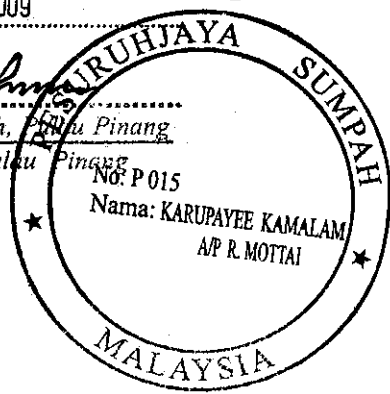


PERKARA
 Inilah Benda bukti bertanda..... "A"
 yang disebutkan didalam surat ikrar..... *Teh Beng Chong*
 22 JUN 2009
 Dikrar pada

[Signature]
 Pengadil, Mahkamah Rendah, Pulau Pinang
 Pesuruhjaya Sumpah Pulau Pinang



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 2009

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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 2009.

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/(loss) for the financial year attributable to shareholders of the Company	<u>1,823</u>	<u>(632)</u>

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.

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

DIRECTORS' REPORT

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 there were no known bad debts 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 require the writing off of bad debts or render 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 METHOD

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.

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

DIRECTORS' REPORT

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:-

Name of Director	Number of Ordinary Shares of RM0.50 each			Balance at 31.3.2009
	Balance at 1.4.2008	Bought	Sold	
Tan Sri Dato' Tan Hua Choon	22,641,985	0	0	22,641,985

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.

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

DIRECTORS' REPORT

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 30 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

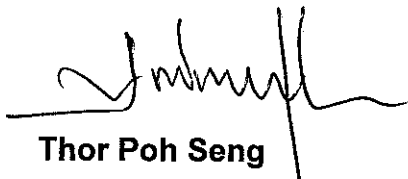
The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 22 JUN 2009



Lim Jian Hoo



Thor Poh Seng

MALAYSIA AICA BERHAD

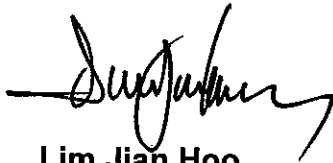
(Incorporated in Malaysia)
Company No: 8235-K

STATEMENT BY DIRECTORS

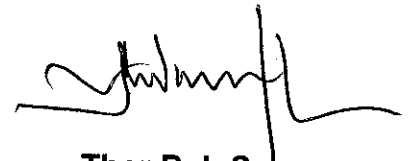
We, Lim Jian Hoo and Thor Poh Seng, being two of the directors of Malaysia Aica Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 8 to 48 have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2009 and of their financial performance and cash flows for the financial year then ended.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 22 JUN 2009



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 48 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 22 JUN 2009



Teoh Beng Chong

Before me



9 LEBUH KING
10200 PULAU PINANG

**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 48, which comprise the balance sheets as at 31 March 2009, 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.

**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 2009 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:-

- (a) 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.
- (b) 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.
- (c) 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

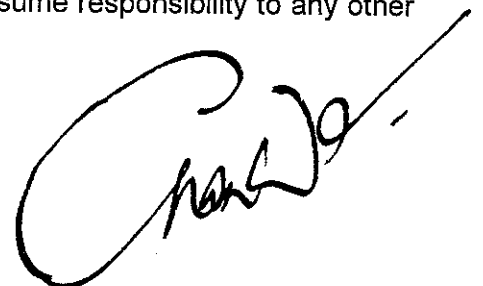
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Act and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Horwath
Firm No : AF 1018
Chartered Accountants

Penang

22 JUN 2009



Eddy Chan Wai Hun
Approval No : 2182/10/09 (J)
Partner

MALAYSIA AICA BERHAD(Incorporated in Malaysia)
Company No: 8235-K**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009**

	Note	2009 RM'000	2008 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	7,627	8,151
Investment property	5	1,881	1,914
Prepaid lease payments	6	2,865	2,912
Investment in associate	8	912	1,180
Other investments	9	25	25
Deferred tax assets	10	390	0
Hire purchase receivables	12	52,676	0
		<u>66,376</u>	<u>14,182</u>
CURRENT ASSETS			
Inventories	13	2,737	4,078
Trade receivables	14	1,621	1,802
Hire purchase receivables	12	14,302	0
Investment in finance leases	15	0	0
Factoring debt receivables	16	0	3
Commercial credit receivables	17	0	0
Other receivables, deposits and prepayments	18	200	191
Current tax assets		107	40
Cash and cash equivalents	19	6,379	44,612
		<u>25,346</u>	<u>50,726</u>
CURRENT LIABILITIES			
Trade payables	20	592	926
Other payables and accruals		1,059	577
Retirement benefits	21	8	5
Bank borrowings	22	25,401	500
Current tax liabilities		44	68
		<u>27,104</u>	<u>2,076</u>
NET CURRENT (LIABILITIES)/ASSETS		(1,758)	48,650
NON-CURRENT LIABILITIES			
Retirement benefits	21	700	709
NET ASSETS		<u>63,918</u>	<u>62,123</u>
FINANCED BY:-			
Share capital	23	65,180	65,180
Reserves	24	(1,288)	(3,085)
SHAREHOLDERS' EQUITY		<u>63,892</u>	<u>62,095</u>
Minority interest		26	28
TOTAL EQUITY		<u>63,918</u>	<u>62,123</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note	2009 RM'000	2008 RM'000
Revenue	25	20,038	17,426
Cost of sales		(13,848)	(15,375)
Gross profit		<u>6,190</u>	<u>2,051</u>
Other income		270	1,712
Administrative and general expenses		(3,771)	(3,224)
Selling and distribution expenses		(489)	(351)
Finance costs		(490)	(33)
Share of results of associate		(268)	(122)
Profit before tax	26	<u>1,442</u>	<u>33</u>
Tax income	28	379	175
Net profit for the year		<u>1,821</u>	<u>208</u>
Attributable to:-			
- Shareholders of the Company		1,823	149
- Minority interest		(2)	59
		<u>1,821</u>	<u>208</u>
Basic and diluted earnings per share (sen)	29	<u>1.40</u>	<u>0.11</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Share capital RM'000	Share premium RM'000	Non-distributable			Shareholders' equity RM'000	Minority interest RM'000	Total equity RM'000
			Revaluation surplus RM'000	Capital reserve RM'000	Accumulated losses RM'000			
Balance at 1 April 2007	65,180	13,296	833	815	(18,178)	61,946	101	62,047
Disposal of subsidiary	0	0	(18)	0	18	0	(132)	(132)
Net profit for the year	0	0	0	0	149	149	59	208
Balance at 31 March 2008	65,180	13,296	815	815	(18,011)	62,095	28	62,123
Accretion 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

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 2009

	Note	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Granting of hire purchase financing		(73,762)	0
Cash receipts from customers		26,591	16,862
Cash payments to suppliers		(15,633)	(15,076)
Cash (absorbed by)/generated from operations		<u>(62,804)</u>	<u>1,786</u>
Interest paid		(339)	(33)
Retirement benefits paid		(159)	(439)
Tax (paid)/refunded		(102)	76
Net cash (used in)/from operating activities		<u>(63,404)</u>	<u>1,390</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of shares from minority shareholders		(26)	0
Disposal of subsidiary, net of cash disposed of	7	0	380
Interest received		499	1,299
Proceeds from disposal of:-			
- investment property		0	500
- property, plant and equipment		71	1,169
Purchase of property, plant and equipment		(123)	(19)
Net cash from investing activities		<u>421</u>	<u>3,329</u>
CASH FLOWS FROM FINANCING ACTIVITY			
Increase in bank borrowings (net)		<u>24,750</u>	<u>0</u>
Net cash from financing activity		<u>24,750</u>	<u>0</u>
Net (decrease)/increase in cash and cash equivalents		(38,233)	4,719
Cash and cash equivalents brought forward		44,612	39,893
Cash and cash equivalents carried forward	19	<u>6,379</u>	<u>44,612</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)

Company No: 8235-K

BALANCE SHEET As At 31 MARCH 2009

	Note	2009 RM'000	2008 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	4	223	228
Investment property	5	1,421	1,449
Prepaid lease payments	6	622	632
Investment in subsidiaries	7	41,017	991
Investment in associate	8	672	672
Other investments	9	0	0
Deferred tax assets	10	0	0
Amounts owing by subsidiaries	11	25,004	26,554
		<u>68,959</u>	<u>30,526</u>
CURRENT ASSETS			
Non-trade receivables, deposits and prepayments	18	45	63
Current tax assets		67	0
Cash and cash equivalents	19	1,539	40,668
		<u>1,651</u>	<u>40,731</u>
CURRENT LIABILITIES			
Non-trade payables and accruals		127	146
Current tax liabilities		0	23
		<u>127</u>	<u>169</u>
NET CURRENT ASSETS		1,524	40,562
NON-CURRENT LIABILITIES			
Retirement benefits	21	145	118
NET ASSETS		<u>70,338</u>	<u>70,970</u>
FINANCED BY:-			
Share capital	23	65,180	65,180
Reserves	24	5,158	5,790
SHAREHOLDERS' EQUITY		<u>70,338</u>	<u>70,970</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)

Company No: 8235-K

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note	2009 RM'000	2008 RM'000
Revenue	25	736	1,456
Administrative and general expenses		(1,363)	(1,261)
(Loss)/Profit before tax	26	<u>(627)</u>	<u>195</u>
Tax (expense)/income	28	(5)	177
Net (loss)/profit for the year		<u>(632)</u>	<u>372</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Share capital RM'000	Non-distributable		Accumulated losses RM'000	Total RM'000
		Share premium RM'000	Capital reserve RM'000		
Balance at 1 April 2007	65,180	13,296	1,800	(9,678)	70,598
Net profit for the year	0	0	0	372	372
Balance at 31 March 2008	<u>65,180</u>	<u>13,296</u>	<u>1,800</u>	<u>(9,306)</u>	<u>70,970</u>
Net loss for the year	0	0	0	(632)	(632)
Balance at 31 March 2009	<u>65,180</u>	<u>13,296</u>	<u>1,800</u>	<u>(9,938)</u>	<u>70,338</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)

Company No: 8235-K

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Note	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		349	224
Cash payments to suppliers		(1,307)	(1,165)
Cash absorbed by operations		<u>(958)</u>	<u>(941)</u>
Tax (paid)/refunded		(95)	89
Net cash used in operating activities		<u>(1,053)</u>	<u>(852)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of shares from minority shareholders		(26)	0
Advance to a subsidiary		(39,988)	0
Interest received		405	1,215
Purchase of property, plant and equipment		(5)	(2)
Repayment from subsidiaries		1,538	3,424
Net cash (used in)/from investing activities		<u>(38,076)</u>	<u>4,637</u>
Net (decrease)/increase in cash and cash equivalents		(39,129)	3,785
Cash and cash equivalents brought forward		40,668	36,883
Cash and cash equivalents carried forward	19	<u>1,539</u>	<u>40,668</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the Main Board 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 22 JUN 2009

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.

On 1 April 2008, the Group and the Company adopted the following revised FRSs which are relevant to their operations and effective for financial periods beginning on or after 1 July 2007:-

FRS 107 *Cash Flow Statements*
FRS 112 *Income Taxes*
FRS 118 *Revenue*
FRS 134 *Interim Financial Reporting*
FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*

The adoption of these revised FRSs did not result in any significant changes in the accounting policies of the Group and the Company.

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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
FRS 4 <i>Insurance Contracts</i>	1 January 2010
FRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8 <i>Operating Segments</i>	1 July 2009
FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	1 January 2010

FRS 4 and IC Interpretation 9 will not be applicable to the Group and the Company. The adoption of FRS 8 and IC Interpretation 10 is not expected to have any significant impacts on the financial statements. By virtue of the exemptions given by FRS 7 and FRS 139, the impacts on the financial statements upon initial application of these FRSs are not disclosed.

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.

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

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.

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 contingent liabilities as disclosed in Note 32 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 non-current amounts owing by subsidiaries are estimated using discounted cash flow analysis based on prevailing borrowing interest rate offered to the subsidiaries.

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.

2.5 Property, Plant and Equipment

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Property, Plant and Equipment (cont'd)

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.

Freehold land is not depreciated. Other 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	10-20%
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.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Investment Property (cont'd)

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

Lease payments for leasehold land under operating leases are recognised as an expense on a straight-line basis over the lease terms of 60 to 87 years.

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.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the 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.

2.14 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Foreign Currency Transactions and Translation (cont'd)

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, ie 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 upon delivery of goods and customer's acceptance.

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

Interest income is recognised using the effective interest method.

Rental income is recognised on an accrual basis.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Income Taxes (cont'd)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Employee Benefits (cont'd)

Defined Benefit Plan (cont'd)

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, 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.

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.

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

Critical Judgements (cont'd)

(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 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 5 to 50 years. Changes in the expected level of usage and technological development will impact 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.

(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 the tax recognition in the period in which the outcome is determined.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

4. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold land RM'000	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 2007	320	9,494	26,265	3,463	1,073	65	40,680
Additions	0	0	5	14	0	0	19
Disposals	0	0	(3,158)	(5)	(323)	0	(3,486)
Disposal of subsidiary	(320)	(140)	(51)	0	0	0	(511)
Balance at 31 March 2008	0	9,354	23,061	3,472	750	65	36,702
Representing items:-							
- At cost	0	8,282	23,001	3,472	750	65	35,570
- At valuation	0	1,072	60	0	0	0	1,132
	0	9,354	23,061	3,472	750	65	36,702
Balance at 1 April 2008	0	9,354	23,061	3,472	750	65	36,702
Additions	0	0	8	37	78	0	123
Disposals	0	0	(770)	0	0	0	(770)
Balance at 31 March 2009	0	9,354	22,299	3,509	828	65	36,055
Representing items:-							
- At cost	0	8,282	22,239	3,509	828	65	34,923
- At valuation	0	1,072	60	0	0	0	1,132
	0	9,354	22,299	3,509	828	65	36,055
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at 1 April 2007							
- Accumulated depreciation	0	3,712	20,348	3,143	840	65	28,108
- Accumulated impairment losses	0	0	3,185	169	0	0	3,354
	0	3,712	23,533	3,312	840	65	31,462
Depreciation	0	188	400	25	69	0	682
Disposals	0	0	(3,158)	(5)	(323)	0	(3,486)
Disposal of subsidiary	0	(60)	(47)	0	0	0	(107)
Balance at 31 March 2008							
- Accumulated depreciation	0	3,840	19,186	3,176	586	65	26,853
- Accumulated impairment losses	0	0	1,542	156	0	0	1,698
	0	3,840	20,728	3,332	586	65	28,551
Depreciation	0	187	355	26	79	0	647
Disposals	0	0	(770)	0	0	0	(770)
Balance at 31 March 2009							
- Accumulated depreciation	0	4,027	18,773	3,202	665	65	26,732
- Accumulated impairment losses	0	0	1,540	156	0	0	1,696
	0	4,027	20,313	3,358	665	65	28,428
CARRYING AMOUNT							
Balance at 1 April 2007	320	5,782	2,732	151	233	0	9,218
Balance at 31 March 2008	0	5,514	2,333	140	164	0	8,151
Balance at 31 March 2009	0	5,327	1,986	151	163	0	7,627

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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
<u>AT COST</u>				
Balance at 1 April 2007	317	500	166	983
Additions	0	2	0	2
Balance at 31 March 2008	317	502	166	985
Additions	0	5	0	5
Balance at 31 March 2009	317	507	166	990
<u>ACCUMULATED DEPRECIATION</u>				
Balance at 1 April 2007	94	489	164	747
Depreciation	6	3	1	10
Balance at 31 March 2008	100	492	165	757
Depreciation	6	3	1	10
Balance at 31 March 2009	106	495	166	767
<u>CARRYING AMOUNT</u>				
Balance at 1 April 2007	223	11	2	236
Balance at 31 March 2008	217	10	1	228
Balance at 31 March 2009	211	12	0	223

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 RM336,000 and NIL (2008 : RM353,000 and NIL) respectively.

The carrying amounts of certain property, plant and equipment of the Group subject to fixed charges for banking facilities granted to the Group are as follows:-

	2009 RM'000	2008 RM'000
Buildings	4,207	4,362
Plant and machinery	1,986	2,333
Furniture, fittings and equipment	115	117
Motor vehicles	84	156
	<u>6,392</u>	<u>6,968</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

5. INVESTMENT PROPERTY

The Group

	Freehold land RM'000	Buildings RM'000	Total RM'000
<u>AT COST/VALUATION</u>			
Balance at 1 April 2007	1,080	1,652	2,732
Disposals	(136)	0	(136)
Balance at 31 March 2008	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 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
<u>ACCUMULATED DEPRECIATION</u>			
Balance at 1 April 2007	0	649	649
Depreciation	0	33	33
Balance at 31 March 2008	0	682	682
Depreciation	0	33	33
Balance at 31 March 2009	0	715	715
<u>CARRYING AMOUNT</u>			
Balance at 1 April 2007	1,080	1,003	2,083
Balance at 31 March 2008	944	970	1,914
Balance at 31 March 2009	944	937	1,881
<u>FAIR VALUE</u>			
Estimated fair value at 31 March 2008			4,990
Estimated fair value at 31 March 2009			4,990

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

5. INVESTMENT PROPERTY (cont'd)

The Company

	Freehold land RM'000	Buildings RM'000	Total RM'000
<u>AT COST/VALUATION</u>			
Balance at 1 April 2007	594	1,402	1,996
Movement during the year	0	0	0
Balance at 31 March 2008	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 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
<u>ACCUMULATED DEPRECIATION</u>			
Balance at 1 April 2007	0	518	518
Depreciation	0	29	29
Balance at 31 March 2008	0	547	547
Depreciation	0	28	28
Balance at 31 March 2009	0	575	575
<u>CARRYING AMOUNT</u>			
Balance at 1 April 2007	594	884	1,478
Balance at 31 March 2008	594	855	1,449
Balance at 31 March 2009	594	827	1,421
<u>FAIR VALUE</u>			
Estimated fair value at 31 March 2008			4,240
Estimated fair value at 31 March 2009			4,240

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

6. PREPAID LEASE PAYMENTS

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Total RM'000
The Group			
<u>AT COST</u>			
Balance at 1 April 2007	652	3,159	3,811
Movement during the year	0	0	0
Balance at 31 March 2008	652	3,159	3,811
Movement during the year	0	0	0
Balance at 31 March 2009	652	3,159	3,811
<u>ACCUMULATED AMORTISATION</u>			
Balance at 1 April 2007	272	578	850
Amortisation	11	38	49
Balance at 31 March 2008	283	616	899
Amortisation	11	36	47
Balance at 31 March 2009	294	652	946
<u>CARRYING AMOUNT</u>			
Balance at 1 April 2007	380	2,581	2,961
Balance at 31 March 2008	369	2,543	2,912
Balance at 31 March 2009	358	2,507	2,865
The Company			
<u>AT COST</u>			
Balance at 1 April 2007	0	873	873
Movement during the year	0	0	0
Balance at 31 March 2008	0	873	873
Movement during the year	0	0	0
Balance at 31 March 2009	0	873	873
<u>ACCUMULATED AMORTISATION</u>			
Balance at 1 April 2007	0	231	231
Amortisation	0	10	10
Balance at 31 March 2008	0	241	241
Amortisation	0	10	10
Balance at 31 March 2009	0	251	251
<u>CARRYING AMOUNT</u>			
Balance at 1 April 2007	0	642	642
Balance at 31 March 2008	0	632	632
Balance at 31 March 2009	0	622	622

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

6. PREPAID LEASE PAYMENTS (cont'd)

Certain leasehold land of the Group and the Company with total carrying amounts of RM980,000 and RM622,000 (2008 : RM1,001,000 and RM632,000) respectively is subject to fixed charges for banking facilities granted to the Group.

7. INVESTMENT IN SUBSIDIARIES

The Company

	2009 RM'000	2008 RM'000
Unquoted ordinary shares - at cost	19,528	19,502
Unquoted preference shares - at cost	40,000	0
	<u>59,528</u>	<u>19,502</u>
Impairment losses	(18,511)	(18,511)
	<u>41,017</u>	<u>991</u>

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

Name of Subsidiary	Ownership Interest Held		Principal Activity
	2009	2008	
Maica Wood Industries Sdn. Bhd.	81.8%	64.4%	Ceased operation
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.	100%	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.	81.8%	64.4%	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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

7. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Subsidiary	Ownership Interest Held		Principal Activity
	2009	2008	
<u>Subsidiary of Malaysia Aica Foods Sdn. Bhd.</u>			
Suradamai Sdn. Bhd.	100%	100%	Dormant

In July 2007, the Group disposed of its 75% of the equity interest in Syarikat Kilang Ayer Batu Kuala Kedah Sdn. Bhd., a company incorporated in Malaysia, for RM495,000. The cash flow effects of the disposal are as follows:-

	The Group	
	2009 RM'000	2008 RM'000
Property, plant and equipment	0	404
Inventories	0	4
Receivables	0	21
Tax assets	0	1
Cash and cash equivalents	0	115
Payables	0	(16)
Retirement benefits	0	(1)
Minority interest	0	(132)
Net assets disposed of	0	396
Gain on disposal	0	99
Net consideration received	0	495
Cash and cash equivalents disposed of	0	(115)
Disposal of subsidiary, net of cash disposed of	0	380

8. INVESTMENT IN ASSOCIATE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares - at cost	672	672	672	672
Share of post-acquisition:-				
- losses	(473)	(205)		
- revaluation increase	713	713		
	912	1,180		
Represented by:-				
Share of net assets	1,213	1,481		
Discount on acquisition	(301)	(301)		
	912	1,180		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

8. INVESTMENT IN ASSOCIATE (cont'd)

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

Name of Associate	Ownership Interest Held		Principal Activity
	2009	2008	
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:-

	2009 RM'000	2008 RM'000
Total assets	9,927	12,145
Total liabilities	5,151	6,315
Revenue	8,291	8,585
Net loss for the year	<u>(1,055)</u>	<u>(481)</u>

9. OTHER INVESTMENTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares - at cost	90	90	90	90
Allowance for diminution in value	<u>(90)</u>	<u>(90)</u>	<u>(90)</u>	<u>(90)</u>
	0	0	0	0
Investment in club membership - at cost	<u>25</u>	<u>25</u>	<u>0</u>	<u>0</u>
	<u>25</u>	<u>25</u>	<u>0</u>	<u>0</u>

10. DEFERRED TAX ASSETS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Balance at 1 April	0	0	0	0
Recognition of previously unrecognised deferred tax assets	<u>390</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance at 31 March	<u>390</u>	<u>0</u>	<u>0</u>	<u>0</u>

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10. DEFERRED TAX ASSETS (cont'd)

The deferred tax assets are in respect of the following items:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deductible temporary differences of:-				
- inventories	12	18	0	0
- receivables	9	1	0	0
- payables	69	1	2	1
- retirement benefits	141	149	0	0
Unused capital allowances	492	479	0	0
Unused tax losses	401	4	0	0
Taxable temporary differences of:-				
- property, plant and equipment	(730)	(648)	(2)	(1)
- investment property	(4)	(4)	0	0
	<u>390</u>	<u>0</u>	<u>0</u>	<u>0</u>

As at 31 March 2009, the future availability of deductible temporary differences, unused capital allowances and tax losses for which no deferred tax assets have been recognised is as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deductible temporary differences of:-				
- payables	35	38	35	38
- retirement benefits	145	118	145	118
Unused capital allowances	18,343	19,169	553	547
Unused tax losses	35,033	38,326	105	0
	<u>53,556</u>	<u>57,651</u>	<u>838</u>	<u>703</u>

11. AMOUNTS OWING BY SUBSIDIARIES

The Company

	2009 RM'000	2008 RM'000
Amounts owing by subsidiaries	29,244	30,794
Allowance for doubtful debts	(4,240)	(4,240)
	<u>25,004</u>	<u>26,554</u>

The amounts owing by subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment. The Company has indicated that it will not request for repayment of the outstanding amounts within the next 12 months.

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12. HIRE PURCHASE RECEIVABLES

The Group

	2009 RM'000	2008 RM'000
Hire purchase receivables		
- related party (Note 12.1)	66,978	0
- third parties (Note 12.2)	0	0
	<u>66,978</u>	<u>0</u>
Non-current portion	(52,676)	0
Current portion	<u>14,302</u>	<u>0</u>

12.1 Hire Purchase Receivables - Related Party

	2009 RM'000	2008 RM'000
Minimum hire purchase payments:-		
- not later than one year	18,778	0
- later than one year and not later than five years	58,919	0
	<u>77,697</u>	<u>0</u>
Unearned finance income	(10,719)	0
Present value of hire purchase receivables	<u>66,978</u>	<u>0</u>
Current:-		
- not later than one year	14,302	0
Non-current:-		
- later than one year and not later than five years	52,676	0
	<u>66,978</u>	<u>0</u>

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 rate of the hire purchase receivables is 7% per annum.

12.2 Hire Purchase Receivables - Third Parties

	2009 RM'000	2008 RM'000
Amounts overdue	0	2,119
Unearned finance income	0	(683)
	<u>0</u>	<u>1,436</u>
Allowance for doubtful debts	0	(1,436)
	<u>0</u>	<u>0</u>

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13. INVENTORIES

The Group

	2009 RM'000	2008 RM'000
Raw materials	1,621	2,606
Work-in-progress	359	560
Finished goods	215	517
Consumables	542	395
	<u>2,737</u>	<u>4,078</u>

14. TRADE RECEIVABLES

The Group

	2009 RM'000	2008 RM'000
Gross receivables	1,724	1,811
Allowance for doubtful debts	(103)	(9)
	<u>1,621</u>	<u>1,802</u>

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

15. INVESTMENT IN FINANCE LEASES

The Group

	2009 RM'000	2008 RM'000
Amounts overdue	0	154
Unearned finance income	0	(10)
	<u>0</u>	<u>144</u>
Allowance for doubtful debts	0	(144)
	<u>0</u>	<u>0</u>

16. FACTORING DEBT RECEIVABLES

The Group

	2009 RM'000	2008 RM'000
Amounts overdue	0	733
Allowance for doubtful debts	0	(730)
	<u>0</u>	<u>3</u>

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17. COMMERCIAL CREDIT RECEIVABLES

The Group

	2009 RM'000	2008 RM'000
Amounts overdue	0	623
Allowance for doubtful debts	0	(623)
	<u>0</u>	<u>0</u>

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other receivables	46	59	6	8
Deposits	114	114	39	37
Prepayments	70	48	0	18
	<u>230</u>	<u>221</u>	<u>45</u>	<u>63</u>
Allowance for doubtful debts	(30)	(30)	0	0
	<u>200</u>	<u>191</u>	<u>45</u>	<u>63</u>

19. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Fixed deposits with licensed banks	2,572	41,395	1,407	40,151
Short-term funds	1,967	1,909	0	0
Cash and bank balances	1,840	1,308	132	517
	<u>6,379</u>	<u>44,612</u>	<u>1,539</u>	<u>40,668</u>

A fixed deposit of the Group amounting to RM180,000 (2008 : NIL) has been pledged to a bank for banking facilities granted to the Group and hence, is not freely available for use. The effective interest rates of the fixed deposits range from 1.8% to 2.5% (2008 : 2.9% to 3.6%) per annum.

Short-term funds represent highly liquid investments in fixed income instruments.

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20. TRADE PAYABLES

The Group

The currency exposure profile of trade payables is as follows:-

	2009 RM'000	2008 RM'000
Ringgit Malaysia	588	926
Singapore Dollar	4	0
	<u>592</u>	<u>926</u>

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

21. RETIREMENT BENEFITS

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Balance at 1 April	714	924	118	92
Charged to income statement	153	230	27	26
Paid during the year	(159)	(439)	0	0
Disposal of subsidiary	0	(1)	0	0
Balance at 31 March	<u>708</u>	<u>714</u>	<u>145</u>	<u>118</u>

Represented by:-

Present value of unfunded obligations	980	1,003	166	140
Unrecognised actuarial loss	(272)	(289)	(21)	(22)
	<u>708</u>	<u>714</u>	<u>145</u>	<u>118</u>

Disclosed as:-

Current	8	5	0	0
Non-current	700	709	145	118
	<u>708</u>	<u>714</u>	<u>145</u>	<u>118</u>

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

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amortisation of actuarial loss	18	2	1	2
Current service cost	83	89	19	18
Curtailement/Settlement loss	0	84	0	0
Interest cost	52	55	7	6
	<u>153</u>	<u>230</u>	<u>27</u>	<u>26</u>

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21. RETIREMENT BENEFITS (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Included in:-				
Cost of sales	93	181	0	0
Administrative and general expenses	60	49	27	26
	<u>153</u>	<u>230</u>	<u>27</u>	<u>26</u>

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

	The Group		The Company	
	2009 %	2008 %	2009 %	2008 %
Discount rate	5.25	5.25	5.25	5.25
Expected rate of salary increases	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>

22. BANK BORROWINGS

The Group

	2009	2008
	RM'000	RM'000
Revolving credits		
- secured	25,401	0
- unsecured	0	500
	<u>25,401</u>	<u>500</u>

Revolving credits are secured against a fixed deposit of the Group (Note 19) and fixed deposits of a director of the Company and his close family members. The effective interest rates of the revolving credits range from 3.5% to 4.3% (2008 : 5.1%) per annum.

23. SHARE CAPITAL

	2009	2008
	RM'000	RM'000
Authorised:-		
200,000,000 ordinary shares of RM0.50 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid-up:-		
130,361,472 ordinary shares of RM0.50 each	<u>65,180</u>	<u>65,180</u>

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24. RESERVES

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 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	(16,214)	(18,011)	(9,938)	(9,306)
	<u>(1,288)</u>	<u>(3,085)</u>	<u>5,158</u>	<u>5,790</u>

25. REVENUE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sale of goods	16,616	16,003	0	0
Management fee	0	0	190	120
Interest income	3,279	1,305	405	1,215
Rental income	143	118	141	121
	<u>20,038</u>	<u>17,426</u>	<u>736</u>	<u>1,456</u>

26. PROFIT/(LOSS) BEFORE TAX

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Allowance for doubtful debts	94	5	0	0
Amortisation of prepaid lease payments	47	49	10	10
Auditors' remuneration				
- current year	35	43	14	17
- prior year	(1)	2	0	0
Depreciation of:-				
- investment property	33	33	28	29
- property, plant and equipment	647	682	10	10
Directors' remuneration*				
- fees	42	42	42	42
- short-term employee benefits	330	329	330	329
- defined contribution plan	39	39	39	39
	411	410	411	410
Interest expense	490	33	0	0
Inventories written down to net realisable value	13	10	0	0
Rental of premises	12	53	0	0

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26. PROFIT/(LOSS) BEFORE TAX (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
and crediting:-				
Allowance for doubtful debts written back	51	40	0	0
Allowance for slow moving inventories written back	26	0	0	0
Bad debts recovered	1	1	0	0
Gain on disposal of:-				
- investment property	0	364	0	0
- property, plant and equipment	71	1,169	0	0
- subsidiary	0	99	0	0
Interest income from:-				
- hire purchase financing	2,760	0	0	0
- fixed deposits	499	1,299	405	1,215
- overdue instalments	20	6	0	0
Realised gain on foreign exchange	6	0	0	0
Rental income from:-				
- investment property	143	118	141	121
- others	0	2	0	0

* The directors' remuneration represents the entire key management personnel compensation of the Group and the Company as there were no other key management personnel apart from all the directors who have the authority and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Group and the Company.

27. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short-term employee benefits	4,316	4,426	678	703
Defined contribution plan	402	422	80	84
Defined benefit plan	153	230	27	26
Termination benefits	147	0	0	0
	<u>5,018</u>	<u>5,078</u>	<u>785</u>	<u>813</u>

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28. TAX (INCOME)/EXPENSE

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Tax based on results for the year:-				
Malaysian income tax	6	118	0	114
Deferred tax	(390)	0	0	0
	<u>(384)</u>	<u>118</u>	<u>0</u>	<u>114</u>
Tax under/(over) provided in prior year	5	(293)	5	(291)
	<u>(379)</u>	<u>(175)</u>	<u>5</u>	<u>(177)</u>

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

	The Group		The Company	
	2009 %	2008 %	2009 %	2008 %
Applicable tax rate	25.00	26.00	(25.00)	26.00
Share of results of associate	4.65	96.97	0.00	0.00
Non-deductible expenses	15.69	313.40	19.63	28.59
Non-taxable income	(0.97)	(396.97)	0.00	0.00
(Decrease)/Increase in unrecognised deferred tax assets	(71.00)	321.21	5.37	3.87
Effect of lower tax rate	0.00	(3.03)	0.00	0.00
Average effective tax rate	<u>(26.63)</u>	<u>357.58</u>	<u>0.00</u>	<u>58.46</u>

Pursuant to the Finance Act 2007 (Act 683) gazetted on 28 December 2007, the statutory income tax rate has been reduced from 26% to 25% for the financial year under review.

The tax saving of the Group 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 RM927,000 (2008 : NIL).

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29. 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:-

	2009	2008
Net profit for the financial year attributable to shareholders of the Company (RM'000)	<u>1,823</u>	<u>149</u>
Weighted average number of shares in issue ('000)	<u>130,361</u>	<u>130,361</u>
Basic earnings per share (sen)	<u>1.40</u>	<u>0.11</u>

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.

30. RELATED PARTY DISCLOSURES

Other than the directors' remuneration as disclosed in Note 26 to the financial statements, significant transactions with related parties during the financial year are as follows:-

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Management fee charged to subsidiaries	0	0	190	120
Rental of premises charged to subsidiary	0	0	30	30
Subscription for preference shares in subsidiary	0	0	40,000	0
Sale of goods to associate	0	85	0	0
Granting of hire purchase financing to related party*				
- principal financed	73,762	0	0	0
- principal repaid	6,784	0	0	0
- interest charged and repaid	2,760	0	0	0
Provision of collateral by related parties** for subsidiary's banking facilities	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

* 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

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31. 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:-

- (a) Manufacture of wood products
- (b) Investment holding
- (c) Granting of hire purchase and other financing
- (d) Others

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	323	(731)	2,610	(2)	2,200
Finance costs					(490)
Share of results of associate					(268)
Tax income					379
Net profit for the year					1,821
ASSETS					
Segment assets	15,243	7,522	67,547	1	90,313
Investment in associate					912
Income tax assets					497
Total assets					91,722

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31. SEGMENT REPORTING (cont'd)

Business Segments (cont'd)

2009 (cont'd)

	Manufacture of wood products RM'000	Investment holding RM'000	Granting of financing RM'000	Others RM'000	Total RM'000
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	666	53	8	0	727
Other non-cash expenses	107	0	0	0	107

2008

	Manufacture of wood products RM'000	Investment holding RM'000	Granting of financing RM'000	Others RM'000	Total RM'000
REVENUE					
Total revenue	15,887	1,567	6	116	17,576
Inter-segment revenue	0	(150)	0	0	(150)
External revenue	15,887	1,417	6	116	17,426
RESULTS					
Segment results	(335)	529	(39)	33	188
Finance costs					(33)
Share of results of associate					(122)
Tax income					175
Net profit for the year					208
ASSETS					
Segment assets	16,801	46,742	97	48	63,688
Investment in associate					1,180
Income tax assets					40
Total assets					64,908
LIABILITIES					
Segment liabilities	1,839	266	111	1	2,217
Interest-bearing liabilities					500
Income tax liabilities					68
Total liabilities					2,785

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31. SEGMENT REPORTING (cont'd)

Business Segments (cont'd)

2008 (cont'd)

	Manufacture of wood products RM'000	Investment holding RM'000	Granting of financing RM'000	Others RM'000	Total RM'000
Capital expenditure	16	3	0	0	19
Amortisation and depreciation	709	55	0	0	764
Other non-cash expenses	15	0	0	0	15

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:-

	2009 RM'000	2008 RM'000
Malaysia	16,671	15,094
United States of America	3,141	2,080
Others	226	252
	<u>20,038</u>	<u>17,426</u>

32. 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 RM33,600,000 (2008 : RM3,600,000) of which approximately RM25,515,000 (2008 : RM751,000) has been utilised as at the balance sheet date.

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33. 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 contingent liabilities as disclosed in Note 32 to the financial statements.

Fair Values

The carrying amounts of financial assets and liabilities of the Group and the Company as at 31 March 2009 and 2008 approximate their fair values except for the non-current amounts owing by subsidiaries as follows:-

	The Company			
	2009		2008	
	Carrying Amount RM'000	Estimated Fair Value RM'000	Carrying Amount RM'000	Estimated Fair Value RM'000
Amounts owing by subsidiaries	<u>25,004</u>	<u>23,813</u>	<u>26,554</u>	<u>25,265</u>

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.

34. 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.

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.

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34. FINANCIAL RISK MANAGEMENT (cont'd)

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 12.1 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.