WIDETECH

(MALAYSIA) BERHAD (113939-U)

2012

Annual Report

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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
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
Independent Non-Executive Director

SECRETARIES

Pang Chia Tyng (MAICSA 7034545)
Chia Siew Chin (MIA 2184)

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 IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of the Company will be held at Dewan Perdana 1, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 28 September 2012 at 10.30 a.m. for the following purposes:

A G E N D A

1. To table the Audited Financial Statements for the financial year ended 31 March 2012 together with the Reports of the Directors and Auditors thereon.	**Please refer to Note A**
2. To re-elect the following Directors retiring by rotation pursuant to Article 124 of the Articles of Association of the Company:	
(i) Dato' Lim Kim Huat	**Ordinary Resolution 1**
(ii) Datuk Chu Sui Kiong	**Ordinary Resolution 2**
(iii) Datuk Ng Bee Ken	**Ordinary Resolution 3**
3. To re-appoint Messrs SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration	**Ordinary Resolution 4**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary and Special Resolutions:

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

"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."

5. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY** **Special Resolution**

"THAT the existing Articles 98 and 99 in the Articles of Association of the Company be deleted in its entirety and the following be substituted in lieu thereof:

Article	Existing Article	Proposed Amendments
98	A Member may appoint up to 2 proxies to attend on the same occasion. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. If a Member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.	A Member may appoint up to 2 proxies to attend on the same occasion. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. If a Member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. **There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.**
99	Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	Where a member of the Company is an **exempt** authorised nominee which **holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.**

BY ORDER OF THE BOARD

PANG CHIA TYNG (MAICSA 7034545)
CHIA SIEW CHIN (MIA 2184)

COMPANY SECRETARIES

5 September 2012
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. The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 30 August 2012.

8. Explanatory Notes on Special Business:

   Ordinary Resolution 5
   Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

   The proposed Ordinary Resolution 5, 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.

   Special Resolution
   Proposed Amendments to the Articles of Association of the Company

   The proposed amendments to the Articles of Association of the Company are to comply with the amendments made in Chapter 7 of Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to the Appointment of Multiple Proxies by an Exempt Authorised Nominee, Qualification of Proxy and Rights of Proxy to Speak.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

There is no person seeking election as Director of the Company at this Twenty-Eighth Annual General Meeting.

On behalf of the Board of Directors, I am pleased to present the Annual Report of Widetech (Malaysia) Berhad for the financial year ended 31 March 2012.

Financial Performance

For the financial year under review, the Group generated a revenue of RM8.943 million, down 6% from RM9.522 million in FY 2012 whilst pre-tax loss amounted to RM0.970 million, as compared to RM0.151 million in FY 2011.

The higher pre-tax loss was mainly attributed to the Group's share of loss in its associated company of RM3.135 million (FY 2011: RM Nil), which operates a casino in Kathmandu, Nepal. The casino was under renovation in the third quarter of FY 2012 and renovation was subsequently completed in January 2012. Losses were expected during the initial development stage and during the renovation period. We expect much improved performance for the coming financial year.

Our gaming operations showed improved earnings due to ongoing gaming promotions held at our gaming clubs. This division posted a higher revenue of RM1.918 million and a pre-tax profit of RM1.824 million against a revenue of RM1.805 million and a pre-tax profit of RM0.227 million in FY 2011. Most of our gaming machines have fully depreciated in FY 2012 which lead to a reduction in depreciation charges from RM0.684 million in FY 2011 to RM0.300 million.

During the financial year under review, after due consideration and deliberation on the facts of the case presented by our lawyer, the Board acknowledged that the outcome of winning the case against the Hotel Owner for illegally blocking and preventing our gaming club in Ho Chi Minh, Vietnam from operating since July 2007 is uncertain. And after considering all legal avenues, the Board has agreed unanimously to permanently withdraw our legal proceedings to avoid further incurring high legal fees.

Amidst stiff competition in the market, our manufacturing division recorded a lower revenue of RM4.366 million and a pre-tax profit of RM0.703 million, as compared to a revenue of RM4.521 million and a pre-tax profit of RM0.915 million in FY 2011.

As expected, contributions from our consumer goods financing business, which has ceased its marketing activities in June 2010, continued to decline 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. This division registered a revenue of RM0.980 million and a pre-tax loss of RM0.172 million, as compared to a revenue of RM1.692 million and a pre-tax profit of RM0.768 million in FY 2011.

We are pleased to highlight that the Management's continuous hard work and effort in marketing our hotel of international standards in Laos has been fruitful as it consistently delivered an improved performance throughout the years. Although the hotel operations remained loss making, it has posted a higher revenue of RM1.319 million and a lower pre-tax loss of RM0.745 million, as compared to a revenue of RM1.145 million and a pre-tax loss of RM1.008 million in FY 2011. We will continue our effort to improve this business, and at the same time considering disposal of the hotel.

During the financial year under review, our wholly owned subsidiaries, EPA Automation Sdn Bhd and EPA Automation Pte Ltd, reached an out of court settlement with their former principal, whereby both parties agreed to withdraw the suit against each other and neither party shall have any claim against the other. This has resulted in debts of RM0.995 million owing to their former principal being written off from the accounts.

Brief Description of the Industry Trend and Development

Global economic prospect in 2013 is expected to be even more challenging for the year ahead against a backdrop of ongoing economic and financial uncertainties surrounding the Eurozone.

The Board remains cautious and vigilant moving forward and be on the lookout for any new investment opportunities that may present themselves to further enhance the earnings of the Group.

Prospects and Outlook

Moving forward, the consumer products business will continue to contribute to the earnings of the Group albeit on a reducing scale due to a declining loan base.

The long term outlook for the gaming division in Indo China remains good. This division is expected to continue to contribute positively to the earnings of the Group for the coming financial year. The Board expects our investment in the associated company, which operates a casino in Kathmandu, Nepal, to be profitable in the long run.

The manufacturing business remains challenging and highly competitive, exacerbated by expensive raw material costs and the impact of the minimum wage policy implementation. This division will strive to remain resilient in this challenging operating environment. We will continue to embark on improvement in production and operation efficiencies to deliver satisfactory operational performance.

Corporate Social Responsibility

The Group continues to place great emphasis on its CSR.

Continuous efforts are in place in providing a safe and healthy work place to safeguard the welfare of our staff as we recognize the importance of our staff and their contributions.

Our manufacturing division is ISO 14001:2004 certified and complies with environmental laws and regulations. We remain committed to improve our environmental best practices to mitigate any possible adverse effects to the environments.

Our staff continues to be actively engaged in recycling and energy conservation exercises in the Group.

The Management and staff are encouraged to participate in charitable and social projects by way of donations to help the needy and disadvantaged.

Dividend

The Board does not recommend any dividend for the financial year ended 31 March 2012.

Acknowledgements

On behalf of the Board, I would like to thank my fellow Board Members, the Management and staff for their unwavering dedication and invaluable contribution to the Group over the years.

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

Dato' Lim Kim Huat
Executive Chairman

Kuala Lumpur

Y BHG DATO' LIM KIM HUAT
Malaysian, Aged 52
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 Managing Director of AbleGroup Berhad (formerly known as Gefung Holdings Berhad).

KONG SIN SENG
Malaysian, Aged 56
Chief Executive Officer

Mr 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.

Y BHG DATUK CHU SUI KIONG
Malaysian, Aged 53
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, is involved in Property Development. He is currently the Owner and Executive Chairman of Jesselton Waterfront Holdings and Kudat Golf & Marina Resort Hotel.

Y BHG DATO' CHENG JOO TEIK
Malaysian, Aged 66
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 56
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.

LOH SUAN PHANG
Malaysian, Aged 52
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 20 years of experience in the senior management of food and leisure corporation.

Y BHG DATUK NG BEE KEN
Malaysian, Aged 57
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 69
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 63
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 and 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 57
Independent Non-Executive Director

Mr Lee Yoke Shue was appointed to the Board on 14 May 2002 as Executive Director and is currently an Independent Non-Executive Director of the Company. 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 specialised in corporate recovery and business turnarounds during economic crisis and was also appointed to undertake privatisation and corporatisation 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 Directors' Profile:

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 2012 are disclosed on page 16 of this Annual Report.

The Board of Directors of Widetech (Malaysia) Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2012.

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 - Independent Non-Executive Director

During the financial year ended 31 March 2012, the Audit Committee met five (5) times. The details of attendance of the Audit Committee are as follows:

Name of Director	Attendance
Datuk Ng Bee Ken	5/5
Dato' Zakaria Bin Mohammed	4/5
Dato' Lim Sin Khong	4/5
Lee Yoke Shue	5/5

Details of the members of the Audit Committee are contained in the Profile of Directors set out on pages 8 to 11 of this Annual Report.

TERMS OF REFERENCE

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").

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 accounting policies within the Group and assistance given by the employees of the Group to the External Auditors;

ii) To review the quarterly results and annual financial statements with the External Auditors and management prior to submission to the Board of Directors, focusing particularly on changes in or implementation of major accounting policy and practices, significant and unusual events and compliance with accounting standards and other legal requirements;

TERMS OF REFERENCE (Cont'd)

Functions (Cont'd)

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 the 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, 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.

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 for 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.

TERMS OF REFERENCE (Cont'd)

Rights

The Committee is authorised 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 is also authorised by the Board to obtain external legal or other independent professional advice 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 2012, 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 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 Control on pages 21 to 22 of this Annual Report.

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 of Bursa Malaysia Securities Berhad ("Bursa Securities") 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) and 4 are Independent Non-Executive Directors. The profiles of the Directors are set out on pages 8 to 11 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 4 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 2012, the Board met 5 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	3/5
Kong Sin Seng	Chief Executive Officer	5/5
Datuk Chu Sui Kiong	Executive Director	3/5
Dato' Cheng Joo Teik	Executive Director	3/5
Dato' Tan Ting Wong	Executive Director	3/5
Loh Suan Phang	Executive Director	4/5
Lee Yoke Shue	Independent Non-Executive Director	5/5
Dato' Zakaria Bin Mohammed	Independent Non-Executive Director	4/5
Datuk Ng Bee Ken	Independent Non- Executive Director	5/5
Dato' Lim Sin Khong	Independent Non- Executive Director	4/5

(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.

(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 Dato' Lim Kim Huat, Datuk Chu Sui Kiong and Datuk Ng Bee Ken.

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 Program as prescribed by Bursa Securities.

The Board of Directors is 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.

During the financial year, the Directors have participated in seminars and training programmes on topics relevant to the enhancement of their roles and responsibilities as Directors of the Company. As the Board acknowledges that continuous education is vital for them in discharging their duties and responsibilities effectively at all times, the Directors have undertaken to continue attending relevant seminars or training programmes in the next financial year to continue to enhance their skills and knowledge for that purpose.

(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 12 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 form decisions in respect of their remuneration.

The Remuneration Committee held one (1) meeting during the year, which was attended by all the members.

B. DIRECTORS' REMUNERATION

Details of Directors' remuneration for the financial year ended 31 March 2012 are as follows:

(a) Total Remuneration

	Categories of Remuneration (RM)				
	Basic Salary	**Bonus**	**Fees**	**Allowance**	**Total**
Executive	231,209	25,406	-	438,309	694,924
Non-Executive	-	-	-	48,000	48,000
Total	231,209	25,406	-	486,309	742,924

(b) Directors' remuneration by bands

	Executive	Non-Executive	Total
Up to RM50,000	-	4	4
RM50,001 to RM100,000	5	-	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 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 Bursa Securities 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 the Main Market Listing Requirements 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 12 to 14 of this Annual Report.

E. COMPLIANCE STATEMENT

The Board is satisfied that in 2012 the Company has complied with the best practices of the Code.

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 2012, 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 internal controls of the Group during the financial year.

BOARD'S RESPONSIBILITY

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

Due to inherent limitations in any system of internal control, such internal control system put into effect by Management can only manage rather than eliminate all risks that may impede achievement of the Group's business objectives or goals. Therefore, internal control system 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 Heads of Department and key management staff are held in which key risks and 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 serve as an on-going process to identify, evaluate and manage significant risks.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional service firm 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 outsourced internal audit function is determined by Audit Committee with feedback from the Executive Management.

During financial year ended 31 March 2012, the internal audit function carried out an internal audit review on a subsidiary focusing on Production, Credit Control & Collection and Inventory. In addition, the internal audit function also carried out a follow-up review to ascertain the status of implementation of agreed management plans of the two previous years' internal audit reviews.The results of these reviews were presented to Audit Committee at one of its scheduled meetings.

Cost incurred in maintaining the outsourced internal audit function for financial year ended 31 March 2012 amounted to RM22,522.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

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

2. The Audit Committee reviews quarterly financial reports, annual financial statements and the internal audit report on a periodic basis. Discussions with Management were held to deliberate on actions that are required to be taken to address internal control matters identified by 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 business and external environment, which affect operations of the Group at large.

4. Experienced and dedicated teams 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 to 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 9001:2008 and ISO 14001:2004 certified. With such certifications, audits are periodically conducted by external ISO auditors to ensure compliance with the terms and conditions of the certifications.

CONCLUSION

The Board is of the view that the Group's system of internal controls is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practice must continuously evolve to meet changing and challenging business environment. As such, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal controls.

This statement was approved by the Board of Directors on 27 August 2012.

1. **Shares Buy-Backs**

   During the financial year ended 31 March 2012, 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 2012 amounted to RM3,000.

5. **Variation in Results**

   There were no variations of 10% or more between the audited results of the Group for the financial year ended 31 March 2012 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 were 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 2012.

8. **Utilisation of Proceeds**

   The Company did not undertake any fund raising exercise during the financial year ended 31 March 2012.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
In Respect Of 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 2012, 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.

WIDETECH (MALAYSIA) BERHAD

- **GOLDWEALTH CAPITAL SDN BHD** — Trading in consumer products — 100%
- **GW PREMIUM CAPITAL SDN BHD** — Trading in consumer products and provide financing services — 100%
- **WIRE MASTER SPRING SDN BHD** — Manufacturing of precision springs — 96%
- **EPA AUTOMATION SDN BHD** — Ceased operation — 100%
- **EPA AUTOMATION PTE LTD** — Ceased operation — 100%
- **PROBUSINESS INVESTMENTS LIMITED** — Investment holding and gaming operations — 100%
  - **ACE UNICORN LIMITED** — Provision of management services — 60%
  - **REMARKABLE GROUP LIMITED** — Provision of management services — 50%
    - **RICH LEE HOLDINGS SDN BHD** — Dormant — 100%
  - **ENSELINI INTERNATIONAL LIMITED** — Ceased operation — 65%
  - **ASIA PACIFIC WINNING LIMITED** — Investment holding — 100%
    - **LAO-MALAYSIA INVESTMENTS GROUP** — Hotel operations — 75%
  - **GOLDSHORE CAPITAL LIMITED** — Gaming operations — 36%

FINANCIAL STATEMENTS

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2012.

Principal activities

The principal activities of the Company and its subsidiaries 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 principal activities of the Company and its subsidiaries during the financial year.

Results

	Group RM	Company RM
(Loss)/Profit for the financial year attributable to :		
Owners of the parent	(1,376,534)	421,492
Non-controlling interest	320,203	-
	(1,056,331)	421,492

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 declared or paid during the financial year and the Directors do not recommend any dividend to be paid for the year under review.

Directors

The Directors in office since the date of the last report are as follow:-

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

Directors' interest

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 1.4.2011	**Bought**	**(Sold)**	**Balance at 31.3.2012**
The Company				
Direct interest				
Dato' Cheng Joo Teik				
- own	200,000	-	-	200,000
- others @	1,559,900	-	-	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	-	-	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 (Cont'd)

	Ordinary shares of USD1 each			
	Balance at 1.4.2011	**Bought**	**(Sold)**	**Balance at 31.3.2012**
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.

By virtue of their interest in the shares of the Company, Datuk Chu Sui Kiong and Dato' Tan Ting 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 2012 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 was 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

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 Comprehensive Income and Statements of Financial Position of the Group and of the Company were made out, the Directors took reasonable steps:-

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

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

(a) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

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

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

In the opinion of the Directors:-

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

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Auditors

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
5 July 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	14,561,367	17,255,619
Investment in associate	6	-	60,520
Receivables, deposits and prepayments	7	3,643,405	5,182,695
Total non-current assets		18,204,772	22,498,834
Current assets			
Receivables, deposits and prepayments	7	3,621,341	5,274,512
Inventories	8	850,955	794,532
Amount due from associate	9	3,221,934	1,439,014
Tax recoverable		48,406	37,910
Cash and cash equivalents	10	9,438,837	9,755,156
Total current assets		17,181,473	17,301,124
Non-current assets classified as held-for-sale	11	500,000	-
Total assets		35,886,245	39,799,958
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	44,753,400	44,753,400
Reserves	13	(15,934,230)	(14,345,682)
Total equity attributable to owners of the parent		28,819,170	30,407,718
Non-controlling interest	14	131,877	777,827
Total equity		28,951,047	31,185,545
LIABILITIES			
Non-current liabilities			
Borrowings	15	4,122,189	4,366,986
Deferred tax liabilities	16	95,000	95,000
Total non-current liabilities		4,217,189	4,461,986
Current liabilities			
Payables and accruals	17	2,247,944	3,614,723
Borrowings	15	470,065	512,614
Tax payable		-	25,090
Total current liabilities		2,718,009	4,152,427
Total liabilities		6,935,198	8,614,413
Total equity and liabilities		35,886,245	39,799,958

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

	Note	2012 RM	2011 RM
Revenue	18	8,942,619	9,521,931
Changes in manufactured inventories		73,189	32,472
Raw materials and consumables used		(1,531,803)	(1,643,852)
Staff costs	19	(2,980,230)	(3,056,225)
Depreciation	4	(1,727,382)	(2,359,671)
Operating expenses		(2,237,415)	(2,626,183)
Finance costs		(264,899)	(252,530)
Other operating income		1,890,539	233,168
Operating profit		2,164,618	(150,890)
Share of loss on associate		(3,134,758)	-
Loss before tax	20	(970,140)	(150,890)
Tax expense	22	(86,191)	(284,798)
Loss for the financial year		(1,056,331)	(435,688)
Other comprehensive (loss)/income - Exchange translation differences		(264,367)	507,415
Total comprehensive (loss)/income for the financial year		(1,320,698)	71,727
Loss for the financial year attributable to:-			
Owners of the parent		(1,376,534)	(997,776)
Non-controlling interest		320,203	562,088
Loss for the financial year		(1,056,331)	(435,688)
Total comprehensive (loss)/income attributable to:-			
Owners of the parent		(1,588,548)	(452,648)
Non-controlling interest		267,850	524,375
(Loss)/profit for the financial year		(1,320,698)	71,727
Basic loss per ordinary share (sen)	23	(3.08)	(2.23)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2012

	Attributable to owners of the parent						
		Non-distributable					
	Share capital RM	Share premium RM	Exchange fluctuation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
At 1 April 2010	44,753,400	132,167	(1,227,780)	(12,797,421)	30,860,366	253,452	31,113,818
Total comprehensive income 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
Dividend paid to non-controlling interest	-	-	-	-	-	(913,800)	(913,800)
Total comprehensive loss for the financial year	-	-	(212,014)	(1,376,534)	(1,588,548)	267,850	(1,320,698)
At 31 March 2012	44,753,400	132,167	(894,666)	(15,171,731)	28,819,170	131,877	28,951,047

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

	2012 RM	2011 RM
Cash flows from operating activities		
Loss before tax	(970,140)	(150,890)
Adjustments for :		
Allowance for impairment loss	50,000	19,016
Allowance for slow moving inventories	8,485	18,885
Bad debts written off	11,332	11,511
Depreciation of property, plant and equipment	1,727,382	2,359,671
Interest expense	264,899	252,530
Property, plant and equipment written off	9,128	18,394
Share of result of associate	3,134,758	-
Loss/(Gain) on disposal of property, plant and equipment	316,641	(34,548)
Unrealised loss/(gain) on foreign exchange	9,772	(12,475)
Interest income	(472,063)	(190,961)
Reversal of impairment loss	(540,792)	(11,511)
Waiver of debts	(893,725)	-
Operating profit before changes in working capital	2,655,677	2,279,622
Changes in working capital :		
Associate	(3,078,878)	(1,439,014)
Inventories	(64,908)	(131,008)
Payables and accruals	(473,054)	28,189
Receivables, deposits and prepayments	3,342,453	5,006,377
Cash generated from operations	2,381,290	5,744,166
Tax paid	(121,777)	(193,616)
Net cash from operating activities	2,259,513	5,550,550
Cash flows from investing activities		
Acquisition of an associate	-	(60,520)
Additional investment in existing associate	(1,778,280)	-
Interest received	472,063	190,961
Proceeds from disposal of property, plant and equipment	281,449	34,550
Purchase of property, plant and equipment (Note A)	(75,247)	(702,174)
Net cash used in investing activities	(1,100,015)	(537,183)

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

	2012 RM	2011 RM
Cash flows from financing activities		
Dividend paid to minority interest	(913,800)	-
Repayment of finance lease liabilities	(71,047)	(73,916)
Repayment of term loan	(216,299)	(230,389)
Interest paid	(264,899)	(252,530)
Net cash used in financing activities	(1,466,045)	(556,835)
Net (decrease)/increase in cash and cash equivalents	(306,547)	4,456,532
Cash and cash equivalents at 1 April	9,755,156	5,300,324
Effects of exchange differences on cash and cash equivalents	(9,772)	(1,700)
Cash and cash equivalents at 31 March (Note 10)	9,438,837	9,755,156

NOTE

A. Purchase of property, plant and equipment

The Group acquired property, plant and equipment with aggregate costs of RM75,247 (2011: RM812,174) of which RMNil (2011: RM110,000) was acquired by means of finance lease. Cash payments of RM75,247 (2011: RM702,174) were made to purchase the property, plant and equipment.

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

STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Note	2012 RM	2011 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,498,764	6,865,274
Investments in subsidiaries	5	4,422,414	3,975,004
Total non-current assets		10,921,178	10,840,278
Current assets			
Receivables, deposits and prepayments	7	15,443,413	15,590,675
Cash and cash equivalents	10	388,453	141,388
Total current assets		15,831,866	15,732,063
Total assets		26,753,044	26,572,341
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	44,753,400	44,753,400
Reserves	13	(22,640,777)	(23,062,269)
Total equity		22,112,623	21,691,131
LIABILITIES			
Non-current liabilities			
Borrowings	15	4,056,928	4,273,227
Total non-current liabilities		4,056,928	4,273,227
Current liabilities			
Payables and accruals	17	134,333	158,823
Borrowings	15	449,160	449,160
Total current liabilities		583,493	607,983
Total liabilities		4,640,421	4,881,210
Total equity and liabilities		26,753,044	26,572,341

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

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 March 2012

	Note	2012 RM	2011 RM
Revenue	18	1,270,186	3,770,186
Staff costs	19	(229,900)	(251,042)
Depreciation	4	(402,167)	(410,059)
Operating expenses		(293,135)	(310,015)
Other operating expenses		(13,907)	(2,439,794)
Other operating income		343,328	1,896
Finance costs		(252,913)	(238,771)
Profit before tax	20	421,492	122,401
Tax expense	22	-	(828)
Profit for the financial year		421,492	121,573
Other comprehensive income		-	-
Total comprehensive income for the financial year		421,492	121,573

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

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2012

	← Non-distributable		→	
	Share capital RM	Share premium reserve RM	Accumulated losses RM	Total RM
At 1 April 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
Total comprehensive income for the financial year	-	-	421,492	421,492
At 31 March 2012	44,753,400	132,167	(22,772,944)	22,112,623

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

STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2012

	Note	2012 RM	2011 RM
Cash flows from operating activities			
Profit before tax		421,492	122,401
Adjustments for :			
Allowance for impairment loss		-	1,089,859
Bad debts written off		567	-
Depreciation of property, plant and equipment		402,167	410,059
Interest expense		252,913	238,771
Property, plant and equipment written off		-	510
(Gain)/Loss on unrealised foreign exchange		(59,091)	1,349,935
Dividend income		(500,000)	(3,000,000)
Interest income		(5,232)	(1,896)
Reversal of impairment loss		(279,005)	-
Operating profit before changes in working capital		233,811	209,639
Changes in working capital :			
Receivables, deposits and prepayments		984,791	577,319
Payables and accruals		(24,490)	(8,915)
Cash generated from operations		1,194,112	778,043
Tax paid		-	(828)
Net cash from operating activities		1,194,112	777,215
Cash flows from investing activities			
Interest received		5,232	1,896
Additional investment in subsidiaries		(447,410)	-
Purchase of property, plant and equipment		(35,657)	(169,420)
Net cash used in investing activities		(477,835)	(167,524)
Cash flows from financing activities			
Interest paid		(252,913)	(238,771)
Repayment of term loan		(216,299)	(230,389)
Net cash used in financing activities		(469,212)	(469,160)
Net increase in cash and cash equivalents		247,065	140,531
Cash and cash equivalents at 1 April		141,388	857
Cash and cash equivalents at 31 March	10	388,453	141,388

The accompanying notes form an integral part of 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 5 July 2012.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for the financial periods beginning on or after 1 April 2011 as described fully in Note 2.4 to the financial statements.

2.2 Basis of Measurement

The financial statements of the Group and 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 new or revised Financial Reporting Standards (FRSs)

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except the following new and revised FRSs and IC Interpretation:-

Effective for annual financial period beginning 1 July 2010 :-

(a) FRS 1 - First-time Adoption of Financial Reporting Standards (Revised)

(b) FRS 3 - Business Combinations (Revised)

(c) FRS 127 - Consolidated and Separate Financial Statements (Revised)

(d) IC Interpretation 12 - Service Concession Arrangements

(e) IC Interpretation 17 - Distributions of Non-cash Assets to Owners

(f) Improvements to FRSs issued in 2009.

2. BASIS OF PREPARATION (Cont'd)

2.4 Adoption of new or revised Financial Reporting Standards (FRSs) (Cont'd)

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except the following new and revised FRSs and IC Interpretation (Cont'd):-

Effective from 30 August 2010:-

Amendment IC Interpretation 15	-	Agreements for the Construction of Real Estate. Amendment relating to the deferment of the effective date of the IC.

Effective for annual financial period beginning 1 January 2011:-

(a)	Amendment to FRS 1	-	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters. Amendment relating to transition provisions for first-time adopters
(b)	Amendments to FRS 1	-	Additional Exemptions for First-time Adopters. Amendment relating to Transition provision for first-time adopters in the industry of oil and gas
(c)	Amendments to FRS 2	-	Group Cash-settled Share-based Payment Transactions. Amendments relating to the scope and accounting for group cash-settled share-based payments transactions
(d)	Amendments to FRS 7	-	Improving Disclosures about Financial Instruments. Amendments relating to the fair value measurement using fair value hierarchy and disclosure of liquidity risk
(e)	IC Interpretation 4	-	Determining whether an Arrangement contains a Lease
(f)	IC Interpretation 18	-	Transfers of Assets from Customers

(g) Improvements to FRSs issued in 2010 and mandatory for annual financial period beginning on or after 1 January 2011.

IC Interpretation 12 is not expected to be relevant to the operations of the Group and the Company.

Initial application of the above standards, amendments and interpretations did not have any material on the financial statements of the Group and the Company.

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 3 Business Combination (Revised)</u>

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 Statement of Comprehensive Income. 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.

2. BASIS OF PREPARATION (Cont'd)

2.4 Adoption of new or revised Financial Reporting Standards (FRSs) (Cont'd)

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except the followings new and revised FRSs and IC Interpretation (Cont'd):-

Adoption of the above relecant FRSs has no significant impact on the financial statements of the Group and of the Company except for the following (Cont'd):-

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 interest, even if it results in the non-controlling interest to be in a deficit position.

2.5 Standards issued but not yet effective

New Malaysian Accounting Standards Board Approved Accounting Standards

To converge with International Financial Reporting Standards ("IFRSs") in 2012, the Malaysian Accounting Standards Board ("MASB") had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRSs. The adoption of the MFRSs by Transitioning Entities will be mandatory for annual financial periods beginning on or after 1 January 2014. However, the Group and the Company do not qualify as Transitioning Entities and are therefore required to adopt the MFRSs for the financial period beginning on or after 1 April 2012.

The Group and the Company have not early adopted the MFRS Framework.

In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company have not completed its quantification of the financial effects of the differences between Financial Reporting Standards ("FRS") and accounting standards under the MFRS Framework and are in the process of assessing the financial effects of the differences. Accordingly, the financial performance and financial position as disclosed in these financial statements for the financial year ended 31 March 2012 could be different if prepared under the MFRS Framework.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2013.

2. BASIS OF PREPARATION (Cont'd)

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.

2.6.1 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:-

Useful lives of depreciable assets

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimated the useful lives of property, plant and equipment to be within 5 to 60 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 March 2012 management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. The carrying amounts are analysed in Note 4 to the Financial Statements. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

A 1% (2011: 1%) differences in the expected useful lives of the property, plant and equipment from the management estimates would result in approximately 1% (2011: 3%) variance in the Group's profit for the financial year.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 8 to the Financial Statements.

A 9% (2011: 12%) difference in the management's estimation of net realisable values of the inventories would result in approximately 2% (2011: 5%) variance in the Group's profit for the financial year.

Impairment of loans and receivables

The Group and the Company assess at end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, 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.

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

2. BASIS OF PREPARATION (Cont'd)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

2.6.1 Estimation uncertainty (Cont'd)

Impairment of loans and receivables (Cont'd)

The carrying amount of the Group's and the Company's receivables and loans at the end of the reporting date are disclosed in Notes 7 to the Financial Statements. If the present value of estimated future flow varies by 1% (2011: 1%) from management estimates, the Group's impairment loss of loans and receivables will variance by approximately 8% (2011: 17%).

The management expects that the loans and receivables will be fully recovered as they mainly comprise trade receivables, other receivables, short term deposits with licensed banks, non-current assets held for sale and cash and bank balances.

2.6.2 Significant management judgement

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's and the Company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, 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 subsidiaries 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 3.2 to the Financial Statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Basis of consolidation (Cont'd)

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 profit or loss 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.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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.

3.2 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Goodwill (Cont'd)

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.

3.3 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, which is eliminated on consolidation is stated at cost in the Company's financial statements. Where an indication of impairment exists, the carrying amount of the subsidiaries is assessed and written down immediately to their recoverable amount.

3.4 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.

Investment in associates is accounted for in the consolidated financial statements using equity accounting which involves recognising in the profit or loss of 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.

3.5 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 asset 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 measured 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.5 Property, plant and equipment and depreciation (Cont'd)

The principal annual depreciation rates used are as follows:-

Leasehold land	Over the lease period of 30 to 50 years
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.

3.6 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.

3.7 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Non-current assets classified as held for sale

Non-current assets are deemed to be held-for-sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Classification of the asset as held-for-sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and a sale is considered highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Upon classification as held-for-sale, non-current assets are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated. Any differences are recognised in the profit or loss.

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.

3.10 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.10 Financial instruments (Cont'd)

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 and the Company'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 expired.

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

Derivatives 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Income tax

Current tax

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.

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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16 Foreign currency translations

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates, whether realised or unrealised, are recognised in profit or loss except for exchange differences arising from monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the RM (the Group's presentation currency) are translated into RM upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into RM at the closing rate at end of each reporting period. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into RM at the closing rate.

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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.17 Revenue recognition (Cont'd)

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 summarised 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 summarised 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 summarised when the absences occurred.

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 recognised 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"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.20 Equity and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

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. Additional disclosures on each of these segments are shown in Note 26 to the Financial Statements.

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group in an arm's length transaction. These transfers are eliminated on consolidation.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Leasehold land 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 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
Additions		-	-	35,657	1,521	38,069	-	75,247
Disposals		-	-	-	-	(1,699,126)	(169,870)	(1,868,996)
Written off		-	-	-	(8,942)	(26,510)	-	(35,452)
Reclassified as non current assets held-for-sale	11	-	(500,000)	-	-	-	-	(500,000)
Translation differences		10,000	-	58,238	-	186,573	992	255,803
At 31 March 2012		1,689,216	-	14,983,827	3,450,766	14,810,708	562,453	35,496,970

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

Group	Note	Leasehold land 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								
Depreciation and impairment loss								
1 April 2010		220,719	-	2,169,206	3,076,241	13,139,939	571,505	19,177,610
Depreciation for the year	20	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
Depreciation for the year	20	30,609	-	653,260	80,524	909,171	53,818	1,727,382
Disposals		-	-	-	-	(1,125,361)	(135,896)	(1,261,257)
Written off		-	-	-	(8,915)	(17,409)	-	(26,324)
Translation differences		733	-	20,530	-	159,062	728	181,053
At 31 March 2012								
Accumulated depreciation		279,984	-	3,419,567	3,196,287	7,904,897	433,950	15,234,685
Accumulated impairment loss		-	-	-	-	5,700,918	-	5,700,918
		279,984	-	3,419,567	3,196,287	13,605,815	433,950	20,935,603
Net carrying amounts								
At 31 March 2012		1,409,232	-	11,564,260	254,479	1,204,893	128,503	14,561,367
At 31 March 2011		1,430,574	500,000	12,144,155	333,509	2,631,350	216,031	17,255,619

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

Company	Note	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
Cost				
At 1 April 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
Additions		35,657	-	35,657
Written off		-	(1,700)	(1,700)
At 31 March 2012		6,615,548	1,428,037	8,043,585
Accumulated depreciation				
At 1 April 2010		247,492	516,174	763,666
Depreciation for the year	20	128,492	281,567	410,059
Written off		-	(29,371)	(29,371)
At 31 March 2011		375,984	768,370	1,144,354
Depreciation for the year	20	132,260	269,907	402,167
Written off		-	(1,700)	(1,700)
At 31 March 2012		508,244	1,036,577	1,544,821
Net carrying amounts				
At 31 March 2012		6,107,304	391,460	6,498,764
At 31 March 2011		6,203,907	661,367	6,865,274

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

Included under property, plant and equipment of the Group is a carrying amount of motor vehicles amounting to RM115,828 (2011: RM188,512) acquired under finance lease instalment plans.

(ii) ***Security***

The buildings of the Group and the Company with the carrying amount of RM8,854,646 (2011: RM9,026,645) and RM6,107,304 (2011: RM6,203,907) respectively are pledged for banking facilities (see Note 15).

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.

5. INVESTMENTS IN SUBSIDIARIES

	Company 2012 RM	Company 2011 RM
Unquoted shares, at cost	5,708,544	5,261,134
Less : Allowance for impairment loss	(1,286,130)	(1,286,130)
	4,422,414	3,975,004

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation	Equity Ownership interest 2012	Equity Ownership interest 2011	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%	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 subsidiaries	Place of incorporation	Equity Ownership interest 2012	2011	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 emphasis of matter on uncertainties over the subsidiary's ability to continue as a going concern.

6. INVESTMENT IN ASSOCIATE

	Group 2012 RM	2011 RM
Unquoted shares outside Malaysia, at cost	1,838,800	60,520
Share of post acquisition loss	(1,838,800)	-
	-	60,520
Represented by:		
Share of net assets	-	60,520

Details of the associate are as follows:

Name of associate	Place of incorporation	Equity Ownership interest 2012	2011	Principal activities
Goldshore Capital Limited	British Virgin Islands	40%	40%	Gaming operations

6. INVESTMENT IN ASSOCIATE (Cont'd)

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

	Group	
	2012 RM	2011 RM
Assets and liabilities:		
Total assets	11,393,724	4,780,429
Total liabilities	(11,789,698)	(4,932,250)
	(395,974)	(151,821)
Loss for the financial year	7,836,894	315,092

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group		Company	
		2012 RM	2011 RM	2012 RM	2011 RM
Non-current					
Trade					
Trade receivables		4,918,996	7,402,597	-	-
Less : Unearned service charges		(1,275,591)	(2,219,902)	-	-
Total non-current receivables	7.1	3,643,405	5,182,695	-	-
Current					
Trade					
Trade receivables		3,532,713	4,660,425	-	-
Less : Unearned service charges		(594,211)	(907,932)	-	-
		2,938,502	3,752,493	-	-
Less : Allowance for impairment loss		(465,906)	(949,379)	-	-
	7.1	2,472,596	2,803,114	-	-

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

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Non-trade					
Amount due from subsidiaries		-	-	26,150,609	26,733,436
Less : Allowance for impairment loss		-	-	(11,308,751)	(14,241,793)
	7.2	-	-	14,841,858	12,491,643
Dividend receivable		-	-	500,000	3,000,000
Other receivables	7.3	8,014,632	9,300,339	5,004,111	5,003,220
Deposits		148,137	145,214	79,052	76,438
Prepayments		57,699	72,423	18,392	19,374
Less : Allowance for impairment loss		(7,071,723)	(7,046,578)	(5,000,000)	(5,000,000)
		1,148,745	2,471,398	601,555	3,099,032
Total current receivables		3,621,341	5,274,512	15,443,413	15,590,675

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

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Brought forward	949,379	993,852	-	-
Impairment loss recognised	-	19,016	-	-
Impairment loss reversed	(489,224)	(11,511)	-	-
Translation differences	5,751	(51,978)	-	-
Carried forward	465,906	949,379	-	-

The normal trade credit terms granted by the Group to the trade receivables range from 30 to 90 days (2011: 30 to 90 days).

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

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Brought forward	7,046,578	7,208,221	19,241,793	18,151,934
Impairment loss recognised	50,000	-	-	1,089,859
Impairment loss reversed	(51,568)	-	(279,005)	-
Impairment loss written off	-	-	(2,654,037)	-
Translation differences	26,713	(161,643)	-	-
Carried forward	7,071,723	7,046,578	16,308,751	19,241,793

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

	2012 RM	2011 RM
Within one year	2,472,596	2,803,114
One year to five years	2,668,185	3,176,114
More than five years	975,220	2,006,581
	3,643,405	5,182,695
	6,116,001	7,985,809

(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	
Functional currency	**Foreign currency**	**2012 RM**	**2011 RM**	**2012 RM**	**2011 RM**
RM	USD	423	64,388	-	-

7.2 Amounts due from subsidiaries

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

7.3 Other receivables

(i) Included in other receivables of the Group is an amount of RM2,022,030 (2011: RM2,046,578) being advances to club operators for gaming operations. Allowance for impairment loss of RM2,021,723 (2011: RM2,046,578) has been made as at reporting date.

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

7.3 Other receivables (Cont'd)

(ii) Included in other receivables of the Group and of the Company is an amount of RM5,000,000 (2011: 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 as at reporting date.

8. INVENTORIES

	Group	
	2012	**2011**
	RM	**RM**
At cost :		
Raw materials	543,692	546,432
Manufactured inventories	307,263	248,100
	850,955	794,532

Inventories amounted to RM202,755 (2011: RM194,270) as at the reporting date are considered slow moving and full allowance for slow moving inventories have been made.

9. AMOUNT DUE FROM ASSOCIATE

	Group	
	2012	**2011**
	RM	**RM**
Amount due from associate	4,517,892	1,439,014
Share of post acquisition loss	(1,295,958)	-
	3,221,934	1,439,014

During the financial year, share of post acquisition loss of RM1,295,958 is recognised as the Group has given its undertaking to share the results eventhough it is in excess of its cost of investment.

The amount due from associate represents advances given which is unsecured, interest free and repayable on demand. The advances were given in proportion to its shareholding in the associate.

10. CASH AND CASH EQUIVALENTS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Short term deposits with licensed banks and financial institutions	8,122,472	8,066,847	-	-
Fixed deposits with licensed banks and financial institutions	-	741,861	-	-
	8,122,472	8,808,708	-	-
Cash and bank balances	1,316,365	946,448	388,453	141,388
	9,438,837	9,755,156	388,453	141,388

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 :

Functional currency	Foreign currency	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
RM	USD	329,324	197,906	-	-

11. NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

The non-current assets classified as held-for-sale are as follows:-

	Group 2012 RM	Group 2011 RM
Property, plant and equipment (Note 4)		
At cost	500,000	-
	500,000	-

On 30 January 2012, the bank held a Public Auction with a third party for the disposal of a freehold land, which was earlier foreclosed, for a total consideration of RM1,200,000 for the settlement of the outstanding balance for banking facilities granted to a former director. Any excess amount after settlement would be remitted to the Group. However, as the outstanding balance is currently still subject to finalisation by the bank, the Group has yet to receive the excess amount as at to-date.

12. SHARE CAPITAL

	Group and Company			
	2012		2011	
	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	44,753,400	44,753,400	44,753,400	44,753,400

13. RESERVES

		Group		Company	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Non-distributable					
Share premium	13.1	132,167	132,167	132,167	132,167
Exchange fluctuation reserve	13.2	(894,666)	(682,652)	-	-
		(762,499)	(550,485)	132,167	132,167
Accumulated losses		(15,171,731)	(13,795,197)	(22,772,944)	(23,194,436)
		(15,934,230)	(14,345,682)	(22,640,777)	(23,062,269)

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. NON-CONTROLLING INTEREST

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

15. BORROWINGS

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Current					
Term loan - secured	15.3	449,160	449,160	449,160	449,160
Finance lease liabilities	15.4	20,905	63,454	-	-
		470,065	512,614	449,160	449,160
Non-current					
Term loan - secured	15.3	4,056,928	4,273,227	4,056,928	4,273,227
Finance lease liabilities	15.4	65,261	93,759	-	-
		4,122,189	4,366,986	4,056,928	4,273,227

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% (2011: 1.50%) above bank's prevailing 3 months effective cost of fund.

The bank overdraft is subject to interest rate at 1.25% (2011: 1.25%) above base lending rate.

Group

Finance lease liabilities are subject to fixed interest rates ranging from 2.40% to 3.20% (2011: 2.40% to 3.20%) per annum.

15. BORROWINGS (Cont'd)

15.3 Terms and debt repayment schedule

	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
Group						
2012						
Term loan - secured	2029	4,506,088	449,160	449,160	1,347,480	2,260,288
Finance lease liabilities	2012 - 2016	86,166	20,905	22,100	43,161	-
		4,592,254	470,065	471,260	1,390,641	2,260,288
2011						
Term loan - secured	2029	4,722,387	449,160	449,160	1,347,480	2,476,587
Finance lease liabilities	2012-2016	157,213	63,454	29,562	64,197	-
		4,879,600	512,614	478,722	1,411,677	2,476,587
Company						
2012						
Term loan - secured	2029	4,506,088	449,160	449,160	1,347,480	2,260,288
2011						
Term loan - secured	2029	4,722,387	449,160	449,160	1,347,480	2,476,587

15.4 Finance lease liabilities

Finance lease liabilities are payable as follows:

	2012			2011		
	Repayments RM	Interest RM	Principal RM	Repayments RM	Interest RM	Principal RM
Group						
Less than 1 year	25,036	4,131	20,905	70,232	6,778	63,454
Between 1 and 5 years	73,022	7,761	65,261	106,309	12,550	93,759
	98,058	11,892	86,166	176,541	19,328	157,213

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 2010 RM	Recognised in profit or loss RM	At 31 March 2011 RM	Recognised in profit or loss RM	At 31 March 2012 RM
Group					
Deferred tax liabilities:					
Carrying amount of qualifying property, plant and equipment in excess of their tax base	142,000	-	142,000	-	142,000
Deferred tax assets:					
Provisions	(47,000)	-	(47,000)	-	(47,000)
	95,000	-	95,000	-	95,000
		Note 22		Note 22	

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

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unutilised tax losses	(2,756,000)	(6,812,000)	(1,813,000)	(1,972,000)
Unabsorbed capital allowances	(270,000)	(256,000)	(256,000)	(256,000)
	(3,026,000)	(7,068,000)	(2,069,000)	(2,228,000)

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 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Trade					
Trade payables		140,863	1,326,824	-	-
Non-trade					
Other payables	17.1	1,776,072	1,236,733	121,217	144,660
Accrued expenses		331,009	1,051,166	13,116	14,163
		2,107,081	2,287,899	134,333	158,823
	17.2	2,247,944	3,614,723	134,333	158,823

The normal trade credit terms granted by trade payables range from 30 to 90 days (2011: 30 to 90 days).

17.1 Other payables

Included in other payables of the Group are:

(i) an amount of RM500,000 (2011: RM500,000) due to a former Director.

(ii) an amount of RM51,571 (2011: RMNil) due to minority shareholders of certain subsidiaries. The amount is unsecured, interest-free and repayable on demand.

17.2 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 2012 RM	Group 2011 RM
RM	USD	45,536	56,246
RM	Euro	-	867,277
RM	SGD	5,316	8,641
SGD	Euro	-	137,167

18. REVENUE

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Sale of goods	4,365,990	4,520,514	-	-
Service charges	980,047	1,692,347	-	-
Management fees	1,382,686	1,618,350	300,000	300,000
Gaming income	535,878	186,805	-	-
Hotel income	1,318,952	1,144,849	-	-
Rental income	359,066	359,066	470,186	470,186
Dividend income	-	-	500,000	3,000,000
	8,942,619	9,521,931	1,270,186	3,770,186

19. STAFF COSTS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Salaries, wages and other emoluments	1,901,537	1,946,926	154,721	174,515
Defined contribution plan	160,461	141,921	19,978	19,116
Social security contributions	21,519	23,102	1,418	1,554
Directors' remuneration	754,924	789,696	48,000	42,000
Other benefits	141,789	154,580	5,783	13,857
	2,980,230	3,056,225	229,900	251,042

20. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is arrived at:

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
After charging :					
Auditors' remuneration					
Auditors of the Company					
- current year					
- audit services		58,400	60,154	18,000	17,000
- other services		3,000	3,000	3,000	3,000
- (Over)/Underprovision in prior year		(7,054)	1,846	-	-
Other auditors					
- current year					
- audit services		3,945	5,712	-	-
- prior year					
- audit services		(1,200)	-	-	-
Allowance for slow moving inventories		8,485	18,885	-	-
Bad debts written off		11,332	11,511	567	-
Depreciation of property, plant and equipment	4	1,727,382	2,359,671	402,167	410,059
Directors' remuneration	21	754,924	789,696	48,000	42,000
Impairment loss					
- third parties		50,000	19,016	-	-
- subsidiaries		-	-	-	1,089,859
Interest expense					
- finance lease liabilities		3,789	5,942	-	-
- term loan		232,872	218,771	232,872	218,771
- bank overdraft		20,041	20,000	20,041	20,000
- others		8,197	7,817	-	-
Loss on foreign exchange					
- realised		-	12,762	13,341	-
- unrealised		9,772	-	-	1,349,935
Operating lease rentals		18,485	89,921	-	-
Property, plant and equipment written off		9,128	18,394	-	510
Loss on disposal of property, plant and equipment		316,641	-	-	-
and after crediting:					
Bad debts recovered		-	6,110	-	-
Gain on disposal of property, plant and equipment		-	34,548	-	-
Gain on foreign exchange					
- realised		16,404	488	-	-
- unrealised		-	12,475	59,091	-
Interest income		472,063	190,961	5,232	1,896
Rental income from:					
- third parties		359,066	359,066	359,066	359,066
- subsidiary		-	-	111,120	111,120
Waiver of debts		893,725	-	-	-
Reversal of impairment loss		540,792	11,511	279,005	-

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Directors' remuneration	754,924	789,696	48,000	42,000

22. TAX EXPENSE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current tax expense				
- Current year	97,085	291,658	-	828
- Overprovision in prior years	(10,894)	(6,860)	-	-
Total current tax recognised in the profit or loss	86,191	284,798	-	828
Deferred tax expense				
- Current year (Note 16)	-	-	-	-
Total deferred tax recognised in the profit or loss	-	-	-	-
Total tax expense	86,191	284,798	-	828

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		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
(Loss)/Profit before tax	(970,140)	(150,890)	421,492	122,401
Tax calculated using Malaysian tax rate of 25%	(242,535)	(37,722)	105,373	30,600
Losses of foreign subsidiaries not available for set-off	1,365,759	327,710	-	-
Non-deductible expenses	59,655	14,420	59,377	720,228
Non-taxable income	(75,294)	-	(125,000)	(750,000)
Deferred tax assets not recognised	(1,010,500)	-	(39,750)	-
Utilisation of unabsorbed capital allowances	-	(12,750)	-	-
	97,085	291,658	-	828
Over provision in prior years	(10,894)	(6,860)	-	-
Tax expense	86,191	284,798	-	828

22. TAX EXPENSE (Cont'd)

The unutilised tax losses and unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM2,756,000 (2011: RM6,812,000) and RM270,000 (2011: RM256,000) for the Group and RM1,813,000 (2011: RM1,972,000) and RM256,000 (2011: 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	
	2012 RM	**2011 RM**
Loss attributable to owners of the parent	(1,376,534)	(997,776)
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) Machines Sdn. Bhd. ("MSB"), a Company in which a Director is deemed to have substantial financial interest

(iv) Keyspan Express Sdn. Bhd. ("KESB"), 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	
	2012	**2011**
	RM	**RM**
Dividend income	500,000	3,000,000
Management fees receivable	300,000	300,000
Rental receivable	111,120	111,120

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Rental receivable	275,232	292,732	275,232	292,732

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

	2012	**2011**
	RM	**RM**
Amounts due from subsidiaries	26,150,609	26,733,436
Less : Allowance for impairment loss	(11,308,751)	(14,241,793)
	14,841,858	12,491,643

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

25. CONTINGENT LIABILITIES

Group

Secured

Freehold land pledged to bank for credit facilities granted to a former Director of a subsidiary amounted to RM500,000 (2011: RM500,000).

Unsecured

On 6 June 2012, an investor commenced an action against Rich Lee Holdings Sdn Bhd ("RLHSB"), a subsidiary within the Group in respect of a friendly loan amounting to RM1,335,000 purportedly given to RLHSB for investment purposes in 2007. RLHSB was acquired on 10 June 2009 and based on the available records of RLHSB, there is no indication of the existence of such a loan. RLHSB is disputing the claim and the legal suit is currently pending hearing. As at the date of the report, the Directors are unable to assess the outcome of the action and will assess the legal position once the investor discloses his evidence. The Directors are of the view that presently the legal action is unlikely to have a material effect on the Group's financial position.

Company

Unsecured

(i) The Company has issued corporate guarantees to financial institutions amounting to RM8,000 (2011: RM26,605) for banking facilities granted to subsidiaries of which RM8,000 (2011: RM26,605) was utilised at reporting date.

(ii) The Company has issued corporate guarantees to a subsidiary for finance lease facility amounting to RMNil (2011: RM37,970) 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 operations and provision of club equipment
Hotel	Hotel operations
Others	i) Investment holding ii) Provision of management services iii) Provision of financing service iv) Rental of properties

26. SEGMENTAL INFORMATION – GROUP (Cont'd)

(i) Business segments (Cont'd)

2012	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	4,365,990	980,047	1,918,564	1,318,952	359,066	-	8,942,619
Inter-segment revenue	-	760,000	-	-	911,120	(1,671,120)	-
Total revenue	4,365,990	1,740,047	1,918,564	1,318,952	1,270,186	(1,671,120)	8,942,619
Result:							
Interest income	8,392	243,972	214,467	-	5,232	-	472,063
Depreciation	(127,389)	(30,312)	(299,677)	(777,062)	(492,942)	-	(1,727,382)
Finance costs	(3,695)	(94)	-	(8,197)	(252,913)	-	(264,899)
Other non-cash income/(expense) Note (a)	19,100	(11,332)	44,919	(356,477)	1,332,949	-	1,029,159
Tax expense	(66,512)	(19,679)	-	-	-	-	(86,191)
Segment profit/(loss)	238,681	197,593	826,483	(768,697)	3,978,167	(5,528,558)	(1,056,331)
Assets:-							
Addition to non-current asset Note (b)	12,861	-	-	26,729	35,657	-	75,247
Unallocated assets							8,170,878
Segment assets	2,542,042	5,330,875	4,724,479	4,026,479	11,091,492	-	27,715,367
Liabilities:-							
Unallocated liabilities							4,592,254
Segment liabilities	289,411	733,190	789,542	148,606	382,195	-	2,342,944

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	(4,154)	(1,788)	-	(7,817)	(238,771)	-	(252,530)
Other non-cash income/(expense) Note (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 Note (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							4,904,690
Segment liabilities	518,808	784,918	768,029	88,900	1,549,068	-	3,709,723

26. SEGMENTAL INFORMATION – GROUP (Cont'd)

(i) Business segments (Cont'd)

Notes:

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

	2012 RM	2011 RM
Allowance for impairment loss	(50,000)	(19,016)
Allowance for slow moving inventories	(8,485)	(18,885)
Bad debts written off	(11,332)	(11,511)
Property, plant and equipment written off	(9,128)	(18,394)
(Loss)/Gain on disposal of property, plant and equipment	(316,641)	34,548
Reversal on impairment loss	540,792	11,511
Unrealised (loss)/gain on foreign exchange	(9,772)	12,475
Waiver of debts	893,725	-
	1,029,159	(9,272)

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

	2012 RM	2011 RM
Property, plant and equipment	75,247	812,174
Investment in associate	-	60,520
	75,247	872,694

(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
2012					
Revenue from external customers by location of customers	5,705,103	535,878	1,382,686	1,318,952	8,942,619
Non current assets	14,139,235	154,929	245,880	3,664,728	18,204,772
Capital expenditure by location of assets	48,518	-	-	26,729	75,247
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)

(iii) Information about major customers

Revenue from 1 (2011:1) customer amounted to RM967,660 (2011: RM1,664,155) arising from revenue by the supply segment and no major customer arising from manufacturing, gaming, hotel and other segment.

27. OPERATING LEASE COMMITMENTS

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

	Group	
	2012	**2011**
	RM	**RM**
Less than 1 year	-	18,605
Between 1 and 5 years	-	-
	-	18,605

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. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:-

(a) Loans and receivables (L&R); and
(b) Other liabilities measured at amortised cost (AC);

2012	**Carrying amount RM**	**L&R RM**	**AC RM**
Group			
Financial assets			
Receivables and deposits	7,207,047	7,207,047	-
Amount due from associates	3,221,934	3,221,934	-
Cash and cash equivalents	9,438,837	9,438,837	-
Non-current assets held-for-sale	500,000	500,000	-
	20,367,818	20,367,818	-

28. CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):-

2012	Carrying amount RM	L&R RM	AC RM
Group			
Financial liabilities			
Payables and accruals	2,247,944	-	2,247,944
Borrowings	4,592,254	-	4,592,254
	6,840,198	-	6,840,198

2011	Carrying amount RM	L&R RM	AC RM
Financial assets			
Receivables and deposits	10,384,784	10,384,784	-
Amount due from associate	1,439,014	1,439,014	-
Cash and cash equivalents	9,755,156	9,755,156	-
	21,578,954	21,578,954	-
Financial liabilities			
Payables and accruals	3,614,723	-	3,614,723
Borrowings	4,879,600	-	4,879,600
	8,494,323	-	8,494,323

2012			
Company			
Financial assets			
Receivables and deposits	15,425,021	15,425,021	-
Cash and cash equivalents	388,453	388,453	-
	15,813,474	15,813,474	-
Financial liabilities			
Payables and accruals	134,333	-	134,333
Borrowings	4,506,088	-	4,506,088
	4,640,421	-	4,640,421

28. CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):-

2011	Carrying amount RM	L&R RM	AC RM
Company			
Financial assets			
Receivables and deposits	15,571,301	15,571,301	-
Cash and cash equivalents	141,388	141,388	-
	15,712,689	15,712,689	-
Financial liabilities			
Payables and accruals	158,823	-	158,823
Borrowings	4,722,387	-	4,722,387
	4,881,210	-	4,881,210

29. 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.

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 is subject to credit verifications procedures.

29. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 (Cont'd):-

(a) Credit risk (Cont'd)

(i) Receivables

As at the 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 uses 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
2012			
Not past due	5,251,837	-	5,251,837
Past due for 1-30 days	462,186	-	462,186
Past due for 31-60 days	256,877	-	256,877
Past due for 61-90 days	97,195	-	97,195
Past due for 91-120 days	47,562	(1,905)	45,657
Past due for more than 121 days	466,250	(464,001)	2,249
	6,581,907	(465,906)	6,116,001
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

29. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 (Cont'd):-

(a) Credit risk (Cont'd)

(i) Receivables (Cont'd)

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.

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 2012, trade receivables of RM864,164 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 77% (2011: 85%) of trade receivables consist of amount due from one (2011: 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 subsidiaries and monitors their results regularly.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries and associate are not recoverable.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due.

In managing its exposures to liquidity risk arises principally from its various payables, loans and borrowings, the Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

29. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 (Cont'd):-

(b) Liquidity risk (Cont'd)

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

Group	Total	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years
2012					
Unsecured:					
Payables and accruals	2,247,944	2,247,944	-	-	-
Finance lease liabilities	86,166	20,905	22,100	43,161	-
	2,334,110	2,268,849	22,100	43,161	-
Secured:					
Borrowings	4,506,088	449,160	449,160	1,347,480	2,260,288
	6,840,198	2,718,009	471,260	1,390,641	2,260,288
2011					
Unsecured:					
Payables and accruals	3,614,723	3,614,723	-	-	-
Finance lease liabilities	157,213	63,454	29,562	64,197	-
	3,771,936	3,678,177	29,562	64,197	-
Secured:					
Borrowings	4,722,387	449,160	449,160	1,347,480	2,476,587
	8,494,323	4,127,337	478,722	1,411,677	2,476,587

29. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 (Cont'd):-

(b) Liquidity risk (Cont'd)

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

Company	Total	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years
2012					
Unsecured:					
Payables and accruals	134,333	134,333	-	-	-
Secured:					
Borrowings	4,506,088	449,160	450,155	1,346,485	2,260,288
	4,640,421	583,493	450,155	1,346,485	2,260,288
2011					
Unsecured:					
Payables and accruals	158,823	158,823	-	-	-
Secured:					
Borrowings	4,722,387	449,160	449,160	1,347,480	2,476,587
	4,881,210	607,983	449,160	1,347,480	2,476,587

(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.

To mitigate the Group's exposure to foreign currency risk, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group. The currency giving rise to this risk is primarily US Dollar (USD), Singapore Dollar (SGD) and Euro (EURO).

29. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 (Cont'd):-

(c) Foreign currency risk (Cont'd)

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:-

	Group 2012 Denominated in		
	USD RM	SGD RM	EURO RM
Trade and other receivables	423	-	-
Trade and other payables	(45,536)	(5,316)	-
	(45,113)	(5,316)	-

	Group 2011 Denominated in		
	USD RM	SGD RM	EURO RM
Trade receivables	64,388	-	-
Trade payables	(56,246)	(8,641)	(1,004,444)
	8,142	(8,641)	(1,004,444)

29. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 (Cont'd):-

(c) Foreign currency risk (Cont'd)

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

	Group 2012		Company 2012	
	Loss for the year RM	Equity RM	Profit for the year RM	Equity RM
USD/RM				
- Strengthened 0.33%	149	149	-	-
- Weakened 0.33%	(149)	(149)	-	-
SGD/RM				
- Strengthened 0.07%	4	4	-	-
- Weakened 0.07%	(4)	(4)	-	-

	Group 2012		Company 2012	
	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)	-	-

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposures to foreign currency risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

29. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (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 (Cont'd):-

(d) Interest rate risk (Cont'd)

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group's targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest bearing financial instruments based on the carrying amounts as at the end of the reporting period were as follows:-

	Group RM	Company RM
2012		
Fixed rate instruments		
Financial assets		
Short-term deposits with licensed banks and financial institutions	8,122,472	-
Trade receivables	4,728,341	-
	12,850,813	-
Financial liabilities		
Finance lease liabilities	86,166	-
Floating rate instruments		
Financial liabilities		
Bank borrowings	4,506,088	4,506,088
2011		
Fixed rate instruments		
Financial assets		
Short-term deposits with licensed banks and financial institutions	8,066,847	-
Fixed deposits with licensed banks	741,861	-
Trade receivables	6,848,707	-
	15,657,415	-
Financial liabilities		
Finance lease liabilities	157,213	-
Floating rate instruments		
Financial liabilities		
Bank borrowings	4,722,387	4,722,387

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd))

Financial Risk Management Objectives and Policies (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 (Cont'd):-

(d) Interest rate risk (Cont'd)

The Group does not account for any fixed rate financial assets and liabilities through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

The following table illustrates the sensitivity of profit and equity to a reasonable possible change in interest rates of +/- 50 basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group			
	Loss for the year		**Equity**	
	RM	**RM**	**RM**	**RM**
	+50 bp	**-50 bp**	**+50 bp**	**-50 bp**
31 March 2012	(22,530)	22,530	(22,530)	22,530
31 March 2011	(23,612)	23,612	(23,612)	23,612

30. 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.

31. 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 (RM863,579) 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 2012 to 4 August 2012.

On 1 August 2011, the Company withdrew its claim against Camozzi Defendants for wrongful termination of its distributorship and Camozzi Defendants withdrew its claim for outstanding payments for parts supplied against the Company.

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 from 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 5 and 8 February 2011, 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.

The hotel owner 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 2011.

During the year, the lawsuit by RLHSB against the hotel owner has been permanently withdrawn. Subsequently, RGL is also applying to withdraw the lawsuit brought against the hotel owner permanently.

32. DISCLOSURES OF REALISED AND UNREALISED PROFITS/LOSSES

Bursa Malaysia Securities Berhad has on 25 March 2010 and subsequently on 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on Group and Company basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of accumulated loss as at the reporting date that has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 issued on 20 December 2010 by the Malaysian Institute of Accountants are as follows:-

	2012 RM	2011 RM
Group		
Total accumulated losses of the Group:		
- Realised	(45,233,681)	(48,471,145)
- Unrealised	(104,772)	(1,337,460)
	(45,338,453)	(49,808,605)
Total accumulated losses from the associate		
- Realised	(3,134,758)	-
	(48,473,211)	(49,808,605)
Consolidation adjustment	33,301,480	36,013,408
Total Group accumulated losses as per consolidated financial statements	(15,171,731)	(13,795,197)

	2012 RM	2011 RM
Company		
Total accumulated losses of the Company:		
- Realised	(22,832,035)	(21,844,501)
- Unrealised	59,091	(1,349,935)
Total accumulated losses as per financial statements	(22,772,944)	(23,194,436)

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

The above disclosure was approved by the Board of Directors in accordance with a resolution of the Directors on 5 July 2012.

STATEMENT BY DIRECTORS PURSUANT TO
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 91 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 2012 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
5 July 2012

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 91 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
5 July 2012

....
KONG SIN SENG

Before me:

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 2012 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 31 and set out on pages 32 to 91.

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 2012 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.

(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 32 on page 92 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.

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

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

Kuala Lumpur
5 July 2012

Location	Tenure	Land Area / Gross Floor Area	Description Approx. Age, of Building & Year of Acquisition	Net Book Value as at 31 March 2012 (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	6,107
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	4,118

ANALYSIS OF SHAREHOLDINGS
as at 9 August 2012

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	:	907

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	39	4.30	1,788	0.00
100 to 1,000	321	35.39	272,403	0.61
1,001 to10,000	403	44.43	1,543,973	3.45
10,001 to 100,000	103	11.36	3,116,800	6.96
100,001 to 2,237,669	37	4.08	22,059,632	49.30
2,237,670 and above	4	0.44	17,758,804	39.68
Total	**907**	**100.00**	**44,753,400**	**100.000**

SUBSTANTIAL SHAREHOLDERS

	Name	Direct		Indirect	
		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

DIRECTORS' SHAREHOLDINGS

Name	Direct		Indirect	
	No. of Shares	%	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, 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		Indirect	
	No. of Shares held in Related Corporation	%	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

LIST OF 30 LARGEST SHAREHOLDERS

No.	Names	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.	CIMB Group 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.	Chiew Kok Boo	577,200	1.29
18.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Douglas Cheng Heng Lee	556,900	1.24
19.	Tan Meng Chuen	552,796	1.24
20.	Lee Soon Soo	552,200	1.23
21.	Ling Hee Leong	517,236	1.16
22.	Khoo Kim Seng	517,236	1.16
23.	Loh Suan Phang	419,000	0.94
24.	Teh Tiew Leong	413,514	0.92
25.	Kenneth Tan Keng Han	352,600	0.79
26.	Ng Lai Chiek	320,800	0.72
27.	Lim Chee Kiat	317,800	0.71
28.	Abul Hasan Bin Mohamed Rashid	315,000	0.70
29.	Hiew Vun Kee	309,796	0.69
30.	Goh Mo Looi	296,000	0.66
	Total	**37,806,837**	**84.48**

PROXY FORM

WIDETECH (MALAYSIA) BERHAD
(113939-U)

NO. OF SHARES HELD
CDS ACCOUNT NO.

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-Eighth Annual General Meeting of the Company to be held at Dewan Perdana 1, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on **Friday, 28 September 2012** at **10.30 a.m.**, or at any adjournment thereof.

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

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 Dato' Lim Kim Huat as Director		
2	Re-election of Datuk Chu Sui Kiong as Director		
3	Re-election of Datuk Ng Bee Ken as Director		
4	Re-appointment of Messrs SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration		
5	Authority to Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
	Special Resolution		
6	Proposed Amendments to the Articles of Association of the Company		

Dated this ____________ day of ______________ 2012

____
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
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50250 Kuala Lumpur

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