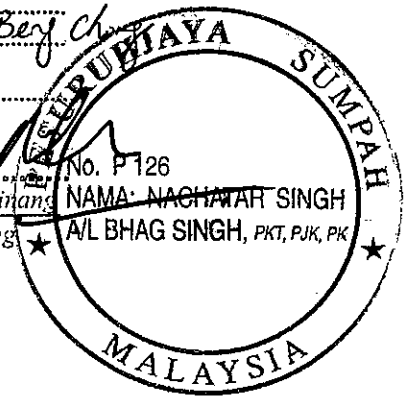


PERKARA .....  
Inilah Benda bukti bertanda.....<sup>"A"</sup>  
yang disebutkan didalam surat ikrar.....*Teeh Beng Ch*  
Diikrar pada ..... **16 MAY 2014**

.....  
*Pengadil, Mahkamah Rendah, Pulau Pinang*  
*Pesuruhjaya Sumpah Pulau Pinang*



120 LEBUH PENANG  
10200 PULAU PINANG

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**  
(Incorporated in Malaysia)  
Company No: 8235-K

**FINANCIAL REPORT**  
*for the financial year ended 31 March 2014*

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**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**DIRECTORS' REPORT**

---

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 March 2014. All values shown in this report are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

**CHANGE OF NAME**

The Company changed its name from Malaysia Aica Berhad to Sunsuria Berhad with effect from 14 May 2014.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries and their changes during the financial year are disclosed in Note 6 to the financial statements.

**RESULTS**

	The Group RM'000	The Company RM'000
Profit/(Loss) for the financial year attributable to:-		
- Owners of the Company	3,564	(1,236)
- Non-controlling interests	3	0
	<u>3,567</u>	<u>(1,236)</u>

**DIVIDENDS**

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

**RESERVES AND PROVISIONS**

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

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**DIRECTORS' REPORT**

---

**ISSUE OF SHARES OR DEBENTURES**

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM65,180,000 to RM79,180,000 by way of:-

- (i) an issuance of 8,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a development project; and
- (ii) an issuance of 20,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a parcel of development land.

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

**OPTIONS GRANTED OVER UNISSUED SHARES**

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

**BAD AND DOUBTFUL DEBTS**

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

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

**CURRENT ASSETS**

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

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

**VALUATION METHODS**

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

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**  
(Incorporated in Malaysia)  
Company No: 8235-K

**DIRECTORS' REPORT**

---

**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.

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
Company No: 8235-K

**DIRECTORS' REPORT**

---

**DIRECTORS OF THE COMPANY**

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

Lim Jian Hoo	(Resigned on 7.3.2014)
Thor Poh Seng	(Resigned on 21.3.2014)
Lee Yu-Jin	(Resigned on 1.8.2013)
Haji Azizzuddin Bin Haji Hussein	(Resigned on 19.3.2014)
Boon Shi Hou	(Resigned on 19.3.2014)
Wong Hok Yim	(Resigned on 21.1.2014)
Teh Kay Yeong	(Appointed on 1.8.2013; resigned on 19.3.2014)
Koong Wai Seng	(Appointed on 6.11.2013)
Datuk Ter Leong Yap	(Appointed on 22.1.2014)
Wong Yuen Teck	(Appointed on 22.1.2014)
Dato' Tan Tian Meng	(Appointed on 13.3.2014)
Liew Jee Min @ Chong Jee Min	(Appointed on 18.3.2014)

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 31.3.2014
	Balance at date of appointment	Bought	Sold	
Datuk Ter Leong Yap				
- Direct interest	33,728,000	0	0	33,728,000
- Deemed interest	6,341,200	39,298,144	0	45,639,344
Dato' Tan Tian Meng				
- Direct interest	6,957,200	0	0	6,957,200

By virtue of his interests in shares in the Company, Datuk Ter Leong Yap 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.

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**  
(Incorporated in Malaysia)  
Company No: 8235-K

**DIRECTORS' REPORT**

---

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of those related party transactions as disclosed in Note 23 to the financial statements.

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

**AUDITORS**

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS**

**DATED 16 MAY 2014**



**Datuk Ter Leong Yap**



**Koong Wai Seng**

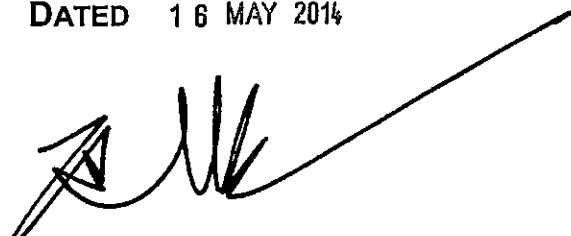
**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**  
(Incorporated in Malaysia)  
Company No: 8235-K

**STATEMENT BY DIRECTORS**

We, Datuk Ter Leong Yap and Koong Wai Seng, being two of the directors of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), do hereby state that in the opinion of the directors, the financial statements set out on pages 10 to 58 give a true and fair view of the financial position of the Group and the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

In the opinion of the directors, the supplementary information set out on page 59 is prepared, in all material respects, in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS**  
**DATED 16 MAY 2014**



**Datuk Ter Leong Yap**



**Koong Wai Seng**

**STATUTORY DECLARATION**

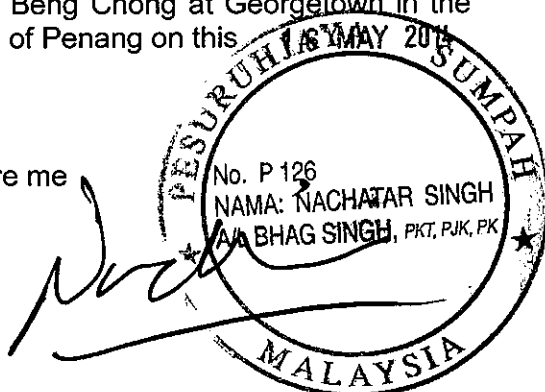
I, Teoh Beng Chong, being the officer primarily responsible for the financial management of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), do solemnly and sincerely declare that the financial statements set out on pages 10 to 58 are, to the best of my knowledge and belief, correct and I make 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



**Teoh Beng Chong**

Before me



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD)**  
(Incorporated in Malaysia)  
Company No: 8235-K

**Report on the Financial Statements**

We have audited the financial statements of Sunsuria Berhad (formerly known as Malaysia Aica Berhad), which comprise the statements of financial position as at 31 March 2014 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 58.

*Directors' Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD) (cont'd)**  
(Incorporated in Malaysia)  
Company No: 8235-K

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (i) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (ii) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (iii) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out on page 59 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("the MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

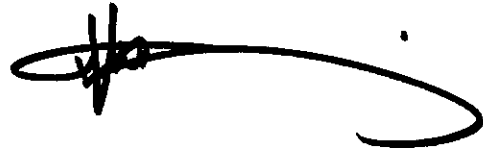
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SUNSURIA BERHAD  
(formerly known as MALAYSIA AICA BERHAD) (cont'd)**  
(Incorporated in Malaysia)  
Company No: 8235-K

**Other Matters**

- (i) As stated in Note 2.1 to the financial statements, the Group and the Company resumed the application of Financial Reporting Standards in preparing their financial statements for the financial year ended 31 March 2014 with a transition date of 1 April 2012. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2013 and 1 April 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 March 2013 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the financial year ended 31 March 2014 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2013 do not contain misstatements that materially affect the financial position as at 31 March 2014 and financial performance and cash flows for the financial year then ended.
- (ii) This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**Crowe Horwath**  
Firm No: AF 1018  
Chartered Accountants



**Chan Kheng Hoe**  
Approval No: 2979/03/16(J)  
Chartered Accountant

Date: 16 MAY 2014

Penang

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
 Company No: 8235-K

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As At 31 MARCH 2014**

	Note	31.3.2014 RM'000	31.3.2013 RM'000	1.4.2012 RM'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	4	3,593	3,377	3,496
Investment properties	5	6,704	6,907	7,110
Investment in associate	7	666	638	620
Investment in club membership, at cost		25	25	25
Receivables	10	0	9,477	17,535
		<u>10,988</u>	<u>20,424</u>	<u>28,786</u>
<b>CURRENT ASSETS</b>				
Property development costs	8	48,807	0	0
Inventories	9	4,285	4,151	4,082
Receivables	10	7,863	21,803	29,793
Prepayments		108	265	123
Current tax assets		86	28	83
Cash and cash equivalents	11	33,499	27,314	10,695
		<u>94,648</u>	<u>53,561</u>	<u>44,776</u>
<b>CURRENT LIABILITIES</b>				
Progress billings	8	9,691	0	0
Payables	12	5,779	1,656	1,469
Loans and borrowings		0	0	896
Advance payments from customers		0	278	127
Retirement benefits	13	0	63	77
Current tax liabilities		772	155	228
		<u>16,242</u>	<u>2,152</u>	<u>2,797</u>
<b>NET CURRENT ASSETS</b>		<b>78,406</b>	<b>51,409</b>	<b>41,979</b>
<b>NON-CURRENT LIABILITIES</b>				
Retirement benefits	13	1,104	1,275	1,193
Deferred tax liabilities	14	6	6	9
		<u>1,110</u>	<u>1,281</u>	<u>1,202</u>
<b>NET ASSETS</b>		<b>88,284</b>	<b>70,552</b>	<b>69,563</b>
<b>EQUITY</b>				
Share capital	15	79,180	65,180	65,180
Share premium		13,296	13,296	13,296
Capital reserve		815	815	815
Accumulated losses		(5,037)	(8,766)	(9,755)
Equity attributable to owners of the Company		<u>88,254</u>	<u>70,525</u>	<u>69,536</u>
Non-controlling interests	16	30	27	27
<b>TOTAL EQUITY</b>		<b>88,284</b>	<b>70,552</b>	<b>69,563</b>

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
 Company No: 8235-K

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	2014 RM'000	2013 RM'000
<b>Continuing Operations</b>			
Revenue	17	35,462	15,343
Cost of sales		(27,075)	(13,101)
Gross profit		<u>8,387</u>	<u>2,242</u>
Other income		267	138
Administrative and general expenses		(5,319)	(3,051)
Selling and distribution expenses		(863)	(175)
Share of profit of associate		28	18
Profit/(Loss) before tax	18	<u>2,500</u>	<u>(828)</u>
Tax expense	20	(723)	(79)
Profit/(Loss) from continuing operations		<u>1,777</u>	<u>(907)</u>
<b>Discontinued Operation</b>			
Profit from discontinued operation	21	1,790	1,896
Profit for the financial year		<u>3,567</u>	<u>989</u>
Other comprehensive income:-			
<i>Item that will not be reclassified to profit or loss:-</i>			
- Remeasurements of defined benefit liabilities		165	0
Other comprehensive income for the financial year		<u>165</u>	<u>0</u>
Total comprehensive income for the financial year		<u>3,732</u>	<u>989</u>

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
 Company No: 8235-K

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (cont'd)**

	Note	2014 RM'000	2013 RM'000
Profit/(Loss) from continuing operations attributable to:-			
- Owners of the Company		1,775	(907)
- Non-controlling interests		2	0
		<u>1,777</u>	<u>(907)</u>
Profit from discontinued operation attributable to:-			
- Owners of the Company		1,789	1,896
- Non-controlling interests		1	0
		<u>1,790</u>	<u>1,896</u>
Profit for the financial year attributable to:-			
- Owners of the Company		3,564	989
- Non-controlling interests	16	3	0
		<u>3,567</u>	<u>989</u>
Total comprehensive income for the financial year attributable to:-			
- Owners of the Company		3,729	989
- Non-controlling interests		3	0
		<u>3,732</u>	<u>989</u>
Basic earnings/(loss) per share (sen):-	22		
- Continuing operations		1.29	(0.69)
- Discontinued operation		1.30	1.45
		<u>2.59</u>	<u>0.76</u>
Diluted earnings/(loss) per share (sen):-	22		
- Continuing operations		1.29	(0.69)
- Discontinued operation		1.30	1.45
		<u>2.59</u>	<u>0.76</u>

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
 Company No: 8235-K

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Non-distributable			Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000			
Balance at 1 April 2012	65,180	13,296	815	69,536	27	69,563
Profit (representing total comprehensive income) for the financial year	0	0	0	989	0	989
Balance at 31 March 2013	65,180	13,296	815	70,525	27	70,552
Profit for the financial year	0	0	0	3,564	3	3,567
Remeasurements of defined benefit liabilities (representing other comprehensive income for the financial year)	0	0	0	165	0	165
Total comprehensive income for the financial year	0	0	0	3,729	3	3,732
Issuance of shares (representing total transactions with owners)	14,000	0	0	14,000	0	14,000
Balance at 31 March 2014	79,180	13,296	815	88,254	30	88,284

**SUNSURIA BERHAD**  
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(Incorporated in Malaysia)  
 Company No: 8235-K

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Granting of hire purchase financing		(14,951)	(17,220)
Cash receipts from customers		85,444	51,548
Cash payments to suppliers		(21,340)	(15,840)
Acquisition of development project and land		(42,000)	0
Cash generated from operations		7,153	18,488
Interest paid		0	(6)
Retirement benefits paid		(68)	(77)
Tax paid		(734)	(845)
Tax refunded		0	79
Net cash from operating activities		6,351	17,639
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		685	363
Proceeds from disposal of property, plant and equipment		0	27
Purchase of property, plant and equipment		(851)	(514)
Net cash used in investing activities		(166)	(124)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Net decrease in loans and borrowings		0	(896)
Net cash used in financing activity		0	(896)
Net increase in cash and cash equivalents		6,185	16,619
Cash and cash equivalents brought forward		27,314	10,695
Cash and cash equivalents carried forward	11	33,499	27,314

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
 Company No: 8235-K

**STATEMENT OF FINANCIAL POSITION**  
**As At 31 MARCH 2014**

	Note	31.3.2014 RM'000	31.3.2013 RM'000	1.4.2012 RM'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	4	493	234	263
Investment properties	5	1,854	1,892	1,929
Investments in subsidiaries	6	23,543	63,543	63,543
Investment in associate	7	594	594	594
		<u>26,484</u>	<u>66,263</u>	<u>66,329</u>
<b>CURRENT ASSETS</b>				
Receivables	10	43,456	4,399	3,906
Current tax assets		5	1	80
Cash and cash equivalents	11	15,770	1,482	1,495
		<u>59,231</u>	<u>5,882</u>	<u>5,481</u>
<b>CURRENT LIABILITIES</b>				
Payables	12	943	156	143
		<u>943</u>	<u>156</u>	<u>143</u>
<b>NET CURRENT ASSETS</b>		<b>58,288</b>	<b>5,726</b>	<b>5,338</b>
<b>NON-CURRENT LIABILITIES</b>				
Retirement benefits	13	68	212	184
<b>NET ASSETS</b>		<b><u>84,704</u></b>	<b><u>71,777</u></b>	<b><u>71,483</u></b>
<b>EQUITY</b>				
Share capital	15	79,180	65,180	65,180
Share premium		13,296	13,296	13,296
Capital reserve		1,800	1,800	1,800
Accumulated losses		(9,572)	(8,499)	(8,793)
<b>TOTAL EQUITY</b>		<b><u>84,704</u></b>	<b><u>71,777</u></b>	<b><u>71,483</u></b>



**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**  
(Incorporated in Malaysia)  
Company No: 8235-K

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	2014 RM'000	2013 RM'000
Revenue	17	2,130	1,643
Administrative and general expenses		(3,366)	(1,342)
(Loss)/Profit before tax	18	<u>(1,236)</u>	<u>301</u>
Tax expense	20	0	(7)
(Loss)/Profit for the financial year		<u>(1,236)</u>	<u>294</u>
Other comprehensive income:-			
<i>Item that will not be reclassified to profit or loss:-</i>			
- Remeasurements of defined benefit liabilities		163	0
Other comprehensive income for the financial year		<u>163</u>	<u>0</u>
Total comprehensive income for the financial year		<u>(1,073)</u>	<u>294</u>

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
 Company No: 8235-K

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Share capital RM'000	Non-distributable		Accumulated losses RM'000	Total equity RM'000
		Share premium RM'000	Capital reserve RM'000		
Balance at 1 April 2012	65,180	13,296	1,800	(8,793)	71,483
Profit (representing total comprehensive income) for the financial year	0	0	0	294	294
Balance at 31 March 2013	<u>65,180</u>	<u>13,296</u>	<u>1,800</u>	<u>(8,499)</u>	<u>71,777</u>
Loss for the financial year	0	0	0	(1,236)	(1,236)
Remeasurements of defined benefit liabilities (representing other comprehensive income for the financial year)	0	0	0	163	163
Total comprehensive income for the financial year	0	0	0	(1,073)	(1,073)
Issuance of shares (representing total transactions with owners)	14,000	0	0	0	14,000
Balance at 31 March 2014	<u>79,180</u>	<u>13,296</u>	<u>1,800</u>	<u>(9,572)</u>	<u>84,704</u>

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**

(Incorporated in Malaysia)  
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**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	Note	2014 RM'000	2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		381	411
Cash payments to suppliers		(2,868)	(1,232)
Cash absorbed by operations		(2,487)	(821)
Tax paid		(4)	(4)
Tax refunded		0	76
Net cash used in operating activities		(2,491)	(749)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		66	39
Net (advance to)/repayment from subsidiaries		(22,964)	700
Purchase of property, plant and equipment		(323)	(3)
Redemption of preference shares by subsidiary		40,000	0
Net cash from investing activities		16,779	736
Net increase/(decrease) in cash and cash equivalents		14,288	(13)
Cash and cash equivalents brought forward		1,482	1,495
Cash and cash equivalents carried forward	11	15,770	1,482

**SUNSURIA BERHAD**  
**(formerly known as MALAYSIA AICA BERHAD)**  
(Incorporated in Malaysia)  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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**1. GENERAL INFORMATION**

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

The Company changed its name from Malaysia Aica Berhad to Sunsuria Berhad with effect from 14 May 2014.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries and their changes during the financial year are disclosed in Note 6.

The registered office of the Company is located at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor and its principal place of business is located at Suite 8, Main Tower, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, PJU5, 47810 Petaling Jaya, Selangor.

The consolidated financial statements set out on pages 10 to 14 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 15 to 18 together with the notes thereto cover the Company solely.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated **16 MAY 2014**

**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 requirements of the Companies Act 1965 in Malaysia.

**SUNSURIA BERHAD**  
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(Incorporated in Malaysia)  
Company No: 8235-K

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

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

In November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework. The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and venturers ("Transitioning Entities"). Transitioning Entities are allowed to continue applying the FRS Framework until when the MFRS Framework is mandated by the MASB.

The Group and the Company applied the FRS Framework up to the financial year ended 31 March 2012. Not being a Transitioning Entity then, the Group and the Company adopted the MFRS Framework on 1 April 2012 in preparing their financial statements for the financial year ended 31 March 2013.

In January 2014, the Group became a Transitioning Entity upon diversification of its existing core businesses to include property development business. Accordingly, the Group and the Company resumed the application of the FRS Framework in preparing their financial statements for the financial year ended 31 March 2014 with a transition date of 1 April 2012, and FRS 1 *First-time Adoption of Financial Reporting Standards* has been applied. The FRS Framework was applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2013 and 1 April 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 31 March 2013 and related disclosures. The effects of transition from MFRSs to FRSs are disclosed in Note 2.2.

For the existing FRS Framework, the MASB has issued the following FRSs which are not yet effective:-

FRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
FRS 9 <i>Financial Instruments</i>	To be announced
FRS 9 <i>Financial Instruments</i> (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)	To be announced
IC Interpretation 21 <i>Levies</i>	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127 <i>Investment Entities</i>	1 January 2014
Amendments to FRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014

**SUNSURIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

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

<u>FRS (Issued as at the end of the reporting period)</u>	Effective for annual periods beginning on or after
Amendments to FRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
Amendments to FRSs contained in the document entitled " <i>Annual Improvements to FRSs 2010 - 2012 Cycle</i> "	1 July 2014
Amendments to FRSs contained in the document entitled " <i>Annual Improvements to FRSs 2011 - 2013 Cycle</i> "	1 July 2014

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

FRS 9 *Financial Instruments*

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

**SUNSURIA BERHAD**  
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(Incorporated in Malaysia)  
 Company No: 8235-K

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.2 Transition from MFRSs to FRSs**

Upon transition to FRSs, the Group and the Company applied FRS 119 *Employee Benefits* (amended in 2011) which eliminates the use of the "corridor" approach in deferring the recognition of actuarial gains and losses on defined benefit plans and instead mandates all such gains and losses to be recognised in other comprehensive income. The effects of transition were accounted for retrospectively in accordance with FRS 1 *First-time Adoption of Financial Reporting Standards* by restating the following comparative figures:-

	MFRSs RM'000	Effects of transition RM'000	FRSs RM'000
<u>Consolidated Statement of Financial Position (Extract)</u>			
<u>As at 1 April 2012</u>			
Retirement benefits	1,056	214	1,270
Accumulated losses	(9,541)	(214)	(9,755)
Total equity	<u>69,777</u>	<u>(214)</u>	<u>69,563</u>
<u>As at 31 March 2013</u>			
Retirement benefits	1,137	201	1,338
Accumulated losses	(8,565)	(201)	(8,766)
Total equity	<u>70,753</u>	<u>(201)</u>	<u>70,552</u>
<u>Consolidated Statement of Comprehensive Income (Extract)</u>			
<u>For the financial year ended 31 March 2013</u>			
Cost of sales	(13,113)	12	(13,101)
Administrative and general expenses	(3,639)	1	(3,638)
Total comprehensive income	<u>976</u>	<u>13</u>	<u>989</u>
<u>Statement of Financial Position (Extract)</u>			
<u>As at 1 April 2012</u>			
Retirement benefits	225	(41)	184
Accumulated losses	(8,834)	41	(8,793)
Total equity	<u>71,442</u>	<u>41</u>	<u>71,483</u>
<u>As at 31 March 2013</u>			
Retirement benefits	249	(37)	212
Accumulated losses	(8,536)	37	(8,499)
Total equity	<u>71,740</u>	<u>37</u>	<u>71,777</u>

**SUNSURIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.2 Transition from MFRSs to FRSs (cont'd)**

	MFRSs RM'000	Effects of transition RM'000	FRSs RM'000
<u>Statement of Comprehensive Income (Extract)</u>			
<u>For the financial year ended 31 March 2013</u>			
Administrative and general expenses	(1,338)	(4)	(1,342)
Total comprehensive income	<u>298</u>	<u>(4)</u>	<u>294</u>

The transition from MFRSs to FRSs did not have any significant effects on the reported cash flows as it mainly involved adjustments for non-cash items.

**2.3 Basis of Consolidation**

A subsidiary is an entity that is controlled by another entity. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.3 Basis of Consolidation (cont'd)**

Goodwill is recognised as an asset at the aforementioned amount less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. When the above (b) exceeds (a), the excess represents a bargain purchase gain and, after reassessment, is recognised in profit or loss.

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

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

**2.4 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

Leasehold land is depreciated on a straight-line basis over the lease terms of 87 to 91 years. Other property, plant and equipment, except for spare parts and loose tools, are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:-

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

Initial purchases of spare parts and loose tools have been capitalised and depreciated at annual rates ranging from 20% to 100%. Subsequent purchases of such items are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.4 Property, Plant and Equipment (cont'd)**

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

**2.5 Investment Properties**

Investment property, being a property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10.

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

**2.6 Investments in Subsidiaries**

As required by the Companies Act 1965, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investments in subsidiaries are stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.10.

**2.7 Investment in Associate**

An associate is an entity over which an investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, investment in associate is accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of the investee's net assets. After application of the equity method, the carrying amount of the investment is subject to further impairment assessment. The impairment policy is disclosed in Note 2.10.

In the separate financial statements of the Company, investment in associate is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 2.10.

**2.8 Investment in Club Membership**

Investment in club membership is stated at cost less impairment loss, if any. The impairment policy is disclosed in Note 2.10.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.9 Property Development Activities**

Land held for property development is stated at cost less accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.10. The portion of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle is classified as non-current assets.

Property development revenue comprises the selling price agreed in the sale and purchase agreement and any additional revenue due to variation in development work. Property development costs comprise costs associated with the acquisition of land, costs related directly to a specific development project and other costs attributable to development activities in general and can be allocated to the project.

When the outcome of a development activity can be estimated reliably, property development revenue and costs attributable to the development units sold are recognised in profit or loss by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined by reference to the proportion that property development costs incurred to date bear to the estimated total costs.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised in profit or loss only to the extent of property development costs incurred that are probable to be recoverable whereas property development costs attributable to the development units sold are recognised in profit or loss in the period in which they are incurred. Any expected loss on a development project is recognised in profit or loss immediately.

**2.10 Impairment of Non-financial Assets**

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.10 Impairment of Non-financial Assets (cont'd)**

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

**2.11 Inventories**

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

**2.12 Financial Assets**

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

**Recognition and Measurement**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.12 Financial Assets (cont'd)**

**Impairment**

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

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

**2.13 Financial Liabilities**

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

**Recognition and Measurement**

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

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

**SUNSURIA BERHAD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.14 Foreign Currency Transactions and Translation**

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

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

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

**2.16 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The valuation techniques used include the following:-

- (i) Market approach - which uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.
- (ii) Cost approach - which reflects the amount that would be required currently to replace the service capacity of an asset.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.16 Fair Value Measurement (cont'd)**

- (iii) Income approach - which converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:-

- (i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- (ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3 - unobservable inputs for the asset or liability.

Any transfers between the levels of fair value hierarchy are deemed to have occurred at the end of the reporting period.

**Non-financial Assets**

The fair values of land and buildings are measured using the market comparison approach. Under this approach, the fair values are derived from observable market data such as prices per square foot for comparable properties in similar locations (i.e. Level 2).

**Financial Assets and Financial Liabilities**

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term receivables are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar assets (i.e. Level 2).

**2.17 Income Recognition**

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

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

Property development revenue is recognised in accordance with Note 2.9.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.17 Income Recognition (cont'd)**

Interest income is recognised using the effective interest method.

Rental income is recognised on an accrual basis.

**2.18 Employee Benefits**

**Short-term Employee Benefits**

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

**Defined Contribution Plans**

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

**Defined Benefit Plans**

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 future benefits that employees have earned in return for their services rendered in the current and prior periods. The calculation is performed using the projected unit credit method, with actuarial valuations being carried out with sufficient regularity at an interval of not more than three years such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period. All components of defined benefit costs are recognised in profit or loss in the period in which they are incurred, except for remeasurements of the defined benefit liability which are recognised in other comprehensive income.

**2.19 Borrowing Costs**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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

**2.20 Income Taxes**

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

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

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

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

**2.21 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, bank balances, demand deposits, term deposits, 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. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

**3. JUDGEMENTS AND ESTIMATION UNCERTAINTY**

**Judgements Made in Applying Accounting Policies**

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

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

**Sources of Estimation Uncertainty**

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

Property development activities

The Group recognises property development revenue and costs by reference to the stage of completion of the development activity. The determination of the stage of completion involves estimating the outcome of the development activity based on past experience and work of specialists. The carrying amounts of items relating to property development activities are disclosed in Note 8.

Allowance for inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews require the use of judgements and estimates. Possible changes in these estimates may result in revisions to the valuation of inventories. The carrying amounts of inventories are disclosed in Note 9.

**4. PROPERTY, PLANT AND EQUIPMENT**

The Group

	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Spare parts and loose tools RM'000	Total RM'000
<u>Cost</u>							
Balance at 1 April 2012	1,409	2,436	17,203	2,776	1,189	65	25,078
Additions	0	62	266	54	132	0	514
Disposals	0	0	0	0	(83)	0	(83)
Balance at 31 March 2013	1,409	2,498	17,469	2,830	1,238	65	25,509
Additions	0	0	498	353	0	0	851
Balance at 31 March 2014	1,409	2,498	17,967	3,183	1,238	65	26,360

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

The Group

	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Spare parts and loose tools RM'000	Total RM'000
<u>Depreciation and Impairment Losses</u>							
Balance at 1 April 2012							
Accumulated depreciation	454	1,229	14,793	2,547	943	65	20,031
Accumulated impairment losses	0	0	1,401	150	0	0	1,551
	454	1,229	16,194	2,697	943	65	21,582
Depreciation	16	49	412	25	114	0	616
Disposals	0	0	0	0	(66)	0	(66)
Balance at 31 March 2013							
Accumulated depreciation	470	1,278	15,205	2,572	991	65	20,581
Accumulated impairment losses	0	0	1,401	150	0	0	1,551
	470	1,278	16,606	2,722	991	65	22,132
Depreciation	16	49	402	54	114	0	635
Balance at 31 March 2014							
Accumulated depreciation	486	1,327	15,607	2,626	1,105	65	21,216
Accumulated impairment losses	0	0	1,401	150	0	0	1,551
	486	1,327	17,008	2,776	1,105	65	22,767
<u>Carrying Amount</u>							
Balance at 1 April 2012	955	1,207	1,009	79	246	0	3,496
Balance at 31 March 2013	939	1,220	863	108	247	0	3,377
Balance at 31 March 2014	923	1,171	959	407	133	0	3,593

The Company

	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>				
Balance at 1 April 2012	317	512	119	948
Additions	0	3	0	3
Balance at 31 March 2013	317	515	119	951
Additions	0	323	0	323
Balance at 31 March 2014	317	838	119	1,274
<u>Accumulated Depreciation</u>				
Balance at 1 April 2012	126	501	58	685
Depreciation	7	2	23	32
Balance at 31 March 2013	133	503	81	717
Depreciation	6	35	23	64
Balance at 31 March 2014	139	538	104	781

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

The Company

	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Carrying Amount</u>				
Balance at 1 April 2012	191	11	61	263
Balance at 31 March 2013	184	12	38	234
Balance at 31 March 2014	178	300	15	493

**5. INVESTMENT PROPERTIES**

The Group

	Freehold land RM'000	Short-term leasehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
<u>Cost</u>					
Balance at 1 April 2012	944	652	1,750	8,570	11,916
Movement during the year	0	0	0	0	0
Balance at 31 March 2013	944	652	1,750	8,570	11,916
Movement during the year	0	0	0	0	0
Balance at 31 March 2014	944	652	1,750	8,570	11,916
<u>Accumulated Depreciation</u>					
Balance at 1 April 2012	0	327	308	4,171	4,806
Depreciation	0	11	21	171	203
Balance at 31 March 2013	0	338	329	4,342	5,009
Depreciation	0	11	21	171	203
Balance at 31 March 2014	0	349	350	4,513	5,212
<u>Carrying Amount</u>					
Balance at 1 April 2012	944	325	1,442	4,399	7,110
Balance at 31 March 2013	944	314	1,421	4,228	6,907
Balance at 31 March 2014	944	303	1,400	4,057	6,704
<u>Fair Value</u>					
Estimated fair value at 31 March 2014	3,185	5,000	1,472	7,918	17,575

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**5. INVESTMENT PROPERTIES (cont'd)**

The Company

	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Total RM'000
<u>Cost</u>				
Balance at 1 April 2012	594	873	1,402	2,869
Movement during the year	0	0	0	0
Balance at 31 March 2013	594	873	1,402	2,869
Movement during the year	0	0	0	0
Balance at 31 March 2014	594	873	1,402	2,869
<u>Accumulated Depreciation</u>				
Balance at 1 April 2012	0	281	659	940
Depreciation	0	9	28	37
Balance at 31 March 2013	0	290	687	977
Depreciation	0	10	28	38
Balance at 31 March 2014	0	300	715	1,015
<u>Carrying Amount</u>				
Balance at 1 April 2012	594	592	743	1,929
Balance at 31 March 2013	594	583	715	1,892
Balance at 31 March 2014	594	573	687	1,854
<u>Fair Value</u>				
Estimated fair value at 31 March 2014	2,085	5,800	2,955	10,840

The fair values of investment properties were measured based on appraisals performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2).

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**6. INVESTMENTS IN SUBSIDIARIES**

The Company

	2014 RM'000	2013 RM'000
Unquoted ordinary shares, at cost	19,124	19,124
Unquoted preference shares, at cost	25,800	65,800
	<u>44,924</u>	<u>84,924</u>
Impairment losses	(21,381)	(21,381)
	<u>23,543</u>	<u>63,543</u>

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Ownership Interest		Principal Activity
		2014	2013	
Maica Wood Industries Sdn. Bhd.	Malaysia	99.8%	99.8%	Investment holding
Consolidated Leasing (M) Sdn. Bhd.	Malaysia	100%	100%	Investment holding and granting of lease and hire purchase financing <sup>1</sup>
Pinaremas Sdn. Bhd.	Malaysia	100%	100%	Property development <sup>2</sup>
Ambang Arena Sdn. Bhd.	Malaysia	100%	100%	Property development <sup>2</sup>
<u>Subsidiary of Maica Wood Industries Sdn. Bhd.</u>				
Maicador Sdn. Bhd.	Malaysia	99.8%	99.8%	Manufacture of prefabricated doors and door frames
<u>Subsidiaries of Consolidated Leasing (M) Sdn. Bhd.</u>				
Consolidated Factoring (M) Sdn. Bhd.	Malaysia	91.9%	91.9%	Inactive
Maritime Credits (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Inactive

<sup>1</sup> The subsidiary discontinued its financing business in January 2014 (Note 21).

<sup>2</sup> The subsidiary commenced its property development business in January 2014.

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**7. INVESTMENT IN ASSOCIATE**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares, at cost	672	672	672	672
Share of post-acquisition changes in net assets	570	542	0	0
Impairment loss	(576)	(576)	(78)	(78)
	<u>666</u>	<u>638</u>	<u>594</u>	<u>594</u>

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Effective Ownership Interest		Principal Activity
		2014	2013	
Mahakota Sdn. Bhd.	Malaysia	25.4%	25.4%	Woodworks manufacturer and dealer in timber and wood

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

	2014 RM'000	2013 RM'000
Non-current assets	4,591	4,706
Current assets	5,824	5,661
Current liabilities	(5,524)	(5,587)
Net assets	4,891	4,780
Revenue	7,824	8,502
Profit (representing total comprehensive income)	<u>111</u>	<u>71</u>

The reconciliation of the above summarised financial information to the carrying amount of the investment in associate is as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Net assets	4,891	4,780
Effective ownership interest	25.4%	25.4%
Share of net assets	<u>1,242</u>	<u>1,214</u>
Impairment loss	(576)	(576)
Carrying amount	<u>666</u>	<u>638</u>

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**8. PROPERTY DEVELOPMENT ACTIVITIES**

The Group

**Property Development Costs**

	2014 RM'000	2013 RM'000
Balance at 1 April	0	0
Acquisition of development project <sup>1</sup>	25,000	0
Acquisition of development land <sup>2</sup>	31,000	0
Development costs incurred	6,304	0
Costs recognised in profit or loss	<u>(13,497)</u>	<u>0</u>
Balance at 31 March	<u>48,807</u>	<u>0</u>

<sup>1</sup> *In January 2014, the Group acquired a development project for a total purchase consideration of RM25,000,000 satisfied by cash payment of RM21,000,000 and issuance of 8,000,000 new ordinary shares of RM0.50 each in the Company at par.*

<sup>2</sup> *In January 2014, the Group acquired a parcel of development land for a total purchase consideration of RM31,000,000 satisfied by cash payment of RM21,000,000 and issuance of 20,000,000 new ordinary shares of RM0.50 each in the Company at par.*

**Progress Billings**

	2014 RM'000	2013 RM'000
Billings to purchasers	28,085	0
Property development revenue recognised in profit or loss	<u>(18,394)</u>	<u>0</u>
	<u>9,691</u>	<u>0</u>



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**9. INVENTORIES**

The Group

	2014 RM'000	2013 RM'000
Raw materials	2,128	2,420
Work-in-progress	1,427	864
Finished goods	171	353
Consumables	203	180
Goods-in-transit	356	334
	<u>4,285</u>	<u>4,151</u>

**10. RECEIVABLES**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	7,732	559	0	0
Allowance for impairment	(147)	(212)	0	0
	7,585	347	0	0
Hire purchase receivables (fixed rate)	0	30,822	0	0
Other receivables:-				
- Subsidiaries	0	0	43,402	4,356
- Unrelated parties	278	111	54	43
	<u>278</u>	<u>111</u>	<u>43,456</u>	<u>4,399</u>
	<u>7,863</u>	<u>31,280</u>	<u>43,456</u>	<u>4,399</u>
Disclosed as:-				
- Non-current assets	0	9,477	0	0
- Current assets	7,863	21,803	43,456	4,399
	<u>7,863</u>	<u>31,280</u>	<u>43,456</u>	<u>4,399</u>

**Trade Receivables**

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

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**10. RECEIVABLES (cont'd)**

**Trade Receivables (cont'd)**

The movements in allowance for impairment are as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Balance at 1 April	212	78
Impairment loss recognised	0	134
Impairment loss written off	(65)	0
Balance at 31 March	<u>147</u>	<u>212</u>

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

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

	The Group	
	2014 RM'000	2013 RM'000
Not past due	120	216
Past due 1 to 30 days	2,735	131
Past due 31 to 120 days	2,026	0
Past due more than 120 days	2,704	0
	<u>7,585</u>	<u>347</u>

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

Management determines credit risk concentration in terms of counterparties. As at 31 March 2014, the Group did not have any major credit risk concentration relating to any individual customer or counterparty.

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**10. RECEIVABLES (cont'd)**

**Hire Purchase Receivables**

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

	The Group	
	2014 RM'000	2013 RM'000
Minimum hire purchase payments:-		
- Within 1 year	0	22,621
- Later than 1 year and not later than 5 years	0	9,853
	0	32,474
Unearned finance income	0	(1,652)
Present value of hire purchase receivables:-		
- Within 1 year	0	21,345
- Later than 1 year and not later than 5 years	0	9,477
	<u>0</u>	<u>30,822</u>

The fair values of hire purchase receivables were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar assets (i.e. Level 2). The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of hire purchase receivables.

**Other Receivables**

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

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**11. CASH AND CASH EQUIVALENTS**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Term deposits with licensed banks (fixed rate)	21,509	6,054	12,347	1,337
Cash and bank balances:-				
- Interest earning (fixed rate)	11,614	20,982	3,418	123
- Non-interest earning	376	278	5	22
	<u>33,499</u>	<u>27,314</u>	<u>15,770</u>	<u>1,482</u>

The effective interest rates of term deposits and interest earning bank balances as at 31 March 2014 ranged from 0.5% to 3.3% (2013 : 2.3% to 3.1%) per annum.

**12. PAYABLES**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	4,078	898	0	0
Other payables:-				
- Subsidiary	0	0	410	0
- Other related parties <sup>1</sup>	103	0	103	0
- Unrelated parties	1,598	758	430	156
	<u>1,701</u>	<u>758</u>	<u>943</u>	<u>156</u>
	<u>5,779</u>	<u>1,656</u>	<u>943</u>	<u>156</u>

<sup>1</sup> Being companies in which a director/substantial shareholder of the Company has substantial financial interests

The currency profile of payables is as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	5,405	1,524	943	156
US Dollar	374	107	0	0
Others	0	25	0	0
	<u>5,779</u>	<u>1,656</u>	<u>943</u>	<u>156</u>

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

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**12. PAYABLES (cont'd)**

**Trade Payables**

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

**Other Payables**

Other payables are unsecured and non-interest bearing. The amount owing to subsidiary is repayable on demand. The amounts owing to other related parties and unrelated parties mainly consist of sundry payables and accruals for operating expenses which are generally due within 30 to 90 days.

**13. RETIREMENT BENEFITS**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Balance at 1 April	1,338	1,270	212	184
Defined benefit costs	(166)	145	(144)	28
Payments	(68)	(77)	0	0
Balance at 31 March	<u>1,104</u>	<u>1,338</u>	<u>68</u>	<u>212</u>
Being present value of defined benefit obligations disclosed as:-				
- Current liabilities	0	63	0	0
- Non-current liabilities	1,104	1,275	68	212
	<u>1,104</u>	<u>1,338</u>	<u>68</u>	<u>212</u>

The components of defined benefit costs are as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current service cost	65	77	9	18
Past service cost	(135)	0	(1)	0
Interest expense	69	68	11	10
Remeasurements arising from experience adjustments	(165)	0	(163)	0
	<u>(166)</u>	<u>145</u>	<u>(144)</u>	<u>28</u>

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**13. RETIREMENT BENEFITS (cont'd)**

The principal actuarial assumptions used to determine the present value of the defined benefit obligations are as follows:-

	The Group		The Company	
	2014 %	2013 %	2014 %	2013 %
Discount rate	5.50	5.50	5.50	5.50
Future salary growth	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>

The following table demonstrates the sensitivity of the defined benefit obligations to changes in each principal actuarial assumption that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Increase/(Decrease) in Defined Benefit Obligations			
	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Increase in discount rate by 1%	(106)	N/A	(8)	N/A
Decrease in discount rate by 1%	121	N/A	9	N/A
Increase in future salary growth by 1%	50	N/A	10	N/A
Decrease in future salary growth by 1%	<u>(46)</u>	<u>N/A</u>	<u>(9)</u>	<u>N/A</u>

As at 31 March 2014, the weighted average duration of the defined benefit obligations was 10.8 years.

**14. DEFERRED TAX LIABILITIES**

The Group	2014 RM'000	2013 RM'000
Balance at 1 April	6	9
Deferred tax income relating to origination and reversal of temporary differences	<u>0</u>	<u>(3)</u>
Balance at 31 March	<u>6</u>	<u>6</u>
In respect of taxable temporary differences of:-		
- Property, plant and equipment	4	4
- Investment properties	<u>2</u>	<u>2</u>
	<u>6</u>	<u>6</u>

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**14. DEFERRED TAX LIABILITIES (cont'd)**

Save as disclosed above, as at 31 March 2014, deferred tax liabilities and deferred tax assets have also effectively been recognised and offset against each other by the Group and the Company to the extent of RM560,000 and RM20,000 (2013 : RM570,000 and RM9,000) respectively. No further deferred tax assets have been recognised for the excess of the deductible temporary differences, unused capital allowances and tax losses over the taxable temporary differences as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deductible temporary differences of:-				
- Property, plant and equipment	57	58	0	0
- Inventories	60	13	0	0
- Retirement benefits	1,104	1,338	68	212
Unused capital allowances	15,635	16,888	553	454
Unused tax losses	33,924	35,027	76	76
Taxable temporary differences of:-				
- Property, plant and equipment	(1,206)	(1,305)	(80)	(36)
- Investment properties	(1,033)	(973)	0	0
	<u>48,541</u>	<u>51,046</u>	<u>617</u>	<u>706</u>

**15. SHARE CAPITAL**

	2014		2013	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Ordinary shares of RM0.50 each				
Authorised	<u>200,000</u>	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
Issued and fully paid-up:-				
Balance at 1 April	130,361	65,180	130,361	65,180
Issuance during the year	<u>28,000</u>	<u>14,000</u>	<u>0</u>	<u>0</u>
Balance at 31 March	<u>158,361</u>	<u>79,180</u>	<u>130,361</u>	<u>65,180</u>

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM65,180,000 to RM79,180,000 by way of:-

- (i) an issuance of 8,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a development project (Note 8); and
- (ii) an issuance of 20,000,000 new ordinary shares of RM0.50 each at par as part of the purchase consideration for the acquisition of a parcel of development land (Note 8).

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**16. NON-CONTROLLING INTERESTS (“NCI”)**

The Group

	Accumulated NCI		Profit Allocated to NCI	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Maica Wood Industries Sdn. Bhd. and its subsidiary, Maicador Sdn. Bhd.	3	1	2	0
Consolidated Factoring (M) Sdn. Bhd.	27	26	1	0
	<u>30</u>	<u>27</u>	<u>3</u>	<u>0</u>

The details of the subsidiaries that have NCI are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Effective Ownership Interest Held by NCI		Principal Activity
		2014	2013	
Maica Wood Industries Sdn. Bhd.	Malaysia	0.2%	0.2%	Investment holding
Maicador Sdn. Bhd.	Malaysia	0.2%	0.2%	Manufacture of prefabricated doors and door frames
Consolidated Factoring (M) Sdn. Bhd.	Malaysia	8.1%	8.1%	Inactive

The summarised financial information of the above subsidiaries is as follows:-

	2014 RM'000	2013 RM'000
Non-current assets	7,495	7,639
Current assets	9,995	8,722
Non-current liabilities	(1,037)	(1,063)
Current liabilities	(1,813)	(1,840)
Net assets	14,640	13,458
Revenue	16,880	15,104
Profit	1,180	47
Other comprehensive income	2	0
Total comprehensive income	1,182	47
Net cash from operating activities	1,940	1,042
Net cash used in investing activities	(441)	(427)
Net cash used in financing activities	(410)	0
Net cash inflow	<u>1,089</u>	<u>615</u>



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**17. REVENUE**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Continuing Operations</b>				
Income from sale of goods	16,382	14,921	0	0
Income from rendering of services	0	0	712	240
Property development revenue	18,394	0	0	0
Dividend income	0	0	1,200	1,200
Interest income	66	106	66	39
Rental income	620	316	152	164
	<u>35,462</u>	<u>15,343</u>	<u>2,130</u>	<u>1,643</u>
<b>Discontinued Operation</b>				
Interest income	2,582	3,123	0	0
Rental income	36	31	0	0
	<u>2,618</u>	<u>3,154</u>	<u>0</u>	<u>0</u>
	<u>38,080</u>	<u>18,497</u>	<u>2,130</u>	<u>1,643</u>

**18. PROFIT/(LOSS) BEFORE TAX**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(Loss) before tax is arrived at after charging:-				
Allowance for slow moving inventories	47	28	0	0
Auditors' remuneration	82	52	38	20
Depreciation of:-				
- Investment properties	203	203	38	37
- Property, plant and equipment	635	616	64	32
Direct operating expenditure for investment properties	479	103	48	42
Directors' remuneration:-				
- Fees	37	45	37	45
- Other emoluments	609	421	609	421
Fee expense for financial instruments not at fair value through profit or loss	13	24	1	1
Impairment loss on loans and receivables	0	134	0	0
Interest expense for financial liabilities not at fair value through profit or loss	0	6	0	0
Property development costs	13,497	0	0	0
Realised loss on foreign exchange	0	8	0	0
Rental of motor vehicles	20	0	20	0
Rental of premises	83	0	83	0

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**18. PROFIT/(LOSS) BEFORE TAX (cont'd)**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
and crediting:-				
Dividend income from investments in subsidiaries	0	0	1,200	1,200
Gain on disposal of property, plant and equipment	0	10	0	0
Interest income for financial assets not at fair value through profit or loss:-				
- Hire purchase financing	2,146	2,931	0	0
- Cash and cash equivalents	685	363	66	39
Realised gain on foreign exchange	10	0	0	0
Rental income from investment properties	656	347	152	164
Reversal of allowance for slow moving inventories	0	67	0	0
	<u>0</u>	<u>67</u>	<u>0</u>	<u>0</u>

**19. EMPLOYEE BENEFITS EXPENSE**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term employee benefits	6,284	4,740	2,001	790
Defined contribution plan	518	421	185	89
Defined benefit plan	(1)	145	19	28
	<u>6,801</u>	<u>5,306</u>	<u>2,205</u>	<u>907</u>

**20. TAX EXPENSE**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Tax based on results for the year:-				
Malaysian income tax	1,313	741	0	3
Deferred tax	0	(3)	0	0
	<u>1,313</u>	<u>738</u>	<u>0</u>	<u>3</u>
Tax (over)/under provided in prior year	(20)	7	0	4
	<u>1,293</u>	<u>745</u>	<u>0</u>	<u>7</u>
Attributable to:-				
- Continuing operations	723	79	0	7
- Discontinued operation	570	666	0	0
	<u>1,293</u>	<u>745</u>	<u>0</u>	<u>7</u>

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**20. TAX EXPENSE (cont'd)**

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

	The Group		The Company	
	2014 %	2013 %	2014 %	2013 %
Applicable tax rate	25.00	25.00	(25.00)	25.00
Non-taxable income	0.00	(0.46)	(24.26)	(99.48)
Non-deductible expenses	14.20	21.95	47.79	77.66
Share of profit of associate	(0.14)	(0.26)	0.00	0.00
Expenses eligible for double deduction	0.00	(1.26)	0.00	0.00
(Decrease)/Increase in unrecognised deferred tax assets	(12.04)	(2.41)	1.47	(2.18)
Average effective tax rate	<u>27.02</u>	<u>42.56</u>	<u>0.00</u>	<u>1.00</u>

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 RM276,000 (2013 : NIL).

**21. DISCONTINUED OPERATION**

The Group

A subsidiary, Consolidated Leasing (M) Sdn. Bhd., was previously engaged in the granting of lease and hire purchase financing. In order to streamline the Group's operations, the directors decided to discontinue the subsidiary's financing business in January 2014. The results and cash flows attributable to the discontinued operation are as follows:-

	Note	2014 RM'000	2013 RM'000
<b>Results</b>			
Revenue	17	2,618	3,154
Other income		1	1
Administrative and general expenses		(259)	(587)
Finance costs		0	(6)
Profit before tax	18	<u>2,360</u>	<u>2,562</u>
Tax expense	20	(570)	(666)
Profit from discontinued operation		<u>1,790</u>	<u>1,896</u>

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**21. DISCONTINUED OPERATION (cont'd)**

	Note	2014 RM'000	2013 RM'000
<b>Cash Flows</b>			
Net cash from operating activities		32,486	17,560
Net cash from investing activities		0	17
Net cash used in financing activities		(44,010)	(1,596)
Net cash (outflow)/inflow		<u>(11,524)</u>	<u>15,981</u>

**22. EARNINGS/(LOSS) PER SHARE**

The Group

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

	2014	2013
Profit/(Loss) attributable to owners of the Company (RM'000):-		
- Continuing operations	1,775	(907)
- Discontinued operation	1,789	1,896
	<u>3,564</u>	<u>989</u>
Number of shares in issue at 1 April ('000)	130,361	130,361
Effect of shares issued ('000)	7,000	0
Weighted average number of shares in issue ('000)	<u>137,361</u>	<u>130,361</u>
Basic earnings/(loss) per share (sen):-		
- Continuing operations	1.29	(0.69)
- Discontinued operation	1.30	1.45
	<u>2.59</u>	<u>0.76</u>

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

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**23. RELATED PARTY DISCLOSURES**

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Key management personnel compensation:-				
- Short-term employee benefits	628	614	581	421
- Defined contribution plan	70	66	65	45
	698	680	646	466
Dividend declared from subsidiary	0	0	1,200	1,200
Management fee charged to subsidiaries	0	0	712	240
Redemption of preference shares by subsidiary	0	0	40,000	0
Rental of premises charged to subsidiary	0	0	30	30
Granting of hire purchase financing to other related party <sup>1</sup> :-				
- Principal financed	14,951	17,220	0	0
- Principal repaid	45,773	32,754	0	0
- Interest charged and repaid	2,146	2,931	0	0
Rental of motor vehicles charged by other related party <sup>2</sup>	20	0	20	0
Rental of premises charged by other related parties <sup>2</sup>	83	0	83	0

<sup>1</sup> Being a company in which a former director/substantial shareholder of the Company and his close family members have substantial financial interests

<sup>2</sup> Being companies in which a director/substantial shareholder of the Company has substantial financial interests

**24. SEGMENT REPORTING**

The Group

**Operating Segments**

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

- (i) Manufacture of wood products
- (ii) Property development
- (iii) Granting of financing (discontinued operation)

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

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**24. SEGMENT REPORTING (cont'd)**

**Operating Segments (cont'd)**

	Manufacture of wood products RM'000	Property development RM'000	Granting of financing (discontinued operation) RM'000	Unallocated non-operating segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
<b>31.3.2014</b>						
Segment assets	18,295	60,700	9,039	17,602	0	105,636
Included in the measure of segment assets are:-						
- Investment in associate	666	0	0	0	0	666
- Additions to non-current assets	528	0	0	323	0	851
Segment liabilities	2,737	13,821	193	601	0	17,352
Segment profit/(loss) attributable to:-						
- Continuing operations	1,232	3,122	0	(1,257)	(1,320)	1,777
- Discontinued operation	0	0	1,670	0	120	1,790
	1,232	3,122	1,670	(1,257)	(1,200)	3,567
Included in the measure of segment profit/(loss) are:-						
- External revenue	16,880	18,394	2,618	188	0	38,080
- Intersegment revenue	0	0	0	1,912	(1,912)	0
- Interest income	87	96	0	0	0	183
- Allowance for slow moving inventories	47	0	0	0	0	47
- Depreciation	675	0	71	92	0	838
- Share of profit of associate	28	0	0	0	0	28
- Tax expense	19	704	570	0	0	1,293

**31.3.2013**

Segment assets	17,147	0	51,460	5,378	0	73,985
Included in the measure of segment assets are:-						
- Investment in associate	638	0	0	0	0	638
- Additions to non-current assets	511	0	0	3	0	514
Segment liabilities	2,792	0	271	370	0	3,433

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**24. SEGMENT REPORTING (cont'd)**

**Operating Segments (cont'd)**

	Manufacture of wood products RM'000	Property development RM'000	Granting of financing (discontinued operation) RM'000	Unallocated non-operating segments RM'000	Consolidation adjustments and eliminations RM'000	Total RM'000
<u>31.3.2013 (cont'd)</u>						
Segment profit attributable to:-						
- Continuing operations	86	0	0	327	(1,320)	(907)
- Discontinued operation	0	0	1,776	0	120	1,896
	<u>86</u>	<u>0</u>	<u>1,776</u>	<u>327</u>	<u>(1,200)</u>	<u>989</u>

Included in the measure of segment profit are:-

- External revenue	15,103	0	3,154	240	0	18,497
- Intersegment revenue	0	0	0	1,440	(1,440)	0
- Interest income	65	0	0	0	0	65
- Allowance for slow moving inventories	28	0	0	0	0	28
- Reversal of allowance for slow moving inventories	67	0	0	0	0	67
- Depreciation	683	0	76	60	0	819
- Impairment loss on loans and receivables	134	0	0	0	0	134
- Interest expense	0	0	6	0	0	6
- Share of profit of associate	18	0	0	0	0	18
- Tax expense	60	0	666	19	0	745

1.4.2012

Segment assets	<u>16,738</u>	<u>0</u>	<u>51,352</u>	<u>5,472</u>	<u>0</u>	<u>73,562</u>
Segment liabilities	<u>2,434</u>	<u>0</u>	<u>1,237</u>	<u>328</u>	<u>0</u>	<u>3,999</u>

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**24. SEGMENT REPORTING (cont'd)**

**Geographical Segments**

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

	2014 RM'000	2013 RM'000
Malaysia	35,818	16,124
United States of America	2,233	2,373
Others	29	0
	<u>38,080</u>	<u>18,497</u>

**Major Customers**

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

	External Revenue		Operating Segment
	2014 RM'000	2013 RM'000	
Customer I <sup>1</sup>	14,049	11,875	Manufacture of wood products
Customer II <sup>1</sup>	<u>2,146</u>	<u>2,931</u>	Granting of financing

<sup>1</sup> The identity of the major customer has not been disclosed as permitted by FRS 8 Operating Segments.

**25. COMMITMENT FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

The Group

	2014 RM'000	2013 RM'000
Contracted but not provided for	<u>0</u>	<u>160</u>



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**26. CONTINGENT LIABILITIES - UNSECURED**

The Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of RM1,300,000 (2013 : RM16,300,000). The total utilisation of these credit facilities as at 31 March 2014 amounted to RM565,000 (2013 : RM292,000).

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.13. After considering that the probability of the subsidiaries defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

**27. FINANCIAL RISK MANAGEMENT**

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

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

**Credit Risk**

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to certain subsidiaries. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 26.

As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is minimal. The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The Group also obtained collateral in mitigating its credit risk exposure of hire purchase receivables through ownership claims over the motor vehicles financed. The credit risk in respect of property development activities is negligible as title will only be transferred upon receipt of full payment or undertaking of end-financing by the purchaser's end-financier.

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**27. FINANCIAL RISK MANAGEMENT (cont'd)**

**Liquidity Risk**

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

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

**Currency Risk**

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

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

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

	The Group	
	Increase/ (Decrease) in Profit 2014 RM'000	Increase/ (Decrease) in Profit 2013 RM'000
Appreciation of USD against RM by 10%	(37)	(11)
Depreciation of USD against RM by 10%	<u>37</u>	<u>11</u>

**Interest Rate Risk**

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

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

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

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**28. CAPITAL MANAGEMENT**

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

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

	The Group	
	2014 RM'000	2013 RM'000
Total loans and borrowings	0	0
Total equity	<u>88,284</u>	<u>70,552</u>
Total capital	<u>88,284</u>	<u>70,552</u>
Debt-to-equity ratio	<u>0 : 1</u>	<u>0 : 1</u>

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

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**SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS OR LOSSES**

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total accumulated losses of the Company and its subsidiaries:-				
- Realised	(38,437)	(41,714)	(9,572)	(8,499)
- Unrealised	100	106	0	0
	<u>(38,337)</u>	<u>(41,608)</u>	<u>(9,572)</u>	<u>(8,499)</u>
Total share of accumulated losses of associate:-				
- Realised	(286)	(314)	0	0
- Unrealised	0	0	0	0
	<u>(38,623)</u>	<u>(41,922)</u>	<u>(9,572)</u>	<u>(8,499)</u>
Consolidation adjustments and eliminations	<u>33,586</u>	<u>33,156</u>	<u>0</u>	<u>0</u>
Total accumulated losses as per statement of financial position	<u>(5,037)</u>	<u>(8,766)</u>	<u>(9,572)</u>	<u>(8,499)</u>

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