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WZ STEEL BERHAD (666098-X)
(Formerly known as Weng Zheng Resources Berhad)
(Incorporated in Malaysia under the Companies Act, 1965)

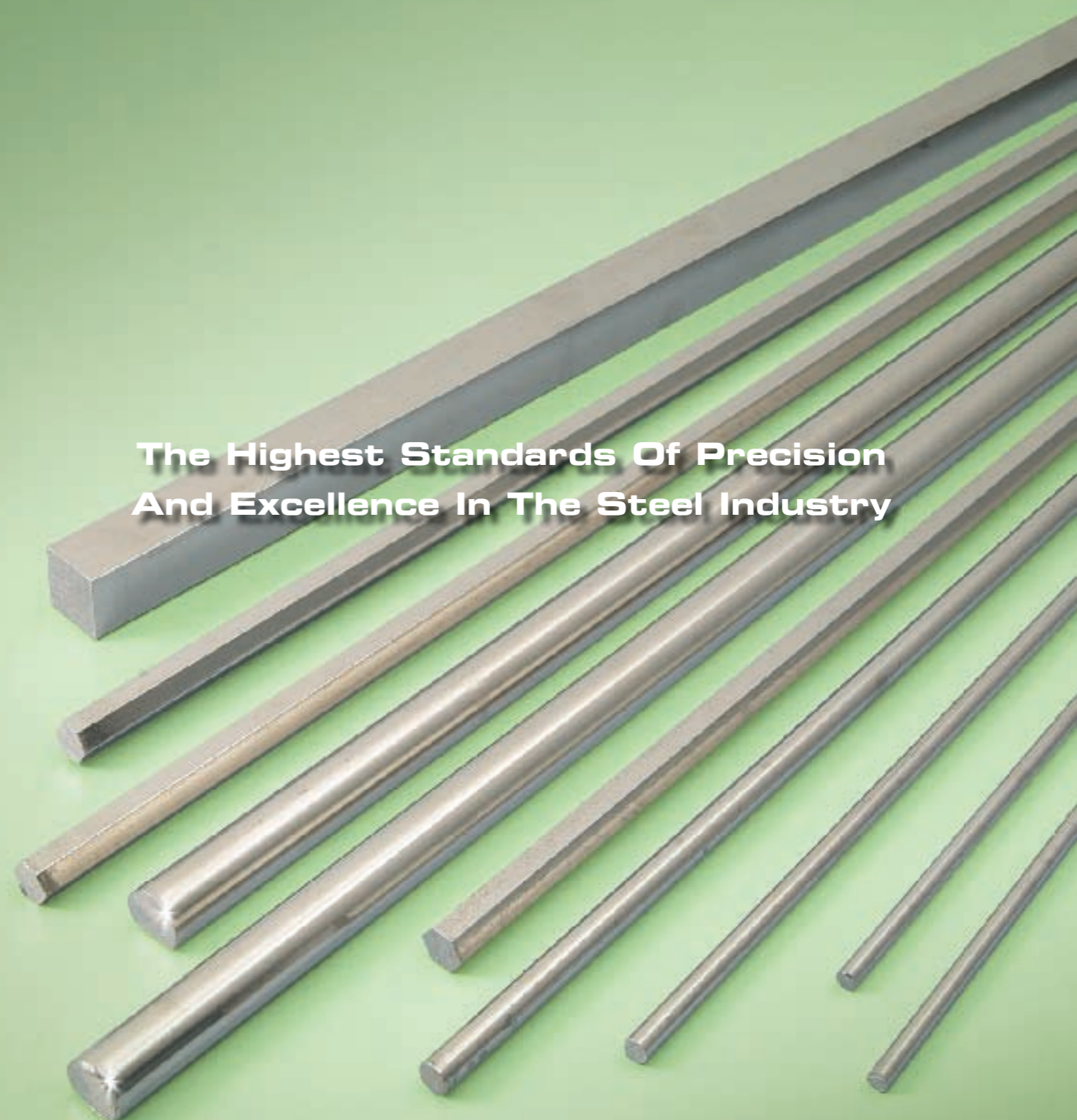
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43300 Seri Kembangan, Selangor Darul Ehsan

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WZ STEEL BERHAD (666098-X)
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The Highest Standards Of Precision
And Excellence In The Steel Industry



VISION

- The Group aspires to be a LEADING and PREFERRED manufacturer of precision CD bright steel polished shafts in the Asia Pacific region; and

MISSION

- To continuously enforce strict requirements of producing quality products
- To learn and apply the latest technology or development strategy to enhance the quality of its products
- To be committed in providing excellent service and quality products
- To instil superior and positive company value through overall excellence and dedication amongst the employees

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Corporate Information

Board Of Directors

Dato' Amin Rafie Bin Othman	Group Chairman / Independent Non-Executive Director
Tan Ching Kee	Managing Director
Ng Chong Tin	Executive Director
Tan Chong Boon	Executive Director
Dato' Siow Kim Lun	Independent Non-Executive Director
Dato' Yeong Kok Hee	Independent Non-Executive Director
Ong Teck Chuan	Independent Non-Executive Director

Audit Committee

Chairman of the Committee
Dato' Siow Kim Lun

Member of the Committee
Ong Teck Chuan
Dato' Yeong Kok Hee

Registered Office

Suite 13.03, 13th Floor,
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-2164 0206
Fax : 03-2164 0207

PRINCIPAL BANKERS

Hong Leong Bank Berhad (97141-X)
Malayan Banking Berhad (3813-K)
United Overseas Bank (Malaysia) Berhad (271809-K)
Standard Chartered Bank (Malaysia) Berhad (115793-P)

Remuneration Committee

Chairman of the Committee
Dato' Amin Rafie Bin Othman

Member of the Committee
Dato' Yeong Kok Hee
Tan Ching Kee

Head Office

Lot 1890, Jalan KPB 9
Kawasan Perindustrian Balakong,
43300 Seri Kembangan,
Selangor Darul Ehsan
Tel : 03-8962 2228
Fax : 03-8962 2226
E-mail : wzs@wengzheng.com
Website : www.wengzheng.com

Stock Exchange

Main Market
Bursa Malaysia Securities Berhad
Stock Name : WZSTEEL
Stock Code : 7245

Nomination Committee

Chairman of the Committee
Ong Teck Chuan

Member of the Committee
Dato' Amin Rafie Bin Othman
Dato' Siow Kim Lun

Auditors

Tai, Yapp & Co. (AF 0205)
No 3-2, Jalan Indrahana 2
Off Jalan Kuchai Lama
58200 Kuala Lumpur
Tel : 03-7983 0277

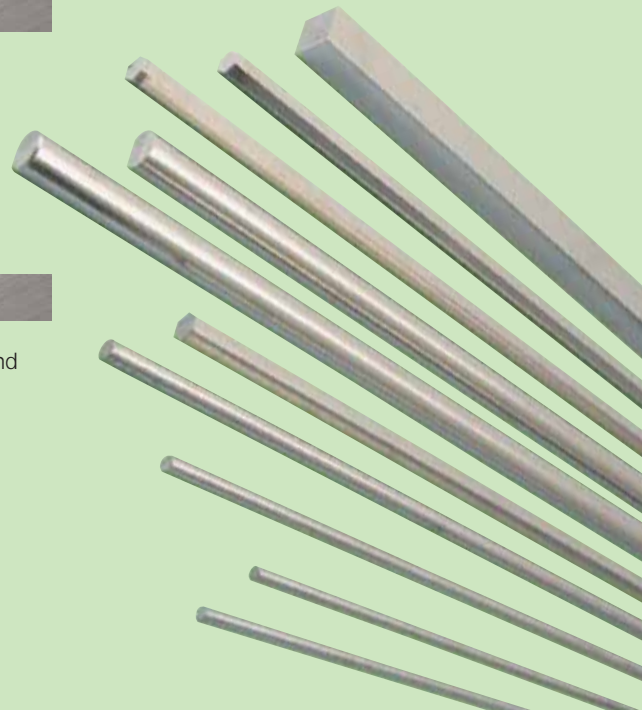
Company Secretaries

Tan Leh Kiah (MAICSA 0719692)
Chan Yoke Peng (MAICSA 7053966)

Suite 13.03, 13th Floor,
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-2164 0206
Fax : 03-2164 0207

Share Registrar

Epsilon Registration Services Sdn Bhd (629261-T)
Level 17, The Garden North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886



Corporate Structure



WZ STEEL BERHAD (666098-X)
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Board of Directors

DATO' AMIN RAFIE BIN OTHMAN

Chairman and Independent Non-Executive Director

Dato' Amin Rafie Bin Othman, a Malaysian, aged 49, was appointed to the Board on 26 October 2007. He is the Chairman of the Remuneration Committee and a member of Nomination Committee. He graduated Magna cum Laude from the University College of Wales, Aberystwyth with a joint honours degree in Economics and International Politics in 1982. He also holds a Master of Business Administration from the City University of London, United Kingdom ("UK").

Dato' Amin is currently also an advisor to Alioth Capital of Dubai. Prior to this appointment, he was the Chief Executive Officer ("CEO") of Dubai Ventures Group Sdn Bhd. In a career spanning 25 years, Dato' Amin has also held the positions of CEO of Mayban Investment Sdn Bhd, MD of PJB Capital Sdn Bhd, Executive Director of Smith Zain Securities, Senior General Manager and Director of Rashid Hussain Asset Management and General Manager of Mattra Berhad. He was also a past President of the Malaysian Association of Asset Managers and a member of the Listing Committee of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

MR. TAN CHING KEE

Managing Director

Mr. Tan Ching Kee, a Malaysian, aged 50, was appointed to the Board on 26 October 2007. He is a member of the Remuneration Committee. Mr. Tan commenced his career in the iron and steel industry in 1978 when he joined Wei Yet Sdn Bhd, a company involved in the marketing and trading of steel.

In May 1985, Mr. Tan started his own steel company, Syarikat Perniagaan Eng Seng, together with other partners before forming WZSB in 1992. Mr. Tan was instrumental in the setting up of the WZSB's iron and steel trading business.

With his keen foresight in the continuous potential of the steel industry, Mr. Tan launched the company into downstream value-added production of cold drawn bright steel polished shafts to service the engineering support industry, which was then a rapidly growing industry mainly driven by the E&E industry, especially the semiconductor sector. From this point in time, Mr. Tan began to develop the business through progressively building customers' trust to expand the company's business despite initial limited production capacity and a challenging business environment.

In 1996, Mr. Tan formed WZT to trade in other steel products which are primarily procured from wholesale steel traders, as well as to complement the manufacturing activities of WZSB. By

2001, with the completion of the existing manufacturing facilities in Lot 1850, Jalan KPB 10, Kawasan Perindustrian Balakong, 43300 Sri Kembangan, Selangor Darul Ehsan coupled with a well-established customer network, Mr. Tan had successfully carved a niche market for WZSB's superior quality and high precision bright steel polished shafts.

Mr. Tan has accumulated 31 years of extensive knowledge and experience in the steel trading business, with an overlap of 13 years having been involved in the daily operations and management of cold drawn bright steel polished shafts production. As the Managing Director of the WZSTEEL Group, he is responsible for the overall strategic business direction of the Group, developing new target markets locally and abroad. His vast experience in the industry and well-connected network with industry players has enabled him to be well-versed with the intricacies of the steel trade and to develop the Group to its present stage.

He is the brother of Mr Tan Chong Boon and brother-in-law of Mr Ng Chong Tin, the Executive Directors of the Company.

MR. NG CHONG TIN

Executive Director

Mr. Ng Chong Tin, a Malaysian, aged 44, was appointed to the Board on 26 October 2007. He embarked on his career in the steel industry when he joined Mr. Tan Ching Kee and two (2) other partners to incorporate Syarikat Perniagaan Eng Seng, a steel trading company in 1985.

Mr. Ng later co-founded WZSB in 1992 and became a Director of WZM and WZT in 1995 and 1996 respectively, where he continued to develop the steel trading business as Marketing Manager. To-date, Mr. Ng has 25 years of experience in the development of sales and marketing strategies based on customers' feedback as well as analysing the changing consumer trends. Mr. Ng is primarily in charge of the sales and marketing functions of WZM and WZT, and is instrumental in developing the customer network for the Group's trading division. His vast experience in the steel industry has enabled him to proactively develop sales and marketing strategies to cater to the customers' needs and meet the ever-changing industry trends.

He is the brother-in-law of Mr Tan Ching Kee, the Managing Director of the Company.



Board of Directors (cont'd)

MR. TAN CHONG BOON

Executive Director

Mr. Tan Chong Boon, a Malaysian, aged 43, was appointed to the Board on 26 October 2007. He has vast experience in the areas of design and build and construction contracts for civil and structural works which were accumulated over more than three (3) years. In 1988, Mr. Tan commenced his career as a Technical Assistant. To upgrade himself, Mr. Tan embarked on and pursued an Honours Degree in Civil Engineering at University Putra Malaysia in 1989. Upon successfully obtaining the Degree in 1991, he joined a civil and structural consulting company as Design Engineer before joining WZSTEEL Group in 1994. He was instrumental in the launch of WZSB's products into the international area, particularly the China, Hong Kong and Australia markets.

His vast experience gained in the areas of design, build and construction contracts for civil and structural works have enabled him to successfully set up WZSB's factory to produce cold drawn bright polished shafts in 1995. In 1996, WZSB began manufacturing free-cutting polished shafts and stainless steel polished shafts before venturing into high-end free-cutting polished shafts for Office Automation, which demand very stringent requirements. Since 1996, Mr. Tan had successfully adopted the correct manufacturing techniques and leveraged upon the technical know-how gained through in-depth discussions held with the WZSB's customers in order to understand and meet customers' needs.

He is the brother of Mr Tan Ching Kee, the Managing Director of the Company.

DATO' SIOW KIM LUN

Independent Non-Executive Director

Dato' Siow Kim Lun, a Malaysian, aged 59, was appointed to the Board on 26 October 2007. He is the Chairman of the Audit Committee and a member of Nomination Committee. He holds a Bachelor degree in Economics (Honours) from Universiti Kebangsaan Malaysia and a Master degree in Business Administration from the Catholic University of Leuven, Belgium. He also attended the Advanced Management Program at Harvard Business School, United States of America.

Dato' Siow started his career in investment banking with Malaysia International Merchant Bankers in 1981 and had served as a Manager in its Corporate Finance Division. In 1985, he joined Permata Chartered Merchant Bank Bhd (now known as Affin Investment Bank) as Manager of Corporate Finance. He later became the Divisional Head of its Corporate Finance division.

In April 1993, Dato' Siow joined the Securities Commission where he had served for over 13 years until his retirement in December 2006. During his tenure with the SC, Dato' Siow had held several positions including that of the Director of its Issues & Investment Division, the Director of the Market Supervision Division as well as the Executive Director, Office of the SC Chairman. He has also served as a member of the Listing Committee of Bursa Malaysia Securities Berhad from May 2007 to May 2009.

Dato' Siow is currently a Director of Citibank Bhd, Kumpulan Wang Persaraan, UMW Holdings Berhad, XingQuan International Sports Holdings Limited and MainStreet Advisers Sdn Bhd.



Board of Directors (cont'd)

DATO' YEONG KOK HEE

Independent Non-Executive Director

Dato' Yeong Kok Hee, a Malaysian, aged 49, was appointed to the Board on 26 October 2007 as Independent Non-Executive Director. He is the member of Audit Committee and Remuneration Committee. Upon returning from England in 1983, he commenced his sales and marketing management career firstly in the credit cards business and subsequently, ventured into the fast moving consumer goods ("FMCG") sector, as well as the electronics and computer equipment services industries. Dato' Yeong is well-recognised and respected not only in the information technology ("IT") arena, but also in the financial services and corporate sector.

Dato' Yeong is currently the consultant and hold the position of Vice President of CSC Malaysia Sdn Bhd (Formerly known as Computer System Advisers (M) Sdn Bhd) a position that he has held since 1999. As Consultant of the company, he is focussed in the areas of Managed Services, Technology consulting and Complex System Integration. His responsibilities includes leveraging of consulting and strategic outsourcing and technology management capabilities in concert with other divisions of Computer Sciences Corporation (CSC) worldwide in creating a unique integrated offering to the dynamic and rapidly growing Malaysia market.

He has developed and set up a significant number of strategic relationships and alliances with the senior management of the financial and governmental sector. He is an active member of the Executive and Management Review Committee of the Maybank and Computer Sciences Corporation/Computer Systems Advisers, a ten (10)-year term IT sourcing engagement since 2003.

With his vast experience and extensive business network, Dato' Yeong will contribute significantly to the WZ Steel Group in terms of business advisory.

MR. ONG TECK CHUAN

Independent Non-Executive Director

Mr. Ong Teck Chuan, a Malaysian, aged 53, was appointed to the Board of WZ Steel Berhad on 26 October 2007. He is the Chairman of the Nomination Committee and a member of the Audit Committee of the Company. Mr. Ong is a Fellow of the Certified Practising Accountants of Australia, and a Member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia. He has a business degree from Edith Cowan University, Australia.

Mr. Ong has over 30 years of extensive experience in corporate finance, financial management, operational management, merchant banking and auditing. He has served in various senior management positions in public listed companies and large organizations involved in diverse industries ranging from telecommunications, satellite broadcasting, leisure & entertainment, power generation, toll highway operations, infrastructure development, resource-based, property development, merchant banking and auditing. He is currently a business consultant providing business management and financial consultancy related services.

ADDITIONAL INFORMATION ON DIRECTORS

Conflict of interest

None of the Directors of the Company have any conflicts of interest with the Company.

Convictions for offences (within past 10 years, other than traffic offences)

None of the Directors have any convictions for offences other than traffic offences.

Securities held in the Company and its subsidiaries

The details are disclosed in the Directors' Report on page 22 of this Annual Report



Chairman's Statement

Dear Shareholders

On behalf of the Board of Directors and the management of WZSTEEL GROUP, I am pleased to present the Annual Report and Financial Statement of the Company for the financial year ended 30th April 2009.



Financial Performance

For the year ended 30 April 2009, the Company achieved a revenue of RM91.85 million and profit after tax of RM1.72million, as compared to a revenue of RM93.24 million (on a proforma basis) and profit after taxation of RM8.27 million for FY2008.

The relatively lower revenue recorded during the year was mainly due to the slower demand and lower margins for the Group's steel products in the second half of the year. For the 1st half of the FY, the Group recorded very encouraging results with revenue and production surging to historical high levels. The sudden downturn of the global economy since October 2008 caused the demand and prices of steel products to fall by more than 50%. This resulted in an erosion of the profit generated during 1st half of the year. The lower profit achieved this year is also partly due to the Group writing down inventories worth RM4.64 million. The write down was due to falling inventory prices and a lengthening of the inventory period.

If we exclude the write down of inventories, the Group would have registered a profit after taxation of RM6.36 million.



Operational Review

Manufacturing Division

For FY09 the manufacturing division recorded a revenue and profit after taxation of RM61.5 million and RM0.3 million respectively as compared with a revenue and profit after taxation of RM52.9 and RM4.1 million for FY08.

The lower profits were partly due to lower margins for our products caused by high inventory costs and lower prices for our products. In addition, the division also wrote down the value of inventories amounting to RM4.18 million.

In spite of falling steel prices the division did well in increasing revenue. In particular we did very well in export sales which saw revenue increasing by 45.5% to RM11.5 million in FY09 as compared with RM7.9 million in the previous year.

Trading Division

Our trading division achieved revenue of RM30.3 million in FY09, a reduction of 25.8% as compared to previous year

Corporate Governance Statement

The Board is fully committed to maintaining high standards of corporate governance practices throughout the Group. To this end, it has adopted a set of Corporate Governance Guidelines to govern its conduct within the spirit of the Malaysian Code on Corporate Governance ("Code") and the Listing Requirements of Bursa Securities.

1. THE BOARD

The Board is responsible, amongst others, for charting and communicating strategic direction and corporate values of the Group, and supervising its affairs to ensure its success within a framework of acceptable risks and effective control and in compliance with the relevant laws, regulations, guidelines and directives in the territories in which it operates. The Board reviews management performance and ensures that the necessary financial and human resources are available to meet the Group's objectives.

1.1 Composition and Balance

As at 30 April 2009, your Board comprised four Non-Executive Directors including the Chairman, and three Executive Director. All of the four Non-Executive Directors are independent, which is higher than the minimum prescribed in the Code and the Listing Requirements.

The roles of the Non-Executive Chairman and the Managing Director are separated, with a clear division of their responsibilities to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has overall responsibilities over the operating units, organizational effectiveness and implementation of Board policies and decisions.

The independent Directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board Committees and their attendance of meetings as detailed on next page. The independent Directors provide unbiased views and impartiality to the Board's deliberation and decision-making process. In addition, the Non-Executive Directors ensure that matters and issues brought up to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group. The profiles of the members of the Board, as set out on Pages 4 to 6 of this Annual Report, demonstrates the complement of skills and experiences that the Directors are able to bring to bear on issues of oversight, strategy, performance, control, resource allocation and integrity.

1.2 Appointments to the Board

In compliance with the Code, the Nomination Committee has the responsibility of proposing new candidates for appointment to the Board. All newly appointed Directors are subject to re-election by the shareholders at the next Annual General Meeting in accordance with the Company's Articles of Association. Re-appointments are not automatic and all Directors must retire and submit themselves for re-election by shareholders at least once in every three years. The Articles also provide that at least one-third (1/3), or the number nearest one-third (1/3) of the remaining directors including the Managing Director shall retire from office and be eligible for re-election at each Annual General Meeting provided that all Directors shall retire from office at least once in every three years but shall be eligible for re-election.

Pursuant to the Listing Requirements, each member of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the Group to enable them to discharge their duties effectively.

1.3 Training

The Board fully supports the need for its members to enhance their skills and knowledge on relevant new laws, regulations and changing commercial risks and to keep abreast with the developments in the economy, industry and technology, among others. All the Directors have attended the Mandatory Accreditation Programme organized by Bursa Malaysia Securities Berhad.

Among the seminars or briefings attended by the directors during the financial year include:-

Director	Training Attended
Dato' Amin Rafie bin Othman	4th Asia Economic Summit 2008 At JW Marriot HongKong
Tang Ching Kee	MAP Training programme Leadership Seminar organised by NanYang Siang Pau
Ng Chong Tin	Money and you organised by Doer's Knowledge Management Group Sdn Bhd
Tan Chong Boon	Money and you organised by Doer's Knowledge Management Group Sdn Bhd
Dato' Siow Kim Lun	Institutional Investor seminar organised by SIDC Financial Institutions Directors' Education Programme organised by Bank Negara Malaysia
Dato' Yeong Kok Hee	Outsourcing Malaysia Conference Kuala Lumpur organised by PIKOM
Ong Teck Chuan	ChartNexus Intensive Training Programme

Corporate Governance Statement (cont'd)

An appropriate budget will be allocated for Directors' training going forward, and the Directors will continue to attend training programmes and seminars to enhance their skills and knowledge and to keep abreast on various issues pertaining to the business environment within which the Group operates, areas of corporate governance and regulatory compliances.

1.4 Supply of Information and Board Meetings

The Board has full and unrestricted access to all information pertaining to the businesses and affairs from Senior Management, as well as the services of the Company Secretary to enable them to discharge their duties effectively. The Board may also seek external independent professional advice at the Group's expense.

The Board meets at least once every quarter and on other occasions, as and when necessary, to inter-alia approve quarterly results, the Annual Report, business plans and budgets as well as to review the performance of the Group, operating subsidiaries and other business development activities. Senior Management and external advisors are invited to attend the Board and Board Committee meetings and to advise on relevant agenda items to enable the Board and its Committees to arrive at a considered decision. Prior to Board or Board Committee meetings, the Directors receive a set of board papers to ensure that they have the necessary information on the agenda items to be discussed.

Minutes of every Board meeting are circulated to all Directors for their perusal prior to confirmation, and Directors may require clarification or raise comments on the minutes prior to the confirmation of the minutes.

The attendance record of individual Directors at the Board and Board Committee meetings for the financial year ended 30 April 2009 is detailed below:

TABLE	Number of meetings during the financial year			
	Board	Board Committees		
Name	Meetings	Audit	Nomination	Remuneration
Dato' Amin Rafie Bin Othman	5/5		2/2	3/3
Tan Ching Kee	5/5			3/3
Ng Chong Tin	5/5			
Tan Chong Boon	5/5			
Dato' Siow Kim Lun	4/5	5/5	2/2	
Dato' Yeong Kok Hee	4/5	5/5		3/3
Ong Teck Chuan	5/5	5/5	2/2	

1.5 Board Committees

To ensure the effective discharge of its fiduciary duties, the Board has delegated specific responsibilities to the following three Board Committees. The Board Committees will deliberate in greater detail and examine the issues within their terms of reference as set out by the Board in compliance with the Code.

Audit Committee

Composition of the Audit Committee, its terms of reference and a summary of its activities are set out on Pages 16 to 18 of this Annual Report.

Nomination Committee

This Committee is primarily responsible for proposing and recommending new nominees to the Board, and assessing the effectiveness of the Board and its members on an ongoing basis. The final decision on the appointment of new members to the Board lies with the entire Board.

Members of the Nomination Committee, all of whom are Independent Non-Executive Directors, are:

- Ong Teck Chuan (Chairman)
- Dato' Amin Rafie Bin Othman
- Dato' Siow Kim Lun

Corporate Governance Statement (cont'd)

Remuneration Committee

This Committee is primarily responsible for reviewing and recommending the appropriate level of remuneration for the Non-Executive Directors and the Executive Directors. Members of the Remuneration Committee, two of whom are independent Non-Executive Directors, are:

- Dato' Amin Rafie Bin Othman (Chairman)
- Dato' Yeong Kok Hee
- Tan Ching Kee

1.6 Directors' Remuneration

The Board believes that remuneration should be sufficient to attract, retain and motivate Directors of the necessary caliber, expertise and experience to lead the Group. In line with this philosophy, remuneration for the Executive Directors is aligned to individual and corporate performance. For Non-Executive Directors, the fees are to commensurate with the level of experience and responsibilities shouldered by the respective Directors.

The Remuneration Committee recommends the policy framework and is responsible for assessing the compensation package for the Executive Directors. The remuneration of the Executive Directors consists of salary, bonus, and benefits-in-kind.

Remuneration for Non-Executive Directors is determined by the Board as a whole. Individual directors do not participate in determining their own remuneration package. The Board, subject to the fees as authorized by the Company's shareholders, determines fees payable to Non-Executive Directors. Non-Executive Directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors. Details of the Directors' remuneration for the financial year ended 30 April 2009 are as follows:

Remuneration Amount (RM)	Amount (RM)	
	Executive	Non-Executive
Fees	-	156,000
Salary, other remuneration and emoluments	1,323,233	24,500
Benefits-in-kind (based on an estimated Monetary value)	50,200	-

The aggregate remuneration paid to Directors by the Company during the year, analysed into bands of RM50,000 are as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Up to RM50,000	-	3
RM50,001 to RM100,000	-	1
RM200,001 to RM250,000	1	-
RM300,001 to RM350,000	1	-
RM800,001 to RM850,000	1	-

2. SHAREHOLDERS AND INVESTORS

2.1 Communication with Shareholders and Investor Relations

The Board is committed to providing investors accurate, useful and timely information about the Group, its businesses and its activities. The Group, where applicable, communicates with the investor community in conformity with disclosure requirements. The Board believes that clear and consistent communication with investors encourages a better appreciation of the Company's business and activities, reduces share price volatility, and allows the Company's business and prospects to be evaluated properly.

Information on the Group is also available on the Company's website at www.wengzheng.com. The Group maintains strict confidentiality and employs best efforts to ensure that no disclosure of material information is made on a selective basis to any individuals.

Additional Compliance Information

Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposals.

Share buybacks

During the financial year there was no share buyback scheme.

Options, warrant or convertible securities

During the financial year, the Company did not issue any options, warrants or convertible securities.

American Depository Receipts ("ADR") or Global Depository Receipts ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year under review.

Imposition of Sanctions and /or Penalties

There were no material sanctions and /or penalties imposed on the Company, its subsidiaries, Directors or management by any regulatory bodies during the financial year under review.

Non-Audit Fees

A non-audit fees amounting RM3,000 was paid to the External Auditor by the Company during the financial year ended 30 April 2009.

Variation in Results

There was no variation between the audited results for the financial year ended 30 April 2009 against the unaudited results for the year ended 30 April 2009 released by the Company previously.

Profit Guarantee

The Company did not provide any profit guarantee during the financial year.

Material Contracts

There were no material contracts entered into by the Group and Company involving directors and major shareholders during the financial year.

Revaluation Policy on Landed Properties

The Company has adopted a policy of revaluation on its landed properties once every five (5) years.



Audit Committee Report

1.0 AUDIT COMMITTEE MEMBERS AND MEETINGS

The Audit Committee was established on 6 November 2007 and the members of the Audit Committee, all of whom are independent non-executive directors are:

Dato' Siow Kim Lun – Chairman
Ong Teck Chuan
Dato' Yeong Kok Hee

The Committee meets at least four (4) times in each financial year. At least two (2) members must be present to constitute a quorum. The Company Secretary shall be the Secretary of the Committee.

The Committee shall regulate its own procedures, in particular on the calling of meetings, notice to be given for such meetings, the voting and proceedings of such meetings, the keeping of minutes and the custody, production and inspection of such minutes. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee.

During the financial year, the Committee conducted five (5) meetings. Certain designated members of Senior Management also attended these meetings on invitation of the Committee. The Committee also met twice with the external auditors of the Group, and four (4) times with the internal auditor of the Company, on separate private sessions during the financial year.

2.0 TERMS OF REFERENCE

The Committee assists the Board in fulfilling its responsibilities with regard to its oversight responsibilities. The Committee reviews and monitors the integrity of the Group's financial reporting process, its management of risk and system of internal control, its audit process as well as compliance with legal and regulatory matters, and such other matters that may be specifically delegated to the Committee by the Board from time to time.

2.1 Composition of the Audit Committee

Members of AC shall be appointed by the Board from amongst the Directors and the Committee shall fulfill the following requirements:-

- (a) Membership shall consist of no fewer than three (3) members;
- (b) All Members shall be independent directors;
- (c) At least one (1) member of the AC must be:-
 - i) a member of the Malaysian Institute of Accountants ("MIA"); or
 - ii) if not a member of the MIA, must have at least three (3) years working experience, and either have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii) holds a degree / masters / doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance; or has at least seven (7) years' experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation and
- (d) Shall not comprise of any alternate director of the Company.

The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

Members of the AC shall elect the Chairman, and all the members of the Committee including the Chairman shall hold office as long as they serve as Directors of the Company. The appointment of a Committee Member shall terminate when the Member ceases to be a Director of the Company.

In the event of any vacancy in the Committee, the vacancy shall be filled within three (3) months upon the review and recommendation of a suitable Director by the Nomination Committee and approved by the Board.

Audit Committee Report (cont'd)

2.2 Duties and Responsibilities of the Audit Committee

The Committee shall, amongst others, discharge the following functions:-

- (a) Internal Audit
 - Review and monitor the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of the members of the internal audit function;
 - Approve any appointment or termination of the senior members of the internal audit function; and
 - Take cognizance of any resignation of internal audit staff member and to provide the resigning staff an opportunity to submit his/her reasons for resigning.
- (b) External Audit
 - Assess the qualification, expertise, resources and effectiveness of the external auditors, including their performance and objectivity, and the terms of engagement and remuneration;
 - Review the external auditors' audit program and plan, including any changes to the planned scope of the audit plan;
 - Review the external auditors' evaluation of the system of internal controls, their audit reports and major audit issues raised by the external auditors with management;
 - Review the assistance given by Group's employees to the external auditors;
 - Review the nature and extent of external auditors' provision of non-audit services and
 - Consider any questions of resignation or dismissal of the external auditors.
- (c) Financial Reporting
 - Review the quarterly and annual financial statements prior to approval of the Board of Directors, focusing particularly on:-
 - i) changes in or implementation of major accounting Policies;
 - ii) significant and unusual events; and
 - iii) compliance with applicable Financial Reporting Standards and other legal and regulatory requirements.
 - Review of matters relating to the accounting, auditing, financial reporting practices and procedures of the Group.
- (d) Related Party Transactions
 - Review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management's integrity.

2.3 Authority of the Audit Committee

In discharging its function, the Committee is duly authorized by the Board to:

- i. have authority to investigate any matter of the Group within its terms of reference;
- ii. have the resources which are required to perform its duties;
- iii. have full and unrestricted access to any information pertaining to the Company and the Group;
- iv. have access to independent professional or other advice;
- v. have direct communication channels with external auditors and person(s) carrying out the internal audit function or activity;
- vi. be able to convene meetings with the external auditors, internal auditor or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary and
- vii. promptly report to Bursa Securities where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

Audit Committee Report (cont'd)

3.0 SUMMARY OF ACTIVITIES

The summary of the main activities carried out by the Audit Committee during the financial year under review is as follows:-

- i. Reviewed and recommended the quarterly financial results and the audited financial statements for the Board's approval prior to release of the unaudited results and financial statements to Bursa Securities;
- ii. Reviewed with the external auditors of the Group on their audit plan, the results of their audit findings and the audit report;
- iii. Reviewed the internal audit plan and identified key risk areas within the Group, in which the internal audit function should focus its work and
- iv. Reviewed the financial impact subsequent to the adoption of new financial reporting standards by the Group.

4.0 INTERNAL AUDIT FUNCTION

The Company has established an internal audit function.

The main role of the internal audit function is to review the adequacy and effectiveness of the system of internal controls including risk management, operational controls, compliance with applicable laws and regulations, management efficiency and corporate governance processes within the Company and Group.

The function was outsourced to an independent internal audit services company with effect from May 2009, and the internal auditor reports directly to the Audit Committee.

The fees incurred during the current financial year for the internal audit function of the Group was RM31,500.



Statement Of Directors' responsibility for Preparing The Statements

The Directors are responsible for ensuring that:

- I. The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable Financial Reporting Standards, the provisions of the Companies Act, 1965 and the Listing Requirements of the Bursa Securities so as to give a true and fair view of the state of affairs of the Group and the Company for the financial year, and
- II. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial year ended 30 April 2009, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statement with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.



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DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 2009

The Directors present their report and the audited financial statements of the Group and of the Company for the year ended 30th April 2009.

CHANGE OF NAME

On 22nd October 2008, the Company changed its name from Weng Zheng Resources Berhad to WZ Steel Berhad.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and providing of management services. The principal activities of the subsidiary companies are disclosed in note 11 to the financial statements.

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

FINANCIAL RESULTS	Group RM	Company RM
Profit for the year after taxation	1,720,330	95,789

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company declared a final dividend of 1.5 sen per ordinary share of RM0.50 each less 25% income tax amounting to RM1,125,000 in respect of the financial year ended 30th April 2008 and this amount was paid on 7th November 2008.

The Directors do not recommend any dividends for the current financial year ended 30th April 2009.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the year, no issue of shares was made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 2009 (cont'd)

DIRECTORS

The Directors who have served since the date of the last report are:-

DATO' AMIN RAFIE BIN OTHMAN
TAN CHING KEE
TAN CHONG BOON
NG CHONG TIN
DATO' SIOW KIM LUN
DATO' YEONG KOK HEE
ONG TECK CHUAN

In accordance with Article 84 of the Company's Articles of Association, Dato' Amin Rafie Bin Othman and Dato' Yeong Kok Hee retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting of the Company.

DIRECTORS' INTEREST

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:-

Direct Interest	----- Ordinary Shares of RM0.50 each -----			As at 30.4.09
	As at 1.5.08	Bought	Sold	
DATO' AMIN RAFIE BIN OTHMAN	2,150,000	-	(1,000,000)	1,150,000
TAN CHING KEE	39,171,907	-	-	39,171,907
TAN CHONG BOON	6,406,980	-	-	6,406,980
NG CHONG TIN	2,398,356	-	-	2,398,356
DATO' SIOW KIM LUN	150,000	-	-	150,000
DATO' YEONG KOK HEE	650,000	-	-	650,000
ONG TECK CHUAN	150,000	-	-	150,000
Indirect Interest¹				
TAN CHING KEE	2,317,995	50,000	-	2,367,995
TAN CHONG BOON	69,000	-	-	69,000

¹ Deemed interests pursuant to Section 134 (12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse direct interests in the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than those benefits disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest other than any benefits which may be deemed to have arisen from the transactions entered into by the Company as mentioned in note 28 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH APRIL 2009

(cont'd)

OTHER STATUTORY INFORMATION

- a) Before the income statement and balance sheet of the Group and of the Company were made out, the Directors took reasonable steps :-
- i) to ascertain that proper action has 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;
 - 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 have 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 the Group and the Company inadequate to any substantial extent;
 - ii) the values attributed to 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 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 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 in respect 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 liabilities 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;
 - 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.

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 2009 (cont'd)

AUDITORS

The auditors, Tai,Yapp & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN CHING KEE

NG CHONG TIN

Balakong

Dated : 17th August 2009

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WZ STEEL BERHAD
(Formerly Known As WENG ZHENG RESOURCES BERHAD)
(Company No : 666098-X)

Report on the Financial Statements

We have audited the financial statements of WZ STEEL BERHAD (Formerly known as WENG ZHENG RESOURCES BERHAD), which comprise the balance sheets as at 30th April 2009 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 28 to 67.

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 applicable 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 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 applicable 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 of 30th April 2009 and of their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WZ STEEL BERHAD
(Formerly Known As WENG ZHENG RESOURCES BERHAD)
(Company No : 666098-X) (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 of which we have acted as auditors 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 Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

TAI, YAPP & CO
AF: 0205
Chartered Accountants

YAPP HOCK HOE
No: 723/03/10 (J/PH)
Partner

Kuala Lumpur
Dated : 17th August 2009

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30TH APRIL 2009

	Note	2009 RM	2008 RM
Revenue	6	91,847,742	55,660,328
Cost of sales		(79,458,625)	(45,747,159)
Gross profit		12,389,117	9,913,169
Other income		249,388	3,930,450
Distribution costs		(970,473)	(601,119)
Administrative expenses		(3,942,862)	(1,657,700)
Other expenses		(2,735,301)	(1,188,596)
Profit from operations		4,989,869	10,396,204
Finance costs		(2,541,727)	(1,140,544)
Profit before taxation	7	2,448,142	9,255,660
Taxation	8	(727,812)	(984,067)
Profit after taxation		1,720,330	8,271,593
Earnings per ordinary share (sen) - Basic	9	1.72	9.69
Dividend paid per share - Gross (sen)	25	1.5	-
Dividend declared per share - Gross (sen)	25	-	1.5

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

INCOME STATEMENT FOR THE YEAR ENDED 30TH APRIL 2009

	Note	2009 RM	2008 RM
Revenue	6	1,008,000	2,704,000
Other income		840,121	62,119
Administrative expenses		(1,585,710)	(544,835)
Other expenses		(112,522)	(5,833)
Profit from operations		149,889	2,215,451
Finance costs		-	-
Profit before taxation	7	149,889	2,215,451
Taxation	8	(54,100)	(561,000)
Profit after taxation		95,789	1,654,451
Dividend paid per share - Gross (sen)	25	1.5	-
Dividend declared per share - Gross (sen)	25	-	1.5

CONSOLIDATED BALANCE SHEET

- 30TH APRIL 2009

	Note	2009 RM	2008 RM
NON CURRENT ASSETS			
Property, plant and equipment	10	36,525,004	37,818,052
Prepaid lease payments	12	3,476,571	3,538,286
		40,001,575	41,356,338
CURRENT ASSETS			
Inventories	13	45,159,408	37,793,326
Trade receivables	14	17,125,615	29,822,038
Other receivables, deposits and prepayments	15	4,934,510	889,822
Tax recoverable		1,227,426	1,260,222
Fixed deposit with a licensed bank		-	4,500,000
Cash and bank balances	17	400,979	1,706,144
		68,847,938	75,971,552
TOTAL ASSETS		108,849,513	117,327,890
EQUITY			
Share capital	18	50,000,000	50,000,000
Share premium		2,232,152	2,232,152
Unappropriated profit		8,855,044	8,259,714
Total equity		61,087,196	60,491,866
NON CURRENT LIABILITIES			
Hire purchase payables	19	133,146	316,683
Term loans	20	6,705,399	8,852,669
Deferred taxation	21	2,217,238	2,131,084
		9,055,783	11,300,436
CURRENT LIABILITIES			
Trade payables	22	2,863,077	9,113,025
Other payables and accruals	23	790,651	1,317,396
Hire purchase payables	19	384,207	401,343
Term loans	20	2,166,893	3,416,226
Short term borrowings	24	32,488,706	30,747,580
Taxation		13,000	540,018
		38,706,534	45,535,588
Total liabilities		47,762,317	56,836,024
TOTAL EQUITY AND LIABILITIES		108,849,513	117,327,890

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

BALANCE SHEET - 30TH APRIL 2009

	Note	2009 RM	2008 RM
NON CURRENT ASSET			
Investments in subsidiary companies	11	38,808,323	38,808,323
		<u>38,808,323</u>	<u>38,808,323</u>
CURRENT ASSETS			
Other receivables, deposits and prepayments	15	12,182	1,658,700
Amount owing by subsidiary companies	16	14,211,530	9,051,290
Tax recoverable		-	539,000
Fixed deposit with a licenced bank		-	4,500,000
Cash and bank balances	17	101,113	54,209
		<u>14,324,825</u>	<u>15,803,199</u>
TOTAL ASSETS		<u>53,133,148</u>	<u>54,611,522</u>
EQUITY			
Share capital	18	50,000,000	50,000,000
Share premium		2,232,152	2,232,152
Unappropriated profit		613,361	1,642,572
Total equity		<u>52,845,513</u>	<u>53,874,724</u>
NON CURRENT LIABILITY			
Deferred taxation	21	-	550,000
CURRENT LIABILITIES			
Other payables and accruals	23	274,635	186,798
Taxation		13,000	-
		<u>287,635</u>	<u>186,798</u>
Total liabilities		<u>287,635</u>	<u>736,798</u>
TOTAL EQUITY AND LIABILITIES		<u>53,133,148</u>	<u>54,611,522</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH APRIL 2009

	Note	<u>Non Distributable</u>		<u>Distributable</u>	Total Equity RM
		Share Capital RM	Share Premium RM	Unappropriated Profit RM	
Balance at 1st May 2007		2	-	(11,879)	(11,877)
Issue of shares		49,999,998	4,029,003	-	54,029,001
Listing expenses		-	(1,796,851)	-	(1,796,851)
Net profit for the year		-	-	8,271,593	8,271,593
Balance at 30th April 2008		50,000,000	2,232,152	8,259,714	60,491,866
Net profit for the year		-	-	1,720,330	1,720,330
Dividend paid	25	-	-	(1,125,000)	(1,125,000)
Balance at 30th April 2009		50,000,000	2,232,152	8,855,044	61,087,196

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH APRIL 2009

	Note	<u>Non Distributable</u>		<u>Distributable</u>	Total Equity RM
		Share Capital RM	Share Premium RM	Unappropriated Profit RM	
Balance at 1st May 2007		2	-	(11,879)	(11,877)
Issue of shares		49,999,998	4,029,003	-	54,029,001
Listing expenses		-	(1,796,851)	-	(1,796,851)
Net profit for the year		-	-	1,654,451	1,654,451
Balance at 30th April 2008		50,000,000	2,232,152	1,642,572	53,874,724
Net profit for the year		-	-	95,789	95,789
Dividend paid	25	-	-	(1,125,000)	(1,125,000)
Balance at 30th April 2009		50,000,000	2,232,152	613,361	52,845,513

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH APRIL 2009

	Note	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,448,142	9,255,660
Adjustments for :-			
Inventories written down		4,642,000	-
Unrealised gain on foreign exchange		(45,933)	(61,179)
Negative goodwill on consolidation		-	(3,804,498)
Depreciation and amortisation of property, plant and equipment		2,964,227	1,322,258
Amortisation of prepaid lease payments		61,715	30,857
Allowance for doubtful debts written back		(61,378)	(27,505)
Gain on disposal of property, plant and equipment		(24,098)	(3,775)
Interest expense		2,541,727	1,140,544
Interest income		(41,669)	(114,839)
Specific allowance for doubtful debts		1,180,303	622,606
Operating profit before working capital changes		13,665,036	8,360,129
Increase in inventories		(12,008,083)	(6,517,362)
Decrease/(Increase) in receivables		7,578,743	(8,386,666)
(Increase)/Decrease in payables		(6,776,692)	3,366,986
Cash generated from/(absorbed in) operations		2,459,004	(3,176,913)
Interest paid		(2,541,727)	(1,140,544)
Interest received		41,669	114,839
Net taxes paid		(1,135,880)	(738,668)
Net cash used in operating activities		(1,176,934)	(4,941,286)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of subsidiary companies, net of cash acquired	11 (b)	-	(1,498,899)
Proceeds from disposal of property, plant and equipment		24,100	31,500
Purchase of property, plant and equipment	(a)	(1,421,271)	(520,590)
Net cash used in investing activities		(1,397,171)	(1,987,989)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of bank borrowings		2,120,000	1,190,295
Proceeds from issue of shares		-	13,423,827
Repayment of hire purchase payables		(450,584)	(226,424)
Repayment of bank borrowings		(9,010,679)	(4,465,297)
Dividend paid		(1,125,000)	-
Net cash (used in)/provided by financing activities		(8,466,263)	9,922,401

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH APRIL 2009

(cont'd)

	2009 RM	2008 RM
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(11,040,368)	2,993,126
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,993,128	2
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(8,047,240)	2,993,128

Note :-

a) Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,671,181 (2008 : RM736,590) and out of which RM249,910 (2008 : RM216,000) was acquired by means of hire purchase.

The cash payments for the year represent the following :-

	2009 RM	2008 RM
(i) Assets acquired during the year	1,421,271	520,590
b) Cash and cash equivalents :-		
Fixed deposit with a licensed bank	-	4,500,000
Cash and bank balances	400,979	1,706,144
Bank overdraft	(8,448,219)	(3,213,016)
	(8,047,240)	2,993,128

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH APRIL 2009

	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	149,889	2,215,451
Adjustments for :-		
Dividend income	-	(2,200,000)
Interest income	(840,121)	(62,119)
Operating loss before working capital changes	(690,232)	(46,668)
Increase in receivables	(1,646,518)	(8,700)
Increase in payables	87,837	174,919
Cash (absorbed in)/generated from operations	(2,248,913)	119,551
Tax paid	(52,100)	-
Interest received	840,121	62,119
Dividend received from subsidiary companies	1,650,000	-
Net cash provided by operating activities	189,108	181,670
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to subsidiary companies	(3,517,204)	(9,051,290)
Net cash used in investing activities	(3,517,204)	(9,051,290)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	13,423,827
Dividend paid	(1,125,000)	-
Net cash (used in)/provided by financing activities	(1,125,000)	13,423,827
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,453,096)	4,554,207
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	4,554,209	2
CASH AND CASH EQUIVALENTS CARRIED FORWARD	101,113	4,554,209
	2009 RM	2008 RM
Note :		
Cash and cash equivalents :-		
Fixed deposit with a licensed bank	-	4,500,000
Cash and bank balances	101,113	54,209
	101,113	4,554,209

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

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009

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1. GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. It is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company's registered office is at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur.

The Company's principal place of business is at Lot 1890, Jalan KPB 9, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

The Group does not hold or issue any derivative financial instruments.

2.1 Foreign Currency Risk

Foreign currency risk arises as the Group engages in transactions that are denominated in foreign currencies, mainly United States Dollar and New Taiwanese Dollar.

2.2 Liquidity Risk

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of estimating and forecasting its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group also maintains sufficient credit facilities to meet its operational needs.

2.3 Interest Rate Risk

The Group's exposure to interest rate fluctuations are in respect of :

- a) fixed deposits with licensed banks that attracts interest income.
- b) hire purchase obligations of which the interest rate is fixed.
- c) bills payable and term loans of which the interest rates vary with reference to the base lending rates of the banks.

However, the fluctuation in interest rates, if any, is not expected to have a material impact on the financial performance of the Group.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

2.4 Credit Risk

This involves the risk that the Group customers may be unable to meet the settlement terms. The Group has no major concentration of credit risk and the Group manages these risks by monitoring credit evaluations and limiting the aggregate exposure to any customers.

The Group places its cash and fixed deposits with creditworthy financial institutions.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represent the Group's exposure to credit risk.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

3.1 Statement of Compliance

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 17th August 2009.

The financial statements of the Group and of the Company have been prepared in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

During the financial year, the Group and the Company had adopted the following new/revised Financial Reporting Standards ("FRS") that are mandatory for the current financial year :

Revised FRS, Amendments 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 126	Accounting and Reporting by Retirement Benefits Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – 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 adoption above revised FRS does not result in significant changes in accounting policies of the Group and of the Company. The principal changes in accounting policies and their effects resulting from the adoption of new/revised FRS are disclosed in the respective accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

3.1 Statement of Compliance (cont'd)

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

Revised FRS, Amendments to FRS and Interpretations	Effective for financial period beginning on or after
FRS 1 : Amendments to FRS 1 First-time Adoption of Financial Reporting Standard and FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate	1st January 2010
FRS 2 : Amendments to FRS 2 Share-Based Payment-Vesting Conditions and Cancellations	1st January 2010
FRS 127 : Amendments to FRS 1 First-time Adoption of Financial Reporting Standard and FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate	1st January 2010
FRS 8 : Operating Segment	1st July 2009
FRS 4 : Insurance Contracts	1st January 2010
FRS 7 : Financial Instruments : Disclosures	1st January 2010
FRS 123 : Borrowing costs	1st January 2010
FRS 139 : Financial Instruments : Recognition and Measurement	1st January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1st January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1st January 2010
IC Interpretation 11 : FRS 2 – Group and Treasury Share Transaction	1st January 2010
IC Interpretation 13 : Customer Loyalty Programmes	1st January 2010
IC Interpretation 14 : FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1st January 2010

With the exception of FRS 7, FRS 8 and FRS 139, the adoption of the above new and revised FRSs, amendments to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon initial application. The Group and the Company have applied the transitional provisions in FRS 7, FRS 8, and FRS 139 which exempt entities from disclosing the possible impact arising from initial application of the respective standards on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

3.2 Basis of Measurement

The financial statements of the Group have been prepared under the historical cost convention and other measurement basis otherwise indicated in the respective accounting policies as set out below.

3.3 Functional and Presentation Currency

The financial statements of the Group are presented in Ringgit Malaysia (RM), which is the Group's functional currency.

3.4 Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the respective notes.

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 :

(a) Deferred Tax Assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance together with future tax planning strategies.

(b) 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 internal evaluation and experience with similar assets. It is possible 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 timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimates useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(c) Allowance for Bad and Doubtful Debts

The policy for allowance for bad and doubtful debts of the Group is based on management's judgment and evaluation of collectibility and ageing analysis of the receivables. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of the debtors were to deteriorate, allowance may be required.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Share Capital

Incremental costs directly attributable to issue of shares and share options classified as equity are recognised as a deduction from equity.

4.2 Payables

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

4.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the aggregate of fair values of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination.

The difference between the acquisition price and the fair values of the subsidiary companies' net assets acquired is reflected as goodwill or negative goodwill. Goodwill is stated at cost less accumulated impairment losses. It is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Negative goodwill is recognised immediately in the income statement.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair values of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will :

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated income statement.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Basis of Consolidation (cont'd)

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

Minority interest represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, 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 that date.

4.4 Subsidiary Companies

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

4.5 Property, Plant and Equipment

Freehold land is stated at cost less impairment losses, if any and is not depreciated. Capital work in progress is not depreciated until the assets are ready for its intended use. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the assets 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. The costs of the day to day servicing of property, plant and equipment are recognised in the income statement as incurred.

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

Depreciation is calculated to write off the cost of other property, plant and equipment on a straight-line basis over the estimated useful lives of the assets concerned. The principal annual depreciation rates used for this purpose are as follows :-

	%
Freehold buildings	2
Long term leasehold buildings	2
Low cost apartments	2
Plant and machinery	12 – 20
Factory equipment	12
Cranes	20
Motor vehicles	20
Furniture, fittings and office equipment	10 – 20
Electrical fittings	10
Container/Cabin	20

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 Property, Plant and Equipment (cont'd)

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.

4.6 Income Taxes

Income taxes comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences : the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

4.7 Impairment of Assets

The carrying amount of the Group's and Company's assets other than inventories, assets arising from construction contracts, deferred tax asset and financial assets (other than investment in subsidiaries, associates and joint ventures) are reviewed for impairment where there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts and the impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is charged to the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the assets that would have been determined had no impairment loss been recognised. The reversal is recognised in the income statement immediately except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 Impairment of Assets (cont'd)

The impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

4.8 Foreign Currencies Conversion

4.8.1 Transactions in Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates ruling at the time of transactions or at contracted rates where applicable. Foreign currency assets and liabilities are converted at the exchange rates ruling at the balance sheet date. All exchange differences are dealt with in the income statement.

4.8.2 Translation of Foreign Currency Financial Statements

Assets and liabilities of foreign subsidiary companies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date and the results of foreign subsidiary companies are translated at the average rate of exchange for the year. Exchange differences arising from the retranslation of the opening net investments in foreign subsidiary companies and from the translation of the results of those subsidiary companies at the average rate are dealt with through the Translation Adjustment Account.

The exchange rates ruling at balance sheet date used for each unit of foreign currencies to Ringgit Malaysia are as follows :-

	Year End	
	2009	2008
1 United States Dollar	3.558	3.154
100 New Taiwanese Dollar	10.739	10.377

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value after due allowances are made for damaged, obsolete and slow moving items. Cost is principally determined on weighted average basis.

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

The cost of raw materials includes the original purchase price and the incidental expense incurred in bringing the inventories to their present location and condition. The cost of work in progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.

4.10 Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and due allowances are made for any debts considered to be doubtful of collection.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 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 leases 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 held under a finance lease; 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

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 date 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. Any initial costs are also added to the carrying amount of such assets.

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 assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodical rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in note 4.5.

(iii) Operating Leases

Operating lease payments are recognised as an expense 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.

In the case of a lease of land, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land elements in proportion to the relative fair values for leasehold interests in the land 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.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Revenue Recognition

Revenue of the Group and of the Company are recognised on the following basis :

- 4.12.1 Revenue from sale of goods are recognised upon the delivery of goods and customer's acceptance.
- 4.12.2 Interest income, rental income and management fees are recognised on accrual basis.
- 4.12.3 Dividend income is recognised when the shareholder's right to receive payment is established.

4.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdraft and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

4.14 Segment Information

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

4.15 Provision for Liabilities

Provision for liabilities are recognised when the Group has present obligations 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, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

4.16 Employee Benefit Costs

Short term benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and paid sick leave are recognised as an expense in the year in which the associated services are rendered by employees of the Group.

Short term accumulating compensated absences such as paid annual leaves 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 leaves are recognised when the absences occur.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.16 Employee Benefit Costs (cont'd)

Defined contribution plan

Contributions to the Employees' Provident Fund are charged to the income statement in the year to which they relate.

4.17 Equity Instruments

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

4.18 Financial Instruments

4.18.1 Financial instruments recognised on the balance sheet

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

The accounting policies for financial instruments are disclosed in the individual policies associated with each item.

4.18.2 Disclosure of fair values

The Group's financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged, or a liability settled, between willing parties in an arm's length transaction.

Methodologies

The methodologies and assumptions used in ascertaining the fair values depend on the terms and risk characteristics of the instruments and are briefly set out below.

Amounts owing by subsidiary companies

It is not practical to estimate the fair values of the above amounts due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs.

Other financial assets and liabilities

The fair values of the other financial assets and liabilities maturing within twelve months are stated at approximately the carrying value as at the balance sheet date.

5. PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and providing of management services. The principal activities of the subsidiary companies are disclosed in note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

6. REVENUE

Group

Revenue represents invoiced value of goods sold net of discounts and returns and services rendered.

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
These represent :				
Sales of goods	91,847,742	55,660,328	-	-
Management fees	-	-	1,008,000	504,000
Dividend income from subsidiary companies	-	-	-	2,200,000
	91,847,742	55,660,328	1,008,000	2,704,000

7. PROFIT BEFORE TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
This is stated after charging :-				
Auditors' remuneration				
- current year	41,000	34,600	10,000	10,000
- underprovision in prior year	10,000	-	2,000	-
Amortisation of prepaid lease payment	61,715	30,857	-	-
Depreciation of property, plant and equipment	2,964,227	1,322,258	-	-
Directors' emoluments	1,347,733	451,434	1,342,471	451,434
Directors' fees	156,000	65,000	156,000	65,000
Inventories written down	4,642,000	-	-	-
Interest expenses on :				
- Hire purchase	31,838	-	-	-
- LC, TR, Revolving credit and BA interest	1,380,141	-	-	-
- Term loan interest	654,788	-	-	-
- Onshore foreign currency loan interest	86,249	-	-	-
- Overdraft interest	388,711	-	-	-
Realised loss on foreign exchange	51,846	38,883	-	-
Specific allowance for doubtful debts	1,180,303	622,606	-	-
Staff costs	2,948,531	2,636,054	-	-
And crediting:-				
Bad debts recovered	2,245	3,800	-	-
Rental income	36,000	9,000	-	-
Allowance for doubtful debts written back	61,378	27,505	-	-
Interest income :				
- holding company	-	-	809,742	-
- fixed deposits	30,379	62,119	30,379	62,119
- others	11,290	52,720	-	-
Gain on disposal of property, plant and equipment	24,098	3,775	-	-
Unrealised gain on foreign exchange	45,933	61,179	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

7. PROFIT BEFORE TAXATION (cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Staff costs				
Salaries and wages	2,652,591	2,388,440	-	-
Contributions to defined contribution plan	206,250	179,066	-	-
Social security contribution	22,596	20,106	-	-
Other benefits	67,094	48,442	-	-
	<u>2,948,531</u>	<u>2,636,054</u>	<u>-</u>	<u>-</u>

DIRECTORS' REMUNERATION

Executive

Salaries and other emoluments	1,182,221	382,630	1,176,959	382,630
Pension costs				
- defined contribution plans	141,012	45,804	141,012	45,804
	<u>1,323,233</u>	<u>428,434</u>	<u>1,317,971</u>	<u>428,434</u>

The estimated monetary value of benefits – in – kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM50,200 (2008 : RM24,474) and RM50,200 (2008 : RM24,474) respectively.

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-Executive				
- Other emoluments	24,500	23,000	24,500	23,000
- Fees (Provision)	156,000	65,000	156,000	65,000
	<u>180,500</u>	<u>88,000</u>	<u>180,500</u>	<u>88,000</u>

The Directors' remuneration during the financial year ended 30th April 2009 fall within the following bands :-

Range of remuneration RM	No. of Executive Directors	No. of Non-Executive Directors
Below 50,000	-	3
50,001 and 100,000	-	1
100,001 and 150,000	-	-
150,001 and 200,000	-	-
200,001 and 250,000	1	-
250,001 and 300,000	-	-
300,001 and 350,000	1	-
350,001 and 400,000	-	-
400,001 and 450,000	-	-
Above 450,001	1	-
Total	<u>3</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

8. TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Based on the results for the year :-				
Current Tax				
Malaysian Income Tax	655,000	913,608	607,000	11,000
Deferred taxation	86,154	38,388	(550,000)	550,000
	<u>741,154</u>	<u>951,996</u>	<u>57,000</u>	<u>561,000</u>
(Over)/Underprovision in prior years				
Malaysian Income Tax	(13,342)	32,071	(2,900)	-
Tax expense for the year	<u>727,812</u>	<u>984,067</u>	<u>54,100</u>	<u>561,000</u>

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate :-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before taxation	2,448,142	9,255,660	149,889	2,215,451
Tax at Malaysian statutory tax rate of 25% (2008 : 26%)	612,034	2,406,472	37,472	576,017
Income not subject to tax	-	(989,169)	-	-
Non allowable expenses	303,353	173,668	19,528	6,983
Reduction in tax rate used for deferred tax	-	(79,111)	-	(22,000)
Utilisation of unutilised building allowance	-	(26,886)	-	-
Utilisation of reinvestment allowances	(166,261)	(506,437)	-	-
Tax effect of expenses that qualified for double deduction	(7,972)	(2,340)	-	-
Tax effect of tax incentive	-	(24,201)	-	-
	<u>741,154</u>	<u>951,996</u>	<u>57,000</u>	<u>561,000</u>
(Over)/Underprovision in prior years	(13,342)	32,071	(2,900)	-
Tax expense for the year	<u>727,812</u>	<u>984,067</u>	<u>54,100</u>	<u>561,000</u>

The Malaysian Budget 2008 introduced a single tier dividend system with effect from year of assessment 2008. As such, the Company is given an irrevocable option to disregard the balance of dividend franking credit that is available in order to switch to the new single tier system from the year of assessment 2008. Upon such election, the Company will only be allowed to distribute single tier exempt dividend (without tax credit attached) to shareholders and the recipient of the dividend will not be able to claim tax credit as in the previous imputation system. As at the end of the financial year, the Company has not elected to switch to the single tier tax system.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

9. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share :-

The basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit after tax divided by the weighted average number of ordinary shares in issue during the financial year.

	2009 RM	2008 RM
Consolidated profit after tax	1,720,330	8,271,593
Weighted average number of ordinary shares in issue	100,000,000	85,322,393
Basic earnings per ordinary share (sen)	1.72	9.69

10. PROPERTY, PLANT AND EQUIPMENT

Group				
Cost	As at 1.5.08 RM	Addition RM	(Disposal) RM	As at 30.4.09 RM
Freehold land and buildings	22,685,145	36,853	-	22,721,998
Long term leasehold buildings	2,368,555	434,122	-	2,802,677
Low cost apartments	148,920	-	-	148,920
Plant and machinery	20,046,794	597,070	(35,000)	20,608,864
Factory equipment	835,128	-	-	835,128
Cranes	48,201	-	-	48,201
Motor vehicles	3,015,450	450,769	(12,000)	3,454,219
Furniture, fittings and office equipment	789,731	123,032	-	912,763
Electrical fittings	206,074	-	-	206,074
Container/Cabin	30,101	-	-	30,101
Capital work in progress	62,433	29,335	-	91,768
	<u>50,236,532</u>	<u>1,671,181</u>	<u>(47,000)</u>	<u>51,860,713</u>
		Charge for		
	As at 1.5.08	the year	(Disposal)	As at 30.4.09
Accumulated Depreciation	RM	RM	RM	RM
Freehold land and buildings	675,494	169,555	-	845,049
Long term leasehold buildings	42,523	54,067	-	96,590
Low cost apartments	11,721	2,800	-	14,521
Plant and machinery	8,967,153	2,146,980	(34,999)	11,079,134
Factory equipment	227,113	100,214	-	327,327
Cranes	48,199	-	-	48,199
Motor vehicles	1,829,494	400,642	(11,999)	2,218,137
Furniture, fittings and office equipment	397,915	69,384	-	467,299
Electrical fittings	85,541	20,585	-	106,126
Container/Cabin	30,095	-	-	30,095
Capital work in progress	-	-	-	-
	<u>12,315,248</u>	<u>2,964,227</u>	<u>(46,998)</u>	<u>15,232,477</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

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

Accumulated Impairment Loss	As at 1.5.08 RM	Addition RM	As at 30.4.09 RM
Freehold land and buildings	103,232	-	103,232
Long term leasehold buildings	-	-	-
Low cost apartments	-	-	-
Plant and machinery	-	-	-
Factory equipment	-	-	-
Cranes	-	-	-
Motor vehicles	-	-	-
Furniture, fittings and office equipment	-	-	-
Electrical fittings	-	-	-
Container/Cabin	-	-	-
Capital work in progress	-	-	-
	103,232	-	103,232

	Net Book Value		Depreciation Charge	
	2009 RM	2008 RM	2009 RM	2008 RM
Freehold land and buildings	21,773,717	21,906,419	169,555	84,667
Long term leasehold buildings	2,706,087	2,326,032	54,067	23,258
Low cost apartments	134,399	137,199	2,800	1,400
Plant and machinery	9,529,730	11,079,641	2,146,980	986,391
Factory equipment	507,801	608,015	100,214	50,944
Cranes	2	2	-	-
Motor vehicles	1,236,082	1,185,956	400,642	137,454
Furniture, fittings and office equipment	445,464	391,816	69,384	26,038
Electrical fittings	99,948	120,533	20,585	12,106
Container/Cabin	6	6	-	-
Capital work in progress	91,768	62,433	-	-
	36,525,004	37,818,052	2,964,227	1,322,258

As at the balance sheet date, the titles for the low cost apartments of the Group have yet to be issued by the relevant authority.

Included in property, plant and equipment are the following that were acquired under hire purchase arrangements :-

	2009		2008	
	Cost RM	Net Book Value RM	Cost RM	Net Book Value RM
Plant and machinery	597,041	518,521	284,654	259,035
Motor vehicles	816,482	508,329	1,065,071	841,495
	1,413,523	1,026,850	1,349,725	1,100,530

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

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

The cost and net book value of property, plant and machinery pledged to financial institutions for banking facilities granted to the Company as mentioned in note 20 and 24 are as follows :-

	2009		2008	
	Cost RM	Net Book Value RM	Cost RM	Net Book Value RM
Long term leasehold buildings	2,802,677	2,706,087	2,368,555	2,326,032
Freehold land and buildings	22,813,766	21,865,485	22,685,145	21,906,419
Plant and machinery	11,004,655	6,293,958	12,579,961	8,953,527
	<u>36,621,098</u>	<u>30,865,530</u>	<u>37,633,661</u>	<u>33,185,978</u>

11. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2009 RM	2008 RM
Unquoted shares, at cost	<u>38,808,323</u>	<u>38,808,323</u>

The Company carried out a review of the recoverable amount on its investments in subsidiaries during the financial year. As a result of the review, no impairment loss was deemed necessary. The recoverable amount was based on the net asset value of the subsidiaries.

(a) The subsidiary companies are :-

Name Direct Subsidiary	Place of Incorporation	Effective Interest		Principal activities
		2009 %	2008 %	
Weng Zheng Sdn Bhd	Malaysia	100	100	Manufacturing and processing of cold drawn bright steel products and related steel products
Weng Zheng Trading Sdn Bhd	Malaysia	100	100	Dealers in steel products
Weng Zheng Marketing Sdn Bhd	Malaysia	100	100	Processing and marketing of all types of steel products

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

11. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

(b) Acquisitions of subsidiary companies

The effect of the acquisitions on the financial results of the Group from 6th November 2007 to 30th April 2008 is as follows:

	2009 RM	Group 2008 RM
Revenue	-	55,660,328
Cost of sales	-	(45,747,159)
Gross profit	-	9,913,169
Other income	-	3,868,331
Distribution costs	-	(601,119)
Administration expenses	-	(1,112,865)
Other expenses	-	(1,182,763)
Finance costs	-	(1,140,544)
Profit before taxation	-	9,744,209
Taxation	-	(973,067)
Profit after taxation	-	8,771,142

If the acquisitions had occurred on 1st May 2007, the contribution to the Group's revenue and net profit for the financial year would have been RM93,239,121 and RM8,523,601 respectively on a proforma basis.

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

	2009 RM	Group 2008 RM
Property, plant and equipment	-	38,431,445
Prepaid lease payments	-	3,569,143
Inventories	-	31,275,964
Trade and other receivables	-	22,896,995
Tax recoverable	-	1,182,644
Cash and bank balances	-	1,060,841
	-	98,417,032
Trade and other payables	-	(7,817,885)
Borrowings	-	(45,638,201)
Tax payable	-	(255,429)
Deferred tax liabilities	-	(2,092,696)
	-	(55,804,211)
Group's share of net assets	-	42,612,821
Negative goodwill on consolidation	-	(3,804,498)

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

13. INVENTORIES

	2009	Group
At cost :	RM	2008
		RM
Raw materials	14,060,656	13,627,452
Finished goods	31,098,752	24,165,874
	45,159,408	37,793,326
	45,159,408	37,793,326

The inventories of the Group is net of inventories written down of RM4,642,000 (2008 : Nil).

14. TRADE RECEIVABLES

	2009	Group
	RM	2008
		RM
Total amount outstanding	20,086,940	31,664,438
Less :		
Specific allowance for doubtful debts		
At 1st May	(1,842,400)	-
Allowance written back	61,378	-
Allowance during the year	(1,180,303)	(1,842,400)
At 30th April	(2,961,325)	(1,842,400)
	17,125,615	29,822,038

The credit terms of trade receivables range from 30 to 120 days. Other credit terms are assessed and approved on a case by case basis.

The Group makes allowance for doubtful debts based on assessment of recoverability. Whilst management's judgement is guided by past experience, judgement is required about future recovery of debts.

The trade receivables of the Group in the local and foreign denominated currencies are as follows :-

	2009	2008
	RM	RM
Ringgit Malaysia	9,370,843	23,653,199
US Dollar	7,754,772	6,168,839
	17,125,615	29,822,038
	17,125,615	29,822,038

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

18. SHARE CAPITAL (cont'd)

	Group and Company	
	2009	2008
	RM	RM
Issued and fully paid :		
100,000,000 ordinary shares of RM0.50 each		
At 1st May	50,000,000	2
Issued during the year	-	49,999,998
	50,000,000	49,999,998
At 30th April	50,000,000	50,000,000

19. HIRE PURCHASE PAYABLES

	Group	
	2009	2008
	RM	RM
Total principal outstanding	517,353	718,026
Less : Repayable within the next twelve months shown under current liabilities	(384,207)	(401,343)
	133,146	316,683
Repayable after the next twelve months	133,146	316,683
Represented by :		
Minimum hire purchase payments :		
- Within one year	401,814	426,642
- After one year but not more than five years	135,817	267,943
- After five years	-	57,726
	537,631	752,311
Less: Future interest charges	(20,278)	(34,285)
	517,353	718,026
Present value of hire purchase liabilities	517,353	718,026

20. TERM LOANS

	Group	
	2009	2008
	RM	RM
Total principal sum outstanding	8,872,292	12,268,895
Less :		
Repayable after the next twelve months shown under non current liabilities	(6,705,399)	(8,852,669)
	2,166,893	3,416,226
Repayable within the next twelve months	2,166,893	3,416,226

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

20. TERM LOANS (cont'd)

	Group	
	2009 RM	2008 RM
Repayments as follows :-		
Within twelve months	2,166,893	3,416,226
Between one to two years	2,270,406	2,170,784
Between two to five years	4,095,295	6,001,779
After five years	339,698	680,106
	8,872,292	12,268,895

The term loans are secured by :-

- i) Legal charges over the leasehold land and building; freehold land and buildings of certain subsidiary companies as mentioned in notes 10 and 12;
- ii) Debentures over certain plant and machinery of a subsidiary company as mentioned in note 10;
- iii) Third party legal charge over a leasehold land and building belonging to a company in which the directors have an interest;
- iv) Fixed deposits belong to a director of the Company; and
- v) Joint and several guarantee by certain directors of the Company.

The above term loans bear interest rates ranging from 3.38% to 7.50% (2008 : 3.38% to 7.50%) per annum and are repayable over periods of between 36 to 120 monthly instalments from the date of full drawdown of the term loan.

21. DEFERRED TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1st May	2,131,084	-	550,000	-
Acquisition of subsidiary companies	-	2,092,696	-	-
Recognised in income statement (note 8)	86,154	38,388	(550,000)	550,000
	2,217,238	2,131,084	-	550,000

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

21. DEFERRED TAXATION (cont'd)

The components and movements of deferred tax liabilities/(assets) of the Group and of the Company are as follows :-

Deferred tax liabilities/ (assets) of the Group :	Accelerated capital allowances	Fair value adjustment	Unabsorbed tax losses and reinvestment allowances	Total
	RM	RM	RM	RM
At 1st May 2008	1,451,000	680,084	-	2,131,084
Recognised in income statement	330,200	(13,346)	(230,700)	86,154
At 30th April 2009	<u>1,781,200</u>	<u>666,738</u>	<u>(230,700)</u>	<u>2,217,238</u>
Deferred tax liabilities of the Group :	Accelerated capital allowances	Fair value adjustment		
	RM	RM	RM	RM
At 1st May 2007	-	-	-	-
Acquisitions of subsidiary companies	1,375,000	717,696	-	2,092,696
Recognised in income statement	76,000	(37,612)	-	38,388
At 30th April 2008	<u>1,451,000</u>	<u>680,084</u>	<u>-</u>	<u>2,131,084</u>
Deferred tax liabilities of the Company :				Total
				RM
At 1st May 2007				-
Recognised in income statement				550,000
At 30th April 2008				<u>550,000</u>
Deferred tax liabilities of the Company :				Total
				RM
At 1st May 2008				550,000
Recognised in income statement				(550,000)
At 30th April 2009				<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

22. TRADE PAYABLES

The credit terms of trade payables range from 30 to 120 days.

The trade payables of the Group in the local and foreign denominated currencies are as follows :-

	Group	
	2009 RM	2008 RM
Ringgit Malaysia	2,861,558	9,108,128
New Taiwanese Dollar	1,519	4,897
	2,863,077	9,113,025

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	198,250	902,881	10,880	46,531
Accrual	583,401	405,515	263,755	140,267
Deposit received	9,000	9,000	-	-
	790,651	1,317,396	274,635	186,798

24. SHORT TERM BORROWINGS

	Group	
	2009 RM	2008 RM
Secured		
Term loan	2,120,000	-
Revolving credit facilities	2,718,487	3,323,270
Bank overdrafts	7,920,770	3,213,016
Bankers' acceptance	16,691,000	18,882,000
Onshore foreign currency loan	-	3,331,294
	29,450,257	28,749,580
Unsecured		
Bankers' acceptance	2,511,000	1,998,000
Bank overdrafts	527,449	-
	32,488,706	30,747,580

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

24. SHORT TERM BORROWINGS (cont'd)

The secured short term borrowings of the Group are secured by :-

- i) Legal charges over the leasehold land and building; freehold land and building of certain subsidiary companies as mentioned in notes 10 and 12;
- ii) Third party legal charge over a leasehold land and building belonging to a company in which certain directors have an interest.
- iii) A director's fixed deposit;
- iv) Corporate guarantee given by the Company and a subsidiary company; and
- v) Joint and several guarantee by certain directors of the Company.

	2009	2008
	RM	RM
Interest rates per annum :	%	%
Bank overdrafts	6.05 to 8.75	7.50 to 8.75
Bankers' acceptance	2.27 to 4.75	4.07 to 4.20
Revolving credit	4.75 to 5.08	4.92 to 5.10
Onshore foreign currency loan	3.38 to 3.90	3.30 to 3.60

25. DIVIDEND

	Group and Company	
	2009	2008
	RM	RM
Dividend declared and paid in respect of ordinary shares are as follows :-		
In respect of the financial year 30th April 2008 : -		
final dividend of 1.5 sen per ordinary share		
less income tax of 25%, paid on 7th November 2008	1,125,000	-

	Group and Company			
	2009		2008	
	Gross per share	Amount of dividend, net of tax	Gross per share	Amount of dividend, net of tax
	Sen	RM	Sen	RM
Dividend declared or proposed are as follows:				
Proposed final dividend	-	-	1.5	1,125,000

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

26. SEGMENTAL REPORTING

- (a) Segment information is presented in respect of the Group's business and geographical segments. The primary segment information is in respect of business segments as the Group risk and rates of return are affected predominantly by differences in the products it produces, while the secondary information is reported geographically.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

- (b) The inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

- (c) Primary reporting format - Business Segment

The Group's operations comprise the following main business segments :

Manufacturing	Manufacturing of steel products
Trading and investment	Trading of steel products and investment holding

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other segment information by business segments :

2009	Manufacturing RM	Trading and investment RM	Elimination RM	Consolidation RM
Revenue				
External sales	61,930,024	29,917,718	-	91,847,742
Inter-segment sales	13,030,325	5,837,429	(18,867,754)	-
Total	74,960,349	35,755,147	(18,867,754)	91,847,742
Results				
Segment results (external)	2,901,118	2,898,493	(809,742)	4,989,869
Finance costs				(2,541,727)
Profit before taxation				2,448,142
Taxation				(727,812)
Profit after taxation				1,720,330
Other information				
Segment assets	75,574,070	48,210,061	(14,934,618)	108,849,513
Segment liabilities	40,742,523	21,954,412	(14,934,618)	47,762,317
Capital expenditure	1,456,312	214,869		1,671,181
Depreciation and amortisation	2,758,057	267,885		3,025,942
Non-cash expenses other than depreciation and amortisation	685,085	495,218		1,180,303

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

26. SEGMENTAL REPORTING (cont'd)

2008	Manufacturing RM	Trading and investment RM	Elimination RM	Consolidation RM
Revenue				
External sales	31,427,290	24,233,038	-	55,660,328
Inter-segment sales	1,086,872	10,696,602	(11,783,474)	-
Total	<u>32,514,162</u>	<u>34,929,640</u>	<u>(11,783,474)</u>	<u>55,660,328</u>
Results				
Segment results (external)	3,257,235	3,257,496	-	6,514,731
Unallocated income				76,975
Finance costs				(1,140,544)
Negative goodwill on consolidation				3,804,498
Profit before taxation				<u>9,255,660</u>
Taxation				(984,067)
Profit after taxation				<u>8,271,593</u>
Other information				
Segment assets	80,828,854	51,848,783	(15,349,747)	117,327,890
Segment liabilities	46,307,789	25,877,982	(15,349,747)	56,836,024
Capital expenditure	432,389	304,201		736,590
Depreciation and amortisation	1,240,815	112,300		1,353,115
Non-cash expenses other than depreciation and amortisation	160,399	462,207		622,606

(d) Secondary reporting format - Geographical Segments

The Group's business segments are in the following geographical areas :

	Sales		Total Assets		Capital Expenditure	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Domestic	80,313,164	47,773,496	108,849,513	117,327,890	1,671,181	736,590
Overseas	11,534,578	7,886,832	-	-	-	-
	<u>91,847,742</u>	<u>55,660,328</u>	<u>108,849,513</u>	<u>117,327,890</u>	<u>1,671,181</u>	<u>736,590</u>

In determining the geographical segments of the Group, sales are based on country in which the customer is located. There are no sales between segments. Total assets and capital expenditure are determined based on where the assets are located.

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

27. FINANCIAL INSTRUMENTS

a) Credit Risk

The Group's credit risk is 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.

At balance sheet date, the Group has trade receivables (net of allowance for doubtful debts) of RM4,891,396 which have been outstanding for more than 120 days which is the normal credit period. Other than as mentioned above, the Group has no significant exposure to credit risk. The Group also has no significant concentration of credit risk and places its cash with creditworthy financial institutions.

b) Fair Values

The carrying amounts of the financial assets and liabilities of the Group and of the Company as at 30th April 2009 approximate their fair values on the balance sheet of the Group and of the Company except as set out below :-

	Carrying Amount		Company		Fair Value	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Financial Assets						
Amount owing by subsidiary companies	14,211,530	9,051,290	#	#	#	#

It is not practical to estimate the fair values of the above amounts due principally to a lack of fixed repayment term entered by the parties involved and without incurring additional costs.

28. RELATED PARTY DISCLOSURES

For the purpose of the financial statements of the Group and the Company, a party is considered related to the Group and the Company if :-

- (a) directly or indirectly, the party controls, is controlled by, or is under common control with the Group;
- (b) the party is member of the key management personnel of the Group and of the Company; or
- (c) the party is a close member of the family or any individual referred to in (a) or (b) above.

The Group has a related party relationship with :-

- (a) its subsidiary; associate and related company; and
- (b) The directors who are the key management personnel

NOTES TO THE FINANCIAL STATEMENTS

- 30TH APRIL 2009 (cont'd)

28. RELATED PARTY DISCLOSURES (cont'd)

Transactions	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
i) Key Management Personnel :				
Directors' remuneration				
- Executive	1,373,433	452,908	1,368,171	452,908
ii) Subsidiary companies				
Management fees			1,008,000	504,000
Dividend income			-	2,200,000
Interest income			809,742	-

The above transactions were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties.

29. CONTINGENT LIABILITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Secured				
Banker's guarantees in favour of third parties	137,250	194,000	-	-
Unsecured				
Corporate guarantees given to financial institution in respect of credit facilities granted to subsidiary companies	-	-	14,000,000	-
Amount of banking facilities utilised by subsidiary companies as at the financial year end	-	-	10,138,910	-

30. CAPITAL COMMITMENTS

	Group	
	2009 RM	2008 RM
Authorised and contracted for property, plant and equipment	-	307,000

LIST OF PROPERTIES AS AT 30 APRIL 2009

Location	Tenure	Land area/ Built-up Area (sq ft)	Description /Land Use	Net Book Value (RM'000)	Age of Building	Year Acquired/ Revalued
Lot 1850 Jalan KPB 10 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Freehold	102,154/ 79,759	Manufacturing Plant cum Warehouse	9,583	9 years	2007
Lot 1882 Jalan KPB 9 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Leasehold (Expires 17.8.2065)	81646/ 40,860	Warehouse cum factory	6,183	2 year	2007
Lot 1890 Jalan KPB 9 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Freehold	78,642/ 59,992	Corporate office cum Warehouse	8,691	5 years	2007
Lot 1897 Jalan KPB 9 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Darul Ehsan	Freehold	83,002	Vacant Agriculture Land	3,500	N/A	2007
B2-1 Block B Jalan Damai Perdana 2/8 Bandar damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	67	6 years	2007
B2-1 Block B Jalan Damai Perdana 2/8 Bandar damai Perdana 56100 Kuala Lumpur	Freehold	650	Apartment / Staff Quarters	67	6 years	2007

ANALYSIS OF SHAREHOLDINGS AS AT 4 SEPTEMBER 2009 (cont'd)

NAME	NO OF SHARES	PERCENTAGE (%)
1 TAN CHING KEE	38,521,907	38.52
2 TAN CHONG BOON	6,406,980	6.40
3 RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAMZAH BIN MOHD SALLEH (BSL)	2,900,000	2.90
4 NG CHONG TIN	2,398,356	2.39
5 NG LAY HOON	2,317,995	2.31
6 CHONG POH SAM	2,284,595	2.28
7 ABD HAMID BIN ABD RAHMAN	2,050,900	2.05
8 CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RIO CAPITAL SDN. BHD.	2,000,000	2.00
9 KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR ZAINAL ABIDIN BIN ZAKARIA	1,561,500	1.56
10 HENG HUN JIAT	1,540,500	1.54
11 TAN AI CHOO	1,539,400	1.53
12 EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR JOHAR BIN MURAT @ MURAD (SFC)	1,198,500	1.19
13 AMIN RAFIE BIN OTHMAN	1,150,000	1.15
14 PHANG CHIN KHIONG	1,122,200	1.12
15 NG SEE KAM	1,108,000	1.10
16 YAP HOO	1,033,995	1.03
17 YEONG KING HUI	960,000	0.96
18 BADRUDDIN BIN AMIRULDIN	768,000	0.76
19 TAN LEE HWA	730,000	0.73
20 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MELATI MERIAH SDN BHD (PB)	700,000	0.70
21 TENGKU UZIR BIN TENGKU UBaidillah	665,600	0.66
22 YEONG KOK HEE	650,000	0.65
23 AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ALI BIN ABDUL KADIR (SMART)	600,000	0.60
24 BORHAN BIN UJANG	562,500	0.56
25 CHUAH TAI EU	500,000	0.50
26 KENANGA NOMINEES (TEMPATAN) SDN BHD TAN CHING KEE	500,000	0.50
27 MD ZAIN BIN PIEE	500,000	0.50
28 SHALIZA BINTI SABTU	500,000	0.50
29 TAN JING FENG	477,000	0.47
30 TAN CHEOW HONG	457,384	0.45
SUB-TOTAL	77,705,312	77.70

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of WZ Steel Berhad (*Formerly known as Weng Zheng Resources Berhad*) will be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 15 October 2009 at 10.00 a.m. for the following purposes:-

A G E N D A

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 30 April 2009 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To approve the payment of Directors' fees amounting to RM156,000 for the financial year ended 30 April 2009. **Resolution 2**
3. To re-elect the following Directors retiring in accordance with Article 84 of the Company's Articles of Association and who being eligible, have offered themselves for re-election:-
 - i. Dato' Amin Rafie Bin Othman **Resolution 3**
 - ii. Dato' Yeong Kok Hee **Resolution 4**
4. To re-appoint Messrs Tai, Yapp & Co. as the Company's auditors and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following Resolutions, with or without modifications:-

5. ORDINARY RESOLUTION I - AUTHORITY TO ISSUE SHARES

"**THAT** pursuant to Section 132D of the *Companies Act, 1965*, and subject to the approvals of the relevant authorities, the Directors be and are hereby empowered to issue and allot shares in the Company from time to 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 hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 6**

6. ORDINARY RESOLUTION II - PROPOSED SHARE BUY-BACK AUTHORITY

"**THAT** subject to the *Companies Act, 1965* ("Act"), provisions of the Memorandum and Articles of Association of the Company, the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant authorities, approval be and is hereby given for the Company to purchase its own ordinary shares of RM0.50 each ("Shares") from the market of Bursa Securities, subject to the following:-

- (a) The maximum number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company at any point in time;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and share premium account of the Company;
- (c) The authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of WZSTEEL after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
 - (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date;

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

6. ORDINARY RESOLUTION II - PROPOSED SHARE BUY-BACK AUTHORITY (cont'd)

- (d) Upon completion of the purchase(s) of the Shares by the Company, the Shares shall be dealt with in the following manner:-
- (i) cancel the Shares so purchased;
 - (ii) retain the Shares so purchased as Treasury Shares;
 - (iii) distribute the Treasury Shares as dividend to shareholders;
 - (iv) resell the Treasury Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and
 - (v) any combination of the above (i), (ii), (iii) and (iv).

AND THAT the Directors of the Company be and are hereby authorised to take all such steps and do all acts and enter in all agreements, arrangements and guarantees with any party or parties for and on behalf of the Company as are necessary to implement, finalise and to give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments in any manner as may be required by any relevant authorities from time to time or otherwise as they deem fit in the best interests of the Company." **Resolution 7**

7. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

TAN LEH KIAH
CHAN YOKE PENG
Secretaries
Kuala Lumpur
23 September 2009

Notes:

1. A Member entitled to attend and vote may appoint at least one (1) or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more proxies, he shall specify the proportion of his holdings to be represented by each proxy in a poll and the proxy who shall be entitled to vote on a show of hands, failing which the appointment shall be invalid.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
4. The instrument of proxy must be deposited with the Company's Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes on Special Business:-

Resolution 6 - The proposed Resolution 6, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant authorities and for such purposes as the Directors consider would be in the interest of the Company. This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

Resolution 7 - The proposed Resolution 7, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") by utilizing the funds allocated which shall not exceed the total retained earnings and share premium account of the Company. Further information on the Proposed Shares Buy-Back is set out in the Circular to Shareholders dated 23 September 2009, which is despatched together with Company's Annual Report 2009.

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WZ STEEL BERHAD (666098-X)
(Formerly known as Weng Zheng Resources Berhad)
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

Number of ordinary shares held

I/We, _____ I.C No./Co. No./CDS No. _____
of _____
being a Member/Members of **WZ STEEL BERHAD** (fka: *Weng Zheng Resources Berhad*), hereby appoint _____
of _____ or
failing him / her, _____ of _____
_____ or failing him / her, the Chairman of the meeting
as my/our proxy to vote for me/us on my/our behalf at the Fifth Annual General Meeting of the Company to be held
at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 15th
October 2009 at 10:00 a.m. and at any adjournment thereof. My / Our proxy is to vote as indicated below :-

Resolutions	For	Against
1. To receive and adopt the Financial Statements and the Reports of the Directors and Auditors thereon.		
2. To approve the payment of Directors' fees.		
3. To re-elect Dato' Amin Rafie Bin Othman as Director.		
4. To re-elect Dato' Yeong Kok Hee as Director.		
5. To re-appoint Messrs Tai, Yapp & Co. as the Company's auditors and to authorise the Directors to fix their remuneration.		
6. To authorise the Directors to allot and issue shares.		
7. To approve the Proposed Share Buy-Back Authority.		

(Please indicate with a "X" or "✓" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her direction)

Dated this day of , 2009

Signature
(If shareholder is a corporation, this part should be executed under seal)

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid, this form, duly completed must be deposited at the Company's Registered Office at Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
3. A member may appoint one (1) or more proxies to attend and vote at the same meeting, provided always that each member of the Company, including a member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 is only entitled to appoint one proxy for every securities account that the member holds with ordinary shares of the Company standing to the credit of the said securities account. If the appointer is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

FOLD THIS FLAP FOR SEALING

FOLD HERE

Affix
stamp

The Company Secretaries
WZ STEEL BERHAD
(Formerly known as Weng Zheng Resources Berhad)
Suite 13.03, 13th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur

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