WIDETECH (MALAYSIA) BERHAD

(113939-U)

Annual Report 2011

Contents

Corporate Information

BOARD OF DIRECTORS

Dato' Lim Kim Huat
Executive Chairman

Kong Sin Seng
Chief Executive Officer

Datuk Chu Sui Kiong
Executive Director

Dato' Cheng Joo Teik
Executive Director

Dato' Tan Ting Wong
Executive Director

Loh Suan Phang
Executive Director

Datuk Ng Bee Ken
Independent Non-Executive Director

Dato' Zakaria Bin Mohammed
Independent Non-Executive Director

Dato' Lim Sin Khong
Independent Non-Executive Director

Lee Yoke Shue
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Datuk Ng Bee Ken
Chairman of Audit Committee,
Independent Non-Executive Director

Dato' Zakaria Bin Mohammed
Independent Non-Executive Director

Dato' Lim Sin Khong
Independent Non-Executive Director

Lee Yoke Shue
Non-Independent Non-Executive Director

SECRETARIES

Lim Ming Toong (MAICSA 7000281)
Lai Chee Wah (MAICSA 7031124)

REGISTERED OFFICE

10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur
Tel No : 603.2382.4288
Fax No : 603.2382.4170 / 4171 / 4172

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
Level 15-2 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No : 603.2692.4271
Fax No : 603.2732.5388 / 5399

AUDITORS

SJ Grant Thornton
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL BANKERS

CIMB Bank Berhad
Maybank Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Code: 7692

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of the Company will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 26 September 2011 at 10.30 a.m. for the following purposes:

A G E N D A

1. To lay the Audited Financial Statements for the financial year ended 31 March 2011 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

2. To re-elect the following Directors who are retiring pursuant to Article 124 of the Articles of Association of the Company:

   (i) Lee Yoke Shue **Ordinary Resolution 1**

   (ii) Loh Suan Phang **Ordinary Resolution 2**

   (iii) Dato' Zakaria Bin Mohammed **Ordinary Resolution 3**

3. To elect Dato' Lim Sin Khong, the Director who is retiring pursuant to Article 129 of the Articles of Association of the Company. **Ordinary Resolution 4**

4. To re-appoint Messrs SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

   SPECIAL BUSINESS

   To consider and if thought fit, pass the following Ordinary Resolution:

5. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Ordinary Resolution 6**

   "THAT pursuant to Section 132D of the Companies Act, 1965 ("the Act"), the Directors be and are hereby empowered to issue shares in the Company, at any time until the conclusion of the next Annual General Meeting 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 does not exceed ten per centum (10%) of the issued share capital of the Company at the time of issue and THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

BY ORDER OF THE BOARD

LIM MING TOONG (MAICSA 7000281)
LAI CHEE WAH (MAICSA 7031124)

COMPANY SECRETARIES

2 September 2011
Kuala Lumpur

NOTES:

A. This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.

1. A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. However, his attendance at the general meeting shall automatically revoke the proxy's authority.

2. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

6. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

7. Explanatory Note on Special Business
   Ordinary Resolution 6 - Authority to Issue Shares pursuant to Section 132D of the Companies Act 1965

   The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings.

   This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   This is the renewal of the mandate obtained from the shareholders at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and no proceeds were raised. The purpose of this general mandate sought will provide flexibility to the Company for any possible fund raising activities but not limited for futher placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Further details of the Director standing for election at this Twenty-Seventh Annual General Meeting are set out in the Profile of Directors appearing on pages 7 to 10 of this Annual Report.

Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present the Annual Report of Widetech (Malaysia) Berhad for the financial year ended 31 March 2011.

Financial Performance

For the financial year under review, the Group recorded a lower revenue of RM9.522 million, a decrease of 7% compared to FY 2010 of RM10.246 million. Despite the decline in revenue, the Group registered a lower pre-tax loss of RM0.151 million as compared to a pre-tax loss of RM1.147 million in FY 2010.

Our gaming operations continued with its positive performance in achieving a higher revenue of RM1.805 million and a pre-tax profit of RM0.227 million against a revenue of RM1.304 million with a pre-tax profit of RM0.178 million in FY 2010.

Despite an economically challenging year, our manufacturing division continued to improve its pre-tax profit by RM0.519 million to RM0.915 million from RM0.396 million in FY 2010.

Our consumer goods financing business has ceased its marketing activities since June 2010 due to the entry of financial institutions which offered lower interest rates and longer tenure to their customers, thus making this business unattractive for the Group. We expect the revenue to decline over the coming years as our income which is derived from the outstanding balance owing by our customers is on a reducing scale due to repayments and early settlements of their loans. The revenue for the current year is RM1.692 million with a pre-tax profit of RM0.768 million, which as expected is lower compared to a revenue of RM3.790 million and a pre-tax profit of RM1.097 million in FY 2010.

Although our hotel operation in Laos remained loss making, it has managed to post a lower pre-tax loss of RM1.008 million as compared to RM1.525 million in FY 2010. We will strive to continue our effort to improve this business, and at the same time considering disposal of the hotel.

Brief Description of the Industry Trend and Development

The business environment remains challenging in 2012, with global economic growth likely to be moderate. The Board remains vigilant and committed on the lookout for potential business investments to further enhance the earnings of the Group.

Prospects and Outlook

Moving forward, the consumer products business will continue to provide a profit to the company albeit on a reducing scale due to a declining loan base.

The gaming division in Indo China is expected to continue to contribute positively to the earnings of the Group for the coming financial year. The company invested, a 40% equity interest in Goldshore Capital Limited on 31 March 2011, to pursue overseas investment projects. The board expects this investment to be profitable in the long run although losses are expected in the near term while developing the business.

The manufacturing division did very well in the year under review with higher sales and profit, which we expect the trend to continue in the coming year. We are committed to a continuous improvement in our production and operational efficiencies, provision of quality products and meeting customers' delivery deadlines with an aim to increase our market share in this industry.

Chairman's Statement (cont'd)

Corporate Social Responsibility

The Group fully acknowledges the importance of its Corporate Social Responsibility.

We strive to maintain a safe and healthy environment for our employees and customers in our business premises.

Our manufacturing division remains committed to ISO 14001 by adopting and improving on its environmental best practices to minimize any adverse effects to the environment.

We continue to encourage our employees to practice recycling and energy conservation exercises in the Group.

The Management and staff have also participated in some charitable and social projects by way of donations.

Dividend

The Board does not recommend any dividend for the financial year ended 31 March 2011.

Acknowledgements

On behalf of the Board, I am pleased to welcome on board, Y Bhg. Dato' Lim Sin Khong, as our new Independent Non-Executive Director. I would also like to thank my fellow Board Members, the Management and staff for their invaluable contribution, commitment and dedication to the Group.

My utmost appreciation to our valued customers, suppliers, business associates, bankers and most importantly our esteemed shareholders for their continuous support and confidence given to the Group.

Dato' Lim Kim Huat
Executive Chairman

Kuala Lumpur

Profile of Directors

Y BHG DATO' LIM KIM HUAT
Malaysian, Aged 51
Executive Chairman

Dato' Lim Kim Huat was appointed to the Board on 26 February 2004 as Non-Independent Non-Executive Director and subsequently, assumed the position of an Executive Chairman on 25 July 2006. He is a member of the Remuneration Committee.

Dato' Lim is a certified public accountant by profession and is a member of the Malaysian Institute of Certified Public Accountants. He started his career with PricewaterhouseCoopers in Kuala Lumpur in 1980 before moving on to the commercial sector. Through his involvement as senior management personnel with various companies in Malaysia, Dato' Lim has extensive exposures and experience in diverse industries such as manufacturing, trading, property development, leisure & entertainment and food services.

He is currently the Executive Deputy Chairman of Sunrise Berhad and is also the Managing Director of Gefung Holdings Berhad.

KONG SIN SENG
Malaysian, Aged 55
Chief Executive Officer

Kong Sin Seng was appointed to the Board on 27 September 2004. He holds a Bachelor of Accounting (Hons) from the University of Kent, England. He is a member of the Institute of Chartered Accountants in England & Wales. He assumed the position of Chief Executive Officer of the Company on 9 February 2007.

He started his career as an articled clerk with Reeves & Neylan, Chartered Accountants in the United Kingdom from 1978 to 1982 and subsequently joined PricewaterhouseCoopers in 1983. He then joined Promet Berhad as Group Financial Executive in 1983 and United Detergent Industries as Financial Controller in 1986. In 1987, he was attached to Promet Petroleum Ltd in Jakarta and subsequently with the Dharmala Group, Indonesia in 1989 as Group Financial Controller. He subsequently became the Managing Director of Heavy Equipment Division and the Director of Financial Services Division. He joined FACB Berhad as the Chief Financial Officer in 1995 and in 1997 was the PA to the Chief Executive Officer of MBF Capital Berhad and as Senior Vice President in MBF Finance Berhad. Since 2000, he became the Chief Executive Officer of Goldwealth Capital Sdn Bhd.

He also sits on the Board of Fitters Diversified Berhad since December 2001.

Profile of Directors (cont'd)

Y BHG DATUK CHU SUI KIONG
Malaysian, Aged 52
Executive Director

Datuk Chu Sui Kiong was appointed to the Board on 31 January 2004 as Non-Independent Non-Executive Director. He subsequently assumed the position of an Executive Director on 25 July 2006.

Datuk Chu, a business entrepreneur, was involved in Property Development. He is currently the Owner and Executive Chairman of Kudat Golf & Marina Resort Hotel.

Y BHG DATO' CHENG JOO TEIK
Malaysian, Aged 65
Executive Director

Dato' Cheng Joo Teik was appointed to the Board on 6 December 2006.

He was formerly with Malaysian Airline System Berhad and having accumulated extensive experience in the commercial and service industry, Dato' Cheng then joined as the Group Executive Director of a renowned group of companies specializing in managing hotels, restaurants, recreational clubs, entertainment and gaming activities for both its local and international operations. He was instrumental in implementing various internal controls and risk controlled procedures for the group of companies in ensuring management and operational efficiency.

Dato' Cheng also serves as a committee member in various philanthropic and charitable organizations and has contributed extensively to fund raising and charitable activities for the needy and underprivileged.

Y BHG DATO' TAN TING WONG
Malaysian, Aged 55
Executive Director

Dato' Tan Ting Wong was appointed to the Board on 17 January 2008.

Dato' Tan, a business entrepreneur, accumulated his management skills and business acumen in owning and managing companies involved in the entertainment, recreation and service industries. He is currently the Executive Chairman of a company distributing multi media products and also holds the position of Executive Director in various private limited companies dealing in cuisines, investments, property management and transportation.

Profile of Directors (cont'd)

LOH SUAN PHANG
Malaysian, Aged 51
Executive Director

Mr Loh Suan Phang was appointed to the Board on 17 January 2008.

Mr Loh holds a Bachelor of Arts (Hons) from University of Malaya.

He started his initial years with Genting Berhad and has more than 15 years of experience in the senior management of food and leisure corporation.

Y BHG DATUK NG BEE KEN
Malaysian, Aged 56
Independent Non-Executive Director

Datuk Ng Bee Ken was appointed to the Board on 22 June 2009. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

He holds a Bachelor of Law (Honours) from University of Wales, Cardiff, Wales and a Master of Laws from King's College, University of London. He is also a Barrister-at-Law of Lincoln's Inn, London, an Advocate & Solicitor of the High Court of Malaya and a certified mediator. He is presently the managing partner of a law firm.

He also holds a Master of Science (Corporate Communication) from Universiti Putra Malaysia and is an Associate of the Association of Costs and Executive Accountants, England.

Datuk Ng is currently the Chairman and an Independent Non-Executive Director of Sinotop Holdings Bhd. He also sits on the board of Talam Corporation Berhad and Opensys (M) Berhad as an Independent Non-Executive Director.

Y BHG DATO' ZAKARIA BIN MOHAMMED
Malaysian, Aged 68
Independent Non-Executive Director

Dato' Zakaria Bin Mohammed was appointed to the Board on 23 May 2008. He is a member of the Audit Committee and the Chairman of the Nomination Committee and Remuneration Committee.

Dato' Zakaria is a Polis DiRaja Malaysia pensioner holding the rank of Senior Assistant Commissioner before he retired in 1998. He had held several senior posts including the Officer-in-charge of Criminal Investigation and Deputy Chief Police Officer Kuala Lumpur. He was also the Chief Police Officer of Kelantan.

Dato' Zakaria was previously with TT Resources Berhad and Zaitun Berhad. He is also a director of several private limited companies.

Y BHG DATO' LIM SIN KHONG
Malaysian, Aged 62
Independent Non-Executive Director

Dato' Lim Sin Khong was appointed to the Board on 3 November 2010. He is a member of the Audit Committee.

Dato' Lim holds a Diploma in Business Studies, United Kingdom and has more than 25 years of experience in various businesses ranging from trading, manufacturing, investment, leisure to recreation industry.

Dato' Lim was a director of a public listed company. He is also very active in community and charitable activities and currently sits on the board and committee of several non-profit making organisations.

LEE YOKE SHUE
Malaysian, Aged 56
Non-Independent Non-Executive Director

Lee Yoke Shue was appointed to the Board on 14 May 2002 as Executive Director and was subsequently re-designated to Non-Independent Non-Executive Director on 1 July 2010. He is a member of the Audit Committee.

He holds a Bachelor of Economics (Accounting) degree from the University of La Trobe, Australia. He is a Chartered Accountant and is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Mr Lee was previously attached to Price Waterhouse (now known as PricewaterhouseCoopers) for Eighteen (18) years. During his tenure, he was involved in providing auditing and business advisory services to both private and public sectors, carried out financial investigations on corporations facing financial disputes and provided litigation support to substantiate legal findings. He specialized in corporate recovery and business turnarounds during economic crisis and was also appointed to undertake privatization and corporatization exercises for the government. He was also seconded to a local bank under the directive of Bank Negara Malaysia to set up and assist the bank's Recovery Division.

Notes to the Profile of Directors:

1. None of the Directors of Widetech have family relationships with any other Directors and/or major shareholders of the Company;
2. None of the Directors have any convictions for offences (other than traffic offences) within the past 10 years.
3. None of the Directors have conflict of interest with the Widetech Group.
4. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2011 are disclosed in page 16 of this Annual Report.

Audit Committee Report

The Board of Directors of Widetech (Malaysia) Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2011.

COMPOSITION AND MEETINGS

As at the date of this Annual Report, the Audit Committee comprises four (4) Directors as follows:

Chairman

Datuk Ng Bee Ken	-	Independent Non-Executive Director

Members

Dato' Zakaria Bin Mohammed	-	Independent Non-Executive Director
Dato' Lim Sin Khong	-	Independent Non-Executive Director
Lee Yoke Shue	-	Non-Independent Non-Executive Director

During the financial year ended 31 March 2011, the Audit Committee met four (4) times. The details of attendance of the Audit Committee are as follows:

Name of Director	Attendance
Datuk Ng Bee Ken	**3/4**
Dato' Zakaria Bin Mohammed	**4/4**
Dato' Lim Sin Khong (Appointed on 3 November 2010)	**2/2**
Lee Yoke Shue (Appointed on 3 November 2010)	**1/2**
Lee Kar Fook (Resigned on 3 August 2010)	**2/2**

Details of the members of the Audit Committee are contained in the Profile of Directors set out on pages 7 to 10 of this Annual Report.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

Composition

The Board shall elect a Committee from amongst themselves (pursuant to a resolution of the Board of Directors), comprising at least 3 Directors where all the Committee members must be Non-Executive Directors, with a majority of whom must be Independent Directors and at least 1 member shall be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

The members of the Committee shall elect a Chairman from amongst themselves who is an Independent Director of the Company.

Audit Committee Report (cont'd)

All members of the Committee, including the Chairman, will hold office only as long as they serve as Directors of the Company. Should any member of the Committee cease to be a Director of the Company, his membership in the Committee would cease forthwith.

If the members of the Committee for any reason be reduced to below 3, the Board of Directors shall within 3 months from that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Functions

i) To review with the External Auditors the scope and nature of their audit plan, the results of their evaluation of the system of internal control, the audit reports on the financial statements and the accounting policies within the Group and assistance given by the employees of the Group to External Auditors;

ii) To review the quarterly and annual financial statements with the External Auditors and management prior to submission to the Board of Directors, focusing particularly on:

   a) changes in or implementation of major accounting policy changes;
   b) compliance with accounting standards and other legal requirements;
   c) the going concern assumption;
   d) significant and unusual events; and
   e) major judgmental areas.

iii) To review with management:

   a) audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
   b) quarterly financial information; and
   c) the assistance given by the officers of the Company to External Auditors.

iv) To review the effectiveness and adequacy of the scope, competency, nature and resources of the internal audit functions and the system of internal control within the Group;

v) To 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;

vi) To review any related party transaction and conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

vii) To consider the appointment of internal and external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors; and

viii) To carry out other functions as may be agreed by the Committee and Board of Directors from time to time.

Audit Committee Report (cont'd)

Meetings and Activities

The Committee shall meet at least 4 times in each financial year. The quorum of a meeting shall be 2 members, provided that the majority of members present at the meeting shall be independent.

The Company Secretary shall be the Secretary of the Committee.

The Internal Auditors and External Auditors may appear at any meeting at the invitation of the Committee and shall appear before the Committee when required to do so by the Committee. The Internal Auditors and External Auditors may also request a meeting if they consider it necessary.

Other Directors who are not members of the Committee and employees may attend any particular Committee Meeting upon the Committee's invitation.

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit. The Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

Rights

The Committee is authorized by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the Internal and External Auditors and to all employees of the Group. The Committee also authorized by the Board to obtain external legal or other independent professional advise as necessary.

The Committee is also authorised to convene meetings with the Internal Auditors and External Auditors, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

Access to records

In carrying out their duties and responsibilities, the Committee will in principle have full and unrestricted access to all Company records, property and personnel.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In accordance with the terms of reference of the Audit Committee, the following activities were undertaken by the Audit Committee during the financial year ended 31 March 2011, including the deliberation on and review of:

(a) the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to the submission to the Board for their approval and release of the Group's results to Bursa Securities;

(b) the annual audited financial statements of the Group and of the Company prior to submission to the Board of Directors for consideration and approval;

(c) the external auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the external auditors without the presence of the executive Board members and management;

(d) the internal audit report and the results and recommendations arising from the reviews conducted by the outsourced internal audit function;

(e) the related party transactions and potential conflict of interest situation that may have arisen within the Company or Group; and

(f) the re-appointment of external auditors and their audit fees, before the recommendation to the Board of Directors for approval.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm to review and improve its existing processes for identifying and managing the Group's risks and the control procedures to manage those risks.

Further details pertaining to the internal audit function are set out in the Statement on Internal Controls on pages 21 to 22 of this Annual Report.

Corporate Governance Statement

The Board of Directors of Widetech (Malaysia) Berhad ("the Board") recognises that its primary responsibility is to safeguard and promote the interests of the shareholders and to enhance the long-term value of the Company. The Board continuously strives and is fully committed to maintaining high standards of corporate governance throughout the organisation and to safeguard the interests of the shareholders.

The Group will continue to endeavour to comply with all the key Principles and Best Practices of the Malaysian Code on Corporate Governance (Revised 2007) ("the Code") in its effort to observe high standards of transparency, accountability and integrity.

This statement sets out the manner in which the Group complies with paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and has applied the Principles and the extent of compliance with the Best Practices in Corporate Governance as set out in Part 1 and Part 2 respectively of the Code. The best practices that were not adopted during the financial year are explained in the relevant paragraphs.

A. BOARD OF DIRECTORS

(i) Board Balance and Composition

The Board currently comprises 10 members, of whom, 6 are Executive Directors (including the Executive Chairman), 3 are Independent Non-Executive Directors and 1 is Non-Independent Non-Executive Director. The profile of the Directors are set out on pages 7 to 10 of this Annual Report.

The Board comprises highly respectable and professional persons and represents a diverse background of knowledge, expertise and experience. With their combined experience and knowledge they provide sound advice and judgment for the benefit of the Company and its shareholders. The mixed skills and experience are vital for the successful performance of the Company.

The Executive Directors are responsible for implementing the policies and decisions of the Board and overseeing the operations of the Group. The Non-Executive Directors play a pivotal role in ensuring that the strategies proposed by the executive management are for the full benefits of the stakeholders and bring forth a balanced, unbiased and independent judgment on all aspects of the Group's strategies and performance.

In addition, due to the active participation of all the Directors including the 3 Independent Non-Executive Directors, no individual or small group of individuals dominate the Board's decision making processes.

The roles of the Chairman and Chief Executive Officer are distinct and separate with a clear division of responsibilities to ensure the balance of power and authority so that no single individual has absolute power within the Group. The Chairman leads the Board to ensure its effectiveness whereas the Chief Executive Officer is responsible for the efficient and effective management of the business and operations of the Company.

Dato' Zakaria Bin Mohammed is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

(ii) Board Meetings

The Board meets on regularly basis, at least 4 times a year to deliberate and consider matters relating to the Group's financial performance, significant investments, corporate development, strategic issues and business plan. Additional Board meetings are held as and when urgent issues warrant matters to be deliberated.

During the financial year ended 31 March 2011, the Board met 4 times and details of the attendance of the Board members during their respective tenure are set out as follows:

Name of Director	Designation	No. of Meetings Attended
Dato' Lim Kim Huat	Executive Chairman	4/4
Kong Sin Seng	Chief Executive Officer	4/4
Datuk Chu Sui Kiong	Executive Director	4/4
Dato' Cheng Joo Teik	Executive Director	4/4
Dato' Tan Ting Wong	Executive Director	3/4
Loh Suan Phang	Executive Director	3/4
Lee Yoke Shue	Non-Independent Non-Executive Director	3/4
Datuk Ng Bee Ken	Independent Non-Executive Director	3/4
Dato' Zakaria Bin Mohammed	Independent Non-Executive Director	4/4
Dato' Lim Sin Khong *(appointed on 3 November 2010)*	Independent Non-Executive Director	2/2
Lee Kar Fook *(resigned on 3 August 2010)*	Independent Non-Executive Director	2/2

(iii) Supply of Information to Board Members

All Directors are provided with the meeting agenda and relevant information and reports on financial, operational, corporate, regulatory and business development by way of Board papers or upon specific request to facilitate informed decision making and effective discharge of their duties. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make sound decisions at the Board meetings. Senior management staff are invited to attend these meetings to explain and clarify the matters being tabled where considered necessary.

In addition, there is a schedule of matters reserved specifically for the Board's decisions, including the approval of major acquisitions or disposal of business or assets, significant investments and changes to management and control structure of the Group, namely, key policies and procedures.

Notice of Board meetings and Board papers are provided to the Directors in advance so that meaningful deliberation and sound decisions can be made at Board meetings. All proceedings of the Board meetings are minuted by the Company Secretary.

The Board has unrestricted access to all information within the Company, whether as a full Board or in their individual capacity, which is necessary for discharge of its responsibilities and may obtain independent professional advice at the Company's expense in furtherance of its duties. Wherever necessary, consultants and experts were invited to brief the Board on their areas of expertise or their reports.

The Board has access to the advice and services of the Company Secretary who is responsible to ensure that Board Meeting procedures are followed, and the applicable statutory and regulatory requirements are complied with. The Company Secretary also serves notice to Directors on the closed period for trading in the Company's securities in accordance with Chapter 14 on Dealings in Listed Securities of Bursa Securities Main market Listing Requirements.

The proceedings and resolutions reached at each Board meeting are recorded in the Minutes Book kept at the registered office. Besides Board meetings, the Board also exercises control on matters that requires its approval through the circulation of Directors' resolutions.

Corporate Governance Statement (cont'd)

(iv) Re-election and Re-appointment of Directors

The appointment of Directors is undertaken by the Board as a whole guided by formal recommendations by the Nomination Committee.

In accordance with the Company's Articles of Association, all Board members who are appointed by the Board shall be subject to election by shareholders at the first opportunity of their appointment. The Company's Articles of Association also provide that at least one-third (1/3) of the Directors shall retire by rotation at each Annual General Meeting and that all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

The Directors to retire from office at the forthcoming Annual General Meeting are Lee Yoke Shue, Loh Suan Phang, Dato' Zakaria Bin Mohammed and Dato' Lim Sin Khong.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965. Presently, there is no Director of the Company who is subject to such re-appointment.

(v) Director's Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Securities.

The Board of Directors are encouraged to evaluate their own training needs on a regular basis and to determine the relevant programmes, seminars or dialogues available that would best enable them to enhance their skill and knowledge so as to effectively discharge their duties.

At the same time, the Board of Directors was briefed at quarterly Board meetings on any significant changes in laws and regulations that were relevant by the Company Secretaries with the intention to keep the Directors abreast with the regulatory and legal related developments.

The Directors concerned have undertaken that they will attend relevant seminars or training programmes in the next financial year to continue to enhance their skills and knowledge for the purpose of disposing their duties and responsibilities.

(vi) Board Committees

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely, Audit Committee, Nomination Committee and Remuneration Committee in order to enhance business and corporate efficiency and effectiveness. These Committees have the authority to examine particular issues and will report to the Board with their recommendations and minutes of these meetings are circulated to the Board. The Board, however, makes the final decision on all matters in the best interest of the Company.

1. Audit Committee

The Board has established the Audit Committee to assist the Board in discharging its duties. The Audit Committee works closely with the external and internal auditors and maintains a transparent professional relationship with them.

The report of the Audit Committee is set out on pages 11 to 14 of this Annual Report.

2. Nomination Committee

The members of the Nomination Committee are:

- Dato' Zakaria Bin Mohammed (Independent Non-Executive Chairman)
- Datuk Ng Bee Ken (Independent Non-Executive Member)

The primary objective of the Nomination Committee is to evaluate suitability of candidates and make recommendations to the Board for new appointments. The Nomination Committee is also empowered to assess the effectiveness of the Board as a whole.

Members of the Nomination Committee met once during the year with the full attendance of its members. The purpose of the meeting was to assess the effectiveness of the Board as a whole.

3. Remuneration Committee

The members of the Remuneration Committee are:

- Dato' Zakaria Bin Mohammed (Independent Non-Executive Chairman)
- Dato' Lim Kim Huat (Independent Non-Executive Member)
- Datuk Ng Bee Ken (Independent Non-Executive Member)

The Remuneration Committee is responsible to recommend to the Board the remuneration framework for Directors necessary to attract, retain and motivate the Directors which are reflective of the Directors' experience and level of responsibilities.

It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Directors and none of the Executive Directors participate in any way in determining their individual remuneration. The remuneration and entitlements of the Non-Executive Directors is a matter of the Board of Directors as a whole, with individual Directors abstaining from decisions in respect of their remuneration.

The Remuneration Committee met once during the year, which was attended by all the members.

B. DIRECTORS' REMUNERATION

Details of Directors' remuneration for the financial year ended 31 March 2011 are as follows:

(a) Total Remuneration

	Categories of Remuneration (RM)				
	Basic Salary	**Bonus**	**Fees**	**Allowance**	**Total**
Executive	287,269	16,937	-	389,490	693,696
Non-Executive	-	-	-	42,000	42,000
Total	287,269	16,937	-	431,490	735,696

(b) Directors' remuneration by bands

	Executive	Non-Executive	Total
Up to RM50,000	1	4	5
RM50,001 to RM100,000	4	1	5
RM100,001 to RM150,000	-	-	-
RM150,001 to RM200,000	-	-	-
RM200,001 to RM250,000	-	-	-
RM250,001 to RM300,000	1	-	1

For security and confidential reasons, the details of individual Directors' remuneration are not shown. The details of remuneration of each Director are not disclosed in this Annual Report. The Board considers that the Directors' remuneration disclosures by band and analysis between Executive and Non-Executive Directors are sufficient to cater to the transparency and accountability aspects of the Code.

C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of effective communication with shareholders and the investment community, and adheres strictly to the disclosure requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). Effective and transparent communication enables the shareholders, investors and the market at large to make informed evaluation of the Company.

Information is released on a timely basis to shareholders and investors through various disclosures and announcements to the Bursa Malaysia Securities Berhad which include quarterly results, annual reports and any other announcements via circulars and press releases. All queries from shareholders and members of the public can be addressed to the Company's email, enquiry@widetechbhd.com.my. From time to time, the Company had also announced major corporate development within the Group through announcement via Bursa Securities' Listing Information Network to ensure thorough dissemination of important valuable information throughout the whole market.

At the Annual General Meeting, questions are welcome from shareholders pertaining to the performance and business activities of the Group where active two-way communication between the shareholders and the Company is observed. The external auditors are also available to provide professional and independent perspectives and clarification. The share registrar is also present to respond to matters relating to shareholders interests.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a fair and balance view and assessment of the Company's financial position, performance and prospects. The Audit Committee assists the Board in reviewing and scrutinizing the information in terms of accuracy, adequacy and completeness for disclosure.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.26(a) of MMLR and pursuant to the Statement of Directors' responsibility of the Companies Act, 1965 is set out in the section of Statement of Directors' Responsibility in relation to the Financial Statements of this Annual Report.

Internal Controls

The Board acknowledges its responsibilities for the Group's system of internal controls covering not only financial controls but also operational, compliance controls and risk management.

The internal audit function of the Group is outsourced to an independent professional firm, which reports directly to the Audit Committee and assists the Board in monitoring and managing risks and internal controls.

The Statement on Internal Control set out on pages 21 to 22 of this Annual Report provides an overview of the state of internal controls within the Group.

Relationship with Auditors

Through the Audit Committee, the Board maintains a formal and transparent relationship with the external auditors in seeking professional advice and ensuring compliance with the appropriate accounting standards. From time to time, the external auditors highlight to the Audit Committee and the Board on matters that require their attention.

Information on the role of Audit Committee in relation to the external auditors is set out in the Audit Committee Report on pages 11 to 14 of this Annual Report.

E. COMPLIANCE STATEMENT

The Board is satisfied that in 2011 the Company has complied with the best practices of the Code.

Statement on Internal Control

INTRODUCTION

The Board of Directors ("the Board") of Widetech (Malaysia) Berhad is pleased to present its Statement on Internal Control for the financial year ended 31 March 2011, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and as guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance"). This statement outlines the nature and state of the internal controls of the Group during the financial year.

BOARD'S RESPONSIBILITY

The Board acknowledges that it is ultimately responsible for the Group's systems of internal control and for reviewing the adequacy and integrity of the internal control systems to ensure that shareholders' interests and the Group's assets are safeguarded. In this respect, the responsibility of reviewing the adequacy and integrity of the internal control systems has been delegated to the Audit Committee, which is empowered by its terms of reference to seek the assurance on the adequacy and integrity of the internal control systems through reports it receives from independent reviews conducted by the internal audit function and Management.

Due to inherent limitations in any system on internal controls, such internal control systems put into effect by Management can only manage rather than eliminate all the risks that may impede the achievement of the Group's business objectives or goals. Therefore, the internal control systems can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

Key management staff and Heads of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards. Periodic management meetings, attended by the Heads of Departments and key management staffs are held in which key risks and the appropriate mitigating controls are also discussed. Key risks relating to the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

The abovementioned risk management practices of the Group serves as the on-going process used to identify, evaluate and manage significant risks.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external consultants to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The scope of review of the outsourced internal audit function is determined by the Audit Committee with feedback from the Executive Management.

During the financial year ended 31 March 2011, the internal audit function carried out an internal audit visit on 2 subsidiaries focusing on certain key business processes. In addition, the internal audit function also carried out follow-up visits to ensure recommendations for improvement on the internal control system are satisfactorily implemented. The results of the audits were presented to the Audit Committee at one of its scheduled meetings.

The costs incurred in maintaining the outsourced internal audit functions for the financial year ended 31 March 2011 amounted to RM21,080.

Statement on Internal Control (cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control systems are:

1. A well defined organisational structure with clear lines of accountability and which has a documented delegation of authority that sets out the decisions that need to be taken and the appropriate authority levels of management including matters that required Board's approval.

2. The Audit Committee reviews the quarterly financial reports, annual financial statements and the internal audit report on a periodic basis. Discussions with Management were held to deliberate on the actions that are required to be taken to address internal control matters identified by the outsourced internal audit function.

3. The Executive Directors are closely involved in the running of business and operations of the Group and they report to the Board on significant changes in the business and external environment, which affect the operations of the Group at large.

4. Experienced and dedicated team of personnel across key functional units.

5. Regular management meetings are held to discuss the Group's performance, business operations and management issues as well as formulate appropriate measures to address them.

6. Established internal policies and procedures for key business units within the Group.

7. One of the Group's operations is ISO 9001:2000 and ISO 14001:2004 certified. With such a certification, audits are conducted by external parties periodically to ensure compliance with the terms and conditions of the certification.

CONCLUSION

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group. The Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control and risk management practices.

This statement was approved by the Board of Directors on 16 August 2011.

Additional Compliance Information

1. **Shares Buy-Backs**

   During the financial year ended 31 March 2011, the Company did not have a scheme to buy back its own shares.

2. **American Depository Receipts (“ADR”) or Global Depository Receipt (“GBR”)**

   The Company did not participate in any ADR or GDR Programme during the financial year.

3. **Imposition of Sanction / Penalties**

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

4. **Non-Audit Fees**

   The amount of non-audit fees incurred for services rendered by the external auditors to the Group for the financial year ended 31 March 2011 amounted to RM7,250.

5. **Variation in Results for the Financial Year**

   There was no deviation of 10% or more between the results of the financial year ended 31 March 2011 as per the audited financial statements and the unaudited results previously announced.

6. **Profit Guarantee**

   There were no profit guarantees given by the Company during the financial year.

7. **Material Contracts involving Directors’ and Major Shareholders’ Interests**

   There was no material contracts entered into by the Company and its subsidiaries involving Directors’ and major shareholders’ interests, which were subsisting at the end of the financial year ended 31 March 2011.

8. **Utilisation of Proceeds**

   The Company did not implement any fund raising exercise during the financial year ended 31 March 2011.

9. **Revaluation Policy on Landed Properties**

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

Statement of Directors' Responsibilities
In Relation to the Audited Financial Statements

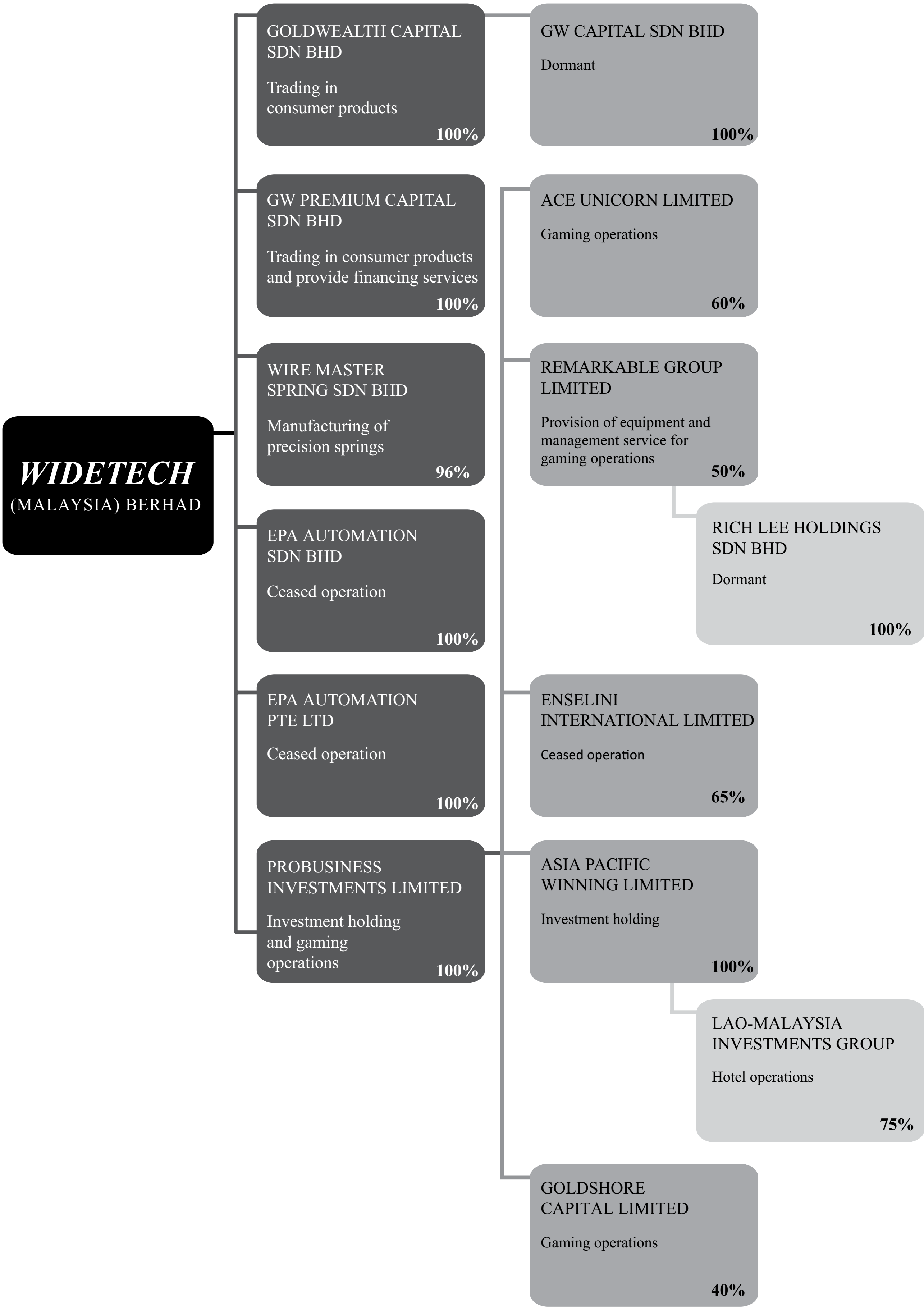
The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cashflow for that year. The financial statements must be prepared in compliance with the Companies Act, 1965 and with applicable approved accounting standards.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2011, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Company and Group maintained accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and that the financial statements comply with the requirements of the Companies Act, 1965. The Directors have the general responsibility for taking reasonable measures to prevent and detect fraud and other irregularities in order to safeguard the assets of the Company and of the Group.

Corporate Structure



Financial Statement

Directors' Report
for the year ended 31 March 2011

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2011.

Principal activities

The principal activities of the Group are as follows :

Company	-	Investment holding
	-	Provision of management services
	-	Rental of properties
Subsidiaries	-	The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

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

Results

	Group RM	Company RM
(Loss)/Profit for the financial year attributable to :		
Owners of the parent	(997,776)	121,573
Minority interest	562,088	-
	(435,688)	121,573

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

Dividend

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

Directors of the Company

Directors who served since the date of the last report are :

Dato' Lim Kim Huat	
Datuk Chu Sui Kiong	
Dato' Cheng Joo Teik	
Dato' Tan Ting Wong	
Loh Suan Phang	
Kong Sin Seng	
Datuk Ng Bee Ken	
Lee Yoke Shue	
Dato' Zakaria bin Mohammed	
Dato' Lim Sin Khong	(appointed on 3.11.2010)
Lee Kar Fook	(resigned on 3.8.2010)

Directors' interest in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Ordinary shares of RM1 each			
	Balance at 1.4.2010	**Bought**	**(Sold)**	**Balance at 31.3.2011**
The Company				
Direct interest				
Dato' Cheng Joo Teik				
- own	200,000	-	-	200,000
- others @	1,478,200	81,700	-	1,559,900
Datuk Chu Sui Kiong	220,500	-	-	220,500
Loh Suan Phang	2,011,300	-	-	2,011,300
Indirect interest				
Dato' Cheng Joo Teik	4,198,952	-	-	4,198,952
Datuk Chu Sui Kiong	8,030,652	-	-	8,030,652
Dato' Tan Ting Wong	8,030,652	-	-	8,030,652
Dato' Lim Sin Khong	2,007,664 Ω	-	-	2,007,664
Subsidiaries				
Direct interest				
Dato' Cheng Joo Teik				
- Wire Master Spring Sdn. Bhd.				
- own	1	-	-	1
Indirect interest				
Datuk Chu Sui Kiong				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998
Dato' Tan Ting Wong				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998

Directors' interest in shares (cont'd)

	Ordinary shares of USD1 each			
	Balance at 1.4.2010	Bought	(Sold)	Balance at 31.3.2011
Datuk Chu Sui Kiong				
- Ace Unicorn Limited	3	-	-	3
- Remarkable Group Limited	1	-	-	1
- Enselini International Limited	65	-	-	65
- Lao-Malaysia Investments Group	750,000	-	-	750,000
Dato' Tan Ting Wong				
- Ace Unicorn Limited	3	-	-	3
- Remarkable Group Limited	1	-	-	1
- Enselini International Limited	65	-	-	65
- Lao-Malaysia Investments Group	750,000	-	-	750,000

@ These are shares held in the name of the son and are treated as interest of the Director in accordance with Section 134 (12) (c) of the Companies Act, 1965.

Ω These are shares held in the name of the Director as at the appointment date.

By virtue of their interest in the shares of the Company, Datuk Chu Sui Kiong and Dato' Tan Tin Wong are also deemed to be interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 March 2011 had any interest in the ordinary shares of the Company and its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who may be deemed to derive a benefit by virtue of transactions entered into in the ordinary course of business between the Company and companies in which the Directors have substantial financial interest, as disclosed in Note 24 to the financial statements.

There were no arrangement during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

Directors' Report
for the year ended 31 March 2011 (cont'd)

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

Other statutory information

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) 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, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 March 2011 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

Directors' Report
for the year ended 31 March 2011

The Auditors, Messrs SJ Grant Thornton have indicated their willingness to continue in office.

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

………………………………………..	)	
DATO' CHENG JOO TEIK	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
………………………………………..	)	
KONG SIN SENG	)	

Kuala Lumpur
26 July 2011

Consolidated Statement of Financial Position
as at 31 March 2011

	Note	2011 RM	2010 RM (Restated)	2009 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	4	17,255,619	19,318,808	21,541,183
Investment in associate	6	60,520	-	-
Goodwill on consolidation	7	-	-	-
Receivables, deposits and prepayments	8	5,182,695	7,892,531	10,273,140
Total non-current assets		22,498,834	27,211,339	31,814,323
Current assets				
Receivables, deposits and prepayments	8	5,274,512	6,578,485	9,011,002
Inventories	9	794,532	682,409	917,190
Amount due from associate	10	1,439,014	-	-
Tax recoverable		37,910	114,748	136,906
Cash and cash equivalents	11	9,755,156	5,300,324	2,401,771
Total current assets		17,301,124	12,675,966	12,466,869
Total assets		39,799,958	39,887,305	44,281,192
EQUITY AND LIABILITIES EQUITY				
Share capital	12	44,753,400	44,753,400	44,753,400
Reserves	13	(14,345,682)	(13,893,034)	(11,613,947)
Total equity attributable to owners of the parent		30,407,718	30,860,366	33,139,453
Minority interest	14	777,827	253,452	622,301
Total equity		31,185,545	31,113,818	33,761,754
LIABILITIES				
Non-current liabilities				
Borrowings	15	4,366,986	4,741,383	4,886,633
Deferred tax liabilities	16	95,000	95,000	93,000
Total non-current liabilities		4,461,986	4,836,383	4,979,633
Current liabilities				
Payables and accruals	17	3,614,723	3,580,582	4,332,634
Borrowings	15	512,614	332,522	1,202,746
Tax payable		25,090	24,000	4,425
Total current liabilities		4,152,427	3,937,104	5,539,805
Total liabilities		8,614,413	8,773,487	10,519,438
Total equity and liabilities		39,799,958	39,887,305	44,281,192

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

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2011

	Note	2011 RM	2010 RM
Revenue	18	9,521,931	10,246,389
Changes in manufactured inventories		32,472	(42,436)
Raw materials and consumables used		(1,643,852)	(1,509,829)
Staff costs	20	(3,056,225)	(3,497,919)
Depreciation	4	(2,359,671)	(2,734,577)
Operating expenses		(2,622,380)	(3,539,350)
Other operating income		233,168	159,032
Operating profit/(loss)		105,443	(918,690)
Finance costs		(256,333)	(228,058)
Loss before tax	19	(150,890)	(1,146,748)
Tax expense	22	(284,798)	(258,492)
Loss for the year		(435,688)	(1,405,240)
Other comprehensive income/(loss)		507,415	(752,946)
Total comprehensive income/(loss) for the financial year		71,727	(2,158,186)
Loss for the financial year attributable to:-			
Owners of the parent		(997,776)	(1,526,141)
Minority interest		562,088	120,901
Loss for the year		(435,688)	(1,405,240)
Total comprehensive income/(loss) attributable to:-			
Owners of the parent		(452,648)	(2,279,087)
Minority interest		524,375	120,901
Loss for the year		71,727	(2,158,186)
Basic loss per ordinary share (sen)	23	(2.23)	(3.41)

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

Consolidated Statement of Changes in Equity

for the year ended 31 March 2011

	Note	Attributable to equity shareholders of the Company						
			Non-distributable					
		Share capital RM	Share premium RM	Exchange fluctuation reserve RM	Accumulated losses RM	Total RM	Minority interest RM	Total equity RM
At 1 April 2009		44,753,400	132,167	(474,834)	(11,271,280)	33,139,453	622,301	33,761,754
Dividend paid to minority interest		-	-	-	-	-	(489,750)	(489,750)
Total comprehensive loss for the financial year		-	-	(752,946)	(1,526,141)	(2,279,087)	120,901	(2,158,186)
At 31 March 2010		44,753,400	132,167	(1,227,780)	(12,797,421)	30,860,366	253,452	31,113,818
Total comprehensive profit for the financial year		-	-	545,128	(997,776)	(452,648)	524,375	71,727
At 31 March 2011		44,753,400	132,167	(682,652)	(13,795,197)	30,407,718	777,827	31,185,545

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

Consolidated Statement of Cash Flows
for the year ended 31 March 2011

	2011 RM	2010 RM
Cash flows from operating activities		
Loss before tax	(150,890)	(1,146,748)
Adjustments for :		
Allowance for impairment loss	19,016	126,584
Allowance for slow moving inventories	18,885	29,935
Bad debts written off	11,511	-
Depreciation of property, plant and equipment	2,359,671	2,734,577
Impairment loss on goodwill	-	28,220
Interest expense	256,333	228,058
Property, plant and equipment written off	18,394	586
Gain on disposal of property, plant and equipment	(34,548)	(598)
Interest income	(190,961)	(52,347)
Reversal of impairment loss	(11,511)	-
Unrealised gain on foreign exchange	(12,475)	(58,612)
Operating profit before changes in working capital	2,283,425	1,889,655
Changes in working capital :		
Associate	(1,439,014)	-
Inventories	(131,008)	200,275
Payables and accruals	28,189	(702,720)
Receivables, deposits and prepayments	5,006,377	4,383,248
Cash generated from operations	5,747,969	5,770,458
Tax paid	(193,616)	(207,783)
Net cash from operating activities	5,554,353	5,562,675
Cash flows from investing activities		
Acquisition of an associate	(60,520)	(4)
Interest received	190,961	52,347
Proceeds from disposal of property, plant and equipment	34,550	2,560
Purchase of property, plant and equipment (Note A)	(702,174)	(982,491)
Net cash used in investing activities	(537,183)	(927,588)

Consolidated Statement of Cash Flows
for the year ended 31 March 2011 (cont'd)

	2011 RM	2010 RM
Cash flows from financing activities		
Dividend paid to minority interest	-	(489,750)
Drawdown of term loan	-	258,000
Repayment of finance lease liabilities	(73,916)	(70,077)
Repayment of term loan	(230,389)	(241,972)
Interest paid	(256,333)	(228,058)
Net cash used in financing activities	(560,638)	(771,857)
Net increase in cash and cash equivalents	4,456,532	3,863,230
Cash and cash equivalents at 1 April	5,300,324	1,440,346
Effects of exchange differences on cash and cash equivalents	(1,700)	(3,252)
Cash and cash equivalents at 31 March (Note B)	9,755,156	5,300,324

NOTES

A. Purchase of property, plant and equipment

The Group acquired property, plant and equipment with aggregate costs of RM812,174 (2010: RM982,491) of which RM110,000 (2010: Nil) was acquired by means of finance lease. Cash payments of RM702,174 (2010: RM982,491) were made to purchase the property, plant and equipment.

B. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts :

	Note	2011 RM	2010 RM
Deposits with licensed banks and financial institutions	11	8,808,708	4,255,616
Cash and bank balances	11	946,448	1,044,708
		9,755,156	5,300,324

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

Statement of Financial Position
at 31 March 2011

	Note	2011 RM	2010 RM
Assets			
Property, plant and equipment	4	6,865,274	7,106,423
Investments in subsidiaries	5	3,975,004	3,975,004
Total non-current assets		10,840,278	11,081,427
Receivables, deposits and prepayments	8	15,590,675	20,985,798
Cash and cash equivalents	11	141,388	857
Total current assets		15,732,063	20,986,655
Total assets		26,572,341	32,068,082
Equity			
Share capital	12	44,753,400	44,753,400
Reserves	13	(23,062,269)	(23,183,842)
Total equity		21,691,131	21,569,558
Liabilities			
Borrowings	15	4,273,227	4,692,590
Total non-current liability		4,273,227	4,692,590
Payables and accruals	17	158,823	5,545,748
Borrowings	15	449,160	260,186
Total current liabilities		607,983	5,805,934
Total liabilities		4,881,210	10,498,524
Total equity and liabilities		26,572,341	32,068,082

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

Statement of Comprehensive Income
for the year ended 31 March 2011

	Note	2011 RM	2010 RM
Revenue	18	3,770,186	3,650,172
Staff costs	20	(251,042)	(363,534)
Depreciation	4	(410,059)	(407,941)
Operating expenses		(310,015)	(239,483)
Other operating expenses		(2,439,794)	(2,723,143)
Other operating income		1,896	-
Operating profit/(loss)		361,172	(83,929)
Finance costs		(238,771)	(216,641)
Profit/(Loss) before tax	19	122,401	(300,570)
Tax expense	22	(828)	(810)
Profit/(Loss) for the financial year		121,573	(301,380)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the financial year		121,573	(301,380)

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

Statement of Changes in Equity
for the year ended 31 March 2011

	Share capital RM	← Non-distributable → Share premium reserve RM	Accumulated losses RM	Total RM
At 1 April 2009	44,753,400	132,167	(23,014,629)	21,870,938
Total comprehensive loss for the financial year	-	-	(301,380)	(301,380)
At 31 March 2010	44,753,400	132,167	(23,316,009)	21,569,558
Total comprehensive income for the financial year	-	-	121,573	121,573
At 31 March 2011	44,753,400	132,167	(23,194,436)	21,691,131

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

Statement of Cash Flows
for the year ended 31 March 2011

	2011 RM	2010 RM
Cash flows from operating activities		
Profit/(Loss) before tax	122,401	(300,570)
Adjustments for :		
Allowance for impairment loss	1,089,859	513,969
Depreciation of property, plant and equipment	410,059	407,941
Interest expense	238,771	216,641
Loss on unrealised foreign exchange	1,349,935	2,209,174
Property, plant and equipment written off	510	-
Dividend income	(3,000,000)	(3,000,000)
Interest income	(1,896)	-
Operating profit before changes in working capital	209,639	47,155
Changes in working capital :		
Receivables, deposits and prepayments	577,319	2,374,488
Payables and accruals	(8,915)	(865,507)
Cash generated from operations	778,043	1,556,136
Tax paid	(828)	(810)
Net cash from operating activities	777,215	1,555,326
Cash flows from investing activities		
Interest received	1,896	-
Purchase of property, plant and equipment	(169,420)	(396,151)
Net cash used in investing activities	(167,524)	(396,151)
Cash flows from financing activities		
Interest paid	(238,771)	(216,641)
Drawdown of term loan	-	258,000
Repayment of term loan	(230,389)	(241,972)
Net cash used in financing activities	(469,160)	(200,613)
Net increase in cash and cash equivalents	140,531	958,562
Cash and cash equivalents at 1 April	857	(957,705)
Cash and cash equivalents at 31 March	141,388	857

NOTE

Cash and cash equivalents included in the statement of cash flow comprise the following amounts :

	Note	2011 RM	2010 RM
Cash and bank balances	11	141,388	857

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

Notes to the Financial Statements

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 10th Floor Menara Hap Seng, No.1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur and the principal place of business of the Company is located at K-09-01, No.2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur.

The Company is principally engaged as an investment holding company, provision of management services and rental of properties. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 July 2011.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards issued by the Malaysian Accounting Standards Board ("MASB") and the Companies Act, 1965 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

2.3 Functional and Presentation Currency

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

2.4 Adoption of Financial Reporting Standards ("FRSs")

From 1 April 2010 onwards, the Company adopted the following FRSs and IC Interpretations that have been effective on or before 1 April 2010:-

FRS 3	-	Business Combinations
FRS 5	-	Non-Current Assets Held for Sale and Discontinued Operations
FRS 7	-	Financial Instruments: Disclosures
FRS 8	-	Operating Segments
FRS 101	-	Presentation of Financial Statements
FRS 102	-	Inventories
FRS 107	-	Statement of Cash Flows
FRS 108	-	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	-	Events After the Reporting Period
FRS 112	-	Income Taxes
FRS 116	-	Property, Plant and Equipment
FRS 117	-	Leases
FRS 118	-	Revenue

2. BASIS OF PREPARATION (Cont'd)

2.4 Adoption of Financial Reporting Standards ("FRSs") (Cont'd)

FRS 119	-	Employee Benefits
FRS 124	-	Related Party Disclosures
FRS 126	-	Accounting and Reporting by Retirement Benefits Plans
FRS 127	-	Consolidated and Separate Financial Statements
FRS 132	-	Financial Instruments: Presentation
Amendments to		
FRS 132	-	Financial Instruments: Presentation
FRS 136	-	Impairment of Assets
FRS 137	-	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	-	Financial Instruments: Recognition and Measurement
FRS 140	-	Investment Property

Adoption of the above relevant FRSs has no significant impact on the financial statements of the Group and of the Company except for the following:-

<u>FRS 7 - Financial Instruments: Disclosures</u>

FRS 7 and the consequential amendment to FRS 101 - Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and for the Company's financial position and performance, the nature and extent of risks arising from financial instruments and the objectives, policies and processes for managing capital.

The Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the financial year ended 31 March 2011.

<u>FRS 8 - Operating Segments</u>

FRS 8, which replaces FRS 114^{2004} - Segment Reporting, requires identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance. Prior to 1 April 2010, the Group identifies two sets of segments (business and geographical) using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information are shown in Note 26 to the Financial Statements.

<u>FRS 101 - Presentation of Financial Statements (Revised)</u>

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expenses recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company has elected to present this statement as one single statement.

2. BASIS OF PREPARATION (Cont'd)

2.4 Adoption of Financial Reporting Standards ("FRSs") (Cont'd)

FRS 101 - Presentation of Financial Statements (Revised) (Cont'd)

A statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements. The revised FRS 101 also requires the Group and the Company to make new disclosures to enable users of the financial statements to evaluate the Group's and the Company's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and by the Company.

Amendment to FRS 117 Leases

The amendment to FRS 117 clarified that leases of land are classified as operating or finance leases in the same way as leases of other assets. The amendment also clarified that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for land element as a finance lease in such circumstances would be consistent with economic position of the lessee. Therefore, adoption of amendment to FRS 117 has resulted in reclassification of certain unexpired land leases to finance leases. The Group and the Company have applied the change in accounting policy retrospectively and certain comparatives have been restated.

Effects on the Statements of Financial Position are shown below:-

Group	**Change in accounting policy**		
31 March 2010	**Before RM**	**After RM**	**Increase/ (Decrease) RM**
Statements of Financial Position			
Prepaid land lease payments	1,518,247	-	(1,518,247)
Property, plant and equipment	17,800,561	19,318,808	1,518,247

	Change in accounting policy		
31 March 2009	**Before RM**	**After RM**	**Increase/ (Decrease) RM**
Statements of Financial Position			
Prepaid land lease payments	1,643,466	-	(1,643,466)
Property, plant and equipment	19,897,717	21,541,183	1,643,466

FRS 139 - Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company has adopted FRS 139 prospectively on 1 April 2010 in accordance with the transitional provisions. Comparatives are not restated.

2. BASIS OF PREPARATION (Cont'd)

2.5 Standards issued but not yet effective

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and by the Company:-

Effective for accounting period beginning on or after 1 July 2010

FRS 1	-	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	-	Business Combinations (Revised)
FRS 127	-	Consolidated and Separate Financial Statements (Revised)
Amendments to FRS 2	-	Share-based Payment
Amendments to FRS 5	-	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	-	Intangible Assets
Amendments to IC Interpretation 9	-	Reassessment of Embedded Derivatives
IC Interpretation 12	-	Service Concession Arrangements
IC Interpretation 16	-	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	-	Distributions of Non-cash Assets to Owners

Effective for accounting period beginning on or after 1 January 2011

Amendments to FRS 1	-	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	-	Additional Exemptions for First-time Adopters
Amendments to FRS 2	-	Group Cash-settled Share-based Payments Transactions
Amendments to FRS 7	-	Improving Disclosures about Financial Instruments
IC Interpretation 4	-	Determining Whether an Arrangement Contains a Lease
IC Interpretation 18	-	Transfers of Assets from Customers
Amendments to FRS 1	-	Accounting policy changes in the year of adoption, revaluation basis as deemed cost and the use of deemed cost for operations subject to rate regulation
Amendments to FRS 3	-	Measurement of non-controlling interests and un-replaced and voluntarily replaced share-based payments awards

2. BASIS OF PREPARATION (Cont'd)

2.5 Standards issued but not yet effective (Cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and by the Company (Cont'd):-

Effective for accounting period beginning on or after 1 January 2011 (Cont'd)

Amendments to FRS 7	-	Clarification of disclosures and transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS
Amendment to FRS 101	-	Clarification of statement of changes in equity
Amendment to FRS 121	-	Transition requirements for amendments arising as a result of FRS 127 Consolidated and Separate Financial Statements
Amendment to FRS 128	-	Transition requirements for amendments arising as a result of FRS 127 Consolidated and Separate Financial Statements
Amendment to FRS 131	-	Transition requirements for amendments arising as a result of FRS 127 Consolidated and Separate Financial Statements
Amendment to FRS 132	-	Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS
Amendment to FRS 134	-	Significant events and transactions
Amendment to FRS 139	-	Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised FRS
Amendment to IC Interpretation 13	-	Amendment relating to fair value of award credits

Effective for accounting period beginning on or after 1 January 2012

FRS 124	-	Related Party Disclosures (Revised)
IC Interpretation 15	-	Agreements for the Construction of Real Estate

The existing FRS 1, 3, 124 and 127 will be withdrawn upon the adoption of the new requirements. IC Interpretation 15 will replace FRS201^{2004}-Property Development Activities. IC Interpretation 8 and 11 will be withdrawn upon the application of Amendments to FRS 2-Group Cash-Settled Share-based Payment Transactions.

2. BASIS OF PREPARATION (Cont'd)

2.5 Standards issued but not yet effective (Cont'd)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group and by the Company (Cont'd):-

The Directors anticipate that the adoption of these new/revised FRS, amendments to FRS and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period for initial application except for the following:

IC Interpretation 17 Distributions of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Group and the Company should measure the dividend payable at the fair value of the assets to be distributed when the dividend is appropriately authorised and is no longer at the discretion of the Group and of the Company. On settlement of the dividend, the difference between the dividend paid and the carrying amount of the assets distributed is recognised in profit or loss. If the dividend remains unpaid at the end of the financial year end, the dividend payable carrying amount is reviewed with any changes recognised in equity.

FRS 124 Related Party Disclosures (Revised)

The revised standard modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in the standard do not affect the Group and the Company because the Group and the Company is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

FRS 3 Business Combinations (Revised)

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

FRS 127 Consolidated and Separate Financial Statements (Revised)

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to allocate to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.

2.6 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the estimates.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (Cont'd)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

Key sources of estimation uncertainty

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

Impairment of property, plant and equipment

The Group's carried out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit to which the property, plant and equipment is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from cash-generated unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transaction and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their useful life. Significant judgement is involved in estimating the useful life of these assets. Changes in the expected level usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

Impairment of receivable

The Group assesses at each reporting date whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristic.

Allowance for inventories

The management reviews inventories to identify damaged, obsolete and slow moving inventories which require judgement and changes in such estimates could result in revision to valuation of inventories.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

3.2 Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

Unrealised gains and losses on transactions between Group companies are eliminated. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

Business combinations are accounted for using the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any cost directly attributable to the business combination. Adjustments to those fair values relating to previously held interest are treated as a revaluation and recognised in other comprehensive income.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill on the Statement of Financial Position. The goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 3.3 to the Financial Statements.

Any excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the Statement of Comprehensive Income on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquire are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modified the cash flows would otherwise be required under the contract.

Minority interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group. It is presented separately disclosed in the profit or loss of the Group, and within the equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interest are accounted for using the entity concept method, whereby, transactions with minority interest are accounted for as transactions with owners. On acquisition of minority interest, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interest is recognised directly in equity.

Subsidiaries are consolidated using the purchase method of accounting from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill on acquisition and exchange differences.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.3 Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate and jointly controlled entities at the date of acquisition.

Goodwill arising on the acquisition of subsidiaries is presented separately in the statement of financial position while goodwill arising on the acquisition of associate is included within the carrying amount of investment in associate.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and, whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent period.

An impairment loss recognised for goodwill should not be reversed in subsequent period. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operations within that unit is disposed off, the goodwill associated with the operations disposed off is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed off in these circumstances is measured based on the relative fair values of the operations disposed off and portion of the cash-generating unit retained.

3.4 Subsidiaries

A subsidiary is a company in which the Group or the Company has the 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.

Investment in subsidiaries is stated at cost or in accordance with FRS 139 less any impairment losses in the Company's financial position.

3.5 Associates

An associate is a company in which the Company or the Group has a long term equity interest of between 20 to 50 percent and where it exercises significant influence over its financial and operating policies through management participation but not to exert control over those policies.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5 Associates (Cont'd)

Investment in associates is accounted for in the consolidated financial statements using equity accounting which involves recognising in the profit or loss the Group's share of the results of associate based on the audited financial statements of the associate. The Group's investment in associate is carried in the statement of financial position at an amount that reflects its share of the net assets of the associate. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Investment in associate is stated at cost. Where an indication of impairment exists, the carrying amount of the associate is assessed and written down immediately to its recoverable amount.

3.6 Property, plant and equipment and depreciation

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an assets if and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measures reliably. All other property, plant and equipment are stated at historical cost less accumulated depreciation and less any impairment losses.

Depreciation of property, plant and equipment is provided on the straight line method in order to write off the cost of each asset over its estimated useful life. No depreciation is provided on freehold land.

The principal annual depreciation rates used are as follows:-

Leasehold land	2%
Freehold land	-
Buildings	2%
Building improvement and electrical installation	10%
Plant, machinery, factory equipment and tools	20%
Hotel equipment, furniture, fixtures, club and office equipment	12.5%-33.3%
Motor vehicles	20%

Restoration cost relating to an item of the property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.7 Inventories

Inventories of raw materials, work-in-progress and finished goods are value at lower of cost and net realisable value less allowance for obsolete and slow moving items. Cost is determined on the weighted average basis.

Cost of work-in-progress and finished goods include the cost of materials, direct labour and proportion of the manufacturing overheads.

Net realisable value represents the estimated selling price less all estimates costs to completion and costs to be incurred in marketing, selling and distribution.

3.8 Assets acquired under finance lease arrangements

The cost of property, plant and equipment acquired under finance lease arrangements which transferred substantially all the risks and rewards of ownership to the Company are capitalised. The depreciation policy on these assets is similar to that of the Group's and of the Company's property, plant and equipment depreciation policy.

Outstanding obligations due under finance lease arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on finance lease arrangements are allocated to statement of comprehensive income over the period of the respective agreements.

3.9 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Financial instruments

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

Embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3.10.1 Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

a) loans and receivables;
b) financial assets at fair value through profit or loss;
c) held to maturity investments; and
d) available-for-sale financial assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or when the financial assets and all substantial risks and rewards are transferred.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade dates. i. e. the date the Group and the Company commit to purchase or sell the assets.

At the reporting date, the Group and the Company carried only the loans and receivables on its statements of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Financial instruments (Cont'd)

3.10.2 Financial liabilities

Financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

After the initial recognition, financial liability is classified as financial liability at fair value through profit or loss or other financial liabilities measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired, or through amortisation process. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Other financial liabilities

The Group's and the Company's financial liabilities comprise borrowings, trade and other payables.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.11 Derivative financial instruments and hedging activities

Derivative are initially recognised at fair value or the date a derivative contract is entered into and subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivatives designated as hedging instrument, and if so, the nature of the item being hedged.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, banks balances, short term demand deposits and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.13 Income tax

<u>Current tax</u>

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax expenses are the expected amount of income taxes payable in respect of the taxable profit for the financial year and are measured using the tax rates that have been enacted by the reporting period and any adjustment to tax payable in respect of previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Income tax (Cont'd)

Deferred tax

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate in respect of all temporary differences at the reporting date between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and unutilised capital allowances.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3.14 Borrowing costs

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of those assets during the period of time that is required to complete and prepare the assets for their intended use.

All other borrowing costs are expensed in the year in which they are incurred.

3.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

3.16 Foreign currency translations and balances

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at reporting date.

Gains and losses resulting from settlement of such transactions and conversion of short term assets and liabilities, whether realised or unrealised, are included in profit or loss as they arise.

All other foreign exchange differences are taken to the profit or loss in the financial year in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16 Foreign currency translations and balances (Cont'd)

The exchange rates ruling at the reporting date are as follows:-

	2011 RM	2010 RM
1 Singapore Dollar	2.401	2.330
1 USD	3.026	3.260
1 Euro	4.301	4.392

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

3.17.1 Sales of goods

Revenue from sales of goods is measured at fair value of the consideration receive or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated cost or the possible returns of goods.

3.17.2 Interest income

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

3.17.3 Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3.18 Employee benefits

3.18.1 Short term benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.18 Employee benefits (Cont'd)

3.18.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pays fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recongised as expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

3.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs such that outflow is probable and can be measured reliably, they will then be recognised as a provision.

3.20 Equity instrument

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Dividends on ordinary shares unpaid are recognised as liabilities when declared.

The transaction costs of an equity transaction which comprise only those incremental external costs directly attributable to the equity transaction are accounted for as a deduction from equity, net of tax, from the proceeds.

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Leasehold land (restated) RM	Freehold land RM	Buildings, Building improvement and electrical installation RM	Plant, machinery, factory equipment and tools RM	Hotel equipment, furniture, fixtures, club and office equipment RM	Motor vehicles RM	Total RM
Cost								
1 April 2009		1,834,716	-	15,199,957	3,090,127	18,600,972	703,332	39,429,104
Acquisition of a subsidiary		-	500,000	-	-	-	-	500,000
Additions		-	-	415,388	70,140	496,963	-	982,491
Disposals		-	-	-	-	(23,741)	-	(23,741)
Written off		-	-	-	(8,296)	(836)	-	(9,132)
Translation differences		(95,750)	-	(548,035)	-	(1,729,021)	(9,498)	(2,382,304)
At 31 March 2010		1,738,966	500,000	15,067,310	3,151,971	17,344,337	693,834	38,496,418
Additions		-	-	170,510	309,766	180,818	151,080	812,174
Disposals		-	-	-	(3,550)	(30,684)	(107,656)	(141,890)
Written off		-	-	-	-	(77,567)	-	(77,567)
Translation differences		(59,750)	-	(347,888)	-	(1,105,202)	(5,927)	(1,518,767)
At 31 March 2011		1,679,216	500,000	14,889,932	3,458,187	16,311,702	731,331	37,570,368

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Note	Leasehold land (restated) RM	Freehold land RM	Buildings, Building improvement and electrical installation RM	Plant, machinery, factory equipment and tools RM	Hotel equipment, furniture, fixtures, club and office equipment RM	Motor vehicles RM	Total RM
Depreciation and impairment loss								
1 April 2009		191,250	-	1,545,012	3,064,061	12,600,011	487,587	17,887,921
Depreciation for the year	19	32,662	-	708,615	20,468	1,885,748	87,084	2,734,577
Disposals		-	-	-	-	(21,779)	-	(21,779)
Written off		-	-	-	(8,288)	(258)	-	(8,546)
Translation differences		(3,193)	-	(84,421)	-	(1,323,783)	(3,166)	(1,414,563)
At 31 March 2010								
Accumulated depreciation		220,719	-	2,169,206	3,076,241	7,439,021	571,505	13,476,692
Accumulated impairment loss		-	-	-	-	5,700,918	-	5,700,918
		220,719	-	2,169,206	3,076,241	13,139,939	571,505	19,177,610
Depreciation for the year	19	31,108	-	664,278	51,987	1,557,688	54,610	2,359,671
Disposals		-	-	-	(3,550)	(30,475)	(107,655)	(141,680)
Written off		-	-	-	-	(61,082)	-	(61,082)
Translation differences		(3,185)	-	(87,707)	-	(925,718)	(3,160)	(1,019,770)
At 31 March 2011								
Accumulated depreciation		248,642	-	2,745,777	3,124,678	7,979,434	515,300	14,613,831
Accumulated impairment loss		-	-	-	-	5,700,918	-	5,700,918
		248,642	-	2,745,777	3,124,678	13,680,352	515,300	20,314,749
Carrying amounts								
At 31 March 2011		1,430,574	500,000	12,144,155	333,509	2,631,350	216,031	17,255,619
At 31 March 2010		1,518,247	500,000	12,898,104	75,730	4,204,398	122,329	19,318,808

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Note	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
Cost				
At 1 April 2009		6,075,716	1,398,222	7,473,938
Additions		334,755	61,396	396,151
At 31 March 2010		6,410,471	1,459,618	7,870,089
Additions		169,420	-	169,420
Written off		-	(29,881)	(29,881)
At 31 March 2011		6,579,891	1,429,737	8,009,628
Accumulated depreciation				
At 1 April 2009		121,514	234,211	355,725
Depreciation for the year	19	125,978	281,963	407,941
At 31 March 2010		247,492	516,174	763,666
Depreciation for the year	19	128,492	281,567	410,059
Written off		-	(29,371)	(29,371)
At 31 March 2011		375,984	768,370	1,144,354
Carrying amounts				
At 31 March 2011		6,203,907	661,367	6,865,274
At 31 March 2010		6,162,979	943,444	7,106,423

i) ***Assets under finance lease***

Included under property, plant and equipment of the Group is a carrying amount of motor vehicles amounting to RM188,512 (2010: RM76,444) acquired under finance lease instalment plans.

ii) ***Security***

The buildings of the Group and the Company with the carrying amount of RM9,026,645 (2010: RM9,061,113) and RM6,203,907 (2010: RM6,162,979) respectively are pledged for banking facilities (see Note 15).

The title deeds of the Group's and the Company's buildings have been issued and now are in the process of executing the Memorandum of Transfer by the relevant authorities.

Freehold land has been pledged for facilities granted to a former Director of a subsidiary.

In the current financial year, the management believes that the recoverable amounts of the assets may not be significantly different from their carrying amount, thus no impairment nor reversals of impairment were made during the year.

Notes to the Financial Statements (cont'd)

5. INVESTMENTS IN SUBSIDIARIES

	Company 2011 RM	Company 2010 RM
Unquoted shares, at cost	5,261,134	5,261,134
Less : Allowance for impairment loss	(1,286,130)	(1,286,130)
	3,975,004	3,975,004

Details of the subsidiaries are as follows :

Name of subsidiary	Place of incorporation	Equity ownership interest 2011	Equity ownership interest 2010	Principal activities
Wire Master Spring Sdn. Bhd.	Malaysia	96%	96%	Manufacturing of precision springs
EPA Automation Sdn. Bhd.	Malaysia	100%	100%	Ceased operations
EPA Automation Pte Ltd * ◊	Republic of Singapore	100%	100%	Ceased operations
Goldwealth Capital Sdn. Bhd.	Malaysia	100%	100%	Trading in consumer products
GW Premium Capital Sdn. Bhd.	Malaysia	100%	100%	Trading in consumer products and providing financing services
Probusiness Investments Limited	British Virgin Islands	100%	100%	Investment holding and gaming operations
Subsidiary of Goldwealth Capital Sdn. Bhd.				
- GW Capital Sdn. Bhd *	Malaysia	100%	100%	Dormant
Subsidiaries of Probusiness Investments Limited				
- Ace Unicorn Limited	British Virgin Islands	60%	60%	Provision of club equipment for gaming operations
- Remarkable Group Limited	British Virgin Islands	50%	50%	Provision of club equipment and management services for gaming operations
- Enselini International Limited	British Virgin Islands	65%	65%	Ceased operations
- Asia Pacific Winning Limited	British Virgin Islands	100%	100%	Investment holding

5. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Place of incorporation	Equity ownership interest 2011	Equity ownership interest 2010	Principal activities
Subsidiary of Asia Pacific Winning Limited				
- Lao-Malaysia Investments Group	Republic of Laos	75%	75%	Hotel operations
Subsidiary of Remarkable Group Limited				
- Rich Lee Holdings Sdn Bhd * #	Malaysia	100%	100%	Dormant

* Subsidiaries not audited by SJ Grant Thornton

◊ The auditors' report of the financial statements of the subsidiary contains an emphasis of matter on uncertainties over its ability to continue as a going concern.

\# The auditors' report of the financial statements of the subsidiary contains :-

i) A disclaimer opinion as the subsidiary's freehold land has been pledged to a bank for banking facilities granted to a former director (as mentioned in Note 17.2(i)). The auditors were unable to ascertain the repayment status of the said loan and accordingly, to determine whether any adjustments were necessary in respect of the property concerned.

ii) Emphasis of matter on uncertainties over the subsidiary's ability to continue as a going concern.

6. INVESTMENT IN ASSOCIATE

	Group 2011 RM	Group 2010 RM
Unquoted shares outside Malaysia, at cost	60,520	-
Represented by:		
Share of net assets	60,520	-

Details of the associate is as follows :

Name of associate	Place of incorporation	Equity ownership interest 2011	Equity ownership interest 2010	Principal activities
Goldshore Capital Limited *	British Virgin Islands	40%	-	Gaming operations

* Associate not audited by SJ Grant Thornton

6. INVESTMENT IN ASSOCIATE (Cont'd)

The summarised financial information of the associate is as follows:-

	Group 2011 RM	Group 2010 RM
Assets and liabilities:		
Total assets	4,780,429	-
Total liabilities	(4,932,250)	-
	(151,821)	-
Loss for the financial year	315,092	-

7. GOODWILL ON CONSOLIDATION

	2011 RM	2010 RM
Carrying amount		
At 1 April	-	-
Acquisition of a subsidiary	-	28,220
Impairment loss for the year	-	(28,220)
At 31 March	-	-

Impairment

The goodwill arising from the acquisition of the subsidiary was fully impaired during the previous financial year as the subsidiary was inactive at the date of acquisition.

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Non-current					
Trade					
Trade receivables		7,402,597	11,842,840	-	-
Less : Unearned service charges		(2,219,902)	(3,950,309)	-	-
Total non-current receivables	8.1	5,182,695	7,892,531	-	-

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Current					
Trade					
Trade receivables		4,660,425	6,289,329	-	-
Less : Unearned service charges		(907,932)	(1,498,607)	-	-
		3,752,493	4,790,722	-	-
Less : Allowance for impairment loss		(949,379)	(993,852)	-	-
	8.1	2,803,114	3,796,870	-	-
Non-trade					
Amount due from subsidiaries		-	-	26,733,436	30,902,746
Less : Allowance for impairment loss		-	-	(14,241,793)	(13,151,934)
	8.2	-	-	12,491,643	17,750,812
Dividend receivable		-	-	3,000,000	3,000,000
Other receivables	8.3	9,300,339	9,670,559	5,003,220	5,022,112
Deposits		145,214	135,531	76,438	76,943
Prepayments		72,423	183,746	19,374	135,931
Less : Allowance for impairment loss		(7,046,578)	(7,208,221)	(5,000,000)	(5,000,000)
		2,471,398	2,781,615	3,099,032	3,234,986
Total current receivables		5,274,512	6,578,485	15,590,675	20,985,798

The movement in allowance for impairment loss in trade receivables is as follows:-

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Brought forward	993,852	1,047,423	-	-
Impairment loss recognised	19,016	126,584	-	-
Impairment loss reversed	(11,511)	-		
Translation differences	(51,978)	(180,155)	-	-
Carried forward	949,379	993,852	-	-

The normal trade credit terms granted by the Group and the Company to the trade receivables range from 30 to 90 days (2010: 30 to 90 days).

8. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

The movement in allowance for impairment loss in non-trade receivables is as follows:-

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Brought forward	7,208,221	7,333,659	18,151,934	17,637,965
Impairment loss recognised	-	-	1,089,859	513,969
Translation differences	(161,643)	(125,438)	-	-
Carried forward	7,046,578	7,208,221	19,241,793	18,151,934

8.1 (i) The trade receivables are expected to be collected as follows :

	2011 RM	2010 RM
Within one year	2,803,114	3,796,870
One year to five years	3,176,114	4,323,541
More than five years	2,006,581	3,568,990
	7,985,809	11,689,401

(ii) Analysis of foreign currency exposure for significant receivables

Significant receivables that are not denominated in the functional currency of the Group entities are as follows :

		Group		Company	
		2011	2010	2011	2010
Functional currency	Foreign currency	RM	RM	RM	RM
RM	USD	64,388	63,432	-	-

8.2 Amounts due from subsidiaries

The receivables due from subsidiaries are unsecured, interest free and repayable on demand.

8.3 Other receivables

i) Included in other receivables of the Group is an amount of RM2,046,578 (2010: RM3,141,711) being advances to club operators for the gaming operations. Allowance for impairment loss of RM2,046,578 (2010: RM2,208,221) has been made as at reporting date.

ii) Included in other receivables of the Group is an amount of RM Nil (2010: RM631,974) that relates to payments made to certain parties for the purpose of application of electronic gaming licences for gaming business in two specified hotels located in Vietnam.

iii) Included in other receivables of the Group and of the Company is an amount of RM5,000,000 (2010: RM5,000,000) respectively due from a third party which is unsecured, interest-free and repayable on demand. Allowance for impairment loss has been fully made for as at reporting date.

9. INVENTORIES

	Group	
	2011	2010
	RM	RM
At cost :		
Raw materials	546,432	480,807
Manufactured inventories	248,100	201,602
	794,532	682,409

Inventories amounted to RM194,270 (2010: RM175,385) as at the reporting date are considered slow moving and full allowance for slow moving inventories have been made.

10. AMOUNT DUE FROM ASSOCIATE

The amount due from associate is unsecured, interest free and repayable on demand.

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Short term deposits with licensed banks and financial institutions	8,066,847	2,140,493	-	-
Fixed deposits with licensed banks and financial institutions	741,861	2,115,123	-	-
	8,808,708	4,255,616	-	-
Cash and bank balances	946,448	1,044,708	141,388	857
	9,755,156	5,300,324	141,388	857

Analysis of foreign currency exposure for significant cash and cash equivalents

Significant cash and bank balances that are not denominated in the functional currency of the Group entities are as follows :

		Group		Company	
		2011	2010	2011	2010
Functional currency	**Foreign currency**	RM	RM	RM	RM
RM	USD	197,906	192,930	-	-

12. SHARE CAPITAL

	Group and Company			
	2011		2010	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares of RM1 each				
Authorised	150,000,000	150,000,000	150,000,000	150,000,000
Issued and fully paid :				
Balance at 31 March	44,753,400	44,753,400	44,753,400	44,753,400

13. RESERVES

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Non-distributable					
Share premium	13.1	132,167	132,167	132,167	132,167
Exchange fluctuation reserve	13.2	(682,652)	(1,227,780)	-	-
		(550,485)	(1,095,613)	132,167	132,167
Accumulated losses		(13,795,197)	(12,797,421)	(23,194,436)	(23,316,009)
		(14,345,682)	(13,893,034)	(23,062,269)	(23,183,842)

13.1 Share premium

The share premium account arose from the private placement net of share issue expenses and ESOS exercised in prior years.

13.2 Exchange fluctuation reserve

Exchange fluctuation reserve comprises foreign currency differences arising from the translation of financial statements of foreign operations.

14. MINORITY INTEREST

This consists of minority shareholders' proportion of share capital and reserves of subsidiaries.

15. BORROWINGS

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Current					
Term loan - secured	15.3	449,160	260,186	449,160	260,186
Finance lease liabilities	15.4	63,454	72,336	-	-
		512,614	332,522	449,160	260,186
Non-current					
Term loan - secured	15.3	4,273,227	4,692,590	4,273,227	4,692,590
Finance lease liabilities	15.4	93,759	48,793	-	-
		4,366,986	4,741,383	4,273,227	4,692,590

15.1 Securities

Group/Company

The term loan is secured by the Company's building.

The bank overdraft is secured by a subsidiary's leasehold land and building. The bank overdraft is not utilised during the financial year.

15.2 Interest rate

Group/Company

The term loan is subject to interest rate at 1.50% (2010: 1.50%) above bank's prevailing 3 months effective cost of fund.

The bank overdraft is subject to interest rate at 1.25% (2010: 1.25%) above base lending rate.

Group

Finance lease liabilities are subject to a fixed interest rates ranging from 2.40% to 3.20% (2010: 2.40% to 3.20%) per annum.

15. BORROWINGS (Cont'd)

15.3 Terms and debt repayment schedule

	Year of maturity RM	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years
Group						
2011						
Term loan - secured	2029	4,722,387	449,160	449,160	1,347,480	2,476,587
Finance lease liabilities	2011 - 2016	157,213	63,454	29,562	64,197	-
		4,879,600	512,614	478,722	1,411,677	2,476,587
2010						
Term loan - secured	2029	4,952,776	260,186	270,541	877,958	3,544,091
Finance lease liabilities	2011-2013	121,129	72,336	41,231	7,562	-
		5,073,905	332,522	311,772	885,520	3,544,091
Company						
2011						
Term loan - secured	2029	4,722,387	449,160	449,160	1,347,480	2,476,587
2010						
Term loan - secured	2029	4,952,776	260,186	270,541	877,958	3,544,091

15.4 Finance lease liabilities

Finance lease liabilities are payable as follows :

	2011			2010		
	Repayments RM	Interest RM	Principal RM	Repayments RM	Interest RM	Principal RM
Group						
Less than 1 year	70,232	6,778	63,454	77,772	5,436	72,336
Between 1 and 5 years	106,309	12,550	93,759	53,447	4,654	48,793
	176,541	19,328	157,213	131,219	10,090	121,129

16. DEFERRED TAX LIABILITIES

The deferred tax assets and liabilities as at reporting date are made up of temporary difference arising from :

	At 1 April 2009 RM	Recognised in profit or loss RM	At 31 March 2010 RM	Recognised in profit or loss RM	At 31 March 2011 RM
Group					
Deferred tax liabilities:					
Carrying amount of qualifying property, plant and equipment in excess of their tax base	132,000	10,000	142,000	-	142,000
Deferred tax assets:					
Provisions	(39,000)	(8,000)	(47,000)	-	(47,000)
	93,000	2,000	95,000	-	95,000
		Note 22		**Note 22**	

No deferred tax assets has been recognised for the following items :

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Unutilised tax losses	(6,730,000)	(6,781,000)	(2,395,000)	(2,449,000)
Unabsorbed capital allowances	(256,000)	(256,000)	(256,000)	(256,000)
	(6,986,000)	(7,037,000)	(2,651,000)	(2,705,000)

The taxable temporary differences, unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits.

The comparative figures have been restated to reflect the revised taxable temporary differences, unabsorbed capital allowances and unutilised tax losses available to the Group and the Company.

17. PAYABLES AND ACCRUALS

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Trade					
Trade payables		1,326,824	1,149,113	-	-
Non-trade					
Amounts due to subsidiaries	17.1	-	-	-	5,378,010
Other payables	17.2	1,236,733	2,108,909	144,660	153,575
Accrued expenses		1,051,166	322,560	14,163	14,163
		2,287,899	2,431,469	158,823	5,545,748
	17.3	3,614,723	3,580,582	158,823	5,545,748

The normal trade credit terms granted by trade payables range from 30 to 90 days (2010: 30 to 90 days).

17.1 Amounts due to subsidiaries

The amounts due to subsidiaries of the Company are unsecured, interest free and repayable on demand.

17.2 Other payables

Included in other payables of the Group are:

(i) an amount of RM500,000 (2010: RM500,000) due to a former director of certain subsidiary. In the event that the subsidiary's freehold land, which has been pledged to a bank for banking facilities granted to this former director (as mentioned in Note 5(i)), is foreclosed by the said bank for default in payment by the former director, the Group may be able to set off the amount due to him against the net proceeds obtained from the sale of freehold land pursuant to the foreclosure by the said bank.

(ii) an amount of RMNil (2010: RM19,083) due to minority shareholders of certain subsidiaries. The amount is unsecured, interest-free and repayable on demand.

17.3 Analysis of foreign currency exposure for significant payables

Significant payables that are not in the functional currencies of the Group entities are as follows :

Functional currency	Foreign currency	Group 2011 RM	Group 2010 RM
RM	USD	56,246	62,725
RM	Euro	867,277	909,478
RM	SGD	8,641	18,231
SGD	Euro	137,167	140,965

18. REVENUE

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Invoiced value of goods sold less discounts and returns	4,520,514	5,295,287	-	-
Service charges	1,692,347	2,429,080	-	-
Management fees	1,618,350	1,092,368	300,000	180,000
Gaming income	186,805	211,776	-	-
Hotel income	1,144,849	892,212	-	-
Rental income	359,066	325,666	470,186	470,172
Dividend income	-	-	3,000,000	3,000,000
	9,521,931	10,246,389	3,770,186	3,650,172

19. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is arrived at :

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
After charging :					
Auditors' remuneration					
Auditors of the Company					
- current year					
- audit services		60,154	92,990	17,000	20,000
- other services		3,500	3,500	3,500	3,500
- prior year					
- audit services		1,846	(775)	-	-
Other auditors					
- current year					
- audit services		5,712	5,111	-	-
Allowance for slow moving inventories		18,885	29,935	-	-
Bad debts written off		11,511	-	-	-
Depreciation of property, plant and equipment	4	2,359,671	2,734,577	410,059	407,941
Directors of the Company					
- Remuneration	21	735,696	1,106,875	42,000	129,000
Impairment loss					
- third parties		19,016	126,584	-	-
- subsidiaries		-	-	1,089,859	513,969
Impairment loss on goodwill	7	-	28,220	-	-
Interest expense					
- finance lease liabilities		5,942	7,695	-	-
- term loan		218,771	195,163	218,771	195,163
- bank overdraft		20,000	21,478	20,000	21,478
- others		11,620	3,722		
Loss on foreign exchange					
- realised		13,250	-	-	-
- unrealised		-	-	1,349,935	2,209,174
Operating lease rentals		89,921	151,707	-	-
Property, plant and equipment written off		18,394	586	510	-

19. (LOSS)/PROFIT BEFORE TAX (Cont'd)

(Loss)/Profit before tax is arrived at (Cont'd) :

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
and after crediting:					
Bad debts recovered		6,110	1,268	-	-
Gain on disposal of property, plant and equipment		34,548	598	-	-
Gain on foreign exchange					
- realised		488	1,092	-	-
- unrealised		12,475	58,612	-	-
Interest income		190,961	52,347	1,896	-
Rental income from:					
- third parties		359,066	325,666	359,066	325,666
- subsidiary		-	-	111,120	144,506
Reversal of impairment loss		11,511	-	-	-

20. STAFF COSTS

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Staff costs (including Directors' remuneration)	3,056,225	3,497,919	251,042	363,534

Staff costs include contributions to the Employees Provident Fund of the Group and of the Company of RM148,875 (2010: RM203,461) and RM19,116 (2010: RM22,561) respectively.

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows :

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Directors of the Company				
- Remuneration	735,696	1,106,875	42,000	129,000

22. TAX EXPENSE

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Current tax expense				
- Current year	291,658	291,810	828	810
- Overprovision in prior years	(6,860)	(35,318)	-	-
Total current tax recognised in the profit or loss	284,798	256,492	828	810
Deferred tax expense				
- Current year (Note 16)	-	2,000	-	-
Total deferred tax recognised in the profit or loss	-	2,000	-	-
Total tax expense	284,798	258,492	828	810

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
(Loss)/Profit before tax	(150,890)	(1,146,748)	122,401	(300,570)
Tax calculated using Malaysian tax rate of 25%	(37,722)	(286,687)	30,600	(75,142)
Losses of foreign subsidiaries not available for set-off	327,710	481,836	-	-
Non-deductible expenses	14,420	49,905	720,228	765,391
Non-taxable income	-	-	(750,000)	(750,000)
Deferred tax assets not recognised	-	48,756	-	60,561
Utilisation of unabsorbed capital allowances	(12,750)	-	-	-
	291,658	293,810	828	810
Over provision in prior years	(6,860)	(35,318)	-	-
Tax expense	284,798	258,492	828	810

The unutilised tax losses and unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM6,730,000 (2010: RM6,781,000) and RM256,000 (2010: RM256,000) for the Group and RM2,395,000 (2010: RM2,449,000) and RM256,000 (2010: RM256,000) for the Company.

However, the above amount is subject to the approval of the Inland Revenue Board of Malaysia.

23. BASIC LOSS PER ORDINARY SHARE

The basic loss per share has been calculated based on the loss attributable to owners of the parent and the weighted average number of shares in issue during the financial year.

	Group	
	2011	**2010**
	RM	**RM**
Loss attributable to owners of the parent	(997,776)	(1,526,141)
Number of ordinary shares in issue	44,753,400	44,753,400

The diluted earnings per share are not presented as there are no dilutive potential ordinary shares.

24. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

Related parties include the following :

i) Subsidiaries of the Company

ii) Directors and key management personnel of the Company

iii) Profit Haven Sdn. Bhd. ("PHSB"), a Company in which a Director is deemed to have substantial financial interest

iv) Machines Sdn. Bhd. ("MSB"), a Company in which a Director is deemed to have substantial financial interest

v) Keyspan Express Sdn. Bhd. ("KESB"), a Company in which a Director is deemed to have substantial financial interest

vi) Sunrise Centure Sdn. Bhd. ("SCSB"), a Company in which a Director is deemed to have substantial financial interest

24. RELATED PARTIES (Cont'd)

24.1 The significant related party transactions of the Group and the Company, other than those disclosed in the financial statements are as follows :

i) Transactions between the Company and its subsidiaries :

	Transactions amount for the year ended 31 March	
	2011	**2010**
	RM	**RM**
Dividend income	3,000,000	3,000,000
Management fees receivable	300,000	180,000
Rental receivable	111,120	144,506

ii) Transactions with companies in which a Director is deemed to have substantial financial interest :

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Purchase of building	-	322,686	-	322,686
Rental receivable	292,732	317,232	292,732	317,232
Sale of equipment	-	1,960	-	-

iii) Transactions with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

24.2 Significant non-trade related companies' balances - Company

	2011	**2010**
	RM	**RM**
Amounts due from subsidiaries	26,733,436	30,902,746
Less : Allowance for impairment loss	(14,241,793)	(13,151,934)
	12,491,643	17,750,812
Amounts due to subsidiaries	-	5,378,010

All the amounts outstanding are unsecured, interest-free and repayable on demand.

25. CONTINGENT LIABILITIES - UNSECURED

Group

Freehold land pledged to bank for credit facilities granted to a former Director of a subsidiary amounted to RM500,000 (2010: RM500,000). The bank overdraft is not utilised during the financial year.

Company

i) The Company has issued corporate guarantees to financial institutions amounting to RM26,605 (2010: RM116,526) for banking facilities granted to subsidiaries of which RM26,605 (2010: RM116,526) was utilised at reporting date.

ii) The Company has issued corporate guarantees to a subsidiary for finance lease facility amounting to RM37,970 (2010: RM68,378) as at reporting date.

iii) The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue as a going concern.

26. SEGMENTAL INFORMATION

(i) Business segments

For the management purposes, the Group is organised into business units based on their products and services, which comprises the following:

Manufacturing	Manufacture of precision springs
Supply	Supply of consumer products
Gaming	Management of gaming operation and provision of club equipment
Hotel	Hotel operations
Others	i) Investment holding ii) Provision of management services iii) Provision of financing service iv) Trading in industrial and high-tech products v) Rental of properties

26. SEGMENTAL INFORMATION – GROUP (Cont'd)

(i) Business segments (Cont'd)

2011	**Manufacturing RM**	**Supply RM**	**Gaming RM**	**Hotel RM**	**Others RM**	**Eliminations RM**	**Consolidated RM**
Revenue from external customers	4,520,514	1,692,347	1,805,155	1,144,849	359,066	-	9,521,931
Inter-segment revenue	-	900,000	-	-	3,411,120	(4,311,120)	-
Total revenue	4,520,514	2,592,347	1,805,155	1,144,849	3,770,186	(4,311,120)	9,521,931
Result:							
Interest income	2,078	182,788	4,200	-	1,895	-	190,961
Depreciation	(100,165)	(33,912)	(683,766)	(1,040,994)	(500,834)	-	(2,359,671)
Finance costs	(7,957)	(1,788)	-	(7,817)	(238,771)	-	(256,333)
Other non-cash income/(expense) (a)	15,460	(17,615)	3,740	(16,241)	5,384	-	(9,272)
Tax expense	(110,017)	(173,953)	-	-	(828)	-	(284,798)
Segment profit/(loss)	407,193	(2,516,894)	(809,399)	(1,008,373)	(20,088)	3,511,873	(435,688)
Assets:-							
Addition to non-current asset (b)	473,203	3,999	212,637	13,435	169,420	-	872,694
Unallocated assets							8,846,618
Segment assets	2,875,675	7,756,044	3,708,914	5,165,324	11,447,383	-	30,953,340
Liabilities:-							
Unallocated liabilities							4,810,931
Segment liabilities	612,567	784,918	768,029	88,900	1,549,068	-	3,803,482

26. SEGMENTAL INFORMATION – GROUP (Cont'd)

(i) Business segments (Cont'd)

	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
2010							
Revenue from external customers	3,934,427	3,789,940	1,304,144	892,212	325,666	-	10,246,389
Inter-segment revenue	-	900,000	-	-	3,324,506	(4,224,506)	-
Total revenue	3,934,427	4,689,940	1,304,144	892,212	3,650,172	(4,224,506)	10,246,389
Result:							
Interest income	-	52,347	-	-	-	-	52,347
Depreciation	(83,850)	(52,640)	(943,576)	(1,155,789)	(498,722)	-	(2,734,577)
Finance costs	(7,370)	(4,047)	-	-	(216,641)	-	(228,058)
Other non-cash income / (expense) (a)	(12,552)	598	(126,145)	(578)	12,562	-	(126,115)
Tax expense	(44,592)	(273,090)	-	-	(810)	60,000	(258,492)
Segment profit/(loss)	73,607	(2,320,514)	(2,388,204)	(1,525,774)	(1,474,261)	6,229,906	(1,405,240)
Assets:-							
Addition to non-current asset (b)	72,039	74,163	305,798	134,334	396,157	-	982,491
Unallocated assets							4,370,364
Segment assets	2,132,504	11,954,953	3,693,769	6,651,815	11,083,900	-	35,516,941
Liabilities:-							
Unallocated liabilities							5,192,905
Segment liabilities	227,365	876,084	849,463	69,721	1,557,949	-	3,580,582

Notes to the Financial Statements (cont'd)

26. SEGMENTAL INFORMATION – GROUP (Cont'd)

(i) Business segments (Cont'd)

Notes:

(a) Other non-cash income/(expense) consist of the following items:-

	2011 RM	2010 RM
Allowance for impairment loss	(19,016)	(126,584)
Allowance for slow moving inventories	(18,885)	(29,935)
Bad debts written off	(11,511)	-
Impairment loss on goodwill	-	(28,220)
Property, plant and equipment written off	(18,394)	(586)
Gain on disposal of property, plant and equipment	34,548	598
Reversal on impairment loss	11,511	-
Unrealised gain on forex	12,475	58,612
	(9,272)	(126,115)

(b) Additions to non-current assets consist of:-

	2011 RM	2010 RM
Property, plant and equipment	812,174	982,491
Investment in associate	60,520	-
	872,694	982,491

(ii) Geographical segments

Revenues and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Malaysia RM	Cambodia RM	Vietnam RM	Laos RM	Consolidated RM
2011					
Revenue from external customers by location of customers	6,571,927	378,916	1,426,239	1,144,849	9,521,931
Non current assets	16,814,652	278,607	475,202	4,930,373	22,498,834
Capital expenditure by location of assets	646,622	-	152,117	13,435	812,174

26. SEGMENTAL INFORMATION – GROUP (Cont'd)

(ii) *Geographical segments* (Cont'd)

	Malaysia RM	Cambodia RM	Vietnam RM	Laos RM	Consolidated RM
2010					
Revenue from external customers by location of customers	8,050,033	211,776	1,092,368	892,212	10,246,389
Non current assets	19,513,504	609,486	684,169	6,404,180	27,211,339
Capital expenditure by location of assets	542,356	305,801	-	134,334	982,491

(iii) *Information about major customers*

Revenue from 1 (2010:1) customer amounted to RM1,664,155 (2010: RM3,763,451) arising from revenue by the supply segment and no major customer arising from manufacturing, gaming, hotel and others segment.

27. OPERATING LEASE COMMITMENTS

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2011 RM	2010 RM
Less than 1 year	18,605	89,921
Between 1 and 5 years	-	18,605
	18,605	108,526

The Group leases a number of machines under operating leases. The leases typically run for an initial period of 3 years, with an option to continue for another year. None of the leases include contingent rentals.

28. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

28. FINANCIAL INSTRUMENTS (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's and the Company's exposure to credit risk arises primarily from receivables. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company provide services only to recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verifications procedures.

Following are the areas where the Group and Company are exposed to credit risk:

(i) Receivables

As at end of the reporting period, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statement of financial position.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

The ageing analysis of trade receivables of the Group is as follows:-

	Gross RM	Individually impaired RM	Net RM
2011			
Not past due	6,902,585	-	6,902,585
Past due for 1-30 days	605,688	-	605,688
Past due for 31-60 days	347,935	-	347,935
Past due for 61-90 days	127,358	(26,930)	100,428
Past due for 91-120 days	46,532	(22,500)	24,032
Past due for more than 121 days	905,090	(899,949)	5,141
	8,935,188	(949,379)	7,985,809

The net carrying amount of trade receivables is considered a reasonable approximate of fair values. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above. Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(a) Credit risk (Cont'd)

Following are the areas where the Group and Company are exposed to credit risk (Cont'd):-

(i) Receivables (Cont'd)

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at 31 March 2011, trade receivables of RM1,083,224 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty other than 85% (2010: 91%) of trade receivables consist of amount due from one (2010: one) customer. Trade receivables consist of a large number of customers in various backgrounds. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

(ii) Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Company provides unsecured advances to subsidiary companies and monitors their results regularly.

As at the end of the reporting period, there was no indication that the advances to the subsidiary companies are not recoverable.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due as a result of shortage of funds.

The Group's and the Company's exposure to liquidity risk arises particularly from payables and borrowings and it maintains a level of cash and cash equivalents and bank credit facilities deemed adequate by management to ensure it has sufficient liquidity to meet its obligations when they fall due.

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(b) Liquidity risk (Cont'd)

The following are areas of the Group's and the Company's exposure to liquidity risk (cont'd):-

Group 2011	**Less than 1 year RM**	**More than 1 year RM**
Trade payables	1,326,824	-
Other payables and accruals	2,287,899	-
Borrowings	512,614	4,366,986
Total	4,127,337	4,366,986
Company 2011		
Trade payables	-	-
Other payables and accruals	158,823	-
Borrowings	449,160	4,273,227
Total	607,983	4,273,227

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transitional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entitities. The currency giving rise to this risk is primarily US Dollar (USD), Singapore Dollar (SGD) and Euro Dollar (EURO).

The Group and Company currently do not practice cash flow hedge and does not enter into forward currency contracts to mitigate its exposure to foreign currency risks.

The foreign currency exposure as at reporting date is detailed in respective notes to the financial statements.

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(c) Foreign currency risk (Cont'd)

The following table demonstrates the sensitivity of the Group's and Company's profit for the financial year to a reasonably possible change in the USD, SGD, and EURO exchange rates against the respective functional currency of the Company, with all other variables held constant.

	Group 2011		Company 2011	
	Loss for the year RM	Equity RM	Profit for the year RM	Equity RM
USD/RM				
- Strengthened 0.42%	34	34	-	-
- Weakened 0.42%	(34)	(34)	-	-
SGD/RM				
- Strengthened 0.25%	21	21	-	-
- Weakened 0.25%	(21)	(21)	-	-
EURO/RM				
- Strengthened 0.17%	1,725	1,725	-	-
- Weakened 0.17%	(1,725)	(1,725)	-	-

(d) Interest rate risk

The Group's and the Company's policy is to borrow principally on a floating rate basis.

The Group uses a fixed rate to determine service charges on its trade receivables from financing services.

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to the Group's and the Company's debt obligations and the Group's trade receivables from financing services.

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(d) Interest rate risk (Cont'd)

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

	Note	Average effective interest rate per annum %	Total RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
Group									
2011									
Financial assets									
Fixed rate instruments									
Short term deposits with licensed banks and financial institutions	11	2.66	8,066,847	8,066,847	-	-	-	-	-
Fixed deposits with licensed banks and financial institutions	11	2.75	741,861	741,861	-	-	-	-	-
Trade receivables	8	10.55	7,985,809	2,803,114	877,539	760,526	762,021	776,028	2,006,581
Financial liabilities									
Fixed rate instruments									
Finance lease liabilities	15	2.70	157,213	63,454	29,562	22,000	22,000	20,197	-
Floating rate instrument									
Term loan	15	3.91	4,722,387	449,160	449,160	449,160	449,160	449,160	2,476,587

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(d) Interest rate risk (Cont'd)

Effective interest rates and repricing analysis (Cont'd)

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

	Note	Average effective interest rate per annum %	Total RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
Group									
2010									
Financial assets									
Fixed rate instruments									
Short term deposits with licensed banks and financial institutions	11	1.98	2,140,493	2,140,493	-	-	-	-	-
Fixed deposits with licensed banks and financial institutions	11	2.17	2,115,123	2,115,123	-	-	-	-	-
Trade receivables	8	10.61	11,689,401	3,796,870	1,392,755	1,061,133	922,927	946,726	3,568,990
Financial liabilities									
Fixed rate instruments									
Finance lease liabilities	15	2.75	121,129	72,336	41,231	7,562	-	-	-
Floating rate instrument									
Term loan	15	3.91	4,952,776	260,186	270,541	292,652	292,652	292,654	3,544,091

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

(d) Interest rate risk (Cont'd)

Effective interest rates and repricing analysis (Cont'd)

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

	Note	Average effective interest rate per annum %	Total RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
Company									
2011									
Financial liabilities									
Floating rate instruments									
Term loan	15	3.91	4,722,387	449,160	449,160	449,160	449,160	449,160	2,476,587
2010									
Financial liabilities									
Floating rate instruments									
Term loan	15	3.91	4,952,776	260,186	270,541	292,652	292,652	292,654	3,544,091

28. FINANCIAL INSTRUMENTS (Cont'd)

(e) Fair values

Recognised financial instruments

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

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

In respect of trade receivables with the repayment structure described in Note 8, it is not practicable to estimate the fair value of the fixed rate trade receivables due to the lack of information on discount rate and the inability to estimate the fair value without incurring excessive costs. However, the Directors believe that there is no significant difference between the fair value and the book value of the trade receivables.

There were no unrecognised financial instruments at reporting date.

29. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise shareholder value.

The Group and the Company manage this capital structure and make adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain and adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

30. MATERIAL LITIGATIONS

The material litigations of the Group are as below :

i) On 28 May 2003, the Company's wholly-owned subsidiaries, EPA Automation Sdn. Bhd. and EPA Automation Pte. Ltd. ("EPA"), filed a suit against Camozzi s.p.a, Camozzi Malaysia Sdn. Bhd. and two former employees of EPA Malaysia, (collectively known as the "Camozzi Defendants") in relation to the alleged wrongful termination of the sole agency and distributorship agreement between EPA with Camozzi s.p.a. and the alleged wrongful use of EPA's confidential information by the Camozzi Defendants.

   EPA has claimed for damages arising thereof and damages resulting from unlawful interference of their business by the Camozzi Defendants. An injunction is in place prohibiting the Camozzi Defendants from utilising the confidential information. The Camozzi Defendants have filed a counterclaim in these proceedings against the Company and EPA for the value of goods sold to EPA of Euro 233,250.49 together with interest charged at 8% per annum and other damages. Given that the purported nature of termination was wrongful, and that there was a wrongful use of EPA's confidential information and as there was unlawful interference with EPA's business, the Directors are of the view that there are reasonable prospects of success by EPA in its claim against the Camozzi Defendants. The trial of this matter has been postponed numerous times and the court has fixed the new trial date from 1 August 2011 to 4 August 2011.

30. MATERIAL LITIGATIONS (Cont'd)

The material litigations of the Group are as below (Cont'd):

ii) The Company's subsidiary, Remarkable Group Limited ("RGL") has initiated a legal suit against Viet Star (formerly known as Amara Saigon Hotel Co. Ltd) ("the hotel owner") requesting for compensation and fullfilment of a management contract entered by the subsidiary and the hotel owner. The hotel owner has illegally blocked and prevented the club from operating since July 2007 and has yet to return the operation and the assets, which they have seized to the subsidiary. The compensation claimed by the subsidiary approximate to USD3,907,300 (RM11,823,490) for the damage due to the loss of destruction of the subsidiary's assets and business losses from the closure of the club operation.

In addition, on 5th and 8th February 2010, Rich Lee Holdings Sdn Bhd ("RLHSB") and RGL had filed separate petitions against Viet Star seeking damages approximate to USD13,383,000 (RM40,496,958) and USD9,476,000 (RM28,674,376) respectively for the unlawful closure of RGL's club.

Viet Star had lodged their counter claims against RLHSB, requesting for compensation of USD11,420,822 (RM34,559,407) which consists of unpaid rent, foreign contractor tax, additional corporate income tax and business losses up to November 2010.

The court has yet to fix a trial date. The Board is of the opinion that the outcome of the case is uncertain and unpredictable.

31. DISCLOSURES OF REALISED AND UNREALISED PROFITS/LOSSES

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of retained earnings or accumulated losses into realised and unrealised on group and company basis in the annual audited financial statements.

The breakdown of accumulated losses as at the reporting date which has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants are as follows:-

	Group 2011 RM	Company 2011 RM
Total accumulated losses of the Company and its subsidiary companies		
- Realised	(48,471,145)	(21,844,501)
- Unrealised	(1,337,460)	(1,349,935)
	(49,808,605)	(23,194,436)
Consolidation adjustments	36,013,408	-
Total Group accumulated losses as per consolidated financial statements	(13,795,197)	(23,194,436)

The above disclosures were approved by the Board of Directors in accordance with a resolution of the Directors dated 26 July 2011.

Statement by Directors
pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 32 to 89 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2011 and of their financial performance and cash flows for the year then ended.

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

……………………………………..
DATO' CHENG JOO TEIK

……………………………………..
KONG SIN SENG

Kuala Lumpur
26 July 2011

Statutory Declaration
pursuant to Section 169(16) of the Companies Act, 1965

I, **Kong Sin Seng**, the Director primarily responsible for the financial management of Widetech (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 32 to 89 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory this day of 26 July 2011.

....
KONG SIN SENG

Before me :

Independent Auditors' Report
to the Members of Widetech (Malaysia) Berhad

Report on the Financial Statements

We have audited the financial statements of Widetech (Malaysia) Berhad, which comprise the statements of financial position as at 31 March 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes enumerated in Notes 1 to 30 and set out on pages 32 to 89.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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 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 31 March 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

(b) We have considered the accounts and the auditors' report of subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

Independent Auditors' Report
to the Members of Widetech (Malaysia) Berhad (cont'd)

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

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act, other than as disclosed in Note 5 to the financial statements.

Other Reporting Responsibilities

The supplementary information set out in Note 31 on page 90 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

The financial statements of the Group and of the Company as at 31 March 2010 were audited by other auditors whose report dated 27 July 2010 expressed an unqualified opinion on those statements.

SJ GRANT THORNTON
(NO. AF 0737)
CHARTERED ACCOUNTANTS
PARTNER

NG CHEE HOONG
CHARTERED ACCOUNTANT
(NO:2278/10/12(J))

Kuala Lumpur
26 July 2011

List of Properties

Location	Tenure	Land Area / Gross Floor Area	Description, Approx. Age of Building & Year of Acquisition	Net Book Value as at 31 March 2011 (RM'000)
A. REGISTERED OWNER: WIDETECH (MALAYSIA) BERHAD				
K-09-01 to K-09-02 Block K, No. 2 Jalan Solaris Solaris Mont' Kiara Kuala Lumpur Wilayah Persekutuan	Freehold	K-09-01: 963.2 square metres K-09-02: 787.6 square metres	Office Units 4 years 2008/2009	6,204
B. REGISTERED OWNER: WIRE MASTER SPRING SDN BHD				
Plot 51 (A) Phase 1 Bukit Minyak Industrial Park, Mukim 13 District of Province Wellesley Central Penang	Leasehold - 60 years expiring 2055	2.00 acres	2 storey factory 14 years 2004	4,216

Analysis of Shareholdings
as at 5 August 2011

Authorised Share Capital	:	RM150,000,000
Issued and Paid-up Share Capital	:	RM 44,753,400
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 vote per ordinary shareholder on a show of hands 1 vote per ordinary share on a poll
Number of Shareholders	:	937

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	**No. of Holders**	**%**	**No. of Shares**	**%**
Less than 100	**41**	**4.38**	**1,903**	**0.00**
100 to 1,000	**331**	**35.32**	**284,188**	**0.64**
1,001 to 10,000	**416**	**44.40**	**1,603,623**	**3.58**
10,001 to 100,000	**108**	**11.52**	**3,265,950**	**7.30**
100,001 to 2,237,669	**37**	**3.95**	**21,838,932**	**48.80**
2,237,670 and above	**4**	**0.43**	**17,758,804**	**39.68**
Total	**937**	**100.00**	**44,753,400**	**100.00**

SUBSTANTIAL SHAREHOLDERS

		Direct		**Indirect**	
	Name	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Distinct Rich Sdn Bhd	8,030,652	17.94	-	-
2.	Lim Hian Yu Sdn Bhd	5,529,200	12.35	-	-
3.	Gain Millen Sdn Bhd	4,198,952	9.38	-	-
4.	Dato' Tan Ting Wong	-	-	8,030,652[1]	17.94
5.	Datuk Chu Sui Kiong	220,500	0.49	8,030,652[1]	17.94
6.	Dato' Cheng Joo Teik	200,000	0.45	4,198,952[2]	9.38

Notes:

1 Deemed interest through Distinct Rich Sdn Bhd

2 Deemed interest through Gain Millen Sdn Bhd

Analysis of Shareholdings
as at 5 August 2011 (cont'd)

DIRECTORS' SHAREHOLDINGS

Name	Direct No. of Shares	%	Indirect No. of Shares	%
Loh Suan Phang	2,011,300	4.49	-	-
Dato' Cheng Joo Teik	200,000	0.45	5,758,852[2]	12.87
Datuk Chu Sui Kiong	220,500	0.49	8,030,652[1]	17.94
Dato' Lim Kim Huat	-	-	-	-
Kong Sin Seng	-	-	-	-
Dato' Tan Ting Wong	-	-	8,030,652[1]	17.94
Lee Yoke Shue	-	-	-	-
Dato' Zakaria Bin Mohammed	-	-	-	-
Datuk Ng Bee Ken	-	-	-	-
Dato' Lim Sin Khong	-	-	2,007,664[3]	4.49

Notes:
1 Deemed interest through Distinct Rich Sdn Bhd
2 Deemed interest through Gain Millen Sdn Bhd and the shares held by his son, Dato' Douglas Cheng Heng Lee in accordance with Section 134(12)(c) of the Companies Act, 1965
3 Deemed interest through Actual Ace Sdn Bhd

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATIONS

Name	Direct No. of Shares held in Related Corporation	%	Indirect* No. of Shares held in Related Corporation	%
Dato' Cheng Joo Teik				
Wire Master Spring Sdn Bhd	1	@	-	-
Datuk Chu Sui Kiong*				
Wire Master Spring Sdn Bhd#	-	-	1,439,998	96.00
Ace Unicorn Limited^	-	-	3	60.00
Remarkable Group Limited^	-	-	1	50.00
Enselini International Limited^	-	-	65	65.00
Lao-Malaysia Investments Group^	-	-	750,000	75.00
Dato' Tan Ting Wong*				
Wire Master Spring Sdn Bhd#	-	-	1,439,998	96.00
Ace Unicorn Limited^	-	-	3	60.00
Remarkable Group Limited^	-	-	1	50.00
Enselini International Limited^	-	-	65	65.00
Lao-Malaysia Investments Group^	-	-	750,000	75.00

Notes:
* Deemed interested by virtue of Section 6A of the Companies Act, 1965 to the extent Widetech (Malaysia) Berhad has interests
# Ordinary Shares of RM1.00 each
^ Shares of USD1.00 each
@ Negligible

Analysis of Shareholdings
as at 5 August 2011 (cont'd)

LIST OF 30 LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1.	Lim Hian Yu Sdn Bhd	5,529,200	12.35
2.	Distinct Rich Sdn Bhd	5,019,768	11.22
3.	Gain Millen Sdn Bhd	4,198,952	9.38
4.	Distinct Rich Sdn Bhd	3,010,884	6.73
5.	Actual Ace Sdn Bhd	2,007,664	4.49
6.	Chua Seng Yong	1,838,900	4.11
7.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-ASING)	1,729,300	3.86
8.	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Loh Suan Phang (CCTS)	1,592,300	3.56
9.	Cimsec Nominees (Asing) Sdn Bhd Snowshill Securities Limited	1,282,800	2.87
10.	A.A. Anthony Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Douglas Cheng Heng Lee	1,000,000	2.23
11.	Lim Heok Chye	967,962	2.16
12.	Alicia E Fen	827,032	1.85
13.	Ho Kok Meng	738,909	1.65
14.	Chin Seok Yin	723,500	1.62
15.	Cimsec Nominees (Tempatan) Sdn Bhd On Yat Securities (Malaysia) Sdn Bhd	710,000	1.59
16.	Lim Suh Hua @ Lim Yak Hua	611,588	1.37
17.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Douglas Cheng Heng Lee	556,900	1.24
18.	Tan Meng Chuen	552,796	1.24
19.	Lee Soon Soo	552,200	1.23
20.	Khoo Kim Seng	517,236	1.16
21.	Ling Hee Leong	517,236	1.16
22.	Loh Suan Phang	419,000	0.94
23.	Teh Tiew Leong	413,514	0.92
24.	Chiew Kok Boo	393,000	0.88
25.	Kenneth Tan Keng Han	352,600	0.79
26.	Ng Lai Chiek	320,800	0.72
27.	Abul Hasan Bin Mohamed Rashid	315,000	0.70
28.	Hiew Vun Kee	309,796	0.69
29.	Goh Mo Looi	296,000	0.66
30.	Lim Chee Kiat	289,800	0.65
	Total	**37,594,637**	**84.00**

PROXY FORM

NO. OF SHARES HELD
CDS ACCOUNT NO.

WIDETECH (MALAYSIA) BERHAD

(113939-U)

I/We ____

(BLOCK LETTERS)

of ____

being a member(s) of **WIDETECH (MALAYSIA) BERHAD** (113939-U), hereby appoint ____________________

____________________ of ____________________

____________________ or *THE CHAIRMAN OF THE MEETING or failing him/her, ____________________

____________________ of ____________________

____________________ as my/our proxy, to vote for me/us and on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Monday, 26 September 2011 at 10.30 a.m. and at any adjournment thereof.

* <u>If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.</u>

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

My / our proxy / proxies is / are to vote as indicated below:

No	Ordinary Resolutions	For	Against
1	Re-election of Lee Yoke Shue as Director		
2	Re-election of Loh Suan Phang as Director		
3	Re-election of Dato' Zakaria Bin Mohammed as Director		
4	Election of Dato' Lim Sin Khong as Director		
5	Re-appointment of Messrs SJ Grant Thornton as Auditors of the Company and Authority to the Directors to fix their remuneration		
6	Authority to Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		

Dated this ____________ day of ______________ 2011

____

Signature / Common Seal of Shareholder

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. However, his attendance at the general meeting shall automatically revoke the proxy's authority.
2. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
6. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

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The Company Secretaries

WIDETECH (MALAYSIA) BERHAD (113939-U)
10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur

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