financial statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in Notes 13, 14 and 15 to the financial statements respectively.

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

RESULTS

	Group RM	Company RM
Profit/(loss) for the year, attributable to the equity holders of the Company	4,477,825	(22,613,983)

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

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

(i) the provision made for impairment of goodwill on consolidation of RM11,000,000 as detailed in Note 5 to the financial statements in respect of the Group; and

(ii) in respect of the Company, the impairment loss on investment in an associate of RM25,975,787 as detailed in Note 5 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2007 were as follows:

	RM
In respect of the financial year ended 31 March 2007 as reported in the directors' report of that year:	
First and final dividend of 1 sen per share less 26% taxation, on 679,275,330 ordinary shares, declared on 26 September 2007 and paid on 25 October 2007	5,026,637
In respect of the financial year ended 31 March 2008:	
Interim dividend of 1 sen per share less 26% taxation, on 679,275,330 ordinary shares, declared on 28 November 2007 and paid on 23 January 2008	5,026,638
	10,053,275

DIVIDENDS (CONTD.)

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2008 of 1 sen per share less 25% taxation on 680,811,330 ordinary shares, amounting to a dividend payable of RM5,106,085 (0.75 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2009.

DIRECTORS

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

Dato' Dr. Nik Hussain bin Abdul Rahman
Dato' Azmil Khalili bin Dato' Khalid
Dato' Yu Wen Chieh
Dato' Ir. A. Rashid bin Omar
Nik Mohd Ghazi bin Nik Mohd Kamil

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 5(b) to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except as disclosed in Note 34 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.50 Each			
	1 April 2007	Bought	Sold	31 March 2008
The Company				
Dato' Dr. Nik Hussain bin Abdul Rahman				
- direct	480,000	-	-	480,000
- indirect	509,377,778	29,049,600	-	538,427,378 (1)

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM0.50 Each					
	1 April 2007		Bought	Sold	31 March 2008	
The Company						
Dato' Azmil Khalili bin Dato' Khalid						
- direct	-		270,000	-	270,000	
- indirect	509,377,778	#	29,049,600	-	538,427,378	(1)

	Number of Options Over Ordinary Shares of RM0.50 Each			
	1 April 2007	Exercised	Lapsed	31 March 2008
Dato' Dr. Nik Hussain bin Abdul Rahman	1,920,000	-	(1,920,000)	-
Dato' Azmil Khalili bin Dato' Khalid	1,920,000	-	(1,920,000)	-

	Number of Ordinary Shares of RM1.00 Each						
	1 April 2007		Bought		Sold	31 March 2008	
Ultimate Holding Company - MTD Capital Bhd							
Dato' Dr. Nik Hussain bin Abdul Rahman							
- direct	406,004		260,000	+	(150,000)	516,004	
- indirect	124,360,524	#	227,000		(258,000)	124,329,524	(2)
Dato' Azmil Khalili bin Dato' Khalid							
- direct	3,940		726,000	+	-	729,940	
- indirect	62,914,030	#	-		-	62,914,030	(3)
Dato' Yu Wen Chieh							
- direct	30,000		-		-	30,000	
- indirect	66,000	#	-		(10,000)	56,000	(4)

DIRECTORS' INTERESTS (CONTD.)

	Number of Options Over Ordinary Shares of RM1.00 Each			
	1 April 2007	Exercised	Lapsed	31 March 2008
Ultimate Holding Company				
- MTD Capital Bhd				
Dato' Dr. Nik Hussain bin Abdul Rahman	480,000	(260,000)	(220,000)	-
Dato' Azmil Khalili bin Dato' Khalid	886,000	(726,000)	(160,000)	-

	Number of Ordinary Shares of RM0.60/0.25^ Each					
	1 April 2007		Bought	Sold	31 March 2008	
Related Company						
- MTD InfraPerdana Bhd						
Dato' Dr. Nik Hussain bin Abdul Rahman						
- direct	52		400,000	-	400,052	
- indirect	821,167,008	#	57,805,300	(646,600)	878,325,708	(5)
Dato' Azmil Khalili bin Dato' Khalid						
- direct	12,970		-	-	12,970	
- indirect	818,708,231	#	57,805,300	(646,600)	875,866,931	(6)
Dato' Yu Wen Chieh						
- direct	15,000		-	-	15,000	
- indirect	33,000	#	-	-	33,000	(4)

^ Par value reduced from RM 0.60 to RM 0.25 with effect from 1 August 2007.

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1.00 Each				
	1 April 2007		Bought	Sold	31 March 2008
Associate Company					
- MTD ACPI Engineering Berhad					
Dato' Dr. Nik Hussain bin Abdul Rahman					
- indirect	126,734,790		129,100	(5,000,000)	121,863,890 (1)
Dato' Azmil Khalili bin Dato' Khalid					
- indirect	126,734,790	#	129,100	(5,000,000)	121,863,890 (1)

\# Restated to include disclosure of interest held directly/indirectly by spouse/children pursuant to Section 134(12)(c) of the Companies Act, 1965 as amended by the Companies (Amendment) Act, 2007, which took effect on 15 August 2007.

\+ Exercise of Employee Share Option Scheme ("ESOS").

(1) Deemed interest by virtue of his interest in MTD Capital Bhd

(2) Deemed interest by virtue of his and his children's interests in Nikvest Sdn Bhd, a major shareholder of MTD Capital Bhd; his daughter's interest in Alloy Consolidated Sdn Bhd, a major shareholder of MTD Capital Bhd; and shares held by his spouse and child.

(3) Deemed interest by virtue of his spouse's interest in MTD Capital Bhd through Alloy Consolidated Sdn Bhd.

(4) Deemed interest by virtue of shares held by his spouse.

(5) Deemed interest by virtue of his interest in MTD Capital Bhd; shares held by his spouse and his daughter's interest in MTD InfraPerdana Bhd through Alloy Consolidated Sdn Bhd.

(6) Deemed interest by virtue of his interest in MTD Capital Bhd and his spouse's interests in MTD InfraPerdana Bhd through Alloy Consolidated Sdn Bhd.

Dato' Dr. Nik Hussain bin Abdul Rahman and Dato' Azmil Khalili bin Dato' Khalid by virtue of their interest in shares in the holding company are also deemed interested in shares in all the holding company's subsidiaries and related companies to the extent the holding company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the company increased its issued and paid-up ordinary share capital of RM339,637,665 to RM340,405,665 by way of issuance of 1,536,000 ordinary shares of RM0.50 for cash pursuant to the Company's Employee Share Options Scheme at an average price of RM0.50 per ordinary share.

The ordinary shares issued rank pari passu in all respects with existing ordinary shares.

EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

The Company's ESOS is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 4 December 2002. The main features of the ESOS are as follows:

(a) the ESOS shall be in force for a period of five years from the date of the receipt of the last of the requisite approvals;

(b) eligible persons are employees of the Group (including Executive Directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of offer. The eligibility for participation in the ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors;

(c) the total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point in time during the tenure of the ESOS;

(d) the option price for each share shall be the average of the mean market quotation of shares in the Company in the daily official list issued by the Bursa Malaysia Securities Berhad for the five trading days preceding the date of offer, or the par value of the shares in the Company of RM0.50, whichever is the higher;

(e) no option shall be granted for less than 1,000 shares nor more than 500,000 shares to any eligible employee;

(f) an option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of five years from the date of the receipt of the last of the requisite approvals;

(g) all new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates; and

(h) the persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

As at balance sheet date, a total amount of 1,536,000 ordinary options have been exercised by the grantees. The other terms of the ESOS are disclosed in Note 26 to the financial statements.

The ESOS had lapsed on 28 March 2008.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in respect of these financial statements inadequate to any substantial extent; and

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

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are detailed in Note 39 to the financial statements.

SUBSEQUENT EVENT

Details of a subsequent event is disclosed in Note 40 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 July 2008.

DATO' DR. NIK HUSSAIN BIN ABDUL RAHMAN

DATO' YU WEN CHIEH

statement by directors

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

We, Dato' Dr. Nik Hussain bin Abdul Rahman and Dato' Yu Wen Chieh, being two of the directors of Metacorp Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 53 to 128 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 July 2008.

DATO' DR. NIK HUSSAIN BIN ABDUL RAHMAN

DATO' YU WEN CHIEH

statutory declaration

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

I, Tee Kim Siew, being the officer primarily responsible for the financial management of Metacorp Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 53 to 128 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Tee Kim Siew
at Selangor Darul Ehsan, Malaysia
on 25 July 2008

TEE KIM SIEW

Before me,

NO. 71, JALAN 2/16
DATARAN TEMPLER
BANDAR BARU SELAYANG
68100 BATU CAVES,
SELANGOR

PESURUHJAYA SUMPAH
B220
MEJ (B) HAIDER DARUS
MALAYSIA

independent auditors' report

to the members of METACORP BERHAD
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Metacorp Berhad, which comprise the balance sheets as at 31 March 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 53 to 128.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2008 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors.

to the members of METACORP BERHAD
(Incorporated in Malaysia)

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

(d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

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

ERNST & YOUNG
AF: 0039
Chartered Accountants

KUA CHOO KAI
No. 2030/03/10 (J)
Chartered Accountant

Kuala Lumpur, Malaysia

income statements

for the year ended 31 March 2008

	Note	Group 2008 RM	Group 2007 RM (restated)	Company 2008 RM	Company 2007 RM
Continuing Operations					
Revenue	3	56,423,876	78,965,073	3,585,837	4,540,537
Cost of sales	4	(31,506,636)	(55,162,613)	-	-
Gross profit		24,917,240	23,802,460	3,585,837	4,540,537
Other income		9,353,451	10,630,503	1,051,115	1,050,123
Administrative expenses		(13,286,507)	(14,609,641)	(956,640)	(797,859)
Selling and distribution expenses		(966,100)	(564,943)	-	-
Other expenses		(9,136,876)	(6,472,286)	(25,042,910)	(16,355,256)
Operating profit/(loss)	5	10,881,208	12,786,093	(21,362,598)	(11,562,455)
Reversal on provision for potential damages	33	-	94,599,168	-	94,599,168
Finance costs	6	(2,817,349)	(2,666,427)	(245,335)	(379,902)
Share of results of associates		10,203	(13,840,569)	-	-
Share of results of jointly controlled entities		1,895,841	(1,985,124)	-	-
Profit/(loss) before taxation		9,969,903	88,893,141	(21,607,933)	82,656,811
Income tax expense	7	(5,492,078)	(7,964,036)	(1,006,050)	(996,500)
Profit/(loss) for the year from continuing operations		4,477,825	80,929,105	(22,613,983)	81,660,311
Discontinued operation					
Loss for the year from discontinued operation	8	-	(5,355,288)	-	-
Profit/(loss) for the year		4,477,825	75,573,817	(22,613,983)	81,660,311
Attributable to:					
Equity holders of the Company		4,477,825	75,573,817	(22,613,983)	81,660,311

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

balance sheets

as at 31 March 2008

	Note	Group 2008 RM	Group 2007 RM (restated)	Company 2008 RM	Company 2007 RM (restated)
ASSETS					
Non-current assets					
Property, plant and equipment	11	4,470,252	4,952,241	409,503	582,668
Investment properties	12	82,906,143	77,422,333	-	-
Subsidiaries	13	-	-	21,047,150	10,954,454
Associates	14	47,761,767	54,311,926	48,182,966	83,608,753
Jointly controlled entities	15	4,690,734	2,715,120	919,251	919,251
Other investments	16	402,500	402,500	301,000	301,000
Prepaid land lease payments	17	466,903	472,224	-	-
Goodwill	18	9,518,384	263,399	-	-
Land held for property development	19	178,882,989	113,924,857	-	-
Fixed deposits with licensed banks	20	1,169,000	1,131,000	-	-
		330,268,672	255,595,600	70,859,870	96,366,126
Current assets					
Property development costs	19	35,511,712	39,851,884	-	-
Inventories	21	53,654,885	46,287,856	-	-
Trade receivables	22	11,499,536	9,098,864	-	-
Other receivables	23	13,040,346	8,435,827	10,063,900	6,287,751
Due from customers on contracts	24	2,903,325	-	-	-
Due from subsidiaries	25	-	-	294,814,676	237,854,997
Tax recoverable		1,052,005	751,788	19,826	427,076
Cash, deposits and bank balances	20	51,011,390	137,846,127	2,105,850	68,851,743
		168,673,199	242,272,346	307,004,252	313,421,567
TOTAL ASSETS		498,941,871	497,867,946	377,864,122	409,787,693

balance sheets (contd.)

as at 31 March 2008

	Note	Group 2008 RM	Group 2007 RM (restated)	Company 2008 RM	Company 2007 RM (restated)
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	26	340,405,665	339,637,665	340,405,665	339,637,665
Reserves	27	2,837,997	1,773,340	-	-
Retained profits	28	74,432,313	80,298,392	34,736,527	67,403,785
Total equity		417,675,975	421,709,397	375,142,192	407,041,450
Non-current liabilities					
Borrowings	29	25,144,078	35,201,038	-	-
Deferred tax liabilities	30	1,677,640	1,535,856	-	-
		26,821,718	36,736,894	-	-
Current liabilities					
Trade payables	31	15,552,272	4,167,314	-	-
Other payables	32	26,242,730	30,201,460	221,930	2,746,243
Due to a subsidiary	25	-	-	500,000	-
Borrowings	29	12,356,959	5,052,881	2,000,000	-
Provision for potential damages	33	-	-	-	-
Tax payable		292,217	-	-	-
		54,444,178	39,421,655	2,721,930	2,746,243
Total liabilities		81,265,896	76,158,549	2,721,930	2,746,243
TOTAL EQUITY AND LIABILITIES		498,941,871	497,867,946	377,864,122	409,787,693

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

consolidated statements of changes in equity

as at 31 March 2008

	Note	Attributable to Equity Holders of the Company					
			Non-distributable			Distributable	
		Share capital RM	Revaluation reserve RM	Capitalisation of subsidiaries' profit RM	Foreign exchange reserve RM	Retained profits RM	Total RM
Group							
At 1 April 2006							
As previously stated		339,637,665	34,587	730,000	120,753	(7,794,825)	332,728,180
Effects of adopting FRS 140		-	-	-	-	(2,841,667)	(2,841,667)
Effects of adopting FRS 3		-	-	-	-	23,137,866	23,137,866
At 1 April 2006 (restated)		339,637,665	34,587	730,000	120,753	12,501,374	353,024,379
Profit for the year		-	-	-	-	75,573,817	75,573,817
Exchange translation differences	27	-	-	-	922,587	-	922,587
Loss arising from dilution in associate equity interest not recognised in the income statement		-	-	-	-	(7,811,386)	(7,811,386)
Transfer to retained profits		-	(34,587)	-	-	34,587	-
At 31 March 2007		339,637,665	-	730,000	1,043,340	80,298,392	421,709,397
At 1 April 2007							
As previously stated		339,637,665	-	730,000	1,043,340	80,399,749	421,810,754
Prior year adjustment	37	-	-	-	-	(101,357)	(101,357)
At 1 April 2007 (restated)		339,637,665	-	730,000	1,043,340	80,298,392	421,709,397
Profit for the year		-	-	-	-	4,477,825	4,477,825
Dividends	10	-	-	-	-	(10,053,275)	(10,053,275)
Issued pursuant to ESOS	26	768,000	-	-	-	-	768,000
Exchange translation differences	27	-	-	-	1,064,657	-	1,064,657
Loss arising from dilution in associate equity interest not recognised in the income statement		-	-	-	-	(290,629)	(290,629)
At 31 March 2008		340,405,665	-	730,000	2,107,997	74,432,313	417,675,975

statements of changes in equity

as at 31 March 2008

	Note	Share capital RM	Distributable retained profits/ (Accumulated losses) RM	Total RM
Company				
At 1 April 2006		339,637,665	(14,256,526)	325,381,139
Profit for the year		-	81,660,311	81,660,311
At 31 March 2007		339,637,665	67,403,785	407,041,450
Loss for the year		-	(22,613,983)	(22,613,983)
Dividends	10	-	(10,053,275)	(10,053,275)
Issued pursuant to ESOS	26	768,000	-	768,000
At 31 March 2008		340,405,665	34,736,527	375,142,192

consolidated cash flow statements

for the year ended 31 March 2008

	2008 RM	2007 RM (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
Continuing operations	9,969,903	88,893,141
Discontinued operation	-	(5,355,288)
Adjustments for:		
Reversal of provision for potential damages	-	(94,599,168)
Amortisation of prepaid land lease payments	5,321	5,321
Bad debts written off	-	180,536
Provision for doubtful debts	617,529	2,844,892
Depreciation of property, plant and equipment		
- Continuing operations	1,169,684	983,772
- Discontinued operation	-	4,298,295
Depreciation of investment property	1,155,326	1,100,000
Gain on disposal of shares in associate	(4,516,905)	(904,987)
Interest expense		
- Continuing operations	2,442,171	2,257,626
- Discontinued operation	-	4,625,354
Impairment loss on goodwill	11,000,000	3,791,349
Interest income		
- Continuing operations	(2,984,598)	(4,568,643)
- Discontinued operation	-	(20,336)
Gain on disposal of a subsidiary	-	(4,373,656)
Property, plant and equipment written off	7	55,082
Share of results of associates	(10,203)	13,840,569
Share of results of jointly controlled entities	(1,895,841)	1,985,124
Operating profit before working capital changes	16,952,394	15,038,983
Changes in working capital:		
Inventories	(1,833,497)	2,606,985
Property development expenditure	2,716,655	8,031,481
Contract work-in-progress	(38,749)	-
Receivables	(7,243,122)	(4,342,080)
Payables	(6,067,763)	6,053,512
Cash generated from operations	4,485,918	27,388,881

consolidated cash flow statements (contd.)

for the year ended 31 March 2008

	2008 RM	2007 RM (restated)
CASH FLOWS FROM OPERATING ACTIVITIES (CONTD.)		
Interest paid	(2,442,171)	(6,882,980)
Interest received	2,984,598	4,588,979
Taxes paid	(5,358,294)	(9,329,967)
Net cash (used in)/generated from operating activities	(329,949)	15,764,913
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in jointly controlled entity	-	(919,246)
Net dividend received from associate	286,638	278,885
Investment in associate	-	(10,400,000)
Purchase of land held for property development	(68,249,005)	(5,972,177)
Purchase of property, plant and equipment	(234,981)	(1,295,855)
Purchase of investment property	(6,639,136)	-
Proceeds from disposal of investments	10,500,000	3,220,578
Net cash outflow from disposal of subsidiary (Note 13(b))	-	(1,600,589)
Acquisition of subsidiary (Note 13(a))	(10,092,147)	-
Net cash used in investing activities	(74,428,631)	(16,688,404)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(10,053,275)	-
Proceeds from issuance of ordinary shares	768,000	-
Drawdown of borrowings	2,300,000	-
Repayments of borrowings	(5,000,000)	(3,800,000)
Repayments of hire purchase payables	(52,882)	(236,260)
Net cash used in financing activities	(12,038,157)	(4,036,260)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(86,796,737)	(4,959,751)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	138,977,127	143,936,878
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 20)	52,180,390	138,977,127

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

cash flow statements

for the year ended 31 March 2008

	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(21,607,933)	82,656,811
Adjustments for:		
Reversal of provision for potential damages	-	(94,599,168)
Bad debts written off	-	180,536
Provision for doubtful debts	1,567,123	13,311,529
Depreciation of property, plant and equipment	178,434	200,329
Unrealised gain on foreign exchange	-	(1,020,333)
Impairment loss on investments in subsidiaries	-	363,191
Impairment loss on associate	25,975,787	-
Gain on disposal of shares in associate	(1,050,000)	-
Interest expense	-	19,800
Dividend income	(387,348)	(387,842)
Interest income	(3,186,489)	(4,141,194)
Operating profit/(loss) before working capital changes	1,489,574	(3,416,341)
Changes in working capital:		
Receivables	(4,393,678)	(5,623,368)
Payables	(2,524,313)	2,607,522
Subsidiaries indebtedness	(57,409,273)	(12,432,316)
Cash used in operations	(62,837,690)	(18,864,503)
Interest paid	-	(19,800)
Interest received	3,186,489	4,141,194
Tax paid	(498,090)	(1,197,212)
Net cash used in operating activities	(60,149,291)	(15,940,321)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net dividend received from associate	286,638	278,885
Purchase of property, plant and equipment	(5,269)	-
Acquisition of subsidiaries	(10,092,696)	(2)
Acquisition of jointly controlled entity	-	(919,246)
Acquisition of associate	-	(10,400,000)
Proceeds from disposal of investments	10,500,000	3,220,578
Net cash generated from/(used in) investing activities	688,673	(7,819,785)

for the year ended 31 March 2008

	2008 RM	2007 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of dividends	(10,053,275)	-
Proceeds from issuance of ordinary shares	768,000	-
Drawdown of borrowings	2,000,000	-
Repayments of hire purchase payables	-	(199,979)
Net cash used in financing activities	(7,285,275)	(199,979)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,745,893)	(23,960,085)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	68,851,743	92,811,828
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 20)	2,105,850	68,851,743

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan.

The immediate and ultimate holding companies of Metacorp Berhad are Lambang Simfoni Sdn Bhd and MTD Capital Bhd respectively, both of which are incorporated in Malaysia. MTD Capital Bhd is also listed on the Main Board of Bursa Securities.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in Notes 13, 14 and 15 to the financial statements respectively. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 July 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 October 2006 as described fully in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis.

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

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(a) Subsidiaries and Basis of Consolidation (Contd.)

(ii) Basis of Consolidation

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

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

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

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

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheets at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(b) Associates (Contd.)

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

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

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

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

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Jointly Controlled Entities

The Group has interest in joint ventures which are jointly controlled entities.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(b).

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

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(d) Goodwill

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

(e) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

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

Buildings	2% - 5%
Plant and machinery	10%
Office equipment	10% - 50%
Furniture and fittings	10% - 25%
Motor vehicles	20%
Renovations	10% - 25%

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

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

(f) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(f) Investment Properties (Contd.)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year in which they arise.

(g) Land Held for Property Development and Property Development Costs

(i) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including cost to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(h) Impairment of Non-Financial Assets

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

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

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

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

An impairment loss is recognised in profit or loss in the period in which it arises.

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

(i) Inventories

Properties held for resale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

The costs of granite blocks comprises costs of quarrying. Inventories is stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(j) Financial Instruments

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, 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 recognised directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

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

(ii) Other Non-Current Investments

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

(iii) Trade Receivables

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

(iv) Trade Payables

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

(v) Interest Bearing Loans and Borrowings

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

(vi) Equity Instruments

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(k) Leases

(i) Classification

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

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2(f)); and

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

(ii) Finance Leases - the Group as Lessee

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

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

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(e).

(iii) Operating Leases - the Group as Lessee

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(k) Leases (Contd.)

(iii) Operating Leases - the Group as Lessee (Contd.)

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

Leasehold land is amortised over the period of its lease of 90 years. In this connection, long term leasehold land refers to land with unexpired lease tenure of 40 years and above.

(iv) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheet according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(q)(iv)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(l) Borrowing Costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Income Tax

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(m) Income Tax (Contd.)

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

(n) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Provision for restructuring costs is recognised when a detailed and formal restructuring plan has been approved, and the restructuring has either commenced or has been announced publicly. Costs relating to ongoing activities are not provided for.

(o) Employee Benefits

(i) Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund. Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(o) Employee Benefits (Contd.)

(iii) Share Based Compensation

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

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

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

(p) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(p) Foreign Currencies (Contd.)

(ii) Foreign Currency Transactions (Contd.)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period.

Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(iii) Foreign Operations

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(p) Foreign Currencies (Contd.)

(iii) Foreign Operations (Contd.)

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

(q) Revenue Recognition

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

(i) Sale of Properties Under Development and Property Stocks

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(g)(ii).

Revenue from sale of property stocks is recognised when significant risks and rewards have been passed to the purchasers.

(ii) Quarry Income

Revenue from quarry income is recognised upon transfer of significant risks and rewards of ownership to the buyer.

(iii) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(r).

(iv) Rental Income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of Significant Accounting Policies (Contd.)

(q) Revenue Recognition (Contd.)

(vi) Dividend Income

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

(r) Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profit (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs plus, recognised profit (less recognised losses), the balance is classified as amount due to customers on contracts.

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs

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

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendment to FRS 119_{2004} Employee Benefits	Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Transactions

The adoptions of the above FRSs and Amendment to FRS do not have significant financial impact on the Group other than inclusion of additional disclosure pursuant to FRS 124 and the effect arising on adoption of FRS117 is discussed below:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (Contd.)

(a) FRS117: Leases

Prior to 1 April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payment or the up-front payments made are allocated between the land and the building elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 2.3(b)(ii), certain comparatives have been restated. The effects on the consolidated balance sheets as at 31 March 2008 are set out in Note 2.3(b)(i). There were no effects on the consolidated income statements for the year ended 31 March 2008 and the Company's financial statements.

(b) Summary of effects and changes arising from adoption of new and revised FRSs

(i) Effects on balance sheets as at 31 March 2008

Description of change Group	Increase/ (Decrease) FRS117 Note 2.3 (a) RM
Property, plant and equipment	(466,903)
Prepaid land lease payments	466,903

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (Contd.)

(b) Summary of effects and changes arising from adoption of new and revised FRSs (Contd.)

(ii) Restatement of comparatives

The following comparatives amounts have been restated arising from the effects of adopting the new and revised FRS:

Description of change	Previously stated RM	FRS117 Note 2.3 (a) RM	Restated RM
At 31 March 2007			
Group			
Property, plant and equipment	5,424,465	(472,224)	4,952,241
Prepaid land lease payments	-	472,224	472,224

2.4 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs, amendments to FRS and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 107 : Cash Flow Statements	1 July 2007
FRS 111 : Construction Contracts	1 July 2007
FRS 112 : Income Taxes	1 July 2007
FRS 118 : Revenue	1 July 2007
FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 121: The effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 134 : Interim Financial Reporting	1 July 2007
FRS 137 : Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
FRS 139 : Financial Instruments: Recognition and Measurement	Deferred

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Standards and Interpretations Issued but Not Yet Effective (Contd.)

FRSs, Amendments to FRS and Interpretations	Effective for financial periods beginning on or after
IC Interpretation 1 : Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2 : Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5 : Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6 : Liabilities arising from Participating in a Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7 : Applying the Restatement Approach under FRS 129_{2004} - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 : Scope of FRS 2	1 July 2007

The above FRS, amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for:

(i) Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

This amendment requires that where an entity has a monetary item that forms part of its net investment in a foreign operation, the exchange differences arising from such monetary items should always be recognised in equity in the consolidated financial statements and should not be dependent on the currency of the monetary item. Prior to this amendment, exchange differences arising on monetary item that forms part of the Company's net investment in a foreign operation is recognised in equity in the consolidated financial statements only when that monetary item is denominated either in the functional currency of the reporting entity or the foreign operation. The Company will apply this amendment from financial periods beginning 1 April 2008. As it is not possible to reasonably estimate the exchange rates applicable to such monetary items for future periods, the directors are therefore unable to determine if the initial adoption of this amendment will have a material impact on the consolidated financial statements for the financial year ending 31 March 2008.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS139.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant Accounting Estimates and Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognised in the financial statements.

(a) Critical Judgements Made in Applying Accounting Policies

(i) Operating Lease Commitments - the Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(ii) Impairment of Investments in Associates

The management determines whether the carrying amounts of its investment in associates are impaired at balance sheet date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on published analysts' reports, weighted average cost of capital and current market indicators and estimates that provide reasonable approximations to the computation of recoverable amounts.

Based on the opinion of the directors, adequate impairment loss has been recognised in the income statement and the management's assessments have provided reasonable assumptions that the carrying amount of investment at the balance sheet date are not further impaired.

(b) Key Sources of Estimation Uncertainty

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

(i) Impairment of Goodwill

The Group determines whether goodwill are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill and brands are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of goodwill as at 31 March 2008 was RM9,518,384 (2007: RM263,399). Further details are disclosed in Note 18.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.5 Significant Accounting Estimates and Judgements (Contd.)

(b) Key Sources of Estimation Uncertainty (Contd.)

(ii) Property Development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(iii) Useful Lives of Property, Plant and Equipment

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

(iv) Income Taxes

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Property development revenue	36,182,407	46,876,768	-	-
Sales of completed properties	6,287,452	18,247,361	-	-
Rental income	12,936,456	13,705,094	12,000	12,000
Interest income	-	-	3,186,489	4,141,195
Quarry income	1,017,561	135,850	-	-
Dividend income	-	-	387,348	387,342
	56,423,876	78,965,073	3,585,837	4,540,537

4. COST OF SALES

	Group	
	2008 RM	2007 RM
Property development cost	32,373,868	43,364,004
Reversal of provision for cost to completion	(3,594,298)	-
Reversal of provision for foreseeable loss	(2,136,603)	-
Cost of completed properties	4,981,517	10,486,091
Rent of properties and related expenses	(849,450)	777,173
Quarry expenses	731,602	535,345
	31,506,636	55,162,613

Included in rent of properties and related expenses is reversal of provision for restoration cost of RM1,124,648 (2007: Nil).

5. OPERATING PROFIT/(LOSS)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Operating profit/(loss) is stated after charging/(crediting):				
Staff costs (note a)	6,005,109	4,332,118	-	-
Directors' remuneration (excluding benefits-in-kind) (note b)	900,073	711,262	156,774	172,500
Auditors' remuneration:				
- statutory audit	153,298	137,393	9,000	9,000
- underprovision in prior year	2,559	-	-	-
- other services	37,169	-	-	-
Amortisation of prepaid land lease payments	5,321	5,321	-	-
Bad debts written off	-	180,536	-	180,536
Depreciation of property, plant and equipment	1,169,684	983,772	178,434	200,329
Depreciation of investment property	1,155,326	1,100,000	-	-
Impairment losses on				
- goodwill	11,000,000	3,791,349	-	-
- investments in subsidiaries	-	-	-	363,191
- investments in associate	-	-	25,975,787	-
Property, plant and equipment written off	7	911	-	-
Provision for doubtful debts in respect of:				
- subsidiary	-	-	949,594	10,466,637
- jointly controlled entity	616,865	2,844,892	616,865	2,844,892
- others	664	-	664	-
Rent of equipment	26,141	107,287	-	-
Rent of office equipment	17,400	17,400	-	-
Rent of office premises	98,155	93,399	-	-
Gain on disposal of associate	(4,516,905)	(904,987)	(1,050,000)	-
Gain on disposal of a subsidiary	-	(4,373,656)	-	-

5. OPERATING PROFIT/(LOSS) (CONTD.)

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Operating profit/(loss) is stated after charging/(crediting):				
Gross dividends received/receivables from:				
- associate	-	-	(387,348)	(387,842)
- other investments	-	-	-	-
Unrealised gain on foreign exchange	-	-	-	(1,020,333)
Realised loss on foreign exchange	426	-	-	-
Interest income received/receivables from:				
- financial institutions	(2,984,598)	(4,568,643)	(1,195,939)	(2,061,671)
- subsidiaries	-	-	(1,626,691)	(2,079,523)
- associate	-	-	(363,859)	-
Management fees received	(741,400)	-	-	-
Rental income	(217,004)	(199,051)	(12,000)	(12,000)
Bad debts recovered	-	(29,700)	-	(29,700)

	Group	
	2008	2007
	RM	RM
(a) Staff costs (excluding directors' remuneration) comprised:		
Wages and salaries	4,955,602	3,494,874
Social security costs	33,419	31,256
Pension costs - defined contribution plan	598,034	495,439
Other staff related expenses	418,054	310,549
	6,005,109	4,332,118

5. OPERATING PROFIT/(LOSS) (CONTD.)

(b) Directors' remuneration

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors of the Company:				
- fees	156,774	172,500	156,774	172,500
- emoluments	520,275	376,008	-	-
- benefits-in-kind	28,000	28,000	28,000	28,000
	705,049	576,508	184,774	200,500
Other directors				
- emoluments	223,024	162,754	-	-
	223,024	162,754	-	-
Total	928,073	739,262	184,774	200,500

The number of directors of the Company whose total remuneration during the financial year fell within the respective bands is analysed below:

	Number of Directors			
	2008		2007	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
Directors of the Company:				
Below RM50,000	-	3	1	3
RM50,001 - RM100,000	-	-	-	-
RM150,001 - RM200,000	-	1	1	-
RM250,001 - RM300,000	-	-	1	-
RM300,001 - RM350,000	1	-	-	-

6. FINANCE COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest expense on:				
- term loans	2,426,640	2,223,841	-	-
- hire purchase	15,531	33,785	-	19,800
- others	375,178	408,801	245,335	360,102
	2,817,349	2,666,427	245,335	379,902

7. INCOME TAX EXPENSE

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Malaysian income tax:				
- current year	4,642,118	6,800,429	1,093,210	1,016,805
- under/(over) provision in prior years	708,176	1,026,307	(87,160)	(20,305)
	5,350,294	7,826,736	1,006,050	996,500
Real property gains tax	-	42,624	-	-
Deferred tax (Note 30):				
- Relating to origination and reversal of temporary differences	208,890	94,676	-	-
- Relating to changes in tax rates	(67,106)	-	-	-
	141,784	94,676	-	-
Total income tax expense	5,492,078	7,964,036	1,006,050	996,500

Income tax of the Group and of the Company is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year except for certain subsidiaries of which the domestic income tax during the current financial year is calculated at the Malaysian statutory tax rate of 20% of the estimated assessable profit up to RM500,000 (2007: RM500,000) for the year.

The statutory tax rate will be reduced to 25% effective year of assessment 2009. The computation of deferred tax as at 31 March 2008 has reflected these changes.

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

	2008 RM	2007 RM
Group		
Profit/(loss) before taxation:		
Continuing operations	9,969,903	88,893,141
Discontinued operations	-	(5,355,288)
	9,969,903	83,537,853

7. INCOME TAX EXPENSE (CONTD.)

	2008 RM	2007 RM
Taxation at statutory tax rate of 26% (2007: 27%)	2,592,175	22,555,220
Effect of income subject to tax rate of 20%	(30,000)	(70,000)
Effect of changes in tax rates on opening balance of deferred tax	-	261,657
Deferred tax recognised at different tax rates	(67,106)	261,940
Income not subject to tax	(1,835,352)	(27,094,105)
Expenses not deductible for tax purposes	4,424,744	4,835,178
Deferred tax assets not recognised during the year	1,184,093	1,942,106
Utilisation of previously unrecognised deferred tax assets	(1,683,711)	(69,828)
Effects of share of results of associates	(2,653)	3,736,954
Effects of share of results of jointly controlled entities	201,712	535,983
Underprovision of income tax in prior years	708,176	1,026,307
Real property gains tax	-	42,624
Tax expense for the year	5,492,078	7,964,036

Company

	2008 RM	2007 RM
(Loss)/profit before taxation	(21,607,933)	82,656,811
Taxation at statutory tax rate of 26% (2007: 27%)	(5,618,063)	22,317,339
Income not subject to tax	(273,000)	(25,549,818)
Expenses not deductible for tax purposes	6,980,827	4,249,284
Deferred tax assets not recognised during the year	3,446	-
Overprovision of income tax in prior years	(87,160)	(20,305)
Tax expense for the year	1,006,050	996,500

8. DISCONTINUED OPERATION

In the previous financial year, Seseni Energy Services Sdn Bhd ("Seseni"), a subsidiary of the Company, entered into a Share Sale and Purchase Agreement ("SSPA") with TNB Energy Services Sdn Bhd ("TNBES") and Cyberview Sdn Bhd ("Cyberview") for the disposal by Seseni and TNBES of the entire equity interest in Pendinginan Megajana Sdn Bhd ("PMSB") comprising 16,420,000 ordinary shares of RM1/-each ("Sales Shares") for a total consideration of RM2/- only to Cyberview. The disposal was completed on 30 March 2007.

8. DISCONTINUED OPERATION (CONTD.)

An analysis of the result of the discontinued operations was as follows:

	Group 2007 RM
Revenue	12,247,345
Expenses	(17,602,633)
Loss for the year from discontinued operations	(5,355,288)

The following amounts had been included in arriving at loss before taxation of the discontinued operations:

Staff costs	447,552
Auditors' remuneration	12,000
Depreciation of property, plant and equipment	4,298,295
Interest expense	4,625,354
Interest income	(20,336)
Property, plant and equipment written-off	54,171

The cash flow attributable to the discontinued operations were as follows:

Operating cash flows	4,362,256
Investing cash flows	(156,630)
Financing cash flows	(3,800,000)
Total cash flows	405,626

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group 2008 RM	Group 2007 RM (restated)
Net profit for the year (RM)	4,477,825	75,573,817
Weighted average number of ordinary shares in issue	679,403,330	679,275,330
Basic earnings per share	0.7 sen	11.1 sen

There is no dilutive potential on ordinary shares in issue as at balance sheet date.

10. DIVIDENDS

	Dividends in respect of Year		Dividend recognised in Year	
	2008	2007	2008	2007
	RM	RM	RM	RM
Recognised during the year:				
First and final dividend for 2007:				
1 sen per share less 26% taxation,				
on 679,275,330 ordinary shares				
(0.74 sen per ordinary share)	-	5,026,637	5,026,637	-
Interim dividend for 2008:				
1 sen per share less 26% taxation, on				
679,275,330 ordinary shares				
(0.74 sen per ordinary share)	5,026,638	-	5,026,638	-
Proposed for approval at AGM				
(not recognised as at 31 March)				
Final dividend for 2008:				
1 sen per share less 25% taxation, on				
680,811,330 ordinary shares				
(0.75 sen per ordinary share)	5,106,085	-	-	-
	10,132,723	5,026,637	10,053,275	-

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2008 of 1 sen per share less 25% taxation on 680,811,330 ordinary shares, amounting to a dividend payable of RM 5,106,085 (0.75 sen net per ordinary shares) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2009.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Freehold Land RM	Plant and Machinery RM	Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Renovations RM	Total RM
Group								
Cost/Valuation								
At 1 April 2006								
- At cost	15,540,919	6,275,408	74,344,065	509,432	1,291,247	1,678,685	8,230,194	107,869,950
Additions	153,846	-	1,061,234	55,590	8,000	307,385	-	1,586,055
Write-offs	-	-	(54,171)	(965)	-	-	-	(55,136)
Reclassification	22,802	(22,802)	-	150,460	(150,460)	-	-	-
Subsidiary disposed	(13,026,708)	(6,252,606)	(72,461,360)	(45,708)	(17,240)	(127,744)	-	(91,931,366)
Exchange differences	-	-	-	717	-	4,122	-	4,839
At 31 March 2007	2,690,859	-	2,889,768	669,526	1,131,547	1,862,448	8,230,194	17,474,342
Additions	29,667	-	61,400	135,610	-	8,304	-	234,981
Write-offs	-	-	-	(67,736)	(949,725)	-	(8,183,561)	(9,201,022)
Acquisition of subsidiary	-	-	450,371	1,533	7,313	-	-	459,217
Exchange differences	-	-	(10,004)	518	-	3,579	-	(5,907)
At 31 March 2008	2,720,526	-	3,391,535	739,451	189,135	1,874,331	46,633	8,961,611
Accumulated Depreciation								
At 1 April 2006	3,014,633	-	14,002,563	509,432	1,135,190	778,291	8,230,193	27,670,302
Charge for the year								
- Continuing operations	130,260	-	470,206	56,477	12,472	314,357	-	983,772
- Discontinued operations	651,345	-	3,621,047	7,574	2,881	15,448	-	4,298,295
Write-offs	-	-	-	(54)	-	-	-	(54)
Reclassification	-	-	-	29,410	(29,410)	-	-	-
Subsidiary disposed	(2,940,800)	-	(17,338,775)	(32,155)	(6,578)	(112,078)	-	(20,430,386)
Exchange differences	-	-	-	-	-	172	-	172
At 31 March 2007	855,438	-	755,041	570,684	1,114,555	996,190	8,230,193	12,522,101
Charge for the year	142,028	-	636,057	58,097	3,984	329,518	-	1,169,684
Write-offs	-	-	-	(67,736)	(949,718)	-	(8,183,561)	(9,201,015)
Exchange differences	-	-	(269)	263	(6)	601	-	589
At 31 March 2008	997,466	-	1,390,829	561,308	168,815	1,326,309	46,632	4,491,359
Net Book Value								
At 31 March 2008	1,723,060	-	2,000,706	178,143	20,320	548,022	1	4,470,252
At 31 March 2007	1,835,421	-	2,134,727	98,842	16,992	866,258	1	4,952,241

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company	Buildings RM	Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Renovations RM	Total RM
Cost						
At 1 April 2006/31 March 2007	400,155	77,933	153,607	991,172	46,633	1,669,500
Additions	-	5,269	-	-	-	5,269
At 31 March 2008	400,155	83,202	153,607	991,172	46,633	1,674,769
Accumulated Depreciation						
At 1 April 2006	118,709	77,932	125,474	517,756	46,632	886,503
Depreciation charge for the year	8,003	-	11,161	181,165	-	200,329
At 31 March 2007	126,712	77,932	136,635	698,921	46,632	1,086,832
Depreciation charge for the year	8,003	530	2,902	166,999	-	178,434
At 31 March 2008	134,715	78,462	139,537	865,920	46,632	1,265,266
Net Book Value						
At 31 March 2008	265,440	4,740	14,070	125,252	1	409,503
At 31 March 2007	273,443	1	16,972	292,251	1	582,668

(i) During the financial year, the Group acquired property, plant and equipment at aggregate cost of RM234,981 (2007: RM1,586,055) of which RM Nil (2007: RM290,200) were acquired by means of hire purchase arrangements.

(ii) Net book value of motor vehicle of the Group and of the Company held under hire purchase and finance lease arrangements as at 31 March 2008 amounted to RM244,047 (2007: RM272,275).

12. INVESTMENT PROPERTIES

	Group 2008 RM	Group 2007 RM
Cost		
At beginning of financial year	81,364,000	81,364,000
Additions	6,639,136	-
At end of financial year	88,003,136	81,364,000
Accumulated depreciation		
At beginning of financial year	3,941,667	2,841,667
Depreciation charge for the year	1,155,326	1,100,000
At end of financial year	5,096,993	3,941,667
Net carrying amount	82,906,143	77,422,333
Estimated fair value of investment properties	103,639,136	97,000,000

The investment property with carrying amount of RM76,322,333 (2007: RM77,422,333) is pledged as security for bank borrowings obtained as disclosed in Note 29.

13. SUBSIDIARIES

	Company 2008 RM	Company 2007 RM
Unquoted shares, at cost	24,867,826	14,775,130
Less: Accumulated impairment losses	(3,820,676)	(3,820,676)
	21,047,150	10,954,454

Management has carried out a review on the recoverability of the amounts due from non-profit-generating subsidiaries in the current financial year.

As at the balance sheet date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM10,855,000 (2007: RM1,100,000). The directors are of the opinion that no further impairment loss needs to be provided for these investments as the Group is currently formulating its internal group re-organisation which would place these subsidiaries on a profitable footing. As such, the directors believe that there is no permanent impairment in value of these investments.

13. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Equity interest held 2008 %	2007 %	Principal Activities
Metacorp Properties Sdn Bhd	100	100	Property development and letting of property
Metacorp Development Sdn Bhd	100	100	Property development (yet to commence business)
Metaurus Sdn Bhd	100	100	Construction, building and public engineering works
Exclusive Skycity Sdn Bhd	100	100	Letting of property
Wonderful Haven Sdn Bhd	100	100	Property development
Metacorp Australia Pty Ltd #	100	100	Investment holding and property development
Dimensi Timal Sdn Bhd [1]	80	80	Operating and managing a granite quarry and any other businesses in connection therewith
Puncak Gaya Sdn Bhd	100	100	Dormant
Landview Tower Sdn Bhd	100	100	Property development
Metacorp Equity Sdn Bhd	100	100	Investment holding company
Seseni Energy Services Sdn Bhd [1]	70	70	Investment holding company
MTD Sadec Sdn Bhd	100	100	Investment holding company
Wincon Development Ceylon (Private) Limited ^ [1]	75	-	Property development
Subsidiary of Seseni Energy Services Sdn. Bhd.:			
Seseni Energy Services (Johor) Sdn Bhd	100	100	Dormant

All subsidiaries are incorporated in Malaysia except for Metacorp Australia Pty Ltd and Wincon Development Ceylon (Private) Limited which are incorporated in Australia and Sri Lanka, respectively.

13. SUBSIDIARIES (CONTD.)

\# Audited by member firms of Ernst & Young Global

^ Audited by firms other than Ernst & Young

[1] The balance of minority interest was reduced to zero, as the minority interest holders have no obligation to fund losses. Accordingly, the Company recorded all losses in its consolidated financial statements after the minority interest liability was reduced to zero.

(a) Acquisition of subsidiary

On 6 February 2008, the Company had completed the acquisition of 15,000,000 ordinary shares of Rps. 10 each representing 75% of the entire enlarged issued and paid-up share capital of Wincon Development Ceylon (Private) Ltd from Pembinaan Wincon Sdn Bhd. The consideration for the acquisition was at RM10,092,696 (approximately USD2,930,000).

The acquired subsidiary has contributed the following results to the Group:

	2008 RM
Revenue	-
Loss for the year	(176,596)

If the acquisition had occurred on 1 April 2007, the Group's revenue and loss for the year would have been RM56,423,876 and RM1,421,240.

The assets and liabilities arising from the acquisitions are as follows:

	Fair value recognised on acquisition RM	Acquiree's carrying amount RM
Property, plant and equipment (Note 11)	459,217	459,217
Due from customer on contracts	2,864,576	13,550,248
Trade and other receivables	7,360	7,360
Cash and bank balances	549	549
	3,331,702	14,017,374
Trade and other payables	13,493,991	21,868,081
Fair value of net liabilities	(10,162,289)	
Less: Minority interests	-	
Group's share of net liabilities	(10,162,289)	
Goodwill on acquisition	20,254,985	
Total cost of acquisition	10,092,696	

13. SUBSIDIARIES (CONTD.)

(a) Acquisition of subsidiary (contd.)

The cash outflow on acquisition is as follows:

	2008 RM
Purchase consideration satisfied by cash	10,092,696
Cash and cash equivalents of subsidiary acquired	(549)
Net cash outflow of the Group	10,092,147

(b) Disposal of subsidiary

In the previous financial year, the Group disposed of its 51% equity interest in Pendinginan Megajana Sdn Bhd for a total consideration of RM1.

The disposal had the following effects on the Group's financial results for the year:

	2007 RM
Revenue	12,247,345
Net loss for the year	(5,355,288)

The disposal had the following effects on the financial position of the Group as at the end of the year:

	2007 RM
Property, plant and equipment	71,500,980
Trade receivables	2,001,086
Other receivables	327,383
Tax recoverable	68
Fixed deposit with licensed bank	643,170
Cash and bank balances	957,420
Trade payables	(19,157,024)
Other payables	(2,448,527)
Borrowings	(58,198,211)
	(4,373,655)
Total disposal proceeds	(1)
Gain on disposal to the Group	(4,373,656)

13. SUBSIDIARIES (CONTD.)

(b) Disposal of subsidiary **(Contd.)**

	2007 RM
Cash outflow arising on disposal:	
Cash consideration representing cash inflow of the Company	1
Fixed deposit with licensed bank of subsidiary disposed	(643,170)
Cash and bank balances of subsidiary disposed	(957,420)
Cash flow on disposal, net cash disposed	(1,600,589)

The disposal has no impact on the Company's financial results and position.

14. ASSOCIATES

	Group		Company	
	2008 RM	2007 RM (restated)	2008 RM	2007 RM
Quoted shares at cost	84,817,618	94,267,618	84,817,618	94,267,618
Less: Accumulated impairment losses	-	-	(47,034,652)	(21,058,865)
	84,817,618	94,267,618	37,782,966	73,208,753
Unquoted shares at cost	10,400,000	10,400,000	10,400,000	10,400,000
	95,217,618	104,667,618	48,182,966	83,608,753
Share of post acquisition reserves	(39,353,836)	(42,544,306)	-	-
Loss arising from dilution of equity interest	(8,102,015)	(7,811,386)	-	-
	47,761,767	54,311,926	48,182,966	83,608,753
Market value of quoted shares	37,782,965	67,785,882	37,782,965	67,785,882

In the previous financial year, the quoted shares were pledged for banking facilities granted to a former subsidiary. The charge was released by the bank during the financial year.

On 1 October 2007, the Company has disposed 2.93% of equity interest in MTD ACPI Engineering Berhad comprising 5,000,000 ordinary shares of RM1 each for a total consideration of RM10,500,000.

14. ASSOCIATES (CONTD.)

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

Name of associates	Equity interest held 2008 %	Equity interest held 2007 %	Principal Activities
MTD ACPI Engineering Berhad	14.56	17.49	Investment holding and project management
Modal Ehsan Sdn Bhd	40.00	40.00	Property development

The financial statements of the above associates are coterminous with those of the Group.

The summarised financial information of the associates are as follows:

	2008 RM	2007 RM
Assets and liabilities		
Current assets	614,704,125	530,862,876
Non-current assets	275,096,646	288,227,411
Total assets	889,800,771	819,090,287
Current liabilities	(542,483,191)	(443,071,926)
Non-current liabilities	(59,420,619)	(117,603,897)
Total liabilities	(601,903,810)	(560,675,823)
Results		
Revenue	877,465,791	446,547,204
Profit/(loss) for the year	2,952,349	(78,770,000)

The details of goodwill included within the Group's carrying amount of investment in associates are as follows:

	Goodwill RM
Cost	
At 31 March 2007/2008	6,105,634

During the year, the Group and the Company performed a review of the recoverable amount of their investment in associates including the remaining amount of goodwill residing in the carrying amounts of their investments. The directors have performed test for possible impairment and based on the result of the test, no impairment loss has been recognised. The recoverable amounts were determined based on value-in-use calculations using discounted cash flow projections prepared by the management.

14. ASSOCIATES (CONTD.)

The recoverable amount of investment is determined based on value-in-use calculation using cash flow projections as approved by directors covering a five year period. The key assumptions used for the value-in-use are as follows:

Gross Margin		Growth Rate		Discount Rate	
2008	2007	2008	2007	2008	2007
11.00%	11.06%	5.00%	8.25%	8.25%	8.25%

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the budgeted gross margin from the operations of the associate.

(ii) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate for the industry.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

(iv) Sensitivity to changes in assumptions

There are reasonably no possible changes in key assumptions which could cause the carrying value of the associate to exceed its recoverable amount.

15. JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unquoted shares at cost	5,074,251	5,074,251	919,251	919,251
Share of post acquisition reserves	(512,924)	(2,408,765)	-	-
	4,561,327	2,665,486	919,251	919,251
Exchange differences	129,407	49,634	-	-
	4,690,734	2,715,120	919,251	919,251

15. JOINTLY CONTROLLED ENTITIES (CONTD.)

Details of the jointly controlled entities are as follows:

Name of company	Place of incorporation	Equity interest held 2008 %	2007 %	Principal Activities
E-Idaman Sdn Bhd	Malaysia	50	50	Provision of project management and consultancy services in the field of Solid Waste Management
Whitsundays Hermitage Pty Ltd	Australia	50	50	Property development
Sinomast Metacorp (Labuan) Ltd	Labuan	50	50	Investment holding company

The Group's aggregate share of the income, expenses, assets and liabilities of the jointly controlled entities is as follows:

	2008 RM	2007 RM
Results		
Revenue	20,422,604	9,857
Expenses, including finance costs	(18,526,763)	(1,994,981)
Assets and liabilities		
Non-current assets	202,670	439,022
Current assets	12,163,628	18,611,454
Current liabilities	(4,323,238)	(5,582,022)
Non-current liabilities	(9,052,302)	(16,453,310)
Group's share of net liabilities	(1,009,242)	(2,984,856)
Share of capital commitments (Note 35)	-	3,300,000

The details of goodwill included within the Group's carrying amount of investments in jointly controlled entities are as follows:

	RM
Cost	
At 1 April 2006	2,644,147
Exchange differences	211,235
At 31 March 2007	2,855,382
Exchange differences	71,527
At 31 March 2008	2,926,909

15. JOINTLY CONTROLLED ENTITIES (CONTD.)

During the year, the Group and the Company performed a review of the recoverable amount of their investment in jointly controlled entities including the remaining amount of goodwill residing in the carrying amounts of their investment. The recoverable amounts were determined based on value-in-use calculations using discounted cash flow projections prepared by the management.

The recoverable amount of investment is determined based on value-in-use calculation using cash flow projections as approved by directors covering a five year period. The key assumptions used for the value-in-use are as follows:

Gross Margin		Discount Rate		Growth Rate	
2008	2007	2008	2007	2008	2007
25.9%	23.5%	8.00%	8.00%	3.5%	3.5%

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate for the industry.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

(iv) Sensitivity to changes in assumptions

Management recognises that there are reasonably possible changes in key assumptions which could cause the carrying value of the investment in jointly controlled entity to exceed its recoverable amount. A reduction of 5 percentage points in the average growth rate in management's estimates would give a value-in-use of the carrying value of the jointly controlled entity.

16. OTHER INVESTMENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Investments in golf memberships, at cost	402,500	402,500	301,000	301,000

17. PREPAID LAND LEASE PAYMENTS

	Group 2008 RM	Group 2007 RM
At 1 January	472,224	477,545
Amortisation for the year	(5,321)	(5,321)
At 31 December	466,903	472,224
Analysed as:		
Long term leasehold land	466,903	472,224

18. GOODWILL

	RM
Cost	
At 1 April 2006	1,534,380
Acquisition of subsidiary	2,520,368
At 31 March 2007	4,054,748
Acquisition of subsidiary	20,254,985
At 31 March 2008	24,309,733
Accumulated impairment	
At 1 April 2006	-
Impairment loss recognised in profit and loss	3,791,349
At 31 March 2007	3,791,349
Impairment loss recognised in profit and loss	11,000,000
At 31 March 2008	14,791,349
Net carrying amount	
At 31 March 2008	9,518,384
At 31 March 2007	263,399

(a) Impairment Loss Recognised

The management has carried out a review of the recoverable amount of its subsidiaries in the current financial year which were non-profit generating. This review led to the recognition of an impairment loss of RM11,000,000 (2007: RM3,791,349). The recoverable amount was based on value-in-use and was determined at the cash-generating unit (CGU) which consists of the Sri Lankan (2007: Malaysian) based assets.

18. GOODWILL (CONTD.)

(b) Impairment Test for Goodwill

Allocation of goodwill and brands

	2008 RM	2007 RM
Granite quarry	263,399	263,399
Property development	9,254,985	-
	9,518,384	263,399

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period.

The key assumptions used for each of the CGU's value-in-use calculations are:

	Gross Margin		Growth Rate		Discount Rate	
	2008	2007	2008	2007	2008	2007
Granite quarry	12.9%	2.3%	20.0%	0.6%	9.0%	8.9%
Property development	5.8%	-	25.0%	-	17.0%	-

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate for the industry.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

(iv) Sensitivity to changes in assumptions

There are reasonably no possible changes in key assumptions which could cause the carrying value of the associate to exceed its recoverable amount.

19. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

Group	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
At 1 April 2006	-	82,739,853	33,749,030	116,488,883
Additions	3,127,000	-	2,845,177	5,972,177
Transfer to property development costs	-	(3,003,590)	(5,532,613)	(8,536,203)
At 31 March 2007	3,127,000	79,736,263	31,061,594	113,924,857
Additions	68,249,005	-	5,789,401	74,038,406
Reversal	-	(3,723,662)	-	(3,723,662)
Exchange differences	-	-	619,142	619,142
Transfer to property development costs	-	(2,096,223)	(3,879,531)	(5,975,754)
At 31 March 2008	71,376,005	73,916,378	33,590,606	178,882,989

(b) Property Development Costs

Group

At 31 March 2008

Cumulative property development costs	Leasehold land RM	Development expenditure RM	Total RM
At 1 April 2007	10,144,178	52,472,064	62,616,242
Cost incurred during the year	-	27,591,474	27,591,474
Transferred from land held for property development (Note 19 (a))	2,096,223	3,879,531	5,975,754
Reversal of completed projects	(2,182,079)	(39,836,089)	(42,018,168)
Unsold units transferred to inventories	(200,373)	(5,333,159)	(5,533,532)
At 31 March 2008	9,857,949	38,773,821	48,631,770
Cumulative cost recognised in income statements			
At 1 April 2007	(1,037,253)	(21,727,105)	(22,764,358)
Recognised during the year	(1,692,833)	(30,681,035)	(32,373,868)
Reversal of completed projects	2,182,079	39,836,089	42,018,168
At 31 March 2008	(548,007)	(12,572,051)	(13,120,058)

19. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTD.)

(b) Property Development Costs (Contd.)

Group

At 31 March 2008

Cumulative property development costs	Leasehold land RM	Development expenditure RM	Total RM
Property development costs at 31 March 2008	9,309,942	26,201,770	35,511,712

At 31 March 2007

Cumulative property development costs	Leasehold land RM	Development expenditure RM	Total RM
At 1 April 2006	9,369,794	66,303,421	75,673,215
Cost incurred during the year	-	39,943,672	39,943,672
Transferred from land held for property development (Note 19 (a))	3,003,590	5,532,613	8,536,203
Reversal of completed projects	(2,047,345)	(53,534,807)	(55,582,152)
Unsold units transferred to inventories	(181,861)	(5,772,835)	(5,954,696)
At 31 March 2007	10,144,178	52,472,064	62,616,242

Cumulative cost recognised in income statement	Leasehold land RM	Development expenditure RM	Total RM
At 1 April 2006	(1,087,143)	(35,238,910)	(36,326,053)
Recognised during the year	(1,997,455)	(40,023,002)	(42,020,457)
Reversal of completed projects	2,047,345	53,534,807	55,582,152
At 31 March 2007	(1,037,253)	(21,727,105)	(22,764,358)

Property development costs at 31 March 2007	9,106,925	30,744,959	39,851,884

20. CASH AND CASH EQUIVALENT

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Long term fixed deposits with licensed banks	1,169,000	1,131,000	-	-
Cash, deposits and bank balances	51,011,390	137,846,127	2,105,850	68,851,743
Cash and cash equivalents	52,180,390	138,977,127	2,105,850	68,851,743
Comprising:				
Cash on hand and at banks	26,911,390	31,427,426	2,105,850	115,287
Deposits with licensed banks	25,269,000	107,549,701	-	68,736,456
Cash and cash equivalents	52,180,390	138,977,127	2,105,850	68,851,743

Included in cash deposits and bank balances is an amount of RM19,080,433 (2007: RM27,909,369) deposited into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966.

Deposits with licensed bank of the Group of RM1,169,000 (2007: RM1,131,000) are pledged as securities for banking facilities granted to certain subsidiaries as disclosed in Note 29.

The weighted average effective interest rates and average maturities of the deposits at the balance sheet date ranged from 3.15% to 3.35% (2007: 2.55% to 3.30%) and 7 to 9 days (2007: 7 to 92 days) respectively.

21. INVENTORIES

	Group	
	2008 RM	2007 RM
At cost:		
Completed properties	49,956,812	45,197,561
At net realisable value:		
Granite blocks	3,698,073	1,090,295
	53,654,885	46,287,856

As at balance sheet date, inventories with carrying amounts of RM11,725,378 (2007: RM11,725,378) are leased to third party and generating income for the Group.

22. TRADE RECEIVABLES

	Group 2008 RM	Group 2007 RM
Trade receivables	8,703,423	6,061,566
Accrued billings in respect of property development costs	2,796,113	3,022,548
Retention sum	-	14,750
	11,499,536	9,098,864

The Group's normal credit term is 14 to 30 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

23. OTHER RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Due from jointly controlled entities	6,133,780	3,651,376	4,794,039	3,630,052
Less: Provision for doubtful debt	(3,461,757)	(2,844,892)	(3,461,757)	(2,844,892)
	2,672,023	806,484	1,332,282	785,160
Due from an associated company	7,696,637	1,543,860	7,696,637	1,543,860
Due from ultimate holding company	7,479	32,032	7,479	32,032
Deposits	1,271,174	2,417,036	1,008,000	1,008,000
Prepayments	557,677	521,468	18,262	7,829
Sundry receivables	835,356	3,114,947	1,240	2,910,870
	13,040,346	8,435,827	10,063,900	6,287,751

The amounts due from jointly controlled entities and the ultimate holding company are unsecured, interest-free and have no fixed terms of repayment.

The amount due from an associated company bore interest at the prevailing base lending rate of its bank on the principal sum and is repayable upon demand.

24. DUE FROM CUSTOMERS ON CONTRACTS

	2008 RM	2007 RM
Construction contract costs incurred to date	3,425,996	-
Attributable profits	121,969	-
	3,547,965	-
Less: Progress billings	(644,640)	-
	2,903,325	-
Due from customers on contracts	2,903,325	-

25. DUE FROM/(TO) SUBSIDIARIES

	Company	
	2008 RM	2007 RM
Due from subsidiaries	307,718,267	249,808,994
Less: Provision for doubtful debts	(12,903,591)	(11,953,997)
	294,814,676	237,854,997
Due to a subsidiary	(500,000)	-

The amounts due from/(to) subsidiaries are unsecured and have no fixed terms of repayment. The amounts due are interest free except for the principal amount of RM33,219,454 (2007: RM52,734,795) due from certain subsidiaries where interest are charged at the rates ranging from 3.5% to 4.5% (2007: 3.5% to 4.5%) per annum.

26. SHARE CAPITAL

	Group/Company	
	Number of Shares	Amount RM
Authorised:		
At 31 March 2007/8, representing ordinary shares of RM0.50 each	1,000,000,000	500,000,000
Issued and fully paid:		
At 1 April 2006/2007	679,275,330	339,637,665
Issued pursuant to ESOS	1,536,000	768,000
At 31 March 2008, representing ordinary shares of RM0.50 each	680,811,330	340,405,665

26. SHARE CAPITAL (CONTD.)

During the financial year, the company increased its issued and paid-up ordinary share capital of RM339,637,665 to RM340,405,665 by way of issuance of 1,536,000 ordinary shares of RM0.50 for cash pursuant to the Company's Employee Share Options Scheme at an average price of RM0.50 per ordinary share.

The ordinary shares issued rank pari passu in all respects with existing ordinary shares.

The terms of the ESOS outstanding as at the end of the financial year are as follows:

		Number of ESOS			
Grant Date	Exercise Price RM	1 April 2007	Granted	Lapsed	31 March 2008
2005					
30/06/2004	0.51	138,000	-	(138,000)	-
30/09/2004	0.50	5,000	-	(5,000)	-
31/12/2004	0.50	27,000	-	(27,000)	-
28/03/2005	0.50	5,150,000	-	(5,150,000)	-
30/06/2005	0.50	78,000	-	(78,000)	-
30/09/2005	0.50	246,000	-	(246,000)	-
28/03/2006	0.50	5,537,000	-	(5,537,000)	-
30/09/2006	0.50	18,000	-	(18,000)	-
28/03/2007	0.50	4,761,000	-	(4,761,000)	-
		15,960,000	-	(15,960,000)	-

All options expired on 27 March 2008.

Number of ESOS vested:

	2008	2007
Balance brought forward	32,127,000	21,465,000
Balance carried forward	-	32,127,000

27. RESERVES

Group	Foreign Currency Translation Reserve RM	Capital Reserve RM	Asset Revaluation Reserve RM	Total RM
At 1 April 2006	120,753	730,000	34,587	885,340
Foreign currency translation	922,587	-	-	922,587
Transfer to retained profits	-	-	(34,587)	(34,587)
At 31 March 2007	1,043,340	730,000	-	1,773,340
Foreign currency translation	1,064,657	-	-	1,064,657
At 31 March 2008	2,107,997	730,000	-	2,837,997

(a) Capital reserve

This represents a reserve set aside for bonus issues made by subsidiaries.

(b) Asset revaluation reserve

Asset revaluation reserve represents the cumulative net change in fair value of land and buildings, net of deferred tax.

(c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

28. RETAINED PROFITS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 of the Malaysian Income Tax Act, 1967 (Section 108) and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

28. RETAINED PROFITS (CONTD.)

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2008, the Company has sufficient credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire retained profits as at 31 March 2008 without having to incur additional tax liability.

29. BORROWINGS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Short Term Borrowings				
Secured:				
Revolving Credits	2,300,000	-	2,000,000	-
Term loans	10,000,000	5,000,000	-	-
Hire purchase payables	56,959	52,881	-	-
	12,356,959	5,052,881	2,000,000	-
Long Term Borrowings				
Secured:				
Term loans	25,000,000	35,000,000	-	-
Hire purchase payables	144,078	201,038	-	-
	25,144,078	35,201,038	-	-
Total Borrowing				
Revolving Credits	2,300,000	-	2,000,000	-
Term loans	35,000,000	40,000,000	-	-
Hire purchase payables	201,037	253,919	-	-
	37,501,037	40,253,919	-	-
Maturity of borrowings				
Within one year	12,356,959	5,052,881	2,000,000	-
More than 1 year and less than 2 years	10,061,038	10,056,959	-	-
More than 2 years and less than 5 years	15,083,040	25,144,078	-	-
	37,501,037	40,253,918	2,000,000	-

29. BORROWINGS (CONTD.)

The weighted average effective interest rates at the balance sheet date for these borrowings were as follows:

	Group	
	2008	2007
	%	%
Term loans	6.1 - 7.5	6.1 - 7.5
Hire purchase payables	3.9	3.9

The borrowings excluding hire purchase are secured by the following:

(a) Proportionate corporate guarantee of the Company and letter of awareness of the by the bank to a former subsidiary;

(b) First legal charge over the investment property as referred to in Note 12;

(c) Assignment of rental proceeds of the investment property;

(d) Assignment of debt reserve account and revenue account of a subsidiary, Exclusive Skycity Sdn Bhd ("ESSB");

(e) Corporate guarantee of the Company;

(f) Undertaking by the Company to ensure that ESSB remains wholly owned by the Company and that ESSB is in the position to meet its financial obligations on a timely basis;

(g) Assignment of insurance proceeds in relation to the investment property; and

(h) Fixed deposits as disclosed in Note 20.

Details of the hire purchase are as follows:

	Group	
	2008	2007
	RM	RM
Future minimum lease payments:		
Not later than 1 year	68,412	68,412
Later than 1 year and not later than 2 years	68,412	68,412
Later than 2 years and not later than 5 years	86,528	154,941
Total future minimum lease payment	223,352	291,765
Less: Future finance charges	(22,315)	(37,846)
Present value of finance lease liabilities	201,037	253,919

29. BORROWINGS (CONTD.)

	Group 2008 RM	Group 2007 RM
Analysis of present value of finance lease liabilities:		
Not later than 1 year	56,959	52,881
Later than 1 year and not later than 2 years	61,038	56,960
Later than 2 years and not later than 5 years	83,040	144,078
	201,037	253,919
Less: Amount due within 12 months	(56,959)	(52,881)
Amount due after 12 months	144,078	201,038

30. DEFERRED TAX LIABILITIES

	Group 2008 RM	Group 2007 RM
At beginning of the year	1,535,856	1,441,180
Recognised in the income statement (Note 7)	141,784	94,676
At end of the year	1,677,640	1,535,856
Presented after appropriate offsetting as follows:		
Deferred tax assets	(15,114,219)	(15,114,219)
Deferred tax liabilities	16,791,859	16,650,075
	1,677,640	1,535,856

Deferred tax liabilities of the Group:

	Capital allowances in excess of depreciation RM	Total RM
At 1 April 2006	16,555,399	16,555,399
Recognised in the income statement	94,676	94,676
At 31 March 2007	16,650,075	16,650,075
Recognised in the income statement	141,784	141,784
At 31 March 2008	16,791,859	16,791,859

30. DEFERRED TAX LIABILITIES (CONTD.)

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM	Total RM
At 1 April 2006/31 March 2008	(15,114,219)	(15,114,219)

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

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Unutilised tax losses	13,544,158	9,634,202	-	-
Unabsorbed capital allowances	1,618,508	986,221	-	-
Provisions	-	6,596,973	-	-
Others	132,472	(649)	11,310	(1,943)
	15,295,138	17,216,747	11,310	(1,943)

The unutilised tax losses and unabsorbed capital allowances are available for offsetting against future taxable profits of the subsidiaries in which those items arose subject to no substantial changes in shareholdings under Section 44 (5A) & (5B) of the Income Tax Act, 1967. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

31. TRADE PAYABLES

	Group 2008 RM	Group 2007 RM
Trade payables	1,253,155	1,020,191
Related companies	12,618,953	-
Progress billings in respect of property development cost	1,680,164	3,147,123
	15,552,272	4,167,314

The normal trade credit terms granted to the Group range from 30 to 90 (2007: 30 to 90) days.

32. OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Due to a former director of a subsidiary	205,117	205,117	-	-
Due to related companies	18,297,901	1,273,093	2,997	34,619
Due to holding company	5,536	4,768,425	-	-
Deposits	2,500	2,068,806	2,500	2,500
Accruals	5,915,670	10,955,316	194,296	2,567,108
Sundry payables	1,816,006	10,927,703	22,137	142,016
Retention sum	-	3,000	-	-
	26,242,730	30,201,460	221,930	2,746,243

The amounts due to a former director of a subsidiary, related and holding companies are unsecured, interest free and have no fixed terms of repayment.

Under the Alienation Agreement dated 10 October 1994 ("Alienation Agreement") between a subsidiary and the Government of the State of Melaka ("State Govt."), the subsidiary is obliged to reimburse the State Govt. the additional compensation for land acquisition payable by the State Govt. pursuant to referrals made to the High Court by owners of the Private Land ("said owners"), less the consideration paid by the subsidiary to the State Govt. In 1996 and 1997, the Melaka High Court ("the Court") awarded a total of RM14,214,000 as additional compensation to the said owners pursuant to eighty (80) Consent Judgements agreed to by and between the State Govt. on the outcome of those cases which are pending appeal ("the appeal cases").

The final amount to be reimbursed will be dependent upon the decision of the Court. Based on the previous awards made by the Court and subject to the provisions of the Alienation Agreement, the subsidiary estimated that the amount reimbursable to the State Govt. will not exceed RM7,000,000 and provision for this sum has been made in the financial statements.

In prior years, RM3,282,000 has been awarded and paid by the nominated subsidiary, Metacorp Development Sdn. Bhd. ("Metacorp Development").

During the year, Metacorp Development has reversed out the balance of provision as all appeal cases has been paid by the nominated subsidiary and there were no new cases seeking for compensation.

33. PROVISION FOR POTENTIAL DAMAGES

	Group/Company
	RM
At 1 April 2006	94,599,168
Reversal of provision	(94,599,168)
At 31 March 2007/2008	-

33. PROVISION FOR POTENTIAL DAMAGES (CONTD.)

Pursuant to the withdrawal by MTD InfraPerdana Bhd of its notice to Metacorp dated 17 February 2006 by reason of, inter alia, the judgement by the Federal Court on 19 July 2007 in Metramac v Fawziah, setting aside the whole judgement of the Court of Appeal dated 12 January 2006 and in essence restoring the decision of the High Court dated 21 October 2003, the provision for potential damages made by the Group and the Company has been reversed.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest receivable from subsidiaries	-	-	1,626,691	2,079,523
Interest receivable from associates	-	-	363,859	-
Gross dividend income received from associate	-	-	387,348	387,342
Purchase of plant and equipment from related companies	-	620,646	-	-
Management fee receivable from an associate	384,378	-	-	-
Management fee receivable from related company	312,850	-	-	-
Sales of product to a related company	837,582	-	-	-
Insurance premium and brokerage fees payable to affiliated company, Alloy Insurance Brokers Sdn. Bhd.*	285,104	309,426	-	41,265

* Alloy Insurance Brokers Sdn. Bhd. is a subsidiary of Alloy Consolidated Sdn. Bhd., which in turn is a major shareholder of the ultimate holding company, MTD Capital Bhd. This company is also deemed related to the Group as Datin Nik Fuziah Binti Nik Hussain, (the spouse of Dato' Azmil Khalili Bin Dato' Khalid and the daughter of Dato' Dr. Nik Hussain Bin Abdul Rahman), has financial interest in this company.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(b) Compensation of key management personnel

The remuneration of directors and other member of key management during the year was as follows:

	Group	
	2008	2007
	RM	RM
Short-term employee benefits	855,054	663,944
Defined contribution plan	115,230	91,151
	970,284	755,095

Included in the total key management personnel are:

	Group	
	2008	2007
	RM	RM
Directors' remuneration	335,475	244,008

Executive directors of the Group and of the Company and other members of key management have been granted the following number of options under the Employee Share Options Scheme ("ESOS"):

	Group/Company	
	2008	2007
	RM	RM
At 1 April	2,508,000	1,872,000
Granted	-	636,000
Exercised	(1,008,000)	-
Expired	(1,500,000)	-
At 31 March	-	2,508,000

35. COMMITMENTS

(a) Capital Commitments

As at balance sheet date, the Group has the following capital commitments:

	Group 2008 RM	Group 2007 RM
Capital expenditure approved and contracted for property development expenditure	29,553,000	1,675,990
Share of capital commitments of jointly controlled entities (Note 15)	-	3,300,000
	29,553,000	4,975,990

(b) Non-Cancellable Operating Lease Commitments - Group as Lessor

	Group 2008 RM	Group 2007 RM
Future minimum rentals receivables:		
Not later than 1 year	7,493,079	6,811,890
Later than 1 year and not later than 5 years	26,225,777	27,247,560
Later than 5 years	-	3,122,116
	33,718,856	37,181,566

The Group has entered into a commercial property lease on its investment property. The lease has remaining non-cancellable lease term of 4 1/2 (2007: 5 1/2) years. The lease includes a clause to enable a revision of the rental charge at the expiry of every 3 years. The revised rental charges shall not be more than 10% above or below the previous rental charge.

36. CONTINGENT LIABILITIES

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Unsecured:				
(i) Corporate guarantees to licensed banks for credit facilities granted to certain subsidiaries	-	-	79,000,000	79,000,000
(ii) Corporate guarantees to licensed banks for credit facilities granted to a former subsidiary (1)	-	7,308,000	-	7,308,000

36. CONTINGENT LIABILITIES (CONTD.)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
(iii) Corporate guarantees to licensed banks for credit facilities granted to a related company [1]	-	90,000,000	-	90,000,000
	-	97,308,000	79,000,000	176,308,000

[1] The charges on the assets of the Group and the Company were released by the respective banks/financiers during the year.

37. PRIOR YEAR ADJUSTMENT

(a) Investment in Associate

During the year, the associate company, MTD ACPI Engineering Berhad, made provisions for obligations in respect of benefits that its employees have earned in return for their service in the current and prior year under a defined benefit Retirement Benefit Scheme of the associated company. These obligations were not provided for previously and accordingly, this non-recognition has been accounted for retrospectively and as disclosed in Note 37(b) below, certain comparatives have been restated.

(b) Effect of Prior Year Adjustment

	Group	
	2008 RM	2007 RM
Effect on retained profits:		
Opening balance, as previously stated	80,399,749	12,501,374
Effect of prior year adjustment on share of profit of associate	(101,357)	-
At beginning of the year, as restated	80,298,392	12,501,374
Effect on net profit for the year:	4,487,826	75,675,174
Effect of prior year adjustment on share of profit of associate	-	(101,357)
Net profit after prior year adjustment	4,487,826	75,573,817

Comparatives as at 31 March 2007 have been restated as follows:

	As previously stated RM'000	Adjustment RM'000	Restated RM'000
Investment in associates	54,413,283	(101,357)	54,311,926
Retained profits	80,399,749	(101,357)	80,298,392

38. MATERIAL LITIGATION

(a) Claim from MTD InfraPerdana Bhd

The Company had on 1 December 2005, completed the sale of Metramac Corporation Sdn Bhd ("Metramac") to a related company, MTD InfraPerdana Bhd ("MTD InfraPerdana") for a cash consideration of RM245 million. At that time, Metramac was involved in a litigation suit with Fawziah Holdings Sdn Bhd ("Fawziah").

Subsequent to the disposal, the Company received a notice dated 17 February 2006 from MTD InfraPerdana stating that it will seek compensation for losses and damages suffered in the event the Federal Court gives judgement in favour of Fawziah ("the said Notice"). Details of the litigation are provided below:

As a result of the purported repudiation on the part of a former subsidiary, Metramac and acceptance of the repudiation by Fawziah of the Signage Sub-License Agreement dated 2 November 1990 (as amended by an amending agreement dated 15 December 1990) ("Signage Agreement"), a claim for inter-alia, RM65,182,920 as compensation for loss of advertising rights and an account with consequential directions of all profits, monies or other benefits received by Metramac under the Replacement Concession Agreement plus general damages was made against Metramac by Fawziah. Metramac contested the claim and filed a counter claim for a declaration that the Signage Agreement is null and void and of no effect and a declaration that the provisions under the Sale Agreement dated 31 March 1988 between Metramac and Fawziah which purports to create a trust in favour of Fawziah over all profits, monies or other benefits received by Metramac under its future contracts is null and void. The High Court delivered its judgement on 21 October 2003 and held inter-alia that:

(i) In failing to honour its obligation under the Signage Agreement, Metramac had committed a breach to which Fawziah would have a right to claim damages for the loss of advertising rights conferred in the Signage Agreement;

(ii) However, Fawziah is not entitled to be compensated to the fixed sum of RM65,182,920 claimed by it as the said claim is unenforceable for having contravened Section 75 of the Contracts Act, 1950;

(iii) Instead, damages were ordered by the High Court to be assessed in respect of the loss suffered by Fawziah taking into account the duration of the Replacement Concession Agreement dated 13 February 1992, any advertising rights that may have been granted therein;

(iv) Clause 9.5 of the Sale Agreement dated 31 March 1988 between Metramac and Fawziah which purports to create a trust in favour of Fawziah over all profits, monies or other benefits received by Metramac from its future contracts is void; and

(v) Metramac's counter claim was dismissed with costs.

Metramac and Fawziah appealed the above judgement of the High Court to the Court of Appeal.

The Appeals were heard on 30 August 2005 and the Court of Appeal in its judgement dated 12 January 2006 made the following orders:

(i) Judgement to be entered in Fawziah's favour and against Metramac for the sum of RM65,182,920;

(ii) Interest on the aforesaid judgement at the rate of 4% per annum from the date of the Writ of Summons, 7 March 1995 until 12 January 2006 and thereafter at 8% per annum;

38. MATERIAL LITIGATION (CONTD.)

(a) Claim from MTD InfraPerdana Bhd (Contd.)

(iii) There shall be an inquiry to be held before the registrar of the High Court into the sums received by Metramac from any source under the Replacement Concession Agreement dated 13 February 1992 less all such just and true expenses as the Registrar may in accordance with law permit;

(iv) The parties be at liberty to lead evidence before the Registrar at the enquiry aforesaid;

(v) The Registrar shall after due inquiry certify the sum so received as aforesaid by Metramac;

(vi) The sum certified by the Registrar together with interest thereon at the rate of 4% per annum, simple interest with effect from the date of the Writ shall be paid by Metramac to Fawziah;

(vii) All parties shall be generally at liberty to apply to the High Court in respect of any or all of the orders (iii) to (vi) above; and

(viii) Costs of Appeals are to be borne by Metramac.

The Court of Appeal on 1 March 2006 granted Metramac a conditional stay of the above judgement.

On 15 May 2006, the Federal Court granted to Metramac leave to appeal against the Court of Appeal Judgement dated 12 January 2006 (''Judgement of the Court of Appeal") and further granted Metramac a conditional stay of the Judgement of the Court of Appeal.

Metramac has accrued for an amount of RM94,599,168 in respect of the judgement on advertising loss with interest. The inquiry by the High Court Registrar on the sums received by Metramac under the Replacement Concession Agreement less all just expenses, has yet to be quantified. The Metramac's appeal against the judgement of the Court of Appeal was heard by the Federal Court on 11 July 2006 until 14 July 2006 and on 2 August 2006.

The appeal came up for decision on 19 July 2007 whereon the Federal Court set aside the entire judgement of the Court of Appeal on grounds that there was a real danger of bias as seen from the written Court of Appeal Judgement.

The Federal Court proceeded to determine the case on the merits and made the following orders:

(a) that Metramac was liable to Fawziah for breach of contract in relation to the advertising rights;

(b) that damages are to be assessed in respect of the loss of advertising rights suffered by Fawziah taking into account the advertising rights granted under the Replacement Concession Agreement;

(c) that Fawziah claim for future contracts be dismissed; and

(d) that Metramac be paid half of the costs in the Federal Court and Court of Appeal.

In essence, the above judgement more or less substantially restores the judgement of the High Court dated 21 October 2003.

38. MATERIAL LITIGATION (CONTD.)

(a) Claim from MTD InfraPerdana Bhd (Contd.)

MTD InfraPerdana vide its letter dated 26 July 2007 withdrew the said Notice based on the opinion of the solicitors that by reason of the Federal Court Judgement and on the basis that the potential liability of Metramac in respect of the award for damages for loss of advertising rights will not exceed that disclosed by the Company to MTD InfraPerdana Bhd the purposes of the Share Sale Agreement, MTD InfraPerdana Bhd does not have cause of action against the Company for breach of warranties. Pursuant to the withdrawal, the provision for potential damages of RM 94,599,168 made by the Company during the financial year ended 31 March 2006 was reversed in the previous financial year.

As at the date of this report, Fawziah has yet to commence any proceedings at the High Court to assess the damages awarded by the Federal Court in respect of the loss of advertising rights granted under the Replacement Concession Agreement. Hence, the quantum of damages for loss of advertising rights awarded to Fawziah remains uncertain.

(b) Claim in Respect of Tanjung Api-Api Port Project

The Company has filed a civil suit against Dato' Nasaruddin bin Abdul Jalil, Rank Arena Sdn Bhd and PT Orient Technology Indonesia ("Defendants") at Shah Alam High Court seeking refund of the earnest money amounting to RM1,000,000 ("Earnest Money") which was paid pursuant to a letter of intent dated 3 January 2006 ("Letter of Intent") entered into between the Company and Dato' Nasaruddin bin Abdul Jalil, Rank Arena Sdn Bhd & PT Orient Technology Indonesia ("Defendants") for the purposes of purchasing an equity stake in Tanjung Api-Api Port Limited, a company incorporated in Labuan ("Proposed Transaction").

The claim against the Defendants arises due to their capacity as joint and several guarantors pursuant to the Letter of Intent. As the Company decided not to proceed with the Proposed Transaction, the Company sought refund of the Earnest Money from the Defendants. The Defendants had failed to make payments despite demands issued by the Company and its solicitors.

The Company had filed an application to serve the writ of summons against PT Orient Technology Indonesia out of jurisdiction and had on 12 April 2007 obtained order in terms. The Company's solicitors have been advised by its agents in Indonesia that under Indonesian Law, the writ of summons has to be served on PT Orient Technology by way of diplomatic channels. The Company is currently considering whether to proceed with its claim against PT Orient Technology.

The Company has learnt that Dato' Nasaruddin bin Abdul Jalil has since passed away. The Company's solicitors have obtained a confirmation from the Kuala Lumpur High Court that no letter of administration or a grant of probate has been issued in respect of his estate. The Company's solicitors have since contacted Amanah Raya Berhad to seek their consent as to whether they are willing to act as the administrator of Dato' Nasaruddin bin Abdul Jalil's estate. Amanah Raya Berhad has since reverted with a list of conditions that will need to be complied with before they formally gave their consent to act as the administrator. The Company's solicitors are currently attending to the necessary requirements set by Amanah Raya Berhad.

The Company has also obtained a judgement against Rank Arena Sdn Bhd on 16 July 2007. The sealed judgement has been duly served on Rank Arena. The Company has now instructed its solicitors to commence winding-up proceedings against Rank Arena and the Section 218 Statutory Notice under Companies Act, 1965 has been served on Rank Arena Sdn Bhd. The Company's solicitors will be filing the winding-up petition in Court shortly.

38. MATERIAL LITIGATION (CONTD.)

(c) Others

(i) Sazali Wahab & Co. ("SW") filed a civil suit in Kuala Lumpur High Court against a subsidiary for defamation demanding RM1,000,000 as damages. The subsidiary filed an application to strike out SW's defamation suit under Order 18 of Rule of High Court 1980 on 22 March 2004. SW raised a Preliminary Objection against the application which was dismissed by the Deputy Registrar without costs. The subsidiary appealed against the Deputy Registrar's decision of not granting the costs. Meanwhile, the Deputy Registrar had on 17 May 2005 allowed the subsidiary's striking out application with cost and SW has filed against this decision. On 1 December 2005, the High Court allowed the subsidiary's appeal and dismissed SW's appeal with costs. SW did not file any appeal against this decision and the subsidiary will take steps to recover its costs for the proceedings.

(ii) On 7 July 2005, a Notice of Demand under Section 218 of the Companies Act, 1965 was served on a subsidiary of the Company. The Notice purports to state that there is an admitted debt of RM205,117 owing by the subsidiary to a former director. The subsidiary is of the view that the purported claim is not presently due and payable as it has no fixed repayment terms and any repayment is subject to certain conditions that have not been fulfilled. Nevertheless, the amount has already been accrued in the subsidiary's financial statements. To date, there is no further action taken by the former director.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are summarised as follows:

(a) On 13 July 2007, PT. Cigading International Bulk Terminal ("CIBT"), a 95% subsidiary of Sinomast Metacorp (Labuan) Ltd, which in turn is a 50% owned company of Metacorp Berhad, has entered into a Cooperation Agreement on Development, Running and Operation of Coal Terminal In Cigading Port Area, Cilegon, Banten, Indonesia ("Cooperation Agreement") with PT. Kratatau Bandar Samudera ("KBS") wherein CIBT is granted the exclusive right to carry out the development, running and operation of coal terminal for the loading, stacking and discharging of coal in the Cigading Port area for the purpose of international trade with the cooperation period of 20 years as of the date when all conditions precedent as stipulated in the Cooperation Agreement are fulfilled ("Effective Date") and shall be automatically expended for a total period of 32 years as of the Effective Date, once it is approved by KBS general shareholder(s) meeting.

(b) On 18 September 2007, a wholly-owned subsidiary, Wonderful Haven Sdn. Bhd., entered into separate sale and purchase agreements with Rizaimaju Sdn Bhd, Improdex Sdn Bhd, Novel Point Sdn. Bhd., Pelantar Asia (M) Sdn. Bhd. and Koh Kim Teck to acquire 11 pieces of vacant freehold land located in a residential area in the Mukim of Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan with an aggregate land area of approximately 24,536 square meters for an aggregate purchase consideration of RM66,025,762.50 only upon the terms and conditions stipulated in the sale and purchase agreements. The acquisitions were completed on 24 December 2007.

(c) On 6 February 2008, the Company had completed the acquisition of 15,000,000 ordinary shares of Rps.10 each representing 75% of the entire enlarged issued and paid-up share capital of Wincon Development Ceylon (Private) Ltd from Pembinaan Wincon Sdn. Bhd..

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTD.)

(d) On 26 February 2008, the Company had announced that it has received a proposal from MTD Capital Bhd ("MTD Capital") setting out MTD Capital's request for the Company to undertake a selective capital repayment exercise under Section 64 of the Companies Act ("Proposed SCR"). On 10 April 2008, the Company had announced that it has decided to accept MTD Capital's request which will result in the Company being taken private. Concurrently, the Company and MTD Capital entered into a selective capital repayment agreement in respect of the Proposed SCR ("SCR Agreement") whereby MTD Capital will grant an interest-free loan to the Company amounting to RM71.19 million for the purpose of funding in full, the repayment of the cash amount under the Proposed SCR. Upon completion of the Proposed SCR, MTD and Lambang Simfoni Sdn Bhd ("LSSB"), a wholly-owned subsidiary of MTD, will have 100% equity interest in the Company.

On 17 July 2008, the Company annouced that the Ministry of International Trade and Industry, via its letter dated 16 July 2008, has no objection to the Proposed SCR, subject to the Company obtaining the Securities Comission's approval for the proposed SCR and to adhere to the Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests.

40. SUBSEQUENT EVENT

On 7 May 2008, the Company had announced that the Joint Venture Agreement dated 30 May 2006 between a wholly owned subsidiary, MTD Sadec Sdn Bhd and Saigon Jewelry Holding Corporation was deemed terminated due to non-fulfillment of certain condition regarding the development terms by Saigon Jewelry Holding Corporation.

41. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. It is the Group's policy not to engage in speculative transactions.

(b) Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers, which yield better returns than cash at bank.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowing at floating rates exposes the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

41. FINANCIAL INSTRUMENTS (CONTD.)

(c) Foreign Exchange Risk

The Group operates internationally and is exposed mainly to the Australian Dollar and United States Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than the functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net financial assets/(liabilities) held in non-functional currency			
Functional currency of group companies	Sri Lanka Rupee RM	United States Dollar RM	Australian Dollar RM	Total RM
At 31 March 2008				
Ringgit Malaysia	(10,110,341)	505,082	(1,227,304)	(10,832,563)
At 31 March 2007				
Ringgit Malaysia	-	926,601	(3,482,254)	(2,555,653)

(d) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

(e) Fair Values

Unless otherwise disclosed in the notes to the financial statements, the carrying amounts of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and of the Company as at the end of the financial year are represented as follows:

41. FINANCIAL INSTRUMENTS (CONTD.)

(e) Fair Values (Contd.)

	Note	Group Carrying amount RM	Group Fair value RM	Company Carrying amount RM	Company Fair value RM
Financial Assets					
At 31 March 2008:					
Investments	16	402,500	475,760	301,000	433,760
Due from jointly controlled entities	23	2,672,023	**	1,332,282	**
Due from subsidiaries	25	-	-	294,814,676	*
At 31 March 2007:					
Investments	16	402,500	323,100	301,000	278,000
Due from jointly controlled entities	23	806,484	**	785,160	**
Due from subsidiaries	25	-	-	237,854,997	*
Financial Liabilities					
At 31 March 2008:					
Due to former director of a subsidiary	32	205,117	**	-	-
Due to related companies	32	18,297,901	**	2,997	**
Due to a subsidiary	25	-	-	500,000	**
Hire purchase payables	29	201,037	200,230	-	-
At 31 March 2007:					
Due to former director of a subsidiary	32	205,117	**	-	-
Due to related companies	32	1,273,093	**	34,619	**
Hire purchase payables	29	253,919	253,355	-	-

* It is not practicable to estimate the fair value of the amount due from/(to) subsidiaries due to lack of repayment terms and without having to incur excessive costs. However, the directors do not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the value that would eventually be received or settled.

** Whilst the amounts due from/(to) jointly controlled entities, shareholders and a director of a subsidiary and related companies have no fixed repayment terms, the directors do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

41. FINANCIAL INSTRUMENTS (CONTD.)

(e) Fair Values (Contd.)

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

(i) Cash and Cash Equivalents, Receivables and Payables

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

(ii) Quoted Investments

The fair value of quoted investments is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) Term loan

The carrying amounts approximate their fair values due to the effective interest rate of the term loan approximates the prevailing market rate.

42. SEGMENT INFORMATION

Business Segment:

	Continuing Operations					
	Property development RM	Property investment RM	Other operations RM	Investment holding RM	Elimination RM	Total RM
2008						
Revenue						
External	47,637,468	7,862,056	924,352	-	-	56,423,876
Inter-segment	-	-	-	1,626,691	(1,626,691)	-
Total revenue	47,637,468	7,862,056	924,352	1,626,691	(1,626,691)	56,423,876
Results						
Segment results	12,805,043	6,277,990	(1,167,210)	3,965,385	-	21,881,208
Unallocated corporate expense						(11,000,000)
Operating profit						10,881,208
Finance costs						(2,817,349)
Share of results of associates						10,203
Share of results of jointly controlled entities						1,895,841
Income tax expense						(5,492,078)
Net profit for the year						4,477,825
Assets and liabilities						
Segment assets	331,378,386	82,224,507	6,774,277	15,541,811	-	435,918,981
Investments in equity method of associates				47,761,767	-	47,761,767
Investments in equity method of jointly controlled entities				4,690,734	-	4,690,734
Unallocated corporate assets				10,570,389	-	10,570,389
Consolidated total assets						498,941,871
Segment liabilities	38,767,808	36,845,190	2,412,446	2,948,235		80,973,679
Unallocated liabilities						292,217
Consolidated total liabilities						81,265,896
Other information						
Capital expenditure	41,626	-	100,418	92,937		234,981
Depreciation and amortisation	301,598	1,100,000	656,149	272,584		2,330,331
Impairment losses	-	-	-	11,000,000		11,000,000
Non-cash expenses other than depreciation, amortisation and impairment losses	-	-	7	617,529		617,536

42. SEGMENT INFORMATION (CONTD.)

Business Segment: (Contd.)

	Continuing Operations						Discontinued Operation	
	Property development RM	Property investment RM	Other operations RM	Investment holding RM	Elimination RM	Total RM	Energy RM	Total RM
2007								
Revenue								
External	65,124,129	13,705,094	135,850	-	-	78,965,073	12,247,345	91,212,418
Inter-segment	-	-	28,852	2,466,865	(2,495,717)	-	-	-
Total revenue	65,124,129	13,705,094	164,702	2,466,865	(2,495,717)	78,965,073	12,247,345	91,212,418
Results								
Segment results	12,332,035	5,237,254	(1,790,682)	(17,026,447)	17,825,282	16,577,442	(729,934)	15,847,508
Unallocated corporate expense						(3,791,349)	-	(3,791,349)
Operating profit						12,786,093	(729,934)	12,056,159
Finance costs						(2,666,427)	(4,625,354)	(7,291,781)
Reversal of provision for potential damages						94,599,168	-	94,599,168
Share of results of associates						(13,840,569)	-	(13,840,569)
Share of results of jointly controlled entities						(1,985,124)	-	(1,985,124)
Income tax expense						(7,964,036)	-	(7,964,036)
Net profit/(loss) for the year						80,929,105	(5,355,288)	75,573,817

42. SEGMENT INFORMATION (CONTD.)

Business Segment: (Contd.)

	← Continuing Operations					→	Discontinued Operation	
	Property development RM	Property investment RM	Other operations RM	Investment holding RM	Elimination RM	Total RM	Energy RM	Total RM
2007								
Assets and liabilities								
Segment assets	271,345,352	84,242,733	4,116,257	80,121,371	-	439,825,713		439,825,713
Investments in equity method of associates				54,311,926	-	54,311,926		54,311,926
Investments in equity method of jointly controlled entities				2,715,120	-	2,715,120		2,715,120
Unallocated corporate assets						1,015,187		1,015,187
Consolidated total assets						497,867,946		497,867,946
Segment liabilities	28,068,692	40,114,959	4,027,923	3,946,975	-	76,158,549		76,158,549
Consolidated total liabilities						76,158,549		76,158,549
Other information								
Capital expenditure	22,874	-	1,405,468	1,083		1,429,425	156,630	1,586,055
Depreciation and amortisation	184,849	1,100,000	585,741	218,503		2,089,093	4,298,295	6,387,388
Impairment losses	-	-	-	3,791,349		3,791,349	-	3,791,349
Non-cash expenses other than depreciation, amortisation and impairment losses	-	-	911	(94,418,632)		(94,417,721)	54,171	(94,363,550)

list of properties

Held by the Group as at 31 March 2008

List of Properties	Acquisition Date	Description	Exisiting Use	Tenure	Land Area / Built- up	Age	Net Book Value (RM'000)
Malaysia							
No 15 - B GCB court Jalan Ampang Kuala Lumpur	14-Mar-91	Apartment	Residential Building	Freehold	1,596 sq. ft.	21 years	266
Mukim of Durian Tunggal Alor Gajah & Mukim of Bukit Katil Melaka Tengah, Melaka	10-Oct-94	Vacant	Proposed Development	Leasehold expiring 2098	1,015.28 acres	-	55,625
Mukim of Bukit Katil Melaka Tengah, Melaka	10-Oct-94	Mixed Development	On going Development	Leasehold expiring 2097	141.25 acres	-	10,311
PT8147 Jalan TU2 Taman Tasik Utama Ayer Keroh, Melaka	13-Jan-01	Single Storey Office Building	Sales Office	Leasehold expiring 2097	39,373 sq. ft.	8 years	1,548
Bangunan Shell Malaysia Menara B, Lot 51452 Along Changkat Semantan Off Jalan Semantan Damansara Heights 50490 Kuala Lumpur	18-Apr-03	Office Building	Rental	Freehold	35,345 sq. mt.	21 years	49,958
Lot 40512 & 40513 Mukim & District of Kuala Lumpur Wilayah Persekutuan	22-Jul-05	Vacant Land	Proposed Development	Freehold	22,798 sq. ft.	-	5,129
Lot 40511 Mukim & District of Kuala Lumpur Wilayah Persekutuan	19-May-06	Vacant Land	Proposed Development	Freehold	1,162 sq. mt.	-	3,127
Lot no. 52293 to 52297 and lot no. 52303 to 52308 Mukim & District of Kuala Lumpur Wilayah Persekutuan	18-Sep-07	Vacant Land	Proposed Development	Freehold	24,536 sq. mt.	-	66,026
Overseas							
16-26, Wreckyn Street North Melbourne, Australia	06-Mar-06	Vacant Land	Proposed Residential	Freehold	1,113 sq. mt.	-	9,047
84-96 Dow Street, Port Melbourne, Australia	06-Sep-07	Vacant Land	Proposed Residential	Freehold	1,227 sq. mt.	-	7,352
Lot 101 Blue Horizon Resort Apartment Airlie Beach, Queensland, Australia	26-Nov-07	Penthouse	Rental	Freehold	257 sq. mt.	1 year	2,275
Lot 261 Blue Horizon Resort Apartment Airlie Beach, Queensland, Australia	26-Nov-07	Apartment	Rental	Freehold	163 sq. mt.	1 year	4,309

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of the Company will be held at its Registered Office at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan on Wednesday, 24 September 2008 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2008 together with the Reports of the Directors and Auditors thereon. (Resolution 1)

2. To declare a Final Dividend of 1 sen per share less 25% income tax for the financial year ended 31 March 2008. (Resolution 2)

3. To re-elect Dato' Ir. A. Rashid bin Omar who retires in accordance with Article 100 of the Company's Articles of Association. (Resolution 3)

4. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965:-

   (a) Dato' Dr. Nik Hussain bin Abdul Rahman (Resolution 4)
   (b) Dato' Yu Wen Chieh (Resolution 5)

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

As Special Business

To consider and, if thought fit, with or without modification, to pass the following resolutions:-

6. Ordinary Resolution

   "That the payment of Directors' fees for the financial year ended 31 March 2008 be approved." (Resolution 7)

7. Ordinary Resolution
   Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

   "That, subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Act to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company. " (Resolution 8)

8. Ordinary Resolution
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"That, subject to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with those related parties as specified in Section 2.1.3 of the Circular to Shareholders dated 2 September 2008, subject further to the following:-

(i) the transactions are in the ordinary course of business which are necessary for the day-to-day operations of the Company and its subsidiaries and are on normal commercial terms not more favourable to related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and

(iii) such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless renewed by an ordinary resolution passed by the shareholders of the Company at that general meeting of the Company;
(b) the expiry of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to this ordinary resolution." (Resolution 9)

9. **Ordinary Resolution**
Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature

"That, subject to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into new recurrent related party transactions of a revenue or trading nature with those related parties as specified in Section 2.1.3 of the Circular to Shareholders dated 2 September 2008, subject further to the following:-

(i) the transactions are in the ordinary course of business which are necessary for the day-to-day operations of the Company and its subsidiaries and are on normal commercial terms not more favourable to related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

(ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and

(iii) such approval shall continue to be in force until:-

(a) the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse, unless renewed by an ordinary resolution passed by the shareholders of the Company at that general meeting of the Company;
(b) the expiry of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to this ordinary resolution." (Resolution 10)

10. **Special Resolution**
Proposed Amendments to the Articles of Association of the Company

"That the Articles of Association of the Company be amended in the manner as set out in Appendix I of the Circular to Shareholders dated 2 September 2008." (Resolution 11)

11. To transact any other ordinary business of which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twenty-Fifth Annual General Meeting, a Final Dividend of 1 sen per share less 25% income tax for the financial year ended 31 March 2008 will be paid on 31 October 2008 to Depositors who are registered in the Record of Depositors at the close of business on 10 October 2008.

A Depositor shall qualify for entitlement to the dividends only in respect of:-

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 10 October 2008 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Chan Bee Kuan (MAICSA 7003851)
Company Secretary

Selangor Darul Ehsan
2 September 2008

Explanatory Notes to Special Business:

Directors' Fees

The Resolution 7, if passed, will authorise the payment of Directors' fees pursuant to Article 88 of the Articles of Association of the Company.

Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The Resolution 8, if passed, will give powers to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Resolutions 9 and 10, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties in the ordinary course of business which are necessary for day-to-day operations and on normal commercial terms which are not more favourable to related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The details of the proposed mandate are set out in the Circular to Shareholders dated 2 September 2008.

Proposed Amendments to the Articles of Association of the Company

The Proposed Amendments to the Articles of Association of the Company is in the best interest of the Company.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint at least one (1) proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
3. The instrument appointing a proxy or proxies, in the case of an individual, shall be signed by the appointer or his/her attorney duly authorised, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

statement accompanying notice of annual general meeting

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Twenty-Fifth Annual General Meeting of the Company.

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METACORP
(A Member of the MTD Group)

FORM OF PROXY

Number of shares held	CDS Account No.

*I/We,____*NRIC No./Company No______________________________
(FULL NAME IN BLOCK LETTERS)

of____
(FULL ADDRESS)

being a *member/members of METACORP BERHAD, hereby appoint______________________________________

____NRIC No______________________________________
(FULL NAME IN BLOCK LETTERS)

of____
(FULL ADDRESS)

or,*failinghim/her,______________________________NRIC No______________________________________
(FULL NAME IN BLOCK LETTERS)

of____
(FULL ADDRESS)

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Twenty-Fifth Annual General Meeting of the Company to be held at the Registered Office of the Company at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan on Wednesday, 24 September 2008 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
1	To receive the Audited Financial Statements for the financial year ended 31 March 2008 together with the Reports of the Directors and Auditors thereon.		
2	To declare a Final Dividend of 1 sen per share less 25% income tax for the financial year ended 31 March 2008.		
3	To re-elect Dato' Ir. A. Rashid bin Omar who retires in accordance with Article 100 of the Company's Articles of Association.		
4	To re-appoint Dato' Dr. Nik Hussain bin Abdul Rahman who retires pursuant to Section 129(6) of the Companies Act, 1965.		
5	To re-appoint Dato' Yu Wen Chieh who retires pursuant to Section 129(6) of the Companies Act, 1965.		
6	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7	To approve the payment of Directors' fees for the financial year ended 31 March 2008.		
8	Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965.		
9	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
10	Proposed New Shareholders' Mandate for New Recurrent Related Party Transactions of a Revenue or Trading Nature.		
11	Proposed Amendments to the Articles of Association of the Company.		

* Strike out whichever not applicable

As witness my/our hand(s) this____________day of________________, 2008

____
Signature of Member/Common Seal

Notes:
1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint at least one (1) proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
3. The instrument appointing a proxy or proxies, in the case of an individual, shall be signed by the appointer or his/her attorney duly authorised, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
METACORP BERHAD
1, Jalan Batu Caves
68100 Batu Caves
Selangor Darul Ehsan
Malaysia

1st fold here

w w w . m t d g r p . c o m

METACORP BERHAD (93570-P)

1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan, Malaysia.
Tel : 03-6195 1111   Fax : 03-6188 0101