PWE Industries Berhad

(Company No.18904-M)

'09

ANNUAL REPORT **2009**

PWE Industries Berhad
(Company No. 18904-M • Incorporated in Malaysia)

Contents

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting of the Company will be held at the Meeting Room at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak on Wednesday, 30 September 2009 at 11:00 a.m. for the following purposes:-

1. To receive the Audited Financial Statements for the financial year ended 31 March 2009 together with the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To approve the payment of Directors' fees for the financial year ended 31 March 2009. **Resolution 2**

3. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:- **Resolution 3**

   "That pursuant to Section 129(6) of the Companies Act, 1965, YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin, who has exceeded the age of seventy (70) years, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

4. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:- **Resolution 4**

   "That pursuant to Section 129(6) of the Companies Act, 1965, Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah, who has attained the age of seventy (70) years, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

5. To re-elect Tan Sri Dato' Paduka (Dr.) Ting Pek Khiing who shall retire pursuant to Article 91 of the Company's Articles of Association. **Resolution 5**

6. To re-appoint Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 6**

7. **As Special Business:**

   To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:-

   Ordinary Resolution
   - Authority to allot shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 7**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 issued pursuant to this resolution does not exceed 10% of the issued 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 the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual

Notice Of Annual General Meeting (cont'd)

General Meeting of the Company, subject always to the Companies Act, 1965, the Articles of Association of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issues."

8. To transact any other ordinary business of which due notice has been given in accordance with the Companies Act, 1965.

By Order of the Board

YEO PUAY HUANG (LS 0000577)
CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretaries

Kuala Lumpur
8 September 2009

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. Authority to allot shares pursuant to Section 132D of the Companies Act, 1965

   The above Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot shares at any time in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company for the time being. No shares had been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 26 September 2008.

NOTES:

1. *A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

3. *Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

4. *The Form of Proxy, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

5. *The Form of Proxy must be deposited at the Registered Office of the Company at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak no later than forty-eight (48) hours before the time appointed for the meeting or any adjournment thereof.*

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing
(Executive Chairman)

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
(Independent Non-Executive Director)

Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah (Rtd)
(Independent Non-Executive Director)

Sunny Khoo
(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
(Chairman - Independent Non-Executive Director)

Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah (Rtd)
(Independent Non-Executive Director)

Sunny Khoo
(Non-Independent Non-Executive Director)

COMPANY SECRETARIES

Yeo Puay Huang (LS 0000577)
Chua Siew Chuan (MAICSA 0777689)

REGISTERED OFFICE

Lot 5428-5429, Block 16, KCLD
Lorong Lapangan Terbang Baru 1
93350 Kuching, Sarawak
Tel: 082-450 908 Fax: 082-452 924

SHARE REGISTRARS

Metra Management Sdn. Bhd.
Suite 30.02, 30th Floor
Menara Multi-Purpose, Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2698 3232 Fax: 03-2698 0313

AUDITORS

Ernst & Young
Chartered Accountants
3rd Floor, Wisma Bukit Mata Kuching
Jalan Tunku Abdul Rahman
93100 Kuching, Sarawak

PRINCIPAL BANKERS

Alliance Malaysia Bank Berhad
Public Bank Berhad

SOLICITORS

Chor Pee Anwarul & Co
Advocates & Solicitors
Suite 8-16-6, Level 16
Menara Olympia
No.8, Jalan Raja Chulan
50200 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Profile Of Directors

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, a Malaysian, aged 64

He was appointed to the Board of PWE Industries Berhad ("PWE") on 9 January 1995 as Executive Chairman. Tan Sri Ting, a self-made businessman, has over 31 years of experience in construction, specialising in the technology of using wood-based pre-fabricated standardised components and has successfully completed numerous housing projects for the Sarawak State Government and resort hotels in Sarawak and Pulau Langkawi. He also sits on the boards of Ekran Berhad which is listed on Bursa Malaysia Securities Berhad, and several private limited companies.

Tan Sri Ting is a major shareholder of PWE. He does not have any family relationship with any Directors of the Company and he has no convictions for any offences within the last ten years. Tan Sri Ting has no conflict of interest with PWE other than disclosed in notes 9, 10 and 13 of the Audited Financial Statements for financial year ended 31 March 2009.

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin, a Malaysian, aged 79

YM Tunku was appointed to the Board of PWE on 11 May 1989 as an Independent Non-Executive Director. YM Tunku is also the Chairman of the Audit Committee. YM Tunku has been actively involved in the corporate world for over 24 years. YM Tunku joined the Malay Administrative Services in 1953 and was subsequently appointed as the Assistant District Officer of Tampin and later the Assistant District Officer of Jelebu. In 1957, YM Tunku joined the Royal Customs and Excise Department (Customs) as a Superintendent and was with the Customs for 23 years and rose to the position of Director. In 1980, YM Tunku retired from the Customs and joined Island and Peninsular Development Berhad as a General Manager where he remained until 1984. YM Tunku also sits on the boards of a few private limited companies.

YM Tunku does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interest with PWE and has no convictions for any offences within the last ten years.

Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah (Rtd), a Malaysian, aged 71

He was appointed to the Board of PWE on 6 March 2009 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Mohammed Shukor is an Ex-General in the Malaysian Armed Forces. Dato' Mohammed Shukor also sits on the boards of Wijaya Baru Global Berhad and Wembley Industries Holdings Berhad.

Dato' Mohammed Shukor does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with PWE and has no convictions for any offences within the last ten years.

Sunny Khoo, a Malaysian, aged 49

He was appointed to the Board of PWE on 29 March 1995 as a Non-Executive Director. He is also a member of the Audit Committee. Mr. Khoo is a member of Malaysian Institute of Certified Public Accountants. For the period from 1981 to 1986, he was attached with Coopers & Lybrand as an Audit Trainee and did his articleship there. In 1987, he joined Ernst & Young as Audit Senior and subsequently resigned in 1990. Thereafter, he joined Arab Malaysian Corporation Berhad as the Group Accountant and held the position until 1992. He then joined Ekran Berhad on 16 November 1992 as Group Financial Controller and resigned in March 2005. Mr. Khoo was re-designated as a Non-Independent Director on 25 July 2007. He also holds other directorships in several private limited companies.

Mr. Sunny Khoo does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with PWE and has no convictions for any offences within the last ten years.

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of PWE Industries Berhad ("PWE") and the Group for the financial year ended 31 March 2009.

FINANCIAL PERFORMANCE

For the financial year under review, the Group recorded a loss of RM1,204,332 as compared to loss of RM259,803 achieved during the previous financial year. The loss for the year was mainly attributable to the provision of taxation of its wholly-owned subsidiary in its prior years operations on a prudent basis.

No revenue was recorded this year due to the cessation of our core business activity in December 2001 with the disposal of the timber rights.

The Company recorded a loss of RM236,401 as compared to loss of RM250,695 achieved during the previous financial year. The loss for the current financial year was mainly attributable to administrative expenses.

DIVIDEND

The Directors do not recommend any dividend to be declared for the financial year ended 31 March 2009.

REVIEW OF OPERATIONS

Presently, the Company is an affected listed issuer as defined under Practice Note 10/2001 of the Listing Requirements ("PN10") of Bursa Malaysia Securities Berhad ("Bursa Securities") as it has ceased its previous core business activities of timber extraction and timber trading. As an affected listed issuer under PN10, the Company is required to comply with certain obligations as prescribed under PN10, which include, inter-alia, the obligation to undertake a corporate proposal which will enable the Company to continue trading and/or listing on Bursa Securities.

CORPORATE DEVELOPMENTS

On 12 May 2008, as part of the Company's Proposed Capital Restructuring Scheme to regularise its financial conditions, the Company entered into a conditional sale and purchase agreement with Pan Sarawak Holdings Sdn Bhd to acquire the entire issued and paid-up capital of Pansar Company Sdn Bhd and Pansar Engineering Services Sdn Bhd ("CSPA").

On 11 July 2008, the Company had submitted the applications pertaining to the Proposed Restructuring Scheme to the Securities Commission and other relevant authorities for approval.

On 22 May 2009, the Securities Commission had vide its letter dated 20 May 2009 approved the Proposed Restructuring Scheme.

CORPORATE DEVELOPMENTS (cont'd)

The Proposed Restructuring Scheme are subject to the followings:-

(a) the approval of shareholders of PWE at a general meeting to be convened;
(b) Bursa Securities for the listing of and quotation for the new shares in PWE to be issued pursuant to the Proposed Restructuring Scheme; and
(c) confirmation of the High Court for the Proposed Capital Reduction.

PROSPECTS

Future operation of the Group is dependent upon completion of the Proposed Corporate Restructuring of PWE.

ACKNOWLEDGEMENTS

I take this opportunity to express my appreciation to my fellow Board members and advisers for their assistance and commitment in carrying out the Proposed Corporate Restructuring of PWE.

On behalf of the Board, I wish to thank the relevant authorities and shareholders of the Company for their understanding and support.

TAN SRI DATO' PADUKA (DR) TING PEK KHIING
Executive Chairman

7 September 2009

Report From The Audit Committee

MEMBERS

YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
(Chairman - Independent Non-Executive Director)

Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah (Rtd)
(Independent Non-Executive Director)

Sunny Khoo
(Non-Independent Non-Executive Director)

TERMS OF REFERENCE

Composition

The Audit Committee shall consist of at least three (3) members to be appointed by the Board from amongst the Directors, comprising a majority of directors independent of management and executive functions.

At least one member of the Committee shall be a member of the Malaysian Institute of Accountants (MIA) or if he is not a member of MIA, he must have at least 3 years working experience, and either must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967.

The Chairman of the Audit Committee shall be elected from among the Committee Members who is not an executive director or any employee of the Company or any related company.

Meetings

The Committee shall meet as many times as the Committee deems necessary and in any case, it should not be less than three (3) times a year.

The quorum for meetings of the Audit Committee shall be two (2) members who are independent non-executive Directors.

The Company Secretary shall be the Secretary to the Audit Committee.

The Committee may require the members of management, the internal auditor and representatives of the external auditors to attend any of its meetings as it determines.

Authority

The Audit Committee was appointed under Chapter 15, Part C, paragraph 15.10 of the Main Market of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Committee is given the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to cooperate as requested by members of the Committee.

Duties and Responsibilities

The Audit Committee shall assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and its subsidiaries and the sufficiency of auditing relating thereto.

Duties and Responsibilities (cont'd)

The specific duties of the Audit Committee are as follows:-

(i) To review the accounting policies adopted, any changes in accounting principles or practices and the level of prudence applied in areas requiring judgement.

(ii) To review the external audit report on the financial statements.

(iii) To review with the external auditors, the overall scope of the external audit and discuss the results of their examination and their evaluation of the internal control system.

(iv) To review the scope and results of the internal audit procedures.

(v) To review the financial statements with management and the external auditors prior to them being approved by the full Board.

(vi) To review interim financial information and press releases of financial content.

(vii) To review any significant transactions which are not a normal part of the Company's business.

(viii) To review any significant related party transactions that may arise within the Company or Group.

(ix) To recommend to the Board of Directors the appointment or termination of the external auditors.

(x) Such other responsibilities as may be agreed between the Audit Committee and the Board of Directors.

Attendance at Meetings

During the financial year ended 31 March 2009, the Audit Committee held a total of four (4) meetings. Details of attendance of the members of the Committee are as follows:-

Name of Committee Member	No. of Meetings Attended
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin	4/4
Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah (Rtd)	4/4
Sunny Khoo	4/4

Activities

The following activities were performed by the Audit Committee during the financial year ended 31 March 2009:-

(i) Reviewed the quarterly results and year end audited financial statements of the Company with the external auditors prior to the Board's approval of the accounts.

(ii) Ensured compliance with approved accounting standards in the preparation of the financial statements.

(iii) Ensured timely disclosure of the quarterly results and year end audited financial statements of the Company to Bursa Securities.

(iv) Ensured that the transactions entered into by the Company and the Group are in compliance with requirements of Bursa Securities, Securities Commission and other regulatory bodies.

The Board of Directors is accountable to the Company's shareholders for good corporate governance. The Board is

Corporate Governance Report

aware of the principles and best practices as set out in the Malaysian Code on Corporate Governance and have taken steps to progressively implement them to promote good corporate governance within the Group.

THE BOARD

Composition and Balance

The Board presently has four (4) members comprising an Executive Chairman, three (3) Non-Executive Directors, of whom two (2) are Independent and one (1) Non-Independent. A brief description of each director is presented in the Profile of Directors. Collectively, the Directors bring a balance of skills and experience appropriate to the business. The Executive Chairman, with the support of other members of the Board, has primary responsibilities for managing the Group's day to day operations. The Board also delegates certain of its responsibilities to the Audit Committee with clearly defined terms of reference.

Supply of Information and Board Meetings

In order to discharge their duties, the Directors are provided with the agenda and a full set of Board papers prior to each Board Meeting and are free to seek any further information they consider necessary.

During the financial year ended 31 March 2009, four (4) Board of Directors' Meetings were held and details of the Directors' attendance are as follows:-

Name of Committee Member	No. of Meetings Attended
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	4/4
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin	4/4
Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah (Rtd)	4/4
Sunny Khoo	4/4

All Directors have access to the advice of the Company Secretaries and independent advisers where necessary.

Appointments to the Board and Re-election

The appointment of any additional Director is made as and when it is deemed necessary by the existing Board with due consideration given to the mix of expertise and experience required for a balanced and effective Board.

In accordance with Article 91 of the Articles of Association of the Company, at least one third of the Directors shall retire by rotation at each Annual General Meeting and are eligible to offer themselves for re-election at the Annual General Meeting. Directors who are appointed by the Board to fill a casual vacancy are subject to election by shareholders at the next Annual General Meeting following their appointment. All directors shall also retire from office once at least in each three years.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

There is currently no Nomination Committee as the Board itself functions as the Nominating Committee.

Director's Training

All the Directors of the Company have attended the Mandatory Accreditation Program organised by Bursatra Sdn. Bhd. as required by the Main Market Listing Requirements of Bursa Securities.

All the Directors will attend further training programs from time to time to keep abreast with the relevant changes and development in laws and regulations as well as the business development.

During the financial year, the Directors have attended, individually or collectively, various programmes and briefings on amongst others, the following:-

Director's Training (cont'd)

- Briefing on 2009 Budget
- Briefing on Financial Instruments for Non-Financial Institutions
- Training Programme on Directorship – Independent vs Executive

The Company will continuously arrange for further training for the Directors as part of their obligation to update and enhance their skills and knowledge which are important for their carrying out an effective role as Directors. From time to time, the Board also receives updates and briefings, particularly on regulatory and legal developments relevant to the Company's business.

DIRECTORS' REMUNERATION

There are no formal procedures for determining the remuneration packages of Directors. Broadly, the Directors' remuneration packages are dictated by market competitiveness and level of experience or responsibilities involved. Any review or change to the existing package will be deliberated upon by the Board as a whole. The practice is to ensure that the remuneration packages are tailored to retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders. It is also the practice for the Directors concerned to abstain from deliberating their individual remuneration.

There is no Remuneration Committee to recommend to the Board the remuneration of the Executive Director. The entire Board will review the remuneration of the Executive Director should this issue arise.

For the year under review, the aggregate of remuneration of Directors proposed/paid is as follows:-

	Directors' Fees (RM)	Other Emoluments (RM)
Executive Director	12,000	–
Non-Executive Directors	36,000	900
Total	**48,000**	**900**

Band of Categories	Executive Director	Non-Executive Director
Below RM50,000	1	3

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of keeping shareholders and investors informed of all major developments affecting the Company. The Company's annual reports contain comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide the shareholders and investors with financial information.

The principal forum for dialogue with shareholders is the Annual General Meeting, during which the shareholders are given the opportunity to participate and pose questions to the Board regarding operational and financial information. Members of the Board and the external auditors are available to respond to shareholders' queries during the Annual General Meeting.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In preparing the annual financial statements and quarterly announcements to shareholders, the Directors are responsible in ensuring that the financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards to give a true and fair view of the state of affairs of the Group. Before releasing to Bursa Securities, the financial results were reviewed by the Audit Committee and approved by the Board of Directors.

Internal Control

The Board acknowledges its responsibility for the Group's system of internal control and the need to review its effectiveness regularly. In doing so, the Board has the right to seek information and clarification from the Management, seeks input from the Audit Committee, auditors and other experts at the expense of the Company.

In addition to that, the Board recognizes that risks cannot be eliminated completely, therefore, the system and process put in place would have to be aimed at minimizing and managing the risks.

Audit Committee has been empowered to assist the Board in fulfilling the above roles via functions laid down in its terms of reference.

Relationship with Auditors

The Company has established transparent and appropriate relationships with the Company's auditors through the Audit Committee. The external auditors, Ernst & Young has continued to report to the members of the Audit Committee their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. From time to time, the auditors highlight to the Audit Committee and the Board of Directors on matters that requires the Board's attention.

OTHER DISCLOSURES

Non-audit fees

There were no non-audit fees paid to the external auditors by the Group for the financial year ended 31 March 2009.

Material Contract

There were no material contracts involving Directors' or major shareholders' interest that are still subsisting at the end of the financial year or since then, except as disclosed in Note 14 of the Audited Financial Statements for financial year ended 31 March 2009.

Revaluation Policy on Landed Properties

The Group does not have a revaluation policy on landed properties.

Utilisation of Proceeds

There were no proceeds arising from the corporate exercise during the financial year.

Profit Guarantee

During the financial year ended 31 March 2009, there were no profit guarantees given by the Company.

Variation in results

The variance between the unaudited results released on 29 May 2009 as compared to the audited results released on 31 July 2009 are as follows:-

	Unaudited RM'000	Audited RM'000	Variance RM'000
Loss after taxation	233	1,204	971

The major variance was due to the provision of taxation of its wholly-owned subsidiary in its prior years operations on a prudent basis.

Imposition of Sanctions and/or Penalties

The Company is not subject to any sanctions and/or penalties imposed on the Company and/ or its subsidiary companies, Directors or management by the relevant regulatory bodies.

Statement On Internal Control

RESPONSIBILITY

The Board has overall responsibility for the Group's internal control and for reviewing its effectiveness whilst the role of the management is to implement the Board's policies on risk and control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

With the cessation of the Group's core business in 2001, the Board determined that it would defer the establishment of an organisational structure for risk management until such time as the Group had a new core business.

In the interim period, the Board extended the responsibilities of the Audit Committee to include the following scope of work, on its behalf:-

(i) ensuring adequate internal controls were in place;

(ii) undertaking the process of identifying, evaluating, monitoring and managing risk; and

(iii) overseeing the care and custody of the Group's remaining assets after cessation of its core business.

The Audit Committee is currently responsible for the internal audit function which involves reviewing the internal controls in respect of the care and custody of the Group's remaining assets after cessation of its core business to ensure continuous improvement of controls and procedures.

External consultants and advisers along with key management staff further provided support to the Audit Committee in their review and deliberations in regard to regulatory compliance issues which are reported to the Board on an as and when required basis.

Upon the Group embarking on a new business, the Board will establish the requisite risk management structure to identify, evaluate, monitor and manage the risks of the new core business reporting to the Audit Committee.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 to ensure that financial statements prepared for each financial year which gives a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year is in accordance with the applicable approved accounting standards.

In preparing those financial statements, the Directors of the Company are required to:

- Adopt suitable accounting policies and apply them consistently;
- Make judgement and estimates that are prudent and apply them consistently;
- Ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and that the financial statements comply with the Companies Act, 1965.

PWE Industries Berhad
(Company No. 18904-M • Incorporated in Malaysia)

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 2009.

PRINCIPAL ACTIVITIES

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

As stated in Note 8 to the financial statements, one of the subsidiary had ceased operation in a prior year whereas the other subsidiary is dormant.

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

RESULTS

	Group RM	Company RM
Loss for the year attributable to equity holders of the Company	1,204,332	236,401

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

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.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

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:

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing
Brigedier Jeneral Dato' Pahlawan Mohammed Shukor bin Haji Abdullah
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin
Sunny Khoo

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.

DIRECTORS' BENEFITS (cont'd)

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 shown in Note 4 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 substatial financial interest.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	1 April 2008	Bought	Sold	31 March 2009
The Company				
Direct Interest				
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	2,369,836	–	–	2,369,836

Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, by virtue of his interest in shares in the Company is also deemed interested in the shares in all the Company's subsidiaries to the extent the 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.

OTHER STATUTORY INFORMATION

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

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

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

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

 (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

OTHER STATUTORY INFORMATION (cont'd)

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

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

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

    (i) any charge on the assets of the Group and 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 liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and 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 and of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are as disclosed in Note 14 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 28 July 2009.

TAN SRI DATO' PADUKA (DR) TING PEK KHIING **SUNNY KHOO**

Statement By Directors

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

We, **Tan Sri Dato' Paduka (Dr) Ting Pek Khiing** and **Sunny Khoo**, being two of the directors of **PWE Industries Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 22 to 43 are drawn up in accordance with the provisions of the Companies Act, 1965 and 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 2009 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 28 July 2009.

TAN SRI DATO' PADUKA (DR) TING PEK KHIING **SUNNY KHOO**

Kuching, Malaysia
28 July 2009

Statutory Declaration

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

I, **Sunny Khoo**, being the director primarily responsible for the financial management of **PWE Industries Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 22 to 43 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 Sunny Khoo at Kuala Lumpur in
the Wilayah Persekutuan on 28 July 2009. **SUNNY KHOO**

Before me,

Ramalingam S. Pillay, PPN
Commissioner for Oaths (W432)
Kuala Lumpur, Wilayah Persekutuan

Independent Auditors' Report To The Members Of
PWE industries Berhad (Incorporated in Malaysia)

Report on the financial Statements

We have audited the financial statements of **PWE Industries Berha**d, which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 22 to 43.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Independent Auditors' Report (cont'd)

Report on other legal and regulatory requirements

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

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

(b) We are satisfied that the 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.

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

Other matters

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

Without qualifying our opinion, we draw attention to Note 2.1 to the financial statements. Presently, the Group has no business operation. As disclosed in Note 14 to the financial statements, the Company has proposed a new corporate restructuring scheme. The ability of the Group and the Company to continue as a going concern is dependent on the successful completion and implementation of the proposed new corporate restructuring scheme. The financial statements of the Group and of the Company do not include any adjustments relating to the recoverability and classification of asset amounts or to amounts and classification of liabilities that may be necessary should the Group and the Company be unable to continue as a going concern.

ERNST & YOUNG
AF: 0039
Chartered Accountants

CHIN MUI KHIONG PETER
No. 1881/03/10 (J)
Chartered Accountant

Kuching, Malaysia
28 July 2009

Income Statements
For the Year Ended 31 March 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Revenue		**–**	–	**–**	–
Other operating expenses		**(248,332)**	(259,803)	**(236,401)**	(250,695)
Loss before tax	3	**(248,332)**	(259,803)	**(236,401)**	(250,695)
Income tax expense	5	**(956,000)**	–	**–**	–
Loss for the year		**(1,204,332)**	(259,803)	**(236,401)**	(250,695)
Loss per share (sen)	6	**(2.87)**	(0.62)		

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

Balance Sheets
As At 31 March 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
ASSETS					
Non-Current Assets					
Office equipment and Furniture	7	**–**	–	**–**	–
Investment in subsidiaries	8	**–**	–	**2**	2
		–	–	**2**	2
Current Assets					
Trade receivables	9	**2,496,428**	2,496,453	**–**	–
Other receivables	10	**7,116,994**	6,496,607	**6,186,316**	5,554,410
Cash and bank balances		**7,168**	7,079	**5,625**	5,351
		9,620,590	9,000,139	**6,191,941**	5,559,761
TOTAL ASSETS		**9,620,590**	9,000,139	**6,191,943**	5,559,763
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	11	**42,000,000**	42,000,000	**42,000,000**	42,000,000
Accumulated losses		**(35,613,451)**	(34,409,119)	**(37,911,793)**	(37,675,392)
		6,386,549	7,590,881	**4,088,207**	4,324,608
CURRENT LIABILITIES					
Trade payables	12	**148,416**	148,416	**–**	–
Other payables	13	**2,129,625**	1,260,842	**2,103,736**	1,235,155
Tax payable		**956,000**	–	**–**	–
		3,234,041	1,409,258	**2,103,736**	1,235,155
TOTAL EQUITY AND LIABILITIES		**9,620,590**	9,000,139	**6,191,943**	5,559,763

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

Statements Of Changes In Equity
For the Year Ended 31 March 2009

	Share capital RM	Accumulated loss RM	Total RM
Group			
At 1 April 2007	42,000,000	(34,149,316)	7,850,684
Loss for the year	–	(259,803)	(259,803)
At 31 March 2008	42,000,000	(34,409,119)	7,590,881
Loss for the year	–	(1,204,332)	(1,204,332)
At 31 March 2009	**42,000,000**	**(35,613,451)**	**6,386,549**
Company			
At 1 April 2007	42,000,000	(37,424,697)	4,575,303
Loss for the year	–	(250,695)	(250,695)
At 31 March 2008	42,000,000	(37,675,392)	4,324,608
Loss for the year	–	(236,401)	(236,401)
At 31 March 2009	**42,000,000**	**(37,911,793)**	**4,088,207**

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

Cash Flow Statements
For the Year Ended 31 March 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash Flow from Operating Activities				
Loss before tax	**(248,332)**	(259,803)	**(236,401)**	(250,695)
(Increase)/decrease in receivables	**(282,395)**	244,430	**(293,939)**	233,137
Increase in payables	**524,926**	15,118	**524,724**	17,488
Cash used in operations	**(5,801)**	(255)	**(5,616)**	(70)
Tax refunded	**5,890**	–	**5,890**	–
Net Increase/(Decrease) in Cash and Cash Equivalent	**89**	(255)	**274**	(70)
Cash and Cash Equivalents at Beginning of Year	**7,079**	7,334	**5,351**	5,421
Cash and Cash Equivalents at end of Year	**7,168**	7,079	**5,625**	5,351

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

Notes To The Financial Statements
– 31 March 2009

1. CORPORATE INFORMATION

The principal activity of the Company is that of investment holding. As stated in Note 8, one of the subsidiary had ceased operation in a prior year whereas the other subsidiary is dormant. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of the Bursa Malaysia Securities. The registered office of the Company is located at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 28 July 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Fundamental Accounting Concept

Presently, the Group has no business operation. This indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as a going concern. As disclosed in Note 14 to the financial statements, the Company has proposed a new corporate restructuring scheme. The ability of the Group and the Company to continue as a going concern is dependent on the successful completion and implementation of the proposed new corporate restructuring scheme.

If the Group and the Company is unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements of the Group and of the Company do not include any adjustments relating to the recoverability and classification of asset amounts or to amounts and classification of liabilities that may be necessary should the Group and the Company be unable to continue as a going concern.

2.2 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted revised FRSs which are mandatory for the current financial year as described fully in Note 2.4.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 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.

(ii) Basis of Consolidation

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

(b) Intangible Asset

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.

(c) 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 benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over its estimated useful life, at the annual rates ranging from 10% to 33%.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

(d) Impairment of Non-financial Assets

The carrying amounts of assets, other than 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

(e) 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 in 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 banks and deposit at call and short term highly liquid investments which have an insignificant risk of changes in value.

(ii) Receivables

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

(iii) Payables

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

(iv) Equity Instruments

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

(f) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

(f) Income Tax (cont'd)

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

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

(g) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRSs

On 1 April 2008, the Group and the Company adopted the following revised FRS, amendment to FRS and Interpretations:

FRS 107	:	Cash Flow Statements
FRS 111	:	Construction Contracts
FRS 112	:	Income Taxes
FRS 118	:	Revenue
FRS 120	:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	:	Interim Financial Reporting
FRS 137	:	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	:	The Effects of Changes in Foreign Exchange Rate - Net Investment in a Foreign Operation
IC Interpretation 1	:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	:	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	:	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	:	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	:	Applying the Restatement Approach under FRS 129_{2004} - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	:	Scope of FRS 2

The revised FRS, amendment to FRS and Interpretations above do not have significant impact on the financial statements of the Group and of the Company.

2.5 Standards and Interpretations issued but not yet effective

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

FRS and Interpretations			**Effective for financial periods beginning on or after**
FRS 4	:	Insurance Contracts	1 January 2010
FRS 7	:	Financial Instruments: Disclosures	1 January 2010
FRS 8	:	Operating Segments	1 July 2009
FRS 123	:	Borrowing Costs	1 January 2010
FRS 139	:	Financial instruments: Recognition and Measurement	1 January 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Standards and Interpretations issued but not yet effective (cont'd)

FRS and Interpretations			Effective for financial periods beginning on or after
Amendment to FRS 1	:	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 2	:	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 127	:	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9	:	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	:	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	:	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	:	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	:	FRS 119 - The Limit on a Defined Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The new FRS and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7.

The Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139 and FRS 7.

3. LOSS BEFORE TAX

Loss before tax is stated after charging:

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Directors' remuneration (Note 4)	**48,900**	47,800	**48,900**	47,800
Auditors' remuneration				
- current year	**32,000**	22,000	**28,000**	18,000
- under provision in prior year	**10,000**	–	**10,000**	–

4. DIRECTORS' REMUNERATION

	Group and Company	
	2009	2008
	RM	RM
Directors of the Company		
Executive - fees	**12,000**	12,000
- other emoluments	**–**	300
	12,000	12,300
Non-executive - fees	**36,000**	31,000
- other emoluments	**900**	4,500
	36,900	35,500
Total (Note 3)	**48,900**	47,800

The number of directors of the Company whose total remuneration during the financial year fall within the following band is as follows:

	Number of Directors	
	2009	2008
	RM	RM
Executive director - below RM50,000	**1**	1
Non-executive directors - below RM50,000	**3**	3
	4	4

5. TAXATION

	2009	2008
	RM	RM
Underprovision in prior years	**956,000**	–

Income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. During the financial year, the statutory tax rate was reduced from 26% in 2008 to 25% in 2009. These changes to the statutory tax rates do not have significant effect on the computation of deferred tax as at 31 March 2009. A reconciliation of income tax expense applicable to 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:

	2009	2008
	RM	RM
Group		
Loss before taxation	**(248,332)**	(259,803)
Tax expense at statutory rate of 25% (2008: 26%)	**(62,083)**	(67,549)
Effects of expenses not deductible for tax purposes	**62,083**	67,549
Underprovision of tax in prior years	**956,000**	–
Income tax expense	**956,000**	–

5. TAXATION (cont'd)

	2009 RM	2008 RM
Company		
Loss before taxation	**(236,401)**	(250,695)
Tax expense at statutory rate of 25% (2008: 26%)	**(59,100)**	(65,181)
Effects of expenses not deductible for tax purposes	**59,100**	65,181
Income tax expense	**–**	–

6. LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2009 RM	2008 RM
Net loss for the year (RM)	**(1,204,332)**	(259,803)
Weighted average number of ordinary shares in issue	**42,000,000**	42,000,000
Basic loss per share (sen)	**(2.87)**	(0.62)

Dilutive earnings per share has not been presented as there are no potential ordinary shares outstanding as at balance sheet date.

7. PROPERTY, PLANT AND EQUIPMENT

	RM
Group	
At 31 March 2009	
Cost	
At 1 April 2008/31 March 2009	117,841
Accumulated Depreciation	
At 1 April 2008/31 March 2009	117,841
Net Carrying Amount	**–**

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

	RM
Group	
At 31 March 2008	
Cost	
At 1 April 2007/31 March 2008	117,841
Accumulated Depreciation	
At 1 April 2007/31 March 2008	117,841
Net Carrying Amount	–

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2009 RM	**2008 RM**
Unquoted shares, at cost	**9,000,002**	9,000,002
Less: Accumulated impairment loss	**(9,000,000)**	(9,000,000)
	2	2

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%) 2009	Equity Interest Held (%) 2008	Principal Activities
Sastep Sdn. Bhd.	Malaysia	**100**	100	Timber trading but ceased operation in prior years
PWE Logging Sdn. Bhd.	Malaysia	**100**	100	Dormant

9. TRADE RECEIVABLES

	Group	
	2009 RM	**2008 RM**
Trade receivables	**14,355,685**	14,355,710
Less: Provision for doubtful debts	**(11,859,257)**	(11,859,257)
	2,496,428	2,496,453

9. TRADE RECEIVABLES (cont'd)

Included in trade receivables is an amount of RM14,171,774 (2008: RM14,171,774) due from Equatorial Timber Marketing Sdn. Bhd., Ekran Timber and Sawmill Sdn. Bhd., Ekran Logging Sdn. Bhd., Ekran Project Management Sdn. Bhd., Ekran Plantation Sdn. Bhd. and Sarawak Pulp Industries Sdn. Bhd., companies in which a director of the Company, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests in respect of which provision for doubtful debts amounting to RM11,675,620 (2008: RM11,675,620) has been made.

No provision for doubtful debts has been made for the above remaining balances as the directors are confident of the recovery upon completion of the Company's new restructuring scheme which the acquirer, Pansar Holding Sdn. Bhd. will agree to take over the receivables and pay to the Company as disclosed in Note 14 to the financial statements.

The Group's normal trade credit term ranges from 90 to 120 days (2008: 90 to 120 days). Other credit terms are assessed and approved on a case by case basis.

As at balance sheet date, the Group has a significant concentration of credit risk in the form of balances due from a group of debtors related to a director of the Company, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, representing approximately 99% (2008: 99%) of the total trade receivables.

10. OTHER RECEIVABLES

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Due from subsidiaries	**–**	–	**2,146,433**	2,146,433
Director related company				
- Ekran Berhad	**6,269,706**	6,486,893	**5,342,852**	5,548,520
Sundry receivables	**3,824**	3,824	**–**	–
Prepayment	**843,464**	–	**843,464**	–
Tax recoverable	**–**	5,890	**–**	5,890
	7,116,994	6,496,607	**8,332,749**	7,700,843
Provision for doubtful debts	**–**	–	**(2,146,433)**	(2,146,433)
	7,116,994	6,496,607	**6,186,316**	5,554,410

Director related companies refer to companies in which a director, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests. In the financial year 2003, an advance of RM7.43 million was given to Ekran Berhad. The directors are of the opinion that even though the advance given to Ekran Berhad contravenes Section 133A of the Companies Act, 1965, under the circumstances, the advance was necessary to address the short term needs of Ekran Berhad. No provision for doubtful debts has been made for the advance given to Ekran Berhad as the directors are confident of the recovery upon completion of the Company's new restructuring scheme, of which the status is disclosed in Note 14. The amount due from Ekran Berhad is unsecured, bears nil interest (2008: Nil) and has no fixed term of repayment.

10. OTHER RECEIVABLES (cont'd)

The Company waived the interest charge of 3.5% per annum on the outstanding amount of RM6,269,706 due from Ekran Berhad in consideration for a waiver of the annual charge of RM250,000 by Ekran Berhad on the Company in respect of reimbursement of expenses incurred by Ekran Berhad on behalf of the Company relating to staff cost for accounting, corporate finance, secretarial and administrative works, use of office as registered and correspondence address as well as printing and stationery cost with effect from 1 April 2004.

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

As at balance sheet date, the Group has a significant concentration of credit risk that may arise from exposure to a single debtor representing approximately 88% (2008: 99%) of the total other receivables.

11. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised	**500,000,000**	500,000,000	**500,000,000**	500,000,000
Issued and fully paid	**42,000,000**	42,000,000	**42,000,000**	42,000,000

12. TRADE PAYABLES

The normal trade terms granted to the Group ranges from 60 to 90 (2008: 60 to 90) days.

13. OTHER PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Due to companies in which a director has substantial financial interests	**10,353**	10,353	**–**	–
Other payables	**2,039,272**	1,185,889	**2,027,736**	1,174,155
Accruals	**80,000**	64,600	**76,000**	61,000
	2,129,625	1,260,842	**2,103,736**	1,235,155

Included in other payables is an amount of RM10,353 (2008: RM10,353) due to Germila Sdn Bhd, Equatorial Timber Marketing Sdn Bhd and Bakun Resorts Sdn Bhd, companies in which a director, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests; which is unsecured, interest free and has no fixed term of repayment.

14. SIGNIFICANT AND SUBSEQUENT EVENTS

Following the disposal of its timber rights in 2001 and the absence of other revenue generating activities, the Company became classified as an affected listed issuer pursuant to Paragraph 2.1 of Practice Note 10 ("PN 10") of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The trading of the securities of the Company was suspended from the Official List of Bursa Securities on 11 March 2008. In addition, Bursa Securities also commenced de-listing procedures against the Company in event that, amongst others, the Company fails to submit a new regulation plan to the Securities Commission and other relevant authorities by 14 May 2008.

On 12 May 2008, the Company applied to Bursa Securities to extend the deadline for a period of four months from 13 May 2008 to carry out a new restructuring scheme as follows:

(a) Proposed capital reduction involving the proposed cancellation of RM0.50 of the par value of the existing ordinary shares of RM1.00 each in the Company ("Proposed Capital Reduction");

(b) Upon completion of Proposed Capital Reduction, the Company proposed to acquire the entire issued and paid-up capital of Pansar Company Sdn. Bhd. ("PCSB") and Pansar Engineering Services Sdn. Bhd. ("PESSB") from Pan Sarawak Holdings Sdn. Bhd. ("PHSB") for a total purchase consideration of RM119 million to be satisfied via issuance of 222 million Shares in the Company at an issue price of RM0.50 per share and cash consideration of RM8 million ("Proposed New Acquisitions").

Accordingly, on 12 May 2008, the Company has entered into a Conditional Sale and Purchase Agreement ("CSPA") with PHSB to effect the Proposed New Acquisitions. Upon the completion of CSPA, PHSB shall:

(i) entered a deed of novation with several debtors of the Group whereby PHSB will agree to take over and pay to the Group the amount of RM8,983,047. Upon receipt of the full amount from PHSB, the Group shall assign the receivables to PHSB;

(ii) entered a deed of novation with Equatorial Timber Marketing Sdn. Bhd. ("ETMSB") whereby PHSB will agree to take over and pay the Company the profit guarantee amount of RM6,978,359. Upon receipt of the full amount from PHSB, the Company shall assign the profit guarantee amount to PHSB;

(c) Proposed waiver to PHSB and persons acting in concert with it from having to extend a takeover offer for all the remaining shares not already owned by them in the Company after the Proposed New Acquisitions ("Proposed GO Waiver"); and

(d) Proposed offer of sale/placement of the Company's shares to the Malaysian public and/or bumiputra investors by PHSB to regularise the public shareholding/ Bumiputra spread of the Company ("Proposed Offer For Sale").

On 9 July 2008, the Company and PHSB entered into a First Supplementary Deed to, against others, extend the duration of the CSPA from six (6) months to twelve (12) months from the date of the CSPA.

14. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd)

On 11 July 2008, the Company had submitted the applications pertaining to the Proposed Restructuring Scheme to the Securities Commission and other relevant authorities.

The Securities Commission had vide its letter dated 25 July 2008 informed the Company that the Securities Commission will only consider the Proposed GO Waiver upon fulfilment of the following requirements under Practice Note 2.9.1 of the Malaysian Code on Take-Overs and Mergers 1998:

(i) Approval from the independent holders of voting shares of the Company, on a poll in a general meeting in which the interested parties are to abstain from voting. The results of the poll has to be confirmed by an independent auditor;

(ii) Provision is made for the shareholders of the Company for competent independent advice regarding the Proposed GO Waiver. The appointment of the independent adviser and the independent adviser's circular to the shareholders are to be first approved and consented by the Securities Commission; and

(iii) PHSB and the persons acting in concert are to submit declarations (to be furnished after the general meeting) addressed to the Securities Commission, attesting that they have not purchased any shares in the Company subsequent to the discussion in relation to the proposals (the date of the discussion is to be stated in the declarations) and until the granting of the Proposed GO Waiver by the Securities Commision (if so decided).

On 10 November 2008, the Securities Commission approved the Proposed Restructuring Scheme subject to fulfilment of the following conditions:

(i) The Company to disclose in the circular to shareholders, the following:
  (a) A discussion on the basis in arriving at the purchase consideration for PCSB and PESSB; and
  (b) The list of items classified as "other income" in the financial statements of PCSB and PESSB;

(ii) The restructuring scheme must be inter-conditional upon the proposed settlement of the amount owing by Ekran Berhad and proposed settlement of the profit guarantee shortfall by ETMSB ("Proposed Settlements");

(iii) The Company to revise the Proposed Settlements proposals to ensure that the minority shareholders will benefit directly from it. The revised proposed settlement must be submitted to the Securities Commision for approval;

(iv) The Proposed Settlements must be effected before the Proposed Acquisitions can be implemented;

(v) Further equity condition may be imposed after reviewing Company's equity structure 3 years from the date of the implementation of the proposed restructuring scheme, in which, the adviser/Company is required to submit the effective equity structure of the Company 3 years after the date of completion of the proposal, together with the latest audited financial accounts of the Company; and

14. SIGNIFICANT AND SUBSEQUENT EVENTS (cont'd)

(vi) The Company must inform the Securities Commission upon completion of the proposals.

On 23 December 2008, to fulfil the conditions of approvals mentioned above, the Company submitted an application for a proposed special dividend of RM3,764,986 to the shareholders of the Company other than Tan Sri Dato' Paduka (Dr) Ting Pek Khiing and persons connected to Tan Sri Dato' Paduka (Dr) Ting Pek Khiing ("Other Shareholders"). On 16 March 2009, the Company announced that the Securities Commision has not approved the said proposed special dividend.

On 30 March 2009, the Company had submitted revised Proposals ("Revised Proposals") for the consideration of the Securities Commission. The proposed revisions to the Proposals involve:

(i) proposed revision to the terms of the acquisitions of PCSB and PESSB whereby the entire purchase consideration of RM119 million will be wholly settled via issuance of 238 million new ordinary shares of RM0.50 each in the Company;

(ii) proposed increase in the quantum of the special dividend to the Other Shareholders to RM4.9 million; and

(iii) arising from the revisions, the quantum of the offer for sale will be increased to 37,000,000 shares in order to regularise the public shareholding spread of the Company.

Save for the above, the other terms of the Proposed Restructuring Scheme remain status quo.

On 20 May 2009, the Securities Commission approved the above revisions. The Proposed Restructuring Scheme are now subject to the followings:-

(a) approval of the shareholders of the Company at a general meeting to be convened;
(b) approval of Bursa Securities for the listing of and quotation for the new shares in the Company to be issued pursuant to the Proposed Restructuring Scheme; and
(c) confirmation of the High Court for the Proposed Capital Reduction.

15. CONTINGENT ASSET

	Group 2009 RM	Group 2008 RM
Shortfall in profit guarantee receivable from the vendor of timber rights	**6,978,359**	6,978,359

The contingent asset is in respect of the shortfall in profit guarantee for the financial year ended 31 March 1999. The shortfall is receivable from Equatorial Timber Marketing Sdn. Bhd., the vendor of the timber rights, a company in which a director, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing, has substantial financial interests. The proposed settlement of the shortfall in the profit guarantee are disclosed in Note 14.

16. 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 liquidity and credit risks. The Group does not engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing assets. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

The information on maturity dates and effective interest rates of financial assets are disclosed in the respective notes.

(c) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

(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 and other receivables are monitored on an ongoing basis via management reporting procedures.

As at balance sheet date, the Group has a significant concentration of credit risk in the form of outstanding balances due from a group of debtors relating to a director of the Company, Tan Sri Dato' Paduka (Dr) Ting Pek Khiing representing approximately 99% and 99% of the trade and other receivables respectively.

(e) Fair Values

The carrying amounts of cash and cash equivalents, trade and other receivables/payables approximate their fair values due to the relatively short term maturity of these financial instruments. It is not practical to estimate the fair value of contingent asset reliably due to the uncertainties of timing, costs and eventual outcome.

17. SEGMENTAL INFORMATION

	Timber extraction and timber trading		Investment holding		Elimination		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Revenue								
External sales	**–**	–	**–**	–	**–**	–	**–**	–
Total revenue	**–**	–	**–**	–	**–**	–	**–**	–
Result								
Loss before tax	**(11,931)**	(9,108)	**(236,401)**	(250,695)			**(248,332)**	(259,803)
Income tax expense							**(956,000)**	–
Loss for the year							**(1,204,332)**	(259,803)
Assets and Liabilities								
Segment assets	**3,428,350**	3,440,079	**6,191,941**	5,553,871	**299**	299	**9,620,590**	8,994,249
Unallocated corporate assets							**–**	5,890
Total assets							**9,620,590**	9,000,139
Segment liabilities	**5,051,936**	4,095,733	**2,103,736**	1,235,156	**(3,921,631)**	(3,921,631)	**3,234,041**	1,409,258

No segmental analysis on a geographical basis is provided as the Group's activities were wholly carried out in Malaysia.

List Of Properties

Location	Tenure	Year Lease Expiring	Land Area	Existing Use	Net Book Value as at 31.3.2009 (RM)

NIL

Analysis Of Shareholders
As At 19 August 2009

Authorised Capital	:	RM500,000,000
Issued and Paid-Up Capital	:	RM42,000,000
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	No. of Shares	%
Less than 100	10	313	0.00
100 to 1,000	1,301	1,220,984	2.91
1,001 to 10,000	1,684	7,176,067	17.08
10,001 to 100,000	289	8,761,536	20.86
100,001 to <5% of issued	33	19,633,100	46.75
5% and above of issued shares	2	5,208,000	12.40
Total	**3,319**	**42,000,000**	**100.00**

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

No.	Names	Number of Shares	%
1.	Law Sie Ning	3,058,000	7.28
2.	Invesar Sdn. Bhd.	2,150,000	5.12
3.	Evergreen Earth Sdn. Bhd.	2,098,000	5.00
4.	Saravera Sdn. Bhd.	2,098,000	5.00
5.	Rainforest Enterprise Sdn. Bhd.	2,096,000	4.99
6.	Summit Agriculture Sdn. Bhd.	2,043,000	4.86
7.	Sinaco Sdn. Bhd.	2,032,000	4.84
8.	CIMB Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing]*	1,680,000	4.00
9.	Law Sie Ning	1,069,900	2.55
10.	Chong Yeo Pik @ Chiong Geok Pek	875,000	2.08
11.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. *[Aspek Elit Sdn. Bhd.]*	475,000	1.13
12.	Mayban Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account for Der Chin Tong]*	356,600	0.85
13.	Chan Sia Yew	336,000	0.80
14.	Tan Hui Hong	315,000	0.75
15.	HLG Nominee (Tempatan) Sdn. Bhd. *[Hong Leong Bank Bhd for Ting Huong Siang]*	314,000	0.75
16.	A.A. Anthony Nominees (Tempatan) Sdn. Bhd. *[Multi-Purpose Credit Sdn. Bhd. for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing]*	295,000	0.70
17.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *[Alliance Merchant Nominees (Tempatan) Sdn. Bhd. for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing]*	286,100	0.68

Analysis Of Shareholders (cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

No.	Names	Number of Shares	%
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account for Ting Pin Sew]*	258,000	0.61
19.	Public Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account for Ting Lian Siew @ Ting Lian Bo (E-CST)]*	240,400	0.57
20.	Vathivaloo A/L A.S. Ramaiah	236,000	0.56
21.	Tay Keh Hong	225,000	0.54
22.	Kong Hwee Chin	215,000	0.51
23.	Hashim Bin Sibelik	204,000	0.49
24.	Bong Hon Voo	200,000	0.48
25.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account for Heng Poh Suan]*	200,000	0.48
26.	Lai Miau Fong	190,000	0.45
27.	Tan Hui Sieng	185,000	0.44
28.	Wong Hua Ung	167,700	0.40
29.	Su Meu Ging	163,900	0.39
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. *[Pledged Securities Account for Ting Wee Hua]*	155,000	0.37
		24,217,600	57.67

SUBSTANTIAL SHAREHOLDERS

(as per the Register of Substantial Shareholders as at 19 August 2009)

Name	Direct No. of Shares	Direct % of Issued Capital	Indirect No. of Shares	Indirect % of Issued Capital
Law Sie Ning	4,127,900	9.83	–	–
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	2,369,836	5.64	–	–
Invesar Sdn. Bhd.	2,150,000	5.12	–	–

DIRECTORS' INTEREST

Name	Direct No. of Shares	Direct % of Issued Capital	Indirect No. of Shares	Indirect % of Issued Capital
Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	2,369,836	5.64	–	–
YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin	–	–	–	–
Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah (Rtd)	–	–	–	–
Sunny Khoo	–	–	–	–

Form Of Proxy

PWE Industries Berhad
(Company No. 18904-M • Incorporated in Malaysia)

Number of Shares Held	
CDS Account No.	

I/We ____ of ____

being a member/members of **PWE INDUSTRIES BERHAD** hereby appoint ____________________________of

_________________________________ or failing him/her ____ of

____ or the Chairman of the Meeting as my/our proxy to vote and act for me/us on my/our behalf at the **Thirty-Fifth Annual General Meeting** of the Company to be held at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak on Wednesday, 30 September 2009 at 11:00 a.m. and at any adjournment thereof.

My/our Proxy is to vote as indicated below:

Resolution		For	Against
1.	To receive the Audited Financial Statements and Reports for the financial year ended 31 March 2009.		
2.	To approve the payment of Directors' fees.		
3.	To re-appoint YM Tunku Dato' Seri Mahmud bin Tunku Besar Burhanuddin as Director.		
4.	To re-appoint Brigedier Jeneral Dato' Pahlawan Mohammed Shukor Bin Haji Abdullah as Director.		
5.	To re-elect Tan Sri Dato' Paduka (Dr.) Ting Pek Khiing as Director.		
6.	To re-appoint Ernst & Young as Auditors of the Company.		
7.	To authorise Directors to allot and issue shares.		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Dated this _________ day of ________________ 2009

____
Signature

Notes:

1. *A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member appoints two or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

3. *Where a member of the Company is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

4. *The Form of Proxy, in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

5. *The Form of Proxy must be deposited at the Registered Office of the Company at Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak no later than forty-eight (48) hours before the time appointed for the meeting or any adjournment thereof.*

Please Fold Along This Line

Affix Stamp

PWE Industries Berhad (Company No. 18904-M)
Lot 5428-5429, Block 16, KCLD
Lorong Lapangan Terbang Baru 1
93350 Kuching, Sarawak

Please Fold Along This Line

PWE Industries Berhad (Company No.18904-M)
Lot 5428-5429, Block 16, KCLD, Lorong Lapangan Terbang Baru 1, 93350 Kuching, Sarawak
Tel: 082-450 908 Fax: 082-452 924