SANBUMI HOLDINGS BERHAD
(8386-P)

Annual Report 2013

44th
Notice of
Annual General Meeting

Venue
Conference Room, Second Floor,
Wisma EMC, 972 Jalan Baru,
13700 Prai, Penang

Date and Time
Friday, 20 September 2013 at 10.00 a.m.

TABLE OF
Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fourth Annual General Meeting of Sanbumi Holdings Berhad will be held at the Conference Room, Second Floor, Wisma EMC, 972 Jalan Baru, 13700 Prai, Penang on Friday, 20 September 2013 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2013 together with the Directors' and Auditors' Reports thereon. **Please refer to Note A**

AS ORDINARY BUSINESS

2. To re-elect the following Directors retiring in accordance with Article 93 of the Company's Articles of Association:-

   Tan Sri Datuk Chai Kin Kong **(Resolution 1)**

   Mr Lim Thian Loong **(Resolution 2)**

3. To re-elect the following Director retiring in accordance with Article 100 of the Company's Articles of Association:-

   Ms Lee See Hong **(Resolution 3)**

4. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Resolution 4)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following resolutions:-

Ordinary Resolutions

5. To approve the payment of Directors' fees of RM225,000 for the financial year ended 31 March 2013. **(Resolution 5)**

6. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

MOLLY GUNN CHIT GEOK (MAICSA 0673097)
Company Secretary

Penang

Date: 29 August 2013

Note A

This Agenda Item is meant for discussion only as the provision of Section 169 (1) of the Companies Act 1965 does not require a formal approval of the shareholders and hence is not put forward for voting.

NOTES

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint at least one (1) but not more than two (2) proxies (who need not be members of the Company) to attend and vote on his behalf. The provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. Where a member appoints two (2) proxies, the appointments shall be invalid unless the percentage of the holding to be represented by each proxy is specified.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Wisma EMC, 972, Jalan Baru, 13700 Prai, Penang not less than forty-eight (48) hours before the time set for the meeting.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting in accordance with Section 147 of the Companies Act, 1965.

8. Only members registered in the Record of Depositors as at 11 September 2013 shall be eligible to attend the meeting or appoint proxies and vote on their behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Resolution 5 – To approve the payment of Directors' fees of RM225,000 for the financial year ended 31 March 2013.

   The Ordinary Resolution proposed under item 5 of the agenda, if passed, will authorise the payment of the Directors' fees for the financial year ended 31 March 2013 amounting to RM225,000.

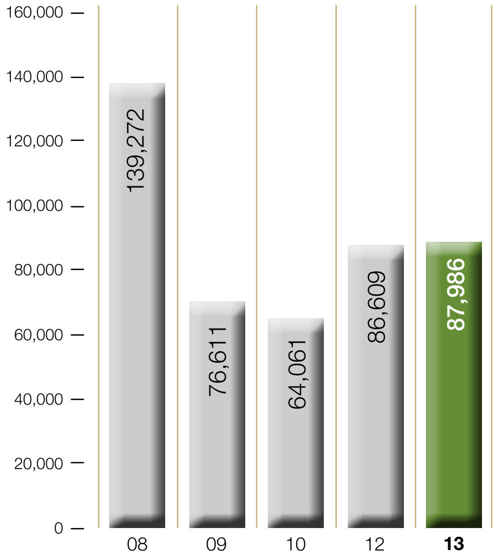
Statement Accompanying Notice of Annual General Meeting

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

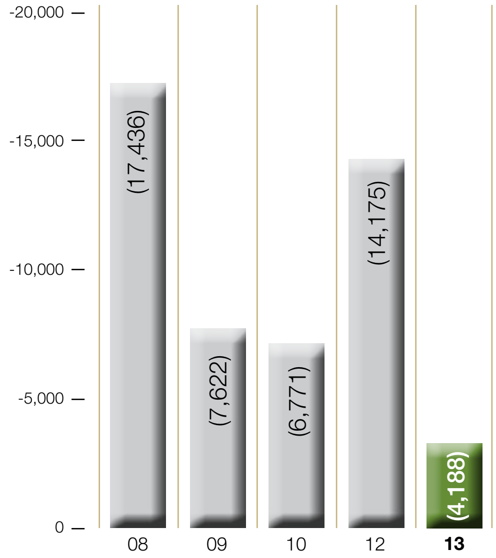
There are no individuals who are standing for election as Director (excluding Directors standing for re-election) at the forthcoming Annual General Meeting.

Financial Highlights

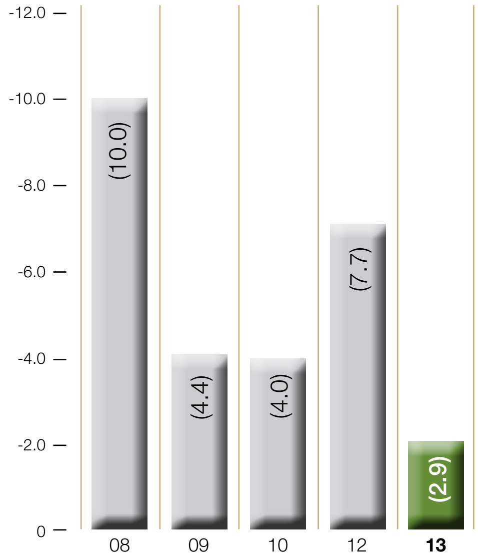
TURNOVER
(RM'000)



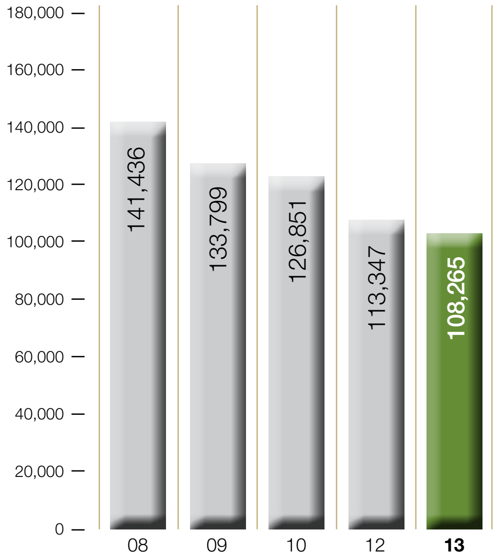
LOSS BEFORE TAXATION
(RM'000)



LOSS PER SHARE
(SEN)



SHAREHOLDERS' EQUITY
(RM'000)



Corporate Information

BOARD OF DIRECTORS

CHAIRMAN / INDEPENDENT NON-EXECUTIVE DIRECTOR
IR. ZAINURIN BIN KARMAN
(Appointed 26/08/2005)

MANAGING DIRECTOR
DATO' CHUA TIONG MOON
(Appointed 23/02/2001)

EXECUTIVE DIRECTOR
TAN SRI DATUK CHAI KIN KONG
(Appointed 23/02/2001)

INDEPENDENT NON-EXECUTIVE DIRECTORS
LIM THIAN LOONG *(Appointed 08/12/2010)*
LEE SEE HONG (Ms) *(Appointed 22/02/2013)*
DATO' LEE GEE HUY @ LEE KONG FEE, DSNS, JP
(Appointed 23/02/2001; Vacated office 23/11/2012)

NON-EXECUTIVE DIRECTOR
DATO' RAHADIAN MAHMUD BIN MOHAMMAD KHALIL
(Appointed 23/02/2001)

AUDIT COMMITTEE

CHAIRMAN
LIM THIAN LOONG

MEMBERS
IR. ZAINURIN BIN KARMAN
LEE SEE HONG (Ms)

NOMINATION COMMITTEE

CHAIRMAN
IR. ZAINURIN BIN KARMAN

MEMBERS
LIM THIAN LOONG
LEE SEE HONG (Ms)

REMUNERATION COMMITTEE

CHAIRMAN
IR. ZAINURIN BIN KARMAN

MEMBERS
LIM THIAN LOONG
LEE SEE HONG (Ms)

COMPANY SECRETARY

MOLLY GUNN CHIT GEOK
(MAICSA 0673097)

REGISTERED OFICE

WISMA EMC
972, JALAN BARU
13700 PRAI
PENANG
TEL : 604 - 390 3699
FAX : 604 - 397 9311

SHARE REGISTRAR

TRICOR INVESTOR SERVICES SDN BHD
LEVEL 17, THE GARDENS NORTH TOWER, MID VALLEY CITY
LINGKARAN SYED PUTRA
59200 KUALA LUMPUR
TEL : 603 - 2264 3883
FAX : 603 - 2282 1886

AUDITORS

CROWE HORWATH
Kuala Lumpur Office
(Chartered Accountants)
LEVEL 16 TOWER C
MEGAN AVENUE II
12 JALAN YAP KWAN SENG
50450 KUALA LUMPUR

PRINCIPAL BANKERS

HONG LEONG BANK BERHAD
MALAYAN BANKING BERHAD

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD
STOCK NAME : SANBUMI
STOCK CODE : 9113

Corporate Structure

AS AT 29 AUGUST 2013

SANBUMI HOLDINGS BERHAD (8386-P)

TOURISM SERVICES

- 100% SANBUMI AIR TRANSPORT SDN BHD
- 100% SANBUMI HOLIDAY SDN BHD
- 100% PEWTER ART INDUSTRIES (M) SDN BHD
- 100% TOURISM INFORMATION CENTRE SDN BHD
- 100% FINE TASTE PRODUCTS SDN BHD
- 100% FINE TASTE PRODUCTS (KL) SDN BHD
- 100% SRI DONDANG RESTAURANT SDN BHD

- 100% TROPIKS PRODUCTS SDN BHD
- 100% SINORENO JEWELLERY SDN BHD
- 100% NOUVELLE HOTEL SDN BHD
- 100% FINE PEWTERWARE (KL) SDN BHD
- 100% NOUVELLE RESTAURANT SDN BHD
- 100% NOUVELLE HOTEL (KL) SDN BHD
- 100% NOUVELLE HOTEL (KULAI) SDN BHD

TIMBER TRADING & PROCESSING SERVICES

- 100% SANBUMI SAWMILL SDN BHD
  - 100% SANBUMI WOOD PROCESSING SDN BHD
  - 100% MIRIM TIMBER SDN BHD
- 100% AKALAJU SDN BHD

GENERAL TRADING & OTHER SERVICES

- 100% EMC CRANES SDN BHD
- 100% EMC MARKETING SDN BHD
- 100% EMC CAPITAL SDN BHD
- 100% SANBUMI CAPITAL SDN BHD (formerly known as EMC Warehouse Services Sdn Bhd)

- 78.50% EMC CRANES (KL) SDN BHD
- 70% EMC CONTAINERS SDN BHD
- 49% FERROTRANS SDN BHD

Calendar of Significant Events

JUNE 2012

On 15 June 2012 the Group entered into a tenancy agreement to take up tenancy of three blocks of accommodation units located within the Palm Springs Resort City, Mukim Pasir Panjang, District of Port Dickson, Negeri Sembilan for a period of three years with option to renew for a further four additional three year terms each. The three blocks comprising 273 accommodation units are to be renovated, refurbished and operated as a tourist class hotel accommodation. Upon completion of the renovation and refurbishment works, the subject premise will be the Group's third in the chain of hotels to be operated under the Nouvelle Hotel brand.

On 29 June 2012 the Group entered into a sale and purchase agreement for the acquisition of three parcels of leasehold commercial land located within Bandar Hijau Hang Tuah Jaya, Mukim Durian Tunggal, District of Alor Gajah, Melaka measuring approximately 16.78 acres on an as-is-where-is basis for a total cash consideration of RM6 Million to be financed by internally generated funds. The said property is to be retained for future development.

JULY 2012

On 24 July 2012 the Group entered into a sale and purchase agreement for the acquisition of twenty-four contiguous parcels of vacant freehold land designated for construction of terraced shoplots and having a combined net titled land area of approximately 51,817 square feet on an as-is-where-is basis for a total cash consideration of RM3 Million to be financed by internally generated funds. The subject property is located within the Palm Springs Resort City, Mukim Pasir Panjang, District of Port Dickson, Negeri Sembilan. The said property is to be retained for future development.

On 24 July 2012 the Group entered into an agreement with the new controlling shareholder of two major trade receivables, namely Saingan Mewah Sdn Bhd and Wasiat Pasifik Sdn Bhd for the full settlement of the combined outstanding log purchase advances amounting to approximately RM23.25 Million to be paid by cash in the manner as agreed under the agreement. An amount of RM5 Million was received upon execution of the agreement with the balance due to be paid within the next six months, failing which the Group is authorized to transfer the property pledged as security for the remaining debt.

Calendar of Significant Events (Cont'd)

AUGUST 2012

On 9 August 2012 Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon tendered his resignation as Executive Director of the Company.

NOVEMBER 2012

On 23 November 2012 Dato' Lee Guy Huy @ Lee Kong Fee, JP vacated office as an Independent Non-Executive Director of the Company due to health reasons.

FEBRUARY 2013

On 7 February 2013 the Group announced that the remaining balance of approximately RM18.25 Million due to be paid under the terms of the agreement dated 24 July 2012 was not received in accordance with the agreed terms. Accordingly, the Group instructed its solicitors to proceed and take full possession of the property pledged as security on the remaining amount of debt receivable and effect the transfer of the subject property in favour of the Group.

On 22 February 2013 Ms Lee See Hong was appointed as an Independent Non-Executive Director of the Company with immediate effect. She was also appointed as Member of the Audit Committee, Remuneration Committee and Nomination Committee respectively.

MARCH 2013

On 28 March 2013 Dato' Rahadian Mahmud bin Mohammad Khalil tendered his resignation as Chairman of the Board of Directors of the Company but continues to remain as Non-Executive Director of the Company.

On 28 March 2013 Encik Ir. Zainurin bin Karman was redesignated as the Chairman of the Board of Directors of the Company with immediate effect. Prior to this appointment, Encik Ir. Zainurin bin Karman was on the Board of Directors of the Company as an Independent Non-Executive Director.

Profile of the Board of Directors

IR. ZAINURIN BIN KARMAN
Chairman
Age : 49
Nationality : Malaysian

Ir. Zainurin bin Karman is a qualified Civil Engineer graduated from Syracuse University of New York, U.S.A. He is registered with the Board of Engineers, Malaysia as a Professional Engineer, a member of the Institution of Engineers Malaysia and also a member of the Malaysian Water Association. He is currently the Managing Director of RE Consultant Sdn Bhd.

Ir. Zainurin bin Karman does not hold any directorship in other public companies and has no conflict of interest with the Company. He does not have any family relationship with any other Directors and/or substantial shareholders of the Company and has no record of convictions for offences within the past ten years other than traffic offences, if any.

DATO' CHUA TIONG MOON
Managing Director
Age : 54
Nationality : Malaysian

Dato' Chua Tiong Moon is a businessman and has been involved in the timber industry for over 35 years with extensive experience in timber extraction, sawmilling and plywood operations. Besides being involved in the timber industry, he has also vast experience being primarily responsible for the operations and financial management of companies involved in property development, manufacturing, quarry business, hospitality services and tourism services. He has been the Chairman of Sanbumi Sawmill Sdn Bhd and Akalaju Sdn Bhd since 1995 as well as Director in several private limited companies under the Sanbumi Group. He also sits on the Board of several other private limited companies.

Dato' Chua Tiong Moon has no conflict of interest with the Company. He does not have any family relationship with any other Directors and/or substantial shareholders of the Company and has no record of convictions for offences within the past ten years other than traffic offences, if any. He also sits on the Board of Permaju Industries Berhad as Managing Director.

TAN SRI DATUK CHAI KIN KONG
Executive Director
Age : 54
Nationality : Malaysian

Tan Sri Datuk Chai Kin Kong is a businessman and has been involved in the timber industry for over 40 years. He has wide experience and knowledge of the industry. Besides being involved in the timber industry, he has also vast experience being primarily responsible for the management of companies involved in property development, hospitality services and tourism services. He has been the Executive Director primarily responsible for the operations and financial management of certain subsidiary companies involved in the tourism services segment under the Sanbumi Group as well as Director in several private limited companies under the Sanbumi Group. He also sits on the Board of several other private limited companies.

Tan Sri Datuk Chai Kin Kong has no conflict of interest with the Company. He does not have any family relationship with any other Directors and/or substantial shareholders of the Company and has no record of convictions for offences within the past ten years other than traffic offences, if any. He also sits on the Boards of Fajarbaru Builder Group Berhad and KLC Forest Plantation Berhad.

Profile of the Board of Directors (Cont'd)

DATO' RAHADIAN MAHMUD BIN MOHAMMAD KHALIL
Director
Age : 39
Nationality : Malaysian

Dato' Rahadian Mahmud bin Mohammad Khalil is a businessman. He has vast experience in various industries throughout his career with active participation in the construction, property development and manufacturing sectors. He also has wide knowledge of the timber industry. He is currently a Director of several private limited companies.

Dato' Rahadian Mahmud bin Mohammad Khalil has no conflict of interest with the Company. He does not have any family relationship with any other Directors and/or substantial shareholders of the Company and has no record of convictions for offences within the past ten years other than traffic offences, if any. He also sits on the Boards of Permaju Industries Berhad as Chairman, KYM Holdings Berhad and Magna Prima Berhad.

LIM THIAN LOONG
Director
Age : 49
Nationality : Malaysian

Lim Thian Loong is an accountant by profession. He graduated with The Chartered Institute of Management Accountants (CIMA) from London. He is also a member of the Malaysian Institute of Accountants (MIA) and the Chartered Tax Institute of Malaysia (CTIM). He has over 10 years experience in accounting, auditing and taxation and has been practising as a sole practitioner under his own firm since 2002.

Lim Thian Loong has no conflict of interest with the Company. He does not have any family relationship with any other Directors and/or substantial shareholders of the Company and has no record of convictions for offences within the past ten years other than traffic offences, if any. He also sits on the Boards of Eastland Equity Berhad and Grand Central Enterprises Berhad.

LEE SEE HONG (MS)
Director
Age : 44
Nationality : Malaysian

Ms Lee See Hong is a businesswoman with extensive professional and entrepreneurial experinces. She graduated with a Bachelor of Commerce from Flinders University, Australia. She started her career as an Export Manager Trainee in the Omega Lubricant Division of Magna Industrial Co. Ltd. In 1994 she set up her own business distributing specialized lubricants and lubricators which helps to reduce plant operating costs as well as provide solutions to various types of lubrication-related problems faced by various major industries throughout Malaysia. She has also successfully set up a new lubricant business in Vietnam.

Ms Lee See Hong does not hold any directorship in other public companies and has no conflict of interest with the Company. She does not have any family relationship with any other Directors and/or substantial shareholders of the Company and has no record of convictions for offences within the past ten years other than traffic offences, if any.

Chairman's Statement

On behalf of the Board of Directors of Sanbumi Holdings Berhad, I present the Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2013.

GENERAL OVERVIEW

In 2012, global growth experienced moderation with international trade adversely affected by the spillover effects of the weakening key advanced economies. The ongoing but fragile recovery of the US economy, the recession in the euro region, the continuing weakness in the Japanese economy and the slowdown in growth of the PR China's economy contributed towards the weakness in external demands in the emerging economies resulting in its growth to decelerate.

The Malaysian economy, despite adversities and challenges of the global environment, performed better than expected in 2012 with a higher growth of 5.6% (2011: 5.1%) supported by a resilient domestic demands underpinned largely by sound fundamentals, balanced and diversified structure, strong and more developed financial system and greater policy flexibility. [Source: BNM Annual Report 2012].

FINANCIAL PERFORMANCE OVERVIEW

The financial performance overview presented by the Sanbumi Group for the current financial year reflects the financial information for the year ended 31 March 2013 whereas all comparative information indicated shall represent the financial information for the 15 month financial period ended 31 March 2012.

The Group's financial performances for the financial year ended 31 March 2013 almost entirely depend on the performances of its Tourism segment being its core activity. The Group's venture into the tourism and tourism related products trading businesses contributed positively towards the revenue growth and improved financial performance of the Group for the current financial year.

The Group's revenue for the financial year ended 31 March 2013 stood at approximately RM88.0 million (2012: RM86.6 million) with the Tourism segment contributing approximately 99.4% (2012: 98.9%) of total revenue and the Others segment providing the remainder. The Group loss before tax for the current financial year stood at approximately RM4.2 million (2012: loss before tax of RM14.2 million).

OPERATIONS REVIEW

Tourism Services Segment

The Group's Tourism Services segment registered revenue from external sales of approximately RM87.5 million for the current financial year as compared to approximately RM85.6 million registered in the preceding financial period. The higher revenue for the current financial year was mainly due to higher revenue contributions derived from the tourism related trading businesses despite the shorter duration as compared to the previous financial period. The higher revenue is also attributable to the favourable volume of tourists with high purchasing power from mainland China.

The Tourism Services segment recorded a pre-tax loss of approximately RM3.8 million for the current financial year as opposed to approximately RM10.6 million pre-tax loss recorded in the preceding financial period. The improved results from the tourism related trading businesses reduced the impact of the high depreciation charge of RM5.4 million incurred under this segment resulting in a lower pre-tax loss for the current financial year. The higher pre-tax loss for the preceding financial period was mainly attributed to the high depreciation cost and allowances for impairment losses which collectively accounted for a charge of approximately RM9.2 million to the statement of comprehensive income.

Timber Segment

The timber related business activities did not register any revenue from external sales for the current financial year. The segment recorded a pre-tax loss of RM1.9 million for the current financial year as opposed to the RM2.6 million pre-tax losses recorded in the preceding financial period. The pre-tax loss for the current financial year was mainly due to the impairment losses on assets charged to the statement of comprehensive income.

Others Segment

The Group's other trading and services activities registered annual revenue from external sales of approximately RM0.5 million for the current financial year as compared to approximately RM1.0 million registered in the preceding financial period and a pre-tax profit of approximately RM1.5 million for the current financial year as opposed to approximately RM1.0 million pre-tax loss recorded in the preceding financial period. The profit for the current financial year was mainly derived from the RM2.1 million fair value gain on investment properties.

CORPORATE DEVELOPMENT

The Company has no new corporate proposals announced, issued or pending completion as at the date of this statement.

CORPORATE RESPONSIBILITY

As a responsible corporate citizen, the Group is fully aware of the possible impact of its operations to the society and is committed to work towards minimising adversities that may be caused without compromising the interests of its shareholders, customers and employees. Through proper corporate governance, the Group ensures that its businesses are conducted in compliance with applicable legal and regulatory requirements. The Group continuously works towards striking a balance in creating or adding value to investments for its shareholders, fulfill its customer demands and provide for its employee needs within its means. In the spirit of fulfilling its social responsibility to the community the Group continuously extends financial support by way of sponsorships and donations towards community related activities, schools and charity homes. In this regards, during the financial year the Group participated in a scholarship award programme called Project Change administered by Messrs Crowe Horwath. Under this programme the Group has agreed to sponsor a sum of RM10,000 per annum towards the cost of tuition fee for a period of four years to a deserving student undertaking a study course in a local institute of higher learning.

OUTLOOK

The global growth outlook is expected to improve in 2013 though the pace of recovery in the advanced economies is likely to be weak. The Malaysian economy is expected to remain resilient with a steady growth of 5-6% (2012: 4-5%) anchored by the domestic demand with support from gradual improvements in the external sector.

As for the Group, the financial year ending 31 March 2014 is expected to continue to be a challenging year in view of the unfavourable factors. Nonetheless, the Board is optimistic that the external factors would not materially affect the regional tourism activities. With the year 2014 being declared as "Visit Malaysia Year" the Group expects a more favourable inflow of tourists into the country. As such, the Group will be gearing towards maximizing its resources so as to be able to gain all possible benefits that may arise or be derived from the Visit Malaysia Year 2014. The Board will continue its effort to rationalize, consolidate and cease, if necessary, any of the Group's business so as to optimize all available resources.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to the management team and all employees of the Company and the Group for their commitment and dedication in performing their duties and responsibilities.

I would also wish to thank our shareholders, bankers, customers and business associates for all the support and cooperation extended and look forward to their continued support.

Ir. Zainurin bin Karman
Chairman

Corporate Governance Statement

The Malaysian Code on Corporate Governance 2012 ("the Code") sets out the broad principles and specific recommendations on structures and processes which companies should adopt in making good corporate governance an integral part of their business dealings and culture.

The Board of Directors ("the Board") of Sanbumi Holdings Berhad has always been supportive of the adoption of the principles as set out in the Code. The Board is committed to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the performance of the Company.

The Board is pleased to report to shareholders on the manner the Group has applied the principles, and the extent of compliance with the recommendations of the Code throughout the financial year ended 31 March 2013.

A. THE BOARD OF DIRECTORS

(i) The Board

The Board consists of members from different backgrounds and diverse expertise in leading and directing the Group's business operation. The Board is responsible for the control and proper management of the Company. The Board has delegated specific responsibilities to three main committees namely the Audit, Remuneration and Nomination Committees, which operate within the defined constitution or terms of reference approved by the Board. These Committees have the authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however lies with the entire Board.

The Board has formally established a Board Charter that clearly sets out the roles and responsibilities, composition and processes related to key governance activities. The Board will periodically review the Board Charter which is published on the corporate website: www.sanbumi.com.my.

The Board has also formalised a Code of Conduct for its directors which is incorporated in the Board Charter. The Board would periodically review the said Code of Conduct.

(ii) Board Composition

The Board currently consists of two Executive Directors and three Independent Non-Executive Directors and a Non Independent Non-Executive Director. The composition of the Board complies with paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The Group is led and controlled by an experienced Board, many of whom have intimate knowledge of the business. There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The management of the Group's business and implementation of policies and day-to-day running of the business is delegated to the Executive Directors. The Independent Non-Executive Directors provide unbiased and independent views to safeguard the interests of shareholders.

The Board considers that the current size of the Board is adequate and facilitates effective decision-making. The Nomination Committee has reviewed the present composition of the Board and the three main existing committees and is satisfied that they have adequately carried out their functions within their scope of work.

A. THE BOARD OF DIRECTORS (Cont'd)

(iii) Board meetings

The annual calendar of at least four (4) meetings is agreed at the beginning of each year, with additional meetings convened as and when necessary. Besides Board meetings, the Board also exercises control on matters that require Board's approval through Directors' Circular Resolutions. Amongst others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major investments, appointment of Directors are discussed and decided by the Board.

During the financial year ended 31 March 2013, seven (7) Board Meetings were held. The attendance record of each Director is as follows:-

Board of Directors' Meeting		May '12	May '12	Jul '12	Jul '12	Aug '12	Nov '12	Feb '13		
Directors	**Position**	Attendance							Total	%
Ir. Zainurin bin Karman (Appointed as Chairman on 28 March 2013)	Chairman	•	•	•	•	•	•	•	7/7	100
Dato' Chua Tiong Moon	Managing Director	•	•	•	•	•	•	•	7/7	100
Tan Sri Datuk Chai Kin Kong	Executive Director	•	X	•	•	•	•	•	6/7	86
Lim Thian Loong	Director	•	•	•	•	•	•	•	7/7	100
Dato' Rahadian Mahmud bin Mohammad Khalil *(Resigned as Chairman on 28 March 2013)*	Non-Executive Director	•	X	•	X	•	•	X	4/7	57
Lee See Hong (Appointed on 22 February 2013)	Director	N/A	N/A	N/A	N/A	N/A	N/A	•	1/1	100
Dato' Sri Ir Kuan Peng Ching @ Kuan Peng Soon *(Resigned on 9 August 2012)*	Executive Director	X	•	•	•	N/A	N/A	N/A	3/4	75
Dato' Lee Gee Huy @ Lee Kong Fee, JP *(Vacated on 23 November 2012)*	Director	X	X	X	X	X	X	N/A	0/6	0

Total number of meetings held: 7

A. THE BOARD OF DIRECTORS (CONT'D)

(iv) Supply of Information

All Directors are provided with an agenda and a set of board papers issued in sufficient time prior to the Board meetings to ensure that the Directors can appreciate the issues to be deliberated and to obtain further explanations, where necessary.

In addition, there is a schedule of matters reserved specifically for the Board's decision, including amongst others, the approval of corporate policies and procedures, Group operational plan and budget, acquisitions and disposals of undertakings and properties that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

In exercising their duties, the Directors have access to all information within the Company. All Directors have access to the advice and services of the Company Secretary and are updated on new statutory regulations or requirements concerning their duties and responsibilities. They may obtain independent professional advice at the Company's expense in furtherance of their duties.

(v) Appointment to the Board

The Nomination Committee shall consist of not less than three (3) members and all members are to be Non-Executive with the majority being independent. The present members of the Nomination Committee are Ir. Zainurin bin Karman (Independent Non-Executive Director) who is the Chairman, Lim Thian Loong (Independent Non-Executive Director) and Lee See Hong (Independent Non-Executive Director).

The Nomination Committee assists the Board on the following functions:

(1) to review regularly, and at least not less than once a year, the structure, size and composition of the Board and make recommendation to the Board as regards any changes that may, in their view, be beneficial to the company as well as review on its compositions to improve the gender diversity
(2) to review the required mix of skills, experience and core competencies which Non-Executive Directors bring to the Board
(3) to implement a process, to be carried out annually, to assess the effectiveness of the Board as a whole, committees of the Board and the contribution of individual directors
(4) to be responsible for identifying and recommending to the Board candidates to fill Board vacancies
(5) to recommend to the Board directors who are retiring by rotation to be put forward for re-election
(6) to recommend to the Board the continuation or not in service of any director who has reached the age of 70

During the year, the Nomination Committee had assisted the Board on the following functions:

(1) reviewed the structure, size and composition of the Board and make recommendation to the Board as regards any changes that may, in their view, be beneficial to the company
(2) reviewed the required mix of skills, experience and core competencies which Non-Executive Directors bring to the Board
(3) implemented a process, assessed the effectiveness of the Board as a whole, committees of the Board and the contribution of individual directors
(4) identified and recommended to the Board candidates to fill Board vacancies
(5) recommended to the Board directors who are retiring by rotation to be put forward for re-election

A. THE BOARD OF DIRECTORS (CONT'D)

(v) Appointment to the Board (Cont'd)

During the financial year ended 31 March 2013, the Nomination Committee had two (2) meetings:

Nomination Committee's Meeting		May '12	Feb '13		
Directors	**Position**	Attendance		Total	%
Ir. Zainurin bin Karman *(Appointed as Chairman on 27 May 2013)*	Chairman	•	•	2/2	100
Lim Thian Loong	Member	•	•	2/2	100
Lee See Hong *(Appointed on 22 February 2013)*	Member	N/A	•	1/1	100
Dato' Lee Gee Huy @ Lee Kong Fee, JP *(Vacated on 23 November 2012)*	Member	X	N/A	0/1	0

Total number of meetings held: 2

Ir. Zainurin bin Karman was appointed as Chairman of the Nomination Committee with effect from 27 May 2013.

Ms Lee See Hong was appointed as a member of the Nomination Committee with effect from 22 February 2013.

(vi) Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors for the time being shall retire from office and an election of Directors shall take place. The Articles further provide that each Director shall retire once in every three (3) years but shall be eligible for re-election.

(vii) Directors' Training

As required under the Main Market Listing Requirements of Bursa Securities, all the Directors have attended the Directors' Mandatory Accreditation Programme. The Directors will continue to attend various professional programmes necessary to enhance their professionalism in the discharge of their duties.

A. THE BOARD OF DIRECTORS (CONT'D)

(vii) Directors' Training (Cont'd)

During the financial year ended 31 March 2013, the Directors have evaluated their own training needs on a continuous basis and attended the following:-

Dato' Chua Tiong Moon		
•	Business Sustainability – Making A Difference In Performance	25 May 2012
Tan Sri Datuk Chai Kin Kong		
•	Business Sustainability – Making A Difference In Performance	25 May 2012
Dato' Rahadian Mahmud bin Mohammad Khalil		
•	Business Sustainability – Making A Difference In Performance	25 May 2012
Ir Zainurin bin Karman		
•	Business Sustainability – Making A Difference In Performance	25 May 2012
Lim Thian Loong		
•	Business Sustainability – Making A Difference In Performance	25 May 2012
•	2013 Budget Seminar – Highlights & Implications	31 October 2012
•	Corporate Governance and Related Party Transactions	1 November 2012

Ms Lee See Hong did not attend any training programme in this financial year mainly because she was only appointed to the Board on 22 February 2013.

B. DIRECTORS' REMUNERATION

(i) Remuneration Committee

The Remuneration Committee comprises Ir Zainurin bin Karman (Independent Non-Executive Director) who is the Chairman, Lim Thian Loong (Independent Non-Executive Director) and Lee See Hong (Independent Non-Executive Director).

Ir Zainurin bin Karman was appointed as Chairman of the Remuneration Committee on 27 May 2013.

During the financial year ended 31 March 2013, the Remuneration Committee had a meeting on 22 February 2013 which was attended by all members.

(ii) Remuneration Policy

The Remuneration Committee recommends to the Board for approval the remuneration package of Executive Directors. The remuneration system takes into account individual performance and experience, comparison of the Company's actual performance relative to other companies in the same sector and additional responsibilities of the Directors. The fees of the Directors are subject to shareholders' approval at the Annual General Meeting.

B. DIRECTORS' REMUNERATION (CONT'D)

(iii) Details of the Directors' remuneration

The details of the remuneration of the Directors on Group basis for the financial year ended 31 March 2013 are as follows:-

(All figures in RM)	Executive Directors	Non-Executive Directors
Salary	702,000	-
Fees	72,000	153,000
Bonus	-	-
Benefits-in-kind	-	-
Total	**774,000**	**153,000**

The number of Directors whose remuneration falls into the following bands of RM50,000 is shown below :-

	Executive Directors	Non-Executive Directors
Below RM50,000	1	5
RM50,000 – RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	2	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	-	-
Total	**3**	**5**

The Board is of the opinion that the disclosure of Directors' remuneration through the "band disclosure" is sufficient to meet the objectives of the Code. They feel that it is inappropriate to disclose the remuneration of individual Directors and has opted not to do so.

C. RELATIONS WITH SHAREHOLDERS

The Company recognises the importance of timely and thorough dissemination of information on all material business and corporate developments to shareholders and investors.

The Company keeps shareholders informed by announcements and timely release of quarterly financial results through Bursa Link, press releases, annual report and circular to shareholders.

Any queries and concerns regarding the Group may be conveyed to the following person:-

Ir Zainurin bin Karman	:	Senior Independent Non-Executive Director
Telephone number	:	06-763 4633
Facsimile number	:	06-763 6728

C. RELATIONS WITH SHAREHOLDERS (CONT'D)

Shareholders and members of the public are invited to access the Company's website at www.sanbumi.com.my and Bursa Securities website at www.bursamalaysia.com.my to obtain the latest information on the Group.

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with individual shareholders and investors where they may seek clarifications on the Group's businesses. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report 21 days before the meeting. All Directors are available to provide responses to questions from shareholders during this meeting. External Auditors are also present to provide their professional and independent clarification on issues and concerns raised by shareholders. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Directors have a responsibility to present a balanced, true and fair assessment of the Groups' financial position and prospects primarily through the annual report to shareholders and quarterly financial statements to the Bursa Securities.

The Audit Committee assists the Board in reviewing the information disclosed to ensure accuracy, adequacy and completeness of all annual and quarterly reports, audited or unaudited, and approved by the Board of Directors before releasing to the Bursa Securities.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 28 of this Annual Report.

(ii) Internal Control

The Board acknowledges its responsibility for maintaining a sound system of internal control and for reviewing its adequacy and integrity. The system of internal control covers risk management and financial, organisational, operational and compliance controls. The internal control system helps to safeguard shareholders' investment and the Group's assets. However, in view of the inherent limitations in any system, such internal control systems are designed to manage rather than to eliminate risks that may impede the achievements of the Group's objectives. The systems can therefore only provide reasonable and not absolute assurance against material misstatements, frauds or losses. Internal control monitoring will be carried out all year round by the Company's Internal Auditor which is outsourced to IBDC (Malaysia) Sdn Bhd.

The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control set out on page 29.

(iii) Relationship with the External Auditors

The Audit Committee's terms of reference formalises the relationship with the External Auditors to report to the members of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the External Auditors to meet their professional requirements and seeking professional advice and ensuring compliance with accounting standards. In the course of audit of the Group's operation, the External Auditors have highlighted to the Audit Committee and the Board on matters that require the Board's attention. The role of the Audit Committee in relation to the External Auditors is described on page 25 of this Annual Report.

Additional Compliance Information

a) *Variations in actual results from those previously announced or released*

There are no material differences in the actual results of the Group and the Company for the financial year ended 31 March 2013 reported herein as compared to the unaudited results for the same period announced previously.

The Company did not announce any corporate exercise or issue any profit estimate, forecast or projection during the financial year ended 31 March 2013.

b) *Share buybacks*

(i) The Company purchased its own shares during the financial year ended 31 March 2013, details of which are disclosed below:

Month of purchase	No. of shares purchased and retained as Treasury Shares	Purchase price per share		Average price per share RM	Total consideration RM
		Lowest RM	Highest RM		
May	10,000	0.280	0.280	0.280	2,843.84
November	32,700	0.240	0.240	0.240	7,905.45
	42,700	**0.240**	**0.280**	**0.249**	**10,749.29**

(ii) All shares repurchased are retained as treasury shares and none of these shares were resold or cancelled during the financial period.

(iii) Details of shares retained as treasury shares during the financial year ended 31 March 2013 are as follows:

	No. of shares retained as Treasury Shares
As at 1 April 2012	15,061,800
Movements during the period	42,700
As at 31 March 2013	15,104,500

c) *Options, warrants or convertible securities exercised*

The Company has not issued any options, warrants or convertible securities during the financial year ended 31 March 2013.

d) *Depository Receipt Programme sponsored*

The Company has not sponsored any Depository Receipt Programme during the financial year ended 31 March 2013.

Additional Compliance Information (Cont'd)

e) Particulars of material contracts involving Directors'

Save as disclosed below, there are no contracts of the Company or its subsidiary companies, which are or may be material, involving Directors' still subsisting as at the end of the financial year ended 31 March 2013:

(i) Service Agreement dated 1 November 2012 between Sanbumi Holdings Berhad ("the Company") and Tan Sri Datuk Chai Kin Kong whereby the Company agrees to employ Tan Sri Datuk Chai Kin Kong as Executive Director of the Company for a term of 5 years with effect from 1 November 2012. The remuneration of the Executive Director shall be a fixed salary of RM25,000.00 per month (or such higher rate as the Company may, in its discretion from time to time decide or award) inclusive of any directors' fees payable to him under the Articles of Association of the Company, payable in arrears.

(ii) Service Agreement dated 20 August 2013 between Sanbumi Holdings Berhad ("the Company") and Dato' Chua Tiong Moon whereby the Company agrees to employ Dato' Chua Tiong Moon as the Managing Director of the Company for a term of 3 years with effect from 1 July 2013. The remuneration of the Managing Director shall be a fixed salary of RM25,000.00 per month (or such higher rate as the Company may, in its discretion from time to time decide or award) inclusive of any directors' fees payable to him under the Articles of Association of the Company, payable in arrears.

f) Sanctions and/or penalties imposed

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 31 March 2013, which have material impact on the operations or financial position of the Group.

g) Comparison of profit achieved with the profit guarantee

The Company did not issue any profit guarantee during the financial year ended 31 March 2013.

h) Utilisation of proceeds from corporate proposals

There were no corporate proposals or fund raising exercise announced but not completed during the financial year ended 31 March 2013.

i) Conviction for offences

None of the Directors have been convicted for offences within the past ten (10) years other than traffic offences, if any.

j) Non-audit fee

There were no fees paid/payable to the auditors or a firm or corporation affiliated to the auditors' firm for non-audit services provided during the financial year ended 31 March 2013.

k) Recurrent related party transactions

There were no recurrent transactions entered into by the Company or its subsidiary companies with related parties during the financial year ended 31 March 2013.

Audit Committee Report

Chairman

Lim Thian Loong	(Independent Non-Executive Director)

Members

Ir. Zainurin bin Karman	(Independent Non-Executive Director)
Lee See Hong	(Independent Non-Executive Director)

TERMS OF REFERENCE

1. MEMBERSHIP

1.1 The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:-

(a) the Committee must be composed of no fewer than 3 members, a majority of whom must be independent directors;
(b) all members of the Audit Committee shall be non-executive directors and should be financially literate; and
(c) at least one member of the Committee:
  (i) must be a member of the Malaysian Institute of Accountants; or
  (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
    (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
  (iii) fulfils such other requirements as prescribed or approved by the Exchange.

1.2 The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.

1.3 No alternate director should be appointed as a member of the Committee.

1.4 In the event of any vacancy in the Committee resulting in the non-compliance of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad pertaining to the composition of the Audit Committee, the Board of Directors shall within three months of that event fill the vacancy.

1.5 The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

Audit Committee Report (Cont'd)

TERMS OF REFERENCE (CONT'D)

2. MEETINGS

2.1 Frequency

2.1.1 Meetings shall be held not less than four times a year.

2.1.2 Upon the request of the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.

2.2 Quorum

2.2.1 To form a quorum the majority of members present must be independent directors.

2.3 Secretary

2.3.1 The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

2.4 Attendance

2.4.1 The Head of Finance, the Internal Auditor and a representative of the external auditors shall normally attend meetings.

2.4.2 Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

2.4.3 The Committee should meet with the external auditors without any executive Board members present at least twice a year.

2.5 Reporting Procedure

2.5.1 The minutes of each meeting shall be circulated to all members of the Audit Committee.

2.5.2 The Audit Committee shall report to the Board on any key issues affecting the Company.

2.6 Meeting Procedure

The Committee shall regulate its own procedure, in particular:-

(a) the calling of meetings;
(b) the notice to be given of such meetings;
(c) the voting and proceedings of such meetings;
(d) the keeping of minutes; and
(e) the custody, production and inspection of such minutes.

3. RIGHTS

3.1 The Committee in performing its duties shall in accordance with a procedure to be determined by the Board of Directors:

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Company;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) be able to obtain independent professional or other advice; and
(f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of Company, whenever deemed necessary.

4. FUNCTIONS

The Committee shall, amongst others, discharge the following functions:

4.1 To review:-

(a) the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
  (i) the going concern assumption;
  (ii) changes in or implementation of major accounting policy changes;
  (iii) significant and unusual events; and
  (iv) compliance with accounting standards and other legal requirements.
(b) any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions on management integrity.
(c) with the external auditors:
  (i) the audit plan;
  (ii) his evaluation of the system of internal controls;
  (iii) his audit report;
  (iv) his management letter and management's response; and
  (v) the assistance given by the Company's employees to the external auditors.

4.2 To monitor the management's risk management practices and procedures.

4.3 In respect of the appointment of external auditors:

(a) to review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment;
(b) to consider the nomination of a person or persons as external auditors and to determine the audit fee; and
(c) to consider any questions of resignation or dismissal of external auditors.

4. FUNCTIONS (Cont'd)

4.4 In respect of the internal audit function:

(a) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work and that it reports directly to the Audit Committee;
(b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
(c) to review any appraisal or assessment of the performance of members of the internal audit function;
(d) to approve any appointment or termination of senior staff members of the internal audit function; and
(e) to inform itself of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning.

4.5 To promptly report such matter to the Exchange if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

4.6 To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

DETAILS OF ATTENDANCE OF MEMBERS AT AUDIT COMMITTEE MEETINGS

During the financial year ended 31 March 2013, there were seven (7) Audit Committee Meetings held. The details of the attendance of each member are as follows:-

Audit Committee Meeting		May '12	May '12	Jul '12	Jul '12	Aug '12	Nov '12	Feb '13		
Committee Members	**Position**	Attendance							Total	%
Lim Thian Loong	Chairman	•	•	•	•	•	•	•	7/7	100
Ir. Zainurin bin Karman	Member	•	•	•	•	•	•	•	7/7	100
Lee See Hong *(Appointed wef 22/02/13)*	Member	N/A	N/A	N/A	N/A	N/A	N/A	•	1/1	100
Dato' Lee Gee Huy @ Lee Kong Fee, DSNS, JP *(Vacated wef 23/11/12)*	Member	X	X	X	X	X	X	N/A	0/6	0

Total number of meetings held: 7

SUMMARY OF ACTIVITIES

In discharging its functions and duties in accordance with its Terms of Reference, the Audit Committee had carried out the following activities during the financial ended ended 31 March 2013:-

(i) reviewed and discussed the audit plan for the financial year presented by the external auditors;
(ii) reviewed and discussed the Group's unaudited quarterly results together with the relevant reports and make recommendations to the Board of Directors for approval;
(iii) reviewed the internal auditors' reports on its findings, recommendations and the corrective actions, if any, taken by the management; and
(iv) reviewed the annual financial statements of the Company and its subsidiaries together with the external auditors' reports and discussed various audit and accounting issues.

INTERNAL AUDIT FUNCTION

The Internal Auditor reports directly to the Audit Committee on internal audit findings, its recommendations and the corrective action, if any, taken or to be taken by the management.

During the financial year, the Internal Auditor carried out structured assessment and review on the effectiveness of the system of internal controls in the Company as well as its selected subsidiary companies. The Internal Auditor highlighted the findings and provided suitable recommendations for improvement, where appropriate. Internal Audit Reports were presented to the Audit Committee on a quarterly basis.

Directors' Responsibility Statement

(PURSUANT TO PARAGRAPH 15.26 (A) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

We, the Directors of Sanbumi Holdings Berhad hereby acknowledge that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with applicable Malaysian Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and of the results of the operations and cash flows of the Group and of the Company for the financial year ended on that date.

On behalf of the Board

IR ZAINURIN BIN KARMAN
Chairman

DATO' CHUA TIONG MOON
Managing Director

Statement on Risk Management and Internal Control

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Regulatory Framework

Sanbumi Group is committed to embrace the Malaysian Code on Corporate Governance 2012 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Statement describes the risk management and internal control system practised throughout the business operations of the Group in general, and the processes that made up the framework in particular.

2. Accountability of the Board

The Board has overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and integrity.

In establishing the Group's system of risk management and internal control, the following criteria are taken into consideration:-

- systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives. This system, by its nature, can only provide reasonable but not absolute assurance against material misstatement or loss.
- the system is a continuous process for identifying, evaluating and managing the significant risks faced by the Group.

The Board delegates to the senior management, the implementation of the systems of risk management and internal control within an established framework throughout the Group. The Management together with the internal auditors are in the process of updating the Group's Enterprise Risk Management framework.

3. An Integrated Risk Management and Internal Control Framework

The main features of the Group's risk management and internal control system are as follows:-

3.1 Comprehensive financial reports are presented to the Audit Committee and the Board on a quarterly basis for review and if necessary corrective action to be taken.

3.2 Budgets for all active operating units are prepared annually and periodic review is carried out together with the Management. The results are communicated to the Board on a timely basis.

3.3 A defined organisational and hierarchical structure outlining the line of reporting and job responsibilities with strong risk control culture at the operational level.

3.4 In ensuring that each operating unit is functioning efficiently, emphasis is placed on personnel employed where the integrity and competence of personnel are ensured through recruitment evaluation process.

3.5 The Board, Audit Committee and Management regularly review the internal audit reports and monitor the status of the implementation of recommendations to address any internal control weaknesses identified.

3.6 Regular reporting made to the Board at its meetings on corporate, legal, accounting and environmental developments, in turn facilitates the prioritisation of risk related issues for the Sanbumi Group to plan its resources and address the risk accordingly.

Statement on Risk Management and Internal Control (Cont'd)

4. Internal Audit

The Internal Audit function highlights issues to executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented. The extent of compliance is reported to the Audit Committee on a regular basis. The Audit Committee in turn reviews the adequacy and effectiveness of the system of risk management and internal control in operation and reports the results thereon to the Board.

The Internal Audit function of the Group is outsourced to IBDC (Malaysia) Sdn. Bhd. Internal audits were conducted on the internal control system of management control, sales and collection, purchase and payment, accounts payable, cash and bank management, inventory control management, property, plant and equipment management, human resource and payroll management of the Group's tourism business operations for the financial year ended 31 March 2013.

The cost incurred for the internal audit function in respect of the financial year ended 31 March 2013 was RM42,280.

5. Effectiveness Of The System Of Risk Management And Internal Control

The Board is of the view that the existing system of risk management and internal control is sound and adequate to safeguard the Group's assets at the existing level of operations. Consequently, there were no material internal control aspects of any significance that had arisen during the financial year and up to the date of this report.

The Board has received assurance from the Managing Director and the Finance Manager that the Group's risk management and internal control system is operating adequately, in all material aspects, based on the risk management and internal control framework of the Group.

6. Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 31 March 2013 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of risk management and internal control of the Group.

Financial Reports

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss after taxation for the financial year	(5,066)	(6,868)
Attributable to:		
Owners of the Company	(5,071)	(6,868)
Non-controlling interests	5	-
	(5,066)	(6,868)

The results of the operations of the Group and of the Company during 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.

DIVIDENDS

No dividend was paid since the end of the previous financial period and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 42,700 of its issued ordinary shares from the open market at an average price of RM0.249 per share. The total consideration paid for the purchase including transaction costs amounted to RM10,749. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 March 2013, the Company held as treasury shares a total of 15,104,500 of its 189,238,348 issued ordinary shares. The treasury shares are held at a carrying amount of RM11,369,814. Relevant details on the treasury shares are disclosed in Note 19 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of 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 impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

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

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

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 40 to the financial statements. In the interval between the end of the financial year and the date of this report, there does not exist:-

(i) any charge which has arisen on the assets of the Group and of the Company which secures the liabilities of any other person; or

(ii) any contingent liability which has arisen in the Group and in the Company.

No contingent or other liability of the Group and of 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 of the Company to meet their obligations 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 the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN 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 and of the Company for the financial year.

DIRECTORS

The directors in office since the date of the last report are as follows:-

Ir. Zainurin Bin Karman
Tan Sri Datuk Chai Kin Kong
Dato' Chua Tiong Moon
Dato' Rahadian Mahmud Bin Mohammad Khalil
Lim Thian Loong
Lee See Hong (Ms) (Appointed on 22 February 2013)
Dato' Sri Ir. Kuan Peng Ching @ Kuan Peng Soon (Resigned on 9 August 2012)
Dato' Lee Gee Huy @ Lee Kong Fee, DSNS, J. P. (Vacated office on 23 November 2012)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number Of Ordinary Shares Of RM1 Each			
	At 1.4.2012	Bought	Sold	At 31.3.2013
Direct Interests				
Tan Sri Datuk Chai Kin Kong	8,694,070	-	-	8,694,070
Dato' Chua Tiong Moon	11,250,362	-	-	11,250,362
Indirect Interests				
Tan Sri Datuk Chai Kin Kong	2,198,113	-	-	2,198,113
Dato' Chua Tiong Moon	2,198,113	-	-	2,198,113

The other directors holding office at the end of the financial year had no interests in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amounts of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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.

Neither during nor at the end of the financial year was the Company or its subsidiaries a party to any arrangements whose object was 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year of the Group is disclosed in Note 43 to the financial statements.

AUDITORS

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 29 JULY 2013

IR. ZAINURIN BIN KARMAN
Director

DATO' CHUA TIONG MOON
Director

Statement by Directors

We, Ir. Zainurin Bin Karman and Dato' Chua Tiong Moon, being two of the directors of Sanbumi Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 40 to 97 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 44 on page 98 which is not part of the financial statements, 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 Disclosure 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 29 JULY 2013

IR. ZAINURIN BIN KARMAN
Director

DATO' CHUA TIONG MOON
Director

Statutory Declaration

I, Dato' Chua Tiong Moon, being the director primarily responsible for the financial management of Sanbumi Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 40 to 97 are 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
Dato' Chua Tiong Moon, at Kuala Lumpur in the Federal Territory
on this 29 July 2013

DATO' CHUA TIONG MOON

Before me

DATIN HAJAH RAIHELA WANCHIK (NO. W – 275)
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

TO THE MEMBERS OF SANBUMI HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 8386-P

Report on the Financial Statements

We have audited the financial statements of Sanbumi Holdings Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 97.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

Report on Other Legal and Regulatory Requirements (Cont'd)

(b) 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.

(c) Our 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.

Other Reporting Requirements

The supplementary information set out in Note 44 on page 98 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 Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("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.

Other Matters

1. As stated in Note 3.1 to the financial statements, Sanbumi Holdings Berhad adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 January 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial period ended 31 March 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the financial year then ended.

2. 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

Onn Kien Hoe
Approval No: 1772/11/14 (J/PH)
Chartered Accountant

Kuala Lumpur
29 July 2013

Statements of Financial Position

AT 31 MARCH 2013

	Note	Group			Company		
		31.3.2013 RM'000	**31.3.2012 RM'000**	**1.1.2011 RM'000**	**31.3.2013 RM'000**	**31.3.2012 RM'000**	**1.1.2011 RM'000**
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	5	**71,093**	50,162	53,896	**6,147**	6,077	6,136
Prepaid lease payments	6	**1,672**	1,906	-	**-**	-	-
Investment properties	7	**4,251**	2,151	2,151	**4,251**	2,151	2,151
Investments in subsidiaries	8	**-**	-	-	**53,332**	61,244	124,750
Investment in an associate	9	**-**	-	-	**-**	-	-
Amount owing by subsidiaries	13	**-**	-	-	**7,800**	7,800	7,800
		77,016	54,219	56,047	**71,530**	77,272	140,837
CURRENT ASSETS							
Inventories	10	**2,638**	3,003	239	**-**	-	-
Trade receivables	11	**2,499**	4,017	5,893	**86**	318	275
Other receivables, deposits and prepayments	12	**10,310**	29,339	47,403	**1,145**	1,554	2,076
Amount owing by subsidiaries	13	**-**	-	-	**24,181**	17,043	19,811
Amount owing by an associate	14	**3**	-	-	**3**	-	-
Tax refundable		**527**	713	1,187	**-**		-
Fixed deposits with licensed banks	15	**20,950**	24,650	950	**20,000**	23,700	-
Cash and bank balances		**9,662**	13,965	15,187	**1,061**	958	681
		46,589	75,687	70,859	**46,476**	43,573	22,843
Non-current assets held for sale	16	**900**	-	24,282	**-**	-	24,282
TOTAL ASSETS		**124,505**	129,906	151,188	**118,006**	120,845	187,962

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

	Note	Group 31.3.2013 RM'000	Group 31.3.2012 RM'000	Group 1.1.2011 RM'000	Company 31.3.2013 RM'000	Company 31.3.2012 RM'000	Company 1.1.2011 RM'000
EQUITY AND LIABILITIES							
EQUITY							
Share capital	17	**189,238**	189,238	189,238	**189,238**	189,238	189,238
Retained profits/(Accumulated losses)	18	**18,617**	23,688	35,873	**(84,341)**	(77,473)	(13,587)
Treasury shares	19	**(11,370)**	(11,359)	(11,358)	**(11,370)**	(11,359)	(11,358)
Other reserves	20	**21,408**	21,408	22,726	**19,826**	19,826	21,144
Merger deficit	21	**(109,628)**	(109,628)	(109,628)	**-**	-	-
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**108,265**	113,347	126,851	**113,353**	120,232	185,437
NON-CONTROLLING INTERESTS		**77**	72	92	**-**	-	-
TOTAL EQUITY		**108,342**	113,419	126,943	**113,353**	120,232	185,437
NON-CURRENT LIABILITIES							
Long term borrowings	22	**4,771**	4,770	4,985	**32**	-	-
Deferred tax liabilities	23	**561**	185	2,099	**-**	-	1,905
		5,332	4,955	7,084	**32**	-	1,905
CURRENT LIABILITIES							
Trade payables	26	**2,399**	3,086	4,777	**-**	-	-
Other payables and accruals		**6,515**	6,093	7,412	**492**	557	565
Amount owing to subsidiaries	13	**-**	-	-	**4,078**	25	24
Provision for taxation		**1,624**	2,173	1,456	**31**	31	31
Short term borrowings	27	**293**	180	3,516	**20**	-	-
		10,831	11,532	17,161	**4,621**	613	620
TOTAL LIABILITIES		**16,163**	16,487	24,245	**4,653**	613	2,525
TOTAL EQUITY AND LIABILITIES		**124,505**	129,906	151,188	**118,006**	120,845	187,962

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

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	Group 1.4.2012 to 31.3.2013 RM'000	Group 1.1.2011 to 31.3.2012 RM'000	Company 1.4.2012 to 31.3.2013 RM'000	Company 1.1.2011 to 31.3.2012 RM'000
REVENUE	28	**87,986**	86,609	**454**	761
COST OF SALES		**(72,761)**	(72,117)	**-**	-
GROSS PROFIT		**15,225**	14,492	**454**	761
OTHER INCOME	29	**4,696**	1,915	**2,886**	569
		19,921	16,407	**3,340**	1,330
DISTRIBUTION COSTS		**(152)**	(96)	**(32)**	(41)
ADMINISTRATIVE EXPENSES		**(15,055)**	(15,917)	**(2,002)**	(3,046)
OTHER EXPENSES		**(8,477)**	(14,003)	**(8,173)**	(65,352)
FINANCE COSTS		**(425)**	(566)	**(1)**	-
LOSS BEFORE TAXATION	30	**(4,188)**	(14,175)	**(6,868)**	(67,109)
INCOME TAX EXPENSE	31	**(878)**	652	**-**	1,905
LOSS AFTER TAXATION		**(5,066)**	(13,523)	**(6,868)**	(65,204)
OTHER COMPREHENSIVE INCOME		**-**	-	**-**	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR/PERIOD		**(5,066)**	(13,523)	**(6,868)**	(65,204)
LOSS AFTER TAXATION/TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-					
Owners of the Company		**(5,071)**	(13,503)	**(6,868)**	(65,204)
Non-controlling interests		**5**	(20)	**-**	-
		(5,066)	(13,523)	**(6,868)**	(65,204)
LOSS PER SHARE (SEN)					
- Basic	32	**(2.91)**	(7.75)		
- Diluted	32	**Not applicable**	Not applicable		

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

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Attributable to Owners of the Company									
		Non-Distributable Reserves								
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Retained Profits RM'000	Shareholders' Equity RM'000	Non-controlling Interests RM'000	Total RM'000
Group										
Balance at 1.1.2011	189,238	14,788	(11,358)	1,582	6,356	(109,628)	35,873	126,851	92	126,943
Loss after taxation/Total comprehensive expenses for the financial period	-	-	-	-	-	-	(13,503)	(13,503)	(20)	(13,523)
Realisation of revaluation reserve	-	-	-	-	(1,318)	-	1,318	-	-	-
Contributions by and distributions to the owners of the Company:										
- Purchase of treasury shares	-	-	(1)	-	-	-	-	(1)	-	(1)
Balance at 31.3.2012/1.4.2012	189,238	14,788	(11,359)	1,582	5,038	(109,628)	23,688	113,347	72	113,419
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	-	-	-	(5,071)	(5,071)	5	(5,066)
Contributions by and distributions to the owners of the Company:										
- Purchase of treasury shares	-	-	(11)	-	-	-	-	(11)	-	(11)
Balance at 31.3.2013	189,238	14,788	(11,370)	1,582	5,038	(109,628)	18,617	108,265	77	108,342

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

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		← Non-Distributable Reserves →				
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
Company						
Balance at 1.1.2011	189,238	14,788	(11,358)	6,356	(13,587)	185,437
Loss after taxation/Total comprehensive expenses for the financial period	-	-	-	-	(65,204)	(65,204)
Realisation of revaluation reserve	-	-	-	(1,318)	1,318	-
Contributions by and distributions to the owners of the Company:						
- Purchase of treasury shares	-	-	(1)	-	-	(1)
Balance at 31.3.2012/1.4.2012	189,238	14,788	(11,359)	5,038	(77,473)	120,232
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	-	(6,868)	(6,868)
Contributions by and distributions to the owners of the Company:						
- Purchase of treasury shares	-	-	(11)	-	-	(11)
Balance at 31.3.2013	189,238	14,788	(11,370)	5,038	(84,341)	113,353

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	Group		Company	
		1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Loss before taxation		**(4,188)**	(14,175)	**(6,868)**	(67,109)
Adjustments for:-					
Impairment losses on receivables		**2,048**	1,622	**200**	-
Amortisation of prepaid lease payments		**234**	194	**-**	-
Bad debts written off		**5**	177	**-**	-
Depreciation of property, plant and equipment		**5,405**	5,985	**55**	59
Impairment loss on:					
- property, plant and equipment		**955**	4,065	**-**	-
- investment in subsidiaries		**-**	-	**7,912**	63,806
- amount owing by subsidiaries		**-**	-	**62**	1,545
Interest expense		**412**	562	**1**	-
Inventories:					
- allowance for slow-moving		**597**	-	**-**	-
- written down		**280**	312	**-**	-
- written off		**-**	291	**-**	-
Property, plant and equipment written off		**176**	1,868	**-**	-
Bad debt recovered		**-**	(240)	**-**	-
Loss on disposal of property, plant and equipment		**-**	111	**-**	-
Fair value gain on Investment properties		**(2,100)**	-	**(2,100)**	-
Interest income		**(857)**	(595)	**(778)**	(561)
Reversal of impairment losses on receivables		**(7)**	(20)	**-**	(8)
Unrealised gain on foreign exchange		**-**	(18)	**-**	-
Operating profit/(loss) before working capital changes		**2,960**	139	**(1,516)**	(2,268)
Increase in inventories		**(512)**	(2,608)	**-**	-
(Increase)/Decrease in trade and other receivables		**(499)**	18,401	**441**	486
Decrease in trade and other payables		**(265)**	(2,992)	**(65)**	(7)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD		**1,684**	12,940	**(1,140)**	(1,789)

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

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		Group		Company	
	Note	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES BROUGHT FORWARD		**1,684**	12,940	**(1,140)**	(1,789)
Income tax paid		**(865)**	(71)	**-**	-
Interest paid		**(412)**	(562)	**(1)**	-
Interest received		**857**	595	**778**	561
NET CASH FROM/(FOR) OPERATING ACTIVITIES		**1,264**	12,902	**(363)**	(1,228)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Additional investment in Subsidiaries		**-**	-	**-**	(300)
(Advances to)/Net repayment from subsidiaries		**-**	-	**(3,147)**	1,224
Advances to associate		**(3)**	-	**(3)**	-
Purchase of prepaid lease Payment		**-**	(2,100)	**-**	-
Purchase of property, plant and equipment	33	**(9,007)**	(9,656)	**(65)**	-
Proceeds from disposal of property, plant and equipment		**-**	602	**-**	-
Proceeds from disposal of assets held for sale		**-**	24,282	**-**	24,282
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(9,010)**	13,128	**(3,215)**	25,206
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment of bankers' acceptances		**-**	(3,501)	**-**	-
Repayment of hire purchase obligations		**(92)**	-	**(8)**	-
Repayment of term loan		**(154)**	(50)	**-**	-
Treasury shares acquired		**(11)**	(1)	**(11)**	(1)
NET CASH FOR FINANCING ACTIVITIES		**(257)**	(3,552)	**(19)**	(1)
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(8,003)**	22,478	**(3,597)**	23,977
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		**38,615**	16,137	**24,658**	681
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	34	**30,612**	38,615	**21,061**	24,658

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business is at Wisma EMC, 972, Jalan Baru, 13700 Prai, Penang.

The financial statements are expressed in Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 July 2013.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 1965 in Malaysia.

3.1 These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial period, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year (Cont'd):-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

3.3 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(i) *MFRS 9 & Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures*
MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss.

(ii) *MFRS 10 & Amendments to MFRS 10: Transition Guidance*
MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control.

(iii) *MFRS 13*
MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(iv) *Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities*
The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

3. BASIS OF PREPARATION (CONT'D)

3.3 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows: (Cont'd)

(v) *Amendments to MFRS 10, MFRS 12 & MFRS 127: Investment Entities*
The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139.

(vi) *Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities*
The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities.

(vii) *Annual Improvements to MFRSs 2009 – 2011 Cycle.*
The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

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

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. However, changes in the expected level of usage and related commercial factors may impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

(ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(iii) *Impairment of Non-Financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) *Classification between Investment Properties and Owner-Occupied Properties*

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(v) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) *Write-down of Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(vii) *Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(viii) *Revaluation of Properties*

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(b) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial Instruments (Cont'd)

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial Assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables financial assets, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Held-to-maturity Investments*

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(c) **Financial Instruments (Cont'd)**

(i) *Financial Assets (Cont'd)*

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) *Financial Liabilities*

All financial liabilities are recorded initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) *Equity Instruments*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) *Treasury Shares*

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to end of the reporting period.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

The acquisitions resulted in a business combination involving common control entities is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combination.

(i) Merger Accounting for common control business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(ii) Acquisition method of accounting for non-common control business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation

(iii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iv) Acquisitions of Non-controlling Interests

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. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(v) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statements of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(g) Investments in Associates

An associate is an entity in which the Company or the Group has a long-term equity interest and over whose financial and operating policies the Company or the Group has the power to exercise significant influence through board representation. Investments in associates are stated at cost in the statement of financial position of the Company and of the Group and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable. The results of the associates are accounted for under the equity method, based on the financial statements of the associates made up to the end of the reporting period.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

(h) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Freehold land is stated at valuation less impairment losses, if any, and is not depreciated.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property, Plant and Equipment (Cont'd)

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2% - 10%
Mobile cranes and heavy vehicles	5% - 10%
Plant, machinery, tools and equipment	8% - 20%
Motor vehicles and forklifts	10% - 20%
Office equipment, renovation, furniture and fittings	10% - 33%

Freehold land and buildings are revalued periodically, at least once in every five years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment

(i) *Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of 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 through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) *Impairment of Non-Financial Assets*

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(j) Prepaid Lease Payments

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the profit or loss on a straight-line basis over the remaining lease terms.

(k) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(h) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(l) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 4(h) to the financial statements.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(m) Revaluation Reserve

Surpluses arising from the revaluation of properties are credited to the revaluation reserve account. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are charged to the profit or loss.

In the year of disposal of the revalued asset, the attributable remaining revaluation surplus is transferred from the revaluation reserve account to retained profits.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for obsolete, slow-moving and defective inventories.

The cost of consumable stores and trading goods are determined on the first-in-first-out basis and comprises the purchase price and incidentals incurred in bringing such items to their present location and condition.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is 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 at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are 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. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(r) Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(s) Revenue Recognition

(i) *Sale of Goods*

Revenue is recognised upon delivery of goods and customers' acceptance, and where applicable, net of returns and trade discounts.

(ii) *Services*

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) *Interest Income*

Interest income is recognised on accrual basis, based on the effective yield on the investment.

(iv) *Rental and Management Fee*

Rental and management fee are recognised on an accrual basis.

(t) Employee Benefits

(i) *Short-term Benefits*

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) *Defined Contribution Plans*

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) *Termination Benefits*

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other Group's other components. An operating segment's operating results are reviewed regularly by the board of directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Non-Current Assets Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Upon classification as held for sale, non-current assets or components of a disposal group are not depreciated and are measured at the lower of their carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

(x) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land And Buildings RM'000	Short-Term Leasehold Buildings RM'000	Mobile Crane And Heavy Vehicles RM'000	Plant, Machinery, Tools And Equipment RM'000	Motor Vehicles And Forklifts RM'000	Office Equipment, Renovation, Furniture And Fittings RM'000	Work-in Progress RM'000	Total RM'000
Net book value as at 1.4.2012	**8,213**	**8,547**	**-**	**1,000**	**4,444**	**27,958**	**-**	**50,162**
Additions	**22,000**	**357**	**-**	**-**	**685**	**5,325**	**-**	**28,367**
Written off	**-**	**-**	**-**	**-**	**-**	**(176)**	**-**	**(176)**
Impairment loss	**-**	**-**	**-**	**(100)**	**(499)**	**(356)**	**-**	**(955)**
Transferred to assets held for sale (Note 16)	**-**	**-**	**-**	**(900)**	**-**	**-**	**-**	**(900)**
Depreciation charge	**(39)**	**(201)**	**-**	**-**	**(999)**	**(4,166)**	**-**	**(5,405)**
Net book value as at 31.3.2013	**30,174**	**8,703**	**-**	**-**	**3,631**	**28,585**	**-**	**71,093**
Net book value as at 1.1.2011	8,263	7,000	111	1,228	3,634	24,233	9,427	53,896
Additions	-	-	-	-	1,921	2,747	4,988	9,656
Transfer	-	2,808	-	-	-	9,500	(13,067)	(759)
Disposals	-	-	-	(2)	-	(711)	-	(713)
Written off	-	-	-	-	-	(520)	(1,348)	(1,868)
Impairment loss	-	(1,032)	(90)	(226)	(250)	(2,467)	-	(4,065)
Depreciation charge	(50)	(229)	(21)	-	(861)	(4,824)	-	(5,985)
Net book value as at 31.3.2012	8,213	8,547	-	1,000	4,444	27,958	-	50,162

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold Land And Buildings RM'000	Short-Term Leasehold Buildings RM'000	Mobile Crane And Heavy Vehicles RM'000	Plant, Machinery, Tools And Equipment RM'000	Motor Vehicles And Forklifts RM'000	Office Equipment, Renovation, Furniture And Fittings RM'000	Work-in Progress RM'000	Total RM'000
As at 31.3.2013								
At cost	**3,000**	**10,165**	**208**	**18**	**8,802**	**43,667**	**-**	**65,860**
At valuation	**27,921**	**-**	**-**	**-**	**-**	**-**	**-**	**27,921**
Accumulated impairment losses	**-**	**(1,032)**	**(90)**	**-**	**(749)**	**(2,823)**	**-**	**(4,694)**
Accumulated depreciation	**(747)**	**(430)**	**(118)**	**(18)**	**(4,422)**	**(12,259)**	**-**	**(17,994)**
Net book value	**30,174**	**8,703**	**-**	**-**	**3,631**	**28,585**	**-**	**71,093**
As at 31.3.2012								
At cost	-	9,808	208	3,829	8,117	38,535	-	60,497
At valuation	8,921	-	-	-	-	-	-	8,921
Accumulated impairment losses	-	(1,032)	(90)	(926)	(250)	(2,467)	-	(4,765)
Accumulated depreciation	(708)	(229)	(118)	(1,903)	(3,423)	(8,110)	-	(14,491)
Net book value	8,213	8,547	-	1,000	4,444	27,958	-	50,162

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold Land And Buildings RM'000	Short-Term Leasehold Buildings RM'000	Mobile Crane And Heavy Vehicles RM'000	Plant, Machinery, Tools And Equipment RM'000	Motor Vehicles And Forklifts RM'000	Office Equipment, Renovation, Furniture And Fittings RM'000	Total RM'000
Carrying value, had the assets been carried at cost less accumulated depreciation and impairment losses, at							
- 2013	**5,231**	**-**	**-**	**-**	**-**	**-**	**5,231**
- 2012	5,249	-	-	-	-	-	5,249

	Freehold Land And Buildings RM'000	Motor Vehicle RM'000	Office Equipment, Furniture and Fittings RM'000	Total RM'000
Company				
Net book value as at 1.4.2012	6,063	-	14	6,077
Addition	-	125	-	125
Depreciation charge	(39)	(13)	(3)	(55)
Net book value as at 31.3.2013	6,024	112	11	6,147
Net book value as at 1.1.2011	6,112	-	24	6,136
Depreciation charge	(49)	-	(10)	(59)
Net book value as at 31.3.2012	6,063	-	14	6,077
As at 31.3.2013				
At cost	-	125	996	1,121
At valuation	6,786	-	-	6,786
Accumulated depreciation	(762)	(13)	(985)	(1,760)
Net book value	6,024	112	11	6,147

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold Land And Buildings RM'000	Motor Vehicle RM'000	Office Equipment, Furniture and Fittings RM'000	Total RM'000
As at 31.3.2012				
At cost	-	-	996	996
At valuation	6,786	-	-	6,786
Accumulated depreciation	(723)	-	(982)	(1,705)
Net book value	6,063	-	14	6,077
Carrying value, had the assets been carried at cost less accumulated depreciation and impairment losses, at				
- 2013	3,081	-	-	3,081
- 2012	3,099	-	-	3,099

The freehold land and buildings were revalued in year 2008 by the directors using the open market value basis based on the comparison method carried out by an independent firm of professional valuers.

Included in the property, plant and equipment of the Group are freehold land and buildings with a total carrying value of RM19 million which were acquired by way of a debt settlement agreement with a third party as disclosed in Note 12 (b) to the financial statements.

6. PREPAID LEASE PAYMENTS

	Group	
	2013 RM'000	**2012 RM'000**
Carrying amount	**2,100**	2,100
Accumulated amortisation	**(428)**	(194)
Net book value	**1,672**	1,906
Accumulated amortisation:-		
At start of financial year/period	**(194)**	-
Amortisation for the financial year/period	**(234)**	(194)
At end of financial year/period	**(428)**	(194)

The prepaid lease payments of the Group represent the exclusive rights to carry out trading businesses in the premises of a third party.

7. INVESTMENT PROPERTIES

	Group/Company 2013 RM'000	Group/Company 2012 RM'000
At fair value:		
At start of financial year/period	**2,151**	2,151
Fair value gain	**2,100**	-
At end of financial year/period	**4,251**	2,151

Investment properties represent commercial properties leased to third parties.

During the financial year, the investment properties were revalued based on valuation carried out by an independent firm of professional valuers using the comparison method.

Included in the statements of comprehensive income relating to investment properties during the financial year/period are the following items:

	Group/Company 1.4.2012 to 31.3.2013 RM'000	Group/Company 1.1.2011 to 31.3.2012 RM'000
Rental income	**284**	315
Direct operating expenses	**59**	96

8. INVESTMENTS IN SUBSIDIARIES

	Group 2013 RM'000	Group 2012 RM'000
Unquoted shares, at cost	**137,190**	137,190
Impairment loss:-		
At start of financial year/period	**(75,946)**	(12,140)
Addition during the financial year/period	**(7,912)**	(63,806)
At end of financial year/period	**(83,858)**	(75,946)
	53,332	61,244

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name Of Company	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Sanbumi Sawmill Sdn. Bhd.	**100**	100	Timber log traders.
Akalaju Sdn. Bhd.	**100**	100	Dormant.
Sanbumi Wood Processing Sdn. Bhd. *	**100**	100	Dormant.
Nouvelle Hotel (KL) Sdn. Bhd.*	**100**	100	Hotelier.
Nouvelle Hotel (Kulai) Sdn. Bhd*	**100**	100	Hotelier.
Mirim Timber Sdn. Bhd. *	**100**	100	Dormant.
EMC Cranes Sdn. Bhd.	**100**	100	Dormant.
EMC Cranes (K.L.) Sdn. Bhd.	**78.50**	78.50	Dormant.
EMC Capital Sdn. Bhd.	**100**	100	Insurance agent.
EMC Containers Sdn. Bhd.	**70**	70	Dormant.
Sanbumi Capital Sdn. Bhd. (formerly known as EMC Warehouse Services Sdn. Bhd.)	**100**	100	Dormant
EMC Marketing Sdn. Bhd.	**100**	100	Trading in industrial equipment, supplies and lubricants.
Sanbumi Holiday Sdn. Bhd.	**100**	100	Travel agent.
Sanbumi Air Transport Sdn. Bhd.	**100**	100	Carrier, transport provider and travel agent.
Pewter Art Industries (M) Sdn. Bhd.	**100**	100	Trading in pewterware and souvenirs.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows (Cont'd):-

Name Of Company	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Tourism Information Centre Sdn. Bhd.	**100**	100	Trading in local products, operating restaurant and engaged in business relating to tourism industry.
Sri Dondang Restaurant Sdn. Bhd.	**100**	100	Dormant.
Fine Taste Products (KL) Sdn. Bhd. (Formerly known as North South Hotel Sdn. Bhd.)	**100**	100	Trading in local cottage industry Products primarily relating to tourism industry.
Nouvelle Hotel Sdn. Bhd.	**100**	100	Hotelier.
Fine Taste Products Sdn. Bhd.	**100**	100	Trading in local cottage industry products primarily relating to tourism industry.
Sinoreno Jewellery Sdn. Bhd.	**100**	100	Trading in costume jewellery primarily relating to tourism industry.
Tropiks Products Sdn. Bhd.	**100**	100	Trading in local cottage industry products primarily relating to tourism industry.
Fine Pewterware (KL) Sdn. Bhd. (Formerly known as M3 Station (SB) Sdn. Bhd.)	**100**	100	Trading in pewterware and souvenirs.
Nouvelle Restaurant Sdn. Bhd.	**100**	100	Dormant.

* Interest held by Sanbumi Sawmill Sdn. Bhd.

The Company assessed the recoverable amount of the investment in the subsidiaries and determined that an impairment loss should be recognised as the recoverable amount is lower than the carrying value. The recoverable amount of the cash-generating unit is determined using the fair value less cost to sell approach, and this is derived from the net assets position of the respective subsidiaries as at end of the reporting period.

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares, at Cost	**637**	637	**637**	637
Impairment loss	**-**	-	**(637)**	(637)
	637	637	**-**	-
Share of post-acquisition accumulated losses	**(637)**	(637)	**-**	-
	-	-	**-**	-

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

	2013 RM'000	2012 RM'000
Assets and Liabilities		
Current assets	**104**	120
Current liabilities	**1,452**	1,465

	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000
Results		
Loss for the financial year/period	**(2)**	(4)

Details of the associate, which is incorporated in Malaysia, are as follows:-

Name Of Company	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activity
Ferrotrans Sdn. Bhd.	**49**	49	Dormant.

The Group has discontinued the recognition of its share of losses of the associate because the share of losses had exceeded the Group's interest in the associate. The Group's unrecognised cumulative share of losses of the associate amounted to RM42,893 (2012 – RM41,916) at the end of the reporting period.

10. INVENTORIES

	Group	
	2013 RM'000	2012 RM'000
At Cost		
Goods held for resale	**2,599**	2,483
At Net Realisable Value		
Consumable stores	**39**	520
	2,638	3,003

11. TRADE RECEIVABLES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables	**12,262**	13,122	**286**	318
Allowance for impairment losses				
At start of financial year/period	**(9,105)**	(7,875)	**-**	-
Addition for the financial year/period	**(810)**	(1,622)	**(200)**	-
Writeoff during the financial year/period	**145**	380	**-**	-
Reversal of allowance no longer required	**7**	12	**-**	-
At end of financial year/period	**(9,763)**	(9,105)	**(200)**	-
	2,499	4,017	**86**	318

The Group's normal trade credit terms vary from cash terms to 90 days.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Current				
Other receivables, deposits and prepayments	**22,683**	40,474	**2,106**	2,515
Allowance for impairment losses				
At start of financial year/period	**(11,135)**	(11,143)	**(961)**	(969)
Addition for the financial year/period	**(1,238)**	-	**-**	-
Reversal of allowance no longer required	**-**	8	**-**	8
At end of financial year/period	**(12,373)**	(11,135)	**(961)**	(961)
	10,310	29,339	**1,145**	1,554

Included in other receivables, deposits and prepayments of the Group are the following:

(a) an amount of RM 6 million being the total cash consideration deposited with the solicitor as stakeholder for the acquisition of certain properties in Melaka.

On 29 June 2012, Nouvelle Restaurant Sdn. Bhd., a wholly-owned subsidiary, entered into a Sale and Purchase Agreement ("the Agreement") with a third party for the purchase of two (2) pieces of leasehold land situated in Mukim Durian Tunggal, Melaka, for a total cash consideration of RM6 million. The Group disbursed the full payment of RM6 million to its solicitor as stakeholder for the acquisition. As at the end of the reporting period, the Agreement is pending completion subject to fulfillment of certain conditions precedent.

As at the date of this report, the conditions precedent as stipulated in the Agreement have yet to be fulfilled.

(b) in the previous financial period, an amount of RM23.25 million in relation to log purchase advances was owed by two (2) log supplier namely Saingan Mewah Sdn. Bhd. ("SMSB") and Wasiat Pasifik Sdn. Bhd. ("WPSB").

On 5 July 2012, the Group received a letter from Datuk Lim Yen Ngiap ("Datuk Lim"), stating that he has taken over control of SMSB and WPSB, and proposed a repayment schedule for the settlement of the balances of the log advances owing to the Group by SMSB and WPSB of RM11.86 million and RM11.39 million, respectively.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

On 24 July 2012, the Group entered into an agreement ("the Agreement") with Datuk Lim for the payment of the total debts due to the Group by SMSB and WPSB totalling RM23.25 million ("the Debts"). The salient terms of the Agreement were as follows:

(i) a sum of RM5 million shall be paid to the Group upon the execution of the Agreement;

(ii) the remaining balance of RM18.25 million shall be paid to the Group within the next (6) months from the date of the Agreement ("the Second Payment"). As a guarantee for the Second Payment, a property situated in Seberang Perai Tengah, Pulau Pinang, comprising a land area of 6,595 square meters ("the said Property") shall be pledged to the Group as a collateral and the Group is at liberty to lodge Lien Holder's Caveat on the said Property; and

(iii) no extension of time will be granted in respect of the Second Payment due to the Group.

Datuk Lim has reduced the debts to RM18.25 million by a repayment of RM5 million upon execution of the Agreement during the current financial year.

However, at the expiry of the prescribed date of the Agreement, Datuk Lim failed to remit the payment for the remaining balance of RM18.25 million. As a result, the Group exercised its right not to grant further extension and instructed its solicitor to proceed and take full possession of the collateral and effect its transfer in favour of the Group in accordance with the terms of the Agreement and as full repayment on the remaining outstanding balances owing by SMSB and WPSB to the Group.

At the date of this report, the title of the said Property has been registered under the Group as its owner.

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2013 RM'000	**2012 RM'000**
Amount owing by:-		
Non-current		
Quasi loans	**7,800**	7,800
Current		
Non-trade balances	**31,441**	24,241
Allowance for impairment losses		
At start of financial year/period	**(7,198)**	(5,653)
Addition for the financial year/period	**(62)**	(1,545)
At end of financial year/period	**(7,260)**	(7,198)
	24,181	17,043
	31,981	24,843
Amount owing to:-		
Current		
Non-trade balances	**(4,078)**	(25)

(a) Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

(b) The non-trade balances represent unsecured interest-free advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

14. AMOUNT OWING BY AN ASSOCIATE

	Group/Company	
	2013 RM'000	**2012 RM'000**
Amount owing by an associate	**1,014**	1,011
Impairment losses	**(1,011)**	(1,011)
	3	-

The amount owing is non-trade in nature, unsecured and interest-free.

15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits bore effective interest rates ranging from 3.0% to 3.35% (2012 – 3.0% to 3.55%) per annum at the end of the reporting period. The fixed deposits have maturity periods ranging from 1 to 12 months (2012 – 1 to 15 months).

16. NON-CURRENT ASSETS HELD FOR SALE

The details of the non-current assets held for sale during financial year/period were as follows:

		Group	
	Note	**2013**	**2012**
		RM'000	**RM'000**
Non-current assets held for sale			
Property, plant and equipment (Note 5)	(a)	**900**	-

The carrying amount of the property, plant and equipment held for sale were as follows:-

	Group	
	2013	**2012**
	RM'000	**RM'000**
Note (a)		
At cost	**3,800**	-
Accumulated depreciation	**(1,824)**	-
Accumulated impairment losses	**(1,076)**	-
	900	-

17. SHARE CAPITAL

	Company			
	2013	**2012**	**2013**	**2012**
	Number Of Shares ('000)		**RM'000**	**RM'000**
Ordinary Shares of RM1 Each:-				
Authorised	**250,000**	250,000	**250,000**	250,000
Issued and Fully Paid-Up	**189,238**	189,238	**189,238**	189,238

18. RETAINED PROFITS (ACCUMULATED LOSSES)

	Pre-Merger Profit/(Loss)			
	The Company And Its Subsidiaries Accounted For Under Acquisition Method Of Accounting RM'000	Subsidiaries Accounted For Under Merger Accounting RM'000	Post-Merger Profit RM'000	Total RM'000
Group				
Balance at 1.1.2011	(24,880)	51,807	8,946	35,873
Realisation of revaluation reserve	-	-	1,318	1,318
Current period loss	-	-	(13,503)	(13,503)
Balance at 31.3.2012/1.4.2012	(24,880)	51,807	(3,239)	23,688
Current year loss	-	-	(5,071)	(5,071)
Balance at 31.3.2013	(24,880)	51,807	(8,310)	18,617

19. TREASURY SHARES

During the financial year, the Company purchased 42,700 of its issued ordinary shares from the open market at an average price of RM0.249 per share. The total consideration paid for the purchase including transaction costs amounted to RM10,749. The purchase transactions were financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965, and presented as a deduction from shareholders' equity.

Of the total 189,238,348 (2012 - 189,238,348) issued and fully paid-up ordinary shares as at the end of the reporting period, 15,104,500 ordinary shares (2012 – 15,056,800) are held as treasury shares by the Company. None of the treasury shares was resold or cancelled during the financial period.

20. OTHER RESERVES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Share Premium	**14,788**	14,788	**14,788**	14,788
Revaluation Reserve	**5,038**	5,038	**5,038**	5,038
Capital Reserve	**1,582**	1,582	**-**	-
	21,408	21,408	**19,826**	19,826

The revaluation reserve comprises:-

Surplus on revaluation of property, plant and equipment				
At 1.4.2012/1.1.2011	**5,038**	6,356	**5,038**	6,356
Realisation during the financial year/period	**-**	(1,318)	**-**	(1,318)
At 31.3.2013/31.3.2012	**5,038**	5,038	**5,038**	5,038

The capital reserve represents post-acquisition profits in subsidiaries utilised for the issue of bonus shares by certain subsidiaries.

The other reserves are not distributable by way of dividends.

21. MERGER DEFICIT

	Group	
	2013 RM'000	2012 RM'000
Non-Distributable		
Arising from the merger with Sanbumi Sawmill Sdn. Bhd. and Akalaju Sdn. Bhd.	**(109,628)**	(109,628)

The merger deficit relates to the difference between the nominal value of shares issued for the purchase of the subsidiaries amounting to RM127,628,623 and the nominal value of the shares acquired amounting to RM18,000,000.

22. LONG-TERM BORROWINGS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Term loan (Note 24)	**4,623**	4,770	**-**	-
Hire purchase payables (Note 25)	**148**	-	**32**	-
	4,771	4,770	**32**	-

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1.4.2012/1.1.2011	**185**	2,099	**-**	1,905
Recognised in profit or loss (Note 31)	**376**	(1,914)	**-**	(1,905)
At 31.3.2013/31.3.2012	**561**	185	**-**	-

The deferred taxation is in respect of temporary differences between depreciation and capital allowances on the qualifying cost of equipment.

24. TERM LOAN

	Group	
	2013 RM'000	2012 RM'000
Current portion:		
- not later than one year (Note 27)	**173**	180
Non-current portion:		
- later than one year and not later than two years	**187**	195
- later than two years and not later than five years	**666**	693
- later than five years	**3,770**	3,882
Total non-current portion (Note 22)	**4,623**	4,770
	4,796	4,950

The term loan of the Group bore an effective interest rate of 8.35% (2012 - 8.35%) per annum at the end of the reporting period and is secured by:

(i) a personal guarantee of a director of the Group; and

(ii) a corporate guarantee of the Company.

The term loan is repayable in 179 instalments of RM47,208 each and a final instalment of RM46,902, commencing December 2011.

25. HIRE PURCHASE PAYABLES

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Minimum hire purchase payments:				
- not later than one year	**129**	-	**22**	-
- later than one year but not later than five years	**159**	-	**34**	-
	288	-	**56**	-
Future finance charges	**(20)**	-	**(4)**	-
Present value of hire purchase payables	**268**	-	**52**	-
The net hire purchase payables are repayable as follows:-				
Current:				
- not later than one year (Note 27)	**120**	-	**20**	-
Non-current (Note 22):				
- later than one year and not later than five years	**148**	-	**32**	-
	268	-	**52**	-

The effective interest rates of the hire purchase payables of the Group ranged from 4.55% to 5.02% per annum at the end of the reporting period.

26. TRADE PAYABLES

The normal trade credit terms granted to the Group range from cash terms to 90 days.

27. SHORT-TERM BORROWINGS

	Group		Company	
	2013 RM'000	**2012 RM'000**	**2013 RM'000**	**2012 RM'000**
Term loan (Note 24)	**173**	180	**-**	-
Hire purchase payables (Note 25)	**120**	-	**20**	-
	293	180	**20**	-

28. REVENUE

	Group		Company	
	1.4.2012 to 31.3.2013 RM'000	**1.1.2011 to 31.3.2012 RM'000**	**1.4.2012 to 31.3.2013 RM'000**	**1.1.2011 to 31.3.2012 RM'000**
Sale of goods	**77,101**	69,583	**-**	-
Services	**7,994**	14,503	**-**	-
Rental income	**2,891**	2,517	**454**	755
Management fee	**-**	6	**-**	6
	87,986	86,609	**454**	761

29. OTHER INCOME

	Group		Company	
	1.4.2012 to 31.3.2013 RM'000	**1.1.2011 to 31.3.2012 RM'000**	**1.4.2012 to 31.3.2013 RM'000**	**1.1.2011 to 31.3.2012 RM'000**
Bad debt recovered	**-**	240	**-**	-
Fair value gain on Investment properties	**2,100**	-	**2,100**	-
Gain arising from property in lieu of debts	**750**	-	**-**	-
Interest income	**857**	595	**778**	561
Realised gain on foreign exchange	**694**	592	**-**	-
Rental income	**129**	158	**-**	-
Reversal of impairment losses on receivables	**7**	20	**-**	8
Unrealised gain on foreign exchange	**-**	18	**-**	-
Others	**159**	292	**8**	-
	4,696	1,915	**2,886**	569

30. LOSS BEFORE TAXATION

In addition to Note 29 to the financial statements, the loss before taxation is arrived at after charging:-

	Group		Company	
	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000
Impairment losses on receivables	**2,048**	1,622	**200**	-
Amortisation of prepaid lease payments	**234**	194	**-**	-
Allowance for slow-moving inventories	**597**	-	**-**	-
Audit fee				
- for the current financial year/period	**171**	172	**36**	33
- (over)/underprovision in the previous financial period/year	**(15)**	(2)	**-**	3
Bad debts written off	**5**	177	**-**	-
Depreciation of property, plant and equipment	**5,405**	5,985	**55**	59
Directors' fees	**225**	315	**225**	315
Directors' other emoluments	**702**	878	**702**	878
Interest expense:				
- hire purchase	**1**	-	**1**	-
- bankers' acceptances	**-**	9	**-**	-
- term loan	**411**	553	**-**	-
Inventories written down	**280**	312	**-**	-
Impairment loss on:				
- property, plant and equipment	**955**	4,065	**-**	-
- investment in subsidiaries	**-**	-	**7,912**	63,806
- amount owing by subsidiaries	**-**	-	**62**	1,545
Loss on disposal of property, plant and equipment	**-**	111	**-**	-
Realised loss on foreign exchange	**-**	6	**-**	-
Rental of equipment	**22**	110	**-**	-
Rental of premises	**5,468**	5,493	**88**	108
Staff costs:				
- salaries, wages, bonuses, and allowances	**5,007**	5,707	**348**	420
- defined contribution plan	**470**	594	**47**	59
- other benefits	**427**	530	**20**	19
Inventories written off	**-**	291	**-**	-
Property, plant and equipment written off	**176**	1,868	**-**	-

31. INCOME TAX EXPENSE

	Group		Company	
	1.4.2012 to 31.3.2013 RM'000	**1.1.2011 to 31.3.2012 RM'000**	**1.4.2012 to 31.3.2013 RM'000**	**1.1.2011 to 31.3.2012 RM'000**
Current tax expense:				
- for the financial year/period	**1,001**	1,250	**-**	-
- (over)/underprovision in the previous financial period/year	**(499)**	12	**-**	-
	502	1,262	**-**	-
Deferred tax expense (Note 23):				
- for the current financial year/period	**152**	27	**-**	-
- under/(over)provision in the previous financial period/year	**224**	(1,941)	**-**	(1,905)
	376	(1,914)	**-**	(1,905)
	878	(652)	**-**	(1,905)

A reconciliation of the income tax expense applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	Group		Company	
	1.4.2012 to 31.3.2013 RM'000	**1.1.2011 to 31.3.2012 RM'000**	**1.4.2012 to 31.3.2013 RM'000**	**1.1.2011 to 31.3.2012 RM'000**
Loss before taxation	**(4,188)**	(14,175)	**(6,868)**	(67,109)
Tax at the statutory tax rate of 25%	**(1,047)**	(3,544)	**(1,717)**	(16,777)
Tax effects of:-				
Non-deductible expenses	**929**	634	**111**	16,391
Non-taxable gains	**(714)**	(5)	**(525)**	-
Utilisation of deferred tax assets not recognised in the previous financial period/year	**(13)**	(44)	**-**	-
Deferred tax assets not recognised during the financial year/period	**1,998**	4,195	**2,131**	386
Double deduction of expenses	**-**	41	**-**	-
(Over)/underprovision in the previous financial period/year:				
- current tax	**(499)**	12	**-**	-
- deferred tax	**224**	(1,941)	**-**	(1,905)
Income tax expense for the financial year/period	**878**	(652)	**-**	(1,905)

31. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets are recognised on the following items:-

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unutilised tax losses	**44,923**	42,695	**1,651**	1,349
Unabsorbed capital allowances	**17,953**	14,147	**2,073**	2,027
Others	**6,248**	4,340	**93,926**	85,753
	69,124	61,182	**97,650**	89,129

32. LOSS PER SHARE

The basic loss per share is calculated by dividing the loss after tax of the Group attributable to shareholders of RM5,071,572 (2012 – RM13,502,842) by the weighted average number of ordinary shares (excluding treasury shares) in issue during the financial year of 174,156,993 (2012 -174,180,112 ordinary shares in issue).

The diluted earnings per share is not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cost of property, plant and equipment purchased	**28,367**	9,656	**125**	-
Property in exchange for debt settlement (Note 12)	**(19,000)**	-	**-**	-
Amount financed through hire purchase	**(360)**	-	**(60)**	-
Cash disbursed for purchase of property, plant and equipment	**9,007**	9,656	**65**	-

34. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed deposits with licensed banks (Note 15)	**20,950**	24,650	**20,000**	23,700
Cash and bank balances	**9,662**	13,965	**1,061**	958
	30,612	38,615	**21,061**	24,658

35. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by the directors of the Company during the financial year/period in bands of RM50,000 are as follows:-

	1.4.2012 to 31.3.2013		1.1.2011 to 31.3.2012	
Group/Company	**No. of directors**	**RM'000**	**No. of directors**	**RM'000**
Directors' fee:				
Below RM50,000				
- executive directors	**2**	**72**	3	126
- non executive directors	**4**	**153**	4	189
	6	**225**	7	315
Directors' other emoluments				
Between RM350,001 and RM450,000				
- executive directors	**2**	**702**	2	878

36. RELATED PARTY DISCLOSURES

(a) Identities of related parties:-

(i) the Company has related party relationships with its subsidiaries as disclosed in Note 8 to the financial statements;

(i) the directors who are the key management personnel; and

(ii) entities controlled by certain key management personnel/directors/substantial shareholders.

(b) In addition to the information detailed elsewhere in the financial statements, the Company carried out the following transactions with its related parties during the financial year/period:

(i) Subsidiaries

	Company	
	1.4.2012 to 31.3.2013 RM'000	**1.1.2011 to 31.3.2012 RM'000**
Rental received/receivable	-	6
Management fee received/receivable	-	86

36. RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to the information detailed elsewhere in the financial statements, the Company carried out the following transactions with its related parties during the financial year/period (Cont'd):

(ii) Key Management Personnel

	Group		Company	
	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000
Short-term employee benefits	**927**	1,193	**927**	1,193

Key management personnel comprises executive and non-executive directors of the Group who have authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

37. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

(i) Tourism segment – Provision of inbound and outbound tours and ticketing services, transportation services, hospitality services and trading of souvenirs, pewterware, local cottage products and other tourism related products.
(ii) Timber segment – Timber log trading, sawmilling and manufacturing of downstream timber products.
(iii) Others – Comprises investment holding, trading, warehousing and mobile crane services, neither of which are of a sufficient size to be reported separately.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly income taxes and related expenses.

37. OPERATING SEGMENTS (CONT'D)

	Timber		Tourism Services		Others		Group	
	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000
REVENUE								
Total revenue	**-**	-	**88,933**	86,657	**493**	1,053	**89,426**	87,710
Inter-segment revenue	**-**	-	**(1,440)**	(1,009)	**-**	(92)	**(1,440)**	(1,101)
Total external revenue	**-**	-	**87,493**	85,648	**493**	961	**87,986**	86,609
RESULTS								
Segment results (external)	**(1,937)**	(2,616)	**(3,366)**	(10,020)	**683**	(1,568)	**(4,620)**	(14,204)
Finance costs							**(425)**	(566)
Interest income							**857**	595
Loss from ordinary activities before Taxation							**(4,188)**	(14,175)
Income tax expense							**(878)**	652
Loss from ordinary activities after Taxation							**(5,066)**	(13,523)
Non-controlling interests							**(5)**	20
Loss attributable to Owners							**(5,071)**	(13,503)

37. OPERATING SEGMENTS (CONT'D)

	Timber		Tourism Services		Others		Group	
	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000	1.4.2012 to 31.3.2013 RM'000	1.1.2011 to 31.3.2012 RM'000
OTHER INFORMATION								
Segment assets	**21,287**	32,101	**66,671**	58,967	**36,020**	38,125	**123,978**	129,193
Unallocated assets							**527**	713
							124,505	129,906
Segment liabilities	**293**	2,234	**12,933**	11,062	**752**	833	**13,978**	14,129
Unallocated liabilities							**2,185**	2,358
							16,163	16,487
Capital expenditure	**19,000**	-	**9,242**	9,656	**125**	-	**28,367**	9,656
Depreciation and Amortisation	**207**	382	**5,376**	5,716	**56**	81	**5,639**	6,179
Impairment loss on property, plant and equipment and investment properties	**599**	526	**356**	3,450	**-**	89	**955**	4,065
Allowance for slow-moving inventories	**-**	-	**597**	-	**-**	-	**597**	-
Inventories written down	**-**	-	**280**	312	**-**	-	**280**	312
Inventories written off	**-**	-	**-**	291	**-**	-	**-**	291
Property, plant and equipment written off	**-**	238	**176**	1,630	**-**	-	**176**	1,868

No geographical analysis has been prepared as the Group operates wholly in Malaysia.

38. CAPITAL COMMITMENT

	Group	
	2013 **RM'000**	**2012** **RM'000**
Approved and not contracted for:-		
Purchase of property, plant and equipment	**-**	130

39. NON-CANCELLABLE OPERATING LEASES

The future minimum lease payments under the non-cancellable operating leases are as follows:-

	Group	
	2013 **RM'000**	**2012** **RM'000**
Not later than one year	**3,150**	3,000
Later than one year and not later than five years	**17,380**	13,320
Later than five year	**1,210**	8,470
Total	**21,740**	24,790

40. CONTINGENT LIABILITY – UNSECURED

	Company	
	2013 **RM'000**	**2012** **RM'000**
Corporate guarantee given to licensed banks for banking facilities utilised by subsidiaries	**8,000**	8,000

41. FOREIGN EXCHANGE RATES

The principal closing exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the reporting period are:-

	Group	
	2013	**2012**
Chinese Renminbi	**0.50**	0.49
Hong Kong Dollar	**0.40**	0.40
United States Dollar	**3.09**	3.06
Singapore Dollar	**2.50**	2.44

42. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Chinese Renminbi, Hong Kong Dollar, United States Dollar and Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency is as follows:-

The Group	Chinese Renminbi RM'000	Hong Kong Dollar RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
At 2013						
Financial assets						
Trade receivables	-	-	-	-	2,499	2,499
Other receivables and deposits	-	-	-	-	9,619	9,619
Amount owing by an assocaite	-	-	-	-	3	3
Fixed deposits with licensed banks	-	-	-	-	20,950	20,950
Cash and bank balances	61	-	1	2	9,598	9,662
	61	-	1	2	42,669	42,733
Financial liabilities						
Hire purchase payables	-	-	-	-	268	268
Term loan	-	-	-	-	4,796	4,796
Trade payables	-	145	12	-	2,242	2,399
Other payables and accruals	-	-	-	-	6,515	6,515
	-	145	12	-	13,821	13,978
Net financial assets/(liabilities)	61	(145)	(11)	2	28,848	28,755
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	-	-	(28,848)	(28,848)
Currency exposure	61	(145)	(11)	2	-	(93)

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency is as follows:-

The Group	Chinese Renminbi RM'000	Hong Kong Dollar RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
At 2012						
Financial assets						
Trade receivables	-	-	-	-	4,017	4,017
Other receivables and deposits	-	-	-	-	28,753	28,753
Fixed deposits with licensed banks	-	-	-	-	24,650	24,650
Cash and bank balances	348	66	77	20	13,454	13,965
	348	66	77	20	70,874	71,385
Financial liabilities						
Term loan	-	-	-	-	4,950	4,950
Trade payables	-	104	34	-	2,948	3,086
Other payables and accruals	-	-	-	-	6,093	6,093
	-	104	34	-	13,991	14,129
Net financial assets/(liabilities)	348	(38)	43	20	56,883	57,256
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	-	-	(56,883)	(56,883)
Currency exposure	348	(38)	43	20	-	373

Foreign currency risk sensitivity analysis

A 10% strengthening/weakening of the RM against the Chinese Renminbi, Hong Kong Dollar, United States Dollar and Singapore Dollar as at the end of the reporting period would have no material impact on loss after taxation and/or equity. This assumes that all other variables remain constant.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 42(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

A change of 100 basis points (bp) strengthening/weakening in the interest rate as at the end of the reporting period would have no material impact on loss after taxation and/or equity. This assumes that all other variables remain constant.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group does not has any major concentration of credit risk related to any individual customers or counterparty.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
2013			
Not past due	842	-	842
Past due:-			
- less than 2 months	410	-	410
- 2 to 5 months	308	-	308
- over 5 months	10,702	(9,763)	939
	12,262	(9,763)	2,499

Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
2012			
Not past due	1,245	-	1,245
Past due:-			
- less than 2 months	288	-	288
- 2 to 5 months	531	-	531
- over 5 months	11,058	(9,105)	1,953
	13,122	(9,105)	4,017

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are due from companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analyses to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 180 days, which are deemed to have higher credit risk, are monitored individually.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

Group	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
2013						
Term loan	8.35	4,796	8,474	566	2,266	5,642
Hire purchase payables	4.55 - 5.02	268	288	129	159	-
Trade payables	-	2,399	2,399	2,399	-	-
Other payables and accruals	-	6,515	6,515	6,515	-	-
		13,978	17,676	9,609	2,425	5,642

42. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

Group	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
2012						
Term loan	8.35	4,950	8,589	586	2,928	5,075
Trade payables	-	3,086	3,086	3,086	-	-
Other payables and accruals	-	6,093	6,093	6,093	-	-
		14,129	17,768	9,765	2,928	5,075

Company	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000
2013					
Hire purchase payables	5.02	52	56	22	34
Other payables and accruals	-	492	492	492	-
Amount owing to subsidiaries	-	4,078	4,078	4,078	-
		4,622	4,626	4,592	34

Company	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
2012				
Other payables and accruals	-	557	557	557
Amount owing to subsidiaries	-	25	25	25
		582	582	582

42. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total debts.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

(c) Classification Of Financial Instruments

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Financial assets				
Loans and receivables financial assets				
Trade receivables	**2,499**	4,017	**86**	318
Other receivables and deposits	**9,619**	28,753	**846**	1,334
Amount owing by subsidiaries	**-**	-	**24,181**	17,043
Amount owing by an associate	**3**	-	**3**	-
Fixed deposits with licensed banks	**20,950**	24,650	**20,000**	23,700
Cash and bank balances	**9,662**	13,965	**1,061**	958
	42,733	71,385	**46,177**	43,353
Financial liabilities				
Other financial liabilities				
Term loan	**4,796**	4,950	**-**	-
Hire purchase payables	**268**	-	**52**	
Trade payables	**2,399**	3,086	**-**	-
Other payables and accruals	**6,515**	6,093	**492**	557
Amount owing to subsidiaries	**-**	-	**4,078**	25
	13,978	14,129	**4,622**	582

42. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

The interest rates used to discount estimated cash flows, where applicable, are as follows:-

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Hire purchase payables	**4.55 - 5.02**	-	**5.02**	-

(iii) The carrying amount of the term loan approximated its fair value as this instrument bear interest at variable rates.

(e) Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2013, there were no financial instruments carried at fair values.

43. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 24 July 2012, the Group entered into a settlement agreement with a third party to recover the log purchase advances from two (2) suppliers amounting to RM23.25 million as disclosed in Note 12 (b) to the financial statements.

44. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	Group		Company	
	1.4.2012 to 31.3.2013 RM'000	**1.1.2011 to 31.3.2012 RM'000**	**1.4.2012 to 31.3.2013 RM'000**	**1.1.2011 to 31.3.2012 RM'000**
Total retained profits/accumulated losses				
- realised	**(29,279)**	(32,957)	**(84,341)**	(77,473)
- unrealised	**(561)**	(203)	**-**	-
	(29,840)	(33,160)	**(84,341)**	(77,473)
Less: Consolidation adjustments	**48,457**	56,848	**-**	-
	18,617	23,688	**(84,341)**	(77,473)

Shareholding Statistics and Analysis

AS AT 25 JULY 2013

SHARE CAPITAL

Authorised Share Capital	:	RM250,000,000
Issued and Paid-up Capital	:	RM189,238,348 (Inclusive of 15,104,500 Treasury Shares)
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	One vote per ordinary share

SUBSTANTIAL SHAREHOLDERS

In accordance with the Register of Substantial Shareholders, the Substantial Shareholders and their shareholdings as at 25 July 2013 are as follows:-

	Direct		Indirect	
Name of Substantial Shareholders	**No of shares**	**%**	**No of shares**	**%**
Tan Sri Datuk Chai Kin Kong	8,694,070	4.99	2,198,113*	1.26
Dato' Chua Tiong Moon	11,250,362	6.46	2,198,113*	1.26

* Deemed interest by virtue of Tan Sri Datuk Chai Kin Kong and Dato' Chua Tiong Moon having not less than fifteen percent of the voting shares in Equal Accord Sdn Bhd which has a direct interest in the Company.

DIRECTORS' SHAREHOLDINGS

In accordance with the Register of Directors' Shareholdings, the Directors and their shareholdings as at 25 July 2013 are as follows:-

	Direct		Indirect	
Name of Directors	**No of shares**	**%**	**No of shares**	**%**
Tan Sri Datuk Chai Kin Kong	8,694,070	4.99	2,198,113*	1.26
Dato' Chua Tiong Moon	11,250,362	6.46	2,198,113*	1.26
Dato' Rahadian Mahmud bin Mohammad Khalil	-	-	-	-
Ir. Zainurin bin Karman	-	-	-	-
Lim Thian Loong	-	-	-	-
Lee See Hong (Ms)	-	-	-	-

* Deemed interest by virtue of Tan Sri Datuk Chai Kin Kong and Dato' Chua Tiong Moon having not less than fifteen percent of the voting shares in Equal Accord Sdn Bhd which has a direct interest in the Company.

Shareholding Statistics and Analysis

ANALYSIS OF SHAREHOLDINGS BY RANGE GROUPS

	No. of shares	% of Issued Capital	No. of Shareholders	% Over Total Shareholders
1 – 99	475	-	15	0.278
100 – 1,000	879,940	0.505	917	17.044
1,001 – 10,000	15,662,131	8.994	3,034	56.394
10,001 – 100,000	40,356,600	23.175	1,226	22.788
100,001 – 8,706,691	117,234,702	67.324	188	3.494
8,706,692 and Above	-	-	-	-
	174,133,848	100.000	5,380	100.000

LIST OF THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

No.	Name of Shareholders	No. of Shares	%
1.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TIONG MOON	6,591,900	3.785
2.	RHB NOMINEES (ASING) SDN BHD OSK ASIA SECURITIES LTD FOR BIOVENTURE LIMITED	5,000,000	2.871
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KIN KONG	4,822,300	2.769
4.	EVERGREEN CITY HOLDINGS SDN BHD	4,779,200	2.744
5.	AIBB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA TIONG MOON (MU001)	4,658,400	2.675
6.	FINE TASTE LOCAL PRODUCTS INDUSTRIES SDN BHD	4,326,000	2.484
7.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FINE TASTE LOCAL PRODUCTS INDUSTRIES SDN BHD	4,261,900	2.447
8.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KOK AUN	4,044,100	2.322
9.	AIBB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JULUNG PRESTASI SDN BHD (M0015)	3,939,700	2.262
10.	GOLDMATRIX RESOURCES SDN BHD	3,460,400	1.987
11.	ECML NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KIN KONG (021)	3,366,700	1.933
12.	EVERGREEN 2000 SDN BHD	2,828,000	1.624
13.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHU YOKE HUA	2,333,400	1.340

LIST OF THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors) (Cont'd)

No.	Name of Shareholders	No. of Shares	%
14.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EQUAL ACCORD SDN BHD	2,198,100	1.262
15.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YEOW WAH (MG0231-019)	2,188,100	1.256
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAN SINGH A/L SHAM SINGH	2,100,000	1.205
17.	CHAO KOON WAN	1,990,000	1.142
18.	GOH KHENG HOCK	1,950,000	1.119
19.	RHB NOMINEES (ASING) SDN BHD DMG & PARTNERS SECURITIES PTE LTD FOR SHINING VICTORY GLOBAL LTD (93819)	1,910,000	1.096
20.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI KIEW @ TAI CHOON CHYE	1,746,800	1.003
21.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NUMINA GEM SDN BHD	1,572,200	0.902
22.	TEOH HOOI BIN	1,265,200	0.726
23.	CHEW POO	1.121,500	0.644
24.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG VUN KON @ CHUNG VUN KON (TWU)	1,015,000	0.582
25.	CHAN CHUI KUAN	953,900	0.547
26.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SII HEE KANG (STA 1)	909,600	0.522
27.	DELTA CYCLE SDN BHD	894,100	0.513
28.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE CHOON @ WONG SEE CHOON	823,000	0.472
29.	NOORAZMAN BIN ADNAN	755,000	0.433
30.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD LEE LEONG LAI (T-471274)	750,000	0.430
	TOTAL	78,554,500	45.111

Particulars of Properties Held

Summary of landed properties owned as at 31 March 2013.

Owner	Location	Tenure	Existing Use	Land area Sq.ft.	Approx. age of building (Years)	Fair Value as at 31.3.13 RM'000	Last Revaluation
Sanbumi Holdings Berhad ("SHB")	Lot 2071 Mukim 6 Seberang Prai Tengah, Pulau Pinang	Freehold	a) 4 storey office building	84,419	34	5,181	2008
			b) 1 storey workshop		34	601	2013
SHB	Part of Lot 3423 Mukim 6 Seberang Prai Tengah, Pulau Pinang	Freehold	Storage yard	55,626	N.A.	1,650	2013
SHB	Lot 1590, 1595 & 1598 Mukim 17 Sg. Lembu Seberang Prai Tengah, Pulau Pinang	Freehold	Vacant land	441,263	N.A.	1,410	2008
SHB	Lot 739 Section 16 Georgetown, Daerah Timur-laut Pulau Pinang	Freehold	2 storey shophouse	2,292	>50	2,000	2013
EMC Cranes Sdn Bhd	Lot 451 Mukim 17 Sg Lembu Seberang Prai Tengah, Pulau Pinang	Freehold	Vacant land	795,231	N.A.	2,150	2008
Nouvelle Hotel (Kulai) Sdn Bhd	H.S.(D) 51225-51238 & 51264-51276 Mukim Kulai, Daerah Kulaijaya, Johor	Freehold	14 pieces of vacant land and 13 units of 3 storey shop offices	44,784	2	8,547	-

Particulars of Properties Held

Owner	Location	Tenure	Existing Use	Land area Sq.ft.	Approx. age of building (Years)	Fair Value as at 31.3.13 RM'000	Last Revaluation
Nouvelle Hotel Sdn Bhd	Lot 6057 to Lot 6080 Mukim Pasir Panjang Port Dickson, Negeri Sembilan	Freehold	Vacant land	51,817	N.A.	3,000	-
Nouvelle Restaurant Sdn Bhd	H.S.(D) 19190-19192, Lot P.T. 7501-7503 Mukim Durian Tunggal, Daerah Alor Gajah, Melaka	Leasehold	Vacant land	731,133	N.A.	6,000	-
Sanbumi Sawmill Sdn Bhd	Lot 12809 Mukim 15 Seberang Prai Tengah, Pulau Pinang	Freehold	Vacant land	70,988	N.A.	19,000	-

This page has been intentionally left blank.

SANBUMI HOLDINGS BERHAD (8386-P)

#CDS account no. of authorised nominee

Proxy Form

I/We ______________________________ (name of shareholder as per NRIC, in capital letters)

NRIC No. ______________ (new) ______________ (old)/ID No./Company No. ______________

of ____ (full address)

being a member(s) of the abovenamed Company, hereby appoint ______________________

(name of proxy as per NRIC, in capital letters) NRIC No. ______________ (new) ______________ (old)

or failing him/her ______________________________ (name of proxy as per NRIC, in capital letters)

NRIC No. ______________ (new) ______________ (old) or failing him/her the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Forty-Fourth Annual General Meeting of the Company to be held at the Conference Room, Second Floor, Wisma EMC, 972, Jalan Baru, 13700 Prai, Penang on Friday, 20 September 2013 at 10.00 a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:-

Resolutions			For	Against
		Re-election of Directors:		
Resolution 1	-	Tan Sri Datuk Chai Kin Kong		
Resolution 2	-	Mr Lim Thian Loong		
Resolution 3	-	Ms Lee See Hong		
Resolution 4	-	Re-appointment of Messrs Crowe Horwath as Auditors and to authorise the Directors to determine their remuneration		
Resolution 5	-	Approval of Directors' fees of RM225,000		

(Please indicate with "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Dated this __________ day of ______________ 2013

Number of shares held	

For appointment of two proxies, number of shares and percentage of shareholdings to be represented by the proxies:-

	No. of shares	Percentage
Proxy 1	____________	____________%
Proxy 2	____________	____________%

____

Signature/Common Seal of Appointer

Contact No. Of Shareholder/Proxy: ______________________

NOTES:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint at least one (1) but not more than two (2) proxies (who need not be members of the Company) to attend and vote on his behalf. The provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Wisma EMC, 972, Jalan Baru, 13700 Prai, Penang not less than forty-eight (48) hours before the time set for the meeting.
6. If the space provided in the proxy form is not sufficient, an appendix attached to the proxy form duly signed by the appointer is acceptable.
7. Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.
8. Only members registered in the Record of Depositors as at 11 September 2013 shall be eligible to attend the meeting or appoint proxies and vote on their behalf.

\# Applicable to shares held through a nominee account.

fold here

AFFIX
STAMP

The Secretary
SANBUMI HOLDINGS BERHAD (8386-P)
Wisma EMC
972, Jalan Baru
13700 Prai
Penang

fold here

Kota Kinabalu
6th Floor, Indahsabah Building,
Segama Complex,
88000 Kota Kinabalu, Sabah.
Tel : 088 252 666
Fax : 088 256 262

Kuala Lumpur
Business Suite 19A-12-3, 12th Floor,
UOA Centre, 19 Jalan Pinang,
50450 Kuala Lumpur.
Tel : 03 2163 3266
Fax : 03 2161 6266

Wisma EMC, 972 Jalan Baru,
13700 Prai, Penang, Malaysia.
Tel : 04 - 398 4878 / 390 3699
Fax : 04 - 397 9311 / 390 3636

www.sanbumi.com.my