TEKALA CORPORATION BERHAD
(COMPANY NO: 357125-D)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 March 2010

Ernst & Young
AF : 0039

TEKALA CORPORATION BERHAD
(Company No: 357125-D)
(Incorporated in Malaysia)

Audited Financial Statements and Other Financial Information

DIRECTORS

Datuk Seri Panglima Quek Chiow Yong	(Non-Independent Non-Executive Chairman)
Chan Saik Chuen	(Executive Vice-Chairman)
Seah Tee Lean	(Group Managing Director/Chief Executive Officer)
Lim Ted Hing	(Executive Director/Chief Operating Officer)
Fong Kin Wui	(Executive Director)
Voon Sui Liong @ Paul Voon	(Independent Non-Executive Director)
Datuk Eric Usip Juin	(Independent Non-Executive Director)
Tan Kung Ming	(Independent Non-Executive Director)

SECRETARIES

Thien Vui Heng (MIA 5970)
Chung Chen Vui (MIA 7384)

INDEPENDENT AUDITORS

Ernst & Young

PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
Alliance Bank Malaysia Berhad
CIMB Bank Berhad
CIMB Bank (L) Limited
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS

Shearn Delamore & Co.
Mazlan & Associates
Chin Lau Wong & Foo

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Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2010.

Principal Activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are timber processing, vessel chartering services and investment holding.

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

Results

	Group RM	Company RM
Profit for the year	10,334,037	6,015,269
Attributable to:		
Equity holders of the Company	4,511,096	6,015,269
Minority interests	5,822,941	-
	10,334,037	6,015,269

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividend paid by the Company since 31 March 2009 was as follows:

	RM
In respect of the financial year ended 31 March 2009 as reported in the Directors' report of that year:	
Final tax exempt dividend of 4% on 143,534,400 ordinary shares (netted off 9,448,900 treasury shares), declared on 28 September 2009 and paid on 30 October 2009	5,741,376
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At the forthcoming Annual General Meeting, a final tax exempt dividend of 4% in respect of the financial year ended 31 March 2010 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2011.

Directors

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Datuk Seri Panglima Quek Chiow Yong
Chan Saik Chuen
Seah Tee Lean
Lim Ted Hing
Fong Kin Wui
Voon Sui Liong @ Paul Voon
Datuk Eric Usip Juin
Tan Kung Ming

Datuk Seri Panglima Quek Chiow Yong, Chan Saik Chuen and Seah Tee Lean retire in accordance with Section 129 of the Companies Act, 1965 and the board recommends them for re-appointment to hold office until the conclusion of the next Annual General Meeting of the Company.

In accordance with Article 103 of the Company's Articles of Association, Fong Kin Wui and Voon Sui Liong @ Paul Voon retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme which has expired during the financial year.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

Directors' Interest

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
Names of Directors	**1.4.2009**	**Acquired**	**Sold**	**31.3.2010**
Datuk Seri Panglima Quek Chiow Yong				
Indirect shareholding#	23,347,479	-	-	23,347,479
Deemed interest*	419,489	-	-	419,489
Chan Saik Chuen				
Direct shareholding	49,537	-	-	49,537
Indirect shareholding#	24,529,859	-	-	24,529,859
Deemed interest*	38,500	-	-	38,500
Seah Tee Lean				
Direct shareholding	4,285,140	-	-	4,285,140
Indirect shareholding#	2,353,391	-	-	2,353,391
Deemed interest*	1,980,900	-	-	1,980,900
Lim Ted Hing				
Direct shareholding	1,711,100	-	-	1,711,100
Fong Kin Wui				
Direct shareholding	1,695,794	-	-	1,695,794
Indirect shareholding#	4,262,200	-	-	4,262,200

Held through another body corporate
* Held by spouse and/or children

Directors' Interest (cont'd.)

The Directors, Datuk Seri Panglima Quek Chiow Yong and Chan Saik Chuen by virtue of their interests in shares in the Company, are also deemed to have interest in shares in all of the Company's subsidiaries to the extent the Company has an interest.

The interests of Directors in options granted to subscribe for ordinary shares in the Company pursuant to the Employee Share Options Scheme are as follows:

		Number of Options Over Ordinary Shares of RM1 Each			
Names of Directors	**Option Price RM**	**1.4.2009**	**Granted**	**Expired**	**31.3.2010**
Direct interest:					
Datuk Seri Panglima	1.35	80,000	-	80,000	-
Quek Chiow Yong	1.00	720,000	-	720,000	-
Chan Saik Chuen	1.02	800,000	-	800,000	-
Seah Tee Lean	1.02	600,000	-	600,000	-
Lim Ted Hing	1.02	800,000	-	800,000	-
Fong Kin Wui	1.02	800,000	-	800,000	-
Voon Sui Liong @	1.35	50,000	-	50,000	-
Paul Voon	1.00	450,000	-	450,000	-
Deemed interest for options held by children:					
Datuk Seri Panglima					
Quek Chiow Yong	1.02	1,075,000	-	1,075,000	-
Seah Tee Lean	1.02	600,000	-	600,000	-

Treasury Shares

During the financial year, the Company repurchased 1,586,800 of its issued ordinary shares from the open market at an average price of RM0.71 per share. The total consideration paid for the repurchase including transaction costs was RM1,127,240. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 March 2010, the Company held as treasury shares a total of 10,265,800 of its 152,983,300 issued ordinary shares. Such treasury shares are held at a carrying amount of RM7,522,770 and further relevant details are disclosed in Note 21 to the financial statements.

Employee Share Options Scheme

The Tekala Corporation Berhad Employee Share Options Scheme ("ESOS") for eligible employees and Directors of the Company and its subsidiaries was approved by the shareholders at the Extraordinary General Meeting held on 30 September 2004. The ESOS which was valid for five (5) years from 22 November 2004 has expired on 21 November 2009.

The salient features and other terms of the ESOS are disclosed in Note 27 to the financial statements.

There were no options granted during the financial year.

Other Statutory Information

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

   (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 had 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) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Other Statutory Information (cont'd.)

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would 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 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 or other liability 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; and

(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.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 July 2010.

SEAH TEE LEAN	LIM TED HING

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, SEAH TEE LEAN and LIM TED HING, being two of the Directors of TEKALA CORPORATION BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 12 to 67 are 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 at 31 March 2010 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 July 2010.

SEAH TEE LEAN LIM TED HING

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, LIM TED HING, being the Director primarily responsible for the financial management of TEKALA CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 12 to 67 are in my opinion 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 abovenamed LIM TED HING at Sandakan in the State of Sabah on 28 July 2010

LIM TED HING

Before me,

357125-D
Independent auditors' report to the members of
TEKALA CORPORATION BERHAD
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Tekala Corporation Berhad, which comprise the balance sheets as at 31 March 2010 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 12 to 67.

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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the 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.

357125-D
Independent auditors' report to the members of
TEKALA CORPORATION BERHAD (CONT'D.)
(Incorporated in Malaysia)

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 at 31 March 2010 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 have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be 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.

Ernst & Young
AF: 0039
Chartered Accountants

Yong Voon Kar
1769/04/12 (J/PH)
Chartered Accountant

Sandakan, Malaysia
28 July 2010

Income Statements
For the Year Ended 31 March 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Revenue	3	130,257,554	127,491,670	6,402,554	6,402,554
Cost of sales	4	(109,167,076)	(114,046,015)	-	-
Gross profit		21,090,478	13,445,655	6,402,554	6,402,554
Other income	5	11,110,458	4,241,507	117,078	281,498
Distribution costs		(1,077,349)	(1,061,345)	-	-
Other expenses		(6,834,761)	(285,673)	-	-
Administrative expenses		(11,784,579)	(11,568,518)	(504,053)	(489,623)
Operating profit		12,504,247	4,771,626	6,015,579	6,194,429
Finance costs	6	(7,060,417)	(742,806)	-	-
Share of profit of an associate		4,464,605	7,720,455	-	-
Profit before tax	7	9,908,435	11,749,275	6,015,579	6,194,429
Income tax expense	10	425,602	(1,506,168)	(310)	(1,750)
Profit for the year		10,334,037	10,243,107	6,015,269	6,192,679
Attributable to:					
Equity holders of the Company		4,511,096	9,866,161	6,015,269	6,192,679
Minority interests		5,822,941	376,946	-	-
		10,334,037	10,243,107	6,015,269	6,192,679
Earnings per share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	11(a)	3.14	6.68		
Diluted, for profit for the year	11(b)	-	6.68		

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

Balance Sheets
As at 31 March 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	169,156,537	172,100,005	-	-
Land lease prepayments	14	19,156,847	19,144,197	-	-
Investments in subsidiaries	15	-	-	62,356,074	62,568,205
Investment in an associate	16	59,407,640	54,792,071	-	-
Other investments	17	125,000	125,000	-	-
		247,846,024	246,161,273	62,356,074	62,568,205
Current assets					
Inventories	18	21,722,573	27,312,825	-	-
Trade and other receivables	19	11,928,626	4,653,277	116,377,570	115,987,376
Tax refundable		1,955,942	2,392,731	67,940	68,250
Cash and bank balances	20	49,859,912	64,250,394	5,201,369	6,448,121
		85,467,053	98,609,227	121,646,879	122,503,747
TOTAL ASSETS		333,313,077	344,770,500	184,002,953	185,071,952
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	21	152,983,300	152,983,300	152,983,300	152,983,300
Share premium	21	16,548,724	16,515,040	16,548,724	16,515,040
Treasury shares	21	(7,522,770)	(6,395,530)	(7,522,770)	(6,395,530)
Other reserves	22	23,279,684	25,935,050	-	409,020
Retained earnings	23	14,759,502	13,052,839	14,761,586	14,324,488
		200,048,440	202,090,699	176,770,840	177,836,318
Minority interests		29,991,502	24,168,561	-	-
Total equity		230,039,942	226,259,260	176,770,840	177,836,318

Balance Sheets (cont'd.)
As at 31 March 2010

	Note	Group		Company	
		2010	**2009**	**2010**	**2009**
		RM	**RM**	**RM**	**RM**
Non-current liabilities					
Bank borrowing	24	68,045,604	-	-	-
Deferred tax liabilities	25	526,503	959,462	-	-
		68,572,107	959,462	-	-
Current liabilities					
Trade and other payables	26	16,535,516	117,531,921	7,232,113	7,235,634
Bank borrowing	24	18,145,512	-	-	-
Current tax payable		20,000	19,857	-	-
		34,701,028	117,551,778	7,232,113	7,235,634
Total liabilities		103,273,135	118,511,240	7,232,113	7,235,634
TOTAL EQUITY AND LIABILITIES		333,313,077	344,770,500	184,002,953	185,071,952

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

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2010

		Attributable to Equity Holders of the Company						Minority Interests	Total Equity
			Non-Distributable			Distributable			
	Note	Share Capital (Note 21) RM	Treasury Shares (Note 21) RM	Share Premium (Note 21) RM	Other Reserves (Note 22) RM	Retained Earnings (Note 23) RM	Total RM	RM	RM
At 1 April 2008		152,983,300	(2,787,985)	16,515,040	841,268	9,141,534	176,693,157	-	176,693,157
Revaluation reserve of an associate		-	-	-	25,616,067	-	25,616,067	-	25,616,067
Minority interests at date of acquisition of a subsidiary		-	-	-	-	-	-	23,791,615	23,791,615
Foreign currency translation of									
- an associate		-	-	-	(395,175)	-	(395,175)	-	(395,175)
- a subsidiary		-	-	-	(164,297)	-	(164,297)	-	(164,297)
Share options granted under ESOS	22	-	-	-	37,187	-	37,187	-	37,187
Purchase of treasury shares	21	-	(3,585,781)	-	-	-	(3,585,781)	-	(3,585,781)
Transaction costs		-	(21,764)	-	-	-	(21,764)	-	(21,764)
Profit for the year		-	-	-	-	9,866,161	9,866,161	376,946	10,243,107
Dividends	12	-	-	-	-	(5,954,856)	(5,954,856)	-	(5,954,856)
At 31 March 2009		152,983,300	(6,395,530)	16,515,040	25,935,050	13,052,839	202,090,699	24,168,561	226,259,260

Consolidated Statement of Changes in Equity (cont'd.)

For the Year Ended 31 March 2010

	Note	Share Capital (Note 21) RM	Treasury Shares (Note 21) RM	Share Premium (Note 21) RM	Other Reserves (Note 22) RM	Retained Earnings (Note 23) RM	Total RM	Minority Interests RM	Total Equity RM
		← Attributable to Equity Holders of the Company →							
			Non-Distributable			Distributable			
Realisation of revaluation reserve of an associate		-	-	-	(2,561,607)	2,561,607	-	-	-
Minority interests		-	-	-	-	-	-	5,822,941	5,822,941
Foreign currency translation of									
- an associate		-	-	-	150,964	-	150,964	-	150,964
- a subsidiary		-	-	-	164,297	-	164,297	-	164,297
Pursuant to expiry of ESOS	22	-	-	33,684	(409,020)	375,336	-	-	-
Purchase of treasury shares	21	-	(1,120,196)	-	-	-	(1,120,196)	-	(1,120,196)
Transaction costs		-	(7,044)	-	-	-	(7,044)	-	(7,044)
Profit for the year		-	-	-	-	4,511,096	4,511,096	-	4,511,096
Dividends	12	-	-	-	-	(5,741,376)	(5,741,376)	-	(5,741,376)
At 31 March 2010		152,983,300	(7,522,770)	16,548,724	23,279,684	14,759,502	200,048,440	29,991,502	230,039,942
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Company Statement of Changes in Equity

For the Year Ended 31 March 2010

		Non-Distributable				Distributable	
	Note	Share Capital (Note 21) RM	Treasury Shares (Note 21) RM	Share Premium (Note 21) RM	Other Reserves (Note 22) RM	Retained Earnings (Note 23) RM	Total RM
At 1 April 2008		152,983,300	(2,787,985)	16,515,040	371,833	14,086,665	181,168,853
Share options granted under ESOS	22	-	-	-	37,187	-	37,187
Purchase of treasury shares	21	-	(3,585,781)	-	-	-	(3,585,781)
Transaction costs		-	(21,764)	-	-	-	(21,764)
Profit for the year		-	-	-	-	6,192,679	6,192,679
Dividends	12	-	-	-	-	(5,954,856)	(5,954,856)
At 31 March 2009		152,983,300	(6,395,530)	16,515,040	409,020	14,324,488	177,836,318
Pursuant to expiry of ESOS	22	-	-	33,684	(409,020)	163,205	(212,131)
Purchase of treasury shares	21	-	(1,120,196)	-	-	-	(1,120,196)
Transaction costs		-	(7,044)	-	-	-	(7,044)
Profit for the year		-	-	-	-	6,015,269	6,015,269
Dividends	12	-	-	-	-	(5,741,376)	(5,741,376)
At 31 March 2010		152,983,300	(7,522,770)	16,548,724	-	14,761,586	176,770,840

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

Cash Flow Statements
For the Year Ended 31 March 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cash Flows From Operating Activities					
Profit before tax		9,908,435	11,749,275	6,015,579	6,194,429
Adjustments for:					
Dividend income	5	(224,630)	(5,890)	-	-
Interest on fixed deposits	5	(904,151)	(2,339,942)	(117,078)	(281,498)
Gain on disposal of plant and equipment	5	(9,333)	(1,653,609)	-	-
Unrealised gain of foreign exchange differences		(3,432,792)	(12,381)	-	-
Gain on disposal of short-term investment		(20,989)	-	-	-
Finance costs	6	7,060,417	742,806	-	-
Amortisation of land lease prepayments	7	222,350	222,350	-	-
Depreciation of property, plant and equipment	7	9,288,294	4,294,106	-	-
Equipment scrapped	7	750	392	-	-
Loss on disposal of marketable securities	7	-	2,805	-	-
Share options granted under ESOS	22	-	37,187	-	287
Share of profit of an associate		(4,464,605)	(7,720,455)	-	-
Operating profit before working capital changes		17,423,746	5,316,644	5,898,501	5,913,218
Decrease in inventories		5,590,252	1,202,726	-	-
(Increase)/decrease in receivables		(7,198,076)	8,961,061	13,578	(3,169)
(Decrease)/increase in payables		(379,281)	4,111,999	(3,521)	11,460
Cash generated from operations		15,436,641	19,592,430	5,908,558	5,921,509
Dividend received from an associate		-	200,285	-	-
Income tax refunded		646,974	794,129	-	-
Income tax paid		(217,543)	(1,586,027)	-	-
Net cash generated from operating activities		15,866,072	19,000,817	5,908,558	5,921,509

Cash Flow Statements (cont'd.)

For the Year Ended 31 March 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cash Flows From Investing Activities					
Acquisition of a subsidiary	15	-	(22,868,891)	-	-
Dividend income		224,630	5,890	-	-
Interest on fixed deposits received		877,270	2,301,177	114,911	278,275
Full settlement of vessel cost		(101,165,182)	-	-	-
Purchase of property, plant and equipment	13	(5,849,943)	(5,319,508)	-	-
Purchase of leasehold land	14	(235,000)	-	-	-
Proceeds from disposal of property, plant and equipment		35,000	1,653,964	-	-
Proceeds from redemption of redeemable convertible preference shares by an associate		-	9,500,000	-	-
Proceeds from disposal of marketable securities		-	3,195	-	-
Net cash (used in)/generated from investing activities		(106,113,225)	(14,724,173)	114,911	278,275
Cash Flows From Financing Activities					
Proceeds from term loan		94,511,271	-	-	-
Repayment of term loan		(4,725,567)	-	-	-
Purchase of treasury shares	21	(1,127,240)	(3,607,545)	(1,127,240)	(3,607,545)
Finance costs	6	(7,060,417)	(742,806)	-	-
Net change in accounts with subsidiaries		-	-	(401,605)	3,428,854
Dividends paid	12	(5,741,376)	(5,954,856)	(5,741,376)	(5,954,856)
Net cash generated from/(used in) financing activities		75,856,671	(10,305,207)	(7,270,221)	(6,133,547)
Net (decrease)/increase in cash and cash equivalents		(14,390,482)	(6,028,563)	(1,246,752)	66,237
Effects of foreign exchange rate changes		-	344	-	-
Cash and cash equivalents at beginning of year		64,250,394	70,278,613	6,448,121	6,381,884
Cash and cash equivalents at end of year	20	49,859,912	64,250,394	5,201,369	6,448,121

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

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and the principal place at which business is carried out is located at Wisma Tekala, Lot 2, Lorong Indah Jaya 29, Taman Indah Jaya, Jalan Lintas Selatan, 90000 Sandakan, Sabah.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are timber processing, vessel chartering services and investment holding. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 July 2010.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements comply with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis except for vessels included within property, plant and equipment of an associate which are measured at their revalued amounts.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(a) Subsidiaries and Basis of Consolidation (cont'd.)

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any 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 represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held 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 then.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's income statement in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(c) Intangible Assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(d) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

	%
Vessel	3.33
Buildings	5
Plant, machinery and heavy equipment	10 - 20
Motor vehicles	20
Furniture, fittings and equipment	10 - 20

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(e) Impairment of Non-financial Assets

The carrying amounts of assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in income statement in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in income statement.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost includes the purchase price of inventories acquired and other attributable costs in bringing the inventories to their present location and condition.

Cost of spare parts and consumables is computed using the weighted average method while cost of camp stores and spares is computed using the first in, first out basis.

Cost of work-in-progress and finished goods for wood products are computed using the weighted average method. Cost includes direct materials, direct labour, direct overheads and variable production overheads.

Cost of logging work-in-progress is determined using the weighted average method. The cost includes direct labour, materials and other direct expenses.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(g) Financial Instruments

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

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial assets and liabilities are offset against each other when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(g) Financial Instruments (cont'd.)

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in income statement.

(iii) Trade receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Trade payables

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(v) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vi) Equity instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in income statement on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(h) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group 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 lease 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 if 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 - the Group as Lessee

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 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 direct 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 the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic 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 2.2(d).

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(h) Leases (cont'd.)

(iii) Operating Leases - the Group as Lessee

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 and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings 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.

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in income statement in the period in which they are incurred.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(j) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(k) Provisions

Provisions are recognised when the Group has a present obligation 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, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(l) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave 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 leave are recognised when the absences occur.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

(iii) Share-based Compensation

The Tekala Corporation Berhad Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(m) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statement for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in income statement for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. Significant Accounting Policies (cont'd.)

2.2 Summary of Significant Accounting Policies (cont'd.)

(m) Foreign Currencies (cont'd.)

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each income statement are translated at the closing rate prevailing at the balance sheet date;

- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Vessel chartering income

Vessel chartering income is recognised upon services rendered.

(iii) Log timber extraction income

Log timber extraction income was recognised upon delivery of log timber to customers.

(iv) Dividend income

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

2. Significant Accounting Policies (cont'd.)

2.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are:

Effective for financial periods beginning on or after 1 July 2009

- FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs 'Improvements to FRSs (2009)'
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 March 2010

- Amendments to FRS 132: Financial Instruments: Presentation (Paragraphs 11, 16 and 97E relating to Classification of Rights Issues)

2. Significant Accounting Policies (cont'd.)

2.3 Standards and Interpretations Issued but Not Yet Effective (cont'd.)

Effective for financial periods beginning on or after 1 July 2010

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards (2010)
- FRS 7: Financial Instruments: Disclosures (2010)

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial periods. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

(i) FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

2. Significant Accounting Policies (cont'd.)

2.3 Standards and Interpretations Issued but Not Yet Effective (cont'd.)

(ii) FRS 8: Operating Segment

FRS 8 replaces FRS 114_{2004}: *Segment Reporting* and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

(iii) FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

(iv) FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

2. Significant Accounting Policies (cont'd.)

2.3 Standards and Interpretations Issued but Not Yet Effective (cont'd.)

(v) Amendments to FRSs 'Improvements to FRSs (2009)'

Amendment to FRS 117: Leases clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.

2.4 Review of Estimates

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group reviewed the residual values and the estimated useful lives of all property, plant and equipment. The effects of the reviews are immaterial and no adjustment is made. The effects on future periods are dependent on the review of the residual value and remaining useful life of an item of property, plant and equipment in future periods.

2.5 Significant Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery other than vessel to be within 5 to 10 years and vessel to be within 30 years. These are common life expectancies applied in the timber and vessel chartering industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2. Significant Accounting Policies (cont'd.)

2.5 Significant Accounting Estimates and Judgements (cont'd.)

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM824,197 (2009: RM914,899) and the unrecognised tax losses and capital allowances of the Group was RM26,272,766 (2009: RM19,245,313).

3. Revenue

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Revenue from timber processing	105,057,484	123,451,680	-	-
Vessel chartering income	25,200,070	2,278,128	-	-
Revenue from log timber extraction	-	1,761,862	-	-
Tax exempt dividends from an unquoted subsidiary	-	-	6,402,554	6,402,554
	130,257,554	127,491,670	6,402,554	6,402,554

4. Cost of Sales

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cost of inventories sold	103,981,367	111,363,460	-	-
Vessel operating expenses	5,185,709	433,785	-	-
Log timber extraction cost	-	2,248,770	-	-
	109,167,076	114,046,015	-	-

5. Other Income

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Foreign exchange gain	9,704,801	48,972	-	-
Interest on fixed deposits	904,151	2,339,942	117,078	281,498
Gain on disposal of plant and equipment	9,333	1,653,609	-	-
Dividend income	224,630	5,890	-	-
Miscellaneous income	261,543	187,094	-	-
Rental income	6,000	6,000	-	-
	11,110,458	4,241,507	117,078	281,498

6. Finance Costs

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Interest charged on:				
- balance payable for vessel cost	4,406,056	742,806	-	-
- bank borrowing	2,654,361	-	-	-
	7,060,417	742,806	-	-

7. Profit before Tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Amortisation of land lease prepayment (Note 14)	222,350	222,350	-	-
Auditors' remuneration:				
- statutory audits	63,000	69,200	25,000	25,000
- other services	2,000	2,000	2,000	2,000
Bank borrowing ancillary costs	6,551,898	-	-	-
Depreciation of property, plant and equipment (Note 13)	9,288,294	4,294,106	-	-
Employee benefits expense (Note 8)	17,646,855	17,908,991	40,000	40,000
Equipment scrapped	750	392	-	-
Land rental	-	14,150	-	-
Loss on disposal of equipment	25,667	-	-	-
Loss on disposal of marketable securities	-	2,805	-	-
Non-executive Directors' remuneration (Note 9)	826,519	778,321	211,465	194,995
Professional fees charged by an associate of the Company's auditors	59,500	45,730	1,800	2,180
Rental of premises	240,000	240,000	-	-
Unrealised loss on foreign exchange	59,339	-	-	-

8. Employee Benefits Expense

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Salaries, wages and allowances	16,207,801	16,423,530	40,000	40,000
Contributions to defined contribution plan	1,022,009	1,035,388	-	-
Gratuity	22,000	37,098	-	-
Share options granted under ESOS	-	36,900	-	-
Social security contributions	58,275	59,285	-	-
Benefits-in-kind	336,770	316,790	-	-
	17,646,855	17,908,991	40,000	40,000

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM5,257,692 (2009: RM5,053,399) and RM40,000 (2009: RM40,000) respectively as further disclosed in Note 9.

9. Directors' Remuneration

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors of the Company				
Executive:				
- Salaries, bonus and other emoluments	3,197,180	3,080,020	-	-
- Fees	40,000	40,000	40,000	40,000
- Benefits-in-kind	93,947	94,269	-	-
	3,331,127	3,214,289	40,000	40,000
Non-Executive:				
- Salaries, bonus and other emoluments	754,965	719,208	171,465	159,708
- Fees	40,000	35,000	40,000	35,000
- Benefits-in-kind	31,554	23,826	-	-
- Share options granted under ESOS	-	287	-	287
	826,519	778,321	211,465	194,995
	4,157,646	3,992,610	251,465	234,995
Other directors of Subsidiaries				
Executive:				
- Salaries, bonus and other emoluments	1,805,480	1,732,700	-	-
- Benefits-in-kind	121,085	106,410	-	-
	1,926,565	1,839,110	-	-
	6,084,211	5,831,720	251,465	234,995

10. Income Tax Expense

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Current income tax:				
On results for the year	2,436	1,612,313	-	1,750
Under/(over) provision in prior years	4,921	(10,145)	310	-
	7,357	1,602,168	310	1,750
Deferred tax (Note 25):				
Relating to reversal of temporary differences	(431,138)	(96,000)	-	-
Overprovision in prior years	(1,821)	-	-	-
	(432,959)	(96,000)	-	-
Total income tax expense	(425,602)	1,506,168	310	1,750

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

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

	Group		Company	
	2010 RM	**2009 RM**	**2010 RM**	**2009 RM**
Profit before tax	9,908,435	11,749,275	6,015,579	6,194,429
Tax expense at Malaysian statutory tax rate of 25% (2009: 25%)	2,477,108	2,937,319	1,503,895	1,548,607
Income not subject to tax	(17,095)	(50,070)	(1,600,639)	(1,600,639)
Different tax rate in Labuan	(3,892,877)	(231,418)	-	-
Expenses not deductible for tax purposes	373,769	282,132	96,744	53,782
Share of results of an associate	(1,116,151)	(1,861,518)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	1,746,544	439,868	-	-
Under/(over)provision of tax expense in prior years	4,921	(10,145)	310	-
Overprovision of deferred tax in prior years	(1,821)	-	-	-
Income tax expense for the year	(425,602)	1,506,168	310	1,750

10. Income Tax Expense (cont'd.)

	Group 2010 RM	Group 2009 RM
Tax savings recognised during the year arising from utilisation of current year:		
- tax losses	195,737	-
- capital allowances	-	792,290
Unutilised tax losses carried forward	22,797,578	17,981,715
Unabsorbed capital and forest allowances carried forward	4,299,385	2,178,497

11. Earnings Per Share

(a) Basic

Basic earnings per share amount is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2010	2009
Profit for the year (RM)	4,511,096	9,866,161
Weighted average number of ordinary shares in issue	143,555,129	147,623,290
Basic earnings per share (sen)	3.14	6.68

(b) Diluted

31 March 2010

Diluted earnings per share for the current financial year has not been presented since the Company has no potential ordinary shares in issue as at end of the financial year as the company's ESOS scheme has expired on 21 November 2009.

31 March 2009

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year had been adjusted for the dilutive effects of all potential ordinary shares, namely share options granted to employees.

Profit for the year (RM)	9,866,161
Weighted average number of ordinary shares in issue	147,623,290
Effect of dilution in share options	-
Adjusted weighted average number of ordinary shares in issue and issuable	147,623,290
Diluted earnings per share (sen)	6.68

12. Dividends

	Dividends in respect of Year		Dividends recognised in Year	
	2009	**2008**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Recognised during the year:				
Final tax exempt dividend for 2008: 4% on 148,871,400 ordinary shares (netted off 4,111,900 treasury shares) (4 sen per ordinary share)	-	5,954,856	-	5,954,856
Final tax exempt dividend for 2009: 4% on 143,534,400 ordinary shares (netted off 9,448,900 treasury shares) (4 sen per ordinary share)	5,741,376	-	5,741,376	-
	5,741,376	5,954,856	5,741,376	5,954,856
	=======	=======	=======	=======

At the forthcoming Annual General Meeting, a final tax exempt dividend of 4% in respect of the financial year ended 31 March 2010 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2011.

13. Property, Plant and Equipment

Group	Vessel RM	Buildings RM	Plant, machinery and heavy equipment RM	Motor vehicles RM	Furniture, fittings and equipment RM	Building under construction RM	Total RM
At 31 March 2010							
Cost							
At 1 April 2009	155,048,500	23,643,594	66,126,487	2,424,231	1,499,133	-	248,741,945
Additions	-	-	325,815	480,000	732,973	4,311,155	5,849,943
Disposals	-	-	-	(35,000)	-	-	(35,000)
Scrapped	-	-	(237,936)	-	(18,269)	-	(256,205)
Exchange differences	522,750	-	-	-	-	-	522,750
At 31 March 2010	155,571,250	23,643,594	66,214,366	2,869,231	2,213,837	4,311,155	254,823,433
Accumulated depreciation							
At 1 April 2009	430,692	17,452,032	55,676,028	1,738,254	1,344,934	-	76,641,940
Depreciation charge for the year	5,185,709	1,177,506	2,620,545	255,387	49,147	-	9,288,294
Disposals	-	-	-	(9,333)	-	-	(9,333)
Scrapped	-	-	(237,604)	-	(17,851)	-	(255,455)
Exchange differences	1,450	-	-	-	-	-	1,450
At 31 March 2010	5,617,851	18,629,538	58,058,969	1,984,308	1,376,230	-	85,666,896
Net carrying amount							
At 31 March 2010	149,953,399	5,014,056	8,155,397	884,923	837,607	4,311,155	169,156,537
At 31 March 2009							
Cost							
At 1 April 2008	-	23,643,594	68,007,609	2,610,566	1,482,425	-	95,744,194
Additions	-	-	5,057,963	202,815	58,730	-	5,319,508
Disposals	-	-	(6,937,085)	(389,150)	(1,399)	-	(7,327,634)
Scrapped	-	-	(2,000)	-	(40,623)	-	(42,623)
Exchange differences	(522,750)	-	-	-	-	-	(522,750)
At date of acquisition of a subsidiary	155,571,250	-	-	-	-	-	155,571,250
At 31 March 2009	155,048,500	23,643,594	66,126,487	2,424,231	1,499,133	-	248,741,945
Accumulated depreciation							
At 1 April 2008	-	16,270,110	60,073,185	2,044,788	1,332,354	-	79,720,437
Depreciation charge for the year	433,785	1,181,922	2,420,549	203,987	53,863	-	4,294,106
Disposals	-	-	(6,937,082)	(389,147)	(1,050)	-	(7,327,279)
Scrapped	-	-	(1,998)	-	(40,233)	-	(42,231)
Reclassification	-	-	121,374	(121,374)	-	-	-
Exchange differences	(3,093)	-	-	-	-	-	(3,093)
At 31 March 2009	430,692	17,452,032	55,676,028	1,738,254	1,344,934	-	76,641,940
Net carrying amount							
At 31 March 2009	154,617,808	6,191,562	10,450,459	685,977	154,199	-	172,100,005

14. Land Lease Prepayments

	Group 2010 RM	Group 2009 RM
At cost		
At beginning of year	19,811,247	19,811,247
Addition	235,000	-
At end of year	20,046,247	19,811,247
Accumulated amortisation		
At beginning of year	667,050	443,700
Amortisation charge for the year	222,350	222,350
At end of year	889,400	667,050
Net carrying amount		
At 31 March	19,156,847	19,144,197

15. Investments in Subsidiaries

	Company 2010 RM	Company 2009 RM
Unquoted shares at cost	90,084,893	90,084,893
Add: Share options under ESOS	-	212,131
	90,084,893	90,297,024
Less: Provision for diminution in value of investments in subsidiaries	27,728,819	27,728,819
	62,356,074	62,568,205

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

Name of Subsidiaries	Principal Activities	Proportion of Ownership Interest 2010 %	Proportion of Ownership Interest 2009 %
Syarikat Tekala Sdn. Bhd.	Provision of corporate services	100	100
Kalabakan Plywood Sdn. Bhd.	Timber processing	100	100
Marimba Sdn. Bhd.	Investment holding	100	100
Gerak Armada Sdn. Bhd.	Investment holding	100	100
Kinamarketing (S) Sdn. Bhd. (In Liquidation)	Ceased operation	100	100
Kim Haw Sdn. Bhd. (In Liquidation)	Ceased operation	100	100

15. Investments in Subsidiaries (cont'd.)

Name of Subsidiaries	Principal Activities	Proportion of Ownership Interest 2010 %	2009 %
Subsidiaries of Kalabakan Plywood Sdn. Bhd.			
Kalabakan Wood Products Sdn. Bhd.	Provision of storage services	100	100
Korsa Plywood Sdn. Bhd. (Not yet commenced operation)	Downstream timber processing	100	100
Dealpact Sdn. Bhd. (In Liquidation)	Ceased operation	100	100
Subsidiaries of Marimba Sdn. Bhd.			
Hartawan Ekuiti Sdn. Bhd.	Ceased operation	100	100
Barimas Sdn. Bhd. (In Liquidation)	Ceased operation	100	100
Sabacergas Sdn. Bhd. (In Liquidation)	Ceased operation	100	100
Szan Szui Kayu Balak (Sabah) Sdn. Bhd. (In Liquidation)	Ceased operation	100	100
Subsidiary of Gerak Armada Sdn. Bhd.			
Offshore Constructor (Labuan) Ltd.	Vessel chartering	63.25	61.76

As previously reported, on 20 February 2009, the Company through its wholly owned subsidiary, Gerak Armada Sdn. Bhd. ("GASB") entered into a Subscription and Shareholders' Agreement ("the Agreement") with Offshore Construction & Engineering Sdn. Bhd., a subsidiary of an associate, and Offshore Constructor (Labuan) Ltd ("OCL") whereby GASB subscribed 4,709 new ordinary shares of USD1.00 each in OCL representing 49.01% of the issued and paid-up share capital at an issue price of USD1,326.71 per share. The subscription of shares in OCL was completed on 23 February 2009. Pursuant to the Agreement, the Company will have the majority number of directors in OCL. The Company also has an indirect interest of 12.75% in OCL through its associate. Therefore, the Company has an effective equity interest in OCL of 61.76% and as a result, the financial statements of OCL have been consolidated in the financial statements of the Group.

15. Investments in Subsidiaries (Cont'd.)

The total cost of acquisition was RM22,868,891.

The acquired subsidiary had contributed the following results to the Group in the previous financial year:

	2009 RM
Revenue	2,278,128
Profit for the year	985,672

If the acquisition had occurred on 1 April 2008, the Group revenue and profit for the year would have been RM127,491,670 and RM10,243,107 respectively.

The assets and liabilities arising from the acquisition on 20 February 2009 were as follows:

	Fair value recognised on acquisition RM	Acquiree's carrying amount RM
Property, plant and equipment	155,571,250	155,571,250
Other payables	(108,910,744)	(108,910,744)
Total net assets	46,660,506	46,660,506
Less: Minority interests	(23,791,615)	(23,791,615)
Group's share of net assets	22,868,891	22,868,891

The cash outflow on acquisition was as follows:

	2009 RM
Purchase consideration satisfied by cash	22,868,891
Cash and cash equivalent of subsidiary acquired	-
Net cash outflow of the Group	22,868,891

During the financial year, the Company through GASB completed the subscription of an additional 391 ordinary shares of USD1.00 each in OCL at an issue price of USD652.17 per share thereby increasing the Group's direct equity interest in OCL from 49.01% to 51% in accordance with the terms and conditions of the Agreement. This has resulted in the Group holding an effective interest in OCL of 63.25%.

16. Investment in An Associate

	Group 2010 RM	Group 2009 RM
Unquoted ordinary shares in Malaysia, at cost	16,016,870	16,016,870
Share of post-acquisition reserves	43,390,770	38,775,201
	59,407,640	54,792,071

Share of post-acquisition reserves included share of post-acquisition revaluation reserve of vessels amounted to RM23,054,460 (2009: 25,616,067).

Details of the associate held by the subsidiary, Gerak Armada Sdn. Bhd. which is incorporated in Malaysia, is as follows:

Name of Associate	Principal Activities	Proportion of Ownership Interest 2010 %	Proportion of Ownership Interest 2009 %
Offshoreworks Holdings Sdn. Bhd.	Company's activity is investment holding while the Group is an oil and gas services provider	25	25

The summarised financial information of the associate is as follows:

	2010 RM	2009 RM
Assets and liabilities		
Current assets	507,696,481	367,150,728
Non-current assets	230,056,804	210,293,362
Total assets	737,753,285	577,444,090
Current liabilities	(205,528,103)	(275,343,489)
Non-current liabilities	(345,713,674)	(134,051,365)
Total liabilities	(551,241,777)	(409,394,854)
Results		
Revenue	499,720,371	461,095,495
Profit for the year	17,858,415	29,784,275

The amount of goodwill included within the Group's carrying amount of investment in an associate is RM12,779,762 (2009: RM12,779,762)

17. Other Investments

	Group 2010 RM	2009 RM
At cost		
Unquoted shares	325,000	325,000
Less: Provision for diminution in value of investments	200,000	200,000
	125,000	125,000

18. Inventories

Cost		
Finished goods	9,205,042	1,030,080
Production supplies	748,635	2,657,054
Raw materials	2,848,608	3,212,700
Stock-in-transit	3,509,536	2,345,309
Work-in-progress	4,198,229	4,960,607
	20,510,050	14,205,750
Net realisable value		
Finished goods	1,072,267	13,056,555
Work-in-progress	140,256	50,520
	1,212,523	13,107,075
	21,722,573	27,312,825

19. Trade and Other Receivables

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Trade receivables				
Third parties	6,267,545	3,556,512	-	-
Subsidiary of an associate	-	1,487,896	-	-
	6,267,545	5,044,408	-	-
Less: Provision for doubtful debts	1,500,000	1,500,000	-	-
	4,767,545	3,544,408	-	-
Other receivables				
Amounts due from subsidiaries	-	-	116,352,823	115,951,218
Deposits	6,422,575	52,024	6,500	6,500
Prepayments	445,335	466,291	16,080	26,435
Sundry receivables	293,168	590,554	2,167	3,223
	7,161,078	1,108,869	116,377,570	115,987,376
	11,928,623	4,653,277	116,377,570	115,987,376

(a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period ranging from 30 days to 60 days. Overdue balances are reviewed regularly by senior management. There is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 29(a).

(c) Deposits

Included in deposits is an amount of RM6,365,850 (2009: Nil) equivalent to USD1,850,000 (2009: Nil) which is to be maintained with the bank throughout the tenure of the term loan and shall be utilized to meet any outstanding interest due on the term loan.

20. Cash and Cash Equivalents

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cash on hand and at banks	3,229,654	2,208,356	501,369	48,121
Deposits with licensed banks	40,035,000	57,036,148	4,700,000	6,400,000
Short-term investments	6,595,258	5,005,890	-	-
Cash and bank balances	49,859,912	64,250,394	5,201,369	6,448,121

The interest rates of fixed deposits of the Group and of the Company for the financial year ranged from 1.15% to 2.27% (2009: 1.15% to 3.40%) and 2.00% to 3.00% (2009: 3.00% to 3.37%) per annum respectively.

21. Share Capital, Share Premium and Treasury Shares

	Number of Ordinary Shares of RM1 Each: Share Capital (Issued and fully paid)	Number of Ordinary Shares of RM1 Each: Treasury Share	Amount: Share Capital (Issued and fully paid) RM	Amount: Share Premium RM	Amount: Total Share Capital and Share Premium RM	Amount: Treasury Shares RM
At 1 April 2008	152,983,300	(2,968,100)	152,983,300	16,515,040	169,498,340	(2,787,985)
Purchase of treasury shares	-	(5,710,900)	-	-	-	(3,585,781)
Transaction costs	-	-	-	-	-	(21,764)
At 31 March 2009 and 1 April 2009	152,983,300	(8,679,000)	152,983,300	16,515,040	169,498,340	(6,395,530)
Purchase of treasury shares	-	(1,586,800)	-	-	-	(1,120,196)
Transaction costs	-	-	-	-	-	(7,044)
Pursuant to expiry of ESOS	-	-	-	33,684	33,684	-
At 31 March 2010	152,983,300	(10,265,800)	152,983,300	16,548,724	169,532,024	(7,522,770)

21. Share Capital, Share Premium and Treasury Shares (cont'd.)

	Number of Ordinary Shares of RM1 Each		Amount	
	2010	**2009**	**2010 RM**	**2009 RM**
Authorised share capital				
At beginning and end of year	500,000,000	500,000,000	500,000,000	500,000,000

Treasury Shares

This amount represents the acquisition cost of treasury shares.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 29 September 2009 to approve the renewal of authority of the Directors of the Company to repurchase its own ordinary shares. The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 1,586,800 of its issued ordinary shares from the open market at an average price of RM0.71 per share. The total consideration paid for the repurchase was RM1,127,240 comprising consideration paid amounting to RM1,120,196 and transaction costs of RM7,044. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 152,983,300 (2009: 152,983,300) issued and fully paid ordinary shares as at 31 March 2010, 10,265,800 (2009: 8,679,000) are held as treasury shares by the Company. As at 31 March 2010, the number of outstanding ordinary shares in issue after the setoff is therefore 142,717,500 (2009: 144,304,300) ordinary shares of RM1 each.

22. Other Reserves

	Foreign Currency Translation Reserve RM	Share Option Reserve RM	Revaluation Reserve RM	Total RM
Group				
At 1 April 2008	469,435	371,833	-	841,268
Share options granted under ESOS recognised in income statement	-	37,187	-	37,187
Foreign currency translation of:				
- an associate	(395,175)	-	-	(395,175)
- a subsidiary	(164,297)	-	-	(164,297)
Revaluation reserve of an associate	-	-	25,616,067	25,616,067
At 31 March 2009	(90,037)	409,020	25,616,067	25,935,050
Pursuant to expiry of share options	-	(409,020)	-	(409,020)
Foreign currency translation of:				
- an associate	150,964	-	-	150,964
- a subsidiary	164,297	-	-	164,297
Realisation of revaluation reserve of an associate	-	-	(2,561,607)	(2,561,607)
At 31 March 2010	225,224	-	23,054,460	23,279,684
Company				
At 1 April 2008	-	371,833	-	371,833
Share options granted under ESOS:				
- Recognised in income statement	-	287	-	287
- Included in investments in subsidiaries (Note 15)	-	36,900	-	36,900
At 31 March 2009	-	409,020	-	409,020
Pursuant to expiry of share options	-	(409,020)	-	(409,020)
At 31 March 2010	-	-	-	-

The share option reserve represented the equity-settled share options granted to employees and Directors of the Company and its subsidiaries. This reserve was made up of the cumulative value of services received from employees and Directors recorded on grant of share options.

23. Retained Earnings

Prior to the year of assessment 2008, Malaysian companies adopt the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

As at 31 March 2010, the Company has tax exempt profits available for distribution of approximately RM44,758,547 (2009: RM44,097,369), subject to the agreement of the Inland Revenue Board.

The Company did not elect for irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 March 2010 and 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2010 and 2009, the Company has sufficient credit in the 108 balance and the balance in the tax exempt income account to distribute dividends out of its entire retained earnings.

24. Bank Borrowing

	Group	
	2010	**2009**
	RM	**RM**
Secured term loan		
Short term	18,145,512	-
Long term	68,045,604	-
	86,191,116	-

The term loan is denominated in United States Dollar of 26,333,980.

24. Bank Borrowing (cont'd.)

The term loan is secured by the following:

(a) First Statutory Mortgage over the vessel of a subsidiary of the Company, Offshore Constructor (Labuan) Ltd. ("OCL") together with Deed of Covenant;

(b) Assignment of all present and future rights to receive rental, income, fees, charges and all payments under the Charter Service Agreement with a subsidiary of an associate, Offshore Subsea Works Sdn. Bhd. ("OSS") and/or with any other party acceptable to the bank;

(c) Undertaking by OSS to cover any shortfall in the Facility payment amount on behalf of OCL;

(d) Memorandum of Deposit over the Commodity Deferred Purchase Agreement of USD166,320;

(e) Assignment of all rights and benefits for all insurance in respect of the vessel of OCL in favour of the Bank as mortgagee and loss payee covering but not limited to the following:

   (i) Hull and machinery coverage;
   (ii) War risks;
   (iii) Non-cancellation clause without the prior written consent of the Bank;
   (iv) Mortgagee' interest protection;
   (v) Protection and Indemnity covering for the four (4) fourths collision liability clause entered with a Protection and Indemnity Club acceptable to the Bank.

(f) A First charge over the Non-Checking Designated Accounts;

(g) Unconditional and Irrevocable Corporate Guarantee from the Company of up to 51% of the Facility Limit, i.e. for USD14.14 million. The Corporate Guarantee is to be denominated in Malaysian Ringgit equivalent with top-up provision for fluctuation in foreign exchange rates;

(h) Unconditional and Irrevocable Personal Guarantee of a director of OCL, Mohd Amran bin Abd Wahid for USD13.58 million. The Personal Guarantee is to be denominated in Malaysian Ringgit equivalent with top-up provision for fluctuation in foreign exchange rates; and

(i) Negative pledge over the asset of OCL in the form and substance acceptable to the bank.

Other information on financial risks of borrowing are disclosed in Note 30.

25. Deferred Tax

	Group 2010 RM	Group 2009 RM
At beginning of year	959,462	1,055,462
Recognised in income statement (Note 10)	(432,959)	(96,000)
At end of year	526,503	959,462

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group

Deferred Tax Liabilities in respect of Property, Plant and Equipment

	2010 RM	2009 RM
At beginning of year	1,188,187	1,310,734
Recognised in income statement	(455,636)	(122,547)
At end of year	732,551	1,188,187

Deferred Tax Assets

	Unutilised Tax Losses RM	Unabsorbed Capital Allowances RM	Total RM
At 1 April 2009	(2,597)	(226,128)	(228,725)
Recognised in income statement	2,597	20,080	22,677
At 31 March 2010	-	(206,048)	(206,048)
At 1 April 2008	-	(255,272)	(255,272)
Recognised in income statement	(2,597)	29,144	26,547
At 31 March 2009	(2,597)	(226,128)	(228,725)

25. Deferred Tax (cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2010	**2009**
	RM	**RM**
Unutilised tax losses	22,797,578	17,971,326
Unabsorbed capital and forest allowances	3,475,188	1,273,987
	26,272,766	19,245,313

The unutilised tax losses and unabsorbed capital and forest allowances of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

26. Trade and Other Payables

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Trade payables				
Third parties	5,854,416	2,370,517	-	-
Other payables				
Amounts due to subsidiaries	-	-	7,117,572	7,117,572
Accruals	2,583,374	823,295	105,000	102,700
Other payables	8,097,726	114,338,109	9,541	15,362
	10,681,100	115,161,404	7,232,113	7,235,634
	16,535,516	117,531,921	7,232,113	7,235,634

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days.

(b) Amounts due to subsidiaries

Amounts due to subsidiaries are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 29(a).

(c) Other payables

Included in other payables are insurance monies payable of Nil (2009: RM5,091,148) and amount of RM5,761,338 (2009: RM108,544,785) due to the associate's subsidiary, Offshore Construction & Engineering Sdn. Bhd. after the settlement by way of bank borrowing as disclosed in Note 24 for the balance of the purchase price of the vessel.

27. Employee Benefits - Employee Share Options Scheme ("ESOS")

The ESOS for eligible employees and Directors of the Company and its subsidiaries was approved by the shareholders at the Extraordinary General Meeting held on 30 September 2004. The ESOS which was valid for a period of five (5) years from 22 November 2004 has expired on 21 November 2009.

The salient features of the ESOS were as follows:

(i) The maximum number of new shares which may be subscribed on the exercise of options granted under the ESOS shall not, in aggregate, be more than fifteen per cent (15%) of the total issued and paid-up ordinary share capital of the Company at any point of time during the existence of the scheme;

(ii) The option price for each new share at which the grantee is entitled to subscribe upon exercise of his rights under the option shall be the weighted average of the mean market price of the Company's shares as quoted and shown in the daily official list issued by the Bursa Malaysia for the five (5) market days immediately preceding the date of offer set at a discount if deemed appropriate by the option committee of not more than ten percent (10%) or the par value of the Company's shares, whichever is higher. Notwithstanding this, the option price per share shall in no event be less than the par value of the shares;

(iii) Eligible employees, executive Directors and non-executive Directors of the Company and its subsidiary companies with at least one (1) year of service and any Non-Malaysian employee who has served the Group for a continuous period of at least two (2) years shall be eligible to participate in the ESOS;

(iv) The allowable allotment that may be offered to eligible employees and Directors under the ESOS ranges from 5,000 to 800,000 ordinary shares;

(v) The persons to whom the options have been granted do not have any right to participate by virtue of such options in any other ESOS of any company within the Group so long as the scheme subsists. Subject to the Bye-Laws of the ESOS, the options granted are exercisable within the option period which is between one to five years; and

(vi) The new shares to be allotted and issued upon any exercise of the options will upon such allotment and issuance, rank pari passu in all respects with the then issued and fully paid-up shares except that the shares so issued will not rank for any dividends, rights, allotments or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) of which is prior to the date of allotment of the new shares and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

27. Employee Benefits - Employee Share Options Scheme ("ESOS") (cont'd.)

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	Number of Share Options					
		Movements During the Year				
2010	**Outstanding at 1 April**	**Granted**	**Exercised**	**Expired**	**Outstanding at 31 March**	**Exercisable at 31 March**
22.12.2004	9,571,600	-	-	(9,571,600)	-	-
06.05.2005	130,000	-	-	(130,000)	-	-
17.02.2006	1,170,000	-	-	(1,170,000)	-	-
13.11.2006	1,333,200	-	-	(1,333,200)	-	-
27.09.2009	30,000	-	-	(30,000)	-	-
	12,234,800	-	-	(12,234,800)	-	-
WAEP	**1.02**	**-**	**-**	**-**	**-**	**-**

	Number of Share Options					
		Movements During the Year				
2009	**Outstanding at 1 April**	**Granted**	**Exercised**	**Terminated**	**Outstanding at 31 March**	**Exercisable at 31 March**
22.12.2004	9,899,000	-	-	(327,400)	9,571,600	9,571,600
06.05.2005	130,000	-	-	-	130,000	130,000
17.02.2006	1,620,000	-	-	(450,000)	1,170,000	1,170,000
13.11.2006	1,360,700	-	-	(27,500)	1,333,200	1,333,200
27.09.2009	61,300	-	-	(31,300)	30,000	30,000
	13,071,000	-	-	(836,200)	12,234,800	12,234,800
WAEP	1.02	-	-	1.01	1.02	1.02

(i) Details of share options outstanding at the end of the year:

	WAEP RM	Exercised Period
2010	**-**	**-**
2009		
22.12.2004	1.02	22.12.2004 - 21.11.2009
06.05.2005	1.35	06.05.2005 - 21.11.2009
17.02.2006	1.00	17.02.2006 - 21.11.2009
13.11.2006	1.00	13.11.2006 - 21.11.2009
27.09.2009	1.09	27.09.2009 - 21.11.2009

(ii) Share options exercised during the year

Options exercised during the financial year amounted to Nil (2009: Nil).

28. Contingent Liabilities

Unsecured

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Corporate guarantees given to banks for banking facilities granted to certain subsidiaries	-	-	52,480,220	6,200,000

29. Related Party Disclosures

(a) In addition to the transactions detailed elsewhere in the financial statements, further details of related party transactions are as follows:

	2010 RM	2009 RM
Group		
Rental of premises paid to Syarikat Kretam Sdn. Bhd., a company in which certain Directors of the Company are also directors	240,000	240,000
Transactions with a subsidiary of an associate, Offshore Construction & Engineering Sdn. Bhd.		
Interest charged on balance payable for the purchase of a vessel	4,406,056	742,806
Vessel chartering	25,200,070	2,278,128

Information regarding outstanding balances arising from related party transactions as at 31 March 2010 are disclosed in Note 19 and Note 26.

The above related party transactions were entered in the ordinary course of business upon terms and conditions mutually agreed between the relevant parties.

Company

	2010 RM	2009 RM
Transaction with a subsidiary		
Tax exempt dividend from an unquoted subsidiary	6,402,554	6,402,554

29. Related Party Disclosures (cont'd.)

(b) Compensation of key management personnel

The remuneration of Executive Directors and other members of key management during the financial year was as follows:

	Group 2010 RM	Group 2009 RM
Short-term employee benefits	5,453,568	5,363,176
Post employment benefits:		
Defined contribution plan	461,686	456,807
	5,915,254	5,819,983

The Executive Directors and other members of key management had been granted the following number of options under Employee Share Options Scheme ("ESOS"):

	Group 2010 RM	Group 2009 RM
At beginning of year	5,600,000	5,600,000
Expired	(5,600,000)	-
At end of year	-	5,600,000

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 27).

30. Financial Instruments

(a) Financial risk management objective and policies

The Group's financial risk management policy is guided by the need to ensure that timely and adequate funds are available for the business development and operational needs and in managing its foreign exchange, liquidity and credit risks. It is the Group's policy not to engage in speculative transactions.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Company to cash flow interest rate risk.

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	Total RM
At 31 March 2010								
Floating rate								
Term loan	24	6.5	18,145,512	18,145,512	18,145,512	18,145,512	13,609,068	86,191,116
At 31 March 2009								
Floating rate								
Term loan	24	-	-	-	-	-	-	-

(c) Foreign currency risk

The Group is exposed to foreign exchange risk as certain purchases and sales are transacted in United States Dollar and Japanese Yen. Foreign exchange exposures in transactional currencies are not hedged.

The Company does not transact in derivative instruments.

30. Financial Instruments (cont'd.)

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(e) Credit risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored by 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 does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values due to their short term maturities.

The following methods and assumptions are used to estimate the fair values of these instruments:

(i) Investments in Unquoted Shares

In the opinion of the Directors, it is not practicable to determine the fair values of these financial assets due principally to a lack of quoted market price and the inability to estimate fair value. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the recoverable values.

(ii) Cash and Cash Equivalents, Amounts Due To/From Subsidiaries, Trade and Other Receivables and Payables

The carrying amounts approximate their fair values due to the relatively short term maturity of these financial instruments.

31. Segmental Information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segment

The Group's operations, conducted in Malaysia, comprise the following main business segments:

(i) Timber processing
(ii) Vessel chartering
(iii) Investment holding

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets which are in Malaysia. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers as follows:

(i) Malaysia - Investment holding and vessel chartering

(ii) North Asia - Timber processing

(d) Allocation basis and transfer pricing

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 comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

31. Segmental Information (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets liabilities and other information by business segment.

Business Segments

31 March 2010	Timber processing RM	Vessel chartering RM	Investment holding RM	Others RM	Elimination RM	Consolidated RM
Revenue						
Revenue from external customers	105,057,484	25,200,070	-	-	-	130,257,554
Inter-segment revenue	-	-	6,402,554	1,080,000	(7,482,554)	-
Total revenue	105,057,484	25,200,070	6,402,554	1,080,000	(7,482,554)	130,257,554
Results						
Segment results	(64,440)	16,106,847	6,402,554	1,361,851	(7,482,554)	16,324,258
Unallocated expenses						(11,784,579)
Interest on fixed deposits						904,151
Share of profit of an associate						4,464,605
Profit before tax						9,908,435
Income tax expense						425,602
Profit for the year						10,334,037

31 March 2009	Timber processing RM	Vessel chartering RM	Investment holding RM	Log timber extraction RM	Elimination RM	Consolidated RM
Revenue						
Revenue from external customers	123,451,680	2,278,128	200,285	1,761,862	(200,285)	127,491,670
Inter-segment revenue	-	-	6,402,554	-	(6,402,554)	-
Total revenue	123,451,680	2,278,128	6,602,839	1,761,862	(6,602,839)	127,491,670
Results						
Segment results	12,446,663	1,844,343	6,602,839	(290,804)	(6,602,839)	14,000,202
Unallocated expenses						(11,568,518)
Interest on fixed deposits						2,339,942
Finance costs						(742,806)
Share of profit of an associate						7,720,455
Profit before tax						11,749,275
Income tax expense						(1,506,168)
Profit for the year						10,243,107

31. Segmental Information (cont'd.)

Business Segments (cont'd.)

31 March 2010	**Timber processing RM**	**Vessel chartering RM**	**Investment holding RM**	**Others RM**	**Elimination RM**	**Consolidated RM**
Assets						
Segment assets	92,931,313	157,597,513	6,006,751	15,639,677	(225,760)	271,949,494
Investment in an associate	-	-	59,407,640	-	-	59,407,640
Unallocated assets						1,955,943
Total assets						333,313,077
Liabilities						
Segment liabilities	7,425,848	93,490,284	134,805	1,770,958	(95,263)	102,726,632
Unallocated liabilities						546,503
Total liabilities						103,273,135
Other segment information						
Capital expenditure	832,636	-	-	5,017,307	-	5,849,943
Depreciation	4,122,814	5,185,709	-	37,771	(58,000)	9,288,294
Amortisation of land lease prepayments	222,350	-	-	-	-	222,350

31 March 2009	**Timber processing RM**	**Vessel chartering RM**	**Investment holding RM**	**Log timber extraction RM**	**Elimination RM**	**Consolidated RM**
Assets						
Segment assets	103,973,623	156,142,186	8,033,106	19,720,942	(284,159)	287,585,698
Investment in an associate	-	-	54,792,071	-	-	54,792,071
Unallocated assets						2,392,731
Total assets						344,770,500
Liabilities						
Segment liabilities	3,672,338	108,639,967	134,854	5,179,944	(95,182)	117,531,921
Unallocated liabilities						979,319
Total liabilities						118,511,240
Other segment information						
Capital expenditure	5,312,704	-	-	6,804	-	5,319,508
Depreciation	3,877,189	433,785	-	41,132	(58,000)	4,294,106
Amortisation of land lease prepayments	222,350	-	-	-	-	222,350

31. Segmental Information (cont'd.)

Geographical Segments

The following table provides an analysis of the Group's revenue by geographical segment:

	Revenue RM
2010	
Malaysia	25,200,070
North Asia	105,057,484
	130,257,554
2009	
Malaysia	4,039,990
North Asia	123,451,680
	127,491,670