



**Malaysia Aica Berhad**  
(8235-K)

ANNUAL REPORT **2009**



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# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting ("40<sup>th</sup> AGM") of the shareholders of the Company will be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Wednesday, 19 August 2009 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions: -

## AGENDA

### Ordinary Business

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2009 and the Auditors' Report thereon. Ordinary Resolution 1
2. To approve the payment of Directors' fees in respect of the financial year ended 31 March 2009. Ordinary Resolution 2
3. To re-elect the following Directors retiring in accordance with Article 83 of the Company's Articles of Association:
  - (a) Mr Lim Jian Hoo; and Ordinary Resolution 3(a)
  - (b) Mr Lee Yu-Jin Ordinary Resolution 3(b)
4. To re-appoint Messrs Horwath (AF: 1018) as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 4
5. To transact any other ordinary business of the Company for which due notice has been given.

### Special Business

6. To consider and, if thought fit, pass the following as Ordinary Resolution :

#### Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

"THAT the mandate previously granted by the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on 31 July 2008 pursuant to the provisions of Bursa Malaysia Securities Berhad Listing Requirements, authorising the Company and its subsidiaries ("Maica Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.2.2. of the Circular to Shareholders dated 28 July 2009 with the related party mentioned therein which are necessary for the Maica Group's day to day operations, be and is hereby renewed, provided THAT :-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those extended to unrelated third parties and are not to the detriment of the minority shareholders of the Company;

# NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

## Special Business (cont'd)

- (ii) disclosure of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year be made in the 2010 Annual Report based on the type of recurrent transactions made and the related party involved;
- (iii) THAT authority conferred by the Proposed Renewal of Shareholders' Mandate shall continue to be in force until:-
  - (a) the next AGM of Maica from the date of the 40<sup>th</sup> AGM and the authority has to be renewed by a resolution passed at the next AGM; or
  - (b) the expiration of the period within which the next AGM of Maica is to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM.

whichever is the earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

Ordinary Resolution 5

By Order of the Board

Lim Lai Sam (MAICSA No. 0877479)  
Secretary

Kuala Lumpur  
28 July 2009

# NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

## Notes on Proxy Form:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. The Proxy Form shall be deposited with the Company's Share Registrars, PFA Registration Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

## Explanatory Note on Special Business:

The proposed Ordinary Resolution 5, if passed, will allow the Maica Group, in its normal course of business, to continue to enter into Recurrent Related Party Transactions with the related party which are necessary for its day-to-day operations thereby reducing substantially the administrative time, inconvenience and expenses associated with the convening of separate general meetings on an ad-hoc basis and enable the Group to realise business opportunities, as and when they shall become available to the Group, in a more timely and effective manner.

## BOARD OF DIRECTORS

Tan Sri Dato' Tan Hua Choon  
(Chairman, Non-Independent  
Non-Executive Director)

Lim Jian Hoo  
(Executive Director)

Thor Poh Seng  
(Executive Director)

Lee Yu-Jin  
(Independent Non-Executive Director)

Aminuddin Yusof Lana  
(Independent Non-Executive Director)

Mohtar Bin Abdullah  
(Independent Non-Executive Director)

## AUDIT COMMITTEE

Lee Yu-Jin  
(Chairman) (MIA Member)

Aminuddin Yusof Lana

Mohtar Bin Abdullah

## NOMINATION COMMITTEE

Tan Sri Dato' Tan Hua Choon

Lee Yu-Jin

Mohtar Bin Abdullah

## REMUNERATION COMMITTEE

Tan Sri Dato' Tan Hua Choon

Lee Yu-Jin

## SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Lee Yu-Jin  
Fax : (03) 4043 6750

## COMPANY SECRETARY

Lim Lai Sam

## REGISTERED OFFICE

8-3, Jalan Segambut  
51200 Kuala Lumpur  
Tel : (03) 6195 1600  
Fax : (03) 4043 6750  
Website : [www.maicador.com](http://www.maicador.com)

## PRINCIPAL BANKERS

Malayan Banking Berhad  
EON Bank Berhad  
Citibank Berhad

## SHARE REGISTRARS

PFA Registration Services Sdn Bhd  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Tel : (03) 2264 3883  
Fax : (03) 2282 1886

## AUDITORS

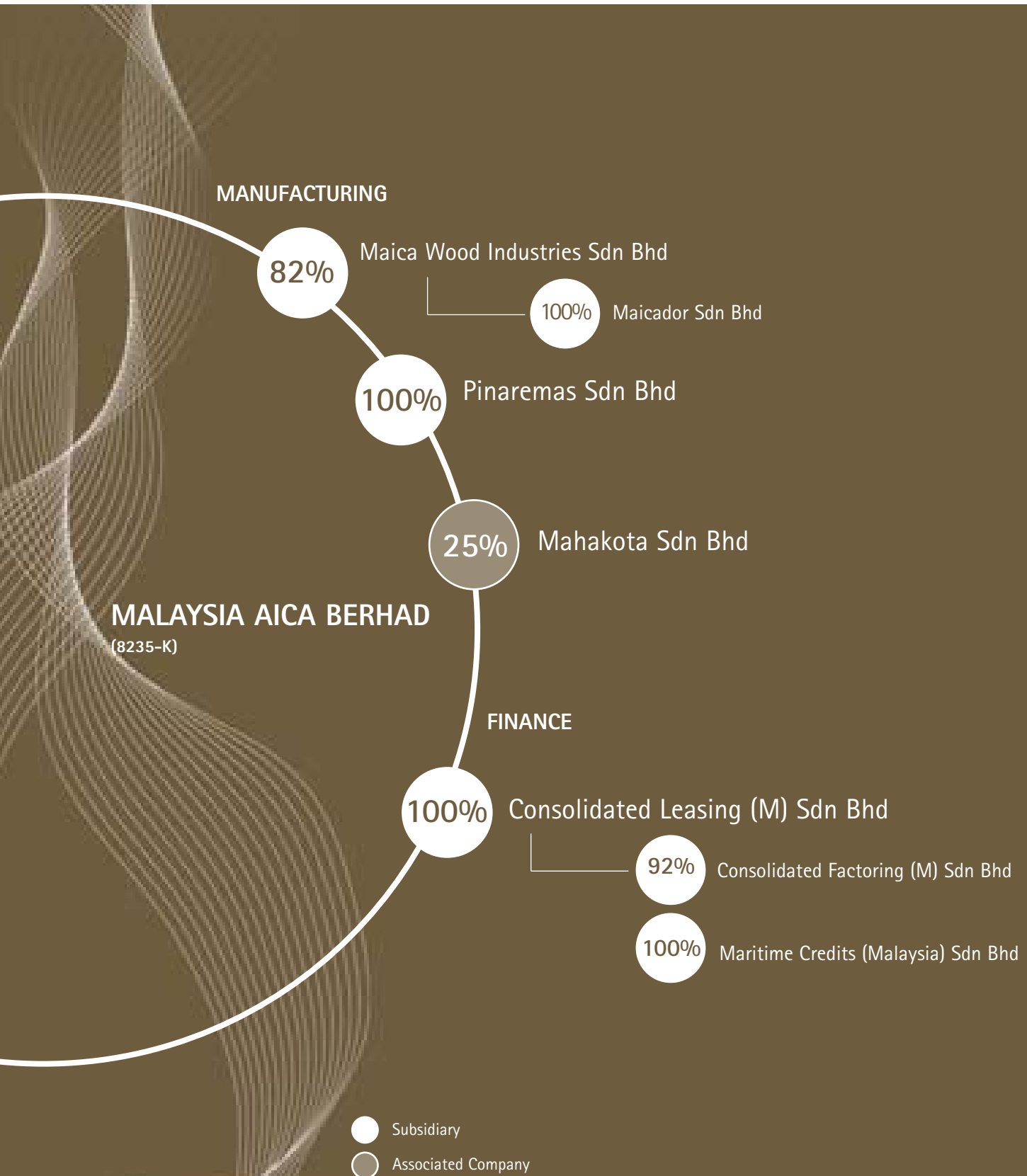
Messrs Horwath  
(Chartered Accountants)

## STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad  
Stock Name : MAICA  
Stock Code : 3743

# GROUP STRUCTURE

as at 31 March 2009

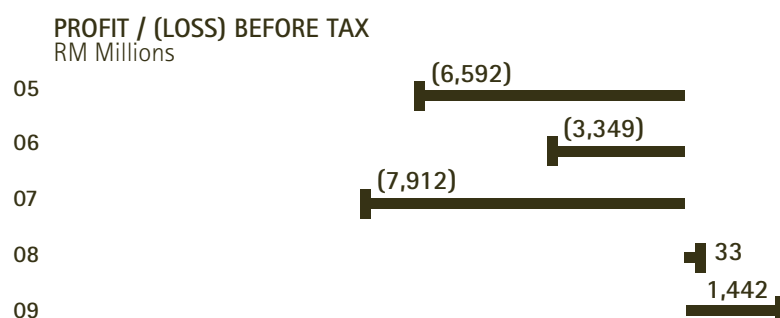
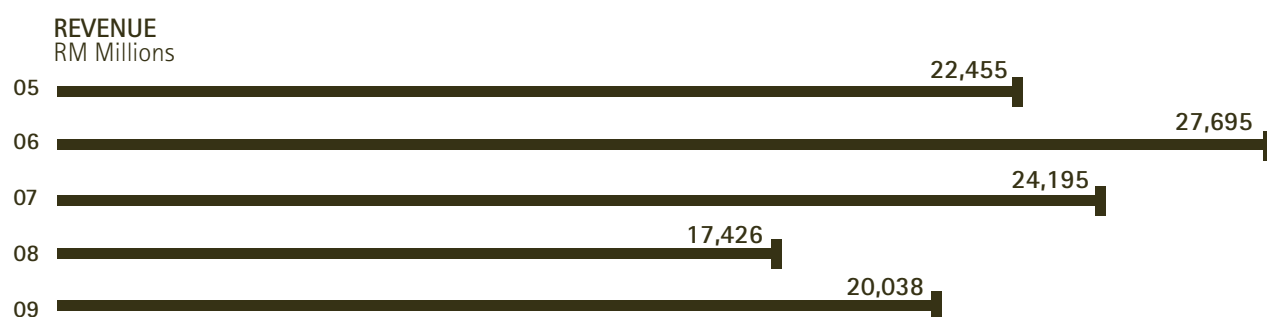


Note: Companies which are dormant or which had not commenced active operations are excluded.

# GROUP FINANCIAL HIGHLIGHTS

for the five financial years ended 31 March 2009


	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000
Revenue	22,455	27,695	24,195	17,426	20,038
Profit/(Loss) Before Tax	(6,592)	(3,349)	(7,912)	33	1,442
Profit/(Loss) After Tax And Minority Interest Attributable To Shareholders	(4,630)	(3,435)	(8,108)	149	1,823
Dividends – Net	-	-	-	-	-
Shareholders' Fund	73,468	70,033	61,946	62,095	63,892
Earnings/(Loss) Per Share Based On Profit/(Loss) After Tax And Minority Interest	(3.6 sen)	(2.6 sen)	(6.2 sen)	0.11 sen	1.4 sen
Net Tangible Assets Per Share	56 sen	54 sen	48 sen	48 sen	49 sen
Dividend Rate	-	-	-	-	-





# CHAIRMAN'S STATEMENT

*On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2009.*



## RESULTS

The Group registered a 15% increase in revenue to RM20.04 million for the year as against RM17.43 million in the previous year. The increase in revenue was mainly due to increase in sales from the engineered door division coupled with higher interest income from the reactivated hire purchase business.

In tandem with the revenue increase, Group pre-tax profit surged to RM1.44 million against pre-tax profit of RM33,000 in the previous financial year.

The Company however, reported a loss before taxation of RM0.63 million for the current financial year compared to a profit before taxation of RM0.2 million in the previous financial year. The higher loss incurred was mainly due to lower fixed deposit interest income since May 2008. The cash from the fixed deposit was progressively invested in Consolidated Leasing (M) Sdn Bhd, a wholly-owned subsidiary for its hire purchase business.

# CHAIRMAN'S STATEMENT

(cont'd)

## REVIEW OF OPERATIONS

During the 2009 financial year, the Group's wood-based manufacturing company, Maicador Sdn. Bhd. (MDR) continued to focus on the production of engineered doors mainly for export markets and fire rated doors for the local construction industry. Sales order for fire rated doors as well as engineered doors rose substantially for the period under review, enabling MDR to report a profit before tax of RM530,000.

The re-activation of the hire purchase business during the financial year had contributed significantly to the Group's profit. The hire purchase business which granted a total financing of approximately RM74 million during the 2009 financial year, had generated revenue of RM2.80 million and a profit before tax of RM2.13 million.

## PROSPECTS

The prospects for door manufacturing remain challenging amid the global financial crisis as recession deepens.

The door division business going forward is expected to be difficult. However, the hire purchase business will generate consistent income in the year ahead.

The Board expects a contraction in turnover for the coming fiscal year but will take steps to ride out the current economic storm.

## DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the financial year ended 31 March 2009.

## APPRECIATION

On behalf of the Board, I would like to extend our appreciation to the Management and Staff for their efforts, commitment and contribution. I would also like to express my sincere appreciation to our valued customers, business associates and shareholders for their continued support and confidence.

Tan Sri Dato' Tan Hua Choon  
Chairman

Kuala Lumpur  
17 July 2009

# PROFILE OF BOARD OF DIRECTORS

## Tan Sri Dato' Tan Hua Choon

(68 years old - Malaysian)  
Chairman, Non-Independent  
Non-Executive Director

Tan Sri Dato' Tan was appointed as Director and Chairman of the Company on 23 September 1995 and 19 April 1996 respectively. On 25 March 2002, he was appointed to the Nomination Committee and Remuneration Committee of the Company.

Tan Sri Dato' Tan is a self-made businessman with vast experience in business and industries. He has been involved in a wide range of businesses which include manufacturing, marketing, banking, shipping, property development and trading.

He has built-up investments in numerous public listed companies. He is also the Chairman of Marco Holdings Berhad, Keladi Maju Berhad, FCW Holdings Berhad, Jasa Kita Berhad, GPA Holdings Berhad and PDZ Holdings Bhd. He joined the Board of Goh Ban Huat Berhad on 8 July 2008 as Non-Independent Non-Executive Director.

## Lim Jian Hoo

(63 years old - Malaysian)  
Executive Director

Mr Lim was appointed as Director of the Company and member of the Audit Committee on 1 February 1997 and 1 November 2003 respectively. Mr Lim resigned as a member of the Audit Committee on 19 November 2007 pursuant to the Best Practices of the Malaysian Code on Corporate Governance (Revised 2007) which came into effect in October 2007.

He graduated with a Bachelor of Economics (Honours) degree from University of Malaya in 1969, obtained a Banking Diploma from the Chartered Institute of Bankers London in 1972 and became an Associate Member of Institute Bank-Bank Malaysia in 1980.

Mr Lim joined Standard Chartered Bank Berhad in 1970 and worked in the banking sector for 22 years. In early 1993, he joined Malaysian General Investment Corporation Berhad ("MGIC") as its Deputy Group Chief Executive and later assumed the post of Chief Executive Officer of Charles Bradburne, a subsidiary of MGIC. From 1994 to 1996, he was attached with IC Bank Rt. Budapest, Hungary as the President and Chief Executive Officer where he was responsible for the setting up and development of the infrastructure framework of a new bank. He is also a director of PDZ Holdings Bhd.

## Thor Poh Seng

(49 years old - Malaysian)  
Executive Director

Mr Thor was appointed a Director of the Company on 23 September 1995 and had served as a member of the Audit Committee from 23 December 1995 to 15 December 2001.

He holds a Bachelor of Engineering degree from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) and a Master's degree in Business Management from the Asian Institute of Management, Philippines.

Mr Thor was an ex-merchant banker from Commerce International Merchant Banker Berhad (now known as CIMB Investment Bank Berhad) ("CIMB") with extensive experience in corporate finance and corporate planning. Prior to joining CIMB, he has held senior positions in operations and finance in Dunlop Estate Berhad and Sitt Tatt Berhad respectively. He is also a Director of Marco Holdings Berhad, PDZ Holdings Bhd, Keladi Maju Berhad, FCW Holdings Berhad, Jasa Kita Berhad, GPA Holdings Berhad, Computer Forms (Malaysia) Berhad and Goh Ban Huat Berhad.

## Lee Yu-Jin

(42 years old - Malaysian)  
Independent Non-Executive  
Director

Mr Lee was appointed as Director of the Company and Chairman of the Audit Committee on 25 March 2002. On the same day, he was also appointed to the Nomination Committee and Remuneration Committee of the Company. He graduated from University of Manchester, U.K. with a Bachelor of Arts (Honours) in Economics and is also a Member of the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants.

Prior to joining Malaysia Aica Berhad, Mr Lee has held senior positions in finance and corporate affairs, accounting and banking. He is also a Director of FCW Holdings Berhad, United Bintang Berhad and several private companies.

Presently, Mr Lee is the Chief Financial Officer of Computer Forms (Malaysia) Berhad.

# PROFILE OF BOARD OF DIRECTORS

(cont'd)

## Aminuddin Yusof Lana

(60 years old-Permanent Resident) Independent Non-Executive Director

En Aminuddin was appointed as Director of the Company and a member of the Audit Committee on 22 March 2004. He holds a Bachelor of Commerce and Administration Degree from Victoria University of Wellington, New Zealand. He is a Chartered Accountant of the New Zealand Society of Accountants and an Associate member of the Institute of Chartered Secretaries and Administrators of London and Wales.

He had previously served as Director and later Managing Director of Renong Berhad from May 1990 to February 1994 and as Director and Group Managing Director of Faber Group Berhad from June 1990 to December 1994. He was the Managing Director of Metacorp Berhad from January 1995 to December 1996. He was also the Managing Director of UEM Builders Berhad from March 2000 to November 2003.

Currently, he sits on the Board of Scomi Oiltools International Limited (Bermuda), C.H. Offshore Ltd and ENC Sdn Bhd.

## Mohtar Bin Abdullah

(60 years old - Malaysian) Independent Non-Executive Director

En Mohtar was appointed as Director of the Company and a member of the Audit Committee and Nomination Committee on 17 November 2004. He holds a Diploma in Public Administration from Institut Tadbiran Awam Negara (Intan) and a Bachelor of Economics (Hons) Degree in Business Management from National University of Malaysia.

En Mohtar served in Malaysian Civil Service as Assistant Trade Commissioner of Malaysia in Tokyo, Japan from 1981 to 1989. He assumed the post of Director of Investment, ASEAN Promotion Centre on Trade and Investment in Tokyo from 1991 to 1994. He was attached to MATRADE from 1994 to 2004 where he served as Consul and Trade Commissioner of Malaysia in Milan, Italy from 1994 to 2000 and subsequently based in Jeddah, Saudi Arabia until 2003. His last position in MATRADE was Director of Asia and Africa, Malaysian External Trade Development Corporation.

## FURTHER INFORMATION ON THE BOARD OF DIRECTORS:

- **Family Relationship**

None of the Directors has any family relationship with other Directors and major shareholders of the Company.

- **Conflict of Interest**

None of the Directors have any conflict of interest with the Company.

- **Conviction of Offences**

None of the Directors have been convicted of any offence within the past 10 years, other than traffic offence, if any.

# CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Malaysia Aica Berhad holds the view that the presence of good corporate governance is fundamental to the continued growth of the Group and the achievement of its objective of protecting and enhancing long-term shareholders' value whilst taking into account the interest of other stakeholders. To uphold such good standard of corporate governance, the Group continues to adhere to the spirit of the Malaysian Code on Corporate Governance (Revised 2007) ("the Code") by managing its affairs and business activities with transparency, integrity and accountability to ensure that sound framework of corporate governance is in place at all levels of the Group in positioning itself in a competitive edge within which the Group operates and increasing the confidence and trust of the investors.

The Board is pleased to present the following disclosure on the application of the Code and the extent of compliance with the best practices set out in the Code by the Group during the financial year ended 31 March 2009.

## A. BOARD OF DIRECTORS

### i) The Board

The Malaysia Aica Berhad Group of Companies is managed and led by an experienced and effective Board who has within it individuals drawn from varied professionals and specialisation in the fields of manufacturing, trading, marketing, finance, accounting, corporate affairs and administration. Together with the Management, they collectively bring a diverse range of skills and expertise to effectively discharge their responsibilities towards achieving the Group's business strategies and corporate goals.

The Executive Directors together with the Group's management have regular meetings wherein operational details and other issues were discussed and considered. Apart from the management meetings, the Executive Directors also hold informal meetings with the other members of the Board whenever necessary. There were two official Board Meetings held during the financial year ended 31 March 2009. The details of attendance of each Board Member at the Board meetings are as follow :

Director	Status	% of Attendance
Tan Sri Dato' Tan Hua Choon	Chairman	100
	Non-Independent Non-Executive Director	
Mr Lim Jian Hoo	Executive Director	100
Mr Thor Poh Seng	Executive Director	100
Mr Lee Yu-Jin	Independent Non-Executive Director	100
En Aminuddin Yusof Lana	Independent Non-Executive Director	100
En Mohtar Bin Abdullah	Independent Non-Executive Director	100

All the deliberations and conclusions of the Board meetings were properly recorded by the Company Secretary present at the meeting.

### ii) Board Committees

The Board has delegated specific responsibilities and duties to its three Committees; namely the Audit, Nomination and Remuneration Committees, which operate under their respective defined terms of reference. These Committees, which do not have executive powers, will deliberate and examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision, however, lies with the entire Board.

## A. BOARD OF DIRECTORS (cont'd)

### *Audit Committee*

The Maica Audit Committee was established on 19 January 1994. The composition of the Committee, terms of reference and the summary of its activities carried out during the financial year ended 31 March 2009 are set out in pages 20 to 24 of this Annual Report.

### *Nomination Committee*

The Nomination Committee, which was established on 25 March 2002 comprises of three Non-Executive Directors, two of whom are independent, is tasked with the responsibility of recommending to the Board, suitable candidates for appointment as Directors and to fill the seats on Board Committees, whenever necessary. It will also carry out the process of assessing the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director.

Decision on appointments of new Directors is made by the full Board on a collective basis after considering recommendations of the Nomination Committee.

Generally, the Nomination Committee will assist the Board to review annually its required mix of skills, experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board.

The present members of the Nomination Committee are:-

- 1) Tan Sri Dato' Tan Hua Choon - Non-Independent Non-Executive Director
- 2) Mr Lee Yu-Jin - Independent Non-Executive Director
- 3) En Mohtar Bin Abdullah - Independent Non-Executive Director

During the financial year ended 31 March 2009, the Nomination Committee had a meeting where all the Nomination Committee Members present thereat carried out an annual evaluation process on the Board of Directors as a whole, Board Committees and each individual Director. The proceedings of the meeting were properly recorded and documented.

### *Remuneration Committee*

The Board had also set up a Remuneration Committee on 25 March 2002 which comprise wholly of Non-Executive Directors. The Committee's primary responsibility is to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside resources where necessary.

The Directors who served the Remuneration Committee during the 2009 financial year were as follows :

- 1) Tan Sri Dato' Tan Hua Choon - Non-Independent Non-Executive Director
- 2) Mr Lee Yu-Jin - Independent Non-Executive Director

The Remuneration Committee members met once during the financial year and it reviewed the remuneration packages and benefits accorded to the Executive Directors as well as the Non-Executive Directors' remuneration. The Directors concerned will abstain from deliberating on their own remuneration packages.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## A. BOARD OF DIRECTORS (cont'd)

### iii) Board Balance

Presently, the Board comprises six members with two Executive Directors and four Non-Executive Directors, three of whom are Independent Non-Executive Directors. With this Board composition, the Company fully complies with the Bursa Malaysia Securities Berhad Listing Requirements ("Bursa Securities LR") with regard to the constitution of the Board of Directors and the required ratio of Independent Directors, as well as the requirement for a director who is a member of the Malaysian Institute of Accountants to sit on the Audit Committee. The profiles of Board members are set out in pages 10 and 11 of this Annual Report.

The Board considers its current composition with the mix of skills and expertise sufficient and optimum to discharge its duties and responsibilities effectively.

There is clear segregation of responsibility between the Chairman of the Board and the Executive Directors to ensure that there is a balance of power and authority in the Group where :

- the Non-Executive Chairman is primarily responsible for the effectiveness and proper conduct of the Board; while
- the Executive Directors have the responsibility of implementing the policies and decisions of the Board, overseeing as well as coordinating the development and implementation of business and corporate strategies.

The Non-Executive Directors participate in areas such as establishment of policies and strategies, performance monitoring as well as improving governance and control and are independent of management and have no relationships which could materially interfere the exercise of their independent judgment so as to ensure that the interests of not only the Group, but also the stakeholders and the public in general are represented.

### iv) Supply of Information

All the Board and committee members have timely access to relevant information pertaining to the Group as well as to the advice and services of the Company Secretary, Management representatives and independent professional advisers wherever necessary, at the Company's expense to enable the Board and committee members to discharge their duties with adequate knowledge on the matters being deliberated. They are also kept informed of the requirements and updates issued by the regulatory authorities from time to time.

Prior to each scheduled Board Meeting, all the Board members are provided with the requisite notice, agenda and the Board Papers containing information relevant to the business of the meeting to enable them have sufficient time to peruse the papers to assess all aspects of the Group's performance and for a comprehensive understanding of the issues to be deliberated and, if necessary, obtain further information or clarification from the Management to ensure effectiveness of the proceedings at the meeting. Senior Management members are invited to attend these meetings to explain and clarify matters.

In addition, there is a formal schedule of matters specifically reserved for the Board's decision including, among other things, business strategies, operational policies and efficacies, acquisitions and disposals of material assets, investment policies and approval of financial statements. Minutes of every Board meeting are circulated to the Board members prior to its confirmation at the following Board meeting. The Board also receives minutes of Audit Committee meetings and is briefed on significant issues which merits its special attention and approval.

## A. BOARD OF DIRECTORS (cont'd)

### v) Appointments to the Board

Appointment of new Directors will first be considered and evaluated by the Nomination Committee, through a formal and transparent selection procedure, after which appropriate recommendation will be put forward to the Board for its consideration and approval.

### vi) Directors' Training

All the existing Directors of the Company have completed the Mandatory Accreditation Programme in accordance with the Bursa Securities LR. Pursuant to that, the Board members have also took part in various accredited seminars under the Continuing Education Programme prescribed by the Bursa Securities.

The Board recognises the importance of continuous education for its members to gain an insight into the statutory and regulatory updates and the development in the industry and business environment within which the Group operates and is committed to ensure that its directors are equipped with the appropriate knowledge and skills through formal and informal training/briefings to keep abreast with recent developments in laws, regulations and industry.

During the 2009 financial year, most of the Directors attended at least one seminar and/or conference. The seminars and conferences attended by the Directors include Financial Reporting during Financial Turbulence, Containerization and Shipping. The Directors are encouraged to enrol for courses, seminars or conferences which are relevant to the Group's business or which will help them in their duties as Directors of the Company.

The Directors were also briefed by the Company Secretary from time to time during Board meetings on changes in statutory requirements, where relevant.

### vii) Re-election of Directors

In accordance with the Company's Memorandum and Articles of Association, one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to one-third shall retire from the office and be eligible for re-election at each Annual General Meeting. Newly appointed Directors shall hold office until the conclusion of the next Annual General Meeting and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Articles also provide that all Directors be subjected to retirement by rotation at least once every three (3) years.

## B DIRECTORS' REMUNERATION

### i) Level and Make-up

The Remuneration Committee reviews annually the levels of remuneration offered for Directors to ensure that they are sufficient to attract and retain Directors with the relevant experience and expertise needed to manage the Group successfully, while at the same time taking into consideration the state of the economy in general and the performance of the industry and the Group in particular.

In the case of Executive Directors, the component parts of remuneration are structured to link rewards to the Group and individual performance. As for the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities and participation by the particular Non-Executive Director concerned.



# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## B DIRECTORS' REMUNERATION (cont'd)

### ii) Procedure

The Remuneration Committee is responsible for recommending to the Board the policy framework of executive remuneration and the fixing of the remuneration of individual Directors. The Director concerned will abstain from deliberation and decision in respect of his own remuneration package.

### iii) Disclosure

The details of Directors' Remuneration paid or payable to all the Directors of the Company who served during the financial year ended 31 March 2009 are as follows:-

#### a) Aggregate remuneration of Directors categorised into the following components :

Category of Remuneration	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
(a) Fees	-	42	42
(b) Salaries and other emoluments	344	-	344
(c) Bonuses	25	-	25
(d) Estimated value of benefits-in-kind	-	-	-
<b>Total (RM'000)</b>	<b>369</b>	<b>42</b>	<b>411</b>

#### b) The number of Directors whose remuneration fall within the following bands:

Band (RM)	No. of Executive Directors	No. of Non-Executive Directors	Total
1 - 50,000	1	4	5
50,001 - 100,000	-	-	-
100,001 - 150,000	-	-	-
150,001 - 200,000	-	-	-
200,001 - 250,000	-	-	-
250,001 - 300,000	-	-	-
300,001 - 400,000	1	-	1
<b>Total</b>	<b>2</b>	<b>4</b>	<b>6</b>

Note : The above disclosures which do not reveal the details of the remuneration of each director for security and confidentiality reason, conform with the requirement under Appendix 9C Part A (11) of the Bursa Securities LR.

## C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

### i) Dialogue between Company and Investors

The Board acknowledges the importance of being accountable to the shareholders and the investors via a direct and effective line of communication. As such the Group always ensures timely release of the quarterly financial results, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK, Company's annual reports and other circulars to shareholders and where appropriate, ad hoc press statements which serve as the principal channel in keeping the shareholders and the investing public informed of the Group's major development, overview of financial performance and progress throughout the year.

Besides, the Group also maintains a website at [www.maicador.com](http://www.maicador.com) which can be accessed by the shareholders and public for information on the Group.

## C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS (cont'd)

### ii) General Meetings of Shareholders

The Annual General Meetings ("AGM") of the shareholders of the Company represent the main communication channel for interaction between the Board and the shareholders. Extraordinary General Meetings ("EGM") of the Company will be held as and when shareholders' approvals are required on specific matters.

Notices of AGMs and EGMs are distributed to shareholders within a reasonable and sufficient time frame and are published in a nationally circulated daily newspaper.

At each AGM, the Board presents the progress and performance of the business of the Group during the particular financial year as contained in the Annual Report. Shareholders are given the opportunity to express their view or seek clarification on issues pertaining to the Group's financial statements, transactions, business activities and prospects of the Group wherein, the Directors, Financial Controller and the External Auditors are available to respond to the queries before each resolution is carried. A press conference is normally held after each AGM or EGM of the Company whereat, the Board members are available to answer questions posted by journalists pertaining to the business operations and directions of the Group.

Apart from that, the Group's financial highlights and other significant issues affecting the Group are disseminated via BURSA LINK in a timely manner.

Any queries and concerns pertaining to the Group may also be conveyed to Mr Lee Yu-Jin, the Senior Independent Non-Executive Director of the Company at the registered office of the Company.

## D. ACCOUNTABILITY AND AUDIT

### i) Financial Reporting

It is the Board's commitment to provide and present a clear, balanced and comprehensive assessment of the Group's financial performance and prospects through the annual financial statements and quarterly results to the shareholders. In this respect, the Board is assisted by the Audit Committee to scrutinise the Group's financial reporting process for quarterly results and annual financial statements to ensure correctness and adequacy of disclosure prior to their release by the Secretary via BURSA LINK.

A statement by Directors of their responsibilities in preparing the financial statements is set out in page 19 of this Annual Report

### ii) Internal Control

The Board is fully aware of its overall responsibility of continuously maintaining a sound system of internal control which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investment and company's assets. The internal control system is designed to identify the risk to which the Group are exposed to and mitigate the impact thereon to meet the particular needs of the Group.

As an effort to enhance the system of internal control, the Group will continue to review the adequacy, effectiveness and integrity of its internal control systems to ensure that they are in line with the changing operating environment within which the Group operates.

The Internal Control Statement by the Board which provides an overview of the Group's state of internal control is set out in pages 25 to 26 of this Annual Report.

# CORPORATE GOVERNANCE STATEMENT

(cont'd)

## D. ACCOUNTABILITY AND AUDIT (cont'd)

### iii) Relationship with Auditors

The Board of Directors and the Management has established a professional relationship with the external auditors and always maintains a formal and transparent relationship with the auditors in seeking their professional advice and opinion with regard to the Group's compliance with the relevant approved accounting standards to enable them to provide independent reporting. The Auditors are invited for meetings of the Audit Committee or Board as and when the need arises.

The role of the Audit Committee in relation to its relationship with the External Auditors is set out in pages 20 to 22 of this Annual Report.

## E. ADDITIONAL COMPLIANCE INFORMATION

### Non-Audit Fee

A total of RM14,700 non-audit fees was incurred for services rendered to the Group for the 2009 financial year by the Company's auditors or a firm or company affiliated to the auditors' firm.

### Material Contract Involving Directors' and Major Shareholders' Interest

There were no material contracts entered into by the Group which involved Directors' and major shareholders' interests during the financial year.

### Revaluation Policy on Landed Properties

The Group does not have any revaluation policy on landed properties.

### Recurrent Related Party Transactions of a Revenue Nature

The details of the recurrent related party transactions of a revenue or trading in nature which took place during the 2009 financial year are disclosed in Note 30 to the Financial Statements set out in page 66 of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In pursuing the Group's business objectives, the Group also takes into consideration its social obligations and is striving for a balanced approach to fulfill its key business objectives and the stakeholders' expectations.

Throughout the year, the Group continued to carry out its CSR activities focusing on the following aspects :

### *Workplace*

The Group has in place an Occupational Safety and Health Committee within the Group to develop policies and guidelines and ensure that such health and safety policies are effectively implemented and adhered to by the Group's workforce. On-going trainings were provided by the Group to develop its employees' potentials in various aspects. Besides, in treasuring human capital as an asset of the Group, employees are provided with insurance coverage and other benefits.

### *Environment*

On the aspect of environment conservation, the Group has certain measures in place in its factories such as proper ducting and waste disposal system to minimise the adverse impact on the environment and to achieve an optimum level of environmental protection and performance as far as economically practicable. Steps have also been taken by the Group to reduce consumption of resources and the generation of waste by encouraging its employees to practice recycling and reduce wastage of papers and energy.

The Group is keen to achieve more progress in its CSR initiatives through various activities which will enhance work ethics and environmental awareness among its employees within which the Group operates.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board has a collective responsibility of ensuring that the financial statements of the Company and the Group are drawn up in accordance with the applicable approved accounting standards of Malaysia, Bursa Securities LR and the provisions of the Companies Act, 1965 ("the Act") to reflect a true and fair view of the Company and the Group's state of affairs, results and cash flow position for the financial year ended 31 March 2009.

In assuming the above compliance responsibilities, the Directors affirmed that they have taken into consideration the following aspects in preparing the financial statements of the Group for the year ended 31 March 2009 :

- adopted appropriate accounting policies and applied them consistently;
- made judgment and estimates that were prudent and reasonable;
- ensured the applicable accounting standards had been complied with; and
- prepared the financial statements on the going concern basis.

The Directors are responsible to ensure that the Company and its subsidiaries keep sufficient accounting records which disclose with reasonable accuracy the financial position of the Group and the Company at any time and which enable them to confirm that the financial statements comply with the requirements of the Act. In addition, the Directors have the general responsibility for taking reasonable steps to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities.

# AUDIT COMMITTEE REPORT

The Board of Directors of Malaysia Aica Berhad ("Maica") is pleased to present the report of the Maica Audit Committee for the financial year ended 31 March 2009.

## COMPOSITION OF AUDIT COMMITTEE

The Maica Audit Committee was established by the Company's Board of Directors on 19 January 1994. The members of the Maica Audit Committee are as follows :

### **Chairman**

Mr Lee Yu-Jin (MIA Member) Independent Non-Executive Director

### **Members**

En Aminuddin Yusof Lana Independent Non-Executive Director

En Mohtar Bin Abdullah Independent Non-Executive Director

## TERMS OF REFERENCE

### 1. Membership

The Maica Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, a majority of whom shall be independent non-executive directors. Executive director(s) and alternate director(s) cannot be appointed as member(s) of the Committee. In the event of any vacancy in the Committee which results in non-compliance of paragraph 15.10(1) of the Bursa Malaysia Securities Berhad Listing Requirements ("Bursa Securities LR"), the vacancy shall be filled within 3 months.

At least one member of the Committee must be qualified under paragraph 15.10 (1)(c) of the Bursa Securities LR.

The Chairman of the Committee shall be an independent non-executive director appointed by the Board.

### 2. Frequency of Meetings

Meetings shall be held not less than four times a year. In addition, the Chairman of the Committee may call a meeting of the Committee upon the request of the external auditors, to consider any matter the external auditors believe should be brought to the attention of the Board and shareholders.

Majority members present in person who are independent non-executive directors shall be a quorum.

### 3. Secretary

The Company Secretary shall be the Secretary of the Committee.

### 4. Authority

The Maica Audit Committee shall, at the Company's expense, have the following authority and rights:-

- i) full and unrestricted access to any information and documents from the external auditors and senior management of the Company and the Group which are relevant to the activities of the Company.
- ii) be provided with the necessary resources which are required to perform its duties.
- iii) the right to investigate into any matter within its Terms of Reference and as such, have direct communication channel with the external auditors and persons carrying out the internal audit function of the Company.

## TERMS OF REFERENCE (cont'd)

- iv) the liberty to obtain independent professional advice and to secure the attendance of such external parties with relevant experience and expertise at its meeting if it considers this necessary.
- v) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.
- vi) may extend invitation to other non-member directors and officers of the Company to attend a specific meeting, whenever deemed necessary.

## 5. Duties

The Maica Audit Committee shall report to the Board of Directors either formally in writing, or verbally, as it considers appropriate on the matters within its Terms of Reference.

The duties of the Maica Audit Committee shall be :-

- i) To review the audit plan with the external auditors;
- ii) To review the audit report with the external auditors;
- iii) To review the assistance given by the Company's officers to the external auditors and to meet with the external auditors without executive board members' presence at least twice a year;
- iv) To review the quarterly results and year-end financial statements of the Company and the Group, prior to the approval by the Board, focussing particularly on:
  - a. changes in or implementation of major accounting policies;
  - b. significant and unusual events; and
  - c. compliance with accounting standards, regulatory and other legal requirements.
- v) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- vi) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and to ensure that it has the necessary authority to carry out its work;
- vii) To take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning, if the staff member concerned so desires;
- viii) To review any internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- ix) To review any evaluation made on the systems of internal controls with the internal and external auditors;
- x) To recommend to the Board of Directors the appointment of the external auditors and the level of their fees;

# AUDIT COMMITTEE REPORT

(cont'd)

## TERMS OF REFERENCE (cont'd)

- xi) To consider any resignation or removal of the external auditors, and to furnish such written explanation or representation from the external auditors to Bursa Malaysia Securities Berhad;
- xii) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointments;
- xiii) The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company; and
- xiv) To undertake such other functions as may be agreed by the Maica Audit Committee and the Board.

## 6. Performance Review

The term of office and performance of the Maica Audit Committee and each of its members shall be reviewed by the Board of Directors of the Company at least once every three (3) years to determine whether the committee and members have carried out their duties in accordance with the Audit Committee's Terms of Reference.

## MEETINGS

The Maica Audit Committee held four meetings with due notice of issues to be discussed circulated to the Committee Members during the financial year ended 31 March 2009.

The attendance records of the Audit Committee members at the meetings are as follows :

Member	Date of Meeting				% of Attendance
	27/5/2008	27/8/2008	12/11/2008	24/02/2009	
Mr Lee Yu-Jin	√	√	√	√	100
En Aminuddin Yusof Lana	√	√	√	√	100
En Mohtar Bin Abdullah	√	√	√	√	100

The Executive Directors, Financial Controller and internal audit consultants were usually invited to attend the Maica Audit Committee meetings for briefing on the activities involving their areas of responsibilities. The Maica Audit Committee was also briefed by the external auditors on their annual audit findings and new provisions introduced by the Malaysian Accounting Standards Board ("MASB"), where applicable.

During the 2009 financial year, the Audit Committee met with the external auditors twice without the presence of the Executive Directors and key management.

The proceedings and conclusions of each Maica Audit Committee meeting were documented and distributed to each member of the Audit Committee and also to the other non-Audit Board members.

## ACTIVITIES OF THE COMMITTEE

During the financial year ended 31 March 2009, the activities carried out by the Audit Committee included, among others, the following:-

- a. Reviewed the unaudited quarterly reports on the consolidated results and financial statements prior to tabling of the same to the Board of Directors.
- b. Reviewed the year-end financial statements of the Company and the Group, prior to their adoption by the Board, focusing on :-
  - i) changes in or implementation of major accounting policies, if any
  - ii) significant and unusual events, if any
  - iii) compliance with Bursa Securities LR, provisions of the Companies Act, 1965 and the applicable approved financial reporting standards set by the MASB.
- c. Reviewed the Group's Budget for the financial year ended 31 March 2009.
- d. Reviewed the performance of the Group's wood-based division and hire purchase business individually.
- e. Reviewed the performance of the Group's associate company and its profitability analysis report prepared by the internal audit consultants.
- f. Reviewed the Audit Summary Memorandum prepared by the external auditors which comprised the significant audit matters for attention for the financial year ended 31 March 2008.
- g. Reviewed the Audit Planning Memorandum prepared by the external auditors for the financial year ended 31 March 2009.
- h. Reviewed internal audit reports in respect of the Group's wood-based division which outlined risks/weaknesses, recommendations towards correcting the areas of concern and made suitable recommendations to the Board for approval.
- i. Reviewed the proposed Standard Operating Procedures in respect of the Group's Recurrent Related Party Transactions.
- j. Reviewed the record on the Group's Recurrent Related Party Transactions.
- k. Reviewed the revised Standard Operating Procedures in respect of Purchases, Stocks and Sales & Marketing for the Group's wood-based division.



# AUDIT COMMITTEE REPORT

(cont'd)

## INTERNAL AUDIT FUNCTION

The Board has outsourced the internal auditing services to an internal audit consultancy company to assist the Board, Audit Committee and Management in the discharge of the internal audit function. The role of the Internal Audit Consultant is to provide independent and objective reports on the state of internal control and compliance with policies and procedures. The head of internal audit function reports directly to the Audit Committee who will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company.

The scope of Internal Audit covers the audits of all units and operations, including subsidiaries. The Internal Audit Consultants have adopted a risk-based approach towards the planning and conduct of audits which is consistent with the Group's established risk framework and self-assessment approach in generating an embedded risk management capability and acceptable risk culture within the organisation.

The attainment of such objectives involves the following activities to be carried out by the Internal Audit Consultants:

- Identifying the principal risks that the Group faces covering various aspects of the businesses which include operational, financial, statutory, human resources and other compliance requirements.
- Conducting evaluation on the nature and extent of the risks in which the Group's businesses are continuously exposed to due to the evolving nature of the Group's objectives, internal organisation and business environment.
- Ascertaining the extent to which the Group's assets are accounted for and safeguarded.
- Evaluating and improving the existing system of internal controls within the Group by reviewing its adequacy and effectiveness on an ongoing basis.
- Conducting investigation or special reviews requested by Audit Committee and/or Management on ad-hoc basis.

The total cost incurred for the internal audit function of the Group in respect of the financial year ended 31 March 2009 amounted to RM80,000. A summary of activities of the internal audit function is set out in the Internal Control Statement in page 25 of this Annual Report.

# INTERNAL CONTROL STATEMENT

The Board of Malaysia Aica Berhad is committed to continuously improving the Group's system of internal controls and is pleased to present the following Statement on Internal Control pursuant to Paragraph 15.27(b) of the Bursa Malaysia Securities Berhad Listing Requirements and the Statement on Internal Control: Guidance For Directors of Public Listed Companies.

## 1. Board's Responsibility

The Board recognizes the importance of sound controls and risk management practices to good corporate governance. The Board affirms its overall responsibilities for the Group's system of internal control and risk management, which includes reviewing its effectiveness, adequacy and integrity. However, the Board is equally aware that due to the limitations that are inherent in any system of internal controls, the system is only designed to manage rather than totally eliminate the risk of failure to achieve business objectives. In this regard, the system can provide only reasonable assurance, and not absolute assurance against material misstatement, loss or other significantly adverse consequences. The system of internal controls covers financial, operational and compliance controls and risk management procedures.

## 2. Key Elements of Internal Control

### Risk Management and Internal Audit

The overall risk management practice of the Group involves an ongoing process designed to identify the principal risks to the achievement of the Group's policies, goals and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Management with the assistance of the internal audit function regularly reviews the Group's system of internal controls for its adequacy and effectiveness in managing key risks. The internal audit function focuses on areas of priority as set out in the business risk profile of the Group.

Where any significant weaknesses have been identified, improvement measures are recommended to strengthen the controls.

The heads of department are responsible for managing key risks applicable to their areas of business activities on a continuous basis. Any operational matters and issues are regularly reviewed and resolved by the management team at management meetings. Through these mechanisms, risks are identified in a timely manner, their implications are assessed and control procedures are re-evaluated accordingly.

During financial year under review, the internal audit function performed the following assignments:

- Reviewed profitability and inventories processes of the associate company, Mahakota Sdn Bhd.
- Reviewed credit control and collection procedures.
- Established key control procedures for recurrent related party transactions for inclusion into the SOP.
- Assisted the Management in revising standard operating procedures for Purchasing, Stocks, and Sales & Marketing.

The internal audit reports were duly deliberated and endorsed by the Audit Committee.

# INTERNAL CONTROL STATEMENT

(cont'd)

## 2. Key Elements of Internal Control (cont'd)

### Other Key Elements of Internal Control

Other key elements of the Group's system of internal controls are as follows: -

- The Group has an appropriate organizational structure for planning, executing, controlling and monitoring business operations with clearly defined lines of responsibility and delegations of authority.
- To ensure uniformity and consistency of practices and controls within the Group, certain key processes of the Group had been formalised and documented in the form of Standard Operating Procedures. All the Standard Operating Procedures were endorsed by both the Management and the Board. These include:
  - Purchasing
  - Stocks
  - Sales and Marketing
  - Human Resources
  - Payment
  - Fixed Assets Management
  - Recurrent Related Party Transactions

These Standard Operating Procedures are subject to review and improvement alongside the internal audit reviews of the selected areas of operations.

- The Group's main manufacturing arm namely Maicador Sdn Bhd was on 15 January 2008 accredited with ISO9001: 2000 international quality system standard. The ISO system provides the Group with improved control of key processes and a foundation for improving quality and customer satisfaction. The policies and procedures are regularly updated to reflect changes in the operations and business processes.
- Business units prepare an annual budget and present it to the Board for approval. Any variances of actual performance against budget are monitored and reported regularly. The results are consolidated and presented to the Board on a regular basis.
- Clearly defined authorization levels for all aspects of the business. These authorization levels are formalized in the Group's Standard Operating Procedures.
- As for the occupational safety and health, the Group has put in place the necessary safety guidelines among others, setting up a safety committee to enhance the safety procedures and address all the safety issues which may be arise from time to time.
- Regular internal audit visits which provide independent assurance on the effectiveness of the Group's system of internal controls and advising Management on areas for improvement.
- The Audit Committee meets at least four times a year and reviews the effectiveness of the Group's system of internal control. The Committee meets with the Internal Auditors to review their reports.

# FINANCIAL STATEMENTS

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# 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	1,823	(632)

## DIVIDENDS

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

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES OR DEBENTURES

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

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that 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.

## 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' REPORT

(cont'd)

## 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.

## 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 JUNE 2009

Lim Jian Hoo

Thor Poh Seng

## 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 34 to 70 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 JUNE 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 34 to 70 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 June 2009

Teoh Beng Chong

Before me

Karupayee Kamalam A/P R. Mottai  
Commissioner for Oaths



# 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 34 to 70, 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.

### *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.

# INDEPENDENT AUDITORS' REPORT

to the Members of Malaysia Aica Berhad (Incorporated in Malaysia) (Company No: 8235-K) (cont'd)

## 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

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

Penang

22 June 2009

# CONSOLIDATED BALANCE SHEET

as at 31 March 2009

	Note	2009 RM'000	2008 RM'000
<b>NON-CURRENT ASSETS</b>			
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
		66,376	14,182
<b>CURRENT ASSETS</b>			
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
		25,346	50,726
<b>CURRENT LIABILITIES</b>			
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
		27,104	2,076
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(1,758)	48,650
<b>NON-CURRENT LIABILITIES</b>			
Retirement benefits	21	700	709
<b>NET ASSETS</b>		63,918	62,123
<b>FINANCED BY:-</b>			
Share capital	23	65,180	65,180
Reserves	24	(1,288)	(3,085)
<b>SHAREHOLDERS' EQUITY</b>			
Minority interest		26	28
<b>TOTAL EQUITY</b>		63,918	62,123

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

# 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		6,190	2,051
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	1,442	33
Tax income	28	379	175
Net profit for the year		1,821	208
Attributable to:-			
- Shareholders of the Company		1,823	149
- Minority interest		(2)	59
		1,821	208
Basic and diluted earnings per share (sen)	29	1.40	0.11

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2009

	Share capital RM'000	Non-distributable			Accumulated losses RM'000	Shareholders' equity RM'000	Minority interest RM'000	Total equity RM'000
		Share premium RM'000	Revaluation surplus RM'000	Capital reserve 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.

# CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 March 2009

	Note	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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		(62,804)	1,786
Interest paid		(339)	(33)
Retirement benefits paid		(159)	(439)
Tax (paid)/refunded		(102)	76
Net cash (used in)/from operating activities		(63,404)	1,390
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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		421	3,329
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Increase in bank borrowings (net)		24,750	0
Net cash from financing activity		24,750	0
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	6,379	44,612

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

# BALANCE SHEET

as at 31 March 2009

	Note	2009 RM'000	2008 RM'000
<b>NON-CURRENT ASSETS</b>			
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
		68,959	30,526
<b>CURRENT ASSETS</b>			
Non-trade receivables, deposits and prepayments	18	45	63
Current tax assets		67	0
Cash and cash equivalents	19	1,539	40,668
		1,651	40,731
<b>CURRENT LIABILITIES</b>			
Non-trade payables and accruals		127	146
Current tax liabilities		0	23
		127	169
<b>NET CURRENT ASSETS</b>		1,524	40,562
<b>NON-CURRENT LIABILITIES</b>			
Retirement benefits	21	145	118
<b>NET ASSETS</b>		70,338	70,970
<b>FINANCED BY:-</b>			
Share capital	23	65,180	65,180
Reserves	24	5,158	5,790
<b>SHAREHOLDERS' EQUITY</b>		70,338	70,970

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

# 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	(627)	195
Tax (expense)/income	28	(5)	177
Net (loss)/profit for the year		(632)	372

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



# 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	65,180	13,296	1,800	(9,306)	70,970
Net loss for the year	0	0	0	(632)	(632)
Balance at 31 March 2009	65,180	13,296	1,800	(9,938)	70,338

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

# CASH FLOW STATEMENT

for the financial year ended 31 March 2009

	Note	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		349	224
Cash payments to suppliers		(1,307)	(1,165)
Cash absorbed by operations		(958)	(941)
Tax (paid)/refunded		(95)	89
Net cash used in operating activities		(1,053)	(852)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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		(38,076)	4,637
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	1,539	40,668

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

# 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 34 to 37 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 38 to 41 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 June 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	<i>Cash Flow Statements</i>
FRS 112	<i>Income Taxes</i>
FRS 118	<i>Revenue</i>
FRS 134	<i>Interim Financial Reporting</i>
FRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.5 Property, Plant and Equipment (cont'd)

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

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

### Key Sources of Estimation Uncertainty (cont'd)

#### (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.

## 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
<b>AT COST/VALUATION</b>							
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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

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

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
<b>DEPRECIATION AND IMPAIRMENT LOSSES</b>							
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
<b>CARRYING AMOUNT</b>							
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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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
<b>AT COST</b>				
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
<b>ACCUMULATED DEPRECIATION</b>				
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
<b>CARRYING AMOUNT</b>				
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
	6,392	6,968

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 5. INVESTMENT PROPERTY

### The Group

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>AT COST/VALUATION</b>			
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
<b>ACCUMULATED DEPRECIATION</b>			
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
<b>CARRYING AMOUNT</b>			
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
<b>FAIR VALUE</b>			
Estimated fair value at 31 March 2008			4,990
Estimated fair value at 31 March 2009			4,990

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 5. INVESTMENT PROPERTY (cont'd)

### The Company

	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>AT COST/VALUATION</b>			
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
<b>ACCUMULATED DEPRECIATION</b>			
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
<b>CARRYING AMOUNT</b>			
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
<b>FAIR VALUE</b>			
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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 6. PREPAID LEASE PAYMENTS

	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Total RM'000
<b>The Group</b>			
<b>AT COST</b>			
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
<b>ACCUMULATED AMORTISATION</b>			
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
<b>CARRYING AMOUNT</b>			
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
<b>The Company</b>			
<b>AT COST</b>			
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
<b>ACCUMULATED AMORTISATION</b>			
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
<b>CARRYING AMOUNT</b>			
Balance at 1 April 2007	0	642	642
Balance at 31 March 2008	0	632	632
Balance at 31 March 2009	0	622	622

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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
	59,528	19,502
Impairment losses	(18,511)	(18,511)
	41,017	991

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
<u>Subsidiary of Malaysia Aica Foods Sdn. Bhd.</u>			
Suradamai Sdn. Bhd.	100%	100%	Dormant



# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 7. INVESTMENT IN SUBSIDIARIES (cont'd)

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		

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 8. INVESTMENT IN ASSOCIATE (cont'd)

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	(1,055)	(481)

## 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	(90)	(90)	(90)	(90)
	0	0	0	0
Investment in club membership - at cost	25	25	0	0
	25	25	0	0

## 10. DEFERRED TAX ASSETS

	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	390	0	0	0
Balance at 31 March	390	0	0	0

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
	390	0	0	0

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 10. DEFERRED TAX ASSETS (cont'd)

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.

## 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>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 12. HIRE PURCHASE RECEIVABLES (cont'd)

### 12.1 Hire Purchase Receivables – Related Party (cont'd)

	2009 RM'000	2008 RM'000
Current:-		
- not later than one year	14,302	0
Non-current:-		
- later than one year and not later than five years	52,676	0
	66,978	0

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)
	0	1,436
Allowance for doubtful debts	0	(1,436)
	0	0

## 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
	2,737	4,078

## 14. TRADE RECEIVABLES

### The Group

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 15. INVESTMENT IN FINANCE LEASES

The Group

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

## 16. FACTORING DEBT RECEIVABLES

The Group

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

## 17. COMMERCIAL CREDIT RECEIVABLES

The Group

	2009 RM'000	2008 RM'000
Amounts overdue	0	623
Allowance for doubtful debts	0	(623)
	0	0

## 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
	230	221	45	63
Allowance for doubtful debts	(30)	(30)	0	0
	200	191	45	63

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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
	6,379	44,612	1,539	40,668

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.

## 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
	592	926

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	708	714	145	118

Represented by:-

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 21. RETIREMENT BENEFITS (cont'd)

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Disclosed as:-				
Current	8	5	0	0
Non-current	700	709	145	118
	708	714	145	118

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
Curtailment/Settlement loss	0	84	0	0
Interest cost	52	55	7	6
	153	230	27	26

Included in:-

Cost of sales	93	181	0	0
Administrative and general expenses	60	49	27	26
	153	230	27	26

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	5.00	5.00	5.00	5.00

## 22. BANK BORROWINGS

The Group

	2009	2008
	RM'000	RM'000
Revolving credits		
- secured	25,401	0
- unsecured	0	500
	25,401	500

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 23. SHARE CAPITAL

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

## 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)
	(1,288)	(3,085)	5,158	5,790

## 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
	20,038	17,426	736	1,456

## 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



# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

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

	The Group		The Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
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
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
	5,018	5,078	785	813

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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
	(384)	118	0	114
Tax under/(over) provided in prior year	5	(293)	5	(291)
	(379)	(175)	5	(177)

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	(26.63)	357.58	0.00	58.46

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).

## 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)	1,823	149
Weighted average number of shares in issue ('000)	130,361	130,361
Basic earnings per share (sen)	1.40	0.11

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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	30,000	0	0	0

\* *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*

## 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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 31. SEGMENT REPORTING (cont'd)

2009

	Manufacture of wood products RM'000	Investment holding RM'000	Granting of financing RM'000	Others RM'000	Total RM'000
<b>REVENUE</b>					
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
<b>RESULTS</b>					
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
<b>ASSETS</b>					
Segment assets	15,243	7,522	67,547	1	90,313
Investment in associate					912
Income tax assets					497
Total assets					91,722
<b>LIABILITIES</b>					
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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 31. SEGMENT REPORTING (cont'd)

2008

	Manufacture of wood products RM'000	Investment holding RM'000	Granting of financing RM'000	Others RM'000	Total RM'000
<b>REVENUE</b>					
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
<b>RESULTS</b>					
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
<b>ASSETS</b>					
Segment assets	16,801	46,742	97	48	63,688
Investment in associate					1,180
Income tax assets					40
Total assets					64,908
<b>LIABILITIES</b>					
Segment liabilities	1,839	266	111	1	2,217
Interest-bearing liabilities					500
Income tax liabilities					68
Total liabilities					2,785
Capital expenditure	16	3	0	0	19
Amortisation and depreciation	709	55	0	0	764
Other non-cash expenses	15	0	0	0	15

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 31. SEGMENT REPORTING (cont'd)

### 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
	20,038	17,426

## 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.

## 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	25,004	23,813	26,554	25,265

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.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2009 (cont'd)

## 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.

### 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.

# ANALYSIS OF SHAREHOLDINGS

as at 30 June 2009

## A. SHARE CAPITAL

Authorised Share Capital : RM100,000,000.00 (200,000,000 ordinary shares of RM0.50 each)  
 Issued and Paid-up Capital : RM 65,180,736.00 (130,361,472 ordinary shares of RM0.50 each)  
 Voting Rights : One vote for each ordinary share held

## B. DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Holders	Total Holdings	% of Holdings
Less than 100	207	8,752	0.01
100 - 1,000	736	572,666	0.44
1,001 - 10,000	2,748	8,851,219	6.80
10,001 - 100,000	383	9,520,436	7.30
100,001 - less than 5% of issued shares	51	71,624,870	54.94
5% and above of issued shares	3	39,783,529	30.51
	4,128	130,361,472	100.00

## C. SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
1. Tan Sri Dato' Tan Hua Choon	22,641,985	17.37	-	-
2. Tan Ching Ching	10,247,300	7.86	-	-
3. Permodalan Nasional Berhad	6,894,244	5.29	-	-
4. Yayasan Pelaburan Bumiputra	-	-	6,894,244*	5.29

\* Deemed interest through its shareholding of 100% less one share of Permodalan Nasional Berhad by virtue of Section 6A of the Companies Act, 1965.

## D. DIRECTOR'S INTEREST IN SHARES

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
Tan Sri Dato' Tan Hua Choon	22,641,985	17.37	16,091,400*	12.34

\* Deemed interested in the shareholdings of his children pursuant to Section 134(12)(c) of the Companies Act, 1965.



# ANALYSIS OF SHAREHOLDINGS

as at 30 June 2009 (cont'd)

## E. THIRTY LARGEST REGISTERED SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Holdings
1. Tan Sri Dato' Tan Hua Choon	22,641,985	17.37
2. Tan Ching Ching	10,247,300	7.86
3. Permodalan Nasional Berhad	6,894,244	5.29
4. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Eng Huat (REM-650)	6,460,000	4.96
5. Gan Lock Yong @ Gan Choon Hur	6,419,500	4.92
6. Lim Siew Sooi	6,210,200	4.76
7. Low Cheng Peng	5,927,700	4.55
8. Tan Han Chuan	5,844,100	4.48
9. Ong Wee Lieh	5,166,000	3.96
10. Ong Poh Geok	5,110,800	3.92
11. Ong Har Hong	5,074,600	3.89
12. Chew Boon Seng	4,285,671	3.29
13. Ong Poh Lin	4,103,300	3.15
14. Ong Huey Peng	2,526,500	1.94
15. Sin Len Moi	1,865,800	1.43
16. Tan Lay Choo	1,062,000	0.81
17. Chew Boon Seng	1,057,500	0.81
18. Ong Huey Peng	1,040,000	0.80
19. Ong Huey Peng	838,348	0.64
20. Chong Wah Lee	796,800	0.61
21. Hussein Noordin Sdn. Berhad	695,250	0.53
22. Wong Hok Yim	552,000	0.42
23. Lim Siak Hwah	455,400	0.35
24. Chew Choon Soo	400,000	0.31
25. Cheong Kui Lan	381,100	0.29
26. Syarikat Jeragan (Holdings) Sdn Bhd	354,450	0.27
27. Sin Kek Yong	343,000	0.26
28. Lim Sew Hua @ Lim Seow Hua	335,000	0.26
29. Inter-Pacific Equity Nominees (Asing) Sdn Bhd Kim Eng Securities Pte Ltd for Chan Chue Meng	264,000	0.20
30. Sin Len Moi	247,300	0.19

# LIST OF GROUP PROPERTIES

as at 31 March 2009

Date Of Acquisition/ Revaluation	Location	Description	Existing Use	Tenure/ Approximate Age of Building	Area (Sq. metres)	Net Book Value as at 31.3.2009 (RM)
31.03.1985 (Acquisition)	Lot 1772 Section 3 Mak Mandin Industrial Estate Seberang Perai, Pulau Pinang	Land & Industrial Building	Factory	Leasehold (expiring on 20.5.2071)/ 40 years	5,052	665,000
31.03.1983 (Revaluation)	Lot 1780 Section 3 Mak Mandin Industrial Estate Seberang Perai, Pulau Pinang	Land & Industrial Building	Factory	Leasehold (expiring on 15.8.2073)/ 33 years	13,575	1,482,000
30.11.1992 (Acquisition)	68-5-1, Maica Court 68, Jalan Cantonment Pulau Pinang	Residential Apartment	Residential	Freehold / Strata 24 years	255	209,000
31.03.1983 (Revaluation)	Lot 822, Taman Seluang, Kulim, Kedah	Land & Residential Building	Vacant	Freehold/ 28 years	418	107,000
31.03.1990 (Acquisition)	9 Jalan Zainal Abidin Pulau Pinang	Land & Commercial Building	Office	Freehold/ 21 years	362	1,314,000
31.03.1987 (Acquisition)	Plot 23 Kulim Industrial Estate Kulim, Kedah	Land & Industrial Building	Vacant	Leasehold (expiring on 9.11.2080)/ 28 years	59,934	3,705,000
31.08.1995 (Acquisition)	Plot 44 Kulim Industrial Estate Kulim, Kedah	Land & Industrial Building	Vacant	Leasehold (expiring on 6.4.2082)/ 9 years	14,164	2,132,000
15.12.1981 (Revaluation)	15 Jalan Zainal Abidin Pulau Pinang	Land & Commercial Building	Office	Freehold/ 31 years	203	459,000



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# PROXY FORM

**MALAYSIA AICA BERHAD** (8235-K)

I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member of MALAYSIA AICA BERHAD hereby appoint \_\_\_\_\_  
\_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS) NRIC No. \_\_\_\_\_

of \_\_\_\_\_  
(FULL ADDRESS)

representing \_\_\_\_\_ percentage (%) of my/our shareholdings in the Company and/or failing him/her  
\_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS) NRIC No. \_\_\_\_\_

of \_\_\_\_\_  
(FULL ADDRESS)

representing \_\_\_\_\_ percentage(%) of my/our shareholdings in the Company and/or failing him/her/them, the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf, at the Fortieth Annual General Meeting ("40<sup>th</sup> AGM") of the shareholders of the Company to be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya Room, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Wednesday, 19 August 2009 at 11.00 a.m. or any adjournment thereof.

*The proxy is to vote on the Resolutions set out in the notice of the 40<sup>th</sup> AGM as indicated with an 'X' at the relevant columns. If no voting instructions are given, the proxy/proxies may vote or abstain from voting at his/her/their discretion.*

Ordinary Business	FOR	AGAINST
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3(a)		
Ordinary Resolution No. 3(b)		
Ordinary Resolution No. 4		
<b>Special Business</b>		
Ordinary Resolution No. 5		

No. of shares held

\_\_\_\_\_  
Signature/Common Seal

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. The Proxy Form shall be deposited with the Company's Share Registrars, PFA Registration Services Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

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Stamp

**MALAYSIA AICA BERHAD (8235-K)**

c/o PFA Registration Services Sdn Bhd  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

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**Malaysia Aica Berhad (8235-K)**

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