



SANBUMI HOLDINGS BERHAD
(8386-P)

Annual Report
2 0 1 4

45th

Annual General Meeting

VENUE

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

DATE AND TIME

Friday, 19 September 2014 at 10.00 a.m.





Sanbumi Holdings Berhad (8386-P)

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **Forty-Fifth 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, 19 September 2014 at 10.00 a.m.** for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2014 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:-

Dato' Chua Tiong Moon

(Resolution 1)

Dato' Rahadian Mahmud bin Mohammad Khalil

(Resolution 2)

3. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Resolution 3)**

AS SPECIAL BUSINESS

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

Ordinary Resolutions

4. To approve the payment of Directors' fees of RM216,000 for the financial year ended 31 March 2014. **(Resolution 4)**
5. Authority to continue in office as an Independent Non-Executive Director **(Resolution 5)**

"THAT authority be and is hereby given to Ir. Zainurin bin Karman who has served as an Independent Non-Executive Director of the Company since 26 August 2005 and reached the nine years term limit on 25 August 2014, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code of Corporate Governance 2012."

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: 28 August 2014

Notice of Annual General Meeting (Cont'd)

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 authorized 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 10 September 2014 shall be eligible to attend the meeting or appoint proxies and vote on their behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Resolution 4 - To approve the payment of Directors' fees of RM216,000 for the financial year ended 31 March 2014.

The Ordinary Resolution proposed under item 4 of the agenda, if passed, will authorise the payment of the Directors' fees for the financial year ended 31 March 2014 amounting to RM216,000.

2. Resolution 5 - Authority to continue in office as an Independent Non-Executive Director

The Board of Directors has via the Nomination Committee conducted an annual performance evaluation and assessment of Ir. Zainurin bin Karman who has served as an Independent Non-Executive Director since 26 August 2005 and reached the nine years term limit on 25 August 2014. Ir. Zainurin bin Karman has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Board considers him to be independent and believes that he should be re-appointed and retained as an Independent Non-Executive Director, in particular for his experience and contributions to the Board.

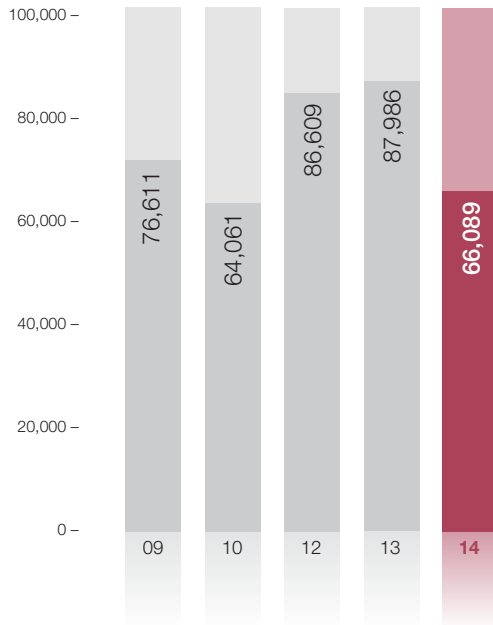
Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

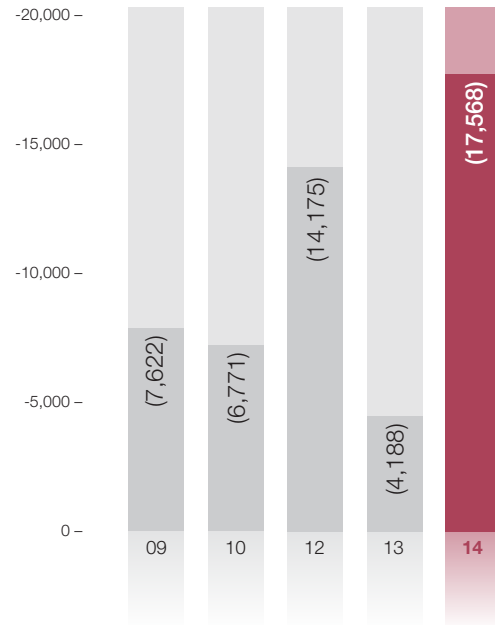
There are no individuals who are standing for election as Director (excluding Directors standing for re-election) at the forthcoming Annual General Meeting.

Financial Highlights

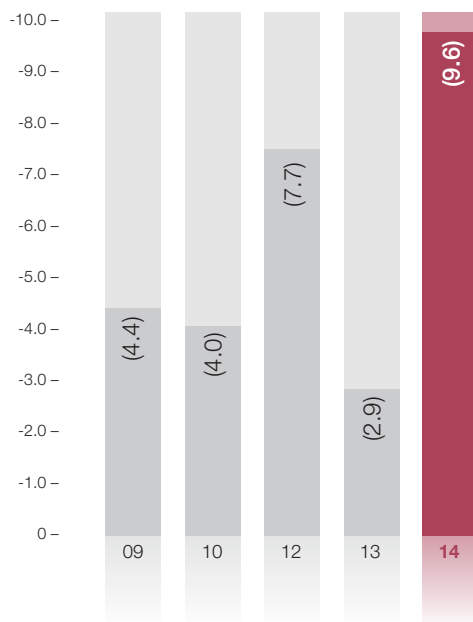
TURNOVER
(RM'000)



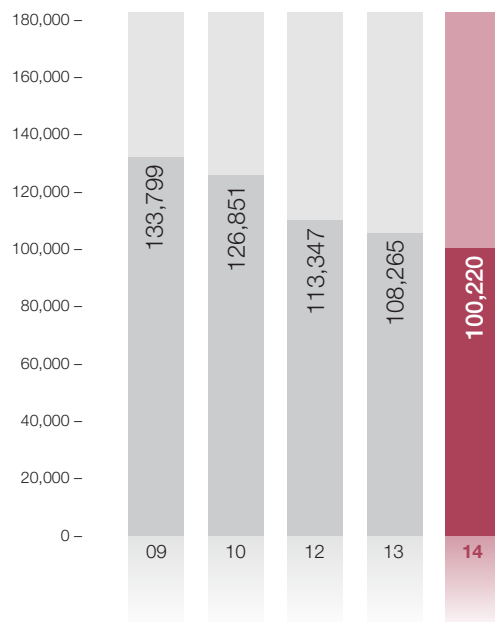
LOSS BEFORE TAXATION
(RM'000)



LOSS PER SHARE
(SEN)



SHAREHOLDERS' EQUITY
(RM'000)



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)

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 OFFICE

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

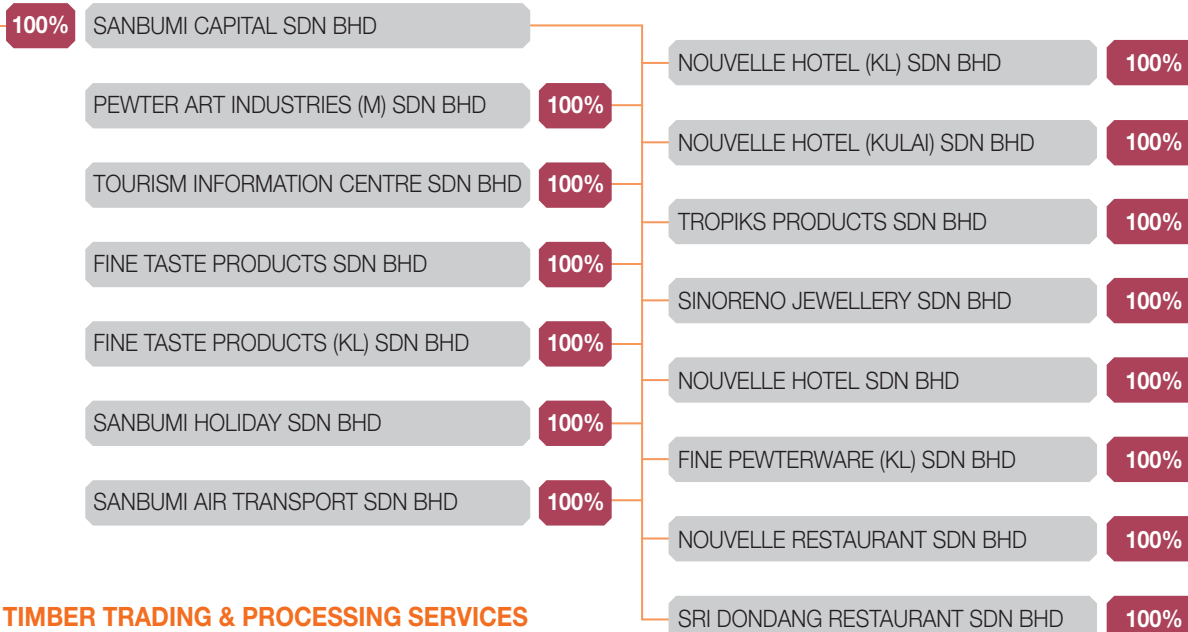
STOCK EXCHANGE LISTING

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



SANBUMI HOLDINGS BERHAD (8386-P)

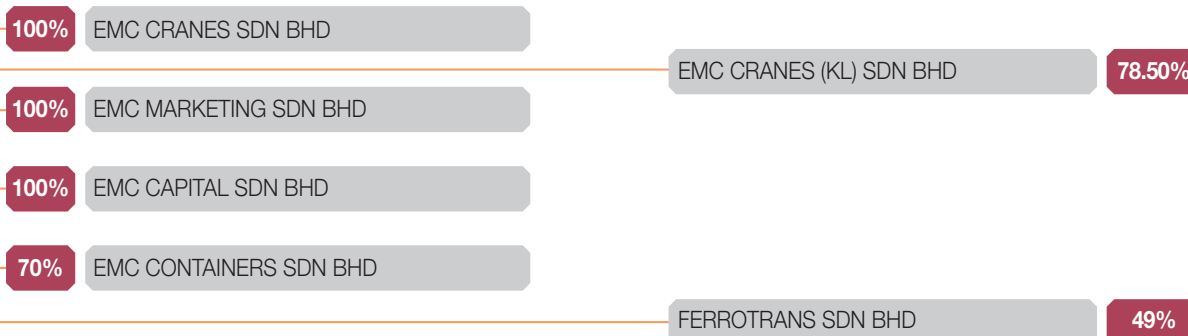
TOURISM SERVICES



TIMBER TRADING & PROCESSING SERVICES



GENERAL TRADING & OTHER SERVICES



Profile of the Board of Directors

IR. ZAINURIN BIN KARMAN

Chairman

Age : 50
Nationality : Malaysian

Ir. Zainurin bin Karman is a qualified Civil Engineer graduated from Syracuse University of New York, U.S.A. He is registered as a Professional Engineer with the Board of Engineers, Malaysia, 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 and he also sits on the Board of Zat Global 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 : 55
Nationality : Malaysian

Dato' Chua Tiong Moon is a businessman and has been involved in the timber industry for over 36 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 sits on the Board of Permaju Industries Berhad as Managing Director.

TAN SRI DATUK CHAI KIN KONG

Executive Director

Age : 55
Nationality : Malaysian

Tan Sri Datuk Chai Kin Kong is a businessman and has been involved in the timber industry for over 41 years and has wide experience and extensive knowledge of the industry. Besides 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 sits on the Board of KLC Forest Plantation Berhad.

DATO' RAHADIAN MAHMUD BIN MOHAMMAD KHALIL

Director

Age : 40
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, timber and manufacturing sectors. . He also sits on the Board of several other 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 sits on the Boards of Permaju Industries Berhad, KYM Holdings Berhad and Magna Prima Berhad.

Profile of the Board of Directors (Cont'd)

LIM THIAN LOONG

Director

Age : 50
Nationality : Malaysian

Lim Thian Loong is an accountant by profession. He graduated with The Chartered Institute of Management Accountants (CIMA), 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 practicing as a sole practitioner under his own firm since 2002. He sits on the Board of several other private limited companies.

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 sits on the Board of Grand Central Enterprises Berhad.



LEE SEE HONG (MS)

Director

Age : 45
Nationality : Malaysian

Ms Lee See Hong is a businesswoman with extensive professional and entrepreneurial experiences. 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 and subsequently 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. She sits on the Board of several other private limited companies.

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.



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 2014.



GENERAL OVERVIEW

The global economy was reported to have expanded at a modest pace in 2013 with uneven momentum across economies as policy uncertainties and structural constraints continued to weigh on overall demand. Overall global growth only gained momentum in the second quarter of 2013 with indications on economic recovery in the US, improvements in Euro area as well as in Japan. In the Asian region domestic demand remained a key contributor amidst a weak growth due to the spillover effects of the prolonged weakness in external demand. Tentative signs of improvement emerged in the second half of 2013 with the advanced economies introducing policies geared towards supporting the economic recovery. [Source: BNM Annual Report 2013]

The Malaysian economy was reported to have expanded in 2013 by 4.7% (2012: 5.6%) driven by the continued strong growth in domestic demand despite the spillover effects of the prolonged weak external environment. Growth remained weak in the first half of the calendar year 2013 and was supported by capital spending in the mining, services and manufacturing sectors. With improvements in sight on overall global growth in the second half of 2013, the Malaysian economy also began to gain momentum towards improvement. [Source: BNM Annual Report 2013]

As for the Malaysian tourism industry, the Honourable Tourism Minister reported that the industry performed above expectations in the year 2013. Despite it being a challenging year, tourist arrivals grew by 2.7% to 25.7 million arrivals as compared to the 25.0 million arrivals in 2012. However, it was noted that there was a significant decline in the growth rate of tourist arrivals from China. In 2013, Malaysia recorded only 14.9% growth of tourist arrivals from China as compared to the 24.6% recorded in 2012. This trend declined further and stood at -0.7% for the first four months of 2014. [Source: Tourism Malaysia]



The financial year ended 31 March 2014 was an extremely challenging year for the Sanbumi Group as its core tourism business segment was put under significant pressure and test of resilience. The segment saw healthy growth in the first half of the financial year with favourable tourist arrivals from China and this trend was expected to further improve for the remaining period in anticipation of the Visit Malaysia Year 2014. However, the implementation of the new restrictive international travel policies by the China Government effective 1 October 2013 resulted in the volume of tourist arrivals from China taking a huge dive. This significantly affected revenue and results of the Sanbumi Group, particularly in the third quarter of its financial year. However, the situation fairly improved at the start of the fourth quarter of the financial year ended 31 March 2014 when the Group recorded improved tourist arrivals from China following the relaxation on the restrictions imposed coupled with the attractions of the Visit Malaysia Year 2014. This positive trend was short lived when in early March 2014, following the disappearance of MH370 which resulted in the loss of lives of many Chinese tourists, the Sanbumi Group experienced en bloc cancellations of Chinese tour group arrivals. This once again significantly dampened the revenue and financial performance of the Sanbumi Group, particularly for the fourth quarter of the financial year ended 31 March 2014.

FINANCIAL PERFORMANCE OVERVIEW

The Group's performances for the financial year ended 31 March 2014 entirely depended on the overall performances of its Tourism segment being its core activity. The Group's venture into the tourism and tourism related products trading businesses contributed significantly towards the revenue and financial performance of the Group for the financial year.

The Group's revenue for the financial year ended 31 March 2014 stood at approximately RM66.1 million (2013: RM88.0 million) with the 'Tourism' segment contributing 99.2% (2013: 99.4%) to the total revenue and the 'Others' segment providing the remainder. The Group loss before tax for the current financial year stood at RM17.6 million (2013: loss before tax of RM4.2 million) with depreciation and impairment on Property, Plant and Equipment contributing a RM17.8 million (2013: RM6.4 million) charge to its expenses.

OPERATIONS REVIEW

Tourism Services Segment

The Group's Tourism Services segment registered revenue from external sales of approximately RM65.6 million for the current financial year as compared to approximately RM87.5 million registered in the preceding financial year. The approximately 25% decline in revenue for the current financial year was mainly attributed by the sharp drop in tourist arrivals, particularly in the second half of the financial year ended 31 March 2014 as a result the policy changes by the Chinese Government and the unprecedented disappearance of the MH370.

The Tourism Services segment recorded a pre-tax loss of approximately RM16.8 million for the current financial year as opposed to the pre-tax loss of approximately RM3.8 million recorded in the preceding financial year. The significantly higher losses were mainly attributable to the lower revenue recorded coupled with the high depreciation and impairment losses on Property, Plant and Equipment which collectively accounted for a charge of approximately RM17.2 million to the segments statement of comprehensive income.

Timber Segment

As in the previous financial year, 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 RM1.4 million for the current financial year as opposed to the RM1.9 million pre-tax loss recorded in the preceding financial year.



Chairman's Statement (Cont'd)

Others Segment

The Group's other trading and services activities registered a consistent annual revenue from external sales of approximately RM0.5 million (2013: RM0.5 million) for the current financial year with a pre-tax profit of approximately RM0.5 million (2013: RM1.5 million) for the current financial year.

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 aware of the possible impact of its operations to the society and environment. The Group 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 works to ensure that its businesses are conducted in compliance with applicable legal and regulatory requirements. The Group continuously strives towards adding value to investments for its shareholders, fulfilling customer demands and provide for its employee needs within its means. In the spirit of fulfilling its social responsibility to the community, the Group extends financial support by way of sponsorships and donations towards community related activities, education and charity. The Group continues its participation in the scholarship award programme called Project CHange administered by Messrs Crowe Horwath with the sponsor of RM10,000 per annum towards the cost of tuition fee to one deserving student undertaking a study course in a local institute of higher learning.

OUTLOOK

The gradual improvement in the global economy experienced in 2013 is expected to continue in 2014 with broader economic recovery in the advanced economies and sustained growth in the emerging economies. The

Malaysian economy is expected to remain on a steady growth path in 2014 expanding by 4.5% - 5.5% (2013: 4.7%) supported by better performance in the external sector. The services exports are expected to be higher due to the stronger travel account which will be supported by 'Visit Malaysia Year 2014'. [Source: BNM Annual Report 2013]

With year 2014 being declared as 'Visit Malaysia Year', it is the expectations of all players in the Malaysian tourism industry that it would significantly favour growth in the tourist arrivals to Malaysia, thus help reduce the adversities currently faced by the industry. However, this scenario took an unprecedented turn to worst with the MH370 tragedy in March 2014 followed by the MH17 tragedy in July 2014, and the negative effects of the continued political unrest in Thailand. These events added pressure to the adversities affecting tourist arrivals from China despite the relaxation of travel restrictions imposed under the new travel policy by the China Government.

Despite facing negative challenges, the Sanbumi Group will continue to vigorously work towards remodeling its tourism businesses so as to minimise effects of the adversities and at the same time explore other potential high volume tourist markets to reduce dependence on the China market. The Sanbumi Group also hopes that programs outlined for the "Visit Malaysia Year 2014" and all other programs for development of the local tourism industry in general will eventually favour growth in the tourism activities and help reduce all adverse conditions currently faced by the industry.

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 2014.

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 a formalised 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 2014, five (5) Board Meetings were held. The attendance record of each Director is as follows:-

Board of Directors' Meeting		May '13	Jul '13	Aug '13	Nov '13	Feb '14		
Directors	Position	Attendance					Total	%
Ir. Zainurin bin Karman	Chairman	•	•	•	•	•	5/5	100
Dato' Chua Tiong Moon	Managing Director	•	•	•	•	•	5/5	100
Tan Sri Datuk Chai Kin Kong	Executive Director	X	•	•	•	•	4/5	80
Lim Thian Loong	Independent Non-Executive Director	•	•	•	•	•	5/5	100
Dato' Rahadian Mahmud bin Mohammad Khalil	Non-Executive Director	•	•	•	•	•	5/5	100
Lee See Hong (Ms)	Independent Non-Executive Director	•	•	•	•	X	4/5	80

Total number of meetings held:

5

(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.

A. THE BOARD OF DIRECTORS (CONT'D)

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

- (1) reviewed the structure, size and composition of the Board and made 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) reviewed the terms of reference
- (5) recommended to the Board directors who are retiring by rotation to be put forward for re-election

During the financial year ended 31 March 2014, the Nomination Committee had two (2) meetings:

Nomination Committee's Meeting		May '13	Jul '13		
Directors	Position	Attendance		Total	%
Ir. Zainurin bin Karman	Chairman	•	•	2/2	100
Lim Thian Loong	Member	•	•	2/2	100
Lee See Hong (Ms)	Member	•	•	2/2	100

Total number of meetings held:	2
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A. THE BOARD OF DIRECTORS (CONT'D)

(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, or if their number is not three or a multiple of three, then the number nearest to one-third (1/3) 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.

Newly appointed directors shall hold office only until the next annual general meeting and 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.

During the financial year ended 31 March 2014, the Directors have evaluated their own training needs on a continuous basis and attended the following:-

Dato' Chua Tiong Moon

- Understanding the Governance Framework for Boardroom Excellence – MCGC 2012 & Amended Listing Requirements 27 May 2013

Tan Sri Datuk Chai Kin Kong

- Understanding the Governance Framework for Boardroom Excellence – MCGC 2012 & Amended Listing Requirements 27 May 2013

Dato' Rahadian Mahmud bin Mohammad Khalil

- Understanding the Governance Framework for Boardroom Excellence – MCGC 2012 & Amended Listing Requirements 27 May 2013

Ir. Zainurin bin Karman

- Understanding the Governance Framework for Boardroom Excellence – MCGC 2012 & Amended Listing Requirements 27 May 2013

Lim Thian Loong

- Understanding the Governance Framework for Boardroom Excellence – MCGC 2012 & Amended Listing Requirements 27 May 2013

Lee See Hong (Ms)

- Understanding the Governance Framework for Boardroom Excellence – MCGC 2012 & Amended Listing Requirements 27 May 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).

During the financial year ended 31 March 2014, the Remuneration Committee had three (3) meetings as follows:

Remuneration Committee's Meeting		May '13	Jul '13	Feb '14		
Directors	Position	Attendance			Total	%
Ir. Zainurin bin Karman	Chairman	•	•	•	3/3	100
Lim Thian Loong	Member	•	•	•	3/3	100
Lee See Hong (Ms)	Member	•	•	X	2/3	67

Total number of meetings held:	3
--------------------------------	---

(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.

(iii) Details of the Directors' remuneration

The details of the remuneration of the Directors on Group basis for the financial year ended 31 March 2014 are as follows:-

(All figures in RM)	Executive Director	Non-Executive Director
Salary	702,000	-
Fees	72,000	144,000
Bonus	-	-
Benefits-in-kind	-	-
Total	774,000	144,000

B. DIRECTORS' REMUNERATION (CONT'D)

(iii) Details of the Directors' remuneration (Cont'd)

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

	Executive Director	Non-Executive Director
Below RM50,000	-	4
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	2	4

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

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 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 Group's 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 26 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 pages 27 and 28.

(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 23 of this Annual Report.

Additional Compliance Information

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

There were no material differences in the actual results of the Group for the financial year ended 31 March 2014 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 2014.

b) Share buybacks

- (i) The Company did not purchase any of its own shares during the financial year ended 31 March 2014.
- (ii) All shares previously repurchased are retained as treasury shares and none of these shares were resold or cancelled during the financial year.
- (iii) Details of shares retained as treasury shares during the financial year ended 31 March 2014 are as follows:

No. of shares retained as Treasury Shares	
As at 1 April 2013	15,104,500
Movements during the year	-
As at 31 March 2014	15,104,500

c) Options, warrants or convertible securities exercised

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 March 2014.

d) Depository Receipt Programme sponsored

The Company did not sponsor any Depository Receipt Programme during the financial year ended 31 March 2014.

e) Particulars of material contracts involving Directors

Save as disclosed below, there were 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 2014:

- (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 2014, 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 2014.

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 2014.

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 2014.

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 2014.



Audit Committee Report

Chairman

Lim Thian Loong (Independent Non-Executive Director)

Members

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



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.



Audit Committee Report (Cont'd)

4. FUNCTIONS (CONT'D)

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.

4.4 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 2014, there were five (5) Audit Committee Meetings held. The details of the attendance of each member are as follows:-

Audit Committee Meeting		May '13	Jul '13	Aug '13	Nov '13	Feb '14		
Committee Members	Position	Attendance					Total	%
Lim Thian Loong	Chairman	•	•	•	•	•	5/5	100
Ir. Zainurin bin Karman	Member	•	•	•	•	•	5/5	100
Lee See Hong (Ms)	Member	•	•	•	•	X	4/5	80

Total number of meetings held:

5



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 31 March 2014:-

- (i) reviewed and discussed the audit plan presented by the external auditors and ensured its scope was adequate;
- (ii) reviewed and discussed the internal auditors' report on findings and recommendations and ensure timely corrective actions were duly implemented when necessary;
- (iii) reviewed and discussed the Group's unaudited quarterly results together with the relevant notes and made recommendations to the Board of Directors for approval;
- (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; and
- (v) considered and recommended the re-appointment and remuneration of the external auditors.

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

We, being two of 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 Malaysian Financial Reporting Standards, International 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 2014 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 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 and accounting 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 for the financial year ended 31 March 2014. 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 2014.

The cost incurred for the internal audit function in respect of the financial year ended 31 March 2014 was RM42,068.

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 2014 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.



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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 2014.

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	(16,841)	(8,146)
Attributable to:		
Owners of the Company	(16,844)	(8,146)
Non-controlling interests	3	-
	(16,841)	(8,146)

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 year 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.



Directors' Report

TREASURY SHARES

As at 31 March 2014, 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.



Directors' Report

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 39 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)



Directors' Report

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 1.4.2013	Bought	Sold	At 31.3.2014
THE COMPANY				
<i>DIRECT INTERESTS IN THE COMPANY</i>				
Tan Sri Datuk Chai Kin Kong	8,694,070	-	-	8,694,070
Dato' Chua Tiong Moon	11,250,362	-	-	11,250,362
<i>INDIRECT INTERESTS IN THE COMPANY</i>				
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 year, 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.

AUDITORS

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 24 JULY 2014

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 37 to 98 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 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 42 on page 99, 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 24 July 2014

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 the financial statements set out on pages 37 to 98 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Dato' Chua Tiong Moon, at Kuala Lumpur in the Federal Territory
on this 24 July 2014

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 2014 of the Group and of the Company, and the statements of profit or loss and other 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 37 to 98.

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 2014 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.



Independent Auditors' Report

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

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.
- (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 RESPONSIBILITIES

The supplementary information set out in Note 42 on page 99 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

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

24 July 2014



Statements of Financial Position

At 31 March 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	75,991	71,093	9,789	6,147
Prepaid lease payments	6	1,439	1,672	-	-
Investment properties	7	4,551	4,251	4,551	4,251
Investments in subsidiaries	8	-	-	47,880	53,332
Investment in an associate	9	-	-	-	-
Amount owing by subsidiaries	13	-	-	7,800	7,800
		81,981	77,016	70,020	71,530
CURRENT ASSETS					
Inventories	10	2,488	2,638	-	-
Trade receivables	11	2,557	2,499	21	86
Other receivables, deposits and prepayments	12	4,382	10,310	627	1,145
Amount owing by subsidiaries	13	-	-	23,928	24,181
Amount owing by an associate	14	5	3	5	3
Tax refundable		597	527	-	-
Fixed deposits with licensed banks	15	19,213	20,950	17,043	20,000
Cash and bank balances		4,847	9,662	410	1,061
		34,089	46,589	42,034	46,476
Non-current assets held for sale	16	-	900	-	-
TOTAL ASSETS		116,070	124,505	112,054	118,006

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



Statements of Financial Position

At 31 March 2014 (Cont'd)

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	189,238	189,238	189,238	189,238
Retained profits/(Accumulated losses)	18	3,792	18,617	(90,468)	(84,341)
Treasury shares	19	(11,370)	(11,370)	(11,370)	(11,370)
Other reserves	20	28,123	21,408	19,962	19,826
Merger deficit	21	(109,628)	(109,628)	-	-
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		100,155	108,265	107,362	113,353
NON-CONTROLLING INTERESTS		80	77	-	-
TOTAL EQUITY		100,235	108,342	107,362	113,353
NON-CURRENT LIABILITIES					
Long term borrowings	22	4,782	4,771	12	32
Deferred tax liabilities	23	2,856	561	536	-
		7,638	5,332	548	32
CURRENT LIABILITIES					
Trade payables	26	1,499	2,399	-	-
Other payables and accruals		5,742	6,515	497	492
Amount owing to subsidiaries	13	-	-	3,596	4,078
Provision for taxation		251	1,624	31	31
Short term borrowings	27	705	293	20	20
		8,197	10,831	4,144	4,621
TOTAL LIABILITIES		15,835	16,163	4,692	4,653
TOTAL EQUITY AND LIABILITIES		116,070	124,505	112,054	118,006

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



Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 March 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
REVENUE	28	66,089	87,986	489	454
COST OF SALES		(54,623)	(72,761)	-	-
GROSS PROFIT		11,466	15,225	489	454
OTHER INCOME	29	3,689	4,696	2,179	2,886
		15,155	19,921	2,668	3,340
DISTRIBUTION COSTS		(35)	(152)	(35)	(32)
ADMINISTRATIVE EXPENSES		(13,849)	(15,055)	(1,935)	(2,002)
OTHER EXPENSES		(18,471)	(8,477)	(8,842)	(8,173)
FINANCE COSTS		(433)	(425)	(2)	(1)
LOSS BEFORE TAXATION	30	(17,633)	(4,188)	(8,146)	(6,868)
INCOME TAX EXPENSE	31	792	(878)	-	-
LOSS AFTER TAXATION		(16,841)	(5,066)	(8,146)	(6,868)
OTHER COMPREHENSIVE INCOME					
<u>Items that will not be reclassified subsequently to profit or loss</u>					
- Revaluation of properties		11,088	-	2,691	-
- Remeasurement of deferred tax on revalued properties		(2,354)	-	(536)	-
		8,734	-	2,155	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(8,107)	(5,066)	(5,991)	(6,868)
LOSS AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(16,844)	(5,071)	(8,146)	(6,868)
Non-controlling interests		3	5	-	-
		(16,841)	(5,066)	(8,146)	(6,868)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-					
Owners of the Company		(8,110)	(5,071)	(5,991)	(6,868)
Non-controlling interests		3	5	-	-
		(8,107)	(5,066)	(5,991)	(6,868)
LOSS PER SHARE (SEN)					
- Basic	32	(9.67)	(2.91)		
- 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 2014

	Attributable to Owners of the Company									
	Non - Distributable Reserve									
	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 1.4.2012	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 2014 (Cont'd)

	Attributable to Owners of the Company					Non-controlling Interests		Total
	Share Capital	Share Premium	Treasury Shares	Capital Reserve	Revaluation Reserve	Merger Deficit	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Balance at 31.3.2013/ 1.4.2013	189,238	14,788	(11,370)	1,582	5,038	(109,628)	18,617	108,342
Loss after taxation/ Total comprehensive expenses for the financial year	-	-	-	-	-	-	(16,844)	(16,841)
Other comprehensive income for the financial year:								
- Revaluation of properties	-	-	-	-	11,088	-	-	11,088
- Remeasurement of deferred tax on revalued properties	-	-	-	-	(2,354)	-	-	(2,354)
Total comprehensive expenses for the financial year	-	-	-	-	8,734	-	(16,844)	(8,107)
Realisation of revaluation reserve	-	-	-	-	(2,019)	-	2,019	-
Balance at 31.3.2014	189,238	14,788	(11,370)	1,582	11,753	(109,628)	3,792	100,235

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



Statements of Changes in Equity

For the Financial Year Ended 31 March 2014 (Cont'd)

		Non – Distributable Reserve				
	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 1.4.2012	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 31.3.2013/1.4.2013	189,238	14,788	(11,370)	5,038	(84,341)	113,353
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	-	(8,146)	(8,146)
Other comprehensive income for the financial year:	-	-	-	-	-	-
- Revaluation of properties	-	-	-	2,691	-	2,691
- Remeasurement of deferred tax on revalued properties	-	-	-	(536)	-	(536)
Total comprehensive expenses for the financial year	-	-	-	2,155	(8,146)	(5,991)
Realisation of revaluation reserve	-	-	-	(2,019)	2,019	-
Balance at 31.3.2014	189,238	14,788	(11,370)	5,174	(90,468)	107,362

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



Statements of Cash Flows

For the Financial Year Ended 31 March 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Loss before taxation		(17,633)	(4,188)	(8,146)	(6,868)
Adjustments for:-					
Impairment losses on receivables		184	2,048	-	200
Amortisation of prepaid lease payments		233	234	-	-
Bad debts written off		-	5	-	-
Depreciation of property, plant and equipment		5,758	5,405	67	55
Impairment loss on:					
- property, plant and equipment		12,000	955	-	-
- investment in subsidiaries		-	-	4,652	7,912
- amount owing by subsidiaries		-	-	4,122	62
Interest expense		422	412	2	1
Inventories:					
- allowance for slow-moving		50	597	-	-
- written down		-	280	-	-
Property, plant and equipment written off		303	176	-	-
Fair value gain on investment properties		(300)	(2,100)	(300)	(2,100)
Gain on disposal of equipment		(180)	-	-	-
Gain on disposal of a subsidiary		-	-	(200)	-
Interest income		(708)	(857)	(601)	(778)
Reversal of impairment losses on receivables		(84)	(7)	(60)	-
Reversal of impairment losses on property		(1,408)	-	(1,018)	-
Write back of allowance for slow moving inventories		(223)	-	-	-
Operating (loss)/profit before working capital changes		(1,586)	2,960	(1,482)	(1,516)
Decrease/(Increase) in inventories		323	(512)	-	-
Decrease/(Increase) in trade and other receivables		5,770	(499)	643	441
Decrease/(Increase) in trade and other payables		(1,673)	(265)	5	(65)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD		2,834	1,684	(834)	(1,140)

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



Statements of Cash Flows

For the Financial Year Ended 31 March 2014 (Cont'd)

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		2,834	1,684	(834)	(1,140)
Income tax paid		(710)	(865)	-	-
Interest paid		(422)	(412)	(2)	(1)
Interest received		708	857	601	778
NET CASH FROM/(FOR) OPERATING ACTIVITIES		2,410	1,264	(235)	(363)
CASH FLOWS FOR INVESTING ACTIVITIES					
Advance to subsidiaries		-	-	(3,869)	(3,147)
Advances to associate		(2)	(3)	(2)	(3)
Purchase of property, plant and equipment	33	(9,564)	(9,007)	-	(65)
Proceeds from disposal of assets held for sale		900	-	-	-
Proceeds from disposal of equipment		180	-	-	-
Proceeds from disposal of subsidiaries		-	-	1,000	-
NET CASH FOR INVESTING ACTIVITIES		(8,486)	(9,010)	(2,871)	(3,215)
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment to subsidiaries		-	-	(482)	-
Repayment of hire purchase obligations		(306)	(92)	(20)	(8)
Repayment of term loan		(170)	(154)	-	-
Treasury shares acquired		-	(11)	-	(11)
NET CASH FOR FINANCING ACTIVITIES		(476)	(257)	(502)	(19)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(6,552)	(8,003)	(3,608)	(3,597)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		30,612	38,615	21,061	24,658
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	24,060	30,612	17,453	21,061

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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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 24 July 2014.

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 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 - 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments	To be announced by MASB
MFRS 9 (2010) Financial Instruments	To be announced by MASB
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	To be announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announced by MASB
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

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

- (a) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, 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.

The Group is in the process of making an assessment of the financial impact arising from the adoption of MFRS 9 and the extent of the impact has not been determined.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

3. BASIS OF PREPARATION (CONT'D)

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

- (b) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application.
- (c) Annual Improvements to MFRSs 2010 – 2012 Cycle. Generally there will be no impact on the financial statements except for the amendments to MFRS 116 which will only affect the amount of accumulated depreciation of future revaluations.
- (d) Annual Improvements to MFRSs 2011 – 2013 Cycle. Generally there will be no impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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:-

(a) 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. 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.

(b) 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 year in which such determination is made.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(c) 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.

(d) 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.

(e) 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.

(f) 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(g) 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.

(h) 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.

4.2 FUNCTIONAL AND FOREIGN CURRENCIES

(a) 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 Group's functional and presentation currency.

(b) 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.

4.3 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 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. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) 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.

(i) 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.

(ii) 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.

(iii) 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 interest income recognised in profit or loss on an effective yield basis.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) 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.

(b) Financial Liabilities

All financial liabilities are initially measured 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.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(ii) 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.

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

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.4 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.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 BASIS OF CONSOLIDATION (CONT'D)

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.

(a) 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.

(b) 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 BASIS OF CONSOLIDATION (CONT'D)

(c) 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. Profit or loss and each component of other comprehensive income are attributed to the owners of the company 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.

(d) Changes In Ownership Interests In Subsidiaries Without Change of Control

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 of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which 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 in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). 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 joint venture.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 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.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement 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. The cost of the investments includes transaction costs.

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.

4.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

4.8 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 recognised after the date of the revaluation. Freehold land is not depreciated. Freehold buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Freehold land and buildings are revalued periodically, at least once in every 5 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.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on 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%
Short-term leasehold land	Over the lease period of 99 years
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%

The depreciation method, useful lives 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

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. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.9 IMPAIRMENT

(a) 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 financial asset 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 IMPAIRMENT (CONT'D)

(b) 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, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.10 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.

4.11 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.8 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.

4.12 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Initially investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 INVESTMENT PROPERTIES (CONT'D)

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the policy set out in Note 4.8 above.

4.13 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.

4.14 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.

4.15 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 reporting period 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES (CONT'D)

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.

4.16 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset 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.

4.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, 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 with original maturity periods of three months or less.

4.18 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. The unwinding of the discount is recognised as interest expense in profit or loss.

4.19 REVENUE RECOGNITION

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 REVENUE RECOGNITION (CONT'D)

(b) 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.

(c) Interest Income

Interest income is recognised on an accrual basis, using the effective interest method.

(d) Rental and Management Fees

Rental and management fees are recognised on an accrual basis.

4.20 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) 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.

(e) 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.

4.21 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 RELATED PARTIES (CONT'D)

(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.

4.22 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 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.

4.23 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 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.

4.25 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

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

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land And Buildings RM'000	Short-Term Leasehold Land 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
Net book value as at 1.4.2013	36,871	-	-	3,639	30,583	71,093
Additions	-	6,000	-	1,903	2,561	10,464
Surplus on revaluation	11,895	600	-	-	-	12,495
Written off	-	-	-	-	(303)	(303)
Impairment loss	-	-	-	-	(12,000)	(12,000)
Depreciation charge	(503)	-	-	(937)	(4,318)	(5,758)
Net book value as at 31.3.2014	48,263	6,600	-	4,605	16,523	75,991
Net book value as at 1.4.2012	14,984	-	1,000	4,444	29,734	50,162
Additions	22,000	-	-	693	5,674	28,367
Written off	-	-	-	-	(176)	(176)
Impairment loss	-	-	(100)	(499)	(356)	(955)
Transferred to non-current assets held for sale (Note 16)	-	-	(900)	-	-	(900)
Depreciation charge	(113)	-	-	(999)	(4,293)	(5,405)
Net book value as at 31.3.2013	36,871	-	-	3,639	30,583	71,093



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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

Group	Freehold Land And Buildings RM'000	Short-Term Leasehold Land 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
As at 31.3.2014							
At cost	-	-	208	18	9,679	48,419	58,324
At valuation	49,065	6,600	-	-	-	-	55,665
Accumulated impairment losses	-	-	(90)	-	(8)	(15,845)	(15,943)
Accumulated depreciation	(802)	-	(118)	(18)	(5,066)	(16,051)	(22,055)
Net book value	48,263	6,600	-	-	4,605	16,523	75,991
As at 31.3.2013							
At cost	10,000	-	208	18	8,802	46,832	65,860
At valuation	27,921	-	-	-	-	-	27,921
Accumulated impairment losses	-	-	(90)	-	(749)	(3,855)	(4,694)
Accumulated depreciation	(1,050)	-	(118)	(18)	(4,414)	(12,394)	(17,994)
Net book value	36,871	-	-	-	3,639	30,583	71,093
Carrying value, had the assets been carried at cost less accumulated depreciation and impairment losses, at							
- 2014	21,050	-	-	-	-	-	21,050
- 2013	21,391	-	-	-	-	-	21,391



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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

Company	Freehold Land And Buildings RM'000	Motor Vehicle RM'000	Office Equipment, Furniture and Fittings RM'000	Total RM'000
Net book value as at 1.4.2013	6,024	112	11	6,147
Revaluation surplus	3,709	-	-	3,709
Depreciation charge	(39)	(25)	(3)	(67)
Net book value as at 31.3.2014	9,694	87	8	9,789
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
As at 31.3.2014				
At cost	-	125	995	1,120
At valuation	10,496	-	-	10,496
Accumulated depreciation	(802)	(38)	(987)	(1,827)
Net book value	9,694	87	8	9,789
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
Carrying value, had the assets been carried at cost less accumulated depreciation and impairment losses, at				
- 2014	3,063	-	-	3,063
- 2013	3,081	-	-	3,081



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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

- (a) Included in the assets of the Group at the end of the reporting period were motor vehicles with a total net book value of RM2,107,727 (2013 – RM588,019), which were acquired under hire purchase terms.
- (b) During the financial year, the Group's freehold and leasehold land and buildings have been revalued by an independent professional valuer. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

The fair values of the freehold land and buildings are analysed as follows:-

The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2014				
Freehold land and buildings	-	49,065	-	49,065
Short-term leasehold land	-	6,600	-	6,600
	-	55,665	-	55,665

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between the fair value hierarchy during the financial year.

In estimating the fair value, the highest and best use of the freehold land and buildings is their current use.

Comparative fair value information is not presented by virtue of the exemption given in MFRS 13.

6. PREPAID LEASE PAYMENTS

	Group	
	2014 RM'000	2013 RM'000
At cost	2,100	2,100
Accumulated amortisation	(661)	(428)
Net book value	1,439	1,672
Accumulated amortisation:-		
At start of financial year	(428)	(194)
Amortisation for the financial year	(233)	(234)
At end of financial year	(661)	(428)

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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

7. INVESTMENT PROPERTIES

	Group/Company	
	2014	2013
	RM'000	RM'000
At fair value:-		
At start of financial year	4,251	2,151
Fair value gain	300	2,100
At end of financial year	4,551	4,251

- (a) Investment properties represent commercial properties leased to third parties.

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

	Group/Company	
	2014	2013
	RM'000	RM'000
Rental income	318	284
Direct operating expenses	59	59

- (b) The fair values of investment properties are analysed as follows:-

Group/Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2014				
Freehold land and buildings	-	4,551	-	4,551

The level 2 fair values of the freehold land and buildings have been derived using the market comparison approach performed by independent valuers. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between level 1 and level 2 during the financial year.

In estimating the fair value, the highest and best use of the investment properties is their current use.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost:-		
At start of financial year	137,190	137,190
Disposal of subsidiaries	(1,000)	-
At end of financial year	136,190	137,190
Impairment loss:-		
At start of financial year	(83,858)	(75,946)
Addition during the financial year	(4,652)	(7,912)
Reversal during the financial year	200	-
At end of financial year	(88,310)	(83,858)
	47,880	53,332

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

Name of Company	Interest in equity held by				Principal Activities
	Company		Subsidiary		
	2014	2013	2014	2013	
	%	%	%	%	
Sanbumi Sawmill Sdn. Bhd.	100	100	-	-	Timber log traders.
Akalaju 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.	100	100	-	-	Investment holding.
EMC Marketing Sdn. Bhd.	100	100	-	-	Trading in industrial supplies and lubricants.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Interest in equity held by				Principal Activities
	Company		Subsidiary		
	2014 %	2013 %	2014 %	2013 %	
Subsidiaries of Sanbumi Sawmill Sdn. Bhd.					
- Sanbumi Wood Processing Sdn. Bhd.	-	-	100	100	Dormant.
- Mirim Timber Sdn. Bhd.	-	-	100	100	Dormant.
Subsidiary of Sanbumi Capital Sdn. Bhd.					
- 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.
- 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.	-	100	100	-	Trading in local cottage industry products relating to tourism industry.
- Nouvelle Hotel Sdn. Bhd.	-	100	100	-	Hotelier.
- Fine Taste Products Sdn. Bhd.	-	100	100	-	Trading in local cottage industry products relating to tourism industry.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Interest in equity held by				Principal Activities
	Company		Subsidiary		
	2014 %	2013 %	2014 %	2013 %	
Subsidiaries of Sanbumi Capital Sdn. Bhd.					
- 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 relating to tourism industry.
- Fine Pewterware (KL) Sdn. Bhd.	-	100	100	-	Trading in pewterware and souvenirs.
- Nouvelle Restaurant Sdn. Bhd.	-	100	100	-	Dormant.
- Nouvelle Hotel (KL) Sdn. Bhd.	-	-	100	100	Hotelier.
- Nouvelle Hotel (Kulai) Sdn. Bhd.	-	-	100	100	Hotelier.

During the financial year, the Company disposed of certain subsidiaries under the tourism segment to its wholly-owned subsidiary, Sanbumi Capital Sdn. Bhd. Consequently, these subsidiaries changed from direct to indirect wholly-owned subsidiaries of the Company.

The Company assessed the recoverable amount of the investment in 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	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:-

	2014	2013
	RM'000	RM'000
Assets and Liabilities		
Current assets	61	104
Current liabilities	1,418	1,452
Results		
Loss for the financial year	(8)	(2)

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

Name of Company	Effective Equity Interest		Principal Activity
	2014	2013	
	%	%	
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 has exceeded the Group's interest in the associate. The Group's unrecognised cumulative share of losses of the associate amounted to RM47,017 (2013 – RM42,893) at the end of the reporting period.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

10. INVENTORIES

	Group	
	2014	2013
	RM'000	RM'000
At Cost		
Goods held for resale	2,488	2,599
At Net Realisable Value		
Consumable stores	-	39
	2,488	2,638
<u>Recognised in profit or loss</u>		
Inventories recognised as cost of sales	8,575	11,837
Amount written down to net realisable value	50	597
Writeback of allowance for slow-moving inventories	(223)	-

11. TRADE RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables	11,943	12,262	161	286
Allowance for impairment losses				
At start of financial year	(9,763)	(9,105)	(200)	-
Addition for the financial year	(184)	(810)	-	(200)
Writeoff during the financial year	477	145	-	-
Reversal of allowance no longer required	84	7	60	-
At end of financial year	(9,386)	(9,763)	(140)	(200)
	2,557	2,499	21	86

- (a) The Group's normal trade credit terms range from cash terms to 90 days.
- (b) The allowance for impairment losses is made mainly on those trade receivables in significant financial difficulties and have defaulted on payments.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	14,849	22,683	1,588	2,106
Allowance for impairment losses				
At start of financial year	(12,373)	(11,135)	(961)	(961)
Addition for the financial year	-	(1,238)	-	-
Written off during the financial year	1,906	-	-	-
At end of financial year	(10,467)	(12,373)	(961)	(961)
	4,382	10,310	627	1,145

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2014	2013
	RM'000	RM'000
Amount owing by:-		
<u>Non-current</u>		
Quasi loans	7,800	7,800
<u>Current</u>		
Non-trade balances	35,310	31,441
Allowance for impairment losses		
At start of financial year	(7,260)	(7,198)
Addition for the financial year	(4,122)	(62)
At end of financial year	(11,382)	(7,260)
	23,928	24,181
	31,728	31,981
Amount owing to:-		
<u>Current</u>		
Non-trade balances	(3,596)	(4,078)



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONT'D)

- (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	
	2014	2013
	RM'000	RM'000
Amount owing by an associate	1,016	1,014
Impairment losses	(1,011)	(1,011)
	<u>5</u>	<u>3</u>

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 3.10% to 3.20% (2013 – 3.0% to 3.35%) per annum at the end of the reporting period. The fixed deposits have maturity periods ranging from 1 to 12 months (2013 – 1 to 12 months).

16. NON-CURRENT ASSETS HELD FOR SALE

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

	Group	
Note	2014	2013
	RM'000	RM'000
<u>Non-current assets held for sale</u>		
Property, plant and equipment (Note 5)	(a) <u>-</u>	<u>900</u>



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

16. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

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

	Group	
	2014 RM'000	2013 RM'000
<u>Note (a)</u>		
At cost	-	3,800
Accumulated depreciation	-	(1,824)
Accumulated impairment losses	-	(1,076)
	-	900

17. SHARE CAPITAL

	Company			
	2014 Number Of Shares ('000)	2013	2014 RM'000	2013 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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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 1.4.2012	(24,880)	51,807	(3,239)	23,688
Current year loss	-	-	(5,071)	(5,071)
Balance at 31.3.2013/1.4.2013	(24,880)	51,807	(8,310)	18,617
Current year loss	-	-	(16,844)	(16,844)
Realisation of revaluation reserve	-	-	2,019	2,019
Balance at 31.3.2014	(24,880)	51,807	(23,135)	3,792

19. TREASURY SHARES

Of the total 189,238,348 (2013 - 189,238,348) issued and fully paid-up ordinary shares as at the end of the reporting period, 15,104,500 (2013 - 15,104,500) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

20. OTHER RESERVES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Share Premium	14,788	14,788	14,788	14,788
Revaluation Reserve	11,753	5,038	5,174	5,038
Capital Reserve	1,582	1,582	-	-
	28,123	21,408	19,962	19,826



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

20. OTHER RESERVES (CONT'D)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
The revaluation reserve comprises:-				
Surplus on revaluation of property, plant and equipment				
At start of financial year	5,038	5,038	5,038	5,038
Surplus on revaluation	11,088	-	2,691	-
Remeasurement of deferred tax on revalued property	(2,354)	-	(536)	-
Realisation during the financial year	(2,019)	-	(2,019)	-
At end of financial year	11,753	5,038	5,174	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	
	2014	2013
	RM'000	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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Term loan (Note 24)	4,440	4,623	-	-
Hire purchase payables (Note 25)	342	148	12	32
	4,782	4,771	12	32



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At start of financial year	561	185	-	-
Recognised in profit or loss (Note 31)	(59)	376	-	-
Recognised in other comprehensive income	2,354	-	536	-
At end of financial year	2,856	561	536	-

The deferred tax liabilities are attributable to the following:-

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Accelerated capital allowances over depreciation	502	561	-	-
Revaluation of freehold land and buildings	2,354	-	536	-
	2,856	561	536	-

24. TERM LOAN

	Group	
	2014	2013
	RM'000	RM'000
Current portion:		
- not later than one year (Note 27)	186	173
Non-current portion:		
- later than one year and not later than two years	203	187
- later than two years and not later than five years	722	666
- later than five years	3,515	3,770
Total non-current portion (Note 22)	4,440	4,623
	4,626	4,796



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

24. TERM LOAN (CONT'D)

The term loan of the Group bore an effective interest rate of 8.35% (2013 - 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 from December 2011.

25. HIRE PURCHASE PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Minimum hire purchase payments:				
- not later than one year	556	129	22	22
- later than one year but not later than five years	360	159	13	34
	916	288	35	56
Future finance charges	(55)	(20)	(3)	(4)
Present value of hire purchase payables	861	268	32	52

The net hire purchase payables are repayable as follows:-

Current:				
- not later than one year (Note 27)	519	120	20	20
Non-current (Note 22):				
- later than one year and not later than five years	342	148	12	32
	861	268	32	52

The effective interest rates of the hire purchase payables of the Group ranged from 4.55% to 5.02% (2013 - 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

27. SHORT-TERM BORROWINGS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Term loan (Note 24)	186	173	-	-
Hire purchase payables (Note 25)	519	120	20	20
	705	293	20	20

28. REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sale of goods	53,355	77,101	-	-
Services	8,807	7,994	-	-
Rental income	3,927	2,891	489	454
Management fee	-	-	-	-
	66,089	87,986	489	454

29. OTHER INCOME

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fair value gain on investment properties	300	2,100	300	2,100
Gain arising from property in lieu of debts	-	750	-	-
Gain on disposal of a subsidiary	-	-	200	-
Gain on disposal of equipment	180	-	-	-
Reversal of impairment losses on property	1,408	-	1,018	-
Interest income	708	857	601	778
Realised gain on foreign exchange	437	694	-	-
Rental income	190	129	-	-
Reversal of impairment losses on trade receivables	84	7	60	-
Others	382	159	-	8
	3,689	4,696	2,179	2,886



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

30. LOSS BEFORE TAXATION

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Impairment losses on receivables	184	2,048	-	200
Amortisation of prepaid lease payments	233	234	-	-
Allowance for slow-moving inventories	50	597	-	-
Audit fee				
- for the current financial year	157	171	36	36
- overprovision in the previous financial year	(37)	(15)	-	-
Bad debts written off	-	5	-	-
Depreciation of property, plant and equipment	5,758	5,405	67	55
Directors' fees	216	225	216	225
Directors' other emoluments	848	848	702	702
Interest expense:				
- hire purchase	26	1	2	1
- term loan	396	411	-	-
Inventories written down	-	280	-	-
Impairment loss on:				
- property, plant and equipment	12,000	955	-	-
- investment in subsidiaries	-	-	4,652	7,912
- amount owing by subsidiaries	-	-	4,122	62
Rental of equipment	4	22	-	-
Rental of premises	6,516	5,468	88	88
Staff costs:				
- salaries, wages, bonuses, and allowances	5,443	5,007	368	348
- defined contribution plan	557	470	45	47
- other benefits	317	427	10	20
Property, plant and equipment written off	303	176	-	-
Write back of allowance for slow-moving inventories	(203)	-	-	-



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

31. INCOME TAX EXPENSE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- for the financial year	594	1,001	-	-
- overprovision in the previous financial year	(1,327)	(499)	-	-
	(733)	502	-	-
Deferred tax expense (Note 23):				
- for the current financial year	(59)	152	-	-
- underprovision in the previous financial year	-	224	-	-
	(59)	376	-	-
	(792)	878	-	-

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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Loss before taxation	(17,633)	(4,188)	(8,146)	(6,868)
Tax at the statutory tax rate of 25%	(4,409)	(1,047)	(2,036)	(1,717)
Tax effects of:-				
Non-deductible expenses	1,051	929	1,231	111
Non-taxable gains	(458)	(714)	(379)	(525)
Utilisation of deferred tax assets not recognised in the previous financial year	(45)	(13)	-	-
Deferred tax assets not recognised during the financial year	4,396	1,998	1,184	2,131
(Over)/Underprovision in the previous financial year:				
- current tax	(1,327)	(499)	-	-
- deferred tax	-	224	-	-
Income tax expense for the financial year	(792)	878	-	-



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

31. INCOME TAX EXPENSE (CONT'D)

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unutilised tax losses	52,151	44,989	2,643	2,026
Unabsorbed capital allowances	33,281	19,438	2,229	2,172
Others	4,622	8,227	13,494	9,432
	90,054	72,654	18,366	13,630

32. LOSS PER SHARE

The basic loss per share is calculated by dividing the loss after tax of the Group attributable to shareholders of RM16,843,444 (2013 – RM5,071,572) by the weighted average number of ordinary shares (excluding treasury shares) in issue during the financial year of 174,133,848 (2013 -174,156,993) 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost of property, plant and equipment purchased	10,464	28,367	-	125
Property in exchange of debts settlement	-	(19,000)	-	-
Amount financed through hire purchase	(900)	(360)	-	(60)
Cash disbursed for purchase of property, plant and equipment	9,564	9,007	-	65



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

34. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed deposits with licensed banks (Note 15)	19,213	20,950	17,043	20,000
Cash and bank balances	4,847	9,662	410	1,061
	24,060	30,612	17,453	21,061

35. DIRECTORS' REMUNERATION

- (a) The aggregate amounts of remuneration received and receivable by the directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<u>Directors Of The Company</u>				
Executive directors:				
- fee	72	72	72	72
- non-fee emoluments	702	702	702	702
Non-Executive directors:				
- fee	144	153	144	153
	918	927	918	927
<u>Directors Of The Subsidiaries</u>				
Executive directors:				
- non-fee emoluments	146	146	-	-
	1,064	1,073	918	927



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

35. DIRECTORS' REMUNERATION (CONT'D)

- (b) The number of the Group's/Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group		The Company	
	2014	2013	2014	2013
Executive directors:				
RM100,001 - RM150,000	1	1	-	-
RM350,001 - RM450,000	2	2	2	2
Non-Executive directors:				
Below RM50,000	4	4	4	4
	7	7	6	6

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 and;
 - (ii) the directors who are the key management personnel.
- (b) In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year:
- (i) Key Management Personnel

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	1,064	1,073	918	927

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.

Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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 industry 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.

	Timber		Tourism Services		Others		Group	
	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE								
Total revenue	-	-	66,998	88,933	531	493	67,529	89,426
Inter-segment revenue	-	-	(1,440)	(1,440)	-	-	(1,440)	(1,440)
Total external revenue	-	-	65,558	87,493	531	493	66,089	87,986
RESULTS								
Segment results								
(external)	(1,397)	(1,937)	(16,335)	(3,366)	(176)	683	(17,908)	(4,620)
Finance costs							(433)	(425)
Interest income							708	857
Loss from ordinary activities before taxation							(17,633)	(4,188)
Income tax expense							792	(878)
Loss from ordinary activities after taxation							(16,841)	(5,066)
Non-controlling interests							(3)	(5)
Loss attributable to owners of the company							(16,844)	(5,071)



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

37. OPERATING SEGMENTS (CONT'D)

	Timber		Tourism Services		Others		Group	
	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
OTHER SEGMENT ITEMS								
Segment assets	20,678	21,287	57,586	66,671	37,209	36,020	115,473	123,978
Unallocated assets							597	527
							116,070	124,505
Segment liabilities	272	293	11,693	12,933	763	752	12,728	13,978
Unallocated liabilities							3,107	2,185
							15,835	16,163
Capital expenditure	593	19,000	8,972	9,242	899	125	10,464	28,367
Depreciation and amortisation	377	207	5,480	5,376	134	56	5,991	5,639
Impairment loss on property, plant and equipment	-	599	12,000	356	-	-	12,000	955
Allowance for slow-moving inventories	-	-	50	597	-	-	50	597
Inventories written down	-	-	-	280	-	-	-	280
Property, plant and equipment written off	-	-	303	176	-	-	303	176
Write back of allowance for slow-moving inventories	-	-	(223)	-	-	-	(223)	-

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

There are no major customers with revenue equal to or more than 10% of the Group revenue.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

38. NON-CANCELLABLE OPERATING LEASES

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

	Group	
	2014	2013
	RM'000	RM'000
Not later than one year	3,300	3,150
Later than one year and not later than five years	13,475	17,380
Later than five year	-	1,210
Total	16,775	21,740

39. CONTINGENT LIABILITY – UNSECURED

	Company	
	2014	2013
	RM'000	RM'000
Corporate guarantee given to licensed banks for banking facilities utilised by subsidiaries	8,000	8,000

40. 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	
	2014	2013
	RM'000	RM'000
Chinese Renminbi	0.50	0.50
Hong Kong Dollar	0.30	0.40
United States Dollar	3.00	3.09
Singapore Dollar	2.20	2.50



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. 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.

41.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) 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 currency 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.

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.

(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 41.1(c) 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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) 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.

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
2014	464	-	464
Not past due			
Past due:-			
- less than 2 months	1,241	-	1,241
- 2 to 5 months	353	-	353
- over 5 months	9,885	(9,386)	499
	11,943	(9,386)	2,557



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit (Cont'd)

Ageing analysis (Cont'd)

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

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.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) 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
2014						
Term loan	8.35	4,626	7,802	556	2,266	4,980
Hire purchase payables	4.55 – 5.02	861	916	556	360	-
Trade payables	-	1,499	1,499	1,499	-	-
Other payables and accruals	-	5,742	5,742	5,742	-	-
		12,728	15,959	8,353	2,626	4,980

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



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

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
2014					
Hire purchase payables	5.02	32	35	22	13
Other payables and accruals	-	497	497	497	-
Amount owing to subsidiaries	-	3,596	3,596	3,596	-
		4,125	4,128	4,115	13

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

41.2 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 that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions less cash and cash equivalents divided by total equity.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.2 CAPITAL RISK MANAGEMENT (CONT'D)

There was no change in the Group's approach to capital management during the financial year.

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 borrowings from financial institutions.

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.

41.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Loans and receivables financial assets</u>				
Trade receivables	2,557	2,499	21	86
Other receivables and deposits	3,586	9,619	345	846
Amount owing by subsidiaries	-	-	23,928	24,181
Amount owing by an associate	5	3	5	3
Fixed deposits with licensed banks	19,213	20,950	17,043	20,000
Cash and bank balances	4,847	9,662	410	1,061
	30,208	42,733	41,752	46,177

Financial liabilities

Other financial liabilities

Term loan	4,626	4,796	-	-
Hire purchase payables	861	268	32	52
Trade payables	1,499	2,399	-	-
Other payables and accruals	5,742	6,515	497	492
Amount owing to subsidiaries	-	-	3,596	4,078
	12,728	13,978	4,125	4,622



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

The Group	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014								
<u>Financial Liabilities</u>								
Term loan	-	-	-	-	4,440	-	4,440	4,440
Hire purchase payables	-	-	-	-	342	-	342	342
	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level *				
	RM'000	RM'000	RM'000	RM'000			RM'000	RM'000
2013								
<u>Financial Liabilities</u>								
Term loan	-	-	-	4,623			4,623	4,623
Hire purchase payables	-	-	-	148			148	148

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 FAIR VALUE INFORMATION (CONT'D)

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
The Company								
2014								
<u>Financial Asset</u>								
Amount owing by subsidiaries (non-current)	-	-	-	-	7,800	-	7,800	7,800
<u>Financial Liability</u>								
Hire purchase payables	-	-	-	-	12	-	12	12

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value	Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level * RM'000	RM'000	RM'000
2013						
<u>Financial Asset</u>						
Amount owing by subsidiaries (non-current)	-	-	-	7,800	7,800	7,800
<u>Financial Liability</u>						
Hire purchase payables	-	-	-	32	32	32

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

41. FINANCIAL INSTRUMENTS (CONT'D)

41.4 FAIR VALUE INFORMATION (CONT'D)

The fair values of hire purchase payable and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follow:-

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
<u>Financial liability</u>				
Hire purchase payables	4.55 – 5.02	4.55 – 5.02	5.02	5.02
Term loan	8.35	8.35	-	-



Notes to the Financial Statements

For the Financial Year Ended 31 March 2014

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

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company 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:-

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total retained profits/accumulated losses of Sanbumi Holdings Berhad and its subsidiaries				
- realised	(46,471)	(29,279)	(89,932)	(84,341)
- unrealised	(2,856)	(561)	(536)	-
	(49,327)	(29,840)	(90,468)	(84,341)
Total accumulated losses from associated company				
- realised	(637)	(637)	-	-
Less: Consolidation adjustments	53,756	49,094	-	-
	3,792	18,617	(90,468)	(84,341)



Shareholding Statistics and Analysis

As at 23 July 2014

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 23 July 2014 are as follows:-

Name of Substantial Shareholders	Direct		Indirect	
	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 23 July 2014 are as follows:-

Name of Directors	Direct		Indirect	
	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

As at 23 July 2014 (Cont'd)

ANALYSIS OF SHAREHOLDINGS BY RANGE GROUPS

	No. of shares	% of Issued Capital	No. of Shareholders	% Over Total Shareholders
1 – 99	381	-	16	0.311
100 – 1,000	849,892	0.488	889	17.285
1,001 – 10,000	14,715,331	8.450	2,861	55.629
10,001 – 100,000	39,500,844	22.684	1,189	23.118
100,001 – 8,706,691*	119,067,400	68.376	188	3.655
8,706,692 and Above**	-	-	-	-
	174,133,848	100.000	5,143	100.000

* - Less than 5% of issued shares

** - 5% and above of issued shares

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



Shareholding Statistics and Analysis

As at 23 July 2014 (Cont'd)

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

No.	NAME OF SHAREHOLDERS	No. of Shares	%
11.	KENANGA 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
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	1,856,800	1.066
21.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NUMINA GEM SDN BHD	1,572,200	0.902
22.	CHU YOKE FONG	1,412,300	0.811
23.	TEOH HOOI BIN	1,334,600	0.766
24.	LEE KIM SOON	1,275,100	0.732
25.	CHEW POO	1,121,500	0.644
26.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE CHOON @ WONG SEE CHOON	973,000	0.558
27.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SII HEE KANG (STA 1)	909,600	0.522
28.	DELTA CYCLE SDN BHD	894,100	0.513
29.	LIM KWEE SENG	800,000	0.459
30.	NOORAZMAN BIN ADNAN	755,000	0.433
TOTAL		79,652,400	45.742

Particulars of Properties Held

Summary of landed properties owned as at 31 March 2014

Owner	Location	Tenure	Existing Use	Land area Sq.ft.	Approx. age of building (Years)	Fair Value as at 31.3.14 RM'000	Last Revaluation
Sanbumi Holdings Berhad ("SHB")	Lot 1620 (2071) Mukim 6 Seberang Prai Tengah, Pulau Pinang	Freehold	a) 4 storey office building	84,419	35	6,514	2014
			b) 1 storey workshop		35	620	2014
SHB	Part of Lot 3423 Mukim 6 Seberang Prai Tengah, Pulau Pinang	Freehold	Storage yard	55,626	N.A.	1,950	2014
SHB	Lot 1590, 1595 & 1598 Mukim 17 Sg. Lembu Seberang Prai Tengah, Pulau Pinang	Freehold	Vacant land	441,263	N.A.	3,180	2014
SHB	Lot 739 Section 16 Georgetown, Daerah Timur-laut Pulau Pinang	Freehold	2 storey shophouse	2,292	>50	2,000	2014
EMC Cranes Sdn Bhd	Lot 451 Mukim 17 Sg Lembu Seberang Prai Tengah, Pulau Pinang	Freehold	Vacant land	795,231	N.A.	2,780	2014
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	3	13,590	2014

Particulars of Properties Held (Cont'd)

Owner	Location	Tenure	Existing Use	Land area Sq.ft.	Approx. age of building (Years)	Fair Value as at 31.3.14 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	2014
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.	6,600	2014
Sanbumi Sawmill Sdn Bhd	Lot 12809 Mukim 15 Seberang Prai Tengah, Pulau Pinang	Freehold	Vacant land	70,988	N.A.	19,200	2014



Proxy Form



SANBUMI HOLDINGS BERHAD (8386-P)

#CDS account no. of authorised nominee

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-Fifth 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,
 19 September 2014 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	- Dato' Chua Tiong Moon		
Resolution 2	- Dato' Rahadian Mahmud bin Mohammad Khalil		
Resolution 3	- Re-appointment of Messrs Crowe Horwath as Auditors and to authorise the Directors to determine their remuneration		
Resolution 4	- Approval of Directors' fees of RM216,000		
Resolution 5	- Continuing in office for Ir Zainurin bin Karman		

(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 _____ 2014

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 10 September 2014 shall be eligible to attend the meeting or appoint proxies and vote on their behalf.

Applicable to shares held through a nominee account.

AFFIX
STAMP

The Secretary
SANBUMI HOLDINGS BERHAD (8386-P)

Wisma EMC
972, Jalan Baru
13700 Prai
Penang

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