



Annual Report 2008



Nagamas International Berhad

(Formerly known as TENCO BERHAD.)

(111365-U)

隆基马中国际有限公司



Contents Contents

• Corporate Information	1
• Notice Of Annual General Meeting	2
• Statement Accompanying Notice Of Annual General Meeting	3
• Directors' Profile	4
• Corporate Governance Statement	8
• Additional Compliance Information	12
• Responsibility Statement by the Board of Directors	13
• Audit Committee Report	14
• Nomination Committee Report	18
• Remuneration Committee Report	20
• Chairman's Statement	22
• Internal Control Statement	23
• Group Financial Highlights	24
• Directors' Report	25
• Financial Statements	28
• Analysis Of Shareholdings	67
• Particulars Of Properties	69
• Form Of Proxy	70



• Corporate Information

Board of Directors

Dato' Tan Yik Huay
(Executive Chairman)

Dato' Ong Jyh Jong
(Group Chief Executive Officer)

Dato' Ng Kek Kiong
(Executive Director)

Dato' Lee Ah Chien @ Lee Ow Kim
(Senior Independent Non-Executive Director)

Datuk Azizan Bin Abd Rahman
(Independent Non-Executive Director)

Ng Fung Mo
(Executive Director)

Liu Xiuqing
(Independent Non-Executive Director)

Wong Soo Thiam
(Independent Non-Executive Director)

Company Secretaries

Yeoh Chong Keat (MIA 2736)
Lim Fei Chia (MAICSA 7036158)

Registered Office

Suite 11.1A, Level 11, Menara Weld
76 Jalan Raja Chulan
50200 Kuala Lumpur
Telephone : 03-2031 1988
Facsimile : 03-2031 9788

Corporate Address

Unit 803, 8th Floor, Menara Luxor
Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan
Telephone : 03-7803 8378
Facsimile : 03-7805 3131

Industrial Division Address

No. 5, Jalan Pelabur 23/1
40300 Shah Alam
Selangor Darul Ehsan
Telephone : 03-5541 0612
Facsimile : 03-5541 0132

Board Committees

Audit Committee

Dato' Lee Ah Chien @ Lee Ow Kim (Chairman)
Datuk Azizan Bin Abd Rahman
Wong Soo Thiam

Remuneration Committee

Dato' Lee Ah Chien @ Lee Ow Kim (Chairman)
Dato' Tan Yik Huay
Datuk Azizan Bin Abd Rahman

Nomination Committee

Datuk Azizan Bin Abd Rahman (Chairman)
Dato' Lee Ah Chien @ Lee Ow Kim
Wong Soo Thiam

Auditors

Tai, Yapp & Co. (AF 0205)
Chartered Accountants
No. 3-2, Jalan Indrahana 2
Off Jalan Kuchai Lama
58200 Kuala Lumpur
Telephone : 03-7983 0948
Facsimile : 03-7981 9912

Share Registrars

Epsilon Registration Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone : 03-2264 3883
Facsimile : 03-2282 1886

Principal Bankers

CIMB Bank Bhd
Public Bank Bhd
Public Bank (Hong Kong) Ltd
Bank of China (Malaysia) Bhd

Stock Exchange Listing

Bursa Malaysia Securities Berhad (Second Board)
Sector : Trading
Stock Number : 8923
Stock Short Name : Nagamas



• Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty Fourth Annual General Meeting of the Company will be held at No. 5, Jalan Pelabur 23/1, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 25 September 2008 at 10.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2008 and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To approve the Directors' Fees of RM89,115.00 in respect of the financial year ended 31 March 2008. (Resolution 2)
3. To re-elect Dato' Lee Ah Chien @ Lee Ow Kim who retires in accordance with Article 88 of the Company's Articles of Association. (Resolution 3)
4. To re-elect the following Directors who retire in accordance with Article 95 of the Company's Articles of Association: -
 - a) Dato' Ong Jyh Jong (Resolution 4)
 - b) Datuk Azizan Bin Abd Rahman (Resolution 5)
 - c) Liu Xiuqing (Resolution 6)
 - d) Wong Soo Thiam (Resolution 7)
5. To re-appoint Messrs Tai, Yapp & Co as auditors of the Company and to authorise the Board of Directors to fix their remuneration. (Resolution 8)

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following, with or without modifications, as Ordinary Resolution of the Company:-

ORDINARY RESOLUTION

AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES

"THAT subject always to the Companies Act, 1965 and the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percentage (10%) of the issued share capital of the Company at the time of issue AND THAT the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 9)

By Order of the Board

YEOH CHONG KEAT (MIA 2736)

LIM FEI CHIA (MAICSA 7036158)

Company Secretaries

Kuala Lumpur

3 September 2008



• Notice Of Annual General Meeting

Notes:-

- i. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member of the Company, then the proxy shall be an advocate or an approved company auditor or a person approved by the Companies Commission of Malaysia. The provision of Section 149(1)(b) of the Companies Act, 1965 shall apply to the Company.
- ii. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- iii. A member shall be entitled to appoint more than one (1) proxy. A member who appoints two (2) proxies shall specify the proportion of his shareholdings to be represented by each proxy.
- iv. The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Registered Office of the Company at Suite 11.1A, Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, not less than forty eight (48) hours before the time set for holding this meeting or any adjournment thereof.

Explanatory Note on Special Business:-

Resolution 9

This Ordinary Resolution proposed under Item 6, if passed, will empower the Directors of the Company to issue shares from the unissued capital of the Company up to an aggregate amount not exceeding ten percentage (10%) of the issued share capital of the Company at the time of issue, for such purposes as the Directors consider would be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

Statement Accompanying Notice Of Annual General Meeting

Directors who are standing for re-election at the Twenty Fourth Annual General Meeting: -

- i. Director retiring in accordance with Article 88 of the Company's Articles of Association: -
 - Dato' Lee Ah Chien @ Lee Ow Kim.
- ii. Directors retiring in accordance with Article 95 of the Company's Articles of Association: -
 - Dato' Ong Jyh Jong;
 - Datuk Azizan Bin Abd Rahman;
 - Mr Liu Xiuqing; *and*
 - Mr Wong Soo Thiam.

Details of the abovenamed Directors are set out in the "Directors' Profiles" from page 4 to 7 of this Annual Report. The details of their shareholdings are listed on page 67.



• Directors' Profile



Seated from left to right:

Dato' Lee Ah Chien@ Lee Ow Kim (*Senior Independent Non-Executive Director*),
Dato' Ong Jyh Jong (*Group Chief Executive Officer*), Dato' Tan Yik Huay (*Executive Chairman*),
Datuk Azizan Bin Abd Rahman (*Independent Non-Executive Director*)

Standing from left to right:

Mr. Yeoh Chong Keat (*Company Secretary*), Mr. Wong Soo Thiam (*Independent Non-Executive Director*),
Dato' Ng Kek Kiong (*Executive Director*), Mr. Ng Fung Mo (*Executive Director*),
Mr. Liu Xiuqing (*Independent Non-Executive Director*)



DATO' TAN YIK HUAY

• *Executive Chairman*

Dato' Tan Yik Huay, Malaysian, aged 65. He was appointed to the Board on June 21, 2000 as Non-Executive Director until early May 2006 when he was redesignated as Executive Director and subsequently appointed as Executive Chairman since May 2007. Dato' Tan is a member of Remuneration Committee.

He is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and a Fellow of the Institute of Chartered Secretaries and Administrators, United Kingdom. Dato' Tan is a member of the Malaysian Institute of Accountants and the Malaysian Association of Public Accountants.

Dato' Tan joined the textile industry in 1973 as the Finance Manager and later as the Executive Director of Pen Group of Companies, an international integrated textile group. He was the Managing Director of Pen Apparel Sdn Bhd, a member of TAL Group of Hong Kong until end January 2005 and currently a Director of the said company.

Currently, Dato' Tan is the Deputy President of the Malaysian Textile Manufacturers' Association (MTMA) and a Deputy President of Malaysian Textile Apparel Centre (MATAAC) of which he is a founder member. In May of this year, Dato' Tan was appointed as Chairman of Asian Chemical Fibers Industry Federation (ACFIF). He is the Past Chairman of Pembangunan Sumber Manusia Bhd (PSMB) and Council Member of the Federation of Malaysian Manufacturers (FMM). Currently, Dato' Tan is the Chairman of Audit Committee of Jerasia Berhad.

Dato' Tan does not have any family relationship with and is not related to any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.



• Directors' Profile

DATO' ONG JYH JONG

- *Group Chief Executive Officer*

Dato' Ong Jyh Jong, Malaysian, aged 48. He was appointed to the Board as Group Chief Executive Officer on September 7, 2007. He holds a Bachelor of Social Science (Hons.) degree from the National University of Malaysia.

He has with him over twenty (20) years of senior management experience in aviation industry, in particular the cargo sector. Dato' Ong served the National Carrier, Malaysia Airlines (MAS) from 1984 till 1996 and after pursuing his other business ventures in the cargo industry, rejoined MAS in January 2001, and when he completed his service contract with Malaysia Airlines Cargo (MASKargo) in August 2007, he had served the Group for a total tenure of more than eighteen (18) years in the capacities of District Manager, Manager South Australia, Agency Sales Manager, General Manager Cargo Sales, Vice President Marketing and Sales (Cargo), Senior General Manager (Cargo), Chief of MASKargo, Chairman of MASKargo Logistics Sdn Bhd, and Advisor of Air Cargo Europe based in Germany and Board member of The International Air Cargo Association (TIACA) based in Miami. Under his leadership as Chief of MASKargo he had been instrumental in introducing the freighter and B744F program in Malaysia Airlines and had been responsible in growing the tonnage volume handled in KLIA from 440,000 tonnes to 670,000 tonnes in six (6) years. With a turnover in excess of RM3 billion, the company reported six (6) consecutive years of profits during his tenure after reporting years of losses.

Dato' Ong was formerly an active member of the Malaysia National Logistics Council headed by the Minister International Trade & Industry of the Government of Malaysia. Currently, he is a consultant with Gerson Lehman on aviation matters.

Dato' Ong does not have any family relationship with and is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.

DATO' NG KEK KIONG

- *Executive Director*

Dato' Ng Kek Kiong, Malaysian, aged 55. He was appointed to the Board on December 8, 2006 as Non-Independent Non-Executive Director. Dato' Ng was redesignated as Executive Director on September 7, 2007.

Dato' Ng started his career with Singer Sewing Machine Shop, he then joined the Ministry of Housing and Local Government as a New Village Development Officer for the State of Negeri Sembilan. Later, he became the Special Assistant to the then Minister of Housing and Local Government, Tan Sri Dato' Michael Chen Wing Sum. Dato' Ng ventured into business in the 80s, and has since been doing business in China for more than two (2) decades. Dato' Ng is the founder of Malaysia-Beijing Group of Companies. He has vast experience in other business fields including air cargo, real estate, plantation, and trading.

Dato' Ng is also actively involved in various guilds and associations. Currently, he is the President of Federation of Fui Chiu Association Malaysia, President of Fui Chiu Association Selangor & Kuala Lumpur, Vice President of Malaysia-China Friendship Association, Deputy President of Hakka Association W.P. Kuala Lumpur & Selangor, Board of Governor for SJK (C) Yu Chai Ulu Beranang, Advisor to Malaysia-China Chamber of Commerce, Advisor to Negeri Sembilan Fui Chiu Association, Advisor to National Newspaper Vendors Association, Deputy Director of Chinese International Foreign Trade Council, Council Member of Tourism Malaysia China Market Advisory Council, Member of Boao Forum for Asia, Member of Malaysian Chinese Tourism Association and Member of Malaysia-China Business Council.

Dato' Ng does not have any family relationship with and is not related to any Director and/or major shareholder save and except the indirect shareholding held through MB Longji Sdn Bhd which is a substantial shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.

NG FUNG MO

- *Executive Director*

Mr Ng Fung Mo, permanent resident of Hong Kong Special Administrative Region, aged 45. He was appointed to the Board on December 8, 2006 as an Independent Non-Executive Director. He was redesignated as Executive Director on September 7, 2007. Mr Ng holds a MBA degree (specializing in property development) from the Chong Sun University.

A property developer with more than twenty (20) years of experience in property development in the People's Republic of China, he started his career with Huiyang Property Development Company ("Huiyang Property") in 1985 and rose through the ranks to become the General Manager of Huiyang Property's Daya Bay Division and Huiyang Property's Hong Kong Division. He has been the Managing Director of Huizhou Longji Real Estate Development Co Ltd ("Huizhou Property") since 1998. Huizhou Property was awarded "Corporate entity that Complies With Terms of Contracts" for three (3) consecutive years.

Currently, Mr Ng is an appointed member of the Political Consultative Committee for the city of Huizhou and holds the post of Deputy Chairman of Huiyang District's Association of Real Estate Development. During the past two (2) decades, he has made significant contribution to the property development industry in Huiyang District.

Mr Ng does not have any family relationship with and is not related to any Director and/or major shareholder save and except the indirect shareholding held through MB Longji Sdn Bhd which is a substantial shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.



• Directors' Profile

DATO' LEE AH CHIEN @ LEE OW KIM

- *Senior Independent Non-Executive Director*

Dato' Lee Ah Chien @ Lee Ow Kim, Malaysian, aged 64. He was appointed to the Board on July 27, 2000 as an Independent Non-Executive Director. Dato' Lee is the Chairman of the Audit Committee and Remuneration Committee. He is also a member of Nomination Committee and the Senior Independent Director to whom investors may contact.

Dato' Lee is a Fellow of the Association of Chartered Certified Accountants, United Kingdom, a Fellow and Council Member for Area 16 (South East Asia) of Chartered Institute of Management Accountants, United Kingdom from year 2004 till 2010, and Past President of the Chartered Institute of Management Accountants, Malaysia Division. Dato' Lee is also a member of the Malaysian Institute of Accountants (MIA), Council Member of MIA during the years 2002 to 2004.

Currently, Dato' Lee is the Senior Consultant cum Company Secretary of Toray Malaysia Group of Companies, an international chemicals and integrated textile group, having served as its Executive Director since 1984 till January 2006. Prior to joining the Toray Malaysia Group, he was the Senior Financial Analyst of Esso Malaysia Bhd. He is also currently a Council Member of the Federation of Malaysian Manufacturers (FMM) and the Chairman of its Northern Branch. Dato' Lee is a Director of Rosettanet Malaysia Bhd, a nominee of FMM.

Dato' Lee does not have any family relationship with and is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.

DATUK AZIZAN BIN ABD RAHMAN

- *Independent Non-Executive Director*

Datuk Azizan Bin Abd Rahman, Malaysian, aged 58. He was appointed to the Board on October 1, 2007 as an Independent Non-Executive Director. Datuk Azizan is the Chairman of the Nomination Committee, member of Audit Committee and Remuneration Committee.

Datuk Azizan holds a Bachelor of Arts in International Relations (University of Malaya), 1973. He started his career as a Shipping Executive in Harper Gilfillan (M) Sdn Bhd. He later joined the Malaysian International Shipping Corporation Berhad Group ("MISC"). In 1982, Datuk Azizan left MISC to join Apex Securities Berhad ("Apex") as a Director that launched his career in stockbroking and finance. He was an active member of the industry and became President of the Stockbrokers Association. He left Apex in 1995 to pursue his private business. In 1995, he was appointed to the Board of Tongkah Holdings Berhad and also the Kedah State owned Bina Darulaman Berhad to assist the companies in their debt restructuring plan. Datuk Azizan also assisted the MBf Groups with their corporate restructuring exercise when he was the Managing Director of MBf Capital Berhad and Director of MBf Holdings Berhad in 2001.

Currently, Datuk Azizan is the Chairman of Eastern & Oriental Berhad, Gefung Holdings Berhad, Isyoda Corporation Berhad and Investment Panel of Lembaga Tabung Haji and also sits on the Board of Apex Equity Holdings Berhad and TH Plantations Berhad.

Datuk Azizan does not have any family relationship with and is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.

LIU XIUQING

- *Independent Non-Executive Director*

Mr Liu Xiuqing, national of the People's Republic of China, aged 54. He was appointed to the Board on October 1, 2007 as an Independent Non-Executive Director. He holds a Bachelor of International Business Administration degree from the Nanjing University.

He started his career with Jiangsu Province Taisen Chiautao Construction Company in 1973 as a Technician and became General Manager of the company in 1990. In 1994, he joined Jiangsu Province Jiangyen City Fifth Construction Engineering Company as its General Manager. In 1999, he joined Jiangsu Chenta Construction Co Ltd and became its President and General Manager. Since 2001 till now, Mr Liu has been the President and General Manager of CCIC South Construction Co Ltd, subsidiary of China Construction International Corporation based in Shenzhen, China, a licensed Grade I building and construction contractor specializes in engineering and construction, decoration, steel-structure engineering, mechanical and electrical equipment installation. Under his leadership, the company has grown tremendously and has constructed building projects with built-up area of more than 3 million square meters. He has in total more than thirty (30) years experience in the engineering and construction industry in China.

Mr Liu does not have any family relationship with and is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.



• Directors' Profile

WONG SOO THIAM

- *Independent Non-Executive Director*

Mr Wong Soo Thiam, Malaysian, aged 53. He was appointed to the Board on November 27, 2007 as an Independent Non-Executive Director. He is a member of the Audit Committee and Nomination Committee.

Mr Wong is a Chartered Accountant by profession, member of Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

He is a partner of Ong Boon Bah & Co, a firm of Chartered Accountants in Kuala Lumpur. He has over thirty (30) years of professional experience in auditing, taxation and management consultancy.

Mr Wong does not have any family relationship with and is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has had no convictions for offences within the past ten (10) years.



Re-quotation of
Nagamas International Berhad on
25 September 2007



Official Unveiling Ceremony of
Nagamas International Berhad on
10 September 2007

Roof Topping Ceremony
Blue Seashore Aotou, Daya Bay
15 January 2008





• Corporate Governance Statement

The Board of Directors (“the Board”) of Nagamas International Berhad (formerly known as Tenco Berhad) (“the Company” or “Nagamas”) recognises that corporate governance is a continuous process and is therefore committed to direct and manage the Company in ensuring that the Group practices good corporate governance in line with the Malaysian Code on Corporate Governance (the “Code”) in discharging its responsibilities to enhance shareholder value and to protect the interests of shareholders.

In preparing this report, the Board has considered the manner in which the Company has applied the principles of the Code and the extent to which it has complied with the Best Practices of the Code. The Board is of the opinion that aside from any exceptions noted below, the Group has applied the principles set out in part 1 of the Code and has complied with the best practices set out in part 2 of the Code throughout the financial year ended 31 March 2008.

I. THE BOARD

a. Directors

(i) Composition and Size of Board

The Board of Nagamas currently comprises one (1) Executive Chairman, three (3) Executive Directors, and four (4) Independent Non-Executive Directors. The profiles of the members of the Board are provided in this Annual Report.

The Board retains full and effective overall control of the Company, and is responsible for overseeing the conduct and performance of the Group’s businesses and provides oversight for the Group’s internal controls. The Board is of the opinion that the interests of shareholders of the Company are fairly represented through the current composition and its size constitutes an effective Board. The wide spectrum of knowledge, skills and experience of the Board members gives added strength to the leadership which is necessary for the effective stewardship of the Group.

The Company practices a clear demarcation of responsibilities and a balance of power and authority. The role of the Executive Chairman are mainly strategic planning and advisory whereas the roles of the Executive Directors are clearly divided and they are responsible for the day-to-day running of the business, implementation of Board policies and making operational decisions.

(ii) Board Balance and Board Effectiveness

The Board of Nagamas is a balanced Board with a complementary blend of expertise with members drawn from varied backgrounds; bringing with them, in depth and diversity in experience, expertise and perspectives to the Group’s business operations. All the Independent Directors are independent of Management and are free from any relationship that could materially interfere with the exercise of their independent judgement. Directors are able to act independently and express their views unfettered and free from any influence.

The four (4) Independent Directors of the Company which forms more than one third (1/3) of the Board provides the Board with a good mix of industry-specific knowledge plus broad business and commercial experience. They provide guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group’s strategy so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity are maintained by the Group.

(iii) Roles of the Executive Chairman and Group Chief Executive Officer

The roles of the Executive Chairman and Group Chief Executive Officer are distinct and separate and each has a clearly accepted division of responsibilities to ensure a balance of power and authority. Collectively, the Board’s primary focus is the Group’s overall strategic plan, direction, corporate policies and performance.

b. Board Meetings

(i) Procedure

The annual calendar of meetings is agreed at the beginning of each year. As stipulated in the Articles of Association of the Company, the quorum for Board Meeting is three (3). Board Meetings are scheduled in advance at the beginning of the calendar year to enable Directors to plan ahead and fit the year’s meetings into their own schedules. In order to enable Directors to discharge their responsibilities effectively, the Board and its committees are supplied with and have access to accurate, relevant, full and timely information. During these meetings, the Board also appraises, where relevant, new investment and business proposals, reviews the management or performance of the business of operating units, and existing investments and any other strategic issues that affect or may affect the Group’s business and corporate well-being.



• Corporate Governance Statement

Board Meetings are governed by a structured formal agenda. All major issues included in the agenda are where possible supported by comprehensive background information to enable the Board to make informed decisions. All Directors are provided with an agenda and at each Board meeting, the Executive Directors, Chief Accountant and/or other relevant Board members will brief on the Group's activities and operations. The issues would then be deliberated and discussed thoroughly by the Board prior to decision making. Proceedings of Board Meetings are recorded and signed by the Chairman of the Meeting.

During the financial year ended 31 March 2008, the Board met six (6) times; whereat it deliberated and considered a variety of matters including the Group's financial results, major investment and strategic decisions.

(ii) Attendance at Board Meetings

The attendance of the Directors at the Board Meetings held during the financial year ended 31 March 2008 are as follows:-

Director	Position	Total meetings attended
Dato' Tan Yik Huay	Executive Chairman	6/6
Dato' Lee Ah Chien @ Lee Ow Kim	Senior Independent Non-Executive Director	6/6
Dato' Ng Kek Kiong	Executive Director	6/6
Dato' Ong Jyh Jong (Appointed as Director w.e.f. 7/9/2007)	Group Chief Executive Officer	2/2
Ng Fung Mo	Executive Director	4/6
Datuk Azizan Bin Abd Rahman (Appointed as Director w.e.f. 1/10/2007)	Independent Non-Executive Director	2/2
Liu Xiuqing (Appointed as Director w.e.f. 1/10/2007)	Independent Non-Executive Director	2/2
Wong Soo Thiam (Appointed as Director w.e.f. 27/11/2007)	Independent Non-Executive Director	2/2
Leong Chun Yin (Resigned as Director w.e.f. 1/10/2007)	Executive Director	4/4
Ian Ghee Eik Kai (Resigned as Director w.e.f. 1/10/2007)	Independent Non-Executive Director	4/4
Wong Keng Shin (Resigned as Director w.e.f. 1/10/2007)	Executive Director	4/4
Kwan Swee Keong (Resigned as Director w.e.f. 1/10/2007)	Executive Director	4/4



• Corporate Governance Statement

(iii) Supply of Information and Access to Advice

Directors whether as a full Board or in their individual capacity have full and unrestricted access to all information within the Company on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities. All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board Meeting procedures are followed and that applicable rules and regulations are complied with. Directors are also regularly updated and advised of any new regulations, guidelines or directives issued by Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission and/or other relevant regulatory authorities. The Board may also avail itself of independent professional opinion and advice, whenever necessary, in the course of fulfilling its responsibilities. Additionally, the Board invites Senior Management to brief the Board from time to time on matters being deliberated as they are able to help bring insight into these matters.

c. Appointments to the Board

The Company has established a formal and transparent procedure for appointment of new Directors. A proposed appointment is first considered by the Nomination Committee which takes into account inter alia the necessary skill and experience of the candidate before making a recommendation to the Board.

d. Election/Re-Election of Directors

In accordance with the Articles of Association of the Company, at least one third (1/3) of the Directors or the number nearest to one third (1/3) shall retire from office at each Annual General Meeting ("AGM") and each Director shall stand for re-election at least once every three (3) years. Directors appointed by the Board are subject to election by shareholders at the next AGM held following their appointments.

e. Directors' Training

The Company does not at present have a formal program for the orientation of newly appointed Directors. The Board considers that the activities of the Group at this time are not so complex as to warrant a formal programme. However, all members of the Board have attended and completed the Mandatory Accreditation Programme as required under the Listing Requirements of Bursa Securities. Directors are encouraged and will continue to attend further educational programmes and seminars regularly to keep abreast of any new developments in the Listing Requirements of Bursa Securities, other relevant legislation and regulations and to enhance their skills and knowledge.

f. Directors' Remuneration

The remuneration of Directors and Senior Management are determined at levels which will enable the Group to attract and retain the Directors and Senior Management needed to run the Group successfully. In the case of Executive Directors as well as Senior Management, they are to be appropriately rewarded giving due regard to the corporate and individual performance. Directors' fees are paid to Non-Executive Directors and these are subject to approval of shareholders at the AGM. The aggregate remuneration of Executive Directors and Non-Executive Directors and the range of remuneration of Directors in the respective bands for the financial year are provided in page 48 of this Annual Report.

II. BOARD COMMITTEES

The Board has delegated certain responsibilities to Board Committees which operate within clearly defined terms of reference. These committees are:-

<u>Board Committees</u>	<u>Key functions</u>
a. Audit Committee	As set out on page 14 to 17
b. Nomination Committee	As set out on page 18 to 19
c. Remuneration Committee	As set out on page 20 to 21

III. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

a. Dialogue between Company and Investors

The Board acknowledges the importance for shareholders to be informed of all material business and corporate matters affecting the Group. The Group's performance is reported quarterly to Bursa Securities and the yearly business review is disclosed in the Annual Report. Information is also disseminated in strict adherence to the disclosure requirements of Bursa Securities.



• Corporate Governance Statement

Apart from contacts at general meetings, there is currently no formal programme or schedule of meetings with investors, shareholders, stakeholders and the public generally. However, the Management has the option of calling for meetings with investors/analysts if it deems necessary. Thus far, the Management is of the opinion that this arrangement has been satisfactory to all parties. Any queries or concerns with regards to the Group may be conveyed to Dato' Lee Ah Chien @ Lee Ow Kim being the Senior Independent Non-Executive Director of the Company, at the following contact numbers:-

Telephone number : 03-5541 0612

Facsimile number : 03-5541 0132

b. Annual General Meeting

The Company uses the AGM as the primary way of communicating with shareholders. The Annual Report together with the Notice of AGM are sent to shareholders at least twenty one (21) days before the date of the meeting. The Board members as well as the Auditors of the Company are present to respond to all questions raised by the shareholders at the meeting. Status of all resolutions proposed at the AGM are submitted to Bursa Securities at the end of the meeting day. Any special business included in the notice of general meeting will be accompanied by an explanatory statement of the effects of a proposed resolution.

IV. ACCOUNTABILITY AND AUDIT

a. Financial Reporting

The Directors have the responsibility to present a balanced and fair assessment of the Group's position and prospects in the Annual Reports to shareholders and quarterly reports to Bursa Securities. The Audit Committee assists in reviewing the information for disclosure to ensure accuracy, adequacy and completeness. The Board is also responsible to ensure that the accounting records of the Group are properly kept.

b. Internal Control

The Internal Control Statement of the Group is set out on page 23 of this Annual Report.

c. Relationship with the Auditors

The role of the Audit Committee in relation to the External Auditors may be found in the Audit Committee Report from page 14 to page 17 of this Annual Report. The Company has always and would continue to maintain a close and transparent relationship with its External Auditors in seeking professional advice and ensuring compliance with the appropriate accounting standards.

V. STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group recognizes the importance of CSR, though at the moment there is no formulated CSR policy, guidelines and plans, the Group take cognizance of the spirit of CSR and would positively support CSR programmes when the Group is ready with the resources and plans.



• Additional Compliance Information

1. MATERIAL CONTRACTS

Save as disclosed in Note 34 (7), (8), & (9) and Note 35 of the financial statements on page 64 of this Annual Report, neither the Company nor any of its subsidiaries had entered into any material contract which involved Directors' and/or major shareholders' interest, either subsisting at the end of the financial year, or which were entered into since the end of the previous financial year.

2. SHARE BUY BACK

During the financial year ended 31 March 2008, the Company did not have a scheme to buy back its own shares.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options were exercised during the financial year ended 31 March 2008. The Company has not issued any warrants or convertible securities in respect of the financial year under review.

4. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAM.

The Company did not sponsor any ADR or GDR program in the financial year ended 31 March 2008.

5. IMPOSITION OF SANCTIONS AND PENALTIES

During the financial year under review, there were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management arising from any significant breach of rules/guidelines/legislation by the relevant regulatory bodies.

6. NON AUDIT FEE

There were no non audit fees paid to External Auditors during the financial year.

7. VARIATION RESULTS

There is no significant variance in the Group's audited results for the financial year ended 31 March 2008 from the unaudited results as previously announced.

8. REVALUATION POLICY AND LANDED PROPERTY

The Group had not adopted any revaluation policy in relation to its landed properties.

9. PROFIT GUARANTEE

There were no profit guarantee given by the Company during the financial year. The status of the recovery of the shortfall in profit guarantee in prior years is stated in Note 29 of the financial statements on page 59 of this Annual Report.



• Responsibility Statement by the Board of Directors

The Directors of the Company are required to ensure that the financial statements of each financial year are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 March 2008, the Group has used suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements.

The Directors have responsibility for ensuring that the Group keeps sufficient accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.



• Audit Committee Report

MEMBERS OF AUDIT COMMITTEE

The Audit Committee (“AC” or “Committee”) consists of three (3) members, all of whom are Independent Non-Executive Directors. The members of the AC are: -

- (i) **Dato’ Lee Ah Chien @ Lee Ow Kim (Chairman)**
Senior Independent Non-Executive Director
- (ii) **Datuk Azizan Bin Abd Rahman**
Independent Non-Executive Director
(Appointed on November 27, 2007)
- (iii) **Wong Soo Thiam**
Independent Non-Executive Director
(Appointed on November 27, 2007)
- (iv) **Ian Ghee Eik Kai**
Independent Non-Executive Director
(Resigned on October 1, 2007)
- (v) **Leong Chun Yin**
Executive Director
(Resigned on October 1, 2007)

TERMS OF REFERENCE

1. Constitution

The Board of Directors have constituted and established a committee of the Board to be known as the Audit Committee.

2. Composition

- (a) The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall comprise of not less than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent.
- (b) At least one (1) member of the Committee shall be a member of the Malaysian Institute of Accountants; or if not a member of the Malaysian Institute of Accountants, must have at least three (3) years’ working experience and have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act, 1967 or a member of one (1) of the associations specified in Part II of the said schedule; or has a degree/masters/doctorate in accounting or finance and at least three (3) years’ post qualification experience in accounting or finance or is a member of a professional accountancy organisation which has been admitted as full members of the International Federation of Accountants and at least three (3) years’ post qualification experience in accounting or finance; or at least seven (7) years’ experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- (c) No alternate director shall be appointed as a member of the Committee.
- (d) The members of the Committee shall elect a Chairman from among their numbers who shall be an Independent Director.
- (e) In the event of any vacancy in the Committee resulting in the non-compliance of subparagraph 15.10(1) of the Listing Requirements of Bursa Securities, the Board shall fill the vacancy within three (3) months from the date of the vacancy.
- (f) The Board shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.



• Audit Committee Report

3. Authority

- (a) The Committee is authorised by the Board to review and/or investigate any matter within the Committee's terms of reference. It shall have full and unrestricted access to any information pertaining to the Group and shall have the resources it requires to perform its duties. All employees of the Group are required to comply with the requests made by the Committee.
- (b) The Committee is authorised by the Board to obtain external legal or independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, the expenses of which will be borne by the Company.
- (c) The Committee shall have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity.
- (d) The Committee shall be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary, in order to enable the Committee and the External Auditors or the Internal Auditors or both, to discuss problems and reservations and any other matter the External Auditors or Internal Auditors may wish to bring up to the attention of the Committee.
- (e) The Committee is not authorised to implement its recommendations on behalf of the Board but report its recommendations back to the Board for its consideration and implementation. Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the Committee is authorised to promptly report such matters to the Exchange.

4. Functions of the Committee shall be amongst others:-

- (a) To consider the audit fee of the External Auditor, any questions of resignation or dismissal of the External Auditor and appointment of new External Auditor to replace outgoing auditor, and whether there is reason (supported by grounds) to believe that the Company's External Auditor is not suitable for re-appointment; and to recommend the nomination of a person or persons as External Auditors;
- (b) To discuss with the External Auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;
- (c) To act as an intermediary between Management or other employees, and the External Auditors;
- (d) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing particularly on:-
 - (i) any changes in or implementations of major accounting policies and practices;
 - (ii) significant adjustments arising from audits;
 - (iii) significant and unusual events;
 - (iv) litigation that could affect results materially;
 - (v) the going concern assumption; and
 - (vi) compliance with accounting standards regulatory and other legal requirements.
- (e) To discuss problems and reservations arising from the interim and final audits, and any matter the External Auditor may wish to discuss (in the absence of Management where necessary);
- (f) To review matters arising from the audit with the External Auditor including any report or management letter and Management's response;
- (g) To do the following where an internal audit function exists:-
 - (i) review the adequacy of the scope, functions and resources and competency of the internal audit function, and that it has the necessary authority to carry out its work;
 - (ii) review the internal audit programme, process and results of the internal audit programme, process and/or investigation undertaken and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
 - (iii) to ensure the internal audit function of the Company reports directly to the Committee;
 - (iv) review any appraisal or assessment of the performance of the internal audit function;
 - (v) to review the independence of the internal audit function;
 - (vi) approve any appointment or termination of senior members of the internal audit function; and
 - (vii) inform itself of resignations of internal audit members and provide the resigning member an opportunity to submit reasons for resigning.



• Audit Committee Report

- (h) Review the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (i) To consider any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management integrity;
- (j) To consider the major findings of internal investigations and Management's response;
- (k) To prepare the annual Committee report to the Board which includes the composition of the Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of internal audit function and summary activities of internal audit function for inclusion in the Annual Report;
- (l) To review the Board's statement on compliance with the Malaysian Code on Corporate Governance for inclusion in the Annual Report;
- (m) To carry out such other functions as may be agreed to by the Committee and the Board.

5. Meetings & Minutes

- (a) The Committee shall meet at least four (4) times annually. However, at least once a year, the Committee shall meet with the External Auditors without the Executive Directors being present.
- (b) A quorum shall be two (2) members, majority of whom must be Independent Directors.
- (c) Other than in circumstances which the Chairman considers inappropriate, the Chief of Finance and Head of Internal Audit and a representative of the External Auditors shall attend all meetings of the Committee to make known their views on any matter under consideration by the Committee, or which in their opinion, should be brought to the attention of the Committee. The Committee may, as and when necessary, invite other members of the Board and members of Senior Management to attend the meetings.
- (d) The Company Secretary shall be the Secretary of the Committee and will record, prepare and circulate the minutes of the meetings of the Committee and ensure that the minutes are properly kept and produced for inspection, if required. The Committee shall report to the Board and its minutes tabled and noted by the Board.

Meetings held during the financial year ended 31 March 2008

The Committee met five (5) times during the financial year and the details of attendance are as follows:-

Name	Total meetings attended
Dato' Lee Ah Chien @ Lee Ow Kim	5/5
Datuk Azizan Bin Abd Rahman (<i>Appointed on November 27, 2007</i>)	2/2
Wong Soo Thiam (<i>Appointed on November 27, 2007</i>)	2/2
Ian Ghee Eik Kai (<i>Resigned on October 1, 2007</i>)	3/3
Leong Chun Yin (<i>Resigned on October 1, 2007</i>)	3/3

Other Board members, Chief Accountant, Chief of Finance and representatives of the External Auditors were present by invitation to brief the Committee on specific issues, as and when necessary, with the Company Secretaries in attendance.

SUMMARY OF ACTIVITIES DURING AND AFTER THE FINANCIAL YEAR

During the financial year, the Committee reviewed the unaudited quarterly financial statements and annual audited financial statements of the Group to ensure compliance with approved accounting standards and adherence to other regulatory requirements prior to submission to the full Board for consideration and approval.

The Committee also assessed the significant issues set out in the management letter arising from the audit of the Group by the External Auditors for the financial year and seeks clarification and explanations from Management of the Company on issues noted in the audit reports. The AC also reviewed the assistance provided by Management to the External Auditors during their course of audit.

The proposed audit fees for the External Auditors in respect of their audit of the Group and the Company had been reviewed by the Committee who had also considered the re-appointment of the External Auditors for recommendation to the shareholders for approval.



• Audit Committee Report

In performing its functions, the Committee reviewed the internal control system of the Group and made recommendations to the Board and Management on improvement of internal controls, procedures and systems and other matters noted by the Committee.

The AC, in discharge of its duties reviewed the terms of appointment of Internal Auditors after the financial year and recommended to the Board of Directors for approval. The Committee also reviewed and discussed with the Internal Auditors their audit plan and scope of work.

INTERNAL AUDIT FUNCTION

The internal audit function of the Company and Group is currently outsourced to an independent professional firm in place of the in-house Internal Auditor of the Company.

The Internal Auditors have conducted a risk assessment on the Group after the financial year ended 31 March 2008 to facilitate the identification, prioritization and assessment of key risk affecting the Group's achievement of its objectives, and to ensure proper internal audit focus is placed on key risk areas as well as to facilitate the development of a proposed internal audit plan of the Company.



• Nomination Committee Report

MEMBERS OF NOMINATION COMMITTEE

The Nomination Committee (“NC” or “Committee”) consists of three (3) members, all of whom are Independent Non-Executive Directors. The members of the NC are: -

- (i) **Datuk Azizan Bin Abd Rahman (Chairman)**
(Independent Non-Executive Director)
(Appointed on November 27, 2007)
- (ii) **Dato’ Lee Ah Chien @ Lee Ow Kim**
(Senior Independent Non-Executive Director)
- (iii) **Wong Soo Thiam**
(Independent Non-Executive Director)
(Appointed on November 27, 2007)
- (iv) **Dato’ Tan Yik Huay**
(Executive Director)
(Resigned as member on November 27, 2007)
- (v) **Dato’ Ng Kek Kiong**
(Executive Director)
(Resigned as member on November 27, 2007)
- (vi) **Ian Ghee Eik Kai**
(Independent Non-Executive Director)
(Resigned on October 1, 2007)

TERMS OF REFERENCE

1. Constitution

The Board has established a Committee of the Board to be known as the Nomination Committee.

2. Composition

- (a) The Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise exclusively of Non-Executive Directors, majority of whom are independent. A quorum shall be two (2) members.
- (b) The members of the Committee shall elect a Chairman from among their members.
- (c) If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below two (2), the Board of Directors shall within three (3) months of that event, appoint such number of new member(s) as may be required to make up the minimum number.

3. Functions

The functions of the Committee shall be:-

- (a) Proposing new nominees for appointment to the Board of Directors and reappointment of retiring Directors.
- (b) Assessing Directors on an on-going basis, the effectiveness of the Board as a whole, the committees of the Board and the ability of each individual Director to contribute to the effective decision making of the Board.
- (c) Recommend to the Board, Directors to fill the seats on other Board committees.
- (d) Review annually the size of the Board and review the mix of skills and experience and other qualities of the Board members for the Board to function completely and effectively.
- (e) Orientating and educating new Directors as to the nature of the business, current issues within the Company and the corporate strategies, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.
- (f) Consider and recommend the Directors for re-election at each AGM.



• Nomination Committee Report

4. Reporting Procedures

- (a) The actual decision as to who shall be appointed to the Board should be the responsibility of the full Board after considering the recommendations of the Committee.
- (b) Reporting to the full Board from time to time its recommendations for consideration and implementation.

5. Activities of NC

The activities of the NC during and after the financial year ended 31 March 2008 are as follows: -

- (a) Assessment of the effectiveness and performance of the Board and Board committees, as well as individual Directors;
- (b) Reviewed and proposed to the Board new nominees for appointment as Directors of the Company;
- (c) Determined which Directors would stand for re-election at the Company's AGM.



• Remuneration Committee Report

MEMBERS OF REMUNERATION COMMITTEE

The Remuneration Committee ("RC" or "Committee") consists of three (3) members, mainly Independent Non-Executive Directors. The members of the RC are:-

- (i) Dato' Lee Ah Chien @Lee Ow Kim (Chairman)
(Senior Independent Non-Executive Director)
(Redesignated as Chairman of the Committee on November 27, 2007)
- (ii) Dato' Tan Yik Huay
(Executive Director)
- (iii) Datuk Azizan Bin Abd Rahman
(Independent Non-Executive Director)
(Appointed on November 27, 2007)
- (iv) Ian Ghee Eik Kai
(Independent Non-Executive Director)
(Resigned on October 1, 2007)

TERMS OF REFERENCE

1. Constitution

The Board has established a Committee of the Board to be known as the Remuneration Committee.

2. Composition

- (a) The Committee shall be appointed by the Board from amongst its Directors of the Company which fulfils the following requirements:-
 - The Committee shall compose not less than three (3) members.
 - The members of the Committee shall consist mainly of Non-Executive Directors.
- (b) The members of the Committee shall elect a Chairman from among their number who is not an Executive Director or employee of the Company or any related corporation.
- (c) If a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- (d) The Chairman of the Committee shall be entitled, where deemed appropriate, to invite any other person to a meeting of the Committee at which that person's expertise may be required having regard to the subject matter to be discussed.

3. Objective

Remuneration for a Director should be determined so as to ensure that the Company attracts and retains the Directors needed to run the Group successfully. The component parts of remuneration should be structured so as to link rewards to corporate and individual performance, in the case of Executive Directors and Senior Management staff.

4. Meetings

- (a) The Chairman of the Committee may request for a meeting as and when deemed necessary. A quorum shall be two (2) members.
- (b) Notice of a meeting may be given in writing or by any other means of communication.



• Remuneration Committee Report

5. Functions

The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and Senior Management of the Group.

The functions of the Committee shall include:-

- (a) Recommend to the Board the framework of executive remuneration and its cost, and the remuneration package for each Executive Director and Senior Management, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in a selected group of comparable companies.
- (b) To reimburse reasonable expenses incurred by the Directors and Senior Management in the course of their duties.
- (c) To review and determine the bonus scheme for the Executive Directors and Senior Management depending on various performance measurements of the Group.
- (d) To review and determine other benefits in kind for the Executive Directors and Senior Management.
- (e) To review annually the Executive Directors' and Senior Management's service contracts (if any).

6. Reporting Procedures

- (a) The remuneration of Directors and Senior Management shall be the ultimate responsibility of the full Board after considering the recommendations of the Committee.
- (b) Executive Directors and Senior Management do not participate in discussion of their own remuneration.

7. Activities of RC

The activities of the RC during and after the financial year ended 31 March 2008 are as follows: -

- (a) Reviewed and recommended to the Board the Service Contracts for the Executive Directors of the Company;
- (b) Considered and recommended to the Board the remuneration packages of Executive Directors and the Directors' fees for financial year ended 31 March 2008;
- (c) Considered and recommended to the Board the Directors' Fees for financial year ending 31 March 2009; and
- (d) Reviewed and recommended the Key Performance Indicators tabulated by the Management for Executive Directors.



• Chairman's Statement

The Company has successfully completed its restructuring exercise and Bursa Malaysia Securities Berhad has lifted the Company from PN 17 status in September, 2007.

Financial Review

The Group attained a positive result for the financial year ended March 31, 2008. The Group recorded a turnover of RM81.7 million compared with RM67.8 million in the previous financial year, an improvement of twenty point five percent (20.5%) despite the increasing tough market environment and the rapid rise in raw material cost. The Group registered an operational profit of RM5.2 million compared to RM1.8 million in the previous year. After taking into account the interest charge and other adjustments, the profit after tax for the Group was RM3.9 million compared to profit after tax of RM13.6 million (inclusive of interest write backs and other adjustments) in the previous year.

The operation was streamlined during the year under review. The Cooling Technologies and Electronic business, the Adhesive and Hardware business and the Polymer and Coatings business were grouped together to form the Industrial Division. To diversify, two (2) new core businesses, property and aviation services were added. Nagamas International (HK) Limited, for the property and Nagamas Enterprise (HK) Limited for the aviation services. For the period ended March 2008, the Property Division contributed a net profit of RM1.4 million, whilst for the same period the Aviation Division incurred a loss of RM217,000.

Future Prospects

The surge in oil prices hampers the performance of the Company, particularly the Industrial Division. The relentless rise in the oil derived raw materials, many of which have more than doubled compare to that of last year plus the consequential increase in operating cost, such as energy, transportation and others affect the result. Any further upward swing will cause the Industrial Division to suffer losses. The Property Division, which operates in the third tier Chinese property market, is less likely to be affected from market downturn. Property Division is expected to play a key role in generating profit for the Company. For the Aviation Division, the outlook is challenging bearing in mind that the impact of high oil prices on airline operation. However, both Property and Aviation Services Divisions are expected to improve their contribution to the Groups' revenue.

Acknowledgement

On behalf of the Board of Directors, I wish to thank our shareholders, associates, customers, suppliers, bankers and the various authorities for their kind understanding and support. Also I would like to record my gratitude and thanks to our Management and staff who have worked hard and diligently to improve the performance of the Group.

To all my fellow Directors, I would like to express my appreciation for their invaluable advices and contributions to the Group.

Dato' Tan Yik Huay
Executive Chairman



• Internal Control Statement

INTRODUCTION

Paragraph 15.27(b) of the Listing Requirements of Bursa Securities has made it mandatory for the Board to make a statement in this Annual Report about the state of Internal Control in the Company as a Group. The Board is pleased to provide the following Statement on Internal Control which has been prepared in accordance with the “Statement on Internal Control – Guidance for Directors of Public Listed Companies”.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of Internal Control, and for reviewing its adequacy and integrity to safeguard shareholders’ investment and the Company’s assets. The review of the Group’s system of Internal Control is a concerted and continuing process. In the pursuit of this objective, the Directors are aware that the system of Internal Control is designed to manage rather than eliminate the risk of failure to achieve the Group’s objectives and can only provide reasonable and not absolute assurance against material mis-statement or loss.

KEY ELEMENTS OF INTERNAL CONTROL

The principal features of the Group’s system of Internal Control can be summarized as follows:

(a) **Reporting and Review of Financial Performance**

Scheduled meetings are held at operational and Management levels to identify, to discuss and resolve business and operational matters. Monthly and quarterly review of financial results and forecasts are held for all business within the Group. Operational and financial performance are regularly monitored with formulation of action plans to address any areas of concern. Quarterly, interim and full year results of the Group’s state of affairs are disclosed to the shareholders after review and approval by the Board.

(b) **Staffing Policies**

Policies and procedures on hiring and training scheme of staff have been established at Group level with individual business group having the flexibility to adapt these policies for their specific needs. Staffs are guided on where and how they can contribute their knowledge and skills through continuous upgrading to meet the demand of their working requirements.

(c) **Authority and Accountability Levels**

The Group has a well defined organization structure with clear lines of accountability, approval and control procedures to provide a sound framework within the organization in facilitating proper decision making at the appropriate authority levels of Management including matters that require Board approval.

(d) **Internal Control**

The Group monitors Internal Control compliance through Management review and periodic audits by internal audit personnel. The Group has appointed an out-sourced internal audit firm to perform regular and systematic review of Internal Control systems to assess and provide sufficient assurance on the effectiveness of the systems of Internal Controls and to highlight significant risks impacting the Group. Weaknesses and non-compliance are reported to the Audit Committee together with recommendation for improvement.

(e) **Management Meetings**

The Group conducts regular Management meetings with Executive Chairman/Group Chief Executive Officer as well as Senior Management and/or Head of Departments in attendance. The meetings discuss, and decide on all operational issue as well as inform and update all Senior Management and Head of Departments on all major policies and business strategies directed by the Board.

The Group continues to take measures to enhance and strengthen the Group’s Internal Control environment.

RISK MANAGEMENT FRAMEWORK

The process of identifying, evaluating and managing the key risks within the Group is an integral part of the Internal Control framework. The Board has reviewed risk management process of certain identified business entities within the Group and acknowledges that effective risk management is an integral part of good business management practice.

The process of risks assessment and management is an ongoing process which is being carried out at each level of operations. This process is monitored by the Board to ensure the adequacy and integrity of the system of Internal Control.

Management is responsible for the identification, evaluation and mitigation of risks applicable to their areas of business with the assistance of properly designed and implementation of Internal Control processes. Management reports findings on a regular basis to the Audit Committee, who will assess the report on behalf of the Board. Senior Management reports to the Board on significant changes in the business environment that present new risks to the business entities within the Group.

The Board will continue to pursue its objective in identifying and management of risks associated with the operation of the Group and to take the necessary measures to strengthen its Internal Control so as to facilitate the achievement of the Group’s business objectives.



• Group Financial Highlights

GROUP FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2008

<u>Revenue</u>	<u>Profit Before Taxation</u>	<u>Profit After Taxation</u>	<u>Shareholders' Funds</u>	<u>Earnings Per Share</u>
81,716,789	4,549,531	3,883,643	44,013,711	7.5

FIVE YEARS' FINANCIAL PERFORMANCE

Revenue

Year	RM
2004	59,612,344
2005	61,441,841
2006	66,226,638
2007	67,764,278
2008	81,716,789

Profit/(Loss) Before Taxation

Year	RM
2004	(3,737,653)
2005	(1,368,112)
2006	(620,906)
2007	14,250,335
2008	4,549,531

Shareholders' Funds

Year	RM
2004	4,739,253
2005	3,236,984
2006	1,848,638
2007	15,541,624
2008	44,013,711

Earnings/(Loss) Per Share (Sen)

Year	SEN
2004	(7.3)
2005	(2.9)
2006	(2.3)
2007	26.0
2008	7.5



• Directors' Report for the year ended 31st March 2008

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2008

The Directors present their report and the audited financial statements of the Group and of the Company for the year ended 31st March 2008.

CHANGE OF NAME

On 10th September 2007, the Company changed its name from Tenco Berhad to Nagamas International Berhad.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. During the year, the Company extended its principal activity to include providing management services. The principal activities of the subsidiary companies are disclosed in note 11 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS	Group RM	Company RM
Profit for the year after taxation	3,883,643 =====	438,688 =====

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend for the current financial year ended 31st March 2008.

RESERVES AND PROVISIONS

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

CHANGES IN THE ISSUED AND PAID UP SHARE CAPITAL

In accordance with a Scheme of Reconstruction of the Company which was approved by the High Court of Malaya via a court order dated 5th July 2007, the existing issued and paid up capital of the Company of RM52,200,000 comprising 52,200,000 ordinary shares of RM1 each were reduced to RM26,100,000 comprising 52,200,000 ordinary shares of RM0.50 each. The issued and paid up capital were then consolidated on the basis of every two (2) ordinary shares of RM0.50 each into ordinary shares of RM1 each.

During the financial year, the following issue of shares was made by the Company :-

<u>Class</u>	<u>Number of shares issued</u>	<u>Term of issue</u>	<u>Purpose of issue</u>
Ordinary shares of RM1	13,050,000	Cash	Rights issue
Ordinary shares of RM1	11,745,000	Cash	Special issue

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.



• Directors' Report for the year ended 31st March 2008

DIRECTORS

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

DATO' TAN YIK HUAY	
DATO' LEE AH CHIEN @ LEE OW KIM	
DATO' NG KEK KIONG	
NG FUNG MO	
DATO' ONG JYH JONG	- Appointed on 7.9.07
DATUK AZIZAN BIN ABD RAHMAN	- Appointed on 1.10.07
LIU XIUQING	- Appointed on 1.10.07
WONG SOO THIAM	- Appointed on 27.11.07
IAN GHEE EIK KAI	- Resigned on 1.10.07
KWAN SWEE KEONG	- Resigned on 1.10.07
LEONG CHUN YIN	- Resigned on 1.10.07
WONG KENG SHIN	- Resigned on 1.10.07

The following Directors retire in accordance with the Company's Article of Association and being eligible, offer themselves for re-election :

- (i) Article 88 Dato' Lee Ah Chien @ Lee Ow Kim
- (ii) Article 95 Dato' Ong Jyh Jong, Datuk Azizan Bin Abd Rahman, Liu Xiuqing and Wong Soo Thiam.

DIRECTORS' INTEREST

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134, are as follows:-

	----- Ordinary Shares of RM1 each -----			
	As at 1.4.07	Bought	Sold	As at 31.03.08
Direct Interest				
DATUK AZIZAN BIN ABDUL RAHMAN	-	1,915,000	-	1,915,000
	----- Ordinary Shares of RM1 each -----			
	As at 1.4.07	Bought	Sold	As at 31.03.08
Indirect Interest held through body Corporate				
DATO' NG KEK KIONG	-	13,621,225	-	13,621,225
NG FUNG MO	-	13,621,225	-	13,621,225

The other Directors did not hold shares in the Company as at the end of 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 those benefits disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest other than any benefits which may be deemed to have arisen from the transactions entered into by the Company as mentioned in note 32 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- a) Before the income statement and balance sheet of the Group and of the Company were made out, the Directors took reasonable steps :-
 - i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts;



• Directors' Report for the year ended 31st March 2008

- ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- b) At the date of this report, the Directors are not aware of any circumstances which would render :-
 - i) the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and the Company inadequate to any substantial extent;
 - ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e) As at the date of this report there does not exist :-
 - i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- f) In the opinion of the Directors :-
 - i) no contingent liability or other liabilities has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due;
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in note 34 to the financial statements.

EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

Event subsequent to the balance sheet date is disclosed in note 35 to the financial statements.

AUDITORS

The auditors, Tai, Yapp & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATO' TAN YIK HUAY

DATO' ONG JYH JONG

Petaling Jaya
Dated: 16th July 2008



• Consolidated Income Statement for the year ended 31st March 2008

		2008	2007
	Note	RM	RM
Revenue	6	81,716,789	67,764,278
Cost of sales		<u>(64,737,282)</u>	<u>(55,238,466)</u>
Gross profit		16,979,507	12,525,812
Other income		1,721,465	28,594,772
Direct expenses		-	(35,337)
Distribution costs		(1,104,621)	(848,424)
Administrative expenses		(7,821,618)	(6,791,540)
Other expenses		<u>(4,623,867)</u>	<u>(17,279,383)</u>
Profit from operations		5,150,866	16,165,900
Finance costs		<u>(601,335)</u>	<u>(1,915,565)</u>
Profit before taxation	7	4,549,531	14,250,335
Taxation	8	(665,888)	(678,286)
Profit after taxation		<u><u>3,883,643</u></u>	<u><u>13,572,049</u></u>
Earning per ordinary share (sen) - Basic	9	<u><u>7.5</u></u>	<u><u>26.0</u></u>

The accompanying notes form an integral part of the financial statements.



• **Income Statement** for the year ended 31st March 2008

		2008	2007
	Note	RM	RM
Revenue	6	1,757,560	-
Other income		1,068,530	3,899,393
Administrative expenses		(1,248,547)	(239,275)
Other expenses		<u>(974,111)</u>	<u>(8,924,907)</u>
Profit/(Loss) from operations		603,432	(5,264,789)
Finance costs		<u>(30,082)</u>	<u>(475,876)</u>
Profit/(Loss) before taxation	7	573,350	(5,740,665)
Taxation	8	(134,662)	(48,000)
Profit/(Loss) after taxation		<u><u>438,688</u></u>	<u><u>(5,788,665)</u></u>

The accompanying notes form an integral part of the financial statements.



• Consolidated Balance Sheet as at 31st March 2008

	Note	2008 RM	2007 RM
NON CURRENT ASSETS			
Property, plant and equipment	10	6,334,662	6,670,069
Prepaid lease payments	12	282,753	305,054
Investments	13	580,650	580,650
Goodwill on consolidation	14	1,582,316	1,556,476
		<u>8,780,381</u>	<u>9,112,249</u>
CURRENT ASSETS			
Inventories	15	13,578,183	11,526,512
Trade receivables	16	22,385,712	18,524,253
Other receivables, deposits and prepayments	17	9,753,674	1,854,875
Tax recoverable		308,422	421,644
Fixed deposits with licensed banks	19	6,678,063	5,853,808
Cash and bank balances		5,504,795	2,778,983
		<u>58,208,849</u>	<u>40,960,075</u>
TOTAL ASSETS		<u><u>66,989,230</u></u>	<u><u>50,072,324</u></u>
EQUITY			
Share capital	20	50,895,000	52,200,000
Reserves	21	(6,881,289)	(36,658,376)
Total equity		<u>44,013,711</u>	<u>15,541,624</u>
NON CURRENT LIABILITIES			
Hire purchase payables	22	120,754	161,737
Deferred taxation	23	76,914	152,067
		<u>197,668</u>	<u>313,804</u>
CURRENT LIABILITIES			
Trade payables	24	7,081,772	5,244,685
Bills payable	25	3,294,090	2,677,794
Other payables and accruals	26	12,100,992	14,999,735
Hire purchase payables	22	22,361	30,577
Bridging loans	27	-	11,103,500
Taxation		278,636	160,605
		<u>22,777,851</u>	<u>34,216,896</u>
Total liabilities		22,975,519	34,530,700
TOTAL EQUITY AND LIABILITIES		<u><u>66,989,230</u></u>	<u><u>50,072,324</u></u>

The accompanying notes form an integral part of the financial statements.



• Balance Sheet as at 31st March 2008

	Note	2008 RM	2007 RM
NON CURRENT ASSETS			
Property, plant and equipment	10	219,845	2,959
Investments in subsidiary companies	11	21,493,788	12,495,986
		<u>21,713,633</u>	<u>12,498,945</u>
CURRENT ASSETS			
Other receivables, deposits and prepayments	17	1,249,769	1,104,178
Amount owing by subsidiary companies	18	1,013,902	1,154,460
Fixed deposits with a licenced bank	19	2,800,139	2,007,475
Cash and bank balances		361,099	61,732
		<u>5,424,909</u>	<u>4,327,845</u>
TOTAL ASSETS		<u><u>27,138,542</u></u>	<u><u>16,826,790</u></u>
EQUITY			
Share capital	20	50,895,000	52,200,000
Reserves	21	(24,463,313)	(51,002,001)
Total equity		<u>26,431,687</u>	<u>1,197,999</u>
NON CURRENT LIABILITY			
Deferred taxation	23	<u>14,300</u>	<u>-</u>
CURRENT LIABILITIES			
Other payables and accruals	26	572,193	573,613
Amount owing to subsidiary companies	18	-	3,951,678
Bridging loans	27	-	11,103,500
Taxation		120,362	-
		<u>692,555</u>	<u>15,628,791</u>
Total liabilities		<u>706,855</u>	<u>15,628,791</u>
TOTAL EQUITY AND LIABILITIES		<u><u>27,138,542</u></u>	<u><u>16,826,790</u></u>

The accompanying notes form an integral part of the financial statements.



• Consolidated Statement Of Changes In Equity for the year ended 31st March 2008

	Share Capital	Non-Distributable Translation Adjustment Account	Reserve on Consolidation	Distributable Accumulated Losses	Total Equity
	RM	RM	RM	RM	RM
Balance at 1st April 2006	52,200,000	(209,761)	522,284	(50,663,885)	1,848,638
Currency translation differences	-	120,937	-	-	120,937
Net profit not recognised in the income statement	-	120,937	-	-	120,937
Effects of adopting FRS 3	-	-	(522,284)	522,284	-
Net profit for the year	-	-	-	13,572,049	13,572,049
Balance at 31st March 2007	52,200,000	(88,824)	-	(36,569,552)	15,541,624
Currency translation differences	-	(206,556)	-	-	(206,556)
Net loss not recognised in the income statement	-	(206,556)	-	-	(206,556)
Capital reduction	(26,100,000)	-	-	26,100,000	-
Rights issue	13,050,000	-	-	-	13,050,000
Special issue	11,745,000	-	-	-	11,745,000
Net profit for the year	-	-	-	3,883,643	3,883,643
Balance at 31st March 2008	50,895,000	(295,380)	-	(6,585,909)	44,013,711

The accompanying notes form an integral part of the financial statements.



• Statement Of Changes In Equity for the year ended 31st March 2008

	Non Distributable	Distributable	
	Share Capital	Accumulated Losses	Total Equity
	RM	RM	RM
Balance at 1st April 2006	52,200,000	(45,213,336)	6,986,664
Net loss for the year	-	(5,788,665)	(5,788,665)
Balance at 31st March 2007	52,200,000	(51,002,001)	1,197,999
Capital reduction	(26,100,000)	26,100,000	-
Rights issue	13,050,000	-	13,050,000
Special issue	11,745,000	-	11,745,000
Net profit for the year	-	438,688	438,688
Balance at 31st March 2008	<u>50,895,000</u>	<u>(24,463,313)</u>	<u>26,431,687</u>

The accompanying notes form an integral part of the financial statements.



• Consolidated Cash Flow Statement for the year ended 31st March 2008

	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,549,531	14,250,335
Adjustments for :-		
Bad debts written off	33,196	-
Waiver of term loan principal and interest	-	(4,673,108)
Property, plant and equipment written off	27,725	213,795
Inventories - allowance and written off	4,456	4,869
Loss on disposal of property, plant and equipment	4,001	-
Depreciation and amortisation of property, plant and equipment	680,168	834,205
Amortisation of short term leasehold land	22,301	22,301
Gain on disposal of property, plant and equipment	(11,999)	(33,221)
Foreign exchange translation	(220,808)	124,408
Advances to a subsidiary company written off	-	15,211
Deconsolidation of subsidiary companies	-	(22,925,305)
Interest expense	601,335	1,915,565
Interest income	(341,121)	(124,035)
Gain on disposal of subsidiary company (net of impairment)	-	(15,214)
Specific allowance for doubtful debts	214,231	147,048
Allowance for doubtful debts - deconsolidated subsidiary company	-	11,554,632
Dividend income	-	(423,441)
Impairment loss of goodwill	-	500,890
Operating profit before working capital changes	5,563,016	1,388,935
Increase in inventories	(2,056,127)	(304,501)
Increase in receivables	(12,007,685)	(13,610,940)
(Decrease)/Increase in payables	(1,073,496)	15,264,814
Cash (absorbed in)/generated from operations	(9,574,292)	2,738,308
Interest paid	(601,335)	(604,559)
Interest received	341,121	124,035
Tax paid	(509,788)	(761,121)
Net cash (used in)/provided by operating activities	(10,344,294)	1,496,663



• **Consolidated Cash Flow Statement**
for the year ended 31st March 2008

CASH FLOWS FROM INVESTING ACTIVITIES	Note	2008 RM	2007 RM
Purchase of subsidiary net of cash acquired	28	(14,000)	-
Cash outflow on deconsolidation of subsidiary companies		-	(46,852)
Placement of fixed deposits		(824,255)	(1,909,654)
Proceeds from disposal of subsidiary company		-	2
Proceeds from disposal of property, plant and equipment		13,200	41,139
Purchase of property, plant and equipment		(363,436)	(134,842)
Dividend received		-	423,441
Net cash used in investing activities		(1,188,491)	(1,626,766)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares		24,795,000	-
Repayment of hire purchase payables		(49,199)	(15,358)
Repayment of restructured term loans		-	(10,000,000)
Increase/(Decrease) in bills payable		616,296	(318,545)
(Repayment)/Drawdown of bridging loans		(11,103,500)	11,103,500
Net cash provided by financing activities		14,258,597	769,597
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,725,812	639,494
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		2,778,983	2,139,489
CASH AND CASH EQUIVALENTS CARRIED FORWARD		<u>5,504,795</u>	<u>2,778,983</u>
Note :-			
Cash and cash equivalents :-			
Cash and bank balances		<u>5,504,795</u>	<u>2,778,983</u>

The accompanying notes form an integral part of the financial statements.



• Cash Flow Statement for the year ended 31st March 2008

	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	573,350	(5,740,665)
Adjustments for :-		
Allowance for doubtful debts written back - related companies	(103,656)	(4,697)
Allowance for doubtful debts - deconsolidated subsidiary companies	-	6,945,011
Advances to a subsidiary company written off	-	8,367
Gain on disposal of subsidiary companies (net of impairment)	-	(1)
Investment in deconsolidated subsidiary company written off (net of impairment)	-	1
Depreciation of property, plant and equipment	11,616	1,008
Interest expenses	30,082	475,876
Interest income	(203,899)	(7,475)
Reversal of impairment loss on investment in subsidiary company	-	(2,460,999)
Waiver of term loan principal and interest	-	(1,411,148)
Operating profit/(loss) before working capital changes	307,493	(2,194,722)
Decrease/(Increase) in receivables	98,623	(7,598,657)
(Decrease)/Increase in payables	(3,953,098)	1,760,462
Cash absorbed in operations	(3,546,982)	(8,032,917)
Tax refunded	-	95,221
Interest received	203,899	7,475
Interest paid	(30,082)	(380,207)
Net cash used in operating activities	(3,373,165)	(8,310,428)



• **Cash Flow Statement** for the year ended 31st March 2008

	2008 RM	2007 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries company	(8,997,802)	-
Purchase of property, plant and equipment	(228,502)	-
Acquisition of additional share in subsidiary companies	-	(199,994)
Proceeds from disposal of subsidiary company	-	2
Net cash used in investing activities	(9,226,304)	(199,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	24,795,000	-
Repayment of restructured term loans	-	(549,349)
(Repayment)/Drawdown of bridging loans	(11,103,500)	11,103,500
Placement of fixed deposit	(792,664)	(2,007,475)
Net cash provided by financing activities	12,898,836	8,546,676
NET INCREASE IN CASH AND CASH EQUIVALENTS	299,367	36,256
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	61,732	25,476
CASH AND CASH EQUIVALENTS CARRIED FORWARD	361,099	61,732
Note :		
Cash and cash equivalents :-		
Cash and bank balances	361,099	61,732

The accompanying notes form an integral part of the financial statements.



1. GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. It is listed on the Second Board of Bursa Malaysia Securities Berhad.

The Company's registered office is at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur.

The Company's principal place of business is at Unit 803, 8th Floor, Menara Luxor, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programme and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates and interest rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

The Group does not hold or issue derivative financial instruments for trading purposes.

2.1 Foreign Currency Risk

Foreign currency risk arises as the Group engages in transactions that are denominated in foreign currencies, mainly United States Dollar, Singapore Dollar, HK Dollar and Canada Dollar. In addition, the Group is exposed to foreign currency movements on its investments in foreign subsidiary companies.

2.2 Liquidity Risk

The liquidity risk of the Group is minimal as it maintains adequate working capital to meet its obligations as and when they fall due.

2.3 Interest Rate Risk

The Group's exposure to interest rate fluctuations are in respect of :

- a) fixed deposits with licensed banks that attracts interest income.
- b) hire purchase obligations of which the interest rate is fixed.
- c) bills payable of which the interest rates vary with reference to the base lending rates of the bank.
- d) bridging loans of which the interest rates vary with reference to London Inter-Bank Offering rate and the Bank's effective cost of funds respectively.

However, the fluctuation in interest rates, if any, is not expected to have a material impact on the financial performance of the Group.

2.4 Credit Risk

This involves the risk that counter parties may be unable to meet the terms of their agreements. The Group has no major concentration of credit risk and the Group manages these risks by monitoring credit evaluations and limiting the aggregate exposure to any counter party.

The Group places its cash and fixed deposits with creditworthy financial institutions.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represent the Group's exposure to credit risk.



3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

3.1 Statement of Compliance

The financial statements of the Company have been approved by the Board of Directors for issuance on 16th July 2008.

The financial statements of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

On 1st April 2007, the Company adopted the following FRSs which are mandatory for financial periods beginning on or after 1st October 2006 :

FRS 117 : Leases
FRS 124 : Related party disclosures

The Company has not early adopted the deferred FRS 139 - Financial instruments : recognition and measurement and the following FRSs and amendments that are mandatory for financial periods beginning on or after 1st July 2007 :

- (i) Amendment to FRS 121 : The effects of changes in foreign exchange rates - net investment in a foreign operation
- (ii) FRS 107 : Cash flow statements
- (iii) FRS 111 : Construction contracts
- (iv) FRS 112 : Income taxes
- (v) FRS 118 : Revenue
- (vi) FRS 120 : Accounting for government grants and disclosures of government assistance
- (vii) FRS 134 : Interim financial reporting 1st July 2007
- (viii) FRS 137 : Provisions, contingent liabilities and contingent assets
- (ix) IC Interpretation 1 : Changes in existing decommissioning, restoration and similar liabilities
- (x) IC Interpretation 2 : Members' shares in co-operative entities and similar instruments
- (xi) IC Interpretation 5 : Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
- (xii) IC Interpretation 6 : Liabilities arising from participating in a specific market - waste electrical and electronic equipment
- (xiii) IC Interpretation 7 : Applying the restatement approach under FRS 129
- (xiv) Financial reporting in hyperinflationary economies
- (xv) IC Interpretation 8 : Scope of FRS 2

The adoption of above revised FRS does not result in significant changes in accounting policies of the Company. The principal changes in accounting policies and their effects resulting from the adoption of new/revised FRS are disclosed in the respective accounting policies, if any.

FRS 117 : Leases

(i) Leasehold land held for own use

Prior to 1st April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and the building as finance lease.

The Company has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1st April 2007, the unamortized carrying amount of leasehold land is retained as surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and disclosed in note 3.1(ii). The related comparative amounts have been restated. The prepaid lease payments are amortised on a straight line basis over the remaining lease term. There were no effects on the income statement for the year ended 31st March 2008 and the Company's financial statements.



• Notes To The Financial Statements 31st March 2008

(ii) Restatement of comparative figures

The following comparative amounts have been restated as a result of adopting FRS 117 :

	As previously stated	Increase/(Decrease) under FRS 117	As restated
	RM	RM	RM
Property, plant and equipment (net book value)	6,975,123	(305,054)	6,670,069
Prepaid lease payments	-	305,054	305,054
	=====	=====	=====

3.2 Basis of Measurement

The financial statements of the Group have been prepared under the historical cost convention and other measurement basis otherwise indicated in the respective accounting policies as set out below.

3.3 Functional and Presentation Currency

The financial statements of the Group are presented in Ringgit Malaysia (RM), which is the company's functional currency.

3.4 Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the respective notes.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

(a) Deferred Tax Assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance together with future tax planning strategies.

(b) Useful lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition the estimation of the useful lives of property, plant and equipment are based on internal evaluation and experience with similar assets. It is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimates useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Share Capital

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.



• Notes To The Financial Statements 31st March 2008

4.2 Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

4.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the aggregate of fair values of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination.

The difference between the acquisition price and the fair values of the subsidiary companies' net assets acquired is reflected as goodwill or negative goodwill. Goodwill is stated at cost less accumulated impairment losses. It is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Negative goodwill is recognised immediately in the income statement.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will :

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated income statement.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

4.4 Subsidiary Companies

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

4.5 Investments

Investments in unquoted shares and transferable Club Memberships which are held as long term investments are stated at cost less impairment losses, if any.



• Notes To The Financial Statements 31st March 2008

4.6 Property, Plant and Equipment

Freehold land is stated at cost less impairment losses, if any and is not depreciated. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in the income statement as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated to write off the cost of other property, plant and equipment on a straight-line basis over the estimated useful lives of the assets concerned. The principal annual depreciation rates used for this purpose are as follows :-

	%
Buildings	2
Furniture, fixtures, fittings and office equipment	10 – 20
Plant and equipment	10 – 20
Vehicles	20
Store equipment	10

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

4.7 Income Taxes

Income taxes comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences : the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

4.8 Impairment of Assets

The carrying amount of the Group's and Company's assets other than inventories, assets arising from construction contracts, deferred tax asset and financial assets (other than investment in subsidiaries, associates and joint ventures) are reviewed for impairment where 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 and the impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is charged to the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the assets that would have been



• Notes To The Financial Statements 31st March 2008

determined had no impairment loss been recognised. The reversal is recognised in the income statement immediately except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

The impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

4.9 Foreign Currencies Conversion

4.9.1 Transactions in Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates ruling at the time of transactions or at contracted rates where applicable. Foreign currency assets and liabilities are converted at the exchange rates ruling at the balance sheet date. All exchange differences are dealt with in the income statement.

4.9.2 Translation of Foreign Currency Financial Statements

Assets and liabilities of foreign subsidiary companies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date and the results of foreign subsidiary companies are translated at the average rate of exchange for the year. Exchange differences arising from the retranslation of the opening net investments in foreign subsidiary companies and from the translation of the results of those subsidiary companies at the average rate are dealt with through the Translation Adjustment Account.

The exchange rates ruling at balance sheet date used for each unit of foreign currencies to Ringgit Malaysia are as follows :-

	Average Rate		Year End	
	2008	2007	2008	2007
1 United States Dollar	3.25	3.45	3.18	3.47
1 Singapore Dollar	2.27	2.30	2.30	2.27
1 Canadian Dollar	3.26	3.16	3.11	2.97
1 Euro Dollar	4.87	4.60	5.02	4.65
1 Hongkong Dollar	0.42	N/A	0.41	N/A

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value after due allowances are made for damaged, obsolete and slow moving items. Cost is principally determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of raw materials includes the original purchase price and the incidental expense incurred in bringing the inventories to their present location and condition. The cost of work in progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.

4.11 Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and due allowances are made for any debts considered to be doubtful of collection.

4.12 Intangible Assets

4.12.1 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment.

4.12.2 Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is expensed off in the income statement in the year it is incurred.



• Notes To The Financial Statements 31st March 2008

However, if future economic benefit from development activities are probable and measurable, the related development cost is capitalised and tested for impairment annually or more frequently if events and circumstances indicate that it might be impaired.

4.13 Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of leases classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as held under a finance lease; and

Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet date as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodical rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in note 4.6.

(iii) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land elements in proportion to the relative fair values for leasehold interests in the land element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

4.14 Revenue Recognition

Revenue of the Group and of the Company are recognised on the following basis :

- 4.14.1 Revenue from sale of goods are recognised upon the delivery of goods and customer's acceptance.
- 4.14.2 Revenue from services are recognised upon the services rendered.
- 4.14.3 Dividend income is recognised when the right to receive payment has been established.
- 4.14.4 Product commission, interest income, rental income and management fees are recognised on accrual basis.
- 4.14.5 Revenue from handling commission is recognised upon the completion of services.

4.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.



• Notes To The Financial Statements 31st March 2008

4.16 Segment Information

Segment information is presented in respect of the Group's business and geographical segments. The primary segment information is in respect of business segments as the Group risk and rates of return are affected predominantly by differences in the products it produces, while the secondary information is reported geographically.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

4.17 Provision for Liabilities

Provision for liabilities are recognised when the Group has present obligations as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

4.18 Employee Benefit Costs

Short term benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and paid sick leave are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

Short term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leaves are recognised when the absences occur.

Defined contribution plan

Contributions to the Employees' Provident Fund are charged to the income statement in the year to which they relate.

4.19 Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

4.20 Financial Instruments

4.20.1 Financial instruments recognised on the balance sheet

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

The accounting policies for financial instruments are disclosed in the individual policies associated with each item.

4.20.2 Disclosure of fair values

The Group's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged, or a liability settled, between willing parties in an arm's length transaction.

Methodologies

The methodologies and assumptions used in ascertaining the fair values depend on the terms and risk characteristics of the instruments and are briefly set out below.

Amounts owing by/(to) subsidiary companies

It is not practical to estimate the fair values of the above amounts due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs.

Other financial assets and liabilities

The fair values of the other financial assets and liabilities maturing within twelve months are stated at approximately the carrying value as at the balance sheet date.



• Notes To The Financial Statements 31st March 2008

5. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. During the year, the Company extended its principal activity to include providing management services. The principal activities of the subsidiary companies are disclosed in note 11 to the financial statements.

6. REVENUE

Group

Revenue represents invoiced value of goods sold less returns and contract manufacturing services rendered.

These represent :	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Management services	-	-	1,757,560	-
Sales of goods	79,689,916	67,716,584	-	-
Contract manufacturing services	64,600	47,694	-	-
Handling commission	1,962,273	-	-	-
	-----	-----	-----	-----
	81,716,789	67,764,278	1,757,560	-
	=====	=====	=====	=====

7. PROFIT/(LOSS) BEFORE TAXATION

This is stated after charging :-	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors' fees	102,758	40,000	89,115	40,000
Directors' remuneration	2,141,764	1,359,048	599,488	-
Auditors' remuneration				
- current year	91,523	75,285	10,000	9,000
- underprovision in prior year	2,750	2,900	-	-
Depreciation of property, plant and equipment	622,252	766,180	11,616	1,008
Amortisation of short term leasehold land	22,301	-	-	-
Property, plant and equipment written off	27,725	213,795	-	-
Interest expense on :				
- Restructured term loans	-	1,295,190	-	71,305
- Hire purchase	9,353	5,686	-	-
- Bills payable	205,261	219,042	-	-
- Bridging loan	385,284	396,023	-	396,023
- Advances from a subsidiary company	-	-	30,082	8,548
- Others	1,437	(376)	-	-
Loss on foreign exchange	35,557	-	-	-
Bad debts written off	33,196	-	-	-
Allowance for doubtful debt				
- deconsolidated subsidiary company	-	11,554,632	-	6,945,011



• Notes To The Financial Statements 31st March 2008

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Specific allowance for doubtful debts	214,231	147,048	-	-
Advances to subsidiary companies written off	-	15,211	-	8,367
Rental of premises	134,379	89,248	28,069	-
Investment in deconsolidated subsidiary company written off (net of impairment)	-	-	-	1
Research and development expenditure				
- depreciation of property, plant and equipment	57,916	68,025	-	-
- rental paid to a company in which one of the Directors has substantial interest	9,459	60,000	-	-
- direct attributable costs	(531)	964	-	-
Management fee	5,634	5,634	5,634	2,817
Inventories - allowance and written off	4,456	4,869	-	-
Loss on disposal of property, plant and equipment	4,001	-	-	-
Impairment loss on goodwill	-	500,890	-	-
Preliminary expenses	3,000	-	-	-
Staff costs	6,602,543	5,110,721	378,678	-
	=====	=====	=====	=====
And crediting:-				
Allowance for doubtful debts written back	-	-	103,656	4,697
Deconsolidation of subsidiary companies	-	22,925,305	-	-
Gain on disposal of subsidiary company (net of impairment)	-	15,214	-	1
Reversal of impairment loss on investment in subsidiary company	-	-	-	2,460,999
Waiver of term loan principal and interest	-	4,673,108	-	1,411,149
Gross dividend income	-	423,441	-	-
Interest income	341,121	124,035	203,899	7,475
Gain on disposal of property, plant and equipment	11,999	33,221	-	-
Realised gain on foreign exchange	1,264,910	347,211	760,975	15,073
	=====	=====	=====	=====



• Notes To The Financial Statements 31st March 2008

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
DIRECTORS' REMUNERATION				
Executive				
Fees	-	24,000	-	24,000
Salaries and other emoluments	1,892,348	1,188,906	544,000	-
Pension costs				
- defined contribution plans	249,416	170,142	55,488	-
	-----	-----	-----	-----
	2,141,764	1,383,048	599,488	24,000
	=====	=====	=====	=====
Non-Executive				
Fees	102,758	16,000	89,115	16,000
	=====	=====	=====	=====

The Directors' remuneration during the financial year ended 31st March 2008 fall within the following bands :-

Range of remuneration RM	No. of Executive Directors	No. of Non-Executive Directors
Below 50,000	-	8
50,001 and 100,000	3	-
100,001 and 150,000	2	-
150,001 and 200,000	1	-
200,001 and 250,000	2	-
250,001 and 300,000	1	-
300,001 and 350,000	1	-
350,001 and 400,000	-	-
400,001 and 450,000	1	-
	-----	-----
Total	11	8
	=====	=====

8. TAXATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Based on the results for the year :-				
Current Tax				
Malaysian Income Tax	899,758	713,000	160,000	48,000
Deferred taxation				
Relating to (reversal) / originating of temporary differences (note 23)	(75,153)	47,393	14,300	-
	-----	-----	-----	-----
	824,605	760,393	174,300	48,000
Overprovision in prior years				
Malaysian Income Tax	(158,717)	(82,107)	(39,638)	-
	-----	-----	-----	-----
Tax expense for the year	665,888	678,286	134,662	48,000
	=====	=====	=====	=====



• Notes To The Financial Statements 31st March 2008

Reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate :-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit/(Loss) before taxation	4,549,531	14,250,335	573,350	(5,740,665)
Tax at Malaysian statutory tax rate of 26% (2007 : 27%)	1,182,878	3,847,591	149,071	(1,549,980)
Effect of different tax rates in other countries	(137,669)	-	-	-
Income not subject to tax	(517,238)	(7,579,170)	(224,804)	(1,004,795)
Non allowable expenses	941,089	4,915,667	250,033	2,602,775
Utilisation of prior years capital allowances and tax losses	(602,313)	(353,695)	-	-
Effects of tax incentive - Reduction in statutory tax rate on chargeable income of up to RM500,000	(42,142)	(70,000)	-	-
	824,605	760,393	174,300	48,000
Overprovision in prior years	(158,717)	(82,107)	(39,638)	-
Tax expense for the year	665,888	678,286	134,662	48,000

Based on the estimated tax credit available, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of approximately RM4,816,000 (2007 : RM4,607,300) out of its future profit without incurring additional tax liability.

The Group and the Company have potential deferred tax assets not taken up in the financial statements under the liability method in respect of the following deductible temporary differences :

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unabsorbed tax losses	(12,625,837)	(14,548,500)	-	-
Other temporary differences	(927,796)	(618,900)	-	(6,721)
	(13,553,633)	(15,167,400)	-	(6,721)

The above deferred tax assets are available indefinitely for offset against future taxable profit of the subsidiary companies in which those items arose. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset future taxable profit of other subsidiary companies in the Group and they have arisen in subsidiary companies that have a recent history of losses.

9. EARNING PER ORDINARY SHARE

Basic earning per ordinary share :-

The basic earning per ordinary share for the financial year has been calculated based on the consolidated profit after tax divided by the weighted average number of ordinary shares in issue during the financial year.

	2008 RM	2007 RM
Consolidated profit after tax	3,883,643	13,572,049
Weighted average number of ordinary shares in issue	51,527,836	52,200,000
Basic earning per ordinary share (sen)	7.5	26.0



• Notes To The Financial Statements 31st March 2008

10. PROPERTY, PLANT AND EQUIPMENT

Group	As at 1.4.07 (Restated) RM	Translation Adjustments RM	Additions RM	(Disposals) RM	(Written off) RM	As at 31.03.08 RM
Cost						
Freehold land	417,001	7,781	-	-	-	424,782
Freehold building	197,346	3,681	-	-	-	201,027
Long term leasehold building	-	-	-	-	-	-
Short term leasehold building	5,469,625	-	-	-	-	5,469,625
Furniture, fixtures, fittings and office equipment	3,522,224	3,284	322,312	(8,238)	(17,216)	3,822,366
Plant and equipment	8,739,018	4,709	41,124	(47,750)	-	8,737,101
Vehicles	477,427	-	-	-	(87,009)	390,418
Store equipment	10,490	-	-	-	-	10,490
	18,833,131	19,455	363,436	(55,988)	(104,225)	19,055,809

Accumulated Depreciation	As at 1.4.07 (Restated) RM	Translation Adjustments RM	Depreciation charge RM	(Disposals) RM	(Written off) RM	As at 31.03.08 RM
Freehold land	-	-	-	-	-	-
Freehold building	68,438	1,854	5,207	-	-	75,499
Long term leasehold building	-	-	-	-	-	-
Short term leasehold building	1,701,150	-	109,392	-	-	1,810,542
Furniture, fixtures, fittings and office equipment	2,316,996	2,882	311,010	(3,037)	(9,162)	2,618,689
Plant and equipment	7,822,771	467	198,694	(47,749)	-	7,974,183
Vehicles	252,152	-	54,816	-	(67,338)	239,630
Store equipment	1,555	-	1,049	-	-	2,604
	12,163,062	5,203	680,168	(50,786)	(76,500)	12,721,147



• Notes To The Financial Statements 31st March 2008

	Net Book Value		Depreciation Charge	
	2008	2007 (Restated)	2008	2007 (Restated)
	RM	RM	RM	RM
Freehold land	424,782	417,001	-	-
Freehold building	125,528	128,908	5,207	19,278
Long term leasehold building	-	-	-	5,186
Short term leasehold building	3,659,083	3,768,475	109,392	109,392
Furniture, fixtures, fittings and office equipment	1,203,677	1,205,228	311,010	381,228
Plant and equipment	762,918	916,247	198,694	266,491
Vehicles	150,788	225,275	54,816	51,685
Store equipment	7,886	8,935	1,049	945
	-----	-----	-----	-----
	6,334,662	6,670,069	680,168	834,205
	=====	=====	=====	=====

Company

	As at	Addition	As at
	1.4.07		31.03.08
Cost	RM	RM	RM
Furniture and office equipment	10,099	153,057	163,156
Electrical installation	-	17,792	17,792
Renovation	-	57,653	57,653
	-----	-----	-----
	10,099	228,502	238,601
	=====	=====	=====

	As at	Depreciation Charge	As at
	1.4.07		31.03.08
Accumulated Depreciation	RM	RM	RM
Furniture and office equipment	7,140	8,603	15,743
Electrical installation	-	741	741
Renovation	-	2,272	2,272
	-----	-----	-----
	7,140	11,616	18,756
	=====	=====	=====

	Net Book Value		Depreciation Charge	
	2008	2007	2008	2007
	RM	RM	RM	RM
Furniture and office equipment	147,413	2,959	8,603	1,008
Electrical installation	17,051	-	741	-
Renovation	55,381	-	2,272	-
	-----	-----	-----	-----
	219,845	2,959	11,616	1,008
	=====	=====	=====	=====

Included in the above property, plant and equipment of the Group are vehicles under hire purchase arrangements with cost and net book values totalling RM185,000 (2007 : RM244,009) and RM132,583 (2007 : RM201,054) respectively.



• Notes To The Financial Statements 31st March 2008

11. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	34,467,808	25,470,006
Less :		
Dividends paid out of pre-acquisition reserves	(1,730,141)	(1,730,141)
Impairment loss in value		
At 1st April	(11,243,879)	(20,564,876)
Reversal of impairment loss	-	9,320,997
At 31st March	(11,243,879)	(11,243,879)
	21,493,788	12,495,986
	21,493,788	12,495,986

The subsidiary companies are :-

Name Direct Subsidiary	Place of Incorporation	Effective Interest		Principal activities
		2008 %	2007 %	
Tenco Industries Sdn Bhd	Malaysia	100	100	Sales and marketing of hardware related products
Wilron Products Sdn Bhd	Malaysia	100	100	Manufacturing of industrial adhesives, industrial chemicals, aerosol products and decorative paints
Ferndale Direct Sdn Bhd	Malaysia	100	100	Sales and marketing of air conditioning and refrigeration parts and supplies
Tenco Construction Sdn Bhd	Malaysia	100	100	Inactive
*Tenco Westech Industries Pte Ltd	Republic of Singapore	100	100	Sales and marketing of industrial chemicals, industrial adhesives, equipment, building products and aerosol products
Ridgemonde Chemicals & Resins Sdn Bhd	Malaysia	100	100	Polymerisation of synthetic latex for the paint, adhesive, wood and textile industries
Quality Coatings Sdn Bhd	Malaysia	100	100	Inactive
Iso Kimia (M) Sdn Bhd	Malaysia	100	100	Sales and marketing of maintenance chemicals and floor care products
Westech Chemicals Sdn Bhd	Malaysia	100	100	Sales and marketing of fluorochemicals
Vivaplus Paints Sdn Bhd	Malaysia	100	100	Inactive
Continental Series Sdn Bhd	Malaysia	100	100	Provision of management services
Nagamas Aviation Services Sdn Bhd	Malaysia	100	-	Provision of management services for air cargo transportation business operations
* Nagamas Enterprise (HK) Limited (Formerly known as MB Property Management Co. Limited)	Hong Kong	100	-	Agency of air cargo transportation
* Nagamas International (HK) Limited (Formerly known as MB Longji Property Development Co. Limited)	Hong Kong	100	-	Property development and provision of marketing services



• Notes To The Financial Statements 31st March 2008

Name Direct Subsidiary	Place of Incorporation	Effective Interest		Principal activities
		2008 %	2007 %	
Subsidiary company held through Tenco Westech Industries Pte Ltd				
* Tenco Westech Industries Incorporated	Canada	100	100	Sales and marketing of synthetic resins and industrial adhesive

Note

* Audited by other firm of Chartered Accountants.

12. PREPAID LEASE PAYMENTS

	2008 RM	Group 2007 (Restated) RM
At 1st April	305,054	-
Transfer from property, plant and equipment	-	305,054
Amortisation for the year	(22,301)	-
	-----	-----
At 31st March	282,753	305,054
	=====	=====
Analysed as :		
Short term leasehold land	282,753	305,054
	=====	=====

The issuance of title deeds of the short term leasehold land of a subsidiary company is pending.

As per the transitional provision of FRS 117, the book value of prepaid land lease payments has been used as surrogate cost.

13. INVESTMENTS

	2008 RM	Group 2007 RM
Outside Malaysia		
Unquoted shares, at cost	439,650	439,650
In Malaysia		
Transferable club memberships, at cost	141,000	141,000
	-----	-----
	580,650	580,650
	=====	=====
Transferable club memberships, at market value	150,000	150,000
	=====	=====



• Notes To The Financial Statements 31st March 2008

14. GOODWILL ON CONSOLIDATION

	Group	
Cost	2008 RM	2007 RM
At 1st April	2,057,366	7,251,065
Reclassification from accumulated amortisation	-	(5,193,699)
Addition	25,840	-
At 31st March	2,083,206	2,057,366
Accumulated amortisation		
At 1st April	-	(5,193,699)
Reclassification to cost of goodwill	-	5,193,699
At 31st March	-	-
Impairment losses		
At 1st April	(500,890)	-
Impairment loss charge during the year	-	(500,890)
At 31st March	(500,890)	(500,890)
	-----	-----
	1,582,316	1,556,476
	=====	=====

15. INVENTORIES

	Group	
At cost:	2008 RM	2007 RM
Raw materials	3,516,503	2,789,185
Finished goods	9,646,418	8,343,430
Work in progress	116,470	120,298
Packing materials	298,792	273,599
	-----	-----
	13,578,183	11,526,512
	=====	=====

16. TRADE RECEIVABLES

	Group	
Total amount outstanding	2008 RM	2007 RM
Total amount outstanding	23,178,544	19,102,854
Less :		
Specific allowance for doubtful debts		
At 1st April	(559,738)	(1,227,702)
Deconsolidation of subsidiary company	-	815,040
Allowance during the year	(214,231)	(147,076)
At 31st March	(773,969)	(559,738)
General allowance for doubtful debts	(18,863)	(18,863)
	-----	-----
	22,385,712	18,524,253
	=====	=====

The credit terms of trade receivables range from 30 to 90 days. Other credit terms are assessed and approved on a case by case basis.



• Notes To The Financial Statements 31st March 2008

The trade receivables of the Group in the local and foreign denominated currencies are as follows :-

	2008 RM	2007 RM
Ringgit Malaysia	19,608,420	15,949,139
US Dollar	696,946	2,089,030
Singapore Dollar	190,289	294,015
Canada Dollar	183,496	192,069
HK Dollar	1,706,561	-
	-----	-----
	22,385,712	18,524,253
	=====	=====

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
(i) Other receivable	13,642,824	21,234,632	1,090,150	8,125,011
Less : Allowance for doubtful debts	(12,552,824)	(20,144,632)	(150)	(7,035,011)
	-----	-----	-----	-----
	1,090,000	1,090,000	1,090,000	1,090,000
(ii) Other receivables	8,035,700	262,372	-	-
(iii) Deposits	282,794	136,911	158,641	1,000
(iv) Prepayments	345,180	365,592	1,128	13,178
	-----	-----	-----	-----
	9,753,674	1,854,875	1,249,769	1,104,178
	=====	=====	=====	=====

Included in (i) other receivable is a subsidiary company, Westech Sdn Bhd which was placed under creditors' voluntary winding up on 26th October 2006. This amount has been reclassified from amount owing by subsidiary companies to other receivable.

It is partially secured, interest free and has no fixed terms of repayment.

Included in (ii) other receivables is an amount of RM27,302 (2007 : RM249,604) due from the vendors of shares of a subsidiary company in respect of the additional profit guarantee shortfall as disclosed in note 29.

18. AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

	2008 RM	Company 2007 RM
Amount owing by subsidiary companies	10,079,414	10,323,628
Less :		
Allowance for doubtful debts		
At 1st April	(9,169,168)	(9,270,707)
Amount written off	-	6,843
Amount written back	103,656	4,696
Reclassification to other receivables	-	90,000
At 31st March	(9,065,512)	(9,169,168)
	-----	-----
	1,013,902	1,154,460
	=====	=====

The amount owing by/(to) subsidiary companies are unsecured, interest free and have no fixed terms of repayment except for an amount of RM2,000,000 (2007 : RM2,000,000) due to a subsidiary company which bears weighted average interest rate at 3% (2007 : 3%) per annum.



• Notes To The Financial Statements 31st March 2008

19. FIXED DEPOSITS WITH LICENSED BANKS

Company

Included in the fixed deposits of the Company are Nil (2007 : RM2,007,475) which have been pledged to a financial institution for bridging loan facility granted to the Company as mentioned in note 27.

Group

Included in the fixed deposits are RM3,320,974 (2007 : RM5,720,886) which have been pledged to financial institutions for banking facilities granted to the Group as mentioned in note 25 and note 27.

20. SHARE CAPITAL

	Group and Company	
	2008 RM	2007 RM
Ordinary shares of RM1 each		
Authorised	100,000,000 =====	100,000,000 =====
Issued and fully paid		
At 1st April	52,200,000	52,200,000
Capital reduction of 50 sen from the 52,200,000 ordinary shares	(26,100,000) -----	-
	26,100,000	52,200,000
Special issue	11,745,000	-
Rights issue	13,050,000 -----	-
At 31st March	50,895,000 =====	52,200,000 =====

During the financial year, the issued and paid up capital of the Company was reduced to RM26,100,000 by the capital reduction of RM0.50 each of the existing issued and fully paid up share of RM1.00 each and a capital consolidation on the basis of 2 ordinary shares of RM0.50 each into 1 ordinary share of RM1 each.

On 5th September 2007, the issued and fully paid up share capital of the Company was also increased from RM26,100,000 to RM37,845,000 by way of a special issue of 11,745,000 new ordinary shares of RM1 representing 30% of the enlarge share capital after the completion of the capital reconstruction.

On 18th September 2007, the issued and fully paid up share capital of the Company was increased from RM37,845,000 to RM50,895,000 by way of a rights issue of 13,050,000 new ordinary shares of RM1 each on the basis of 1 rights share for every existing 2 ordinary shares of RM1.00 each held after the capital reconstruction at an issue price of RM1 per rights share.

The new ordinary shares ranked parri pasu with existing ordinary shares in issue.

21. RESERVES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-Distributable				
Translation Adjustment Account	(295,380)	(88,824)	-	-
Distributable				
Accumulated losses	(6,585,909)	(36,569,552)	(24,463,313)	(51,002,001)
	-----	-----	-----	-----
	(6,881,289)	(36,658,376)	(24,463,313)	(51,002,001)
	=====	=====	=====	=====



• Notes To The Financial Statements 31st March 2008

22. HIRE PURCHASE PAYABLES

	Group	
	2008 RM	2007 RM
Total principal outstanding	143,115	192,314
Less: Repayable after the next twelve months shown under non current liabilities	(22,361)	(161,737)
	-----	-----
Repayable within the next twelve months	120,754	30,577
	=====	=====
Represented by :		
Minimum hire purchase payments :		
- Within one year	28,824	40,260
- After one year but not more than five years	115,296	135,302
- After five years	19,210	48,035
	-----	-----
	163,330	223,597
Less: Future interest charges	(20,215)	(31,283)
	-----	-----
Present value of hire purchase liabilities	143,115	192,314
	=====	=====

23. DEFERRED TAXATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At 1st April	152,067	104,674	-	-
Recognised in income statement (note 8)	(75,153)	47,393	14,300	-
	-----	-----	-----	-----
	76,914	152,067	14,300	-
	=====	=====	=====	=====

This represents capital allowances claimed on property, plant and equipment in excess of their depreciation charged.

24. TRADE PAYABLES

Group

The credit terms of trade payables range from 30 to 60 days.

The trade payables of the Group in the local and foreign denominated currencies are as follows :-

	2008 RM	2007 RM
Ringgit Malaysia	5,917,622	5,061,331
US Dollar	827,888	135,449
Canada Dollar	25,218	47,905
HK Dollar	311,044	-
	-----	-----
	7,081,772	5,244,685
	=====	=====



• Notes To The Financial Statements 31st March 2008

25. BILLS PAYABLE

Group

This trade line facilities granted by the financial institutions to the subsidiary companies are secured against the Group's fixed deposits as mentioned in note 19.

They bear weighted average interest rate at 8% (2007 : 8%) per annum.

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
i) Other payables and accruals	12,100,992	12,071,853	572,193	567,313
ii) Companies in which the Directors have substantial interest	-	6,300	-	6,300
iii) Advance from investee company (Note 13)	-	2,921,582	-	-
	-----	-----	-----	-----
	12,100,992	14,999,735	572,193	573,613
	=====	=====	=====	=====

The amount in (ii) and (iii) above are unsecured, interest free and have no fixed terms of repayment.

27. BRIDGING LOANS

	Group and Company	
	2008 RM	2007 RM
Bridging loan 1	-	10,103,500
Bridging loan 2	-	1,000,000
	-----	-----
	-	11,103,500
	=====	=====

The bridging loan 1 is secured by the corporate guarantee of the Company. It is repayable in full together with interest thereon, being six (6) months London Inter-Bank Offering Rate plus two percent (2%) less withholding tax within twelve (12) months after the date of full drawdown. The withholding tax deducted will be remitted to the Inland Revenue Board.

The bridging loan 2 is secured by the Company's fixed deposits as mentioned in note 19. It is repayable within 9 months from the date of first drawdown of the facility or upon receipt of the proceeds from the proposed rights issue under the Proposed Restructuring Scheme, whichever is the earlier. It bears an interest rate at 1.25% above the bank's effective cost of funds for the agreed period.

Both of the above bridging loans are fully settled through utilisation of the proceeds from the Rights Issue during the year.

28. ACQUISITION OF SUBSIDIARY COMPANIES

During the financial year, the Company acquired the following subsidiary companies :-

- 1,000,000 ordinary shares of RM0.4348 each representing 100% equity interest in Nagamas Enterprise (HK) Limited for a total cash consideration of RM434,800.
- 20,000,000 ordinary shares of RM0.4282 each representing 100% equity interest in Nagamas International (HK) Limited for a total cash consideration of RM8,563,000.
- 2 ordinary shares of RM1 each representing 100% equity interest in Nagamas Aviation Services Sdn Bhd for a total cash consideration of RM2.



• Notes To The Financial Statements 31st March 2008

The acquired subsidiaries have contributed the following results of the Group.

	Total RM
Revenue	2,672,827
Cost of good sold	(574,676)

Gross Profit	2,098,151
Other operating income	23,905
Administration cost	(883,821)
Other operating expense	(20,000)

Profit from operations	1,218,235
Finance costs	(1,382)

Profit before taxation	1,216,853
Taxation	-

Profit after taxation	1,216,853
	=====

The assets and liabilities arising from the acquisition are as follows :-

	Total RM
Total assets	-

Other payables	(11,840)

Total liabilities	(11,840)

Net assets acquired	(11,840)
Goodwill on acquisition	25,840

Total cost of acquisition	14,000
	=====
The cash outflow on acquisition is as follows :	
Purchase consideration satisfied by cash	14,000
Cash and cash equivalents of subsidiaries acquired	-

	14,000
	=====

29. PROFIT GUARANTEE

The Company has taken legal action to recover the sum of RM27,302 from one of the affected vendors of Ridgemonde Chemicals & Resins Sdn Bhd for the shortfall in profit guarantee.



• Notes To The Financial Statements 31st March 2008

30. SEGMENTAL REPORTING

Segment information is presented in respect of the Group's business and geographical segments.

Inter segment pricing is determined on arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

By Business Segment

The Group's operations comprise the following main business segments :

Industrial division	Manufacture of polymer, chemicals, adhesive, decorative coatings and related products and sales of chemicals, adhesives, building materials, equipment and consumer products
Aviation Services	Agency of air-cargo transportation
Property & Investment holding	Investment holding, property development and provision of management and marketing services

2008	Industrial Division	Aviation Services	Property & Investment holding	Elimination	Consolidation
Revenue	RM	RM	RM	RM	RM
External sales	79,057,433	697,083	1,962,273	-	81,716,789
Inter-segment sales	13,233,458	13,471	4,337,560	(17,584,489)	-
Total	92,290,891	710,554	6,299,833	(17,584,489)	81,716,789
Results					
Segment results (external)	4,014,090	(216,051)	1,490,936	(138,109)	5,150,866
Finance costs					(601,335)
Profit before taxation					4,549,531
Taxation					(665,888)
Profit after taxation					3,883,643
Other information					
Segment assets	74,269,217	848,873	38,080,164	(46,209,024)	66,989,230
Segment liabilities	67,914,965	665,741	2,667,568	(48,272,755)	22,975,519
Capital expenditure	101,365	-	262,071		363,436
Depreciation	624,769	-	77,700		702,469
Non-cash expenses other than depreciation and amortisation					246,412



• Notes To The Financial Statements 31st March 2008

2007	Industrial Division	Aviation Services	Property & Investment holding	Elimination	Consolidation
Revenue	RM	RM	RM	RM	RM
External sales	67,764,278	-	-	-	67,764,278
Inter-segment sales	16,127,697	-	2,580,000	(18,707,697)	-
Total	83,891,975	-	2,580,000	(18,707,697)	67,764,278
Results					
Segment results (external)	1,716,685	-	(5,509,325)	19,958,540	16,165,900
Finance costs					(1,915,565)
Profit before taxation					14,250,335
Taxation					(678,286)
Profit after taxation					13,572,049
Other information					
Segment assets	75,982,268	-	17,969,100	(43,879,044)	50,072,324
Segment liabilities	72,372,898	-	17,180,566	(55,022,764)	34,530,700
Capital expenditure	275,283	-	30,559		305,842
Depreciation	741,084	-	115,422		856,506
Impairment loss on goodwill					500,890
Non-cash expenses other than depreciation and amortisation					11,935,555

By Geographical Segment

The Group operates mainly in Malaysia and has sales office in Canada and Hong Kong. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditures are based on the geographical location of assets.

	Revenue		Total Assets		Capital Expenditure	
	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM
Malaysia	76,383,634	65,860,035	53,466,210	48,020,695	349,378	302,924
Singapore	375,050	360,129	208,388	282,931	-	-
Canada	2,298,749	1,544,114	1,971,784	1,768,698	14,058	2,918
Hong Kong	2,659,356	-	11,342,848	-	-	-
Total	81,716,789	67,764,278	66,989,230	50,072,324	363,436	305,842

Certain comparative figures have been restated to conform with current year presentation due to changes in the classification of business segments during the year.



• Notes To The Financial Statements 31st March 2008

31. FINANCIAL INSTRUMENTS

a) Credit Risk

As at 31st March 2008, the Group's credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group Management reporting procedures.

The Group has no significant concentration of credit risk and places its cash with credit worthy financial institutions.

b) Fair Values

The carrying amounts of the financial assets and liabilities of the Group and of the Company as at 31st March 2008 approximate their fair values on the balance sheet of the Group and of the Company except as set out below :-

	Group				Company			
	Carrying Amount		Fair Value		Carrying Amount		Fair Value	
	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM	2008 RM	2007 RM
Financial Assets								
Unquoted shares	439,650	439,650	*	*	-	-	-	-
Amount owing by subsidiary companies	-	-	-	-	1,013,902	1,154,460	#	#
	=====	=====	=====	=====	=====	=====	=====	=====
Financial Liabilities								
Amount owing to subsidiary companies	-	-	-	-	-	3,951,678	-	#
	=====	=====	=====	=====	=====	=====	=====	=====

* It is not practicable to estimate the fair value of the unquoted shares because of the lack of quoted market prices and the ability to estimate the fair value without incurring excessive costs.

It is not practical to estimate the fair values of the above amounts due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs.

32. SIGNIFICANT RELATED PARTY DISCLOSURES

a) Identities of related parties

Controlling related party relationships are as follows :-

- (i) Its subsidiary companies as disclosed in note 11 above.
- (ii) Firm in which a former Director has an interest : Ian Ghee & Associates

b) Transactions

	Company	
	2008 RM	2007 RM
i) Firm in which a former Director, Ian Ghee Eik Kai has interest Ian Ghee & Associates Professional fee paid	12,600	27,300
	=====	=====
ii) Related company, Ridgemonde Chemicals & Resins Sdn Bhd Interest on advances	30,082	8,548
	=====	=====
iii) Subsidiary companies Management fees received	500,000	-
Administrative fees received	257,559	-
Advisory fees received	1,000,000	-
	=====	=====

The Directors are of the opinion that the above transactions were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties.



• Notes To The Financial Statements 31st March 2008

c) Balances in respect of non trade transaction

	Group	
	2008	2007
	RM	RM
With a firm in which Ian Ghee Eik Kai has interest :		
Ian Ghee & Associates		
Amount owing to	-	6,300
	=====	=====

33. CONTINGENT LIABILITIES

Pending Litigations

- (a) A Vendor has filed a claim at the High Court of Shah Alam on 29th July 1988 against Westech Sdn Bhd (“WSB”) for the recovery of RM579,514 plus interest and costs for not completing the purchase of a boat. WSB denied the claim and filed a counter claim for the refund of a deposit of RM108,900 plus damages.

The Court has allowed the Vendor’s application for Summary Judgement on 26th April 2001. The Notice of Appeal against the summary judgement was dismissed.

WSB was placed under Creditors’ Voluntary Winding Up pursuant to Section 254(1) (a) of the Companies Act 1965 on 26th October 2006.

- (b) A Supplier has filed a claim at the High Court of Shah Alam against Westech Sdn Bhd (“WSB”) for a principal sum of RM354,183 plus costs and interest of RM377,852 as at 31st August 2003 and further interest at the rate of 1.5% per month calculated from 1st September 2003 until date of full settlement. The principal sum claimed is for goods allegedly sold and delivered.

The Court has allowed the Supplier’s application for Summary Judgement on 26th January 2005. WSB has filed the Notice of Appeal against the Summary Judgement and the next hearing and mention on the case has been fixed on 28th November 2006.

However, on 26th October 2006, WSB was placed under Creditors’ Voluntary Winding Up pursuant to Section 254 (1) (a) of the Companies Act 1965.

- (c) A Supplier has initiated legal proceedings at the High Court of Kuala Lumpur against the Company on 9th July, 2002 for the principal sum of RM926,270 plus costs and interest till date of full settlement. The principal sum claimed is for price of goods allegedly sold and delivered. The Company has not provided for the full amount claimed as it maintains that the Supplier’s claim (if any) is premature and misconceived.

However, parties have resolved the matter amicably and the matter was discontinued.

- (d) A claim was made in the High Court of Shah Alam, by an ex-director against the Company for the recovery of retirement benefits, annual leave passage and balance of untaken annual leave. The Company has filed a counter claim against the ex-director for the recovery of a car loan, aggravated and exemplary damages.

The ex-director has been adjudicated a bankrupt on 24 June 2003. However, he has obtained the sanction from the Director General of Insolvency to proceed with his appeal.

The Company has filed an application to strike out certain paragraphs of the Statement of Claim and the court has dismissed the said application on 18 February 2008. The Company has appealed against the said decision and the court has not fixed any date yet. Meanwhile the Company has obtained an order of security for costs.

No provision has been made for the above pending litigations as the Directors are of the opinion that the Group’s chances of success in respect of the appeals, suits and counter claims are good.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (1) During the financial year, the issued and paid up capital of the Company was reduced to RM26,100,000 by the capital reduction of RM0.50 each of the existing issued and fully paid up share of RM1.00 each and a capital consolidation on the basis of 2 ordinary shares of RM0.50 each into 1 ordinary share of RM1 each.
- (2) On 5th September 2007, the issued and fully paid up share capital of the Company was also increased from RM26,100,000 to RM37,845,000 by way of a special issue of 11,745,000 new ordinary shares of RM1 representing 30% of the enlarge share capital after the completion of the capital reconstruction.
- (3) On 18th September 2007, the issued and fully paid up share capital of the Company was increased from RM37,845,000 to RM50,895,000 by way of a rights issue of 13,050,000 new ordinary shares of RM1 each on the basis of 1 rights share for every existing 2 ordinary shares of RM1.00 each held after the capital reconstruction at an issue price of RM1 per rights share.



• Notes To The Financial Statements 31st March 2008

- (4) During the financial year, the Company acquired 1,000,000 ordinary shares of RM0.4348 each representing 100% equity interest in Nagamas Enterprise (HK) Limited for a total cash consideration of RM434,800.
- (5) During the financial year, the Company acquired 20,000,000 ordinary shares of RM0.4282 each representing 100% equity interest in Nagamas International (HK) Limited for a total cash consideration of RM8,563,000.
- (6) During the financial year, the Company acquired 2 ordinary shares of RM1 each representing 100% equity interest in Nagamas Aviation Services Sdn Bhd for a total cash consideration of RM2.
- (7) On 1 November 2007, one of the subsidiary companies Nagamas Enterprise (HK) Limited ("NE") entered into a Sub-General Sales Agency Agreement ("contract") with ABDA Cargo Services LLC, a company incorporated in United Arab Emirates.

ABDA, who is the General Sales Agent for Leisure Cargo. LTU International Air ways ("carrier") has with the approval of the carrier, appointed NE as its Sub-General Sales Agent in China, Macau and Hong Kong SAR only for the sale of the air cargo transportation services offered by the carrier ("services") upon such terms and conditions stipulated in the contract.

NE shall remit to ABDA monies earned from the services provided to the carrier based on the buying rate provided by ABDA to NE.

The contract shall commence from 1 November 2007 and shall continue in full force for a period of 3 years until the expiry and may thereafter be renewed by mutual agreement of the parties or terminated in accordance with the provisions of the contract.

- (8) On 1 December 2007, one of the subsidiary companies Nagamas Enterprise (HK) Limited ("NE") entered into a General Sales Agency Agreement ("contract") with ABDA Cargo Services LLC, a company incorporated in United Arab Emirates.

ABDA, who is the principal for the 'ABDA BAG' – Worldwide Baggage Delivery' ("principal"), has appointed NE as its Sole General Sales Agent in China, Hong Kong and Macau for the sale of baggage and personal effects delivery services in accordance with the terms conditions as stipulated in the contract.

NE shall receive from ABDA sales commission on customer sales and overriding commission at rates and in the manner as stipulated in the contract.

The contract shall commence from 1 December 2007 and shall continue to be in full force for a period of 24 months and may thereafter be terminated by either party in accordance with the provision of the contract.

- (9) On 15 January 2008, one of the subsidiary companies Nagamas International (HK) Limited ("NIHK") entered into a Marketing Joint Venture Agreement with Zhiangxu Zhenda Construction Co. Ltd ("ZZ") for the marketing and sale of the commercial and residential units of Longji Blue Bay Commercial and Residential Properties Project.

NIHK shall invest a total of RM8,000,000 only, ("Investment Amount") and ZZ shall guarantee, amongst others, the progressive return of the said Investment Amount of RM8,000,000 and payment of profits of RM2,800,000 only to NIHK all on or before 31 January 2009 as stipulated in the Joint Venture agreement.

35. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 16 April 2008, one of the subsidiary companies Nagamas Enterprise (HK) Limited was appointed by Leisure Cargo Asia as its Cargo General Sales Agent to market and manage the cargo operations for Air Berlin flights operating in Beijing and Shanghai.

36. CHANGE OF NAME

On 10th September 2007, the Company changed its named from Tenco Berhad to Nagamas International Berhad.



• Statement By Directors

We, DATO' TAN YIK HUAY and DATO' ONG JYH JONG, being two of the Directors of NAGAMAS INTERNATIONAL BERHAD, do hereby state on behalf of the Directors that, in our opinion, the financial statements set out on pages 28 to 64 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31ST MARCH 2008 and of their results, changes in equity and cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATO' TAN YIK HUAY

DATO' ONG JYH JONG

Petaling Jaya
Dated: 16th July 2008

STATUTORY DECLARATION

I, NG AH KOW, the Officer primarily responsible for the accounting records and financial management of NAGAMAS INTERNATIONAL BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 28 to 64 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 the above named NG AH KOW at Kuala Lumpur
in the Federal Territory on this 16th day of July 2008

NG AH KOW

Before me,

SIA TUAN PANG
No. W483

Pesuruhjaya Sumpah
Malaysia



• Report Of The Auditors To the members of Nagamas International Berhad

Report on the Financial Statements

We have audited the financial statements of Nagamas International Berhad (Formerly known as Tenco Berhad), which comprise the balance sheets as at 31st March 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 64.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the 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 as of 31st March 2008 and of their financial performance and cash flows for the year then ended.

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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 11 to the financial statements.
- c) We are satisfied that the accounts 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.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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.

TAI, YAPP & CO
AF: 0205
Chartered Accountants

PHOON LEE MENG
No: 2046/07/08 (J)
Partner

Kuala Lumpur
Dated: 16th July 2008



• Analysis Of Shareholdings

ANALYSIS OF SHAREHOLDINGS AS AT 31 JULY 2008

SHARE CAPITAL

Authorised Share Capital	: RM100,000,000.00
Issued and Fully Paid-up Capital	: RM50,895,000.00
Class of securities	: Ordinary shares of RM1.00 each
Voting rights	: One (1) vote per ordinary share held

ANALYSIS OF SHAREHOLDINGS

Category	Number of Shareholders		Number of Shares Held	
		%		%
1 - 99	34	1.18	1,477	0.00
100 - 1,000	1,722	60.00	989,319	1.94
1,001 - 10,000	844	29.41	3,016,750	5.93
10,001 - 100,000	222	7.74	7,083,545	13.92
100,001 to less than 5% of issued shares	45	1.57	17,918,684	35.21
5% and above of issued shares	3	0.10	21,885,225	43.00
Total	2,870	100.00	50,895,000	100.00

SUBSTANTIAL SHAREHOLDERS

(per Register of Substantial Shareholders)

Name	No. of ordinary shares of RM1.00 each held			
	Direct	%	Indirect	%
MB Longji Sdn Bhd	13,621,225 ¹	26.76	-	-
Trendy Approach Sdn Bhd	5,000,000	9.82	-	-
Pristine Way Sdn Bhd	3,264,000	6.41	-	-
Dato' Ng Kek Kiong	-	-	13,621,225 ²	26.76
Ng Fung Mo	-	-	13,621,225 ²	26.76
Leong Chun Yin	97,500	0.19	8,264,000 ³	16.24
Leong Pek Wha	-	-	3,264,000 ⁴	6.41

Notes:-

- ¹ Held through nominees.
- ² Deemed interested through MB Longji Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.
- ³ Deemed interested through Trendy Approach Sdn Bhd and Pristine Way Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.
- ⁴ Deemed interested through Pristine Way Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS

(per Register of Directors' Shareholdings)

Name	No. of ordinary shares of RM1.00 each held			
	Direct	%	Indirect	%
Dato' Tan Yik Huay	-	-	-	-
Dato' Lee Ah Chien @ Lee Ow Kim	-	-	-	-
Dato' Ng Kek Kiong	-	-	13,621,225 ¹	26.76
Datuk Azizan Bin Abd Rahman	1,915,000 ²	3.76	-	-
Dato' Ong Jyh Jong	-	-	-	-
Ng Fung Mo	-	-	13,621,225 ¹	26.76
Liu Xiuqing	-	-	-	-
Wong Soo Thiam	-	-	-	-

Notes:-

- ¹ Deemed interested through MB Longji Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.
- ² Held through nominees.



• Analysis Of Shareholdings

30 LARGEST SHAREHOLDERS (per Record of Depositors)

	Name	No. of Shares Held	%
1.	A.A. Anthony Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for MB Longji Sdn Bhd</i>	13,621,225	26.76
2.	Trendy Approach Sdn Bhd	5,000,000	9.82
3.	Pristine Way Sdn Bhd	3,264,000	6.41
4.	A.A. Anthony Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Abdul Aziz Bin Abdul Rahman</i>	2,000,000	3.93
5.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Azizan Bin Abd Rahman (100726)</i>	1,915,000	3.76
6.	Sharifah Asiah Binti Syed Aziz Baftim	1,559,050	3.06
7.	Seow Lun Hoo @ Seow Wah Chong	1,085,000	2.13
8.	HSBC Nominees (Asing) Sdn Bhd <i>Qualifier: Exempt AN for Credit Suisse (HK BR-TST-Asing)</i>	1,000,000	1.96
9.	HSBC Nominees (Asing) Sdn Bhd <i>Qualifier: Exempt AN for Credit Suisse (SG BR-TST-Asing)</i>	1,000,000	1.96
10.	Yuen Yew Kok	868,100	1.71
11.	Chu Poi Tee	666,750	1.31
12.	Liong Kwai Kiew	558,500	1.10
13.	Lai Ming Chun @ Lai Poh Lin	525,000	1.03
14.	Choo Kok Chin	444,000	0.87
15.	Leung Yoke Lin @ Leong Chong Lin	410,000	0.81
16.	Tan Mei Leng	323,800	0.64
17.	Fan Wai Fong	320,000	0.63
18.	Choo Hong Chuan	300,000	0.59
19.	Lin Ligu	281,079	0.55
20.	Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Foo Chi Ching (Dealer 060)</i>	251,650	0.49
21.	Liu Qinfang	250,000	0.49
22.	Devayani Janette Velerie A/P R Suppiah	238,680	0.47
23.	Gerald Glesphy A/L G. M Perara	214,750	0.42
24.	Soong Mun Wai	210,000	0.41
25.	HLG Nominee (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Chan Siew Ngan</i>	201,400	0.40
26.	Tang Soon Chye	200,000	0.39
27.	Foo Chi Ching	194,275	0.38
28.	Amsec Nominees (Tempatan) Sdn Bhd <i>Qualifier: Wilken Industries Sdn Bhd (GZ0112)</i>	185,500	0.36
29.	Wong Keng Shin	162,750	0.32
30.	TA Nominees (Tempatan) Sdn Bhd <i>Qualifier: Pledged Securities Account for Chai Nam Kiong</i>	160,000	0.31
		37,410,509	73.51

Note: Without aggregating the securities from different securities accounts belonging to the same person.



• Particulars Of Properties

PROPERTIES OF THE GROUP AS AT 31 MARCH 2008

Location	Description & Usage	Age Of Building	Land Area/ Built Up	Tenure	Net Book Value (RM)	Acquisition Date
Tenco Industries Sdn Bhd 5, Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Office/ Factory	16 years	149,149/ 54,319 sq ft	Leasehold expiring 30 years ending 20 Oct 2019	3,941,836	26-10-1989
Tenco Westech Industries Inc # 348-13988 Cambie Road Richmond, B.C., Canada	Office/ Warehouse	15 years	2,116 sq ft	Freehold	550,310	05-12-1995



• Form Of Proxy

I/We, NRIC/Company No.
(PLEASE USE BLOCK LETTERS)

of
(FULL ADDRESS)

being a member(s) of NAGAMAS INTERNATIONAL BERHAD (formerly known as Tenco Berhad) hereby appoint
..... of

or failing whom, of
or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held at No. 5, Jalan Pelabur 23/1, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 25 September 2008 at 10.30 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

Resolutions	Subject	*For	*Against
1	To receive the Audited Financial Statements for the financial year ended 31 March 2008 and Reports of the Directors and Auditors thereon.		
2	To approve Directors' fees of RM89,115.00 for the financial year ended 31 March 2008.		
3	To re-elect Dato' Lee Ah Chien @ Lee Ow Kim as Director of the Company.		
4	To re-elect Dato' Ong Jyh Jong as Director of the Company.		
5	To re-elect Datuk Azizan Bin Abd Rahman as Director of the Company.		
6	To re-elect Mr Liu Xiuqing as Director of the Company.		
7	To re-elect Mr Wong Soo Thiam as Director of the Company.		
8	To re-appoint Messrs Tai Yapp & Co. as auditors of the Company.		
	Special Business: -		
9	To approve the authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		

*Please indicate with an "X" in the appropriate spaces 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.

Signed this day of 2008.

Signature/ Common Seal of Shareholder

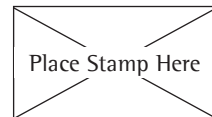
No. of shares held

Notes:-

- (i) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member of the Company, then the proxy shall be an advocate or an approved company auditor or a person approved by the Companies Commission of Malaysia. The provision of Section 149(1)(b) of the Companies Act, 1965 shall apply to the Company.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (iii) A member shall be entitled to appoint more than one (1) proxy. A member who appoints two (2) proxies shall specify the proportion of his shareholdings to be represented by each proxy.
- (iv) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Registered Office of the Company at Suite 11.1A, Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, not less than forty eight (48) hours before the time set for holding this meeting or any adjournment thereof.

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The Company Secretaries
NAGAMAS INTERNATIONAL BERHAD
(formerly known as Tenco Berhad)
Suite 11.1A, Level 11, Menara Weld
76 Jalan Raja Chulan
50200 Kuala Lumpur
MALAYSIA

