

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES
REPORTS AND AUDITED FINANCIAL
STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2010

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SUPER ENTERPRISE HOLDINGS BERHAD

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and Company for the financial year ended 31 March 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and to provide management services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULT OF OPERATIONS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	<u>8,710</u>	<u>(1,596)</u>

DIVIDEND

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

	RM'000
In respect of the financial year ended 31 March 2009:	
A final dividend of 1.0 sen less tax per ordinary share of RM1.00 each paid on 30 October 2009	<u>314</u>

The directors recommend a final dividend of 3.0 sen less tax per ordinary share of RM1.00 each in respect of the financial year ended 31 March 2010 amounting to RM940,748 subject to the shareholders' approval at the forthcoming Annual General Meeting. The payment date shall be determined at a later date.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES

The Company did not issue any new shares during the financial year.

DIRECTORS

The directors who have held office since the date of the last report are:

Dato' Mohd Ibrahim Bin Mohd Nor
Goh Jui Leang
Goh Juai Hian (Resigned: 12.2.2010)
Goh Joi Sang
Datuk Haji Zubir bin Haji Ali
Peter Daniel Tan (Resigned: 31.7.2009)
Goh Jooi Chong
Liung Cheong Poh

DIRECTORS' INTERESTS

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 and its related corporation were as follows:

	Number of Ordinary Shares of RM1/= each			
	As at 1.4.2009	Bought	Sold	As at 31.3.2010
Shareholdings in which Directors have direct interest:				
Interest in the Company:				
Goh Jui Leang	4,390,679	-	-	4,390,679
Goh Joi Sang	5,019,425	-	-	5,019,425
Goh Jooi Chong	484,400	-	-	484,400
Dato' Mohd Ibrahim Bin Mohd Nor	170,100	-	-	170,000
Goh Juai Hian	4,650,530	243,900	-	* 4,894,430
* As at date of resignation				
Interest in S.E. Printing (M) Sdn Bhd:				
Goh Jooi Chong	340,000	-	-	340,000

Number of Ordinary Shares of RM1/= each

	As at 1.4.2009	Bought	Sold	As at 31.3.2010
Shareholdings in which Directors have indirect interest:				
Interest in the Company:				
Goh Jui Leang	1,918,254	-	-	1,918,254
Goh Joi Sang	1,918,254	-	-	1,918,254
Goh Juai Hian	2,184,154	-	-	2,184,154
Peter Daniel Tan #	728,900	-	-	* 728,900

By virtue of their interests in the shares of the Company, the directors namely Goh Jui Leang, Goh Joi Sang and Goh Juai Hian (up to his date of resignation) are also deemed to have interest in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

No other directors in office at the end of the financial year held any interest in shares in the Company and its related corporation.

Indirect interest held through spouse

* As at date of resignation

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken, in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts which were unlikely to realise their book values in the ordinary course of business of the Group and the Company have been written down to an amount which they might be expected to realise.

Company No: 240346 X

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability in respect of the Group and the Company which has arisen since the end of the financial year.

No contingent liability 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, in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet their obligations as and when they fall due.

In the opinion of the directors:

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 37 to the financial statements.

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)

BALANCE SHEETS AS AT 31 MARCH 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	5	54,669	67,035	834	502
Prepaid lease payments	6	1,456	1,601	-	-
Investments in subsidiaries	7	-	-	32,801	32,801
Investments in associates	8	5,561	6,238	-	-
Other investments	9	145	145	-	-
Deferred tax assets	10	372	69	-	-
Goodwill	11	378	378	-	-
		62,581	75,466	33,635	33,303
Current Assets					
Inventories	12	16,938	16,061	-	-
Trade receivables	13	27,357	23,570	-	-
Other receivables, deposits and prepayments	14	4,774	4,430	48	52
Amounts due from subsidiaries	15	-	-	14,112	16,848
Amounts due from associates	16	1,676	1,126	-	-
Assets held for sale	17	-	915	-	-
Tax recoverable		1,283	777	1,229	652
Deposits with licensed banks	18	4,696	961	987	961
Cash and bank balances		5,210	5,746	131	1,339
		61,934	53,586	16,507	19,852
TOTAL ASSETS		124,515	129,052	50,142	53,155

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	19	41,811	41,811	41,811	41,811
Reserves		25,752	19,492	5,531	7,441
		<u>67,563</u>	<u>61,303</u>	<u>47,342</u>	<u>49,252</u>
Minority interests		9,825	9,195	-	-
Total Equity		<u><u>77,388</u></u>	<u><u>70,498</u></u>	<u><u>47,342</u></u>	<u><u>49,252</u></u>
Non-Current Liabilities					
Hire purchase payables	20	2,779	4,987	279	-
Bank borrowings	21	2,616	9,176	-	-
Deferred tax liabilities	10	2,782	2,936	25	25
		<u>8,177</u>	<u>17,099</u>	<u>304</u>	<u>25</u>
Current Liabilities					
Trade payables	22	18,240	14,693	-	-
Other payables and accruals	23	5,359	7,190	229	322
Amounts due to subsidiaries	15	-	-	2,113	3,556
Amount due to an associate	16	3	6	-	-
Hire purchase payables	20	4,147	4,171	154	-
Bank borrowings	21	10,538	14,690	-	-
Provision for taxation		663	705	-	-
		<u>38,950</u>	<u>41,455</u>	<u>2,496</u>	<u>3,878</u>
Total Liabilities		<u><u>47,127</u></u>	<u><u>58,554</u></u>	<u><u>2,800</u></u>	<u><u>3,903</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>124,515</u></u>	<u><u>129,052</u></u>	<u><u>50,142</u></u>	<u><u>53,155</u></u>

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 15 to 77.

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Continuing operations:					
Revenue	24	122,199	143,474	4,801	5,584
Less: Cost of sales		(91,577)	(104,656)	-	-
Gross Profit		30,622	38,818	4,801	5,584
Other income					
- interest income		91	43	434	494
- others		5,987	3,336	62	447
		6,078	3,379	496	941
		36,700	42,197	5,297	6,525
Less: Expenses					
Distribution expenses		6,950	8,668	-	-
Administrative expenses		16,330	17,840	5,719	3,701
Other expenses		1,456	2,134	-	-
		24,736	28,642	5,719	3,701
		11,964	13,555	(422)	2,824
Finance costs	25	(2,182)	(2,588)	(109)	(148)
Share of loss of associates		(386)	(792)	-	-
Profit/(Loss) before taxation and exceptional items	26	9,396	10,175	(531)	2,676
Exceptional items	27	-	-	(720)	(2,413)
Profit/(Loss) before taxation		9,396	10,175	(1,251)	263
Tax expense	28	(1,263)	(2,928)	(345)	(623)
Profit/(Loss) for the financial year from continuing operations		8,133	7,247	(1,596)	(360)

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Discontinued operations:					
Profit/(Loss) for the financial year from discontinued operations	29	577	(943)	-	-
Profit/(Loss) for the financial year		<u>8,710</u>	<u>6,304</u>	<u>(1,596)</u>	<u>(360)</u>
Profit/(Loss) attributable to:					
Equity holders of the Company		7,757	3,739	(1,596)	(360)
Minority interests		953	2,565	-	-
		<u>8,710</u>	<u>6,304</u>	<u>(1,596)</u>	<u>(360)</u>
Basic earnings/(loss) per ordinary share (sen)					
	30				
- from continuing operations		17.17	11.20	-	-
- from discontinued operations		1.38	(2.30)	-	-
		<u>18.55</u>	<u>8.90</u>	<u>-</u>	<u>-</u>
Net dividend per share (sen)		<u>0.75</u>	<u>2.20</u>	<u>0.75</u>	<u>2.20</u>

The above income statements are to be read in conjunction with the notes to the financial statements on pages 15 to 77.

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

---ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT---

Group	Note	Non Distributable		Distributable			Total Equity RM'000
		Share Capital RM'000	Exchange Reserve RM'000	Retained Earnings RM'000	Shareholders' Fund RM'000	Minority Interests RM'000	
Balance at 1 April 2008		41,811	(801)	15,120	56,130	6,632	62,762
Acquisition of additional equity interest in a subsidiary		-	34	-	34	(204)	(170)
Foreign currency translation not recognised in the income statement		-	2,328	-	2,328	406	2,734
Profit for the financial year		-	-	3,739	3,739	2,565	6,304
Dividend	31	-	-	(928)	(928)	(204)	(1,132)
Balance at 31 March 2009		41,811	1,561	17,931	61,303	9,195	70,498
Foreign currency translation not recognised in the income statement		-	(1,183)	-	(1,183)	(203)	(1,386)
Profit for the financial year		-	-	7,757	7,757	953	8,710
Dividend	31	-	-	(314)	(314)	(120)	(434)
Balance at 31 March 2010		41,811	378	25,374	67,563	9,825	77,388

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

	Note	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
Company				
Balance at 1 April 2008		41,811	8,729	50,540
Loss for the financial year		-	(360)	(360)
Dividend	31	-	(928)	(928)
Balance at 31 March 2009		41,811	7,441	49,252
Loss for the financial year		-	(1,596)	(1,596)
Dividend	31	-	(314)	(314)
Balance at 31 March 2010		41,811	5,531	47,342

The above statements are to be read in conjunction with the notes to the financial statements on pages 15 to 77.

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax after minority interest					
- Continuing operations		8,443	7,610	(1,251)	263
- Discontinued operations		577	(943)	-	-
Adjustments for:					
Allowance for doubtful debts		496	913	-	-
Allowance for slow moving inventories		1,856	2,306	-	-
Allowance for impairment losses		-	800	-	2,350
Amortisation of prepaid lease payments		84	68	-	-
Bad debts written off		1	47	720	2,836
Depreciation		7,368	6,838	130	62
Dividend income		(1)	(1)	(2,557)	(3,331)
Gain on disposal of an associate		-	(66)	-	-
(Gain)/Loss on disposal of property, plant and equipment		(3,757)	(469)	48	-
Inventories written off		-	78	-	-
Inventories written down to realisable value		107	-	-	-
Interest expenses		1,908	2,355	106	139
Interest income		(91)	(43)	(434)	(494)
Minority interests share of current year's results		953	2,565	-	-
Loss/(Gain) on foreign exchange - unrealised		645	6	707	(286)
Property, plant and equipment written off		141	88	1	-
Waiver of debt		-	-	-	(2,773)
Share of loss of associates		386	792	-	-
Profit/(Loss) before working capital changes		19,116	22,944	(2,530)	(1,234)
Changes in working capital:					
Inventories		(2,840)	(2,094)	-	-
Trade and other receivables		(6,383)	5,127	4	16
Subsidiaries		-	-	(134)	948
Trade and other payables		1,611	(9,018)	(93)	20
Cash generated from/(used in) operations		11,504	16,959	(2,753)	(250)
Income tax paid		(1,609)	(2,597)	(283)	(272)
Income tax refund		1	250	-	196
Interest paid		(4)	(113)	(97)	(139)
Interest received		91	43	434	494
Net cash generated from/(used in) operating activities		9,983	14,542	(2,699)	29

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from investing activities					
Acquisition of additional interest from minority interest	7(i)	-	(548)	-	(548)
Proceeds from disposal of an associate		-	85	-	-
Investment in an associate		(349)	(1,286)	-	-
Purchase of property, plant and equipment		(3,728)	(8,318)	(236)	(9)
Proceeds from disposal of property, plant and equipment		15,167	4,052	205	-
Dividend received		1	1	1,918	2,650
Increase in pledged deposits placed with licensed bank		(26)	(34)	(26)	(34)
Net cash generated from/(used in) investing activities		<u>11,065</u>	<u>(6,048)</u>	<u>1,861</u>	<u>2,059</u>
Cash flows from financing activities					
Hire purchase obtained		-	5,046	-	-
Dividend paid to minority shareholders		(120)	(204)	-	-
Dividend paid		(314)	(928)	(314)	(928)
Proceeds from term loans		398	7,900	-	-
Repayment of term loans		(7,519)	(5,867)	-	-
Interest paid on term loans		(1,431)	(1,578)	-	-
Repayment of hire purchase liabilities		(4,506)	(2,801)	(47)	-
Interest paid on hire purchase		(368)	(353)	(9)	-
Repayment of bankers' acceptances		(2,154)	(5,242)	-	-
Interest paid on bankers' acceptances		(105)	(311)	-	-
Net cash used in financing activities		<u>(16,119)</u>	<u>(4,338)</u>	<u>(370)</u>	<u>(928)</u>
Net increase/(decrease) in cash and cash equivalents		4,929	4,156	(1,208)	1,160
Cash and cash equivalents at beginning of the financial year		4,558	197	1,339	179
Foreign exchange differences		(675)	205	-	-
Cash and cash equivalents at end of the financial year	32	<u>8,812</u>	<u>4,558</u>	<u>131</u>	<u>1,339</u>

NOTES TO THE CASH FLOW STATEMENTS

(i) PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment acquired under hire purchase instalment plans are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Plant and machinery	1,689	3,254	-	-
Motor vehicles	869	436	480	-
	<u>2,558</u>	<u>3,690</u>	<u>480</u>	<u>-</u>

The above statements are to be read in conjunction with the notes to the financial statements on pages 15 to 77.

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

1. **GENERAL**

The Company is a public listed company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan and the principal place of business is at Lot 9, Jalan E1/1, Kawasan Perusahaan Taman Ehsan, Kepong, 52100 Kuala Lumpur.

The financial statements of the Group and the Company were authorised for issue by the Board of Directors on 9 July 2010.

2. **PRINCIPAL ACTIVITIES**

The principal activities of the Company are investment holding and to provide management services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

3. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

(a) **Statement of compliance**

The financial statements of the Group and the Company have been prepared in accordance with applicable Financial Reporting Standards ("FRS"), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

(b) **Changes in Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2009.

The Group and the Company have not adopted the following FRSs, amendments to FRSs and IC interpretations that have been issued but which are only effective for the financial periods beginning on or after:

1 July 2009

FRS 8

Operating Segments

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101 (revised)	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

1 March 2010

Amendment to FRS 132	Financial Instruments: Presentation
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1 July 2010

FRS 1 (revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (revised)	Business Combinations
FRS 127 (revised)	Consolidated and Separate Financial Statements: Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
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
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30 (b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs.

3. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

The initial application of the other standards (and its consequential amendments) and interpretations above upon their effective dates are either, not relevant to the Group's and the Company's operations or are not expected to have any material impact on the financial statements of the Group and the Company except as follows:

(i) **FRS 8, Operating Segments**

FRS 8 replaces FRS 114²⁰⁰⁴ Segment Reporting and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (see Note 35). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than changes in disclosures.

(ii) **Amendments to FRS 117, Leases**

The amendments clarify the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. The adoption will not have any significant impact on the financial statements of the Group other than changes in disclosures.

(c) **Basis of measurement**

The financial statements of the Group and the Company have been prepared under the historical cost convention.

(d) **Use of estimates and judgments**

The preparation of financial statements in conformity with the MASB Approved Accounting Standards for Entities other than Private Entities, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In the process of preparing these financial statements:

- (i) there were no significant judgments made in applying the accounting policies of the Group and the Company which may have significant effects on the amounts recognised in the financial statements except for:

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(a) Estimated useful lives and residual values of plant and equipment

The Group reviews annually the estimated useful lives and residual values of property, plant and equipment based on factors such as expected level of usage, market prices and market conditions.

Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

(b) Impairment of plant and equipment

The Group assesses impairment of the assets mentioned above whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

(c) Allowance for bad and doubtful debts

The policy for allowance for bad and doubtful receivables of the Group is based on the evaluation of collectability and aging analysis accounts and on management judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(d) Allowance for slow moving inventories

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

(e) Contingent liabilities

As disclosed in Note 4n(ii), a contingent liability is not recognised but is disclosed in the notes to the financial statements and when a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

As at the end of the financial year, the Company had provided guarantees to financial institutions for facilities granted to its subsidiaries (Note 33).

The directors are of the opinion that provisions are not required in respect of the above instance as it is not probable that a future sacrifice of economic benefits will be required.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(f) Taxation

(i) Income taxes

The Group is subject to income tax in numerous jurisdictions. Judgment is involved in determining the group-wide provision to income taxes. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

(ii) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred tax asset had been recognised.

(g) Basis of measurement for preparing of financial statements

As mentioned in Note 7 to the financial statements, one of the subsidiaries is still in the process of being wound up by way of member's voluntary liquidation with the Registrar of Companies. The directors have used their best estimate to determine the reasonableness of the carrying value of the assets and liabilities on a break up basis.

(h) Assessment of impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis, in accordance with the accounting policy disclosed in Note 4(d). This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill on acquisition of equity interest at 31 March 2010 is disclosed in Note 11 to the financial statements.

- (ii) other than stated above, there were no significant estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. **SIGNIFICANT ACCOUNTING POLICIES**

(a) **Basis of Consolidation**

(i) **Subsidiaries**

Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated using the purchase method of accounting. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using purchase method of accounting except for subsidiaries acquired prior to 1994 which met the conditions for merger method of accounting under the applicable accounting standards prevailing at that time, were consolidated using the merger method of accounting and continued to be accounted for under merger method of accounting in accordance with the transitional provision of FRS 3, Business Combinations.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Merger debit arising on consolidations has been written off against the reserves and retained profits.

The Group has taken advantage of the exemption provided by FRS 3, Business Combinations to apply this standard prospectively. Accordingly, business combinations entered into prior to the effective dates have not been restated to comply with this standard.

When the purchase method is adopted for the acquisition of subsidiaries, the cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest.

Subsidiaries are fully consolidated from the date that control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflected external transactions only. Unrealised losses are eliminated but considered an impairment indicator of the asset transferred.

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

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounting policy of subsidiaries has been changed where necessary to ensure consistency with policy adopted by the Group.

Minority interest is measured at the minorities' share of post acquisition fair values of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

(ii) **Associates**

The Group treats as associates those companies in which the Group exercises significant influence, but which it does not control, generally accompanying, a shareholding between 20% to 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

The investments in the associates are accounted for by using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition net of any accumulated impairment loss.

The Group's share of post acquisition profit or losses of associates is included in the consolidated income statement and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates equal or exceeds its interest in the associates including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent the Group has incurred legal or construction obligations or made payments on behalf of the associates.

Unrealised gains/losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. 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 associates. Adjustments are made to the financial statements of the associates to ensure consistency with the policy of the Group.

(b) **Investments**

(i) **Subsidiaries**

Investments in subsidiaries which are eliminated on consolidation are stated at cost less any accumulated impairment losses.

(ii) **Associates**

The Group's investments in associates are stated at cost less any accumulated impairment losses.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(iii) **Other investments**

Marketable securities are carried at the lower of cost and market value, determined by individual investment basis. Increase or decreases in the carrying amount of marketable securities are recognised in the income statements.

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

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

(i) **Owned Assets**

Property, plant and equipment (except for freehold land) are stated at cost or valuation less accumulated depreciation and impairment losses.

Freehold land is stated at cost and not depreciated.

Land and buildings are stated at cost or at Directors' valuation based on open market valuation by independent professional valuer.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the assets.

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

All items of property, plant and equipment are initially recorded at cost. Subsequent expenditure that has already been recognised is added to the carrying amount of the asset 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 can be measured reliably. The carrying amount of replaced part is derecognised. All other repairs and maintenance cost are recognised as expense and charged to the income statement during the financial year in which they are incurred.

The Group revalued certain properties in 1992 for the purpose of its corporate exercise and was not intended to effect a change in the accounting policy to one of revaluation of properties. The Group has availed itself to the transitional provision of MASB first adopted IAS 16 Property, Plant and Equipment. In accordance with the transitional provision, these properties acquired since the last valuation in 1992 are maintained at their original valuation less accumulated depreciation and impairment losses. The aggregate carrying amount on revalued assets are disclosed in Note 5 to the financial statements.

Surplus arising from revaluation are credited to revaluation reserve. Any deficit arising from revaluation is offset against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same property. In all other cases, a decrease in carrying amount will be charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to these assets are transferred to retained earnings.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis over the estimated useful lives of the assets concerned.

The annual rates used are as follows:

Buildings	2%-5%
Hand labellers	1-3 years
Plant and machinery	6%-10%
Fire protection, computers and office equipments	10%-25%
Renovation, furniture and fittings	3%-33%
Motor vehicles	6%-25%

All item of property, plant and equipment is derecognised upon disposal or when no future economic benefit are expected from its use on disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit from operations.

The residual value and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

(ii) **Property, Plant and Equipment Acquired Under Hire Purchase Arrangements**

The cost of the assets acquired under hire purchase arrangements which in substance transfer the risk and rewards of ownership of the assets to the Group are capitalised.

The assets are recorded at the lower of the minimum hire purchase payments or the fair value of the hire purchase assets at the beginning of the respective hire purchase terms less accumulated depreciation and impairment loss. Assets acquired under such arrangements are depreciated over the useful lives of equivalent owned assets. The depreciation policy on these assets is similar to that of the Group's property, plant and equipment depreciation policy.

Outstanding obligations due under the hire purchase arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance charges of hire purchase agreements are allocated to income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of the financial year.

(iii) **Prepaid Lease Payments**

Leases of assets where a significant portion of the risk and reward of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from lessor) are charged to the income statement on a straight line basis over the lease period.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

The Group had previously revalued its leasehold land and has retained the revalued amount as the surrogate carrying amount of prepaid lease payment in accordance with the transitional provisions in FRS 117. Such prepaid lease payments is amortised over the lease term.

(d) **Impairment of Non-Financial Assets**

Assets with indefinite useful lives that are not subject to amortisation are tested annually for impairment. Assets that have definite useful lives and are subject to amortisation are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

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 units ("CGU") to which the asset belongs to. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and group.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amounts. The impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the units (group of units) on a prorata basis.

The recoverable amount of an asset (or CGU) is the greater of its value in use and its fair value less costs to sell. 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indicators that the loss has decreased or no longer exists.

An impairment loss for an asset other than goodwill is reversed if, and only where there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, subject to this amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in previous years. A reversal of impairment loss for an asset is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(e) **Goodwill**

Goodwill represents excess of the cost of acquisition of subsidiaries and associates over the fair value of the Group's share of their identifiable net assets and contingent liabilities at the date of acquisition.

Goodwill on acquisition of subsidiaries is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gain and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the synergies of the business combination. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and group.

For the excess of Group's interest in net fair value of subsidiaries identifiable assets, liabilities and contingent liabilities over cost, the Group shall reassess the identification and measurement of the subsidiary's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combinations and recognise immediately in the income statement any excess remaining after reassessment.

(f) **Inventories**

Raw materials, work-in progress, manufactured inventories and merchandised inventories are stated at the lower of cost and net realisable value after adequate allowance had been made for deteriorated, damaged, obsolete and slow moving items.

Cost is determined on a weighted average basis and includes all costs in bringing the inventory to its present location and condition. The cost of raw material and merchandised inventories consists of purchase cost and incidental cost of purchase.

The cost of manufactured inventories and work-in progress consist of raw materials, direct labour, other direct costs and related production overheads.

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

(g) **Receivables**

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established. Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts. The allowance is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables.

(h) **Payables**

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

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(i) **Taxation and Deferred Taxation**

Provision for taxation is made based on the amount of tax estimated to be payable on profits adjusted for tax purposes and is measured using the tax rates that have been enacted at the balance sheet date. Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases.

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 credit can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or 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 year 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 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 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.

(j) **Borrowings and Borrowing Costs**

Borrowings are initially recognised based on proceeds received, net of transaction costs incurred.

In subsequent period, borrowings are stated at amortised cost using the effective yield method, difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of assets up to the date when the assets are substantially ready for their intended use or sale.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(k) **Revenue Recognition**

(i) **Goods Sold**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of activities. Revenue is shown net of returns and discounts and after eliminating sales within the Group. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(ii) **Dividend Income**

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

(iii) **Management fees**

Management fees income is recognised on an accrual basis.

(I) **Currency Conversion**

(i) **Functional and presentation currency**

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”) which is the Company’s functional and presentation currency. All financial information presented in RM has been rounded up to the nearest thousand, unless otherwise stated.

(ii) **Transaction and balances**

Transactions in a currency other than the functional currency (“foreign currencies”) are translated into functional currency at the exchange rates prevailing at the transaction dates or, where settlement has not taken place at the balance sheet date, at the approximate exchange rate prevailing at that date. All exchange gains or losses, including those arising from translation, are taken up in the income statement.

(iii) **Translation of Group entities financial statements**

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency.

Assets and liabilities for each balance sheet presented are translated at the exchange rates ruling at the financial year end whereas the income and expenses for each income statement are translated at the average rate for the financial year. All exchange differences are dealt with through foreign exchange reserves within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(iv) **Consolidation adjustments**

On consolidation, currency translation differences arises from the net investment in foreign entities and borrowings and other currency instruments designated as hedges of such investments are taken to the foreign currency translation reserves. When a foreign operations is disposed of, such differences are recognised in the income statement as part of the gain or loss on disposal.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(m) **Cash and Cash Equivalents**

The Group and the Company adopt the indirect method in the preparation of cash flow statements.

Cash and cash equivalents consists of cash and bank balances, deposits with licensed financial institutions and other short term, highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(n) **Financial Instruments**

(i) **Financial instruments recognised on the balance sheet**

Financial instruments are recognised on the balance sheet when the Group and the Company have 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. Interests, dividends gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and Company have a legally enforceable right to set off the recognised amount and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The measurement basis, extent and nature of the financial instruments, are disclosed in the respective notes to the financial statements.

(ii) **Financial instruments not recognised on the balance sheet**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligations. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

(o) **Employee Benefits**

(i) **Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense when there is a present, legal or constructive obligation to make such payments in the financial year when employees have rendered their services to the Group and the Company.

(ii) **Defined contribution plans**

The Group and the Company make contributions to a statutory provident fund and recognise the contribution payable as an expense in the financial year in which the employees render their services. Once the contributions have been paid, the Group and the Company have no further payment obligations.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(iii) **Gratuity Benefits**

Gratuity benefits is determined by the Board of Directors in relation to the past services rendered. The gratuity, calculated based on length of service and last drawn salary of the retired director is recognised as an expense upon reaching retirement age of the director concerned. Gratuity is recognised as an expense in the financial year when incurred.

(p) **Dividend**

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

(q) **Segmental Reporting**

Segmental reporting is presented for enhanced assessment of the Group's risk and returns. A segment is a distinguishable component of the Group that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to its risks and rewards that are different from the other segments.

Segmental information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segmental revenues and expenses are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and include any joint revenue and expenses where a reasonable basis of allocation exists. Segmental assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangible and property, plant and equipment, net of allowance, accumulated depreciation, amortisation and impairment. Most segmental assets can be directly attributed to the segments on a reasonable basis. Segmental assets and liabilities do not include income tax assets and liabilities. Segmental revenue, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transaction are between group within a single segment.

Intra-segment pricing is determined based on terms mutually agreed between the respective companies.

(r) **Earnings Per Share**

The Group presents basic and diluted earnings per share (EPS) when applicable, for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(s) **Non-current assets held for sale and discontinued operations**

(i) **Non-current asset held for sale**

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Immediately before the initial classification of the asset as held for sale, the carrying amount of the relevant asset is measured in accordance with applicable FRSs. Upon classification as an asset held for sale, the asset, other than financial assets within the scope of FRS 139 Financial Instruments: Recognition and Measurement is measured at the lower of its carrying amount and fair value less costs to sell and is classified as current asset/liability. Any initial or subsequent write-down to, or any subsequent increase in, fair value less costs to sell is recognised in the income statement.

(ii) **Discontinued operations**

A component of the Group is classified as discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

5. **PROPERTY, PLANT AND EQUIPMENT**

The details of property, plant and equipment are as follows:

Group	Freehold land RM'000	Buildings RM'000	Plant, machinery and hand labellers RM'000	Fire protection, computers and office equipment RM'000	Renovation, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Cost/Valuation							
At 1 April 2009	7,168	17,696	86,663	9,828	5,214	4,493	131,062
Additions	-	19	4,366	413	46	1,442	6,286
Disposals	(2,792)	(8,120)	(7,738)	(16)	(131)	(1,114)	(19,911)
Write off	-	-	(673)	(726)	-	-	(1,399)
Exchange differences	72	(76)	(854)	(5)	(195)	(28)	(1,086)
At 31 March 2010	4,448	9,519	81,764	9,494	4,934	4,793	114,952
Representing items at:							
- Cost	4,448	7,515	81,764	9,494	4,934	4,793	112,948
- Valuation - 1992	-	2,004	-	-	-	-	2,004
	4,448	9,519	81,764	9,494	4,934	4,793	114,952
Accumulated depreciation and impairment							
At 1 April 2009	-	5,572	46,767	6,837	2,227	2,624	64,027
Charge for the financial year	-	295	5,270	786	391	626	7,368
Disposals	-	(2,290)	(6,170)	(11)	(78)	(840)	(9,389)
Write off	-	-	(545)	(713)	-	-	(1,258)
Exchange differences	-	(15)	(369)	(7)	(64)	(10)	(465)
At 31 March 2010	-	3,562	44,953	6,892	2,476	2,400	60,283
Net Book Value							
At 31 March 2010	4,448	5,957	36,811	2,602	2,458	2,393	54,669

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The details of property, plant and equipment are as follows:

Group	Freehold land RM'000	Buildings RM'000	Plant, machinery and hand labellers RM'000	Fire protection, computers and office equipment RM'000	Renovation, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Cost/Valuation							
At 1 April 2008	7,608	18,106	86,806	8,760	4,064	4,175	129,519
Additions	-	8	8,743	1,237	1,065	955	12,008
Disposals	(390)	(633)	(6,458)	(9)	(25)	(681)	(8,196)
Write off	-	-	(269)	(222)	(24)	-	(515)
Transfer to assets held for sale	-	-	(4,061)	-	-	-	(4,061)
Exchange differences	(50)	215	1,902	62	134	44	2,307
At 31 March 2009	7,168	17,696	86,663	9,828	5,214	4,493	131,062
Representing items at:							
- Cost	7,168	15,692	86,663	9,828	5,214	4,493	129,058
- Valuation - 1992	-	2,004	-	-	-	-	2,004
	7,168	17,696	86,663	9,828	5,214	4,493	131,062
Accumulated depreciation and impairment							
At 1 April 2008	-	5,541	47,337	6,196	1,985	2,591	63,650
Charge for the financial year	-	293	5,021	816	221	487	6,838
Disposals	-	(297)	(3,801)	(7)	(7)	(473)	(4,585)
Write off	-	-	(190)	(215)	(22)	-	(427)
Allowance for impairment loss	-	-	800	-	-	-	800
Transfer to assets held for sale	-	-	(3,146)	-	-	-	(3,146)
Exchange differences	-	35	746	47	50	19	897
At 31 March 2009	-	5,572	46,767	6,837	2,227	2,624	64,027
Net Book Value							
At 31 March 2009	7,168	12,124	39,896	2,991	2,987	1,869	67,035

5. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

The details of property, plant and equipment are as follows:

Company	Computers and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost			
At 1 April 2009	16	1,012	1,028
Additions	8	708	716
Disposal/write off	(7)	(464)	(471)
At 31 March 2010	<u>17</u>	<u>1,256</u>	<u>1,273</u>
Accumulated depreciation			
At 1 April 2009	6	520	526
Charge for the financial year	3	127	130
Disposal/write off	(2)	(215)	(217)
At 31 March 2010	<u>7</u>	<u>432</u>	<u>439</u>
Net Book Value			
At 31 March 2010	<u>10</u>	<u>824</u>	<u>834</u>
Cost			
At 1 April 2008	7	1,012	1,019
Additions	9	-	9
At 31 March 2009	<u>16</u>	<u>1,012</u>	<u>1,028</u>
Accumulated depreciation			
At 1 April 2008	3	461	464
Charge for the financial year	3	59	62
At 31 March 2009	<u>6</u>	<u>520</u>	<u>526</u>
Net Book Value			
At 31 March 2009	<u>10</u>	<u>492</u>	<u>502</u>

5. **PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

- (i) It is the Group's policy to state property, plant and equipment at cost. However, certain long term leasehold buildings of the subsidiaries stated at approximately RM1,755,000 (2009: RM1,755,000) were revalued by the Directors in 1992 based on a valuation carried out by an independent professional valuer using the open market valuation basis. The revaluation of the leasehold buildings was carried out as part of the Group's corporate exercise then and was not intended to effect a change in the accounting policy to one of revaluation of properties.
- (ii) The net book value of certain properties charged to bank for credit facilities granted to the Group are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Freehold land and buildings	8,794	18,703

Properties with net book value of RM3,397,000 (2009: RM Nil) are in the process of being discharged.

- (iii) The net book value of plant, equipment and motor vehicles acquired under hire purchase instalment plans are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Plant and machinery	8,240	7,591	-	-
Motor vehicles	1,591	839	663	-
	9,831	8,430	663	-

- (iv) Had the long term leasehold buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the financial year will be as follows:

	Group	
	2010	2009
	RM'000	RM'000
Leasehold buildings	805	858

6. **PREPAID LEASE PAYMENTS**

	Group	
	2010	2009
	RM'000	RM'000
At 1 April	1,601	1,577
Amortisation for the financial year (Note 26)		
- current year	(68)	(68)
- underprovision in prior year	(16)	-
Exchange differences	(61)	92
At 31 March	<u>1,456</u>	<u>1,601</u>

- (i) The leased property of the Group previously stated at a cost of approximately RM679,000 (2009: RM679,000) were revalued by the Directors in 1992 based on a valuation carried out by an independent professional valuer using the open market valuation basis.
- (ii) The leasehold property is charged to bank for credit facilities granted to the Group.

7. **INVESTMENTS IN SUBSIDIARIES**

	Company	
	2010	2009
	RM'000	RM'000
Unquoted shares, at cost	39,395	40,395
Allowance for impairment losses	(6,594)	(7,594)
	<u>32,801</u>	<u>32,801</u>

Investment written off against allowance of the Company during the financial year amounted to RM1.0 million (2009: RM Nil).

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The principal activities of the subsidiaries in the Group and the interests of Super Enterprise Holdings Berhad are as shown below:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Group's Effective Interest	
			2010 %	2009 %
Super Enterprise Sdn Bhd (Company No: 46374 D)	Malaysia	Manufacturing and distribution of self adhesive labels and stickers and sale of labeling machines	100.00	100.00
and its subsidiary: Super Labels Industries Sdn Bhd (Company No: 522890 T)	Malaysia	Manufacturing and distribution of self adhesive labels and stickers and sale of labelling machines	100.00	100.00
Super Enterprise (Penang) Sdn Bhd (Company No: 118898 D)	Malaysia	Manufacturing and distribution of self adhesive labels and stickers	100.00	100.00
and its subsidiaries: Zenith Action Sdn Bhd (Company No: 187258 X)	Malaysia	Property letting	100.00	100.00
Zenith Pioneer (M) Sdn Bhd (Company No: 186944 A)	Malaysia	Property letting	100.00	100.00
Super Seals Enterprise (M) Sdn Bhd (Company No: 332998 D)	Malaysia	Manufacturing and distribution of self adhesive labels and stickers	100.00	100.00
Super Box (Malaysia) Sdn Bhd (Company No: 202832 U)	Malaysia	Manufacturing of corrugated carton boxes (ceased operation)	100.00	100.00

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of Subsidiaries	Country of Incorporation	Principal Activities	Group's Effective Interest	
			2010 %	2009 %
Laminating Industries Sdn Bhd (Company No: 79647 V) *	Malaysia	Commenced members' Voluntary winding up on 14 September 2009	100.00	100.00
Super Enterprise (J.B.) Sdn Bhd (Company No: 264112 H)	Malaysia	Manufacturing and distribution of labels and stickers and provision of sub-contractor services	100.00	100.00
Super Labels Sdn Bhd (Company No: 280347 K)	Malaysia	Distribution of self adhesive labels and stickers and trading of bar code printers, hand labellers and related consumables	100.00	100.00
S.E. Printing (M) Sdn Bhd (Company No: 336459 X)	Malaysia	Manufacturing of name plates and LCD backlight for display screens	60.00	60.00
and its subsidiary: Doukoban Marketing Sdn Bhd (Company No: 618144 M)	Malaysia	Trading of slim advertising bright lights and promotional items	60.00	60.00
S.E. Industries (Philippines) Inc.	Philippines	Manufacturing and distribution of labels and stickers	99.90	99.90
S.E. Industries (Thailand) Co. Ltd #	Thailand	Manufacturing and distribution of self adhesive labels and stickers	70.60	70.60
Super Enterprise HK Investments Ltd **	Hong Kong	Deregistered on 11 September 2009	-	100.00
Shanghai Super Labels Co. Ltd	People's Republic of China	Manufacturing and distribution of self adhesive labels and stickers	100.00	100.00
PT Super Label Indonesia	Indonesia	Manufacturing and distribution of self adhesive labels and stickers	80.00	80.00

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- # The proportion of voting shares held by the Company is 61.60%.
- All the subsidiaries are audited by HALS & Associates except S.E. Industries (Philippines) Inc, S.E. Industries (Thailand) Co. Ltd, Shanghai Super Labels Co. Ltd and PT Super Label Indonesia.
- * The winding up process for Laminating Industries Sdn Bhd has not been concluded as at the financial year end.
- ** The deregistration in Super Enterprise HK Investments Ltd did not result in any gain or loss to the Group for the financial year ended 31 March 2010.

(i) **Acquisition of additional interest in PT Super Label Indonesia from minority interest.**

On 1 April 2008, the Company acquired an additional 15,000 shares of USD10.00 each in PT Super Label Indonesia for a total consideration of RM547,000 (equivalent to USD150,000).

Consequently, the Group's effective interest in this subsidiary increased from 65% to 80%.

(a) The effect of the above acquisition on the Group's financial results for the financial year ended 31 March 2009 was as follows:

	RM'000
Revenue	9,015
Less: Cost of sales	(6,360)
Gross profit	<u>2,655</u>
Other income	10
Distribution expenses	(211)
Administrative expenses	(906)
Other expenses	(363)
Finance costs	(569)
Profit before taxation	<u>616</u>
Minority interest	(123)
Group interest	(400)
Increase in group profit	<u><u>93</u></u>

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The effect of the above acquisition on the Group's financial position for the financial year ended 31 March 2009 was as follows:

	RM'000
Property, plant and equipment	6,903
Inventories	932
Receivables	1,581
Cash and bank balances	303
Payables	(6,681)
Borrowings	(1,393)
Net assets	<u>1,645</u>
Minority interest	(329)
Group interest	<u>(1,069)</u>
Increase in group net assets	<u><u>247</u></u>

(c) There was no impact on the Group's cash flow for the acquisition of the above subsidiary.

8. INVESTMENTS IN ASSOCIATES

	Group	
	2010	2009
	RM'000	RM'000
Unquoted shares, at cost	6,380	6,031
Share of post acquisition (losses)/profit		
At 1 April	(620)	113
- current year	(386)	(792)
- disposal of an associate	-	59
At 31 March	(1,006)	(620)
Foreign currency translation not recognised in the income statement	360	1,027
Property, plant and equipment adjustment	(173)	(200)
	<u>5,561</u>	<u>6,238</u>
Represented by:		
Share of net assets	<u>5,561</u>	<u>6,238</u>

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

Name of Associates	Country of Incorporation	Principal Activities	Group Effective Interest	
			2010 %	2009 %
Shanghai SEP Optoelectronics Co. Ltd #	People's Republic of China	Design, manufacture and distribution of labels, name plates and slim advertising bright lights	29.40	29.40
Guangzhou Super Serigraph Electronics Co. Ltd #	People's Republic of China	Produce printed, formed and trimmed insert for plastic injection moulding/ assembly operation focussing on IML/IMD	29.40	29.40

Associates of S.E. Printing (M) Sdn Bhd

(i) Group's share of revenue, loss for the financial year, total assets and liabilities in the associates are as follows:

	Group	
	2010 RM'000	2009 RM'000
Revenue	8,130	10,423
Loss for the financial year	(386)	(792)
Total assets	8,434	8,858
Total liabilities	2,873	2,620

9. OTHER INVESTMENTS

	Group	
	2010 RM'000	2009 RM'000
Unquoted shares, incorporated in Malaysia, at cost	126	126
Quoted shares, incorporated in Malaysia, at cost	19	25
Less:		
Allowance for diminution in value	-	(6)
	<u>19</u>	<u>19</u>
Total	<u>145</u>	<u>145</u>
Market value of quoted shares at 31 March	<u>13</u>	<u>8</u>

- (i) Fair value estimation for quoted share is by reference to quoted market prices as at balance sheet date.
- (ii) Investment written off against allowance of the Group during the financial year amounted to RM6,000 (2009: RM Nil).

10. DEFERRED TAXATION

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 April	2,867	2,416	25	25
Transfer (to)/from income statement (Note 28)				
- current year's provision	(459)	407	-	-
- underprovision in prior year	2	44	-	-
At 31 March	<u>2,410</u>	<u>2,867</u>	<u>25</u>	<u>25</u>

Presented as follows:

Deferred tax assets	(372)	(69)	-	-
Deferred tax liabilities	2,782	2,936	25	25
	<u>2,410</u>	<u>2,867</u>	<u>25</u>	<u>25</u>

10. DEFERRED TAXATION (CONTINUED)

Deferred Tax Assets

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
At 1 April	(69)	(405)	-	-
Transfer (to)/from income statement				
- current year's provision	(201)	425	-	-
- underprovision in prior year	(102)	(89)	-	-
At 31 March	<u>(372)</u>	<u>(69)</u>	<u>-</u>	<u>-</u>

The deferred tax assets are the tax effects of unutilised tax losses, capital allowances, allowance for slow moving inventories, allowance for doubtful debts and allowance for annual leave.

Deferred Tax Liabilities

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
At 1 April	2,936	2,821	25	25
Transfer (to)/from income statement				
- current year's provision	(258)	(18)	-	-
- underprovision in prior year	104	133	-	-
At 31 March	<u>2,782</u>	<u>2,936</u>	<u>25</u>	<u>25</u>

The deferred tax liabilities are the tax effects of temporary differences arising from property, plant and equipment.

11. GOODWILL

	Group	
	2010	2009
	RM'000	RM'000
At 1 April	378	-
Acquisition of additional equity interest of a subsidiary	-	378
At 31 March	<u>378</u>	<u>378</u>

11. **GOODWILL (CONTINUED)**

Impairment testing

Goodwill is allocated to the Group's cash-generating unit ("CGU") identified according to the individual company.

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU. The recoverable amount of CGU is determined based on value-in-use calculations using cash flow projections from the financial budgets and forecasts approved by management covering a period of five years.

Key assumptions used in the value-in-use calculations are:

- (i) A pre-tax discount rate of 7% was applied in determining the recoverable amount of the subsidiary;
- (ii) The growth rate used was based on industry trends and past performances of the company; and
- (iii) Cash flows were projected based on actual operating results.

In assessing the value-in-use, the management is of the view that no foreseeable changes in any of the above key assumptions would cause the carrying amounts of the CGU to materially exceed its recoverable amounts.

12. **INVENTORIES**

	Group	
	2010	2009
	RM'000	RM'000
At Cost:		
Raw materials	8,432	8,231
Work in progress	3,181	2,723
Manufactured inventories	6,909	6,575
Labelling machines	274	300
	18,796	17,829
Less:		
Allowance for slow moving inventories		
- Raw materials	(1,128)	(603)
- Finished goods	(786)	(1,165)
	16,882	16,061
At Net Realisable Value:		
Manufactured inventories	56	-
	16,938	16,061

Inventories written off against allowances of the Group during the financial year amounted to RM1,671,000 (2009: RM78,000).

Inventories written down to their realisable value during the financial year amounted to RM107,000 (2009: RM Nil). The write down are included in cost of sales.

13. **TRADE RECEIVABLES**

	Group	
	2010	2009
	RM'000	RM'000
Trade receivables	28,856	25,598
Less:		
Allowance for doubtful debts	(1,499)	(2,028)
	<u>27,357</u>	<u>23,570</u>

The currency exposure profile of trade receivables are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Ringgit Malaysia	14,723	12,975
United States Dollar	1,416	1,354
Chinese Renminbi	5,707	5,208
Indonesian Rupiah	2,592	1,344
Thai Baht	1,246	1,338
Philippines Peso	1,594	1,295
Others	79	56
	<u>27,357</u>	<u>23,570</u>

The credit period of trade receivables is normally 30 to 120 (2009: 30 to 120) days. Bad debts written off against allowance of the Group during the financial year amounted to RM673,000 (2009:RM1,843,000).

14. **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

The currency exposure profile of other receivables, deposits and prepayments are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	1,039	1,468	48	52
United States Dollar	11	10	-	-
Chinese Renminbi	1,486	1,709	-	-
Thai Baht	877	713	-	-
Philippines Peso	281	292	-	-
Indonesian Rupiah	1,080	238	-	-
	<u>4,774</u>	<u>4,430</u>	<u>48</u>	<u>52</u>

Other receivables' credit terms are assessed and approved on a case by case basis.

15. **AMOUNTS DUE FROM/(TO) SUBSIDIARIES**

Company

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured and interest free except for certain amounts which are subject to interest ranging from 2.52% to 7.00% (2009: 5.00% to 7.00%) per annum.

16. **AMOUNTS DUE FROM/(TO) ASSOCIATES**

Group

The amount due represents trade balances and is unsecured, interest free with no fixed term of repayment.

17. **ASSETS HELD FOR SALE**

- At net book value

The property, plant and equipment from one of the subsidiaries is presented as assets held for sale following the commitment of the subsidiary's management, to sell the property, plant and equipment due to cessation of its operations. The sale transactions had been concluded during the financial year end.

	Group	
	2010	2009
	RM'000	RM'000
At 1 April	915	-
Transfer from property, plant and equipment		
- Plant and machinery	-	915
Disposal	(915)	-
At 31 March	<u>-</u>	<u>915</u>

18. **DEPOSITS WITH LICENSED BANKS**

Deposits amounting to RM987,000 (2009: RM961,000) placed with a licensed bank of the Company have been pledged as security for banking facilities granted to a subsidiary (Note 21).

19. **SHARE CAPITAL**

	Group/Company	
	2010	2009
	RM'000	RM'000
(a) Authorised:		
100,000,000 Ordinary shares of RM1/= each	<u>100,000</u>	<u>100,000</u>
(b) Issued and fully paid:		
41,811,000 Ordinary shares of RM1/= each	<u>41,811</u>	<u>41,811</u>

20. HIRE PURCHASE PAYABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Minimum hire purchase payments				
Not later than 1 year	4,481	4,697	174	-
Between one and five years	2,894	5,270	293	-
	<u>7,375</u>	<u>9,967</u>	<u>467</u>	<u>-</u>
Less: Future finance charges	(449)	(809)	(34)	-
Present value of hire purchase liabilities	<u>6,926</u>	<u>9,158</u>	<u>433</u>	<u>-</u>
Present value of hire purchase liabilities				
Not later than 1 year	4,147	4,171	154	-
Between one and five years	2,779	4,987	279	-
	<u>6,926</u>	<u>9,158</u>	<u>433</u>	<u>-</u>
Instalment due:				
Within next 12 months	4,147	4,171	154	-
After next 12 months	2,779	4,987	279	-
	<u>6,926</u>	<u>9,158</u>	<u>433</u>	<u>-</u>

The hire purchase payables of the Group and the Company bear effective interest rate at 4.57% to 17.20% (2009: 4.57% to 17.20%) and 5.50% to 6.14% (2009: Nil) per annum.

21. **BANK BORROWINGS**

	Group	
	2010	2009
	RM'000	RM'000
Current:		
Term loans		
- secured	3,545	4,414
- unsecured	4,811	4,837
Bank overdrafts		
- secured	-	730
- unsecured	107	458
Bankers' acceptances		
- secured	-	2,423
- unsecured	2,075	1,828
	<u>10,538</u>	<u>14,690</u>
Non-current:		
Term loans		
- secured	1,429	6,808
- unsecured	1,187	2,368
	<u>2,616</u>	<u>9,176</u>

21.1 The currency exposure profile of bank borrowings are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Ringgit Malaysia	4,482	16,267
United States Dollar	4,239	4,287
Chinese Renminbi	1,918	2,134
Thai Baht	1,011	1,027
Philippines Peso	1,504	151
	<u>13,154</u>	<u>23,866</u>

21. **BANK BORROWINGS (CONTINUED)**

21.2 **Terms and Debt repayment schedule**

Bank Borrowings Group	Total RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	After 5 years RM'000
Secured term loans - fixed at 5.00% to 12.00% (2009 - 5.00% to 12.00%) per annum	4,974	3,545	250	450	729
Unsecured term loans - variable at 1.25% (2009 - 1.25%) per annum above London's Interbank Offer Rate	2,618	2,618	-	-	-
Unsecured term loans - variable at 1.50% (2009 - 1.50%) per annum above BLR	464	464	-	-	-
Unsecured term loans - fixed at 5.14% (2009 - 5.14%) per annum	1,905	718	776	411	-
Unsecured term loans - variable at 1.00% (2009 - 1.00%) per annum above COF	1,011	1,011	-	-	-
Unsecured overdrafts - variable at 1.00% (2009 - 1.00%) per annum above BLR	107	107	-	-	-
Unsecured bankers' acceptances - variable at 3.30% to 9.50% (2009 - 3.30% to 10.00%) per annum	2,075	2,075	-	-	-
	<u>13,154</u>	<u>10,538</u>	<u>1,026</u>	<u>861</u>	<u>729</u>

21. **BANK BORROWINGS (CONTINUED)**

21.3 The term loans, bankers' acceptances and bank overdrafts of certain subsidiaries are secured by the following:

- (i) Legal charge over certain freehold land, leasehold land and buildings of the subsidiaries; (Note 5 and Note 6)
- (ii) Deposits with a licensed bank of the Company; (Note 18)
- (iii) Standby letter of credits from local licensed banks;
- (iv) Corporate guarantee from the Company.

The unsecured term loans, bankers' acceptances and bank overdrafts of certain subsidiaries are supported by a corporate guarantee from the Company.

Terms of repayment of bank borrowings are as follows:

- i) Term loans : 1 to 14 years
- ii) Bankers' acceptances : 120 days
- iii) Bank overdrafts : repayable on demand

22. **TRADE PAYABLES**

The currency exposure profile of trade payables are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Ringgit Malaysia	6,350	5,039
United States Dollar	1,285	661
Chinese Renminbi	6,507	5,090
Thai Baht	1,306	952
Philippines Peso	824	487
Indonesian Rupiah	1,330	1,516
Japanese Yen	411	863
Singapore Dollar	156	33
Others	71	52
	18,240	14,693
	18,240	14,693

22. **TRADE PAYABLES (CONTINUED)**

Included in trade payables of the Group are:

	Group	
	2010	2009
	RM'000	RM'000
Amount due to a company in which the directors have interest		
- Sakata Inx (Malaysia) Sdn Bhd	<u>6</u>	<u>7</u>
Amount due to a company connected to a person related to the directors		
- Supersho Sdn Bhd	<u>1</u>	<u>1</u>

The normal trade credit terms granted to the Group and the Company range between 30 and 120 (2009: 30 and 120) days.

23. **OTHER PAYABLES AND ACCRUALS**

The currency exposure profile of other payables and accruals are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	2,022	4,032	229	322
United States Dollar	-	170	-	-
Chinese Renminbi	879	984	-	-
Thai Baht	214	149	-	-
Philippines Peso	600	503	-	-
Indonesian Rupiah	1,641	1,340	-	-
Others	3	12	-	-
	<u>5,359</u>	<u>7,190</u>	<u>229</u>	<u>322</u>

23. **OTHER PAYABLES AND ACCRUALS (CONTINUED)**

Included in other payables and accruals of the Group and the Company are:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Amount due to a company in which the directors have interest				
- Palung Juta Sdn Bhd	-	984	-	-
Amounts due to directors	70	75	65	75

The other payables' credit terms are granted to the Group and the Company on a case by case basis.

24. **REVENUE**

Group

Revenue represents the invoiced value of goods sold less returns and discounts.

Company

Revenue represents dividend income and management fee income from subsidiaries.

25. **FINANCE COSTS**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest expenses:				
Advances from subsidiaries	-	-	97	139
Bank overdrafts	4	108	-	-
Bankers' acceptances	105	269	-	-
Hire purchase	368	353	9	-
Term loans	1,431	1,543	-	-
	1,908	2,273	106	139
Other charges	274	315	3	9
	2,182	2,588	109	148

26. **PROFIT/(LOSS) BEFORE TAXATION AND EXCEPTIONAL ITEMS**

Profit/(Loss) before taxation and exceptional items has been determined after inclusion of the following charges and credits. The charges and credits for the discontinued operations are disclosed in Note 29 (b) to the financial statements.

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit/(Loss) before taxation and exceptional item is stated after charging:				
Amortisation of prepaid lease payments				
- current year	68	68	-	-
- underprovision in prior year	16	-	-	-
Allowance for doubtful debts	415	861	-	-
Allowance for slow moving inventories	1,856	2,306	-	-
Auditors' remuneration				
- current year	149	158	23	28
- underprovision in prior year	12	1	4	-
Bad debts written off	1	10	-	-
Compensation paid to a former director	779	-	779	-
Depreciation	7,368	6,838	130	62
Directors'				
- remuneration	2,682	3,015	1,553	1,866
- fees	68	63	68	63
- benefits in kind	76	76	39	39
- gratuity	683	-	683	-
Inventories written off	-	10	-	-
Loss on disposal of property, plant and equipment	-	-	48	-
Loss on foreign exchange				
- realised	-	888	-	-
- unrealised	645	6	707	-
Property, plant and equipment written off	19	88	1	-
Rental of premises				
- factory premises	345	338	-	-
- office	105	104	-	-
- accommodation	133	166	-	-
- apartment	44	42	-	-
Staff costs	24,591	26,375	916	729

26. PROFIT/(LOSS) BEFORE TAXATION AND EXCEPTIONAL ITEMS (CONTINUED)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
And crediting:				
Allowance for doubtful debts written back	315	142	-	-
Bad debts recovered	1	3	-	-
Dividend income from other investments	1	1	-	-
Gain on disposal of an associate	-	66	-	-
Gain on disposal of property, plant and equipment	2,928	405	-	-
Gain on foreign exchange				
- realised	261	-	58	151
- unrealised	-	-	-	286
Gross dividend from subsidiaries	-	-	2,557	3,331
Interest income				
- on deposits	91	43	25	34
- on advances to subsidiaries	-	-	409	460

27. **EXCEPTIONAL ITEMS**

	Company	
	2010 RM'000	2009 RM'000
Allowance for impairment losses in investments in subsidiaries	-	2,350
Bad debts written off	720	2,836
Waiver of debts from subsidiaries	-	(2,773)
	<u>720</u>	<u>(2,773)</u>
	<u><u>720</u></u>	<u><u>2,413</u></u>

28. **TAX EXPENSE**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Tax expense for the financial year:				
- current year's income tax provision	1,329	2,602	36	350
- (over)/underprovision in prior year	(57)	(465)	26	1
- withholding tax	448	340	283	272
Deferred taxation:				
Transfer (from)/to deferred tax (Note 10)				
- current year's provision	(459)	407	-	-
- underprovision in prior year	2	44	-	-
Tax expense for the financial year	<u>1,263</u>	<u>2,928</u>	<u>345</u>	<u>623</u>
	<u><u>1,263</u></u>	<u><u>2,928</u></u>	<u><u>345</u></u>	<u><u>623</u></u>

28. **TAX EXPENSE (CONTINUED)**

Income tax is calculated at the Malaysian Statutory tax rate of 25.0% (2009: 25.0%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions ranging from 25.0% to 35.0% (2009: 17.5% to 35.0%).

Reconciliation of effective tax expense

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation	<u>9,973</u>	<u>9,232</u>	<u>(1,251)</u>	<u>263</u>
Taxation at Malaysian statutory tax rate at 25% (2009: 25%)	2,493	2,308	(313)	66
Double deduction of expenses	(17)	(9)	-	-
Expenses not deductible for tax purposes	686	3,030	463	1,364
Effect of deferred tax assets not recognised	545	535	10	-
Income not subject to tax	(1,185)	(1,474)	(124)	(1,080)
Effect of tax rate differences	32	(129)	-	-
Utilisation of reinvestment allowance	(398)	(382)	-	-
Withholding tax	448	340	283	272
Utilisation of deferred tax assets not recognised	(1,286)	(870)	-	-
(Over)/Underprovision in prior year				
- tax	(57)	(465)	26	1
- deferred tax	2	44	-	-
Tax expense for the financial year	<u>1,263</u>	<u>2,928</u>	<u>345</u>	<u>623</u>

28. **TAX EXPENSE (CONTINUED)**

As at 31 March 2010 the Group had potential deferred tax benefits arising from temporary differences as follows:

	Group	
	2010	2009
	RM'000	RM'000
Unabsorbed reinvestment allowance	2,779	2,779
Unabsorbed capital allowances	127	500
Unabsorbed tax losses	1,797	2,726
Excess of capital allowances claimed on fixed assets over accumulated depreciation	(5)	(566)
	<u>4,698</u>	<u>5,439</u>

The effect of the above differences were not included in the financial statements as there were no assurance that future taxable income will be sufficient to allow the benefits to be realised.

The subsidiaries have available unabsorbed tax losses and capital allowance of approximately RM7,207,000 (2009: RM10,904,000) and RM508,000 (2009: RM2,002,000) respectively for utilisation against future taxable income.

The subsidiaries have available unabsorbed reinvestment allowance of approximately RM11,117,000 (2009: RM11,117,000) for utilisation against future taxable income.

The Company and its subsidiaries have tax exempt income of approximately RM15,117,000 (2009: RM15,117,000) and RM14,221,000 (2009: RM12,782,000) respectively from which tax exempt dividend may be declared.

The Company and its subsidiaries have tax credit of approximately RM6,458,000 (2009: RM6,563,000) and RM4,264,000 (2009: RM4,943,000) respectively under Section 108 of the Income Tax Act, 1967 to frank the distributable reserves as dividends.

On 12 January 2010, two of the subsidiaries had notified the Inland Revenue Board to opt for waiver of their Section 108 tax credit of the Income Tax Act, 1967 totalling RM316 pursuant to Section 50 of the Finance Act, 2007.

The Tax Budget 2008 introduced a single tier company income tax system with effect from the year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company and its subsidiaries until the tax credit is fully utilised or upon expiry of the six years transitional period on 31 December 2013, whichever is earlier.

The above are subject to the approval of the tax authorities.

Certain comparative figures have been restated to reflect a more accurate tax position of the Company and its subsidiaries from subsequent communication with the Inland Revenue Boards of the respective countries in which they operate.

29. **DISCONTINUED OPERATIONS**

The entire corrugated carton boxes business (Super Box (M) Sdn Bhd) ceased operations in year 2007.

(a) Profit/(Loss) attributable to the discontinued operations were as follows:

	Group	
	2010	2009
	RM'000	RM'000
Other income	848	186
Distribution expenses	-	(28)
Administration expenses	(271)	(219)
Finance costs	-	(82)
	<hr/>	<hr/>
Profit/(Loss) before taxation and exceptional item of discontinued operations	577	(143)
Exceptional item	-	(800)
	<hr/>	<hr/>
Profit/(Loss) after taxation and after exceptional item of discontinued operations	<u>577</u>	<u>(943)</u>
Attributable to:		
Equity holder of the Company	<u>577</u>	<u>(943)</u>

29. **DISCONTINUED OPERATIONS (CONTINUED)**

- (b) The following charges and credits have been included in arriving at profit/(loss) before taxation of discontinued operations:

	Group	
	2010	2009
	RM'000	RM'000
Charges		
Allowance for doubtful debts	81	52
Allowance for impairment loss	-	800
Auditors' remuneration		
- current year	5	1
- underprovision in prior year	4	-
Bad debts written off	-	37
Inventories written off	-	68
Property, plant and equipment written off	122	-
Retrenchment benefits	-	3
Staff costs	-	78
Credits		
Allowance for doubtful debts written back	14	104
Gain on disposal of property, plant and equipment	829	64
	<u>829</u>	<u>64</u>
Profit/(Loss) after taxation of discontinued operations	<u>577</u>	<u>(943)</u>

- (c) Cash flows of discontinued operations are analysed as follows:

	Group	
	2010	2009
	RM'000	RM'000
Cash flows used in operating activities	(1,710)	(5,106)
Cash flows from investing activities	1,705	142
Cash flows used in financing activities	-	(5,059)
	<u>-</u>	<u>(5,059)</u>
Net cash used in discontinued operations	<u>(5)</u>	<u>(10,023)</u>

30. **BASIC EARNINGS/(LOSS) PER ORDINARY SHARE (SEN)**

The basic earnings/(loss) per ordinary share for the financial year ended 31 March 2010 is as follows:

	-----Group----- 2010			-----Group----- 2009		
	Continuing Operation RM'000	Discontinued Operation RM'000	Total RM'000	Continuing Operation RM'000	Discontinued Operation RM'000	Total RM'000
Consolidated profit/(loss) after tax	<u>7,180</u>	<u>577</u>	<u>7,757</u>	<u>4,682</u>	<u>(943)</u>	<u>3,739</u>
				Group		
				2010	2009	
Weighted average number of ordinary shares in issue ('000)				<u>41,811</u>	<u>41,811</u>	
Basic earnings/(loss) per share (sen)						
From continuing operations				17.17	11.20	
From discontinued operations				<u>1.38</u>	<u>(2.30)</u>	
				<u>18.55</u>	<u>8.90</u>	

There is no diluted earnings per share as the Company does not have any convertible financial instruments.

31. **DIVIDEND**

	Group/Company	
	2010	2009
	RM'000	RM'000
A final dividend of 1.0 sen per share less tax in respect of the financial year ended 31 March 2009	314	-
A final dividend of 3.0 sen per share less tax in respect of the financial year ended 31 March 2008	-	928
	<u>314</u>	<u>928</u>

32. **CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR**

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposit with licensed banks (unpledged)	3,709	-	-	-
Cash and bank balances	5,210	5,746	131	1,339
Bank overdrafts (Note 21)	(107)	(1,188)	-	-
	<u>8,812</u>	<u>4,558</u>	<u>131</u>	<u>1,339</u>

The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances				
Ringgit Malaysia	2,892	3,454	131	1,339
United States Dollar	167	235	-	-
Chinese Renminbi	743	1,421	-	-
Thai Baht	827	238	-	-
Philippines Peso	342	192	-	-
Euro Dollar	1	5	-	-
Singapore Dollar	1	1	-	-
Indonesian Rupiah	232	196	-	-
Others	5	4	-	-
	<u>5,210</u>	<u>5,746</u>	<u>131</u>	<u>1,339</u>

32. CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (CONTINUED)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Bank overdrafts				
Ringgit Malaysia	107	1,188	-	-
Deposit with licensed banks				
Ringgit Malaysia	3,592	-	-	-
United States Dollar	117	-	-	-
	<u>3,709</u>	<u>-</u>	<u>-</u>	<u>-</u>

33. CONTINGENT LIABILITIES (Unsecured)

Company

The Company has issued corporate guarantees amounting to RM59,907,000 (2009: RM70,223,000) for banking facilities granted to its subsidiaries of which RM18,312,000 (2009: RM18,946,000) were utilised at balance sheet date.

34. CAPITAL COMMITMENT

	Group	
	2010 RM'000	2009 RM'000
Contracted but not provided for in the financial statements		
Plant and equipment	<u>2,351</u>	<u>101</u>

35. **SEGMENTAL INFORMATION**

Segmental information is presented in respect of the Group's business and geographical segments. The primary format, business segments is based on the Group's management and internal reporting structure.

Segmental results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses and corporate assets and expenses.

Segmental capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one year.

Business segments

The Group comprises the following main business segments:

Labels and stickers	Manufacturing and distributing labels and stickers, sales of labelling machines, hand labellers, bar code printers and related consumables.
Corrugated carton boxes	Manufacturing of corrugated carton boxes. (discontinued operations)
Name plates and backlight	Manufacturing of name plates and LCD backlight for display screens and trading of slim advertising bright lights and promotional items.
Others	Property letting.

Geographical segments

The labels and stickers segments operate in Thailand, Philippines, China, Indonesia and Malaysia and the name plates and backlights segment operate in China and Malaysia.

In presenting information on the basis of geographical segments, segmental revenue is based on the geographical location of customers. Segmental assets are also based on the geographical location of assets.

35. SEGMENTAL INFORMATION (CONTINUED)

2010 Business segments	Labels	Name	Others	Elimination	Discontinued		Total
	and stickers	plates and backlight			Operations	operations (corrugated carton boxes)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	103,380	18,819	-	-	122,199	-	122,199
Inter-segment revenue	587	576	78	(1,241)	-	-	-
Total revenue	103,967	19,395	78	(1,241)	122,199	-	122,199
Segment result	15,074	2,459	(18)	392	17,907	577	18,484
Unallocated expenses					(5,943)	-	(5,943)
Operating profit					11,964	577	12,541
Finance costs					(2,182)	-	(2,182)
Share of loss of associates					(386)	-	(386)
Profit before taxation					9,396	577	9,973
Tax expense					(1,263)	-	(1,263)
Minority interests					(953)	-	(953)
Profit from discontinued operations					577	(577)	-
Net profit for the financial year					7,757	-	7,757
Segment assets	94,954	24,962	2,904	-	122,820	40	122,860
Unallocated corporate assets					1,655	-	1,655
Consolidated total assets					124,475	40	124,515
Segment liabilities	21,146	2,254	174	-	23,574	28	23,602
Unallocated corporate liabilities					23,525	-	23,525
Consolidated total liabilities					47,099	28	47,127
Capital expenditure	5,073	497	716	-	6,286	-	6,286
Depreciation	5,886	1,302	180	-	7,368	-	7,368
Amortisation of prepaid lease payments	35	43	6	-	84	-	84
Non-cash (income)/ expenses	(802)	160	756	-	114	(626)	(512)

35. SEGMENTAL INFORMATION (CONTINUED)

2009 Business segments	Labels	Name	Others	Elimination	Discontinued		Total
	and stickers	plates and backlight			Continuing Operations	operations (corrugated carton boxes)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	98,013	45,461	-	-	143,474	-	143,474
Inter-segment revenue	240	1,063	78	(1,381)	-	-	-
Total revenue	98,253	46,524	78	(1,381)	143,474	-	143,474
Segment result	<u>7,312</u>	<u>9,415</u>	<u>(28)</u>	<u>(299)</u>	16,400	(861)	15,539
Unallocated expenses					(2,845)	-	(2,845)
Operating profit/(loss)					13,555	(861)	12,694
Finance costs					(2,588)	(82)	(2,670)
Share of loss of associates					(792)	-	(792)
Profit/(Loss) before taxation					10,175	(943)	9,232
Tax expense					(2,928)	-	(2,928)
Minority interests					(2,565)	-	(2,565)
Loss from discontinued operations					(943)	943	-
Net profit for the financial year					<u>3,739</u>	<u>-</u>	<u>3,739</u>
Segment assets	<u>95,914</u>	<u>26,029</u>	<u>3,771</u>	<u>-</u>	125,714	2,492	128,206
Unallocated corporate assets					846	-	846
Consolidated total assets					<u>126,560</u>	<u>2,492</u>	<u>129,052</u>
Segment liabilities	<u>18,416</u>	<u>3,013</u>	<u>372</u>	<u>-</u>	21,801	88	21,889
Unallocated corporate liabilities					36,665	-	36,665
Consolidated total liabilities					<u>58,466</u>	<u>88</u>	<u>58,554</u>
Capital expenditure	20,248	2,166	9	(10,037)	12,386	-	12,386
Depreciation	5,275	1,452	111	-	6,838	-	6,838
Amortisation of prepaid lease payments	19	43	6	-	68	-	68
Non-cash expenses/ (income)	2,155	941	(298)	12	2,810	893	3,703

35. SEGMENTAL INFORMATION (CONTINUED)

2010	Malaysia	China	Others	Elimination	Discontinued		
					Continuing Operations	Malaysia	Total Operations
Geographical segments	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	65,525	30,013	26,661	-	122,199	-	122,199
Inter-segment revenue	316	-	-	(316)	-	-	-
Total revenue	65,841	30,013	26,661	(316)	122,199	-	122,199
Segment result	10,250	1,759	5,663	235	17,907	577	18,484
Unallocated expenses					(5,943)	-	(5,943)
Operating profit/(loss)					11,964	577	12,541
Finance costs					(2,182)	-	(2,182)
Share of loss of associates					(386)	-	(386)
Profit before taxation					9,396	577	9,973
Tax expense					(1,263)	-	(1,263)
Minority interests					(953)	-	(953)
Loss from discontinued operations					577	(577)	-
Net profit for the financial year					7,757	-	7,757
Segment assets	70,037	25,247	27,536	-	122,820	40	122,860
Unallocated corporate assets					1,655	-	1,655
Consolidated total assets					124,475	40	124,515
Segment liabilities	9,650	7,491	6,433	-	23,574	28	23,602
Unallocated corporate liabilities					23,525	-	23,525
Consolidated total liabilities					47,099	28	47,127
Capital expenditure	3,963	59	2,264	-	6,286	-	6,286
Depreciation	3,749	1,825	1,794	-	7,368	-	7,368
Amortisation of prepaid lease payments	72	12	-	-	84	-	84
Non-cash expenses/(income)	411	2	(299)	-	114	(626)	(512)

35. SEGMENTAL INFORMATION (CONTINUED)

2009 Geographical segments	Malaysia RM'000	China RM'000	Others RM'000	Elimination RM'000	Discontinued		
					Continuing Operations RM'000	Malaysia RM'000	Total Operations RM'000
Revenue from external customers	93,490	29,208	20,776	-	143,474	-	143,474
Inter-segment revenue	329	-	-	(329)	-	-	-
Total revenue	93,819	29,208	20,776	(329)	143,474	-	143,474
Segment result	14,532	258	1,413	197	16,400	(861)	15,539
Unallocated expenses					(2,845)	-	(2,845)
Operating profit/(loss)					13,555	(861)	12,694
Finance costs					(2,588)	(82)	(2,670)
Share of loss of associates					(792)	-	(792)
Profit/(Loss) before taxation					10,175	(943)	9,232
Tax expense					(2,928)	-	(2,928)
Minority interests					(2,565)	-	(2,565)
Loss from discontinued operations					(943)	943	-
Net profit for the financial year					3,739	-	3,739
Segment assets	75,048	28,362	22,304	-	125,714	2,492	128,206
Unallocated corporate assets					846	-	846
Consolidated total assets					126,560	2,492	129,052
Segment liabilities	10,287	6,567	4,947	-	21,801	88	21,889
Unallocated corporate liabilities					36,665	-	36,665
Consolidated total liabilities					58,466	88	58,554
Capital expenditure	15,281	4,663	2,479	(10,037)	12,386	-	12,386
Depreciation	3,946	1,536	1,356	-	6,838	-	6,838
Amortisation of prepaid lease payments	56	12	-	-	68	-	68
Non-cash expenses	1,101	203	1,494	12	2,810	893	3,703

36. **FINANCIAL INSTRUMENTS**

(i) **Financial Risk Management Objectives and Policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the Group's business operations whilst managing the various risks faced by the Group in the normal course of its business such as credit, interest rate, foreign currency and liquidity risks. It is the Group's policy not to engage in speculative transactions.

The Board reviews and agrees policies for managing these risks which are summarised below.

(a) **Credit risks**

The Group's credit risk arises mainly from sales made on credit terms. These credit risks and exposures are controlled and monitored on an ongoing basis via the application of credit approvals, credit limits and management reporting procedures. Credit evaluations are performed on customers requiring credits over a certain amount.

At balance sheet date, 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 assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) **Foreign Currency Risk**

The Group's currency risk arises from sales and purchases denominated in currencies other than the Ringgit Malaysia.

In addition, the Group has foreign subsidiaries which operate in Thailand, Philippines, the People's Republic of China and the Republic of Indonesia. These subsidiaries operate substantially in their respective functional currencies, being mainly the Thai Baht, Philippines Peso, Chinese Renminbi and Indonesia Rupiah.

The Group endeavours to maintain a natural hedge, wherever possible, by borrowing in the currency of the country in which the investment is located. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Exposure to foreign currency risk is monitored on an ongoing basis to minimise the Group's exposure to unnecessary foreign exchange risk.

36. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest Rate Risk

The Group's interest rate risk arises from its fixed deposits and interest bearing debts. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

Effective interest rate and repricing analysis.

The effective interest rates at balance sheet date and the periods in which they reprice or mature, whichever is earlier, in respect of interest-earning financial assets and interest-bearing financial liabilities are as follows:

2010 Group	Effective interest rates per annum %	Total RM'000	Within 1 year RM'000	1-5 years RM'000	After 5 years RM'000
Financial asset					
Deposits with licensed banks	2.61	4,696	4,696	-	-
Financial liabilities					
Secured term loans					
- fixed rate loan	7.76	4,974	3,545	700	729
Unsecured term loans					
- fixed rate loan	5.14	1,905	718	1,187	-
- floating rate loan	5.79	4,093	4,093	-	-
Unsecured bank overdrafts	6.80	107	107	-	-
Unsecured bankers' acceptances	7.84	2,075	2,075	-	-
2010 Company					
Financial assets					
Deposits with a licensed bank	2.58	987	987	-	-
Amounts due from subsidiaries	7.00	14,112	14,112	-	-
Financial liability					
Amounts due to subsidiaries	2.52	2,114	2,114	-	-

36. FINANCIAL INSTRUMENTS (CONTINUED)

2009 Group	Effective Interest rates per Annum %	Total RM'000	Within 1 year RM'000	1-5 years RM'000	After 5 years RM'000
Financial asset					
Deposits with a licensed bank	2.68	961	961	-	-
Financial liabilities					
Secured term loans					
- fixed rate loan	7.39	10,890	4,368	5,632	890
- floating rate loan	6.15	332	46	222	64
Unsecured term loans					
- fixed rate loan	5.14	2,334	429	1,905	-
- floating rate loan	6.01	4,871	4,408	463	-
Secured bank overdrafts	6.80	730	730	-	-
Unsecured bank overdrafts	6.55	458	458	-	-
Secured bankers' acceptances	4.56	2,423	2,423	-	-
Unsecured bankers' acceptances	5.42	1,828	1,828	-	-
2009 Company					
Financial assets					
Deposits with a licensed bank	2.68	961	961	-	-
Amounts due from subsidiaries	7.00	16,848	16,848	-	-
Financial liability					
Amounts due to subsidiaries	5.83	3,556	3,556	-	-

(d) **Liquidity Risk**

The Group actively manages its debt maturity profile, operating cash flow and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirements. In addition, the Group strives to maintain its utilised banking facilities at a reasonable level against its total debts.

36. **FINANCIAL INSTRUMENTS (CONTINUED)**

(ii) **Fair Value**

(a) **Recognised financial instruments**

The carrying amount of long term borrowings of the Group and the Company at balance sheet date approximates the fair value based on the current borrowing rates to the Group and the Company for similar type of borrowing arrangements.

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of quoted investments is based on quoted market prices.

The carrying amount of other investments approximate their fair value.

The aggregate fair values of other financial assets and liabilities carried on the balance sheet as at 31 March are as follows:

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
2010	RM'000	RM'000	RM'000	RM'000
Financial assets				
Amounts due from subsidiaries	-	-	14,112	*
Short term quoted investments	19	13	-	-
Unquoted investment	126	#	-	-
Financial liability				
Amounts due to subsidiaries	-	-	2,114	*
2009				
Financial assets				
Amounts due from subsidiaries	-	-	16,848	*
Short term quoted investments	19	8	-	-
Unquoted investment	126	#	-	-
Financial liability				
Amounts due to subsidiaries	-	-	3,556	*

36. **FINANCIAL INSTRUMENTS (CONTINUED)**

* It is not practical to estimate the fair values of amounts due from/to subsidiaries due principally to a lack of fixed repayment terms entered into by the parties involved.

It is not practical to estimate the fair value of the non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

(b) **Unrecognised financial instruments**

The nominal amounts and net fair value of financial instruments not recognised in the balance sheets of the Group and Company as at balance sheet date are as follows:

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
2010				
Contingent liabilities	-	-	18,312	*
2009				
Contingent liabilities	-	-	18,946	*

* The fair value of the above guarantee is not expected to be material as the probability of the subsidiaries defaulting on their banking facilities obtained is remote.

37. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (i) On 8 July 2009, the subsidiary company, S.E. Printing (M) Sdn Bhd subscribed for additional shares in its associate namely, Guangzhou Super Serigraph Electronics Co. Ltd, a company incorporated in People's Republic of China at a total subscription cost of USD98,000 (equivalent to RM350,000).

There is no change to the shareholding structure subsequent to this event.

- (ii) On 26 August 2009, a subsidiary company, Super Enterprise Sdn Bhd disposed a piece of freehold land held on Lot No. 4220 Mukim Rawang, Daerah Gombak, Negeri Selangor together with a single storey detached factory with an annexed double storey office to a third party for a consideration of RM12.0 million.

38. **RELATED PARTY DISCLOSURES**

Group

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or if one other party controls both.

The related parties of the Group and its subsidiaries are:

(i) **Subsidiaries**

Details of the subsidiaries are shown in Note 7 to the financial statements.

(ii) **Key Management Personnel**

Key management personnel of the Group and Company are defined as those persons having authority and responsibility for planning, directing and controlling their activities either directly or indirectly. The key management personnel of the Group and Company includes Directors and certain members of senior management of the Company and subsidiaries.

(iii) **Directors and persons connected to Directors**

Directors and persons connected to Directors, include close members of their families.

(iv) **Companies in which certain Directors have substantial financial interests**

These are entities in which significant voting power in such entities reside directly or indirectly with certain Directors of the Group.

(v) **Associates**

Details of the associates are shown in Note 8 to the financial statements.

38. **RELATED PARTY DISCLOSURES (CONTINUED)**

(a) **Related party transactions**

Transactions arising from normal business transactions of the Group and its subsidiaries with its related parties during the financial year are as follows:

Transactions	-----Group-----						-----Company-----			
	Directors or parties connected to Directors		Company in which certain Directors have interests		Associates		Subsidiaries		Directors or parties connected to Directors	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<u>Income earned:</u>										
Disposal of 15% equity interest in an associate	-	85	-	-	-	-	-	-	-	-
Sale of products	1	-	-	-	56	232	-	-	-	-
Dividend income	-	-	-	-	-	-	2,557	3,331	-	-
Interest income	-	-	-	-	-	-	409	460	-	-
Management fee	-	-	-	-	1,498	719	2,244	2,253	-	-
Discount received	-	8	-	-	-	-	-	-	-	-
Disposal of property, plant and equipment	-	-	-	-	352	-	-	-	-	-
	<u>1</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>1,906</u>	<u>951</u>	<u>5,210</u>	<u>6,044</u>	<u>-</u>	<u>-</u>
<u>Expenditure incurred:</u>										
Purchase of products	3	6	14	26	56	309	-	-	-	-
Interest expenses	-	-	-	-	-	-	97	139	-	-
Management fee	-	-	-	-	-	-	420	420	-	-
Rental of accommodation	5	5	-	-	-	-	-	-	-	-
Salaries and other short term employee benefits	266	265	-	-	-	-	-	-	108	113
	<u>274</u>	<u>276</u>	<u>14</u>	<u>26</u>	<u>56</u>	<u>309</u>	<u>517</u>	<u>559</u>	<u>108</u>	<u>113</u>

(b) **Related party balances**

The related party balances as at the balance sheet date are disclosed in Note 15, 16, 22 and 23 to the financial statements.

38. **RELATED PARTY DISCLOSURES (CONTINUED)**

(c) **Key Management Personnel Compensation**

The key management personnel compensation are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors				
- Compensation for loss of employment	779	-	779	-
- Salaries, allowances and contributions to Employee Provident Fund	2,682	3,015	1,553	1,866
- Fees	68	63	68	63
- Benefits-in-kind	76	76	39	39
- Gratuity	683	-	683	-
	<u>4,288</u>	<u>3,154</u>	<u>3,122</u>	<u>1,968</u>
Senior Management				
- Salaries, allowances and contributions to Employee Provident Fund	5,773	5,545	916	729
- Benefits-in-kind	120	278	5	5
	<u>5,893</u>	<u>5,823</u>	<u>921</u>	<u>734</u>
Total	<u>10,181</u>	<u>8,977</u>	<u>4,043</u>	<u>2,702</u>

39. **GOING CONCERN**

At the financial year end, the Company's subsidiaries, namely Super Box (Malaysia) Sdn Bhd, S.E. Industries (Thailand) Co. Ltd, Super Labels Industries Sdn Bhd and S.E. Industries (Philippines) Inc. had accumulated losses totalling RM13,423,000 and their current liabilities exceeded their current assets by RM7,593,000 as at that date.

The financial statements of these subsidiaries have been prepared on a going concern basis in view of:

- (i) the availability or continued financial support from the Company;
- (ii) realisation of assets by the subsidiaries is expected to be undertaken in the ordinary course of business and no material losses are anticipated; and
- (iii) these subsidiaries are not expected to cease their operations in the foreseeable future.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

40. **COMPARATIVE FIGURES**

The following comparative figures are restated in respect of the financial year ended 31 March 2009 due to classification and typing error:

	As restated RM'000	As previously reported RM'000
NOTES TO THE FINANCIAL STATEMENTS		
Note 5:		
Property, plant and equipment		
Certain long term leasehold buildings of the subsidiaries were revalued by the Directors in 1992	1,755	1,703
Had the carrying amount of the revalued long leasehold building be carried at historical cost less accumulated depreciation	858	1,153
Note 6:		
Prepaid lease payments		
Certain long term leasehold lands of the subsidiaries were revalued by the Directors in 1992	679	947
Note 26:		
Profit before taxation and exceptional item		
Auditors' remuneration - current year	158	203

SUPER ENTERPRISE HOLDINGS BERHAD
(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

We, GOH JUI LEANG and GOH JOI SANG, being two of the directors of SUPER ENTERPRISE HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the financial statements on pages 6 to 77 are drawn up in accordance with Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2010 and of the results of their operations and of the cash flows of the Group and the Company for the financial year ended on that date.

On behalf of the Board

GOH JUI LEANG

GOH JOI SANG

KUALA LUMPUR

DATE: 9 July 2010

STATUTORY DECLARATION

I, BOON CHOONG KONG, being the officer primarily responsible for the accounting records and financial management of SUPER ENTERPRISE HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements on pages 6 to 77 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in Wilayah Persekutuan on 9 July 2010.

Before me,

BOON CHOONG KONG

COMMISSIONER FOR OATHS



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUPER ENTERPRISE HOLDINGS BERHAD**
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Super Enterprise Holdings Berhad which comprise the balance sheets as at 31st March 2010 of the Group and the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 77.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of 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.

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 the Company as at 31st March 2010 and of their financial performance and cash flows of the Company for the year then ended.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Lim Kian Keong
Bil 2043/09/10 (J)
Partner

KUALA LUMPUR

DATE: 9 July 2010