

	THE GROUP	
	2010 RM'000	2009 RM'000
Property and equipment	-	790
Prepaid land lease payments	-	1,458
Other payables and accruals	-	(2)
Provision for taxation	-	(9)
	<hr/>	<hr/>
Fair value of net assets acquired	-	2,237
Minority interest	-	(5)
Goodwill on consolidation	-	13,768
	<hr/>	<hr/>
Total purchase consideration	-	16,000
Less: Cash and cash equivalents of subsidiary acquired	-	#
	<hr/>	<hr/>
Net cash outflow from acquisition of a subsidiary	-	16,000
	<hr/>	<hr/>

- Amount less than RM1,000

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35. ACQUISITION OF A SUBSIDIARY (CONT'D)

The effects of the acquisition of the subsidiary on the financial results of the Group at the end of the previous financial year were as follows:-

	THE GROUP	
	2010 RM'000	2009 RM'000
Other income	-	2
Administrative expenses	-	(14)
Other expenses	-	(6)
	<hr/>	<hr/>
Loss before taxation	-	(18)
Income tax expense	-	7
	<hr/>	<hr/>
Loss after taxation	-	(11)
	<hr/>	<hr/>

36. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short-term deposits with licensed banks (Note 17)	4,247	5,890	-	-
Fixed deposits with licensed banks (Note 18)	10,181	14,874	-	-
Cash and bank balances	4,415	6,972	65	45
	<hr/>	<hr/>	<hr/>	<hr/>
	18,843	27,736	65	45
	<hr/>	<hr/>	<hr/>	<hr/>

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37. DIRECTORS' REMUNERATION

- (a) The aggregate amounts of emoluments received and receivable by directors of the Group and the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive directors:				
- non-fee emoluments	1,000	660	-	-
- incentives	5,433	444	-	-
- contribution to Employees' Provident Fund ("EPF")	965	166	-	-
	<u>7,398</u>	<u>1,270</u>	<u>-</u>	<u>-</u>
Non-executive directors:				
- fee	324	372	324	372
	<u>7,722</u>	<u>1,642</u>	<u>324</u>	<u>372</u>

- (b) Details of directors' emoluments of the Group and the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	THE GROUP/THE COMPANY	
	2010	2009
Executive directors:-		
RM800,001 - RM850,000	-	1
RM7,000,001 - RM7,500,000	1	-
Non-executive directors:-		
Below RM50,000	3	4
RM150,000 - RM200,000	1	1
	<u>5</u>	<u>6</u>

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38. RELATED PARTY DISCLOSURES

- (a) Identities of related parties

The Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

- (b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sale of goods to a related party	237	1,510	-	-
Dividend received from subsidiaries	-	-	8,330	1,015
Purchase of goods from a related party	8	-	-	-
Commission paid/ payable to related parties	3,360	2,837	-	-
Interest received/ receivable from subsidiaries	-	-	34	29
Interest paid/payable to a related party	-	29	-	-
Project management fee paid/payable to related parties	760	935	-	-

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38. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' of the Company:				
- fees	324	372	324	372
- remuneration	6,433	1,104	-	-
- contribution to EPF	965	166	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,722	1,642	324	372
Other key management personal:				
- fees	57	-	-	-
- salary and other short-term employee benefit	1,919	492	-	-
- contribution to EPF	185	59	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,161	551	-	-
Total	<hr/>	<hr/>	<hr/>	<hr/>
	9,883	2,193	324	372

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39. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main business segments as follows:-

- (i) Trading and services segment - involved in the trading, marketing, distributing of imaging, information technology, communication based products, and provision of management services.
- (ii) Agriculture and energy segment - involved in trading and cultivating of agricultural and energy products.

The management assess the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

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39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	TRADING AND SERVICES RM'000	AGRICULTURE AND ENERGY RM'000	GROUP RM'000
2010			
Revenue			
External revenue	636,835	1,025	637,860
Inter-segment revenue	10,043	1	10,044
	<hr/>	<hr/>	<hr/>
	646,878	1,026	647,904
Adjustments and eliminations			(10,044)
Consolidated revenue			<hr/> 637,860
Results			
Segment results	(6,458)	(785)	(7,243)
Interest income	349	37	386
Write-back of impairment loss on trade receivables	459	-	459
Allowance for inventory obsolescence	(100)	-	(100)
Bad debts written off	(6)	-	(6)
Depreciation of investment property	(62)	-	(62)
Depreciation of property and equipment	(778)	(55)	(833)
Equipment written off	(38)	-	(38)
Impairment loss on:			
- trade receivables	(476)	-	(476)
- other receivables	(2,000)	-	(2,000)
Impairment loss on available-for-sale investments	(2,115)	-	(2,115)
Inventories written off	(4)	-	(4)
Unrealised loss on foreign exchange	(2)	-	(2)
	<hr/>	<hr/>	<hr/>
	(11,231)	(803)	(12,034)
Finance costs	(105)	-	(105)
Income tax expense	(708)	(1)	(709)
Consolidated loss after taxation	<hr/> (12,044)	<hr/> (804)	<hr/> (12,848)

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39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	TRADING AND SERVICES RM'000	AGRICULTURE AND ENERGY RM'000	GROUP RM'000
2010			
Assets			
Segment assets	126,338	3,160	129,498
Tax refundable	1,278	-	1,278
Deferred tax asset	6	-	6
Consolidated total assets	127,622	3,160	130,782
Liabilities			
Segment liabilities	35,766	531	36,297
Deferred taxation	609	-	609
Provision for taxation	742	-	742
Consolidated total liabilities	37,117	531	37,648
Other segment items			
Additions to non-current assets other than financial instruments:			
- property and equipment	16,499	223	16,722
- investment properties	5,780	-	5,780
	22,279	223	22,502

No segmental analysis by business segment was prepared in the previous financial year as the Group operates predominantly in one industry.

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39. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

	REVENUE		NON-CURRENT ASSETS	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysia	132,452	282,919	68,790	69,299
Singapore	-	390	-	-
Bangladesh	488,098	427,145	612	758
The British Virgin Islands	855	1,800	9	16
Cambodia	9,473	6,592	22	25
Indonesia	6,982	14,302	30	55
	<u>637,860</u>	<u>733,148</u>	<u>69,463</u>	<u>70,153</u>

40. CAPITAL COMMITMENT

	THE GROUP	
	2010 RM'000	2009 RM'000
Approved but not contracted for:- Purchase of property and equipment	<u>225</u>	<u>-</u>

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41. CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unsecured:-				
Corporate guarantees given to secure banking facilities granted to certain subsidiaries	-	-	27,000	27,000
Corporate guarantees given to secure credit facility granted by suppliers	-	-	25,000	20,000
Bank guarantee given to a supplier	154	342	-	-
	<u>154</u>	<u>342</u>	<u>52,000</u>	<u>47,000</u>

42. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the reporting period are as follows:-

	THE GROUP/THE COMPANY	
	2010 RM	2009 RM
Bangladeshi Taka	0.04	0.05
Singapore Dollar	2.39	2.44
United States Dollar	3.08	3.42
Indonesian Rupiah	**	*

** - Amount equals RM0.0003

* - Amount equals RM0.0004

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

43. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Bangladeshi Taka. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(j) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	BANGLADESHI TAKA RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	Total RM'000
2010						
Financial assets						
Trade receivables	961	-	203	221	15,043	16,428
Other receivables and deposits	19	-	101	-	3,905	4,025
Short-term deposits with licensed banks	-	-	-	-	4,247	4,247
Fixed deposits with licensed banks	-	-	-	-	10,181	10,181
Cash and bank balances	650	86	1,419	565	1,695	4,415
	<u>1,630</u>	<u>86</u>	<u>1,723</u>	<u>786</u>	<u>35,071</u>	<u>39,296</u>

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	BANGLADESHI TAKA RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	Total RM'000
2010						
Financial liabilities						
Trade payables	150	-	2,274	-	11,725	14,149
Other payables and accruals	271	10	83	48	9,504	9,916
Amount owing to shareholders of subsidiaries	186	-	5,594	104	-	5,884
Bankers' acceptances	-	-	-	-	6,348	6,348
	<u>607</u>	<u>10</u>	<u>7,951</u>	<u>152</u>	<u>27,577</u>	<u>36,297</u>

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(j) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	BANGLADESHI TAKA RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	Total RM'000
2010						
Net financial assets/ (liabilities)	1,023	76	(6,228)	634	7,494	2,999
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	(991)	(76)	6,228	(634)	(7,494)	(2,967)
Currency exposure	32	-	-	-	-	32

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	BANGLADESHI TAKA RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	Total RM'000
2009						
Financial assets						
Trade receivables	2,356	-	3,624	264	10,784	17,028
Other receivables and deposits	11	-	6	-	3,132	3,149
Short-term deposits with licensed banks	-	-	-	-	5,890	5,890
Fixed deposits with licensed banks	-	-	-	-	14,874	14,874
Cash and bank balances	842	93	4,028	220	1,789	6,972
	3,209	93	7,658	484	36,469	47,913

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	BANGLADESHI TAKA RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	Total RM'000
2009						
Financial liabilities						
Trade payables	346	-	12,530	-	16,827	29,703
Other payables and accruals	240	14	180	17	3,309	3,760
Amount owing to shareholders of subsidiaries	32	-	-	109	-	141
Amount owing to a director	-	-	-	-	200	200
Hire purchase payables	-	-	-	-	86	86
	618	14	12,710	126	20,422	33,890

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(j) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	BANGLADESHI TAKA RM'000	INDONESIAN RUPIAH RM'000	RINGGIT MALAYSIA RM'000	Total RM'000
2009						
Net financial assets/ (liabilities)	2,591	79	(5,052)	358	16,047	14,023
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	(2,553)	(79)	5,052	(358)	(16,047)	(13,985)
Currency exposure	38	-	-	-	-	38

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	THE GROUP 2010 INCREASE/ (DECREASE) RM'000	THE COMPANY 2010 INCREASE/ (DECREASE) RM'000
Effects on profit after taxation		
United States Dollar:		
- strengthened by 5%	1	-
- weakened by 5%	(1)	-
Effects on equity		
United States Dollar:		
- strengthened by 5%	1	-
- weakened by 5%	(1)	-

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 43(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	THE GROUP 2010 INCREASE/ (DECREASE) RM'000	THE COMPANY 2010 INCREASE/ (DECREASE) RM'000
Effects on profit after taxation		
Increase of 25 Basis points (bp)	21	-
Decrease of 25 bp	(21)	-
Effects on equity		
Increase of 25 bp	21	-
Decrease of 25 bp	(21)	-

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to price risks by maintaining a portfolio of equities with different risk profiles.

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments as at the end of the reporting period, with all other variables held constant:-

	THE GROUP/ THE COMPANY 2010 INCREASE/ (DECREASE) RM'000
Effects on loss after taxation	
Increase of 5%	-
Decrease of 5%	-
Effects on equity	
Increase of 5%	492
Decrease of 5%	(492)

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Exposure to credit risk (Cont'd)

The exposure of credit risk for trade receivables by geographical region is as follows:-

	THE GROUP	
	2010 RM'000	2009 RM'000
British Virgin Islands	961	2,355
Bangladesh	203	3,624
Indonesia	221	264
Malaysia	15,043	10,785
	<u>16,428</u>	<u>17,028</u>

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 December 2010 is as follows:-

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
THE GROUP				
2010				
Not past due	11,267	-	-	11,267
Past due:				
- less than 3 months	3,821	-	-	3,821
- 3 to 6 months	943	(26)	-	917
- over 6 months	1,316	(893)	-	423
	<u>17,347</u>	<u>(919)</u>	<u>-</u>	<u>16,428</u>

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 180 days, which are deemed to have higher credit risk, are monitored individually.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2010						
Trade payables	-	14,149	14,149	14,149	-	-
Other payables and accruals	-	9,916	9,916	9,916	-	-
Amount owing to shareholders of subsidiaries	-	5,884	5,884	5,884	-	-
Bankers' acceptances	2.94	6,348	6,348	6,348	-	-
		36,297	36,297	36,297	-	-
2009						
Trade payables	-	29,703	29,703	29,703	-	-
Other payables and accruals	-	3,760	3,760	3,760	-	-
Amount owing to a director	-	200	200	200	-	-
Amount owing to a shareholder of a subsidiary	-	141	141	141	-	-
Hire purchase payables	5.25	86	88	88	-	-
		33,890	33,892	33,892	-	-

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43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2010						
Other payables and accruals	-	124	124	124	-	-
2009						
Other payables and accruals	-	99	99	99	-	-
Amount owing to a subsidiary	-	3,956	3,956	3,956	-	-
Hire purchase payables	5.25	77	79	79	-	-
		4,132	4,134	4,134	-	-

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

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43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2010 RM'000	2009 RM'000
Hire purchase payables	-	86
Bankers' acceptances	6,348	-
Trade payables	14,149	29,703
Other payables and accruals	9,916	3,760
Amount owing to shareholders of subsidiaries	5,884	141
Amount owing to directors	-	200
	<hr/>	<hr/>
	36,297	33,890
Less: Short-term deposits with licensed banks	(4,247)	(5,890)
Less: Fixed deposits with licensed banks	(10,181)	(14,874)
Less: Cash and bank balances	(4,415)	(6,972)
	<hr/>	<hr/>
Net debt	17,454	6,154
	<hr/>	<hr/>
Total equity	93,134	109,850
	<hr/>	<hr/>
Debt-to-equity ratio	0.19	0.06
	<hr/>	<hr/>

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

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43. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments (Cont'd)

	THE GROUP 2010 RM'000	THE COMPANY 2010 RM'000
Financial assets		
<u>Available-for-sale financial assets</u>		
Other investments, at fair value	9,834	9,834
	<hr/>	<hr/>
<u>Loans and receivables financial assets</u>		
Trade receivables	16,428	-
Other receivables and deposits	4,025	58
Amount owing by subsidiaries	-	879
Short-term deposits with licensed banks	4,247	-
Fixed deposits with licensed banks	10,181	-
Cash and bank balances	4,415	65
	<hr/>	<hr/>
	39,296	1,002
	<hr/>	<hr/>
Financial liabilities		
<u>Other financial liabilities</u>		
Bankers' acceptances	6,348	-
Trade payables	14,149	-
Other payables and accruals	9,916	124
Amount owing to shareholders of subsidiaries	5,884	-
	<hr/>	<hr/>
	36,297	124
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

43. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value of Financial Instruments

The carrying amounts of financial assets and financial liabilities reported in the financial statements approximated their values.

The following summarised the methods used in determining the fair value of financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.
- (iii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year:-

- (i) on 15 March 2010, CMSB disposed of 2 ordinary shares of RM1 each in CSSB, representing 2% of the equity interest in CSSB for a cash consideration of RM2. With the aforesaid disposal, CMSB's equity interest in CSSB was reduced from 51% to 49%. CSSB ceased to be the subsidiary of CMSB and became an associate of CMSB; and
- (ii) on 19 May 2010, CMSB re-acquired 2% of the equity interest in CSSB for a cash consideration of RM500, resulting in CMSB's equity interest in CSSB increasing from 49% to 51%. Consequently, CSSB became a subsidiary of CMSB.

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45. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the adoption of the amendments to FRS 117 - Leases as disclosed in Note 3(a)(v) to the financial statements:-

THE GROUP	AS RESTATE D RM'000	AS PREVIOUSLY REPORTED RM'000
Statements of Financial Position (Extract):-		
Property and equipment	22,126	11,365
Prepaid land lease payments	-	10,761
	<hr/>	<hr/>
Statements of Cash Flows (Extract):-		
Amortisation of prepaid land lease payments	-	106
Depreciation of property and equipment	722	616
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

46. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the accumulated losses of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP 2010 RM'000	THE COMPANY 2010 RM'000
Total accumulated losses:		
- realised	(142,864)	(163,974)
- unrealised	89	-
	<hr/>	<hr/>
	(142,775)	(163,974)
Less: Consolidation adjustments	20,486	-
	<hr/>	<hr/>
At 31 December	<u>(122,289)</u>	<u>(163,974)</u>