

**MALAYSIA AICA BERHAD (8235-K)**

(Incorporated in Malaysia)

**For the financial year ended 31 March 2014****NOTES – FRS134****A1. Accounting Policies**

The interim financial reports have been prepared in accordance with the Financial Reporting Standards (“FRS”) 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial reports should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 March 2013.

In November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) Framework. The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and ventures (“Transitioning Entities”). Transitioning Entities are allowed to continue applying the FRS Framework until when the MFRS Framework is mandated by the MASB.

The Group applied the FRS Framework up to the financial year ended 31 March 2012. Not being a Transitioning Entity then, the Group adopted the MFRS Framework on 1 April 2012 in preparing its financial statements for the financial year ended 31 March 2013. The Group continued to adopt the MFRS Framework for the past three quarters ended 31 December 2013.

In January 2014, the Group became a Transitioning Entity upon diversification of its existing core businesses into property development business. Accordingly, the Group resumed the application of the FRS Framework in preparing its financial statements for the financial year ended 31 March 2014 with a transition date of 1 April 2012, and FRS 1 *First-time Adoption of Financial Reporting Standards* has been applied.

Upon transition to FRSSs, the Group applied FRS 119 *Employee Benefits* (amended in 2011) which eliminates the use of the “corridor” approach in deferring the recognition of actuarial gains and losses on defined benefit plans and instead mandates all such gains and losses to be recognised in other comprehensive income. The effects of transition were accounted for retrospectively in accordance with FRS 1 *First-time Adoption of Financial Reporting Standards* by restating the following comparative figures:-

	MFRSs RM'000	Effects of transition RM'000	FRSs RM'000
<u>Condensed Consolidated Statement of Financial Position (Extract)</u>			
<u>As at 31 March 2013</u>			
Retirement benefits	1,137	201	1,338
Accumulated losses	(8,565)	(201)	(8,766)
Total equity	<u>70,753</u>	<u>(201)</u>	<u>70,552</u>
<u>Condensed Consolidated Statement of Comprehensive Income (Extract)</u>			
<u>For the financial year ended 31 March 2013</u>			
Cost of sales	(13,113)	12	(13,101)
Administrative and general expenses	(3,639)	1	(3,638)
Total comprehensive income	<u>976</u>	<u>13</u>	<u>989</u>

**A2. Seasonal And Cyclical Factors**

The business operations of the Group are not materially affected by seasonal or cyclical factors.

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**NOTES – FRS134****A3. Items of Unusual Nature And Amount Affecting Assets, Liabilities, Net Income or Cash Flows**

There were no material unusual items that affect assets, liabilities, net income or cash flows of the interim period save and except as follows:

- (i) Acquisition by the Company on 23 October 2013 of the rights and interest of the Vendor, including the development rights, to a commercial development project known as “Trivo, Suria Jelutong” being carried out on parcel of development land previously held under Geran 104810, Lot 76110, Mukim Damansara, Daerah Petaling, Negeri Selangor, which comprises 30 units of double-storey shop offices together with infrastructures constructed or to be constructed on the Land 1, for a total consideration of RM25.00 million satisfied by RM21.00 million in cash and issuance of 8,000,000 new ordinary shares of RM0.50 each (“**Project Acquisition**”); and
- (ii) Acquisition by the Company on 23 October 2013 of a parcel of development land held under Geran 104806, Lot 76106, Mukim Damansara, Daerah Petaling, Negeri Selangor from CNSB for a total purchase consideration of RM31 million satisfied by RM21.00 million in cash and issuance of 20,000,000 new ordinary shares of RM0.50 each (“**Land Acquisition**”).

The Project Acquisition and Land Acquisition were approved by the shareholders of Maica at the extraordinary general meeting (“EGM”) held on 20 January 2014 and completed on 22 January 2014.

**A4. Material Changes in Estimate of Amounts Reported**

There were no estimates reported in prior interim periods or financial year that have material effect in the current financial period.

**A5. Debts And Securities**

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities save and except as follows:

- (i) Issuance of 8,000,000 new ordinary shares of RM0.50 each as partial consideration for the Project Acquisition; and
- (ii) Issuance of 20,000,000 new ordinary shares of RM0.50 each as partial consideration for the Land Acquisition

**A6. Dividend Paid**

There was no dividend paid in the interim period.

**A7. Segmental Report**

	Manufacturing of Wood Products	Property Development	Unallocated non-operating segments	Consolidation adjustments and eliminations	Sub-Total	Granting of Financing (discontinued operations)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	16,880	18,394	188	-	35,462	2,618	38,080
Inter-segment revenue	-	-	1,440	(1,440)	-	-	-
Segmental profit / (loss)	1,232	3,122	(1,257)	(1,320)	1,777	1,790	3,567
Segment assets	18,295	60,700	17,499	-	96,597	9,039	105,636

**A8. Material Subsequent Events**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period save as disclosed in Note B9.

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**NOTES – FRS134****A9. Effects Of Changes In Composition Of The Group**

There were no major changes in the composition of the Group during the interim period.

**A10. Changes In Contingent Liabilities And Contingent Assets**

The Group does not have any contingent liabilities or contingent assets since the last annual statements of financial position date.

**A11. Significant Related Party Transactions**

The significant related party transactions for the financial year ended 31 March 2014 is as follows:

	year ended 31 Mar 2014 RM'000
Provision of Hire Purchase financing of Motor Vehicles to Related Party*	14,951 =====
Repayment of Hire Purchase Principal by Related Party*	45,773
Repayment of Hire Purchase Interest by Related Party*	2,146 -----
Total Repayment of Hire Purchase Instalment by Related Party*	47,919 =====

The hire purchase interest charged is ranging from 3.50% to 3.90% per annum with a repayment period ranging from 3 to 5 years for the above Hire Purchase financing.

\*Being a company in which a substantial shareholder who is a former director of Malaysia Aica Berhad and persons connected to him have substantial financial interest

**A12. Discontinued Operation**

In January 2014, the entire Hire Purchase debtors were redeemed and the Group has no intention to continue with the Hire Purchase business.

The Revenue, results and cash flow of the discontinued operations is as follows:

	3 months ended		12 months ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	543	707	2,618	3,154
	=====			
<b>Results</b>				
Profit / (Loss) before taxation	453	499	2,360	2,562
Taxation	(143)	(181)	(570)	(666)
	-----			
Profit/ (Loss) for the period from a discontinued operations	310	318	1,790	1,896
	=====			
<b>Cash Flows</b>				
Net cash from Operating activities	32,486		17,560	
Net cash from investing activities	0		17	
Net cash used in financing activities	(44,010)		(1,596)	-
	-----			
Net cash (outflows)	(11,524)		15,981	
	=====			

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**NOTES – FRS134**

**A13. Capital Commitment**

The Group has no capital commitment as at 31 March 2014.

## **MALAYSIA AICA BERHAD (8235-K)**

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### **NOTES – BURSA MALAYSIA LISTING REQUIREMENTS**

#### **B1. Performance of Operating Segments of the Group**

##### **For the Financial Period under Review**

For the financial year under review, the Group revenue for operations increased by 132% to RM35.5 million compared with RM15.3 million generated in the previous financial year. The surge in revenue is mainly due to the revenue contributed by the newly ventured property development business. The performances of the operating segments were as follows:-

##### **Property Development**

The newly entered property development business recorded a Revenue of RM18.4 million. A RM3.1 million profit before tax is reported for the current financial year.

##### **Manufacturing of Wood Products**

Sales from engineered doors increased by approximately 10% to RM16.9 million for the current financial year compared with previous financial year sales of RM14.9 million. This was mainly due to higher sales order received from the Australian and US markets.

In tandem with the increase in revenue from the engineered doors division, pre-tax profit surged to RM1.2 million compared with pre-tax profit of RM0.30 million recorded in previous financial year.

##### **Granting of Financing**

A total hire purchase of RM14.9 million was granted in the current financial year compared with RM17.2 million in the previous financial year. Interest income from hire purchase declined 27% to RM2.1 million compared with RM2.9 million in the preceding financial year. The Group commenced hire purchase financing business in the 2009 financial year. Effective from the 2010 financial year, the hire purchase amount granted each year were lower than the principal amount collected for the respective years. Hence, the interest income also correspondingly reduced. The entire hire purchase debtors were redeemed in January 2014 and the Group has no intention to continue with the hire purchase business. The pre-tax profit for the hire purchase business decreased to RM2.3 million compared with the pre-tax profit of RM2.4 million recorded in previous financial year.

As a result of venturing into the profitable property development business, the performance of the Group improved substantially whereby the property development business contributed almost 52% of the total revenue generated from continuing operations of the Group while the Groups' profit before tax for continuing operations increased to RM2.5 million for the financial year against loss before tax of RM0.8 million reported in the previous financial year.

#### **B2. Material Changes in the Quarterly Results compared to the results of the preceding Quarter**

The Group registered higher revenue of RM22.5 million for the continuing operations in the current quarter compared with RM5.0 million recorded in the previous quarter. The Group recorded a higher profit before taxation of RM2.7 million in the current quarter as compared with profit before taxation of RM0.6 million in the preceding quarter. The property development business is the main contributor for the significant increase in revenue and profit before tax in the current quarter.

#### **B3. Prospects**

Despite many challenges ahead, particularly the pressure from escalating production costs, we expect consistent performance for the engineered door division with the continue orders from our Australian and US customers. In addition, the Board is confident that the newly ventured property development business will continue to be the main driver for the growth of the Group as compared to the engineered door business moving forward. In the near term, the two properties acquired by the company, namely Trivio Suria Jelutong comprising of 30 shop offices and a parcel of freehold commercial land measuring 3.551 acres in Bukit Jelutong shall contribute positively to the earnings of the Group. The Group will continue to seek for suitable and prime land banks for development purposes to further strengthen its property development business thus enhancing the Group's profitability and therefore shareholders' value.

#### **B4. Qualification Of Audit Report**

The audit report of the preceding annual financial statements was not subject to any qualification.

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**NOTES – BURSA MALAYSIA LISTING REQUIREMENTS****B5. Profit Forecast And Profit Guarantee**

- (i) Variance of actual profit and forecast profit – N/A
- (ii) Shortfall in profit guarantee – N/A

**B6. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document**

The Group did not previously announce or disclose in a public document any statement on revenue or profit estimate, forecast, projection or internal targets.

**B7. Taxation**

	Current Quarter RM'000	Year to-date RM'000
Provision based on current year's profit	873	1,313
Deferred tax expense	-	-
Tax under / (over) provided in prior year	(20)	(20)
	-----	-----
	853	1,293
	=====	=====
Attributable to:		
Continuing operations	710	723
Discontinued operations	143	570
	-----	-----
	853	1,293
	=====	=====

The Group effective tax rate for the current quarter and year to date is slightly higher than the statutory tax rate, this is mainly due to some expenses not deductible for tax purposes.

**B8. Realised and Unrealised Profits/Losses Disclosure**

	As at 31 March 2014 RM'000	As at 31 March 2013 RM'000
Total retained profit / (Accumulated losses) of Malaysia Aica Bhd and its subsidiaries:		
Realised	(38,437)	(41,714)
Unrealised	100	106
	-----	-----
	(38,337)	(41,608)
Total share of retained profit / (Accumulated losses) from associated company		
Realised	( 286)	( 314)
Unrealised	-	-
	-----	-----
	(38,623)	(41,922)
Less : Consolidated adjustments	33,586	33,156
	-----	-----
Total group retained profits/ (Accumulated losses) as per consolidated accounts	(5,037)	(8,766)
	=====	=====

## **MALAYSIA AICA BERHAD (8235-K)**

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### **NOTES – BURSA MALAYSIA LISTING REQUIREMENTS**

#### **B9. Status of Corporate Proposals**

- (i) The Board of Directors of Maica (“**Board**”) had on 7 March 2014 announced that the Company is proposing to change its name from “Malaysia Aica Berhad” to “Sunsuria Berhad” (“**Proposed Change of Name**”).

The Proposed Change of Name is to enable the Company to leverage on Sunsuria brand name and to create synergy amongst its brand and property development projects moving forward. The use of the proposed new name “Sunsuria Berhad” was approved by the Companies Commission of Malaysia on 6 March 2014.

The Proposed Change of Name is subject to the approval of the shareholders of the Company at the forthcoming Extraordinary General Meeting to be convened on 12 May 2014 and expected to be completed by May 2014.

- (ii) The Board via RHB Investment Bank Berhad, AmInvestment Bank Berhad and Astramina Advisory Sdn Bhd had on 28 March 2014 announced that the Company proposes to undertake the following:-
- (a) Proposed renounceable rights issue of up to 475,084,416 new ordinary shares of RM0.50 each in MAICA (“**MAICA Shares**”) (“**Rights Share**”) on the basis of three (3) Rights Shares for every one (1) existing MAICA Share held on an entitlement date to be determined and announced later (“**Entitlement Date**”), together with up to 158,361,472 free detachable Warrants (“**Warrants**”) on the basis of one (1) free Warrant for every three (3) Rights Shares subscribed (“**Proposed Rights Issue With Warrants**”);
- (b) Proposed private placement of up to 63,344,588 MAICA Shares (“**Placement Shares**”) representing approximately 10% of the enlarged issued and paid up share capital of MAICA after the Proposed Rights Issue With Warrants at an issue price to be determined later (“**Proposed Private Placement**”); and
- (c) Proposed increase in authorised share capital of MAICA from RM100,000,000 comprising 200,000,000 MAICA Shares to RM750,000,000 comprising 1,500,000,000 MAICA Shares (“**Proposed Increase In Authorised Share Capital**”), and in consequence thereof, the Company’s Memorandum of Association be amended accordingly (“**Proposed Amendments**”).

The Proposed Rights Issue with Warrants, Proposed Private Placement, Proposed Increase in Authorised Share Capital and Proposed Amendments are collectively referred to as the “**Proposals**”. The Proposals are not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by the Company.

The Proposals is subject to the approval of the shareholders of the Company at the forthcoming Extraordinary General Meeting to be convened on 12 May 2014 and is expected to be completed by the second half of 2014.

#### **B10. Group borrowings and Debt Securities**

The Group has no borrowings as at 31 March 2014.

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**NOTES – BURSA MALAYSIA LISTING REQUIREMENTS****B11. Items Included in the Statement of Comprehensive Income**

The following items are included in the Statement of Comprehensive Income for the year ended 31 March 2014:

	<b>Current Quarter RM'000</b>	<b>Year-to-date RM'000</b>
- Interest Income	169	685
- Other Income including investment income	189	267
- Interest expense	-	-
- Depreciation and amortization	204	838
- Provision for and write off of receivables	-	-
- Provision for and write off of inventories	47	47
- Gain or loss on disposal of quoted and unquoted Investments or properties	-	-
- Impairment of assets	-	-
- Foreign exchange gain or (loss)	2	10
- Gain or loss on derivatives	-	-
- Exceptional items	-	-

**B12. Material Litigation**

The Group is not engaged in any material litigation as at the date of this announcement.

**B13. Dividend**

The Board does not recommend the payment of any dividend in respect of the financial year ended 31 March 2014.

**B14. Earnings Per Share****Basic**

The computation of basic earnings per share for the current year to date is based on the net profit attributable to equity holders of the parent of RM3.7 million and the weighted average number of ordinary shares of 137,361,472.

**Diluted**

The computation for diluted earnings per share is not applicable as the Company does not have any convertible securities outstanding.

By Order of the Board

Kuala Lumpur  
Date : 2 May 2014