

PERKARA
 ialah Benda bukti bertanda..... "A"
 yang disebutkan didalam surat ikrar..... *Teoh Beng Chong*
 Diikrar pada 17 JUL 2013

Pengadil, Mahkamah Rendah, Pulau Pinang
Pesuruhjaya Sumpah Pulau Pinang



MALAYSIA AICA BERHAD
 (Incorporated in Malaysia) 10200 PULAU PINANG
 Company No: 8235-K

FINANCIAL REPORT
for the financial year ended 31 March 2013

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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 2013.

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 6 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
Profit for the financial year attributable to:-		
- Owners of the Company	976	298
- Non-controlling interests	0	0
	<u>976</u>	<u>298</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 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.

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	(resigned on 1.6.2013)
Lim Jian Hoo	
Thor Poh Seng	
Lee Yu-Jin	
Aminuddin Yusof Lana	(resigned on 25.3.2013)
Mohtar Bin Abdullah	(resigned on 15.4.2013)
Haji Azizzuddin Bin Haji Hussein	(appointed on 8.4.2013)
Boon Shi Hou	(appointed on 1.6.2013)
Wong Hok Yim	(appointed on 1.6.2013)

Particulars of the interests in shares in the Company of a director 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 31.3.2013
	Balance at 1.4.2012	Bought	Sold	
Tan Sri Dato' Tan Hua Choon				
- Direct interest	22,641,985	0	0	22,641,985
- Deemed interest	16,091,400	0	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.

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 21 to the financial statements.

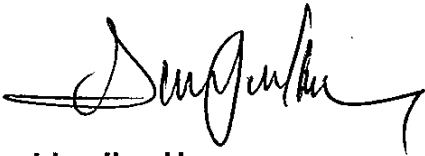
Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

AUDITORS

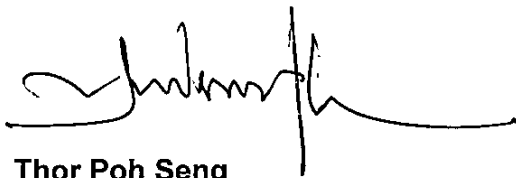
The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 17 JUL 2013



Lim Jian Hoo



Thor Poh Seng

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

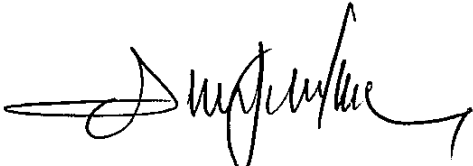
STATEMENT BY DIRECTORS

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 9 to 50 give a true and fair view of the financial position of the Group and the Company as at 31 March 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

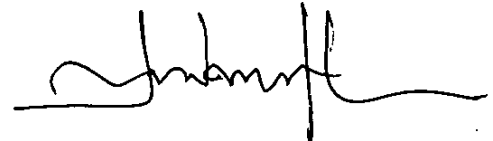
In the opinion of the directors, the supplementary information set out on page 51 is prepared, in all material respects, in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 17 JUL 2013



Lim Jian Hoo



Thor Poh Seng

STATUTORY DECLARATION

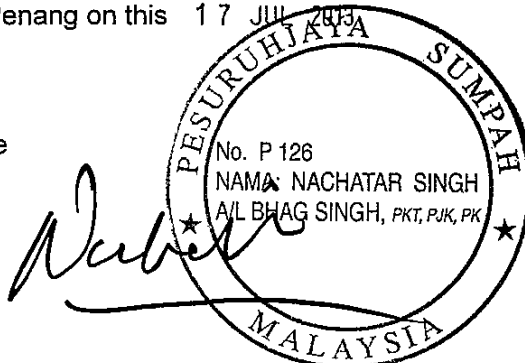
I, Teoh Beng Chong, being the officer primarily responsible for the financial management of Malaysia Aica Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 50 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously 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 17 JUL 2013



Teoh Beng Chong

Before me



120 LEBUH PENANG
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, which comprise the statements of financial position as at 31 March 2013 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 50.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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 give a true and fair view of the financial position of the Group and the Company as at 31 March 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, 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 its 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 Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (iii) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

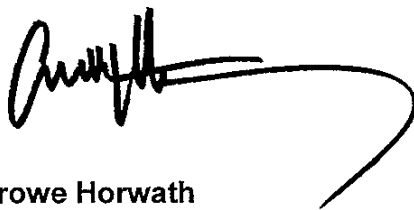
The supplementary information set out on page 51 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

(Incorporated in Malaysia)
Company No: 8235-K

Other Matters

- (i) As stated in Note 2.1 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as at 31 March 2013 and financial performance and cash flows for the financial year then ended.
- (ii) This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Crowe Horwath
Firm No: AF 1018
Chartered Accountants



Chan Kheng Hoe
Approval No: 2979/03/14(J)
Chartered Accountant

Date: 17 JUL 2013

Penang

MALAYSIA AICA BERHAD(Incorporated in Malaysia)
Company No: 8235-K**"A"****CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	Note	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	4	3,377	3,496	3,907
Investment property	5	6,907	7,110	7,313
Investment in associate	7	638	620	588
Investment in club membership, at cost		25	25	25
Receivables	8	9,477	17,535	31,342
		<u>20,424</u>	<u>28,786</u>	<u>43,175</u>
CURRENT ASSETS				
Inventories	9	4,151	4,082	3,293
Receivables	8	21,803	29,793	25,301
Prepayments		265	123	157
Current tax assets		28	83	79
Cash and cash equivalents	10	27,314	10,695	8,044
		<u>53,561</u>	<u>44,776</u>	<u>36,874</u>
CURRENT LIABILITIES				
Payables	11	1,656	1,469	1,375
Loans and borrowings	12	0	896	9,375
Advance payments from customers		278	127	0
Retirement benefits	13	63	77	52
Current tax liabilities		155	228	245
		<u>2,152</u>	<u>2,797</u>	<u>11,047</u>
NET CURRENT ASSETS		51,409	41,979	25,827
NON-CURRENT LIABILITIES				
Retirement benefits	13	1,074	979	903
Deferred tax liabilities	14	6	9	10
		<u>1,080</u>	<u>988</u>	<u>913</u>
NET ASSETS		<u>70,753</u>	<u>69,777</u>	<u>68,089</u>
EQUITY				
Share capital	15	65,180	65,180	65,180
Share premium		13,296	13,296	13,296
Capital reserve		815	815	815
Accumulated losses		(8,565)	(9,541)	(11,228)
Equity attributable to owners of the Company		<u>70,726</u>	<u>69,750</u>	<u>68,063</u>
Non-controlling interests		27	27	26
TOTAL EQUITY		<u>70,753</u>	<u>69,777</u>	<u>68,089</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM'000	2012 RM'000
Revenue	16	18,497	17,961
Cost of sales		(13,113)	(11,394)
Gross profit		<u>5,384</u>	<u>6,567</u>
Other income		139	52
Administrative and general expenses		(3,639)	(3,422)
Selling and distribution expenses		(175)	(210)
Finance costs		(6)	(452)
Share of profit of associate		18	32
Profit before tax	17	<u>1,721</u>	<u>2,567</u>
Tax expense	19	(745)	(879)
Profit for the financial year		<u>976</u>	<u>1,688</u>
Other comprehensive income for the financial year		0	0
Total comprehensive income for the financial year		<u>976</u>	<u>1,688</u>
Profit for the financial year attributable to:-			
- Owners of the Company		976	1,687
- Non-controlling interests		0	1
		<u>976</u>	<u>1,688</u>
Total comprehensive income for the financial year attributable to:-			
- Owners of the Company		976	1,687
- Non-controlling interests		0	1
		<u>976</u>	<u>1,688</u>
Earnings per share:-	20		
- Basic (sen)		0.75	1.29
- Diluted (sen)		0.75	1.29

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Accumulated losses RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 April 2011	65,180	13,296	815	(11,228)	68,063	26	68,089
Profit (representing total comprehensive income) for the financial year	0	0	0	1,687	1,687	1	1,688
Balance at 31 March 2012	65,180	13,296	815	(9,541)	69,750	27	69,777
Profit (representing total comprehensive income) for the financial year	0	0	0	976	976	0	976
Balance at 31 March 2013	65,180	13,296	815	(8,565)	70,726	27	70,753

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

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Granting of hire purchase financing		(17,220)	(20,974)
Cash receipts from customers		51,548	48,254
Cash payments to suppliers		(15,840)	(14,745)
Cash generated from operations		<u>18,488</u>	<u>12,535</u>
Interest paid		(6)	(480)
Retirement benefits paid		(77)	(55)
Tax paid		(845)	(901)
Tax refunded		79	0
Net cash from operating activities		<u>17,639</u>	<u>11,099</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		363	169
Proceeds from disposal of property, plant and equipment		27	23
Purchase of property, plant and equipment		(514)	(189)
Net cash (used in)/from investing activities		<u>(124)</u>	<u>3</u>
CASH FLOWS FROM FINANCING ACTIVITY			
Decrease in loans and borrowings (net)		(896)	(8,451)
Net cash used in financing activity		<u>(896)</u>	<u>(8,451)</u>
Net increase in cash and cash equivalents		16,619	2,651
Cash and cash equivalents brought forward		10,695	8,044
Cash and cash equivalents carried forward	10	<u>27,314</u>	<u>10,695</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	4	234	263	295
Investment property	5	1,892	1,929	1,967
Investments in subsidiaries	6	63,543	63,543	63,543
Investment in associate	7	594	594	594
		<u>66,263</u>	<u>66,329</u>	<u>66,399</u>
CURRENT ASSETS				
Receivables	8	4,399	3,906	3,397
Current tax assets		1	80	76
Cash and cash equivalents	10	1,482	1,495	1,569
		<u>5,882</u>	<u>5,481</u>	<u>5,042</u>
CURRENT LIABILITIES				
Payables	11	156	143	144
		<u>156</u>	<u>143</u>	<u>144</u>
NET CURRENT ASSETS		5,726	5,338	4,898
NON-CURRENT LIABILITIES				
Retirement benefits	13	249	225	204
NET ASSETS		<u>71,740</u>	<u>71,442</u>	<u>71,093</u>
EQUITY				
Share capital	15	65,180	65,180	65,180
Share premium		13,296	13,296	13,296
Capital reserve		1,800	1,800	1,800
Accumulated losses		(8,536)	(8,834)	(9,183)
TOTAL EQUITY		<u>71,740</u>	<u>71,442</u>	<u>71,093</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)

Company No: 8235-K

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM'000	2012 RM'000
Revenue	16	1,643	1,640
Administrative and general expenses		(1,338)	(1,291)
Profit before tax	17	<u>305</u>	<u>349</u>
Tax expense	19	(7)	0
Profit for the financial year		<u>298</u>	<u>349</u>
Other comprehensive income for the financial year		0	0
Total comprehensive income for the financial year		<u>298</u>	<u>349</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)

Company No: 8235-K

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Share capital RM'000	Non-distributable		Accumulated losses RM'000	Total equity RM'000
		Share premium RM'000	Capital reserve RM'000		
Balance at 1 April 2011	65,180	13,296	1,800	(9,183)	71,093
Profit (representing total comprehensive income) for the financial year	0	0	0	349	349
Balance at 31 March 2012	<u>65,180</u>	<u>13,296</u>	<u>1,800</u>	<u>(8,834)</u>	<u>71,442</u>
Profit (representing total comprehensive income) for the financial year	0	0	0	298	298
Balance at 31 March 2013	<u>65,180</u>	<u>13,296</u>	<u>1,800</u>	<u>(8,536)</u>	<u>71,740</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)

Company No: 8235-K

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		411	393
Cash payments to suppliers		(1,232)	(1,201)
Cash absorbed by operations		<u>(821)</u>	<u>(808)</u>
Tax paid		(4)	(4)
Tax refunded		76	0
Net cash used in operating activities		<u>(749)</u>	<u>(812)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		39	35
Purchase of property, plant and equipment		(3)	0
Repayment from subsidiaries		700	703
Net cash from investing activities		<u>736</u>	<u>738</u>
Net decrease in cash and cash equivalents		(13)	(74)
Cash and cash equivalents brought forward		1,495	1,569
Cash and cash equivalents carried forward	10	<u>1,482</u>	<u>1,495</u>

MALAYSIA AICA BERHAD

(Incorporated in Malaysia)
Company No: 8235-K

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 6.

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 9 to 12 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 13 to 16 together with the notes thereto cover the Company solely.

The presentation currency is Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 JUL 2013

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

These are the first MFRS financial statements of the Group and the Company, and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The Group and the Company adopted MFRSs on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 March 2012 and related disclosures. The Group and the Company prepared their previous financial statements in accordance with Financial Reporting Standards ("FRSs"). The effects of transition from FRSs to MFRSs are disclosed in Note 2.2.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 MFRSs which have been issued as at the end of the reporting period but are not yet effective:-

MFRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 9 <i>Financial Instruments</i>	1 January 2015
MFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
MFRS 11 <i>Joint Arrangements</i>	1 January 2013
MFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
MFRS 13 <i>Fair Value Measurement</i>	1 January 2013
MFRS 119 <i>Employee Benefits</i> (amended in 2011)	1 January 2013
MFRS 127 <i>Separate Financial Statements</i> (amended in 2011)	1 January 2013
MFRS 128 <i>Investments in Associates and Joint Ventures</i> (amended in 2011)	1 January 2013
IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
Amendments to MFRS 1 <i>Government Loans</i>	1 January 2013
Amendments to MFRS 7 <i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12 <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127 <i>Investment Entities</i>	1 January 2014
Amendments to MFRS 101 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements 2009 - 2011 Cycle</i> "	1 January 2013

Management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements except as follows:-

MFRS 9 *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets by dividing them into 3 classifications: (1) those measured at amortised cost; (2) those measured at fair value through profit or loss; and (3) those measured at fair value through other comprehensive income. Management foresees that the adoption of these new classifications will not result in any significant changes to the existing measurement bases of financial assets of the Group and the Company.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

MFRS 10 Consolidated Financial Statements

MFRS 10 replaces the consolidation guidance in MFRS 127 *Consolidated and Separate Financial Statements* and IC Interpretation 112 *Consolidation - Special Purpose Entities* by introducing a single consolidation model for all entities based on control. Under MFRS 10, control is based on whether an investor has (1) power over the investee; (2) exposure, or rights, to variable returns from its involvement with the investee; and (3) the ability to use its power over the investee to affect the amount of the returns. Management foresees that the adoption of these new control criteria will not result in any significant changes to the existing composition of the Group.

MFRS 119 Employee Benefits (amended in 2011)

MFRS 119 (amended in 2011) eliminates the use of the "corridor" approach in deferring the recognition of actuarial gains and losses on defined benefit plans and instead mandates all such gains and losses to be recognised in other comprehensive income. Management estimates that the adoption of this mandate will have the following financial impacts:-

	The Group		The Company	
	Increase/ (Decrease) in Balance at 1.4.2012 RM'000	Increase/ (Decrease) in Balance at 31.3.2013 RM'000	Increase/ (Decrease) in Balance at 1.4.2012 RM'000	Increase/ (Decrease) in Balance at 31.3.2013 RM'000
Retirement benefits	214	201	(41)	(37)
Accumulated losses	214	201	(41)	(37)

2.2 Transition to MFRSs

The effects of transition from FRSs to MFRSs on the reported financial position are as follows:-

	FRSs RM'000	Effects of transition RM'000	MFRSs RM'000
<u>Consolidated Statement of Financial Position (Extract)</u>			
<u>As at 1 April 2011</u>			
Revaluation surplus	815	(815)	0
Accumulated losses	(12,043)	815	(11,228)
Total equity	68,089	0	68,089

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Transition to MFRSs (cont'd)

	FRSs RM'000	Effects of transition RM'000	MFRSs RM'000
<u>Consolidated Statement of Financial Position (Extract) (cont'd)</u>			
<u>As at 31 March 2012</u>			
Revaluation surplus	815	(815)	0
Accumulated losses	(10,356)	815	(9,541)
Total equity	<u>69,777</u>	<u>0</u>	<u>69,777</u>

Under FRSs, certain property, plant and equipment and investment property of the Group and the Company were stated at valuation less accumulated depreciation and accumulated impairment losses, if any. The last revaluations of these assets were made in the 1980s. Upon transition to MFRSs, the Group and the Company elected to use these revaluations as deemed cost at the revaluation dates. Accordingly, the revaluation surplus of RM815,000 as at 1 April 2011 and 31 March 2012 was reclassified to accumulated losses.

The transition from FRSs to MFRSs did not have any significant effects on the reported financial performance and cash flows.

2.3 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 reporting period using the acquisition method. Under the acquisition method, the consideration transferred, the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. The components of non-controlling interests that are present ownership interests are measured at the present ownership instruments' proportionate share in the recognised amounts of the identifiable net assets acquired. All other components of non-controlling interests are measured at their acquisition-date fair values. In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. All acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss as incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Basis of Consolidation (cont'd)

Goodwill at the acquisition date is measured as the excess of (a) over (b) below:-

- (a) the aggregate of:-
 - (i) the acquisition-date fair value of the consideration transferred;
 - (ii) the amount of any non-controlling interests; and
 - (iii) in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree.

- (b) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed.

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.9. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

A subsidiary is consolidated from the acquisition date, being the date on which control is obtained, and continues to be consolidated until the date when control is lost. Intragroup balances, transactions, income and expenses are eliminated in full on consolidation. Total comprehensive income is 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. All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Upon loss of control of a subsidiary, the assets (including any goodwill) and liabilities of, and any non-controlling interests in the subsidiary are derecognised. All amounts recognised in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the related assets or liabilities had been directly disposed of. Any consideration received and any investment retained in the former subsidiary are recognised at their fair values. The resulting difference is then recognised as a gain or loss in profit or loss.

2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.9.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Property, Plant and Equipment (cont'd)

Leasehold land is depreciated on a straight-line basis over the lease terms of 87 to 91 years. 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	10-25%
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 are recognised in profit or loss.

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

2.5 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 impairment policy is disclosed in Note 2.9.

Freehold land is not depreciated. Leasehold land is depreciated on a straight-line basis over the lease terms of 88 to 94 years. Buildings are depreciated on a straight-line basis over their estimated useful lives of 50 years.

2.6 Investments in Subsidiaries

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 are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.9.

2.7 Investment in 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Investment in Associate (cont'd)

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 comprehensive income of the associate. After application of the equity method, the carrying amount of the investment is subject to further impairment assessment. The impairment policy is disclosed in Note 2.9.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 2.9.

2.8 Investment in Club Membership

Investment in club membership is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 2.9.

2.9 Impairment of Non-financial Assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than inventories, 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. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, 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 profit or loss. An impairment loss on goodwill is not reversed.

2.10 Inventories

Inventories of materials and goods 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial Assets

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

Recognition and Measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is initially recognised at fair value plus directly attributable transaction costs. After initial recognition, the financial asset is measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial asset is derecognised or impaired as well as through the amortisation process.

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset have expired or all the risks and rewards of ownership have been substantially transferred.

Impairment

At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. The gross carrying amount and the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the increased carrying amount does not exceed what the amortised cost would have been had no impairment loss been recognised at the reversal date. The reversal is recognised in profit or loss.

Determination of Fair Values

The carrying amounts of receivables and cash and cash equivalents which are short-term in nature or repayable on demand are assumed to be reasonable approximations of fair values.

The fair values of long-term receivables are estimated by discounting the expected future cash flows using the current market interest rates for similar assets.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Financial Liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings and financial guarantee contracts.

Recognition and Measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value less directly attributable transaction costs. After initial recognition, all financial liabilities, except for financial guarantee contracts, are measured at amortised cost using the effective interest method. Any gain or loss is recognised in profit or loss when the financial liability is derecognised as well as through the amortisation process. After initial recognition at fair value, if any, financial guarantee contracts are measured at the higher of the amount initially recognised less appropriate amortisation and the estimate of any probable obligation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

Determination of Fair Values

The carrying amounts of payables and loans and borrowings which are short-term in nature or repayable on demand are assumed to be reasonable approximations of fair values.

The fair values of financial guarantee contracts are estimated based on probability-adjusted discounted cash flow analysis after considering the probability of default by the debtors.

2.13 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 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 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 end of the reporting period, 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 profit or loss. 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. in profit or loss or in other comprehensive income.

2.14 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 end of the reporting period are recognised as a liability whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.15 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.

2.16 Employee Benefits

Short-term Employee Benefits

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Employee Benefits (cont'd)

Defined Contribution Plan

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss in the period in which the associated services are rendered by the employee.

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 end of the reporting period 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 recognised in profit or loss 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 end of the reporting period.

Actuarial gains and losses are recognised in profit or loss 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.

2.17 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18 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 end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Income Taxes (cont'd)

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with 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 end of the reporting period.

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. JUDGEMENTS AND ESTIMATION UNCERTAINTY

Judgements Made in Applying Accounting Policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

3. JUDGEMENTS AND ESTIMATION UNCERTAINTY (cont'd)

Sources of Estimation Uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Allowance for inventories

Reviews are made periodically by 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 may result in revisions to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 9.

4. PROPERTY, PLANT AND EQUIPMENT

The Group

	Long-term leasehold 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
<u>Cost</u>							
Balance at 1 April 2011	1,409	2,436	17,038	2,776	1,192	65	24,916
Additions	0	0	165	0	24	0	189
Disposals	0	0	0	0	(27)	0	(27)
Balance at 31 March 2012	1,409	2,436	17,203	2,776	1,189	65	25,078
Additions	0	62	266	54	132	0	514
Disposals	0	0	0	0	(83)	0	(83)
Balance at 31 March 2013	1,409	2,498	17,469	2,830	1,238	65	25,509
<u>Depreciation and Impairment Losses</u>							
Balance at 1 April 2011							
Accumulated depreciation	438	1,181	14,402	2,523	849	65	19,458
Accumulated impairment losses	0	0	1,401	150	0	0	1,551
	438	1,181	15,803	2,673	849	65	21,009
Depreciation	16	48	391	24	104	0	583
Disposals	0	0	0	0	(10)	0	(10)
Balance at 31 March 2012	454	1,229	14,793	2,547	943	65	20,031
Accumulated depreciation	0	0	1,401	150	0	0	1,551
	454	1,229	16,194	2,697	943	65	21,582
Depreciation	16	49	412	25	114	0	616
Disposals	0	0	0	0	(66)	0	(66)
Balance at 31 March 2013	470	1,278	15,205	2,572	991	65	20,581
Accumulated depreciation	0	0	1,401	150	0	0	1,551
Accumulated impairment losses	470	1,278	16,606	2,722	991	65	22,132

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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

The Group

	Long-term leasehold 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
<u>Carrying Amount</u>							
Balance at 1 April 2011	971	1,255	1,235	103	343	0	3,907
Balance at 31 March 2012	955	1,207	1,009	79	246	0	3,496
Balance at 31 March 2013	939	1,220	863	108	247	0	3,377

The Company

	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>				
Balance at 1 April 2011	317	512	119	948
Movement during the year	0	0	0	0
Balance at 31 March 2012	317	512	119	948
Additions	0	3	0	3
Balance at 31 March 2013	317	515	119	951
<u>Accumulated Depreciation</u>				
Balance at 1 April 2011	120	499	34	653
Depreciation	6	2	24	32
Balance at 31 March 2012	126	501	58	685
Depreciation	7	2	23	32
Balance at 31 March 2013	133	503	81	717
<u>Carrying Amount</u>				
Balance at 1 April 2011	197	13	85	295
Balance at 31 March 2012	191	11	61	263
Balance at 31 March 2013	184	12	38	234

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5. INVESTMENT PROPERTY

The Group

	Freehold land RM'000	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
<u>Cost</u>					
Balance at 1 April 2011	944	652	1,750	8,570	11,916
Movement during the year	0	0	0	0	0
Balance at 31 March 2012	944	652	1,750	8,570	11,916
Movement during the year	0	0	0	0	0
Balance at 31 March 2013	944	652	1,750	8,570	11,916
<u>Accumulated Depreciation</u>					
Balance at 1 April 2011	0	316	287	4,000	4,603
Depreciation	0	11	21	171	203
Balance at 31 March 2012	0	327	308	4,171	4,806
Depreciation	0	11	21	171	203
Balance at 31 March 2013	0	338	329	4,342	5,009
<u>Carrying Amount</u>					
Balance at 1 April 2011	944	336	1,463	4,570	7,313
Balance at 31 March 2012	944	325	1,442	4,399	7,110
Balance at 31 March 2013	944	314	1,421	4,228	6,907
<u>Fair Value</u>					
Estimated fair value at 1 April 2011	2,250	5,000	1,472	7,918	16,640
Estimated fair value at 31 March 2012	2,250	5,000	1,472	7,918	16,640
Estimated fair value at 31 March 2013	2,250	5,000	1,472	7,918	16,640

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

5. INVESTMENT PROPERTY (cont'd)

The Company

	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
<u>Cost</u>				
Balance at 1 April 2011	594	873	1,402	2,869
Movement during the year	0	0	0	0
Balance at 31 March 2012	594	873	1,402	2,869
Movement during the year	0	0	0	0
Balance at 31 March 2013	594	873	1,402	2,869
<u>Accumulated Depreciation</u>				
Balance at 1 April 2011	0	271	631	902
Depreciation	0	10	28	38
Balance at 31 March 2012	0	281	659	940
Depreciation	0	9	28	37
Balance at 31 March 2013	0	290	687	977
<u>Carrying Amount</u>				
Balance at 1 April 2011	594	602	771	1,967
Balance at 31 March 2012	594	592	743	1,929
Balance at 31 March 2013	594	583	715	1,892
<u>Fair Value</u>				
Estimated fair value at 1 April 2011	1,485	3,650	2,955	8,090
Estimated fair value at 31 March 2012	1,485	3,650	2,955	8,090
Estimated fair value at 31 March 2013	1,485	3,650	2,955	8,090

The fair values of investment property as at 1 April 2011 were estimated based on the market values given by independent professional valuers using the comparison method. After considering the existing conditions of the property as well as evaluating the relevant market information, management is of the view that there have been no significant changes in the estimated fair values as at 31 March 2012 and 2013.

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6. INVESTMENTS IN SUBSIDIARIES

The Company

	2013 RM'000	2012 RM'000
Unquoted ordinary shares, at cost	19,124	19,124
Unquoted preference shares, at cost	65,800	65,800
	<u>84,924</u>	<u>84,924</u>
Impairment losses	(21,381)	(21,381)
	<u>63,543</u>	<u>63,543</u>

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

Name of Subsidiary	Effective Ownership Interest		Principal Activity
	2013	2012	
Maica Wood Industries Sdn. Bhd.	99.8%	99.8%	Investment holding
Consolidated Leasing (M) Sdn. Bhd.	100%	100%	Investment holding and granting of lease and hire purchase financing
Pinaremas Sdn. Bhd.	100%	100%	Inactive
Ambang Arena Sdn. Bhd.	100%	100%	Inactive
<u>Subsidiary of Maica Wood Industries Sdn. Bhd.</u>			
Maicador Sdn. Bhd.	99.8%	99.8%	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%	Inactive
Maritime Credits (Malaysia) Sdn. Bhd.	100%	100%	Inactive

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7. INVESTMENT IN ASSOCIATE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares, at cost	672	672	672	672
Share of post-acquisition profit or loss	(472)	(490)	0	0
Share of post-acquisition other comprehensive income	713	713	0	0
Impairment loss	(275)	(275)	(78)	(78)
	<u>638</u>	<u>620</u>	<u>594</u>	<u>594</u>

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

Name of Associate	Effective Ownership Interest		Principal Activity
	2013	2012	
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:-

	2013 RM'000	2012 RM'000
Total assets	10,368	9,530
Total liabilities	5,587	4,820
Revenue	8,502	8,928
Profit for the financial year	<u>71</u>	<u>127</u>

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8. RECEIVABLES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Hire purchase receivables (fixed rate)	30,822	46,600	0	0
Trade receivables	559	723	0	0
Allowance for impairment	(212)	(78)	0	0
	347	645	0	0
Other receivables:-				
- Subsidiaries	0	0	4,356	3,863
- Unrelated parties	111	83	43	43
	111	83	4,399	3,906
	<u>31,280</u>	<u>47,328</u>	<u>4,399</u>	<u>3,906</u>
Disclosed as:-				
- Non-current assets	9,477	17,535	0	0
- Current assets	21,803	29,793	4,399	3,906
	<u>31,280</u>	<u>47,328</u>	<u>4,399</u>	<u>3,906</u>

Hire Purchase Receivables

These represent hire purchase financing granted to a company in which a director of the Company and his close family members have substantial financial interests. The financing is secured through ownership claims over the motor vehicles financed. The effective interest rates as at 31 March 2013 ranged from 6% to 7% (2012 : 6% to 7%) per annum. The repayment analysis is as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Minimum hire purchase payments:-		
- Within 1 year	22,621	31,248
- Later than 1 year and not later than 5 years	9,853	18,136
	32,474	49,384
Unearned finance income	(1,652)	(2,784)
Present value of hire purchase receivables:-		
- Within 1 year	21,345	29,065
- Later than 1 year and not later than 5 years	9,477	17,535
	<u>30,822</u>	<u>46,600</u>

The carrying amounts of hire purchase receivables are reasonable approximations of fair values as their effective interest rates also approximate to the current market interest rates for similar hire purchase arrangements.

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8. RECEIVABLES (cont'd)

Trade Receivables

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 day terms.

The movements in allowance for impairment are as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Balance at 1 April	78	83
Impairment loss recognised	134	0
Impairment loss written off	0	(5)
Balance at 31 March	<u>212</u>	<u>78</u>

All the above impairment losses were individually determined after considering the adverse financial conditions of the debtors who have defaulted/delayed in payments.

The ageing analysis of trade receivables not impaired is as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Not past due	216	167
Past due 1 to 30 days	131	306
Past due 31 to 120 days	0	146
Past due more than 120 days	0	26
	<u>347</u>	<u>645</u>

Trade receivables that are neither past due nor impaired mainly relate to creditworthy customers who have regular transactions and good payment records with the Group.

Management determines credit risk concentration in terms of counterparties. As at 31 March 2013, there were 2 (2012 : 3) major customers that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounted to RM325,000 (2012 : RM511,000).

Other Receivables

Other receivables are unsecured and non-interest bearing. The amounts owing by subsidiaries are repayable on demand. The amounts owing by unrelated parties mainly consist of refundable deposits which have no fixed repayment terms.

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9. INVENTORIES

The Group

	2013 RM'000	2012 RM'000
Raw materials	2,420	2,476
Work-in-progress	864	703
Finished goods	353	304
Consumables	180	195
Goods-in-transit	334	404
	<u>4,151</u>	<u>4,082</u>

10. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Highly liquid investments	0	2,131	0	0
Term deposits with licensed banks (fixed rate)	6,054	5,756	1,337	1,302
Cash and bank balances:-				
- Interest earning (fixed rate)	20,982	0	123	0
- Non-interest earning	278	2,808	22	193
	<u>27,314</u>	<u>10,695</u>	<u>1,482</u>	<u>1,495</u>

As at 31 March 2012, a term deposit of the Group amounting to RM180,000 had been pledged as security for credit facilities granted to the Group. Accordingly, this term deposit was not freely available for use.

The effective interest rates of term deposits and interest earning bank balances as at 31 March 2013 ranged from 2.3% to 3.1% (2012 : 2.0% to 3.1%) per annum.

11. PAYABLES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade payables	898	777	0	0
Other payables	758	692	156	143
	<u>1,656</u>	<u>1,469</u>	<u>156</u>	<u>143</u>

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11. PAYABLES (cont'd)

The currency profile of payables is as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	1,524	1,305	156	143
US Dollar	107	164	0	0
Others	25	0	0	0
	<u>1,656</u>	<u>1,469</u>	<u>156</u>	<u>143</u>

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade Payables

Trade payables are unsecured, non-interest bearing and generally on 14 to 90 day terms.

Other Payables

Other payables are unsecured and non-interest bearing. The amounts mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 days.

12. LOANS AND BORROWINGS

The Group

	2013 RM'000	2012 RM'000
Revolving credits (fixed rate)	<u>0</u>	<u>896</u>

Loans and borrowings were secured against a term deposit of the Group (Note 10) and term deposits of a director of the Company and his close family members. The effective interest rate as at 31 March 2012 was 3.6% per annum.

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13. RETIREMENT BENEFITS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Balance at 1 April	1,056	955	225	204
Provision	158	156	24	21
Payments	(77)	(55)	0	0
Balance at 31 March	<u>1,137</u>	<u>1,056</u>	<u>249</u>	<u>225</u>
Represented by:-				
- Present value of unfunded obligations	1,338	1,270	212	184
- Unrecognised actuarial (losses)/gains	(201)	(214)	37	41
	<u>1,137</u>	<u>1,056</u>	<u>249</u>	<u>225</u>
Disclosed as:-				
- Current liabilities	63	77	0	0
- Non-current liabilities	1,074	979	249	225
	<u>1,137</u>	<u>1,056</u>	<u>249</u>	<u>225</u>

The retirement benefits provided during the year may be analysed as follows:-

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Amortisation of actuarial losses/(gains)	13	15	(4)	(4)
Current service cost	77	78	18	16
Interest cost	68	63	10	9
	<u>158</u>	<u>156</u>	<u>24</u>	<u>21</u>
Included in:-				
- Cost of sales	95	93	0	0
- Administrative and general expenses	63	63	24	21
	<u>158</u>	<u>156</u>	<u>24</u>	<u>21</u>

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

	The Group		The Company	
	2013 %	2012 %	2013 %	2012 %
Discount rate	5.50	5.50	5.50	5.50
Expected rate of salary increases	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>

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14. DEFERRED TAX LIABILITIES

The Group

	2013 RM'000	2012 RM'000
Balance at 1 April	9	10
Deferred tax income relating to origination and reversal of temporary differences	(3)	(1)
Balance at 31 March	<u>6</u>	<u>9</u>
In respect of taxable temporary differences of:-		
- Property, plant and equipment	4	6
- Investment property	2	3
	<u>6</u>	<u>9</u>

Save as disclosed above, as at 31 March 2013, 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 RM575,000 and RM10,000 (2012 : RM618,000 and RM10,000) 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deductible temporary differences of:-				
- Property, plant and equipment	58	61	0	0
- Inventories	13	79	0	0
- Financial instruments	45	42	45	42
- Advance payments from customers	183	0	0	0
- Retirement benefits	1,137	1,056	249	225
Unused capital allowances	16,855	17,415	447	497
Unused tax losses	35,043	35,043	92	92
Taxable temporary differences of:-				
- Property, plant and equipment	(1,326)	(1,558)	(40)	(41)
- Investment property	(973)	(914)	0	0
	<u>51,035</u>	<u>51,224</u>	<u>793</u>	<u>815</u>

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15. SHARE CAPITAL

	2013 RM'000	2012 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>

16. REVENUE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sale of goods	14,921	13,157	0	0
Management fee	0	0	240	240
Dividend income	0	0	1,200	1,200
Interest income	3,229	4,215	39	35
Rental income	347	589	164	165
	<u>18,497</u>	<u>17,961</u>	<u>1,643</u>	<u>1,640</u>

17. PROFIT BEFORE TAX

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax is arrived at after charging:-				
Allowance for slow moving inventories	28	40	0	0
Auditors' remuneration	52	43	20	17
Depreciation of:-				
- Investment property	203	203	37	38
- Property, plant and equipment	616	583	32	32
Direct operating expenditure for investment property	103	70	42	40
Directors' remuneration:-				
- Fees	45	42	45	42
- Other emoluments	421	416	421	416
Fee expense for financial instruments not at fair value through profit or loss	24	32	1	1
Impairment loss on loans and receivables	134	0	0	0
Interest expense for financial liabilities not at fair value through profit or loss	6	452	0	0
Realised loss on foreign exchange	8	0	0	0

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17. PROFIT BEFORE TAX (cont'd)

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
and crediting:-				
Bad debts recovered	1	1	0	0
Dividend income from investments in subsidiaries	0	0	1,200	1,200
Gain on disposal of property, plant and equipment	10	6	0	0
Interest income for financial assets not at fair value through profit or loss:-				
- Hire purchase financing	2,931	4,071	0	0
- Cash and cash equivalents	363	169	39	35
Rental income from investment property	347	589	164	165
Reversal of allowance for slow moving inventories	67	4	0	0
	<u>67</u>	<u>4</u>	<u>0</u>	<u>0</u>

18. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Short-term employee benefits	4,740	4,388	790	759
Defined contribution plan	421	408	89	85
Defined benefit plan	158	156	24	21
	<u>5,319</u>	<u>4,952</u>	<u>903</u>	<u>865</u>

19. TAX EXPENSE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Tax based on results for the year:-				
Malaysian income tax	741	867	3	0
Deferred tax	(3)	(1)	0	0
	<u>738</u>	<u>866</u>	<u>3</u>	<u>0</u>
Tax underprovided in prior year	7	13	4	0
	<u>745</u>	<u>879</u>	<u>7</u>	<u>0</u>

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19. TAX EXPENSE (cont'd)

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	
	2013 %	2012 %	2013 %	2012 %
Applicable tax rate	25.00	25.00	25.00	25.00
Expenses eligible for double deduction	0.00	(0.84)	0.00	0.00
Share of profit of associate	(0.29)	(0.32)	0.00	0.00
Non-deductible expenses	21.19	12.32	76.20	63.74
Non-taxable income	(0.23)	(0.58)	(98.36)	(85.84)
Decrease in unrecognised deferred tax assets	(2.79)	(1.84)	(1.86)	(2.90)
Average effective tax rate	<u>42.88</u>	<u>33.74</u>	<u>0.98</u>	<u>0.00</u>

20. EARNINGS PER SHARE

The Group

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

	2013	2012
Profit for the financial year attributable to owners of the Company (RM'000)	<u>976</u>	<u>1,687</u>
Weighted average number of shares in issue ('000)	<u>130,361</u>	<u>130,361</u>
Basic earnings per share (sen)	<u>0.75</u>	<u>1.29</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.

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21. RELATED PARTY DISCLOSURES

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

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Key management personnel compensation:-				
- Short-term employee benefits	614	604	421	414
- Defined contribution plan	66	64	45	44
	680	668	466	458
Dividend declared from subsidiary	0	0	1,200	1,200
Management fee charged to subsidiaries	0	0	240	240
Rental of premises charged to subsidiary	0	0	30	30
Granting of hire purchase financing to related party*:-				
- Principal financed	17,220	20,974	0	0
- Principal repaid	32,754	29,230	0	0
- Interest charged and repaid	2,931	4,071	0	0
Purchase of property, plant and equipment from related party**	0	24	0	0

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

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

22. SEGMENT REPORTING

The Group

Operating Segments

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:-

- (i) Manufacture of wood products
- (ii) Granting of hire purchase and other financing

The accounting policies and measurement bases of the segment items reported are the same as those disclosed in Note 2. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with external parties.

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22. SEGMENT REPORTING (cont'd)

Operating Segments (cont'd)

	Manufacture of wood products RM'000	Granting of financing RM'000	Unallocated non-operating segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
31.3.2013					
Segment assets	16,586	51,460	73,861	(67,922)	73,985
Included in the measure of segment assets are:-					
- Investment in associate	638	0	0	0	638
- Additions to non-current assets	511	0	3	0	514
Segment liabilities	3,773	4,605	408	(5,554)	3,232
Segment profit	41	1,776	351	(1,192)	976
Included in the measure of segment profit are:-					
- External revenue	15,103	3,154	240	0	18,497
- Intersegment revenue	0	0	1,470	(1,470)	0
- Interest income	65	0	0	0	65
- Allowance for slow moving inventories	28	0	0	0	28
- Reversal of allowance for slow moving inventories	67	0	0	0	67
- Depreciation	681	76	70	(8)	819
- Impairment loss on loans and receivables	134	0	0	0	134
- Interest expense	0	6	0	0	6
- Share of profit of associate	18	0	0	0	18
- Tax expense	10	666	69	0	745

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22. SEGMENT REPORTING (cont'd)

Operating Segments (cont'd)

	Manufacture of wood products RM'000	Granting of financing RM'000	Unallocated non-operating segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
<u>31.3.2012</u>					
Segment assets	16,183	51,352	73,445	(67,418)	73,562
Included in the measure of segment assets are:-					
- Investment in associate	620	0	0	0	620
- Additions to non-current assets	165	24	0	0	189
Segment liabilities	3,412	5,073	369	(5,069)	3,785
Segment profit	249	2,223	408	(1,192)	1,688
Included in the measure of segment profit are:-					
- External revenue	13,577	4,153	231	0	17,961
- Intersegment revenue	0	0	1,470	(1,470)	0
- Interest income	25	0	0	0	25
- Allowance for slow moving inventories	40	0	0	0	40
- Reversal of allowance for slow moving inventories	4	0	0	0	4
- Depreciation	644	81	69	(8)	786
- Interest expense	0	452	0	0	452
- Share of profit of associate	32	0	0	0	32
- Tax expense	8	785	86	0	879

1.4.2011

Segment assets	15,685	58,333	73,050	(67,019)	80,049
Segment liabilities	3,163	13,078	349	(4,630)	11,960

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22. SEGMENT REPORTING (cont'd)

Geographical Segments

Information about geographical location of segment assets has not been reported separately as the Group operates principally within Malaysia. Segment revenue based on geographical location of customers is analysed as follows:-

	2013 RM'000	2012 RM'000
Malaysia	16,124	16,583
United States of America	2,373	1,378
	<u>18,497</u>	<u>17,961</u>

Major Customers

The major customers that contributed 10% or more of the Group's total revenue are as follows:-

	External Revenue		Operating Segment
	2013 RM'000	2012 RM'000	
Customer I*	11,875	10,702	Manufacture of wood products
Customer II*	<u>2,931</u>	<u>4,071</u>	Granting of financing

* The identity of the major customer has not been disclosed as permitted by MFRS 8 Operating Segments.

23. COMMITMENT FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The Group

	2013 RM'000	2012 RM'000
Contracted but not provided for	<u>160</u>	<u>0</u>

24. CONTINGENT LIABILITIES - UNSECURED

The Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM16,300,000 (2012 : RM17,600,000). The total utilisation of these credit facilities as at 31 March 2013 amounted to approximately RM292,000 (2012 : RM1,377,000).

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24. CONTINGENT LIABILITIES - UNSECURED (cont'd)

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.12. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

25. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit Risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 24.

As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is minimal. The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The Group also obtained collateral in mitigating its credit risk exposure of hire purchase receivables through ownership claims over the motor vehicles financed.

Liquidity Risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

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25. FINANCIAL RISK MANAGEMENT (cont'd)

Currency Risk

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currency transacted is US Dollar ("USD").

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

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	The Group	
	Increase/ (Decrease) in Profit 2013 RM'000	Increase/ (Decrease) in Profit 2012 RM'000
Appreciation of USD against RM by 10%	(11)	(16)
Depreciation of USD against RM by 10%	<u>11</u>	<u>16</u>

Interest Rate Risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely hire purchase receivables, cash and cash equivalents and loans and borrowings.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing.

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss or as available-for-sale, any change in interest rates at the end of the reporting period would not affect its profit or loss or other comprehensive income.

26. CAPITAL MANAGEMENT

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

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26. CAPITAL MANAGEMENT (cont'd)

The Group considers its total equity (including non-controlling interests) and total loans and borrowings to be the key components of its capital structure and may, from time to time, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total loans and borrowings divided by total equity as follows:-

	The Group	
	2013 RM'000	2012 RM'000
Total loans and borrowings	0	896
Total equity	70,753	69,777
Total capital	<u>70,753</u>	<u>70,673</u>
Debt-to-equity ratio	<u>0 : 1</u>	<u>0.01 : 1</u>

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

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SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS OR LOSSES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total accumulated losses of the Company and its subsidiaries:-				
- Realised	(41,513)	(42,440)	(8,536)	(8,834)
- Unrealised	106	108	0	0
	<u>(41,407)</u>	<u>(42,332)</u>	<u>(8,536)</u>	<u>(8,834)</u>
Total share of accumulated losses of associate:-				
- Realised	(472)	(490)	0	0
- Unrealised	0	0	0	0
	<u>(41,879)</u>	<u>(42,822)</u>	<u>(8,536)</u>	<u>(8,834)</u>
Consolidation adjustments and eliminations	33,314	33,281	0	0
Total accumulated losses as per statement of financial position	<u>(8,565)</u>	<u>(9,541)</u>	<u>(8,536)</u>	<u>(8,834)</u>

The above supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.