PERKARA ....

Inilah Benda bukti bertanda........"A"........

yang disebutkan didalam surat ikrar...Teoh Beng Chong.

1 4 JUN 2010

Diikrar pada ....

....

Pengadil, Mahkamah Rendah, Pulau Pinang

Pesuruhjaya Sumpah Pulau Pinang

PESURUHJAYA SUMPAH
No: P 015
Nama: KARUPAYEE KAMALAM A/P R. MOTTAI
MALAYSIA

9 LEBUH KING
10200 PULAU PINANG

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

FINANCIAL REPORT
for the financial year ended 31 March 2010

CONTENTS

MALAYSIA AICA BERHAD
(Incorporated in Malaysia)
Company No: 8235-K

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of management services and investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Net profit for the financial year attributable to shareholders of the Company	1,909	451

DIVIDENDS

No dividends were proposed, declared or paid by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES OR DEBENTURES

There was no issue of shares or debentures by the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No share options were granted by the Company during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and 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 doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the allowance made for doubtful debts inadequate to any substantial extent.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Group or 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 in respect of the Group or the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group or 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 the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company for 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 or the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

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

Tan Sri Dato' Tan Hua Choon
Lim Jian Hoo
Thor Poh Seng
Lee Yu-Jin
Aminuddin Yusof Lana
Mohtar Bin Abdullah

Particulars of the interests in shares in the Company of the directors in office at the end of the financial year, as shown in the Register of Directors' Shareholdings, are as follows:-

	Number of Ordinary Shares of RM0.50 each			
Name of Director	Balance at 1.4.2009	Bought	Sold	Balance at 31.3.2010
Tan Sri Dato' Tan Hua Choon				
- Direct interest	22,641,985	0	0	22,641,985
- Deemed interest	0	16,091,400	0	16,091,400

By virtue of his interests in shares in the Company, Tan Sri Dato' Tan Hua Choon is also deemed to have interests in shares in the subsidiaries to the extent of the Company's interests, pursuant to Section 6A of the Companies Act 1965.

Save as disclosed above, none of the other directors in office at the end of the financial year held any interests in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which 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 have arisen by virtue of those related party transactions as disclosed in Note 24 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement 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.

AUDITORS

The auditors, Messrs. Crowe Horwath (formerly known as Messrs. Horwath), have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 14 JUN 2010

Lim Jian Hoo

Thor Poh Seng

MALAYSIA AICA BERHAD
(Incorporated in Malaysia)
Company No: 8235-K

STATEMENT BY DIRECTORS

We, Lim Jian Hoo and Thor Poh Seng, being two of the directors of Malaysia Aica Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 8 to 49 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 the Company as at 31 March 2010 and of their financial performance and cash flows for the financial year then ended.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 14 JUN 2010

Lim Jian Hoo

Thor Poh Seng

STATUTORY DECLARATION

I, Teoh Beng Chong, being the officer primarily responsible for the financial management of Malaysia Aica Berhad, do solemnly and sincerely declare that the financial statements set out on pages 8 to 49 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 Teoh Beng Chong at Georgetown in the State of Penang on this 14 JUN 2010

Teoh Beng Chong

Before me

PESURUHJAYA SUMPAH
No: P 015
Nama: KARUPAYEE KAMALAM A/P R. MOTTAI
MALAYSIA

9 LEBUH KING
10200 PULAU PINANG

Crowe Horwath™

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

Report on the Financial Statements

We have audited the financial statements of Malaysia Aica Berhad ("the Company") and its subsidiaries ("the Group") set out on pages 8 to 49, which comprise the balance sheets as at 31 March 2010, and the income statements, statements of changes in equity and cash flow statements for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia ("the Act"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the 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 and fair presentation of the 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.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIA AICA BERHAD (cont'd)

(Incorporated in Malaysia)
Company No: 8235-K

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Act so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 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 Act, we also report the following:-

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

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

(iii) The auditors' 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.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Act 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

Eddy Chan Wai Hun
Approval No : 2182/10/11 (J)
Chartered Accountant

Penang

14 JUN 2010

MALAYSIA AICA BERHAD
(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,497	7,627
Investment property	5	5,685	1,881
Prepaid lease payments	6	2,817	2,865
Investment in associate	8	594	912
Other investments	9	25	25
Deferred tax assets	10	0	390
Receivables	11	39,386	52,676
		52,004	66,376
CURRENT ASSETS			
Inventories	12	2,983	2,737
Receivables	11	18,415	16,053
Prepayments		61	70
Current tax assets		118	107
Cash and cash equivalents	13	7,049	6,379
		28,626	25,346
CURRENT LIABILITIES			
Payables	14	1,617	1,458
Loans and borrowings	15	11,801	25,401
Advance payments from customers		415	193
Retirement benefits	16	4	8
Current tax liabilities		169	44
		14,006	27,104
NET CURRENT ASSETS/(LIABILITIES)		14,620	(1,758)
NON-CURRENT LIABILITIES			
Deferred tax liabilities	10	14	0
Retirement benefits	16	810	700
		824	700
NET ASSETS		65,800	63,918
FINANCED BY:-			
Share capital	17	65,180	65,180
Reserves	18	595	(1,288)
SHAREHOLDERS' EQUITY		65,775	63,892
Minority interest		25	26
TOTAL EQUITY		65,800	63,918

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

MALAYSIA AICA BERHAD
(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
Revenue	19	19,312	20,038
Cost of sales		(11,983)	(13,848)
Gross profit		7,329	6,190
Other income		317	270
Administrative and general expenses		(3,880)	(3,771)
Selling and distribution expenses		(279)	(489)
Finance costs		(658)	(490)
Share of results of associate		(43)	(268)
Profit before tax	20	2,786	1,442
Tax (expense)/income	22	(878)	379
Net profit for the year		1,908	1,821
Attributable to:-			
- Shareholders of the Company		1,909	1,823
- Minority interest		(1)	(2)
		1,908	1,821
Basic and diluted earnings per share (sen)	23	1.46	1.40

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

		Non-distributable						
	Share capital RM'000	Share premium RM'000	Revaluation surplus RM'000	Capital reserve RM'000	Accumulated losses RM'000	Shareholders' equity RM'000	Minority interest RM'000	Total equity RM'000
Balance at 1 April 2008	65,180	13,296	815	815	(18,011)	62,095	28	62,123
Dilution arising from acquisition of shares from minority shareholders	0	0	0	0	(26)	(26)	0	(26)
Net profit/(loss) for the year	0	0	0	0	1,823	1,823	(2)	1,821
Balance at 31 March 2009	65,180	13,296	815	815	(16,214)	63,892	26	63,918
Dilution arising from acquisition of shares from minority shareholders	0	0	0	0	(26)	(26)	0	(26)
Net profit/(loss) for the year	0	0	0	0	1,909	1,909	(1)	1,908
Balance at 31 March 2010	65,180	13,296	815	815	(14,331)	65,775	25	65,800

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

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Granting of hire purchase financing		(4,398)	(73,762)
Cash receipts from customers		34,784	26,591
Cash payments to suppliers		(14,956)	(15,633)
Cash generated from/(absorbed by) operations		15,430	(62,804)
Interest paid		(798)	(339)
Retirement benefits paid		(52)	(159)
Tax paid		(360)	(102)
Net cash from/(used in) operating activities		14,220	(63,404)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of shares from minority shareholders		(26)	(26)
Interest received		110	499
Proceeds from disposal of property, plant and equipment		271	71
Purchase of property, plant and equipment		(445)	(123)
Net cash (used in)/from investing activities		(90)	421
CASH FLOWS FROM FINANCING ACTIVITY			
(Decrease)/Increase in loans and borrowings (net)		(13,460)	24,750
Net cash (used in)/from financing activity		(13,460)	24,750
Net increase/(decrease) in cash and cash equivalents		670	(38,233)
Cash and cash equivalents brought forward		6,379	44,612
Cash and cash equivalents carried forward	13	7,049	6,379

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

BALANCE SHEET AS AT 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	322	223
Investment property	5	1,393	1,421
Prepaid lease payments	6	612	622
Investment in subsidiaries	7	41,043	41,017
Investment in associate	8	594	672
Other investments	9	0	0
		43,964	43,955
CURRENT ASSETS			
Receivables	11	25,504	25,049
Current tax assets		70	67
Cash and cash equivalents	13	1,515	1,539
		27,089	26,655
CURRENT LIABILITIES			
Payables	14	91	127
		91	127
NET CURRENT ASSETS		26,998	26,528
NON-CURRENT LIABILITIES			
Retirement benefits	16	173	145
NET ASSETS		70,789	70,338
FINANCED BY:-			
Share capital	17	65,180	65,180
Reserves	18	5,609	5,158
SHAREHOLDERS' EQUITY		70,789	70,338

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
Revenue	19	1,610	736
Other income		84	0
Administrative and general expenses		(1,243)	(1,363)
Profit/(Loss) before tax	20	451	(627)
Tax expense	22	0	(5)
Net profit/(loss) for the year		451	(632)

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

		Non-distributable			
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total RM'000
Balance at 1 April 2008	65,180	13,296	1,800	(9,306)	70,970
Net loss for the year	0	0	0	(632)	(632)
Balance at 31 March 2009	65,180	13,296	1,800	(9,938)	70,338
Net profit for the year	0	0	0	451	451
Balance at 31 March 2010	65,180	13,296	1,800	(9,487)	70,789

MALAYSIA AICA BERHAD
(Incorporated in Malaysia)
Company No: 8235-K

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		366	390
Cash payments to suppliers		(1,113)	(1,307)
Cash absorbed by operations		(747)	(917)
Tax paid		(3)	(95)
Net cash used in operating activities		(750)	(1,012)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of shares from minority shareholders		(26)	(26)
Advance to a subsidiary		0	(39,988)
Interest received		28	405
Proceeds from disposal of property, plant and equipment		40	0
Purchase of property, plant and equipment		(116)	(5)
Repayment from subsidiaries		800	1,497
Net cash from/(used in) investing activities		726	(38,117)
Net decrease in cash and cash equivalents		(24)	(39,129)
Cash and cash equivalents brought forward		1,539	40,668
Cash and cash equivalents carried forward	13	1,515	1,539

1. GENERAL INFORMATION

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

The principal activities of the Company are the provision of management services and investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The registered office of the Company is located at 8-3, Jalan Segambut, 51200 Kuala Lumpur and its principal place of business is located at 5100A, Lorong Mak Mandin 5, Mak Mandin Industrial Estate, 13400 Butterworth, Penang.

The consolidated financial statements set out on pages 8 to 11 together with the notes thereto cover the Company and its subsidiaries ("the Group") and the Group's interest in an associate. The separate financial statements of the Company set out on pages 12 to 15 together with the notes thereto cover the Company solely.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 14 JUN 2010

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

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

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The Group and the Company have not applied the following FRSs and IC Interpretations which have been issued as at the balance sheet date but are not yet effective:-

Standard/Interpretation	Effective for financial periods beginning on or after
Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*	1 January 2010
Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation of Financial Statements (cont'd)

Standard/Interpretation	Effective for financial periods beginning on or after
Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations*	1 January 2010
Amendments to FRS 2 *Share-based Payment*	1 July 2010
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 7 *Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 132 *Financial Instruments: Presentation*	1 January 2010/ 1 March 2010
Amendments to FRS 138 *Intangible Assets*	1 July 2010
Amendments to FRS 139 *Financial Instruments: Recognition and Measurement*, FRS 7 *Financial Instruments: Disclosures* and IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 January 2010
Amendments to FRS 139 *Financial Instruments: Recognition and Measurement*	1 January 2010
Amendments to IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 July 2010
Amendments to FRSs contained in the document entitled *"Improvements to FRSs (2009)"*	1 January 2010
FRS 1 *First-time Adoption of Financial Reporting Standards* (revised in 2010)	1 July 2010
FRS 3 *Business Combinations* (revised in 2010)	1 July 2010
FRS 4 *Insurance Contracts*	1 January 2010
FRS 7 *Financial Instruments: Disclosures*	1 January 2010
FRS 8 *Operating Segments*	1 July 2009
FRS 101 *Presentation of Financial Statements* (revised in 2009)	1 January 2010
FRS 123 *Borrowing Costs*	1 January 2010
FRS 127 *Consolidated and Separate Financial Statements* (revised in 2010)	1 July 2010
FRS 139 *Financial Instruments: Recognition and Measurement*	1 January 2010
IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 January 2010
IC Interpretation 10 *Interim Financial Reporting and Impairment*	1 January 2010
IC Interpretation 11 FRS 2 - *Group and Treasury Share Transactions*	1 January 2010
IC Interpretation 12 *Service Concession Arrangements*	1 July 2010
IC Interpretation 13 *Customer Loyalty Programmes*	1 January 2010
IC Interpretation 14 FRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2010
IC Interpretation 15 *Agreements for the Construction of Real Estate*	1 July 2010
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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation of Financial Statements (cont'd)

The management foresees that the initial application of the above FRSs and IC Interpretations will not have any significant impacts on the financial statements except as follows:-

Amendments to FRS 117 *Leases*

Included in *Improvements to FRSs (2009)* are amendments to FRS 117 which clarify that the classification of leasehold land as a finance lease or an operating lease shall be based on the extent to which risks and rewards incidental to ownership lie. In accordance with the transitional provisions of the amendments, the Group and the Company will reassess the classification of leasehold land on the effective date and make the necessary reclassification, if any, retrospectively.

FRS 3 *Business Combinations* (revised in 2010)

FRS 3 (revised in 2010), which supersedes FRS 3 *Business Combinations* (issued in 2005), 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 acquisition-related costs, other than the costs to issue debt or equity securities, shall be expensed as incurred. In accordance with the transitional provisions of FRS 3 (revised in 2010), the Group and the Company will apply this FRS prospectively to business combinations for which the acquisition date is on or after the effective date.

FRS 7 *Financial Instruments: Disclosures* and FRS 139 *Financial Instruments: Recognition and Measurement*

By virtue of the exemptions given by FRS 7 and FRS 139, the impacts on the financial statements upon initial application of these FRSs (and the amendments thereto) are not disclosed.

FRS 101 *Presentation of Financial Statements* (revised in 2009)

FRS 101 (revised in 2009), which supersedes FRS 101 *Presentation of Financial Statements* (revised in 2005), affects the presentation of owner changes in equity and comprehensive income. It requires an entity to present all owner changes in equity in a statement of changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or two statements (a separate income statement and a statement of comprehensive income). FRS 101 (revised in 2009) also changes the titles of the financial statements to reflect their function more closely, for example, the titles "balance sheet" and "cash flow statement" are renamed as "statement of financial position" and "statement of cash flows" respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation of Financial Statements (cont'd)

FRS 123 *Borrowing Costs*

FRS 123, which supersedes FRS 123_{2004} *Borrowing Costs*, removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional provisions of FRS 123, the Group and the Company will apply this FRS prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after the effective date.

FRS 127 *Consolidated and Separate Financial Statements* (revised in 2010)

FRS 127 (revised in 2010), which supersedes FRS 127 *Consolidated and Separate Financial Statements* (revised in 2005), requires the total comprehensive income of a subsidiary to be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The revised standard also requires the changes in a parent's ownership interest in a subsidiary that do not result in a loss of control to be accounted for as equity transactions. In accordance with the transitional provisions of FRS 127 (revised in 2010), the aforementioned amendments will be applied prospectively.

2.2 Basis of Consolidation

A subsidiary is an entity that is controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the end of the financial year using the purchase method. The results of the subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation.

The excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired at the acquisition date represents goodwill. Goodwill is recognised as an asset at cost less accumulated impairment losses, if any. When the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired at the acquisition date exceeds the cost of acquisition, the excess (hereinafter referred to as "negative goodwill"), after reassessment, is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Associate

An associate is an entity, other than a subsidiary or a joint venture, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is initially recognised at cost and the carrying amount is subsequently adjusted to recognise the Group's share of the post-acquisition profit or loss and other changes in equity of the associate. After application of the equity method, the carrying amount of the investment is subject to further impairment assessment.

2.4 Financial Instruments

Recognised Financial Instruments

The accounting policies for recognised financial instruments are disclosed in the individual policies associated with each item.

Unrecognised Financial Instruments

The Group and the Company do not have any unrecognised financial instruments other than the financial guarantees as disclosed in Note 26 to the financial statements.

Fair Values

The carrying amounts of financial assets and liabilities with short maturity periods are assumed to approximate their fair values.

The fair values of long-term hire purchase receivables are estimated based on the current market rates offered for similar hire purchase arrangements.

The fair values of financial guarantees granted by the Company are not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Property, Plant and Equipment

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

The last revaluations of certain buildings and plant and machinery were made in 1983 and 1986 respectively and have not been updated. The Group has followed the transitional provisions of IAS16 (Revised) *Property, Plant and Equipment* issued by the Malaysian Accounting Standards Board to retain the carrying amounts of the assets on the basis of their previous revaluation subject to continuity in their depreciation and impairment policies.

A revaluation increase is credited to equity as revaluation surplus or recognised as income in the income statement to the extent that the increase reverses a revaluation decrease of the same asset previously recognised as an expense. A revaluation decrease is recognised as an expense in the income statement or debited against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus of that asset.

Property, plant and equipment, except for spare parts and loose tools, are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

Buildings	2%
Plant and machinery	5-10%
Furniture, fittings and equipment	10-25%
Motor vehicles	20%

Initial purchases of spare parts and loose tools have been capitalised and depreciated at annual rates ranging from 20% to 100%. Subsequent purchases of such items have been charged out directly to the income statement.

The residual value, useful life and depreciation method of an asset are reviewed at least at each balance sheet date and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.6 Investment Property

Investment property, being a property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Investment Property (cont'd)

The last revaluations of certain freehold land and buildings previously classified as property, plant and equipment were made in 1981 and have not been updated. The Group and the Company have followed the transitional provisions of IAS 16 (Revised) *Property, Plant and Equipment* issued by the Malaysian Accounting Standards Board to retain the carrying amounts of the assets on the basis of their previous revaluation subject to continuity in their depreciation and impairment policies.

Freehold land is not depreciated. Buildings are depreciated on a straight-line basis over their estimated useful lives of 50 years.

2.7 Prepaid Lease Payments

The upfront payments for a lease of land under an operating lease are classified as prepaid lease payments and amortised on a straight-line basis over the lease term.

2.8 Investments

Subsidiaries and Associate

As required by the Companies Act 1965, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries and associate are stated at cost less impairment losses, if any.

Other Investments

Other long-term investments are stated at cost. An allowance for diminution in value is made when there is a decline other than temporary in the value of the investment. The decline is recognised as an expense in the period in which it is identified.

2.9 Impairment of Assets

The carrying amounts of assets, other than deferred tax assets, inventories and financial assets within the scope of FRS 139 *Financial Instruments: Recognition and Measurement*, are reviewed at each balance sheet date to determine whether there is any indication that an item of asset may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to sell and its value in use, is estimated. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised as an expense in the income statement or, in respect of a revalued asset, treated as a revaluation decrease.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Impairment of Assets (cont'd)

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in the income statement or, in respect of a revalued asset, treated as a revaluation increase.

2.10 Inventories

Inventories are valued at the lower of cost (determined principally on the weighted average basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.11 Receivables

Hire purchase receivables are initially recognised as an asset at an amount equal to the principal financed. The minimum hire purchase payments are subsequently apportioned between the finance income and the reduction of the outstanding asset so as to produce a constant periodic rate of return on the remaining balance of the asset.

All outstanding receivables are carried at anticipated realisable values after the assessment of bad and doubtful debts at each balance sheet date.

2.12 Payables

Payables are recognised at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.13 Loans and Borrowings

All loans and borrowings are initially recognised at cost which is the fair value of the proceeds received. The loans and borrowings are subsequently stated at amortised cost using the effective interest method. The effective interest rate is the historical rate for a fixed rate instrument and the current market rate for a floating rate instrument.

All borrowing costs are recognised as an expense in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Foreign Currency Transactions and Translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the balance sheet date, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in the income statement. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. directly in equity or in the income statement.

2.15 Share Capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the balance sheet date are recognised as a liability whereas dividends proposed or declared after the balance sheet date are disclosed by way of note to the financial statements.

2.16 Income Recognition

Income from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Income from the rendering of services is recognised when the services are performed.

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

Interest income is recognised using the effective interest method.

Rental income is recognised on an accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Income Taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents 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 by the balance sheet date.

Deferred tax is provided for under the balance sheet liability method in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base except for those temporary differences associated with goodwill, negative goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting nor taxable results at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

2.18 Employee Benefits

Short-term Employee Benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by the employees.

Defined Contribution Plan

As required by law, employers in Malaysia make contributions to the state pension scheme, Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the period in which the associated services are rendered by the employees.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Employee Benefits (cont'd)

Defined Benefit Plan

The Group and the Company operate an unfunded final salary defined benefit plan for their employees. The liability in respect of the defined benefit plan is the present value of the defined benefit obligations at the balance sheet date adjusted for actuarial gains/losses and past service cost. The defined benefit obligations are assessed using the Projected Unit Credit Method. Under this method, the cost of providing defined benefit obligations is charged to the income statement so as to spread the regular cost over the service lives of the employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan every three years. The Group and the Company determine the present value of defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. The last actuarial valuation was carried out as at 31 March 2008.

Actuarial gains and losses are recognised as income or expense over the expected average remaining service lives of the participating employees when the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded the greater of 10% of the present value of the defined benefit obligations and 10% of the fair value of any plan assets at that date.

Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed to either terminate the employee's employment before the normal retirement date or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

2.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, term deposits (including those pledged as security), 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.

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

Critical Judgements

In the process of applying the accounting policies of the Group and the Company, the management makes the following judgements that can significantly affect the amounts recognised in the financial statements:-

(i) Allowance for Inventories

Reviews are made periodically by the management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews require the use of judgements and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(ii) Allowance for Doubtful Debts

The Group and the Company make allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowance is applied to receivables where events or changes in circumstances indicate that the balances may not be recoverable. The management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts. Where expectations are different from previous estimates, the difference will impact on the carrying amounts of receivables.

Key Sources of Estimation Uncertainty

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

(i) Depreciation of Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property are depreciated on a straight-line basis over the estimated useful lives of the assets. The management estimates the useful lives to be within 4 to 50 years. Changes in the expected level of usage and technological development will impact on the economic useful lives and residual values of the assets and therefore, future depreciation charges may be revised.

(ii) Impairment of Assets

When the recoverable amount of an asset is determined based on its value in use, estimates on future cash flows and appropriate discount rate are required to determine the present value of those cash flows.

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(iii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimates. The Group and the Company recognise tax assets/liabilities based on their understanding of the prevailing tax laws and estimates of whether such assets/liabilities will be realised/settled in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts initially recognised, the difference will impact on the tax recognition in the period in which the outcome is determined.

4. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Spare parts and loose tools RM'000	Total RM'000
AT COST/VALUATION						
Balance at 1 April 2008	9,354	23,061	3,472	750	65	36,702
Additions	0	8	37	78	0	123
Disposals	0	(770)	0	0	0	(770)
Balance at 31 March 2009	9,354	22,299	3,509	828	65	36,055
Representing items:-						
- At cost	8,282	22,239	3,509	828	65	34,923
- At valuation	1,072	60	0	0	0	1,132
	9,354	22,299	3,509	828	65	36,055
Balance at 1 April 2009	9,354	22,299	3,509	828	65	36,055
Additions	0	0	4	441	0	445
Disposals/Write-offs	0	(4,794)	(765)	(26)	0	(5,585)
Transfer to investment property	(6,918)	0	0	0	0	(6,918)
Balance at 31 March 2010	2,436	17,505	2,748	1,243	65	23,997
Representing items:-						
- At cost	1,364	17,445	2,748	1,243	65	22,865
- At valuation	1,072	60	0	0	0	1,132
	2,436	17,505	2,748	1,243	65	23,997
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 April 2008						
- Accumulated depreciation	3,840	19,186	3,176	586	65	26,853
- Accumulated impairment losses	0	1,542	156	0	0	1,698
	3,840	20,728	3,332	586	65	28,551
Depreciation	187	355	26	79	0	647
Disposals	0	(770)	0	0	0	(770)
Balance at 31 March 2009						
- Accumulated depreciation	4,027	18,773	3,202	665	65	26,732
- Accumulated impairment losses	0	1,540	156	0	0	1,696
	4,027	20,313	3,358	665	65	28,428
Depreciation	106	379	56	115	0	656
Disposals/Write-offs	0	(4,793)	(765)	(26)	0	(5,584)
Transfer to investment property	(3,000)	0	0	0	0	(3,000)
Balance at 31 March 2010						
- Accumulated depreciation	1,133	14,383	2,499	754	65	18,834
- Accumulated impairment losses	0	1,516	150	0	0	1,666
	1,133	15,899	2,649	754	65	20,500
CARRYING AMOUNT						
Balance at 1 April 2008	5,514	2,333	140	164	0	8,151
Balance at 31 March 2009	5,327	1,986	151	163	0	7,627
Balance at 31 March 2010	1,303	1,606	99	489	0	3,497

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

The Company

	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
AT COST				
Balance at 1 April 2008	317	502	166	985
Additions	0	5	0	5
Balance at 31 March 2009	317	507	166	990
Additions	0	0	116	116
Disposals	0	0	(163)	(163)
Balance at 31 March 2010	317	507	119	943
ACCUMULATED DEPRECIATION				
Balance at 1 April 2008	100	492	165	757
Depreciation	6	3	1	10
Balance at 31 March 2009	106	495	166	767
Depreciation	8	2	7	17
Disposals	0	0	(163)	(163)
Balance at 31 March 2010	114	497	10	621
CARRYING AMOUNT				
Balance at 1 April 2008	217	10	1	228
Balance at 31 March 2009	211	12	0	223
Balance at 31 March 2010	203	10	109	322

The buildings stated at valuation were revalued by the directors based on valuations carried out in 1983 by independent professional valuers. The plant and machinery stated at valuation were revalued by the directors in 1986. Subsequent additions are shown at cost while disposals are at valuation or at cost as appropriate. Had the buildings and plant and machinery been stated in the financial statements at cost less accumulated depreciation, the carrying amounts would be RM318,000 and NIL (2009 : RM336,000 and NIL) respectively.

5. INVESTMENT PROPERTY

The Group

	Freehold land RM'000	Buildings RM'000	Total RM'000
AT COST/VALUATION			
Balance at 1 April 2008	944	1,652	2,596
Movement during the year	0	0	0
Balance at 31 March 2009	944	1,652	2,596
Representing items:-			
- At cost	594	1,309	1,903
- At valuation	350	343	693
	944	1,652	2,596
Balance at 1 April 2009	944	1,652	2,596
Transfer from property, plant and equipment	0	6,918	6,918
Balance at 31 March 2010	944	8,570	9,514
Representing items:-			
- At cost	594	8,227	8,821
- At valuation	350	343	693
	944	8,570	9,514
ACCUMULATED DEPRECIATION			
Balance at 1 April 2008	0	682	682
Depreciation	0	33	33
Balance at 31 March 2009	0	715	715
Transfer from property, plant and equipment	0	3,000	3,000
Depreciation	0	114	114
Balance at 31 March 2010	0	3,829	3,829
CARRYING AMOUNT			
Balance at 1 April 2008	944	970	1,914
Balance at 31 March 2009	944	937	1,881
Balance at 31 March 2010	944	4,741	5,685
FAIR VALUE			
Estimated fair value at 31 March 2009			4,990
Estimated fair value at 31 March 2010			11,275

5. INVESTMENT PROPERTY (cont'd)

The Company

	Freehold land RM'000	Buildings RM'000	Total RM'000
AT COST/VALUATION			
Balance at 1 April 2008	594	1,402	1,996
Movement during the year	0	0	0
Balance at 31 March 2009	594	1,402	1,996
Representing items:-			
- At cost	594	1,309	1,903
- At valuation	0	93	93
	594	1,402	1,996
Balance at 1 April 2009	594	1,402	1,996
Movement during the year	0	0	0
Balance at 31 March 2010	594	1,402	1,996
Representing items:-			
- At cost	594	1,309	1,903
- At valuation	0	93	93
	594	1,402	1,996
ACCUMULATED DEPRECIATION			
Balance at 1 April 2008	0	547	547
Depreciation	0	28	28
Balance at 31 March 2009	0	575	575
Depreciation	0	28	28
Balance at 31 March 2010	0	603	603
CARRYING AMOUNT			
Balance at 1 April 2008	594	855	1,449
Balance at 31 March 2009	594	827	1,421
Balance at 31 March 2010	594	799	1,393
FAIR VALUE			
Estimated fair value at 31 March 2009			4,240
Estimated fair value at 31 March 2010			4,240

The fair value of investment property was determined based on management's estimate by reference to market information.

6. PREPAID LEASE PAYMENTS

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Total RM'000
The Group			
AT COST			
Balance at 1 April 2008	652	3,159	3,811
Movement during the year	0	0	0
Balance at 31 March 2009	652	3,159	3,811
Movement during the year	0	0	0
Balance at 31 March 2010	652	3,159	3,811
ACCUMULATED AMORTISATION			
Balance at 1 April 2008	283	616	899
Amortisation	11	36	47
Balance at 31 March 2009	294	652	946
Amortisation	11	37	48
Balance at 31 March 2010	305	689	994
CARRYING AMOUNT			
Balance at 1 April 2008	369	2,543	2,912
Balance at 31 March 2009	358	2,507	2,865
Balance at 31 March 2010	347	2,470	2,817
The Company			
AT COST			
Balance at 1 April 2008	0	873	873
Movement during the year	0	0	0
Balance at 31 March 2009	0	873	873
Movement during the year	0	0	0
Balance at 31 March 2010	0	873	873
ACCUMULATED AMORTISATION			
Balance at 1 April 2008	0	241	241
Amortisation	0	10	10
Balance at 31 March 2009	0	251	251
Amortisation	0	10	10
Balance at 31 March 2010	0	261	261
CARRYING AMOUNT			
Balance at 1 April 2008	0	632	632
Balance at 31 March 2009	0	622	622
Balance at 31 March 2010	0	612	612

7. INVESTMENT IN SUBSIDIARIES

The Company

	2010 RM'000	2009 RM'000
Unquoted ordinary shares - at cost	19,124	19,528
Unquoted preference shares - at cost	40,000	40,000
	59,124	59,528
Impairment losses	(18,081)	(18,511)
	41,043	41,017

The details of the subsidiaries, all of which were incorporated in Malaysia, are as follows:-

Name of Subsidiary	Ownership Interest Held 2010	2009	Principal Activity
Maica Wood Industries Sdn. Bhd.	99.8%	81.8%	Investment holding
Consolidated Leasing (M) Sdn. Bhd.	100%	100%	Investment holding and granting of lease and hire purchase financing
Pinaremas Sdn. Bhd.	100%	100%	Investment holding
Malaysia Aica Foods Sdn. Bhd.*	0%	100%	Investment holding
Ambang Arena Sdn. Bhd.	100%	100%	Trading of sawn timber
<u>Subsidiary of Maica Wood Industries Sdn. Bhd.</u>			
Maicador Sdn. Bhd.	99.8%	81.8%	Manufacture of prefabricated doors and door frames
<u>Subsidiaries of Consolidated Leasing (M) Sdn. Bhd.</u>			
Consolidated Factoring (M) Sdn. Bhd.	91.9%	91.9%	Factoring of debts
Maritime Credits (Malaysia) Sdn. Bhd.	100%	100%	Granting of commercial credits
<u>Subsidiary of Malaysia Aica Foods Sdn. Bhd.</u>			
Suradamai Sdn. Bhd.*	0%	100%	Dormant

* *Struck off pursuant to Section 308(4) of the Companies Act 1965*

8. INVESTMENT IN ASSOCIATE

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares - at cost	672	672	672	672
Impairment loss	(275)	0	(78)	0
	397	672	594	672
Share of post-acquisition:-				
- losses	(516)	(473)		
- revaluation increase	713	713		
	594	912		
Represented by:-				
Share of net assets	1,170	1,213		
Discount on acquisition	(301)	(301)		
Impairment loss	(275)	0		
	594	912		

The details of the associate, which was incorporated in Malaysia, are as follows:-

Name of Associate	Ownership Interest Held 2010	Ownership Interest Held 2009	Principal Activity
Mahakota Sdn. Bhd.	25.4%	25.4%	Woodworks manufacturer and dealer in timber and wood

The summarised financial information of the associate is as follows:-

	2010 RM'000	2009 RM'000
Total assets	9,687	9,927
Total liabilities	5,082	5,151
Revenue	7,509	8,291
Net loss for the year	(171)	(1,055)

9. OTHER INVESTMENTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares - at cost	90	90	90	90
Allowance for diminution in value	(90)	(90)	(90)	(90)
	0	0	0	0
Investment in club membership - at cost	25	25	0	0
	25	25	0	0

10. DEFERRED TAX ASSETS/(LIABILITIES)

The Group

	2010 RM'000	2009 RM'000
Balance at 1 April	390	0
Deferred tax expense relating to origination and reversal of temporary differences	(3)	(7)
Realisation of deferred tax assets	(401)	0
Recognition of previously unrecognised deferred tax assets	0	397
Balance at 31 March	(14)	390

The deferred tax assets/(liabilities) are in respect of the following items:-

	2010 RM'000	2009 RM'000
Unused tax losses	0	401
Taxable temporary differences of:-		
- property, plant and equipment	(11)	(7)
- investment property	(3)	(4)
	(14)	390

10. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

Save as disclosed above, as at 31 March 2010, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group and the Company to the extent of approximately RM739,000 and RM10,000 (2009 : RM740,000 and RM2,000) respectively. No further deferred tax assets have been recognised for the excess of the deductible temporary differences, unused capital allowances and tax losses over the taxable temporary differences as follows:-

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deductible temporary differences of:-				
- property, plant and equipment	73	0	0	0
- inventories	42	82	0	0
- receivables	5	17	0	0
- payables	69	312	42	42
- retirement benefits	814	708	173	145
Unused capital allowances	19,966	20,663	798	756
Unused tax losses	34,891	34,956	73	102
Taxable temporary differences of:-				
- property, plant and equipment	(2,161)	(2,959)	(40)	(7)
- investment property	(795)	0	0	0
	52,904	53,779	1,046	1,038

11. RECEIVABLES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amounts owing by subsidiaries	0	0	28,756	29,244
Allowance for doubtful debts	0	0	(3,300)	(4,240)
	0	0	25,456	25,004
Hire purchase receivables	56,317	66,978	0	0
Non-current portion of hire purchase receivables	(39,386)	(52,676)	0	0
Current portion of hire purchase receivables	16,931	14,302	0	0
Trade receivables	1,487	1,724	0	0
Allowance for doubtful debts	(91)	(103)	0	0
	1,396	1,621	0	0
Other receivables	88	160	48	45
Allowance for doubtful debts	0	(30)	0	0
	88	130	48	45
	18,415	16,053	25,504	25,049

11. RECEIVABLES (cont'd)

The amounts owing by subsidiaries are unsecured, non-interest bearing and repayable on demand.

The credit terms of trade receivables range from 30 to 90 days.

Hire Purchase Receivables

This represents hire purchase financing granted to a company in which a director of the Company and his close family members have substantial financial interests. The effective interest rates of the hire purchase receivables range from 6% to 7% (2009 : 7%) per annum. The repayment analysis is as follows:-

	The Group	
	2010 RM'000	2009 RM'000
Minimum hire purchase payments:-		
- not later than one year	20,386	18,778
- later than one year and not later than five years	42,482	58,919
	62,868	77,697
Unearned finance income	(6,551)	(10,719)
Present value of hire purchase receivables:-		
- not later than one year	16,931	14,302
- later than one year and not later than five years	39,386	52,676
	56,317	66,978

12. INVENTORIES

The Group

	2010 RM'000	2009 RM'000
Raw materials	1,910	1,621
Work-in-progress	417	359
Finished goods	299	215
Consumables	357	542
	2,983	2,737

13. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Highly liquid investments	2,016	1,967	0	0
Term deposits with licensed banks	2,403	2,572	1,235	1,407
Cash and bank balances	2,630	1,840	280	132
	7,049	6,379	1,515	1,539

A term deposit of the Group amounting to RM180,000 (2009 : RM180,000) has been pledged as security for credit facilities granted to the Group and hence, is not freely available for use. The effective interest rates of the term deposits range from 2.0% to 2.3% (2009 : 1.8% to 2.5%) per annum.

14. PAYABLES

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables	972	592	0	0
Other payables	645	866	91	127
	1,617	1,458	91	127

The currency exposure profile of payables is as follows:-

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	1,588	1,357	91	127
Singapore Dollar	0	4	0	0
US Dollar	29	97	0	0
	1,617	1,458	91	127

The credit terms of trade payables range from 7 to 90 days.

15. LOANS AND BORROWINGS

The Group

	2010 RM'000	2009 RM'000
Revolving credits - secured	11,801	25,401

15. LOANS AND BORROWINGS (cont'd)

Revolving credits are secured against a term deposit of the Group (Note 13) and term deposits of a director of the Company and his close family members. The effective interest rates of the revolving credits range from 3.0% to 3.4% (2009 : 3.5% to 4.3%) per annum.

16. RETIREMENT BENEFITS

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Balance at 1 April	708	714	145	118
Charged to income statement	158	153	28	27
Paid during the year	(52)	(159)	0	0
Balance at 31 March	814	708	173	145
Represented by:-				
Present value of unfunded obligations	1,070	980	194	166
Unrecognised actuarial loss	(256)	(272)	(21)	(21)
	814	708	173	145
Disclosed as:-				
Current liabilities	4	8	0	0
Non-current liabilities	810	700	173	145
	814	708	173	145

The retirement benefits charged to income statement may be analysed as follows:-

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amortisation of actuarial loss	16	18	0	1
Current service cost	82	83	19	19
Interest cost	60	52	9	7
	158	153	28	27
Included in:-				
Cost of sales	91	93	0	0
Administrative and general expenses	67	60	28	27
	158	153	28	27

16. RETIREMENT BENEFITS (cont'd)

The principal actuarial assumptions in respect of the defined benefit plan are as follows:-

	The Group		The Company	
	2010	2009	2010	2009
	%	%	%	%
Discount rate	5.25	5.25	5.25	5.25
Expected rate of salary increases	5.00	5.00	5.00	5.00

17. SHARE CAPITAL

	2010	2009
	RM'000	RM'000
Authorised:-		
200,000,000 ordinary shares of RM0.50 each	100,000	100,000
Issued and fully paid-up:-		
130,361,472 ordinary shares of RM0.50 each	65,180	65,180

18. RESERVES

	The Group		The Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Share premium	13,296	13,296	13,296	13,296
Revaluation surplus	815	815	0	0
Capital reserve	815	815	1,800	1,800
Accumulated losses	(14,331)	(16,214)	(9,487)	(9,938)
	595	(1,288)	5,609	5,158

19. REVENUE

	The Group		The Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Sale of goods	14,255	16,616	0	0
Management fee	0	0	240	190
Dividend income	0	0	1,200	0
Interest income	4,736	3,279	28	405
Rental income	321	143	142	141
	19,312	20,038	1,610	736

20. PROFIT/(LOSS) BEFORE TAX

	The Group 2010 RM'000	The Group 2009 RM'000	The Company 2010 RM'000	The Company 2009 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Allowance for doubtful debts	0	94	0	0
Amortisation of prepaid lease payments	48	47	10	10
Auditors' remuneration				
- current year	43	35	17	14
- prior year	8	(1)	3	0
Bad debts written off				
- subsidiary	0	0	2	0
- third parties	12	0	3	0
Depreciation of:-				
- investment property	114	33	28	28
- property, plant and equipment	656	647	17	10
Directors' remuneration				
- fees	42	42	42	42
- other emoluments	372	369	372	369
Impairment loss of investment in associate*	275	0	78	0
Interest expense	658	490	0	0
Inventories written down to net realisable value	0	13	0	0
Property, plant and equipment written off	1	0	0	0
Rental of premises	4	12	0	0
and crediting:-				
Allowance for doubtful debts written back				
- subsidiary	0	0	44	0
- third parties	0	51	0	0
Allowance for slow moving inventories written back	5	26	0	0
Bad debts recovered	8	1	0	0
Dividend income from investment in subsidiary	0	0	1,200	0
Gain on disposal of property, plant and equipment	271	71	40	0
Interest income from:-				
- hire purchase financing	4,626	2,760	0	0
- term deposits	110	499	28	405
- overdue instalments	0	20	0	0
Realised gain on foreign exchange	0	6	0	0
Rental income from:-				
- investment property	321	143	112	111
- other premises	0	0	30	30

* *Included in administrative and general expenses*

21. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short-term employee benefits	4,239	4,358	704	720
Defined contribution plan	399	402	78	80
Defined benefit plan	158	153	28	27
Termination benefits	10	147	0	0
	4,806	5,060	810	827

22. TAX EXPENSE/(INCOME)

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Tax based on results for the year:-				
Malaysian income tax	467	6	0	0
Deferred tax	404	(390)	0	0
	871	(384)	0	0
Tax underprovided in prior year	7	5	0	5
	878	(379)	0	5

The numerical reconciliation between the applicable tax rate, which is the statutory income tax rate, and the average effective tax rate is as follows:-

	The Group		The Company	
	2010 %	2009 %	2010 %	2009 %
Applicable tax rate	25.00	25.00	25.00	(25.00)
Share of results of associate	0.39	4.65	0.00	0.00
Non-deductible expenses	14.20	15.69	45.65	19.63
Non-taxable income	(0.47)	(0.97)	(71.10)	0.00
(Decrease)/Increase in unrecognised deferred tax assets	(7.86)	(71.00)	0.45	5.37
Average effective tax rate	31.26	(26.63)	0.00	0.00

The tax saving of the Group and the Company for which credit has been taken in the current year as a result of the realisation of unused tax losses brought forward that had not been accounted for previously amounted to approximately RM41,000 and RM7,000 (2009 : RM927,000 and NIL) respectively.

23. EARNINGS PER SHARE

The Group

The basic earnings per share is calculated by dividing the Group's net profit for the financial year attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year as follows:-

	2010	2009
Net profit for the financial year attributable to shareholders of the Company (RM'000)	1,909	1,823
Weighted average number of shares in issue ('000)	130,361	130,361
Basic earnings per share (sen)	1.46	1.40

The diluted earnings per share equals the basic earnings per share as the Company did not have any dilutive potential ordinary shares during the financial year.

24. RELATED PARTY DISCLOSURES

Significant transactions with related parties during the financial year are as follows:-

	The Group		The Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Key management personnel compensation				
- short-term employee benefits	629	484	374	372
- defined contribution plan	66	52	40	39
	695	536	414	411
Disposal of property, plant and equipment to subsidiary	0	0	40	0
Dividend declared from subsidiary	0	0	1,200	0
Management fee charged to subsidiaries	0	0	240	190
Rental of premises charged to subsidiary	0	0	30	30
Subscription for preference shares in subsidiary	0	0	0	40,000
Granting of hire purchase financing to related party*				
- principal financed	4,398	73,762	0	0
- principal repaid	15,059	6,784	0	0
- interest charged and repaid	4,626	2,760	0	0
Provision of collateral by related parties** for subsidiary's credit facilities	0	30,000	0	0
Purchase of property, plant and equipment from related party***	325	0	0	0

24. RELATED PARTY DISCLOSURES (cont'd)

* *Being a company in which a director of the Company and his close family members have substantial financial interests*

** *Being a director of the Company and his close family members*

*** *Being a company of which a director of the Company and a director of a subsidiary are directors*

25. SEGMENT REPORTING

The Group

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise equity accounted investment, income tax assets, interest-bearing liabilities, income tax liabilities and their related income and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business Segments

The principal activities of the Group can be categorised into the following business segments:-

(i) Manufacture of wood products
(ii) Investment holding
(iii) Granting of hire purchase and other financing
(iv) Others

25. SEGMENT REPORTING (cont'd)

Business Segments (cont'd)

2010

	Manufacture of wood products RM'000	Investment holding RM'000	Granting of financing RM'000	Others RM'000	Total RM'000
REVENUE					
Total revenue	14,255	1,901	4,626	0	20,782
Inter-segment revenue	0	(1,470)	0	0	(1,470)
External revenue	14,255	431	4,626	0	19,312
RESULTS					
Segment results	789	(1,140)	4,113	0	3,762
Finance costs					(658)
Share of results of associate	(43)				(43)
Impairment loss of investment in associate	(275)				(275)
Tax expense					(878)
Net profit for the year					1,908
ASSETS					
Segment assets	10,112	12,799	57,007	0	79,918
Investment in associate	594				594
Income tax assets					118
Total assets					80,630
LIABILITIES					
Segment liabilities	2,408	325	113	0	2,846
Interest-bearing liabilities					11,801
Income tax liabilities					183
Total liabilities					14,830
Capital expenditure	4	116	325	0	445
Amortisation and depreciation	507	255	56	0	818
Other non-cash expenses	1	3	9	0	13

25. SEGMENT REPORTING (cont'd)

Business Segments (cont'd)

2009

	Manufacture of wood products RM'000	Investment holding RM'000	Granting of financing RM'000	Others RM'000	Total RM'000
REVENUE					
Total revenue	16,616	862	2,780	0	20,258
Inter-segment revenue	0	(220)	0	0	(220)
External revenue	16,616	642	2,780	0	20,038
RESULTS					
Segment results	313	(721)	2,610	(2)	2,200
Finance costs					(490)
Share of results of associate	(268)				(268)
Tax income					379
Net profit for the year					1,821
ASSETS					
Segment assets	15,865	6,900	67,547	1	90,313
Investment in associate	912				912
Income tax assets					497
Total assets					91,722
LIABILITIES					
Segment liabilities	1,981	273	104	1	2,359
Interest-bearing liabilities					25,401
Income tax liabilities					44
Total liabilities					27,804
Capital expenditure	27	5	91	0	123
Amortisation and depreciation	676	43	8	0	727
Other non-cash expenses	107	0	0	0	107

Geographical Segments

Information on segment assets and capital expenditure based on the geographical location of assets has not been presented as the Group operates predominantly in Malaysia. Segment revenue based on the geographical location of customers is analysed as follows:-

	2010 RM'000	2009 RM'000
Malaysia	17,419	16,671
United States of America	1,893	3,141
Others	0	226
	19,312	20,038

26. CONTINGENT LIABILITIES - UNSECURED

The Company

The Company has issued corporate guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM32,600,000 (2009 : RM33,600,000) of which approximately RM12,130,000 (2009 : RM25,515,000) has been utilised as at the balance sheet date.

27. FINANCIAL INSTRUMENTS

Recognised Financial Instruments

The information about the extent and nature of significant recognised financial instruments is disclosed in the individual notes associated with each item.

Unrecognised Financial Instruments

The Group and the Company do not have any unrecognised financial instruments other than the financial guarantees as disclosed in Note 26 to the financial statements.

Fair Values

The carrying amounts of financial assets and liabilities of the Group and the Company as at 31 March 2010 and 2009 approximate their fair values.

The fair values of financial guarantees granted by the Company are not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

28. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to certain financial risks, including currency risk, interest rate risk, credit risk and liquidity risk. The overall financial risk management objective of the Group is to maximise shareholders' value by minimising the potential adverse impacts of these risks on its financial position, performance and cash flows.

The Board of Directors explicitly assumes the responsibilities of financial risk management which is carried out mainly through risk reviews and internal control systems.

28. FINANCIAL RISK MANAGEMENT (cont'd)

Currency Risk

The Group's exposure to currency risk arises mainly from transactions entered into by individual entities within the Group in currencies other than their functional currencies.

The Group monitors the movements of exchange rates and acts accordingly to minimise its currency risk. The Group's foreign currency sales and purchases also provide a natural hedge against fluctuations in foreign currencies.

Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from borrowings.

The Group manages its exposure to interest rate risk by seeking to obtain the most favourable interest rates available without increasing its other financial risk exposures.

Credit Risk

The Group's exposure to credit risk arises mainly from receivables. The maximum credit risk exposure is best represented by the total carrying amount of these financial assets in the balance sheet.

The Group manages its exposure to credit risk by assessing counter parties' financial standings on an ongoing basis, setting and monitoring counter parties' limits and credit terms. Other than the granting of hire purchase financing to a related party as mentioned in Note 11 to the financial statements, the Group does not have any major concentration of credit risk relating to any individual customer or counter party.

Liquidity Risk

The Group practises prudent liquidity risk management by maintaining sufficient cash and the availability of funding through certain committed credit facilities.