

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 4. BASIS OF PREPARATION (cont'd)

(ii) Amendment to FRS 121 - The Effects of Changes in Foreign Exchange Rates *Net Investment in a Foreign Operation* issued and effective for financial periods beginning on or after 1 July 2007. This amendment is not relevant to the Group's operations.

(iii) IC Interpretations issued and are effective for financial periods beginning on or after 1 July 2007:-

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS129 <sub>2004</sub> Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group's operations except for IC Interpretation 8 which did not have any material impact on the financial statements of the Group.

(b) The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

#### FRS 8 Operating Segments

FRS 8 replaces FRS 114<sub>2004</sub> Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

**4. BASIS OF PREPARATION** (cont'd)

The Group considers financial guarantee contracts entered to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of applying FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The possible impact of FRS 123 on the financial statements upon its initial application is not disclosed as the existing accounting policies of the Group are consistent with the requirements under this new standard.

(iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Vesting Conditions and Cancellations

The above amendments are not relevant to the Group's operations.

(iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

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

The above IC Interpretations are not relevant to the Group's operations except for IC Interpretation 10. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

**5. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Critical Accounting Estimates And Judgements**

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

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (a) Critical Accounting Estimates And Judgements (cont'd)

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

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

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

The following factors could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised:

- (a) changes in the expected level of usage;
- (b) commercial factors; and
- (c) approval by the authorities on the renewal and extension of the project management agreement.

##### (ii) Income Taxes

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

##### (iii) Impairment of Assets

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

##### (iv) Construction Contracts

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

###### (a) Contract Revenue

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

###### (b) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.



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

**(a) Critical Accounting Estimates And Judgements** (cont'd)

**(v) Allowance for Doubtful Debts of Receivables**

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

**(vi) Allowance for Inventories**

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

**(b) Financial Instruments**

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

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

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

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

**(c) Functional and Foreign Currency**

**(i) Functional and Presentation Currency**

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates.

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

**(ii) Transactions and Balances**

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Nonmonetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 March 2009.

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

All subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, the results of subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred and assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheets consist of the minorities' share of fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's equity.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

#### (e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of acquisition.

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

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised immediately in the consolidated income statement.



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

**(f) Investments in Subsidiaries**

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

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

**(g) Investments in Associates**

Investments in associates are stated at cost in the balance sheet of the Group, and are reviewed for impairment at the end of the financial period if events or changes in circumstances indicate that their carrying values may not be recoverable.

The investment in an associate in the consolidated financial statements is accounted for under the equity method, based on the financial statements of the associate made up to 31 March 2009. The Group's share of the post acquisition profit of the associate is included in the consolidated income statement and the Group's interest in associate is stated at cost plus the Group's share of the post-acquisition retained profits and reserves.

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

On the disposal of the investment in an associate, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

**(h) Property, Plant and Equipment**

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at cost less accumulated impairment losses, if any and is not depreciated.

The tower constructed under the project management agreement is amortised over its estimated useful life of 15 years from the date of completion of the construction.

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

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (h) Property, Plant and Equipment (cont'd)

Buildings	2%
Motor vehicles	20% - 30%
Plant and machinery	20%
Office equipment, furniture and fittings	5% - 15%
Computers	50%
Renovation	10%
Site equipment and tools	20% - 30%
Telecommunication towers under project management agreement	15 years

The capital work-in-progress represents assets under construction, and which are not ready for commercial use at the balance sheet date. The capital work-in-progress is stated at cost, and will be transferred to the relevant category of long term assets and depreciated accordingly when the assets are completed and ready for commercial use.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date 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 the 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. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

#### (i) Impairment of Assets

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

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

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

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

**(j) Operating Leases**

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments are made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

**(k) Prepaid Land Lease Payments**

Leases of land under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases. Lease prepayment for land use rights is stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the income statement on a straight-line basis over the term of the leases of 80 to 99 years.

**(l) Investments in Club Memberships**

Investments in corporate club memberships are stated at cost less accumulated amortisation.

Club memberships are amortised on a straight-line basis over the period of the tenure. No amortisation is provided for club memberships with indefinite tenure.

**(m) Intangible Assets**

Intangible assets are stated at cost less accumulated amortisation on a straight-line basis over the period of their useful lives.

**(n) Inventories**

Inventories comprise goods held for trading and are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

**(o) Amounts Owing By/(To) Contract Customers**

The amounts owing by/(to) contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost comprises materials, cost of labour, direct expenses and applicable overheads.



## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (p) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

#### (q) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

#### (r) Assets Under Hire Purchase

Equipment acquired under hire purchase are capitalised in the financial statements.

Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective hire purchase agreements.

Equipment acquired under hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

#### (s) Interest-bearing Borrowings And Medium Term Notes

Interest-bearing borrowings and medium term notes are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

#### (t) Equity Instruments

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

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

#### (u) Cash and Cash Equivalents

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

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

**(v) Employee Benefits**

*(i) Short-term Benefits*

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

*(ii) Defined Contribution Plans*

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

*(iii) Share-based Payment Transactions*

At grant date, the fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

**(w) Income Taxes**

Income taxes for the period comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

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

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (w) Income Taxes (cont'd)

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to 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 excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

#### (x) Segmental Information

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property and equipment (net of accumulated depreciation, where applicable), inventories, receivables and cash and cash equivalents.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities.

Segment revenue, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

#### (y) Related Parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
  - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the entity; or
  - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

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

**(2) Contingent Liabilities and Contingent Assets**

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

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

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

**(aa) Revenue Recognition**

**(i) Construction Contracts**

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on:-

- (a) the survey of work performed;
  - (b) the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs; or
  - (c) completion of a physical proportion of the contract works;
- whichever is applicable.

**(ii) Sale of Goods**

Sales are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns.

**(iii) Dividend Income**

Dividend income from other investments is recognised when the right to receive payment is established.

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (aa) Revenue Recognition (cont'd)

##### (iv) Interest Income

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

##### (v) Project Management Fee

Project management fee is recognised on an accrual basis.

##### (vi) Rental Income

Rental income is recognised on an accrual basis

### 6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	31.3.2009 RM'000	31.12.2007 RM'000
Unquoted shares, at cost:-		
At 1 January 2008/2007	59,589	59,589
Additional investment in a subsidiary	-	<sup>^</sup>
At 31 March 2009/31 December 2007	59,589	59,589

<sup>^</sup> - Amount equivalent RM2.

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

Name of Company	Effective Equity Interest		Principal activities
	31.3.2009	31.12.2007	
Maintenance Engineering Sdn Bhd ("ME")	100%	100%	Supply of engineering equipment, spare parts and tools and undertaking engineering and construction projects.
Miroza Leather (M) Sdn. Bhd. ("Miroza")	100%	100%	Trading in leather products.
Maintenance Capital & Development Sdn. Bhd.	100%	100%	Investment holding.
Crystal United Sdn. Bhd. <sup>*</sup>	100%	100%	Investment holding.
MESB Development Sdn. Bhd.	100%	100%	Dormant.
MESB Agriculture Sdn. Bhd. ("MASB")	100%	100%	Dormant.

**6. INVESTMENTS IN SUBSIDIARIES** (cont'd)

Name of Company	Effective Equity Interest		Principal activities
	31.3.2009	31.12.2007	
Dynamic Communication Link Sdn. Bhd. ("DCLSB")	55%	55%	Project management.
A.D. Trends Sdn. Bhd. ("ADTSB") #	80%	80%	Trading in garments.
Theme Fashion (M) Sdn. Bhd. ("TFSB") #	-	51%	Trading in leather products.

- \* - Held through ME.  
# - Held through Miroza.

During the financial period, Miroza disposed of its entire equity interest in TFSB on 29 September 2008 for a total cash consideration of RM50,000.

**7. INVESTMENT IN AN ASSOCIATE**

	THE GROUP		THE COMPANY	
	31.3.2009 RM'000	31.12.2007 RM'000	31.3.2009 RM'000	31.12.2007 RM'000
Unquoted shares, at cost	660	660	660	660
Share of post acquisition profit	1,613	455	-	-
	2,273	1,115	660	660

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

Name of Company	Effective Equity Interest		Principal activities
	31.3.2009	31.12.2007	
PDC Telecommunication Services Sdn. Bhd. ("PDC")	40%	40%	Development, rental and legalisation of the telecommunication base transceiver stations in the State of Penang.

The summarised financial information on the associate are as follows:-

	31.3.2009 RM'000	31.12.2007 RM'000
<b>Assets and Liabilities</b>		
Total assets	11,815	9,593
Total liabilities	5,888	6,551
<b>Results</b>		
Revenue	5,373	2,519
Profit for the financial period/year	2,897	1,137

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 8. PROPERTY, PLANT AND EQUIPMENT

	AT		DISPOSAL		WRITTEN OFF	DEPRECIATION CHARGE	AT
	1.1.2008	TRANSFER	SUBSIDIARY	OF A			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>THE GROUP</b>							
<b>NET BOOK VALUE</b>							
Freehold land	216	-	-	-	-	-	216
Buildings	8,272	-	-	-	-	(203)	8,069
Motor vehicles	766	-	(41)	(96)	-	(251)	448
Office equipment, furniture and fittings	2,935	-	(16)	(2)	(352)	(498)	3,039
Computers	342	-	(6)	-	-	(464)	278
Renovation	5,377	-	(751)	-	(262)	(923)	5,353
Site equipment and tools	320	-	-	-	-	(295)	25
Telecommunication towers under project management agreement ^	11,263	59	-	-	-	(1,069)	11,433
Capital work-in-progress	66	(59)	-	12	-	-	19
<b>Total</b>	<b>29,557</b>	<b>-</b>	<b>(814)</b>	<b>(98)</b>	<b>(614)</b>	<b>(3,703)</b>	<b>28,880</b>

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	AT 1.1.2007 RM'000	TRANSFER RM'000	ADDITIONS RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2007 RM'000
<b>THE GROUP</b>							
<b>NET BOOK VALUE</b>							
Freehold land	216	-	-	-	-	-	216
Buildings	8,434	-	-	-	-	(162)	8,272
Motor vehicles	1,006	-	65	(3)	-	(302)	766
Office equipment, furniture and fittings	2,769	-	1,022	(106)	(343)	(407)	2,935
Computers	357	-	346	(2)	(2)	(357)	342
Renovation	5,204	-	1,203	-	(342)	(688)	5,377
Site equipment and tools	563	-	20	-	-	(263)	320
Telecommunication towers under project management agreement ^	7,989	10	3,988	-	-	(724)	11,263
Capital work-in-progress	76	(10)	-	-	-	-	66
<b>Total</b>	<b>26,614</b>	<b>-</b>	<b>6,644</b>	<b>(111)</b>	<b>(687)</b>	<b>(7,903)</b>	<b>29,557</b>



## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

<b>AT 31.3.2009</b>	<b>AT COST RM'000</b>	<b>ACCUMULATED DEPRECIATION RM'000</b>	<b>TOTAL RM'000</b>
Freehold land	216	-	216
Buildings	8,964	(895)	8,069
Motor vehicles	2,896	(2,448)	448
Office equipment, furniture and fittings:	6,021	(2,982)	3,039
Computers	2,347	(2,069)	278
Renovation	7,420	(2,067)	5,353
Site equipment and tools	7,757	(7,732)	25
Telecommunication towers under project management agreement ^	13,513	(2,080)	11,433
Capital work-in-progress	19	-	19
	<b>49,153</b>	<b>(20,273)</b>	<b>28,880</b>
<b>AT 31.12.2007</b>			
Freehold land	216	-	216
Buildings	8,964	(692)	8,272
Motor vehicles	3,917	(3,151)	766
Office equipment, furniture and fittings:	5,536	(2,601)	2,935
Computers	2,123	(1,781)	342
Renovation	7,222	(1,845)	5,377
Site equipment and tools	7,757	(7,437)	320
Telecommunication towers under project management agreement^	12,274	(1,011)	11,263
Capital work-in-progress	66	-	66
	<b>48,075</b>	<b>(18,518)</b>	<b>29,557</b>
	<b>AT 1.1.2008 RM'000</b>	<b>DEPRECIATION CHARGE RM'000</b>	<b>AT 31.3.2009 RM'000</b>
<b>THE COMPANY</b>			
<b>NET BOOK VALUE</b>			
Computers	3	(1)	2
	<b>AT 1.1.2007 RM'000</b>	<b>ADDITION RM'000</b>	<b>DEPRECIATION CHARGE RM'000</b>
<b>THE COMPANY</b>			
<b>NET BOOK VALUE</b>			
Computers	-	4	(1)
	<b>AT 1.1.2007 RM'000</b>	<b>ADDITION RM'000</b>	<b>DEPRECIATION CHARGE RM'000</b>
	<b>AT 31.12.2007 RM'000</b>		<b>AT 31.3.2009 RM'000</b>
Computers	-	4	3

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

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	TOTAL RM'000
<b>AT 31.3.2009</b>			
Computers	4	(2)	2
<b>AT 31.12.2007</b>			
Computers	4	(1)	3

- ^ Based on the project management agreement, the Directors concluded that the project is based on the concept of Build-Manage-Transfer ("BMT"). Under the project management agreement, the Group will carry out and complete the design, construction, erection and commissioning and thereafter the repair and maintenance of the telecommunication towers for a third party and lease to various telecommunication service providers on agreed rates. Upon the expiry of the project management period, the Group shall hand over the telecommunication towers to the third party. The project management agreement covers a period of 15 years commencing from 10 June 2005.

At the balance sheet date:

- (a) the following assets were acquired under hire purchase terms:-

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Carrying amounts:-		
Motor vehicles	377	708
Office equipment, furniture and fittings	649	173
Computer	161	-
Renovation	361	-
	1,548	881

- (b) the following assets have been pledged as security for bank borrowings granted to the Group:-

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Carrying amounts:-		
Freehold land	216	216
Buildings	8,069	8,272
	8,285	8,488

**notes to the financial statements**

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

**9. PREPAID LAND LEASE PAYMENTS**

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Long-term leasehold land, at cost:-		
At 1 January 2008/2007	2,894	2,894
Less: Accumulated amortisation	(357)	(319)
At 31 March 2009/31 December 2007	2,537	2,575
Accumulated amortisation:-		
At 1 January 2008/2007	(319)	(289)
Amortisation for the financial period/year	(38)	(30)
At 31 March 2009/31 December 2007	(357)	(319)

The leasehold land has been pledged as security for bank borrowings granted to the Group.

**10. OTHER INVESTMENTS**

	THE GROUP		THE COMPANY	
	31.3.2009 RM'000	31.12.2007 RM'000	31.3.2009 RM'000	31.12.2007 RM'000
Club memberships, at cost:-				
At 1 January 2008/2007	26	26	-	-
Addition during the financial period/year	40	-	40	-
At 31 March 2009/ 31 December 2007	66	26	40	-
Less: Accumulated amortisation	(6)	(5)	-	-
	60	21	40	-
Accumulated amortisation:-				
At 1 January 2008/2007	(5)	(4)	-	-
Charge for the financial period/year	(1)	(1)	-	-
At 31 March 2009/ 31 December 2007	(6)	(5)	-	-

The club memberships are held in trust by certain directors.

## 11. INTANGIBLE ASSET

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
At cost	60	60
Less: Accumulated amortisation	(26)	(18)
	34	42
Accumulated amortisation:-		
At 1 January 2008/2007	(18)	(12)
Charge for the financial period/year	(8)	(6)
At 31 March 2009/31 December 2007	(26)	(18)

The intangible asset represents the consideration paid for a licence to operate the telecommunication towers for a period of 10 years.

## 12. OTHER ASSETS

These represent retention monies which are due and receivable after twelve months from the balance sheet date, upon expiry of the warranty period of the relevant contracts.

## 13. GOODWILL ON CONSOLIDATION

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
At 1 January 2008/2007	24,661	24,661
Disposal of a subsidiary	(45)	-
At 31 March 2009/31 December 2007	24,616	24,661

Goodwill on consolidation arose from the acquisition of Miroza and ADTSB during the previous financial years.

Goodwill on consolidation is stated at cost and reviewed for impairment annually.

Goodwill on consolidation has been allocated for impairment testing to the Group's cash-generating unit ("CGU") in Malaysia.

During the financial period, the Group assessed the recoverable amount of the goodwill on consolidation, and determined that the goodwill on consolidation is not impaired.

The recoverable amount of a CGU is determined based on the value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a period of five years.

The key assumptions underpinning the value-in-use calculations are as follows:

Growth rate	3% - 9%
Discount rate	7.55%

Management determined the budgeted gross margin based on the past performance and its expectations of market development. The growth rate used is based on the past years' achievement and the expected contracts to be secured. The discount rate used is based on the borrowing rates.

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 14. DEFERRED TAX ASSETS/(LIABILITIES)

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
At 1 January 2008/2007	561	378
Recognised in income statement (Note 40)	(768)	183
At 31 March 2009/31 December 2007	(207)	561

The deferred taxation relates to temporary differences between depreciation and capital allowances on qualifying cost of property, plant and equipment.

### 15. INVENTORIES

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Inventories held for trading:		
- at cost	20,840	18,487
- at net realisable value	582	672
Goods-in-transit	-	31
	21,422	19,190

### 16. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Contract costs incurred to-date	7,006	51,021
Profit/(Loss) attributable to work performed to-date	432	(3,511)
Less: Allowance for foreseeable losses	-	(983)
	7,438	46,527
Less: Progress billings	(6,805)	(42,102)
Amount owing by contract customers	633	4,425
Contract costs incurred to-date	79,543	53,008
(Loss)/Profit attributable to work performed to-date	(2,416)	3,641
Less: Allowance for foreseeable losses	(289)	-
	76,838	56,649
Less: Progress billings	(80,772)	(60,417)
Amount owing to contract customers	(3,934)	(3,768)

## 17. TRADE RECEIVABLES

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Trade receivables	15,510	18,966
Allowance for doubtful debts	(792)	(803)
	14,718	18,163
Retention monies - due and receivable within twelve months	6,415	7,151
	21,133	25,314
Allowance for doubtful debts:-		
At 1 January 2008/2007	(803)	(453)
Charge during the financial period/year	(13)	(353)
Write-off during the financial period/year	24	3
At 31 March 2009/31 December 2007	(792)	(803)

The Group's normal trade credit terms range from cash terms to 180 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables are the following:-

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Amounts owing by related parties:-		
- Roncato Sdn. Bhd.	72	113
- Fook Cheong Trading	61	72
- MRZ Car Seat Sdn. Bhd.	27	-
	160	185

The foreign currency exposure profile of the trade receivables at the balance sheet date is as follows:-

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Brunei Dollar	978	690
United States Dollar	-	181
Vietnamese Dong	445	276

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in the other receivables, deposits and prepayments of the Group is an amount of RM406,000 (2007 - RM200,000) owing by a related party, MX Too Sdn, Bhd.

The amount owing is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

The foreign currency exposure profile of the other receivables, deposits and prepayments at the balance sheet date is as follows:-

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Thai Baht	235	416

### 19. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amount owing by the subsidiaries is unsecured, interest-free and repayable on demand.

The amount owing to a subsidiary consist of the following:-

	THE COMPANY	
	31.3.2009 RM'000	31.12.2007 RM'000
Interest bearing	(3,685)	(3,685)
Non-interest bearing	(1,335)	(948)
	(5,020)	(4,633)

The amount owing is unsecured, interest-free and repayable on demand except for the interest bearing portion which bore an effective interest rate of 5.00% (2007 - 5.00%) per annum at the balance sheet date.

The amounts owing are to be settled in cash.

### 20. SHORT-TERM DEPOSITS WITH A LICENSED BANK

The weighted average effective interest rate of the short-term deposits in the previous financial year was 3.10% per annum. The short-term deposits had maturity periods of 1 day.

### 21. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits are pledged to licensed banks for banking facilities granted to the Group. The weighted average effective interest rate of the fixed deposits at the balance sheet date was 2.38% (2007 - 3.00%) per annum. The fixed deposits have maturity periods ranging from 1 month to 12 months (2007 - 1 month to 12 months).

## 22. SHARE CAPITAL

	THE GROUP/THE COMPANY			
	31.3.2009 NUMBER OF SHARES	31.12.2007	31.3.2009 RM'000	31.12.2007 RM'000
<b>ORDINARY SHARES OF RM1 EACH:-</b>				
AUTHORISED	100,000,000	100,000,000	100,000	100,000
ISSUED AND FULLY PAID-UP	42,000,000	42,000,000	42,000	42,000

## 23. SHARE PREMIUM

This relates to the premium arising from shares issued and is not distributable by way of cash dividends.

## 24. CAPITAL RESERVE

This relates to the equity-settled share option granted to employees. This reserve consists of the cumulative value of services received from employees recorded on the grant of the share options.

The share options were implemented on 14 December 2004 and are to be in force for a period of 5 years from the date of the grant. The movement in the options to subscribe for the new ordinary shares of RM1.00 each at the exercise price of RM1.00 per share during the financial period are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1.00 EACH GRANTED UNDER OPTION	
	31.3.2009	31.12.2007
At 1 January 2008/2007	4,516,000	5,702,000
Cancellation due to staff resignations	(2,269,000)	(1,186,000)
At 31 March 2009/31 December 2007	2,247,000	4,516,000

The fair value of the share options granted in the previous financial year was estimated by using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions are as follows:-

Fair value of share options at the grant date (RM per share)	0.0461
Share price (RM)	1.00
Exercise price (RM)	1.00
Expected volatility (%)	18.17
Expected life (years)	5
Risk free rate (%)	4.00



## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 25. RETAINED PROFITS

Subject to agreement with the tax authorities, at the balance sheet date, the Company has sufficient tax credits and tax-exempt income under the Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire retained profits without incurring any additional tax liabilities.

Effective from 1 January 2008, the Company is allowed an irrevocable option to elect for the single tier tax system or continue with the use of the tax credit balance for the purpose of dividend distribution. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system.

### 26. HIRE PURCHASE PAYABLES

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Minimum hire purchase payments:		
- not later than one year	495	448
- later than one year and not later than five years	512	538
Gross hire purchase payables	1,007	986
Less: Future finance charges	(106)	(121)
Present value of hire purchase payables	901	865

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
The net hire purchase payables are repayable as follows:-		
Current:		
- not later than one year	439	397
Non-current		
- later than one year and not later than five years	462	468
	901	865

The hire purchase payables of the Group are subject to a weighted average effective interest rate of 7.76% (2007 - 5.98%) per annum at the balance sheet date.

## 27. TERM LOANS

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Current portion:		
- repayable within one year	5,297	730
Non-current portion:		
- repayable between one to two years	4,951	844
- repayable between two to five years	12,993	1,562
- repayable after five years	1,315	2,087
	19,259	4,493
	24,556	5,223

Details of the term loans outstanding at the balance sheet date are as follows:-

TERM LOAN	NUMBER OF MONTHLY INSTALMENTS	MONTHLY INSTALMENTS RM	EFFECTIVE DATES OF COMMENCEMENT OF REPAYMENT	AMOUNT OUTSTANDING	
				31.3.2009 RM'000	31.12.2007 RM'000
1	120	3,523	October 2004	166	202
2	120	41,429	February 2006	2,820	3,120
3	180	7,279	January 2007	468	524
4	36	26,587	September 2007	550	745
5	120	6,820	October 2007	577	632
6	264	12,627	August 2008	311	-
7	78	192,016	December 2008	14,209	-
8	6	166,667	January 2009	500	-
9	36	161,401	March 2009	4,955	-
				24,556	5,223

The term loans of the Group are subject to a weighted average effective interest rate of 7.11% (2007 - 7.18%) per annum at the balance sheet date and are secured by:-

- (i) a first legal charge over the freehold and leasehold land and buildings of the Group;
- (ii) a first debenture incorporating a fixed and floating charge over all the present and future assets and undertaking of a subsidiary;
- (iii) a first party deed of assignment of all contract proceeds from telecommunication companies;
- (iv) a first party assignment of all the rights, benefits, proceeds from/under all insurance policies over the telecommunication towers;
- (v) a pledge of certain fixed deposits of the Group;
- (vi) a joint and several guarantee of the directors of subsidiaries; and
- (iv) a corporate guarantee of the Company.

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 28. ISTISNA' MEDIUM TERM NOTES ("IMTN")

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
At 1 January 2008/2007	10,000	-
(Redemption)/Drawdown during the financial period/year	(10,000)	10,000
At 31 March 2009/31 December 2007	-	10,000

The IMTN was a medium term note which applied the underlying Syariah principle of Istisna' which was a purchase contract of an asset whereby a purchaser would place an order to purchase the assets which will be delivered in the future. In other words, the purchaser would require a seller or a contractor to deliver or construct the asset that would be completed in the future according to the specifications given in the sale and purchase contract. Both parties of the contract would decide on the sale and purchase prices as they wished and the settlement could be delayed or arranged based on the schedule of the work completed.

The tenure of the facility/issue is for ten years from the date of the first issuance of the IMTN Programme.

The IMTN Programme was cancelled on 21 November 2008.

### 29. TRADE PAYABLES

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Trade payables	18,085	14,754
Retention monies	1,332	1,232
	19,417	15,986

The normal trade credit terms granted to the Group range from 30 to 180 days.

### 30. OTHER PAYABLES AND ACCRUALS

Included in the other payables and accruals is an amount of RM1,233,000 (2007 - RM1,610,000) owing to a related party, Roncato Sdn. Bhd.. The amount owing is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

### 31. AMOUNT OWING TO A DIRECTOR

The amount owing to a director represents the balance of the consideration payable for the acquisition of Miroza in previous financial years. The amount owing is unsecured, interest-free and repayable on demand.

### **32. BANKERS' ACCEPTANCES**

The bankers' acceptances of the Group are subject to the effective interest rates ranging from 2.15% to 5.17% (2007 - 3.90% to 6.02%) per annum at the balance sheet date and are secured by:-

- (i) legal charges over the freehold and leasehold land and buildings of the Group;
- (ii) a legal charge over a property belonging to a director;
- (iii) a legal charge over a property belonging to a third party;
- (iv) a fixed and floating charge over the assets of a subsidiary, both present and future;
- (v) a pledge of the fixed deposits of the Group;
- (vi) a joint and several guarantee of the directors of the subsidiaries and a person connected to the directors; and
- (vii) a corporate guarantee of the Company.

### **33. REVOLVING CREDITS**

The revolving credits in the previous financial year were subject to an effective interest rate of 6.21% per annum and were secured by:-

- (i) legal charges over the leasehold land and buildings of the Group;
- (ii) a joint and several guarantee of the directors of the subsidiaries; and
- (iii) a corporate guarantee of the Company.

The facility had been cancelled during the financial period.

### **34. TRUST RECEIPTS**

The trust receipts in the previous financial year were subject to an effective interest rate of 8.50% per annum and were secured by:-

- (i) an assignment of all contract proceeds from Tenaga Nasional Berhad; and
- (ii) a corporate guarantee of the Company.

### **35. BANK OVERDRAFTS**

The bank overdrafts are subject to an effective interest rate of 6.97% (2007 - 8.44%) per annum at the balance sheet date and are secured in the same manner as the bankers' acceptances disclosed in Note 32 to the financial statements.

### **36. NET ASSETS PER SHARE**

The net assets per share was calculated based on the Group's net assets value at the balance sheet date of RM43,837,000 (2007 - RM43,639,000) divided by the number of ordinary shares in issue at the balance sheet date of 42,000,000 (2007 - 42,000,000).

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 37. REVENUE

Details of revenue are as follows:-

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Engineering contracts	11,603	40,744	-	-
Trading	109,405	83,062	-	-
Dividend	-	-	-	600
Project management fee	7,520	4,680	-	-
Rental	34	52	-	-
	128,562	128,538	-	600

### 38. COST OF SALES

Details of cost of sales are as follows:-

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Engineering contracts	12,465	39,013	-	-
Trading	42,949	34,330	-	-
Project management fee	2,362	1,689	-	-
Rental	69	52	-	-
	57,845	75,084	-	-

### 39. PROFIT/(LOSS) BEFORE TAXATION

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-				
Allowance for doubtful debts	13	353	-	-
Amortisation of:				
- intangible asset	8	6	-	-
- other investments	1	1	-	-
- prepaid land lease payments	38	30	-	-

**39. PROFIT/(LOSS) BEFORE TAXATION** (cont'd)

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Audit fee:				
- for the financial period/year	81	104	20	15
- underprovision in the previous financial year	10	12	5	7
Bad debts written off	2	-	-	-
Depreciation of property, plant and equipment	3,703	2,903	1	1
Directors' fees	136	237	136	174
Directors' non-fee emoluments	1,145	1,036	582	744
Equipment written off	614	687	-	-
Hire of machinery and vehicles	178	507	-	-
Interest expense:				
- advances from a subsidiary	-	-	230	202
- bank overdrafts	291	253	-	-
- bankers' acceptances	1,537	1,308	-	-
- hire purchase	81	57	-	-
- IMTN	492	300	-	-
- overdue	20	-	-	-
- revolving credits	295	349	-	-
- term loans	925	524	-	-
- trust receipts	76	243	-	-
- others	210	55	-	-
Loss on disposal of a subsidiary	190	-	-	-
Rental of land	719	498	-	-
Rental of premises	6,087	5,873	146	159
Staff costs	19,248	16,364	-	31
Dividend income	-	-	-	(600)
Gain on disposal of equipment	(243)	(158)	-	-
Interest income	(458)	(316)	-	-
Realised (gain)/Loss on foreign exchange	(15)	114	-	-
Rental of premises (Write-back)/Allowance for foreseeable losses	(526)	(467)	-	-
Write-back of inventories written down	(81)	(62)	-	-

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 40. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Current tax:				
- for the financial period/year	1,408	1,249	-	162
- share of taxation in an associate	56	(3)	-	-
- overprovision in previous financial years	(284)	(2)	(242)	-
	1,180	1,244	(242)	162
Deferred taxation (Note 14):				
- for the financial period/year	844	(123)	-	-
- overprovision in the previous financial year	(76)	(60)	-	-
	768	(183)	-	-
	1,948	1,061	(242)	162

During the financial period, the statutory tax rate was reduced from 27% to 26% for year of assessment 2008, and to 25% for year of assessment 2009, as announced in the Malaysian Budget 2007 and 2008, respectively.

As gazetted in the Finance Act 2009, certain subsidiaries of the Company will no longer enjoy the preferential tax rate of 20% on their chargeable income of up to RM500,000 effective from year of assessment 2009 as the Company has a paid-up share capital exceeding RM2,500,000.

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

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Profit/(Loss) before taxation	3,414	500	(1,426)	(998)
Tax at the statutory tax rate of 25% (2007 - 27%)	854	135	(356)	(270)
Tax effects of:-				
Non-taxable gains	(1)	(1)	-	-
Non-deductible expenses:				
- allowance for doubtful debts	-	95	-	-

**40. INCOME TAX EXPENSE** (cont'd)

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
- depreciation of property, plant and equipment	319	238	-	-
- directors' non-fee emoluments	145	270	145	257
- equipment written off	143	89	-	-
- professional fee	63	89	-	32
- provision for foreseeable loss	72	265	-	-
- others	497	370	211	143
Deferred tax assets not recognised during the financial period/year	313	196	-	-
Utilisation of previously unrecognised deferred tax assets	-	(621)	-	-
Utilisation of group relief	(133)	-	-	-
Overprovision in the previous financial year:				
- income tax	(284)	(2)	(242)	-
- deferred taxation	(76)	(60)	-	-
Differential in tax rates	36	-	-	-
Others	-	(2)	-	-
<b>Tax for the financial period/year</b>	<b>1,948</b>	<b>1,061</b>	<b>(242)</b>	<b>162</b>

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

Basic earnings(loss) per share is arrived at by dividing the Group's profit/(loss) attributable to equity holders of the Company of RM198,000 (2007 - loss of RM624,000) by the number of ordinary shares in issue during the financial period/year of 42,000,000 (31.12.2007 - 42,000,000).

The diluted earnings per share is not applicable as there are no dilutive potential ordinary shares outstanding at the balance sheet date.

**42. DISPOSAL OF A SUBSIDIARY**

The effects of the disposal of the subsidiary on the Group's financial statements are as follows:-

(a) Effect on Consolidated Income Statements

The effect on the consolidated results of the Group up to the date of disposal and the comparatives for the previous financial year is as follows:-



**notes to the financial statements**

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

**42. DISPOSAL OF A SUBSIDIARY** (cont'd)

	THE GROUP	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Revenue	2,946	-
Cost of sales	(1,937)	-
Gross profit	1,009	-
Other income	34	-
Selling and distribution expenses	(88)	-
Administrative and other operating expenses	(1,563)	-
Finance cost	(182)	-
Loss for the financial period	(790)	-

**(b) Effect on Consolidated Financial Position**

The effect on the consolidated financial position of the Group as at the date of disposal and the comparatives for the previous financial year is as follows:-

	THE GROUP	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Plant and equipment	814	-
Trade and other receivables	710	-
Tax recoverable	76	-
Cash and bank balances	36	-
Trade and other payables	(1,219)	-
Hire purchase payables	(34)	-
Fair value of net assets disposed	383	-
Goodwill	45	-
Minority interest	(188)	-
Share of group's assets	240	-
Loss on disposal	(190)	-
Sale proceeds from disposal of a subsidiary	50	-
Cash and bank balances	(36)	-
Cash flow on disposal of a subsidiary	14	-



#### 43. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Cost of property, plant and equipment purchased	4,552	6,644	-	4
Amount financed through hire purchase	(749)	(51)	-	-
Cash disbursed for the purchase of property, plant and equipment	3,803	6,593	-	4

#### 44. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	31.3.2009 RM'000	31.12.2007 RM'000	31.3.2009 RM'000	31.12.2007 RM'000
Short-term deposits with a licensed bank	-	1,764	-	-
Fixed deposits with licensed banks	11,433	12,790	-	-
Cash and bank balances	5,401	2,715	1	#
Bank overdrafts	(2,274)	(3,430)	-	-
	14,560	13,839	1	#

# Amount less than RM1,000.

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 45. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Group and of the Company during the financial period/year are as follows:-

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Executive directors:				
- salaries and allowances	1,119	973	561	681
- fees	60	183	60	120
- estimated money value of benefits-in-kind	30	-	-	-
	1,209	1,156	621	801
Non-executive directors:				
- allowances	26	63	21	63
- fees	76	54	76	54
	102	117	97	117
	1,311	1,273	718	918

The details of emoluments for the directors of the Group and of the Company received/receivable for the financial period/year in the bands of RM50,000 are as follows:-

	THE GROUP/THE COMPANY NUMBER OF DIRECTORS			
	1.1.2008 to 31.3.2009		1.1.2007 to 31.12.2007	
	EXECUTIVE DIRECTORS	NON- EXECUTIVE DIRECTORS	EXECUTIVE DIRECTORS	NON- EXECUTIVE DIRECTORS
Below RM50,000	-	3	-	1
RM50,001-RM100,000	-	-	-	1
RM100,001-RM150,000	2	-	-	-
RM200,001-RM250,000	-	-	4	-
RM250,001-RM300,000	1	-	1	-
RM500,001-RM550,000	1	-	-	-

**46. SEGMENTAL REPORTING**

1.1.2008 to 31.3.2009	Engineering and construction RM'000	Trading RM'000	Investment holding and others RM'000	Group RM'000
<b>REVENUE</b>				
Total revenue	20,959	109,622	34	130,615
Inter-segment revenue	(1,836)	(217)	-	(2,053)
External revenue	19,123	109,405	34	128,562
<b>RESULTS</b>				
Segment results	2,748	4,921	(1,542)	6,127
Finance costs				(3,927)
Share of profit in an associate				1,214
Profit before taxation				3,414
Income tax expense				(1,948)
Profit after taxation				1,466
<b>OTHER INFORMATION</b>				
Segment assets *	34,828	85,128	7,162	127,118
Segment liabilities #	26,920	45,283	6,875	79,078
Capital expenditure	1,200	3,352	-	4,552
Depreciation	1,422	2,237	44	3,703

**notes to the financial statements**

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

**46. SEGMENTAL REPORTING** (cont'd)

1.1.2007 to 31.12.2007	Engineering and construction RM'000	Trading RM'000	Investment holding and others RM'000	Group RM'000
<b>REVENUE</b>				
Total revenue	51,104	83,884	652	135,640
Inter-segment revenue	(5,680)	(822)	(600)	(7,102)
External revenue	45,424	83,062	52	128,538
<b>RESULTS</b>				
Segment results	1,306	3,414	(1,583)	3,137
Finance costs				(3,089)
Share of profit in an associate				452
Loss before taxation				500
Income tax expense				(1,061)
Loss after taxation				(561)
<b>OTHER INFORMATION</b>				
Segment assets *	44,720	82,204	6,262	133,186
Segment liabilities #	37,006	44,015	6,946	87,967
Capital expenditure	4,071	2,569	4	6,644
Depreciation	1,118	1,750	35	2,903

\* - Segment assets comprise total current and non-current assets, excluding income tax assets.

# - Segment liabilities comprise total current and non-current liabilities, excluding income tax liabilities.

An analysis by geographical segment is not presented as the Group operates primarily in Malaysia.

**47. RELATED PARTY DISCLOSURES**

For the purpose of these financial statements, the Group and the Company have related party relationships with its directors, key management personnel, entities of which the directors and/or key management have significant financial interests and entities within the same Group of companies.

The period/year end balances of the related parties are disclosed in the respective notes to the financial statements. The Group and the Company carried out the following transactions with the related parties during the financial period/year:

	THE GROUP		THE COMPANY	
	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.3.2009 RM'000	1.1.2007 to 31.12.2007 RM'000
Sales to related parties:				
- Roncato Sdn Bhd. <sup>(1)</sup>	1,186	1,178	-	-
- Fook Cheong Trading <sup>(2)</sup>	47	61	-	-
- MRZ Car Seat Sdn. Bhd. <sup>(3)</sup>	-	50	-	-
Rental received/receivable from:				
- MRZ Car Seat Sdn. Bhd.	63	-	-	-
Royalty paid/payable to:				
- MX Too Sdn. Bhd. <sup>(1)</sup>	714	465	-	-
Key management personnel compensation:				
- short-term employee benefits	1,993	2,130	718	744

<sup>(1)</sup> A company in which Teoh Hwa Peng and spouse of Teoh Hwa Peng are directors and have substantial financial interests.

<sup>(2)</sup> A partnership in which a sibling of Teoh Hwa Peng has a substantial financial interest.

<sup>(3)</sup> A company in which:

- mother of Teoh Hwa Peng and Teoh Wah Leong is a director and has a substantial financial interest; and
- Teoh Wah Leong is a director and has a substantial financial interest.

The outstanding amount of the related parties will be settled in cash. No guarantees have been given or received. No expenses have been recognised during the financial period as bad and doubtful debts in respect of the amounts owing by the related parties.

## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (RM'000)

### 48. OPERATING LEASE COMMITMENTS

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

	THE GROUP	
	31.3.2009 RM'000	31.12.2007 RM'000
Not later than one year	2,668	5,953
Later than one year but not later than five years	3,502	7,162
Later than five years	1,434	2,295
	7,604	15,410

### 49. CONTINGENT LIABILITY

	THE COMPANY	
	31.3.2009 RM'000	31.12.2007 RM'000
Unsecured:-		
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries	97,220	68,502

### 50. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent, unless otherwise stated) for the translation of the foreign currency balances at the balance sheet date are as follows:-

	31.3.2009 RM	31.12.2007 RM
Brunei Dollar	2.40	2.29
Thai Baht	0.10	0.10
United States Dollar	N/A	3.31
100 Vietnamese Dong	0.02	0.02

N/A - Not applicable.

### 51. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

During the financial period,

- the Group disposed of its entire equity interest in TFSB comprising 1,147,500 ordinary shares of RM1.00 each on 29 September 2008 for a total cash consideration of RM50,000; and
- the RM100 million IMTN Programme issued by a subsidiary has been fully redeemed and the subsidiary has paid the final outstanding notes for the face value of RM10 million on 18 November 2008.

Accordingly, the IMTN Programme was cancelled on 21 November 2008.

## 52. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

### (a) Long-Term Bank Loans

The carrying amounts approximated their fair values as this instrument bears interest at variable rates.

### (b) Hire Purchase Obligations

The fair values of hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar types of instruments.

### (c) Short-Term Borrowings

The carrying amounts approximated their fair values because of the short period to maturity of these instruments.

### (d) Other Assets And Trade Receivables

	THE GROUP		THE COMPANY	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Other assets *	3,941	#	-	-

\* Retention monies which are due and receivable after twelve months from the balance sheet date.

# It is not practicable within the constraints of timeliness and cost to estimate this fair value reliably. Such assets are stated at anticipated realisable value subject to review for allowance for doubtful debts.

### (e) Cash And Cash Equivalents And Short-Term Receivables/Payables

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

### (f) Contingent Liabilities

It is not practicable to estimate the fair value of contingent liabilities reliably due to uncertainties of timing, costs and eventual outcome.



## notes to the financial statements

for the financial period from 1 January 2008 to 31 March 2009 (cont'd)

### 52. FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(f) The nominal amount and net fair value of financial instruments not recognised in the balance sheets of the Company are as follows:

	NOTE	THE COMPANY	
		NOMINAL AMOUNT RM'000	NET FAIR VALUE RM'000
<b>At 31 March 2009</b>			
Contingent liability	49	97,220	*
<b>At 31 December 2007</b>			
Contingent liability	49	68,502	*

\*The net fair value of the contingent liability is estimated to be minimal as the subsidiaries are expected to fulfill their obligations to repay their borrowings.

### 53. COMPARATIVE FIGURES

The comparative figures of the Group and the Company are in respect of the financial year from 1 January 2007 to 31 December 2007.

**LIST OF PROPERTIES**  
AS AT 31 MARCH 2009

Location	Description/ Existing use	Tenure	Approximate Land/Built-up area (square feet)	Age of Properties/ Buildings (Years)	Net Book Value As At 31/03/2009 (RM)
No. 63, Jalan 8/146, Bandar Tasik Selatan, Jalan Sg. Besi, 57000 Kuala Lumpur	6 storey shopoffice/ Office Date of acquisition : 19/1/1995 <b>(Note 1)</b>	Leasehold expiring on 29/06/2087	17,835	12	2,724,559
Lot No. 10 Jalan Perusahaan 1 Kawasan Perusahaan Beranang Selangor Darul Ehsan.	Industrial land and building used as store.  Date of revaluation of land : 11/7/2006 <b>(Note 2)</b> - Building constructed in 2002.	Leasehold expiring on 09/10/2099	117,177/ 10,040	6	1,023,712 - NBV of Building RM703,247
Lot 655 Jalan 24, Taman Perindustrian Ehsan Jaya, Taman Ehsan, Kepong 52100 Kuala Lumpur.	Double storey Terrace Factory/Office  Date of acquisition : 02/04/1997	Freehold	2,730	11	303,929
Lot 656 Jalan 24, Taman Perindustrian Ehsan Jaya, Taman Ehsan, Kepong, 52100 Kuala Lumpur.	Double storey Terrace Factory/Office  Date of acquisition : 02/04/1997	Freehold	2,730	11	303,929
Prangin Mail Komtar 33-1-48, Jalan Dr Lim Chwee Leong, Prangin Mall Komtar, 10100 Pulau Pinang.	Shop lot/ Boutique  Date of acquisition : 05/05/2004	99 years leasehold	452	6	604,290

## list of properties

as at 31 March 2009 (cont'd)

Location	Description/ Existing use	Tenure	Approximate Land/Built-up area (square feet)	Age of Properties/ Buildings (Years)	Net Book Value As At 31/03/2009 (RM)
Lot no. 072, Taman Shamelin Perkasa Phase 1A, Cheras, Kuala Lumpur	End unit 4-storey shop/office  Date of acquisition : 25/10/2002	Leasehold expiring on 11/09/2082	7,040	24	980,670
Wisma Sri Damansara No. 10 Persiaran Dagang, Bandar Sri Damansara, 52200 Kuala Lumpur	Two storey office building  Date of acquisition : 08/08/2005	Freehold	30022/ 24108	15	4,177,700

Note 1: A revaluation on these properties were carried out by an independent valuer on 22 November 2002 and there was no material impairment to the value of these properties.

Note 2: A revaluation on these properties were carried out by an independent valuer on 11 July 2006 and there was no material impairment to the value of these properties.

**ANALYSIS OF SHAREHOLDINGS**

AS AT 24 JULY 2009

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid-up Share Capital	:	RM 42,000,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 vote per ordinary shareholder on a show of hands 1 vote per ordinary share on a poll
Number of Shareholders	:	2,215

**ANALYSIS BY SIZE OF SHAREHOLDINGS**

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	2	0.09	3	0.00
100 to 1,000	502	22.66	488,500	1.16
1,001 – 10,000	1,422	64.20	5,598,099	13.33
10,001 – 100,000	260	11.74	7,403,001	17.63
100,001 – less than 5% of issued shares	27	1.22	14,118,156	33.61
5% and above of issued shares	2	0.09	14,392,241	34.27
<b>Total</b>	<b>2,215</b>	<b>100.00</b>	<b>42,000,000</b>	<b>100.00</b>

**SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS**

Names	No. of Shares		No. of Shares	
	Direct Interest	%	Indirect Interest	%
1. Teoh Hwa Peng Held through MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd	12,274,099	29.22	-	-
2. Dr. Sieh Kok Swee	2,118,142	5.04	1,919,258 <sup>(1)</sup>	4.57
3. Khoo Loon See	1,919,258	4.57	2,118,142 <sup>(2)</sup>	5.04
4. Thuraya Binti Kassim	1,833,910	4.37	583,588 <sup>(2)</sup>	1.29
5. Wan Hussein Bin Tan Sri Wan Hamzah	583,588	1.29	1,833,910 <sup>(1)</sup>	4.37

## Notes:

- (1) Deemed interested via his spouse's shareholdings  
(2) Deemed interested via her spouse's shareholdings

## analysis of shareholdings

as at 24 July 2009 (cont'd)

### DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares		No. of Shares	
	Direct Interest	%	Indirect Interest	%
Dato' Paduka Sharipah Hishmah Binti Sayed Hassan	-	-	-	-
Teoh Hwa Peng (MDF Amanah Investment Nominees (Tempatan) Sdn Bhd – pledged securities for Teoh Hwa Peng)	12,274,099	29.22	701,000*	1.67
Ng Chee Leong	335,000	0.80	-	-
Teoh Wah Leong	-	-	-	-
Saffie Bin Bakar	-	-	-	-
Wong Tuck Song	-	-	-	-
Yam Kin Lum	-	-	-	-

\* Deemed interest through spouse's shareholdings by virtue of Section 134(12)(c) of the Companies Act, 1965

### DIRECTORS' INTEREST IN SHARE OPTIONS

Name	No. of Options over Ordinary Shares
Wong Tuck Song	150,000

### THIRTY (30) LARGEST SHAREHOLDERS / SECURITIES ACCOUNT HOLDERS

No.	Names	No. of Shares	%
1.	MDF Amanah Investment Nominees (Tempatan) Sdn Bhd <i>[Pledged securities account for Teoh Hwa Peng (MGN-THP0003M)]</i>	12,274,099	29.22
2.	Dr. Sieh Kok Swee	2,118,142	5.04
3.	Lim Chun Hoe	1,974,200	4.70
4.	Khoo Loon See	1,919,258	4.57
5.	Ooi Yen Yen	1,860,800	4.43
6.	Thuraya Binti Hj Kassim	1,833,910	4.37
7.	Chea Kok Jiunn @ Sieh Kok Jiun	999,000	2.38
8.	RHB Nominees (Tempatan) Sdn Bhd <i>[Kripaison International Ltd]</i>	552,000	1.31

**THIRTY (30) LARGEST SHAREHOLDERS / SECURITIES ACCOUNT HOLDERS**

No.	Names	No. of Shares	%
9.	Wan Hussien Bin Wan Hamzah	543,588	1.29
10.	Khoo Loon Im	450,000	1.07
11.	Heng Siew Yong	346,000	0.82
12.	Tan Sok Gim	338,000	0.80
13.	Ng Chee Leong	335,000	0.80
14.	Sam Yin Thing	286,000	0.68
15.	Frederick Ng Yong Chiang	266,000	0.63
16.	Khor Cheen Sing	236,000	0.56
17.	Tan Sok Gim	225,901	0.54
18.	Nor Azman Bin Mohd Yussof	217,000	0.52
19.	Yong Sau Leng	208,800	0.50
20.	Liew Kok Ming	207,500	0.49
21.	Sam Chee Siong	200,000	0.48
22.	Onn @ Onn Bhoy Bin Abbasbhoy	187,000	0.45
23.	Tey Ghee Kian	185,000	0.44
24.	Abu Bakar Bin Mohamed	169,000	0.40
25.	Tan Sok Gim	137,099	0.33
26.	Quek Yook Lan	114,600	0.27
27.	TA Nominees (Tempatan) Sdn Bhd <i>[Pledged securities account for Noredah Majimpi @ Ening Majimpi]</i>	111,400	0.27
28.	RHB Nominees (Tempatan) Sdn Bhd <i>[Pledged securities account for Ji Jock Wah (1851M)]</i>	109,600	0.26
29.	Abdul Aziz Al- Akbar Bin Mohamed Noor	105,500	0.25
30.	BIMSEC Nominees (Tempatan) Sdn Bhd <i>[Pledged securities account for Abdul Halim Bin Ismail -9100999]</i>	96,400	0.23



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NUMBER OF SHARES HELD

I/We \_\_\_\_\_  
(BLOCK LETTERS)

of \_\_\_\_\_  
being a member/members of MESB BERHAD, hereby appoint \* THE CHAIRMAN OF THE MEETING or \_\_\_\_\_

of \_\_\_\_\_ or failing  
him / her, \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company, to be held at Lumut 1 Room, Vistana Hotel, No. 9, Jalan Lumut, Off Jalan Ipoh, 50400 Kuala Lumpur on Friday, 11 September 2009 at 10.00 a.m. and at any adjournment thereof.

\* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

Please indicate with an "X" in the space provided, how you wish your vote to be cast in respect of the following resolutions. In the absence of specific directions, your proxy may vote or abstain at his/her discretion. If you appoint two proxies, please specify the proportions of holdings to be represented by each proxy.

My/our proxy/proxies is/are to vote as indicated below:

Ordinary Resolutions	For	Against
1 To re-elect Teoh Hwa Peng		
2 To re-elect Wong Tuck Song		
3 To re-elect Ng Chee Leong		
4 To re-elect Yam Kin Lum		
5 To approve the payment of Directors' fees		
6 To re-appoint Horwath as Auditors of the Company		
7 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009

\_\_\_\_\_  
Signature / Common Seal of Shareholder

**Notes:**

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies.
2. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
6. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.



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Stamp

The Company Secretary  
**MESB BERHAD**  
(337554-D)  
10th Floor, Menara Hap Seng  
1 & 3 Jalan P. Ramlee  
50250 Kuala Lumpur

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