

The background is a vibrant blue with various shades. It features several large, semi-transparent circles of different sizes and colors (dark blue, medium blue, light blue). There are also thin, white, curved lines that sweep across the lower half of the image. In the bottom right corner, there is a cluster of small, white, semi-transparent circles.

# **WIDETECH**

(MALAYSIA) BERHAD (113939-U)

# **2014 ANNUAL REPORT**

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# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

**Dato' Lim Kim Huat**  
*Executive Chairman*

**Kong Sin Seng**  
*Chief Executive Officer*

**Tan Sri Dato' Cheng Joo Teik**  
*Executive Director*

**Datuk Chu Sui Kiong**  
*Executive Director*

**Dato' Tan Ting Wong**  
*Executive Director*

**Loh Suan Phang**  
*Executive Director*

**Datuk Ng Bee Ken**  
*Independent Non-Executive Director*

**Lee Yoke Shue**  
*Independent Non-Executive Director*

**Dato' Lim Sin Khong**  
*Independent Non-Executive Director*  
*Appointed on 8 May 2014*

**Dato' Zakaria Bin Mohammed**  
*Independent Non-Executive Director*  
*Deceased on 11 November 2013*

## AUDIT COMMITTEE

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

**Dato' Lim Sin Khong**  
*Independent Non-Executive Director*

**Lee Yoke Shue**  
*Independent Non-Executive Director*

## SECRETARIES

Lim Sek Wah (MAICSA 0799845)  
Tang Chi Hoe (Kevin) (MAICSA 7045754)

## REGISTERED OFFICE

Level 15-2 Bangunan Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel No: 603.2692.4271  
Fax No: 603.2732.5388 / 5399

## SHARE REGISTRAR

Mega Corporate Services Sdn Bhd  
Level 15-2 Bangunan Faber 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, Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur

## PRINCIPAL BANKERS

CIMB Bank Berhad  
Maybank Berhad  
Public Bank Berhad

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
Stock Name : WIDETEC  
Stock Code : 7692

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth 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 Thursday, 25 September 2014 at 2.30 p.m. for the following purposes:

## AGENDA

1. To table the Audited Financial Statements for the financial year ended 31 March 2014 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) Datuk Chu Sui Kiong **Ordinary Resolution 1**
  - (ii) Loh Suan Phang **Ordinary Resolution 2**
  - (iii) Lee Yoke Shue **Ordinary Resolution 3**
3. To re-elect Dato' Lim Sin Khong, the Director retiring pursuant to Article 129 of the Articles of Association of the Company. **Ordinary Resolution 4**
4. To re-appoint Messrs SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration **Ordinary Resolution 5**

## SPECIAL BUSINESS

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

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

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

BY ORDER OF THE BOARD

**LIM SECK WAH (MAICSA 0799845)**  
**TANG CHI HOE (KEVIN) (MAICSA 7045754)**

COMPANY SECRETARIES

3 September 2014  
Kuala Lumpur

# NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

## 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 his/her proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. However, the attendance of the member at the general meeting shall automatically revoke his/her 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. 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.
  3. 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.
  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 Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 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 19 September 2014.
  8. Explanatory Notes on Special Business:

### **Ordinary Resolution 6**

#### **Authority to Issue Shares pursuant to Section 132D of the Companies Act 1965**

*The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.*

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

## **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

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

There is no person seeking for election as Director of the Company at this Thirtieth 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 2014.

### Financial Performance

The Group had experienced a challenging year in the financial year under review. Despite an improvement in the Group's revenue by RM1.206 million to RM10.638 million, the Group posted a pre-tax loss of RM3.042 million as opposed to a pre-tax profit of RM2.297 million in FY 2013.

The significant losses in FY 2014 was principally attributable to the suspension of our associated company's casino operations in Kathmandu, Nepal at the end of September 2013 due to unfavourable new casino regulations imposed by the Nepalese government. The new regulations have affected the entire gaming industry in Nepal, which resulted in the closure of all casinos in the country in April 2014. In view of this uncertainty in Nepal, one-off assets impairment and provisions have been prudently made in the accounts of the associated company, which resulted in a significantly higher share of loss in our associated company of RM4.558 million, as compared to a share of loss of RM0.765 million in FY 2013.

Overall, the uncertainty in Nepal gaming industry has greatly affected the gaming division with additional impairments and provisions of RM1.229 million made in respect of our investment in the associated company. Despite an improved revenue from RM2.734 million to RM3.685 million in FY 2014, the gaming division recorded a pre-tax loss of RM2.722 million as compared to a pre tax profit of RM2.712 million in FY 2013 after taking into consideration the said share of loss in our associate.

Nevertheless, the gaming operations in Vietnam delivered another year of strong performance with a higher revenue of RM3.490 million and a pre-tax profit of RM3.331 million against a revenue of RM2.444 million and a pre-tax profit of RM2.796 million in FY 2013.

The manufacturing division continued to contribute positively to the Group's earnings with an improved revenue and pre-tax profit of RM4.661 million and RM0.826 million respectively, as compared to a revenue of RM4.132 million and a pre-tax profit of RM0.533 million in FY 2013.

As expected, contributions from our consumer goods financing business continued to decline due to repayments and early settlements of customers' loans. This division recorded a revenue of RM0.391 million and a pre-tax loss of RM0.252 million, against a revenue of RM0.618 million and a pre-tax profit of RM0.042 million in FY 2013.

Our hotel in Laos generated a slightly lower revenue of RM1.541 million against RM1.588 million in FY 2013. However, it achieved the same pre-tax loss of RM0.074 million as the preceding year. We will strive to continue to upkeep and maintain the quality of our hotel to improve this business.

### Brief Description of the Industry Trend and Development

Moving forward, the Group foresees a continued competitive and challenging operating environment.

The Board endeavours to continue cautiously to pursue and explore new and potential business opportunities as they arise to further enhance shareholders' value.

### Prospects and Outlook

The gaming operations in Vietnam and Cambodia are expected to continue to contribute positively to the earnings of the Group. The ongoing promotion campaigns and effective marketing strategies executed during the year have yielded desired improved results in the Vietnam operations. Moving forward, such efforts will be continued relentlessly for the coming year.

## CHAIRMAN'S STATEMENT (Cont'd)

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There remains continued fragility and uncertainty in Nepal gaming industry. The Management will remain vigilant with close monitoring and evaluation of the situation for any favourable revision of the gaming regulations. The Management endeavours to take the necessary steps to further mitigate any financial impact on our investment in Nepal.

Amidst an increasingly competitive operating environment, the manufacturing division will continue to place great emphasis on stringent cost control measures and improvement in efficiency to ensure the competitiveness of its products.

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.

Continuous efforts are in place to upgrade and maintain the quality of our hotel for the coming year.

### Corporate Social Responsibility

The Group reiterated its commitment towards its CSR.

As part of our commitment to safeguard the welfare of our staff and customers, continuous efforts are undertaken in providing a conducive, safe and healthy work place for them in our business premises.

As part of our effort to protect the environment, our manufacturing division constantly monitors and adopts environmental best practices in compliance with ISO 14001 to mitigate any negative impact on the environment.

We strive to raise awareness among our staff by encouraging and reminding them to engage in paperless office practices, recycling and energy conservation exercises. As a symbol of our commitment to the planet, our hotel in Laos took part in the global Earth Hour movement in March.

As part of our effort to give back to the community, the Group and its staff continuously provided support to various charitable and social projects by way of donations for the underprivileged.

### Dividend

The Board does not recommend any dividend for the financial year ended 31 March 2014.

### Acknowledgements

On behalf of the Board, I would like to express my deepest condolence on the demise of our director, Dato' Zakaria Bin Mohammed, whom shall be dearly missed for his invaluable contributions to the Group over the years. We welcomed Dato' Lim Sin Kong to the Board, as an Independent Non Executive Director.

I would like to thank my fellow Board Members, the Management and staff for their hard work, loyalty and valued commitment 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 unwavering support and confidence extended to the Group.

**Dato' Lim Kim Huat**  
*Executive Chairman*  
Kuala Lumpur



### **Y BHG DATO' LIM KIM HUAT**

Malaysian, Aged 54  
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.

Dato' Lim is currently the Managing Director of AbleGroup Berhad.

### **KONG SIN SENG**

Malaysian, Aged 58  
Chief Executive Officer

Mr Kong Sin Seng was appointed to the Board on 27 September 2004. He holds a Bachelor of Accounting (Hons) from 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.

Mr Kong 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.

### **Y BHG DATUK CHU SUI KIONG**

Malaysian, Aged 55  
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 Sdn. Bhd. & Kudat Golf & Marina Resort Hotel.



## PROFILE OF DIRECTORS (Cont'd)

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### **Y BHG TAN SRI DATO' CHENG JOO TEIK**

Malaysian, Aged 68  
Executive Director

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

Tan Sri Dato' Cheng was formerly with Malaysian Airline System Berhad and having accumulated extensive experience in the commercial and service industry, he 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.

Tan Sri 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 58  
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 multimedia 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 54  
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 30 years of experience in the senior management of food and leisure corporation.

### **Y BHG DATUK NG BEE KEN**

Malaysian, Aged 59

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.

### **LEE YOKE SHUE**

Malaysian, Aged 59

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 effective on 1 July 2010. He is a member of the Audit Committee.

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

Mr Lee was previously attached to Price Waterhouse (now known as PricewaterhouseCoopers) for eighteen (18) years. During his tenure, he was involved in providing auditing and business advisory services to both private and public sectors, carried out financial investigations on corporations facing financial disputes and provided litigation support to substantiate legal findings. He 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.

## PROFILE OF DIRECTORS (Cont'd)

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### **Y BHG DATO' LIM SIN KHONG**

Malaysian, aged 65

Independent Non-Executive Director

Dato' Lim Sin Khong was appointed to the Board on 8 May 2014. 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.

#### 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 2014 are disclosed on page 21 of this Annual Report.

# AUDIT COMMITTEE REPORT

The Board of Directors of Widetech (Malaysia) Berhad ("the Board") is pleased to present the Audit Committee Report for the financial year ended 31 March 2014.

## COMPOSITION AND MEETINGS

As at the date of this Annual Report, the Audit Committee comprises three (3) Directors as follows:

### Chairman

Datuk Ng Bee Ken - Independent Non-Executive Director

### Members

Lee Yoke Shue - Independent Non-Executive Director

Dato' Lim Sin Khong - Independent Non-Executive Director

The Audit Committee met five (5) times during the financial year ended 31 March 2014 and the details of attendance of the Audit Committee are as follows:

Name of Director	Attendance
Datuk Ng Bee Ken	5/5
Lee Yoke Shue	5/5
Dato' Lim Sin Khong (Appointed on 8 May 2014)	-
Dato' Zakaria Bin Mohammed (Deceased on 11 November 2013)	3/3

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

## SUMMARY OF TERMS OF REFERENCE

### 1. Composition

The Board shall elect a Committee from amongst themselves, 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").

### 2. Meetings

The Audit Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present shall be Independent Directors.

The Audit Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

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

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

# AUDIT COMMITTEE REPORT (Cont'd)

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## 3. Key Functions and Responsibilities

The key functions and responsibilities of the Audit Committee are as follows:

- (a) To review with the external auditors, the audit plan, the scope of audit and their audit report;
- (b) To review the quarterly results and annual financial statements of the Group prior to submission to the Board of Directors;
- (c) To review with management:
  - audit reports and management letter issued by the External Auditors and the implementation of audit recommendations
  - quarterly financial information
  - the assistance given by the officers of the Company to the External Auditors
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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
- (h) To carry out other functions as may be agreed by the Audit Committee and Board of Directors from time to time.

## 4. Rights

The Audit 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 Audit Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Audit 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.

## 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 2014, 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.
- (f) the re-appointment of External Auditors and their audit fees, before the recommendation to the Board of Directors for approval.
- (g) the necessary trainings attended by members of the Audit Committee are set out on pages 21 and 22 of this Annual Report.

### **INTERNAL AUDIT FUNCTION**

During the financial year ended 31 March 2014, the Group's internal audit function was 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.

The Board did not review the internal control system of its associate company as the Board does not have any direct control over their operations.

# STATEMENT ON CORPORATE GOVERNANCE

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The Board of Directors of Widetech (Malaysia) Berhad ("Widetech" or "the Company") is committed to cultivating a responsible organisation by instilling corporate conscience through excellence in corporate governance ("CG") standards at all times. This includes accountability and transparency which is observed throughout the Group as a fundamental part of building a sustainable business and discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group. The Board is pleased to report on how the Company and the Group have applied the principles set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

## **1. Establish clear roles and responsibilities**

### **1.1 Clear functions of the Board and those delegated to Management**

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group's business operations whilst providing effective oversight of Management's performance, risk assessment and controls over business operations.

The Board delegates and confers some of its authorities and discretion on the Chairman, Executive Directors, and Management as well as on properly constituted Board Committees comprising mainly/exclusively Non-Executive Directors.

There is a clear division of responsibilities between the Chairman of the Board and the Chief Executive Officer ("CEO"). The Chairman leads strategic planning at the Board level, while the Executive Director, led by the CEO, is responsible for the implementation of the policies laid down and executive decision-making.

The role of Management is to support the Executive Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

The Board Committees are made up of the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"); and are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. At each Board meeting, minutes of the Board Committee meetings are presented to keep the Board informed. The Chairman of the relevant Board Committees also reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

In general, the Non-Executive Directors are independent of Management. Their roles are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations.

Key matters reserved for the Board's approval include the annual business plan and budget, capital management and investment policies, authority limits/levels, risk management policies, declaration of dividends, business continuity plan, issuance of new securities, business restructuring, expenditure above a certain limit, material acquisitions and disposition of assets.



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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### 1.2 Clear roles and responsibilities in discharging fiduciary and leadership functions

The Board has discharged its responsibilities in the best interests of the Company. The following are among the key responsibilities of the Board:

(a) Reviewing and adopting the Company's strategic plans

The Board has in place a strategy planning process, whereby the CEO presents and proposes to the Board the Management's business plans for the ensuing year for the Board's review and approval. The Board will deliberate both Management's and its own perspectives, and challenge the Management's views and assumptions to ensure the best outcome.

(b) Overseeing the conduct of the Company's business

The CEO is responsible for the day-to-day management of the business and operations of the Group in respect of both its regulatory and commercial functions. He is supported by the Management and the Group Accountant.

The Management's performance, under the leadership of the CEO, is assessed by the Board through monitoring of the success in delivering the approved targets and business plans against the performance of the Group.

(c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The AC, through the internal audit function, advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The AC reviews the action plan implemented and makes relevant recommendations to the Board to manage risks.

(d) Succession Planning

The Board has entrusted the NC and RC with the responsibilities to review candidates for the Board and key management positions and to determine remuneration packages for these appointments, as well as to formulate nomination, selection, remuneration and succession policies for the Group.

(e) Overseeing the development and implementation of a shareholder communications policy for the Company

The Company strongly believes that effective and timely communication is essential in maintaining good relations with the shareholders, investors and investment community.

In the opinion of the Board, the appointment of a Senior Independent Non-Executive Director to whom any concerns should be conveyed is not necessary. The board operates in an open environment in which opinions and information are freely exchanged and in these circumstances any concerns need not be focused on a single director as all members of the Board fulfil this role individually and collectively.

In addition to the above, shareholders and investors can make inquiries about investor relations matters with designated management personnel directly responsible for investor relations matters via dedicated e-mail addresses available on the corporate website.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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- (f) Reviewing the adequacy and integrity of management information and internal control system of the Company

The Board is ultimately responsible for the adequacy and integrity of the Company's internal control system. Details pertaining to the Company's internal control system and the reviews of its effectiveness are set out in the Statement on Risk Management and Internal Control of this Annual Report.

### **1.3 Ethical standards through Code of Conduct**

The Board is guided by the Company's Code of Conduct ("the Code") for Directors and Employees in discharging its oversight role effectively. The Code requires all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders. A summary of the Code has been published on the corporate website.

### **1.4 Strategies promoting sustainability**

The Board shall endeavour to formalise the Company's strategies on promoting sustainability and publish the same on the corporate website.

### **1.5 Access to information and advice**

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board. The Directors may seek advice from Management on issues under their respective purview. The Directors may also interact directly with Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated.

### **1.6 Qualified and competent company secretaries**

The Board is regularly updated and apprised by the Company Secretary on new regulation issued by the regulatory authorities. The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares.

The Company Secretary attends and ensures that all Board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.

The Company Secretary works closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.

### **1.7 Board Charter**

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board is guided by the Board Charter which was adopted by the Board on 20 August 2013 and the same has been published on the corporate website.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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The Board Charter serves to ensure that all Board members acting on the Group's behalf are aware of their expanding roles and responsibilities. It sets out the strategic intent and specific responsibilities to be discharged by the Board members collectively and individually. It also regulates on how the Board conducts business in accordance with the CG principles.

### 2.0 Strengthen Composition

#### 2.1 NC

The NC was established on 26 February 2004 and comprises exclusively Independent Non-Executive Directors.

The NC is guided by specific terms of reference and the NC's duties are as follows:

- To recommend candidates for all directorships to be filled by shareholders or the Board;
- To recommend candidates to fill the seats on Board Committees;
- To assess the contribution of each individual Director;
- To review annually the Board structure, size, composition and the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the Board has the appropriate mix of skills and experience including core competencies which Directors should bring to the Board and other qualities to function effectively and efficiently;
- To take the necessary steps to identify women candidates as part of the Company's recruitment exercise to facilitate the implementation of gender diversity policy;
- To review annually the independence of Independent Directors;
- To ensure existence of an appropriate framework and succession plan for the Executive Director and senior management of the Company;
- To identify suitable orientation, educational and training programmes for continuous development of Directors;
- To establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and assessing the contribution of each Director; and
- To consider other matters as referred to the Committee by the Board.

#### 2.2 Develop, maintain and review criteria for recruitment and annual assessment of Directors

##### Board appointment process

The NC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company while it determines the skills matrix needed to support the strategic direction and needs of the Company.

Management shall then engage broadly to develop a pool of interested potential candidates meeting the skills, expertise, personal qualities and diversity requirements for both the Board and the Committee appointments.

The NC evaluates and matches the criteria of the candidate, and will consider diversity, including gender, where appropriate, and recommends to the Board for appointment.

Consideration will be given to those individuals possessing the identified skill, talent and experience.

The NC will contact those persons identified to determine the interest in serving the Company. This communication will ensure that prospective Board members have clarity regarding the nominating process as well as Director/Board profiles, roles and responsibilities, expectations of time commitments and other information as required.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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According to the Articles of Association of the Company, all Directors are required to submit themselves for re-election at intervals of not more than three (3) years. The Articles of Association also state that one-third (1/3) of the Board members shall retire from office at the Annual General Meeting ("AGM") and shall be eligible for re-election at the same AGM.

The new Director(s) duly appointed by the Board are then recommended for re-election at the AGM.

The Company shall then provide orientation and on-going education to the Board.

In making the selection, the Board is assisted by the NC to consider the following aspects:

- Probity, personal integrity and reputation – the person must have the personal qualities such as honesty, integrity, diligence and independence of mind and fairness.
- Competence and capability – the person must have the necessary skills, ability and commitment to carry out the role.

### **Annual Assessment**

The Board is tasked to review and evaluate its own performance and the performance of its Committees on an annual basis. The Board evaluation comprises a Board Assessment, an Individual (Self & Peer) Assessment and an Assessment of Independence of Independent Directors.

The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities.

For Individual (Self & Peer) Assessment, the assessment criteria include contribution to interaction, quality of inputs, and understanding of role.

The results of the assessment would form the basis of the NC's recommendation to the Board for the re-election of Directors at the next AGM.

### **Gender diversity policy**

Currently, the Company does not have a policy on boardroom diversity but believes in providing equal opportunity to all candidates based on merit.

## **2.3 Remuneration Policies and Procedures**

The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders, and that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to attract and to retain persons of high calibre.

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

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

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Details of the Directors' remuneration for the financial year ended 31 March 2014 are as follows:

	Salary RM	Fees RM	Bonus RM	Allowance RM	Total RM
Executive Directors	231,894	-	29,640	456,602	718,136
Non-Executive Directors	-	-	-	32,000	32,000
Total	231,894	-	29,640	488,602	750,136

The number of Directors whose remuneration falls within the following bands is shown as follows:

Range of Remuneration (RM)	Executive Directors	Non-Executive Directors
50,000 and below	-	3
50,001 to 100,000	5	-
100,001 to 150,000	-	-
150,001 to 200,000	-	-
200,001 to 250,000	-	-
250,001 to 300,000	1	-

### 3.0 Reinforce Independence

#### 3.1 Annual Assessment of Independence

The Board, through the NC, shall assess the independence of Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

#### 3.2 Tenure of Independent Directors

The Board has adopted a nine-year policy for Independent Non-Executive Directors. An Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. Otherwise, the Board will justify and seek shareholders' approval at the AGM in the event it retains the director as an Independent Director.

None of the Independent Non-Executive Directors has served more than 9 years in the Company.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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### **3.3 Shareholders' approval for the Continuance Office as Independent Directors**

The Board would seek shareholders' approval at the AGM if an Independent Director who has served in that capacity for more than nine years shall remain as an Independent Director.

The NC will assess the independence of the Independent Director based on the assessment criteria developed by the NC, and recommended to the Board for recommendation to shareholders for approval. Justification for the Board's recommendation would be provided to shareholders.

### **3.4 Separation of the Positions of the Chairman and the CEO**

The roles of the Chairman and CEO 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 CEO is responsible for the efficient and effective management of the business and operations of the Company.

### **3.5 Composition of the Board**

The Board currently comprises 9 members, of whom, 6 are Executive Directors (including the Executive Chairman) and 3 are Independent Non-Executive Directors. The profiles of the Directors are set out on pages 7 to 10 of this Annual Report.

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

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

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

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 4.0 Foster Commitment

#### 4.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board Meetings, as set out in the table below:

Name of Director	Attendance (As at 31/03/2014)
Dato' Lim Kim Huat	4/4
Kong Sin Seng	4/4
Tan Sri Dato' Cheng Joo Teik	3/4
Datuk Chu Sui Kiong	2/4
Dato' Tan Ting Wong	2/4
Loh Suan Phang	4/4
Datuk Ng Bee Ken	4/4
Lee Yoke Shue	4/4
Dato' Lim Sin Khong (Appointed on 8 May 2014)	-
Dato' Zakaria Bin Mohammed (Deceased on 11 November 2013)	2/2

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold directorships in more than five (5) public listed companies and shall notify the Chairman before accepting any new directorship.

To facilitate the Directors' time planning, an annual meeting schedule is prepared and circulated at the beginning of every year, as well as the tentative closed periods for dealings in securities by Directors based on the targeted dated of announcements of the Group's quarterly results.

#### 4.2 Training

All Directors had completed the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Securities. The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duty and responsibilities as Directors.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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During the financial year ended 31 March 2014, the Directors had attended the following training, seminars, conferences and exhibitions which they considered vital in keeping abreast with changes in laws and regulations, business environment, and corporate governance development:

- i) Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers
- ii) Enhanced Understanding of Risk Management and Internal Control for CFO's, IAs and ROs

### 5.0 Uphold Integrity in Financial Reporting

#### 5.1 Compliance with applicable financial reporting standards

The Board is committed to providing a balanced, clear and meaningful assessment of the financial performance and prospects of the Company via all disclosures and announcements made.

The Board is assisted by the AC to oversee and scrutinise the process and quality of the financial reporting which includes reviewing and monitoring the integrity of the financial statements and the appropriateness of the Company's accounting policies to ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.

#### 5.2 Assessment of suitability and independence of external auditors

The AC is responsible for reviewing audit, recurring audit-related and non-audit services provided by the external auditors. These recurring audit-related and non-audit services comprise regulatory reviews and reporting, interim reviews, tax advisory and compliance services.

The terms of engagement for services provided by the external auditors are reviewed by the AC prior to submission to the Board for approval.

The AC has reviewed the provision of non-audit services by the external auditors during the year and concluded that the provision of these services did not compromise the external auditors' independence and objectivity as the amount of the fees paid for these services was not significant when compared to the total fees paid to the external auditors.

Having satisfied itself with Messrs SJ Grant Thornton's performance, the AC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

### 6.0 Recognise and manage risks

#### 6.1 Sound framework to manage risks

The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group's system of internal controls.

The AC oversees the risk management framework of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The AC also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks.

The Company continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.

# STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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## **6.2 Internal Audit Function**

The Company has outsourced its internal audit function to a professional services firm namely PKF Advisory Sdn Bhd to assist the AC in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The Statement on Risk Management and Internal Control set out on pages 25 and 26 of this Annual Report provides the overview of the internal control framework adopted by the Company during the financial year ended 31 March 2014.

## **7.0 Ensure timely and high quality disclosure**

### **7.1 Corporate Disclosure Policy and Procedures**

The Board shall ensure that all communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws.

The CEO and the management team are responsible for determining the materiality of the information and ensuring timely, complete and accurate disclosure of material information to the investing public in accordance with securities laws and stock exchange rules and regulations, monitoring compliance with this policy and overseeing the disclosure controls and procedures.

Sufficient information would be provided to the Company Secretary for drafting of the necessary announcement.

The Board is mindful that information which is expected to be material must be announced immediately, and that the confidential information should be handled properly to avoid leakage and improper use of such information.

### **7.2 Leverage on information technology for effective dissemination of information**

Widetech's website provides all the relevant corporate information and it is accessible by the public. The Company's website includes all announcements made by Widetech as well as its financial results.

Through the Company's website, the stakeholders are able to direct queries to the Company.

## **8.0 Strengthen relationship between Company and Shareholders**

### **8.1 Encourage shareholder participation at general meetings**

In an effort to encourage greater shareholders' participation at AGMs, the Board takes cognisance in serving longer than the required minimum notice period for AGMs, when possible. The Chairman shall ensure that the Board is accessible to shareholders and an open channel of communication is cultivated.

Widetech encloses the Annual Report and Notice of AGM with regard to, amongst others, details of the AGM, their entitlement to attend the AGM, the right to appoint proxy and also the qualification of proxy.

The Company allows a shareholder to appoint a proxy who may not be a member of the Company. If the proxy is not a member of the Company, he/she need not be an advocate, an approved company auditors or a person approved by the Registrar of Companies.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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To further promote participation of members through proxies, which is in line with the Main Market Listing Requirements, the Company had amended its Articles of Association to include explicitly the right of proxies to speak at general meetings.

### **8.2 Encourage poll voting**

All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and were duly passed.

The Chairman would ensure that shareholders were informed of their rights to demand a poll vote at the commencement of the AGM.

The outcome of the AGM will be announced to Bursa on the same meeting day.

### **8.3 Effective communication and proactive engagement**

At the 29th AGM, Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The Directors, Management and external auditors were in attendance to respond to the shareholders' queries.

From the Company's perspective, the AGM also serves as a forum for Directors and Management to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meeting and ensures their queries are responded in a proper and systematic manner.

## **COMPLIANCE STATEMENT**

The Board believes that the Company has in 2012 adopted the Principles and Recommendations of the MCCG 2012 in all material aspects, save as disclosed therein.

This statement is made in accordance with the resolution of the Board dated 26 August 2014.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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## INTRODUCTION

The Board of Directors ("the Board") of Widetech (Malaysia) Berhad is pleased to present below its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal controls of the Group, excluding associated company, for the financial year ended 31 March 2014. This Statement has been prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers("the Guidelines").

## BOARD'S RESPONSIBILITY

The Board acknowledges and affirms its overall responsibility to oversee that effective systems of risk management and internal control are in place to safeguard the shareholders' interests and the Group's assets. 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 to achieve the Group's business objectives or goals. Accordingly, internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

## RISK MANAGEMENT FRAMEWORK

On a day-to-day basis, key management staff and Heads of Department are responsible for managing risks of their departments. 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. The Board shall re-evaluate the existing risk management practises, and where appropriate and necessary, revise such practises accordingly.

## 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 the financial year ended 31 March 2014, the internal audit function carried out an internal audit review on a subsidiary focusing on Inventory Management and Production, Quality Controls and Safety and Health . The results of these reviews were presented to Audit Committee at one of its scheduled meetings. In addition, follow-up visits will also be conducted to ascertain the status of implementation of agreed management action plans.

The total professional fees paid for the outsourced internal audit function for the financial year ended 31 March 2014 amounted to RM15,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## (Cont'd)

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### OTHER KEY ELEMENTS OF INTERNAL CONTROL

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. Scheduled periodic 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.

### ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has received assurance from the Chief Executive Officer and the management team that the Group's risk management and internal control system are operating adequately and effectively in all material aspects. It is of the view that the risk management and internal control system is satisfactory and no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year under review.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of the Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the 2014 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This Statement was approved by the Board of Directors on 26 August 2014.

## ADDITIONAL COMPLIANCE INFORMATION

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### 1. Share Buy-Back

The Company did not have a share buy-back scheme during the financial year under review.

### 2. American Depositary Receipt (“ADR”) / Global Depositary Receipt (“GDR”)

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

### 3. Employees’ Share Option Scheme

The Company did not implement any employees’ share option scheme during the financial year under review.

### 4. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants and convertible securities during the financial year under review.

### 5. Imposition of Sanctions and/or 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 under review.

### 6. 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 2014 amounted to RM4,000.00

### 7. 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 2014 and the unaudited results previously announced.

### 8. Profit Guarantee

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

### 9. Material Contracts

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 2014.

### 10. Utilisation of Proceeds

The Company did not undertake any fund raising exercise during the financial year under review.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## In Respect Of The Audited Financial Statements

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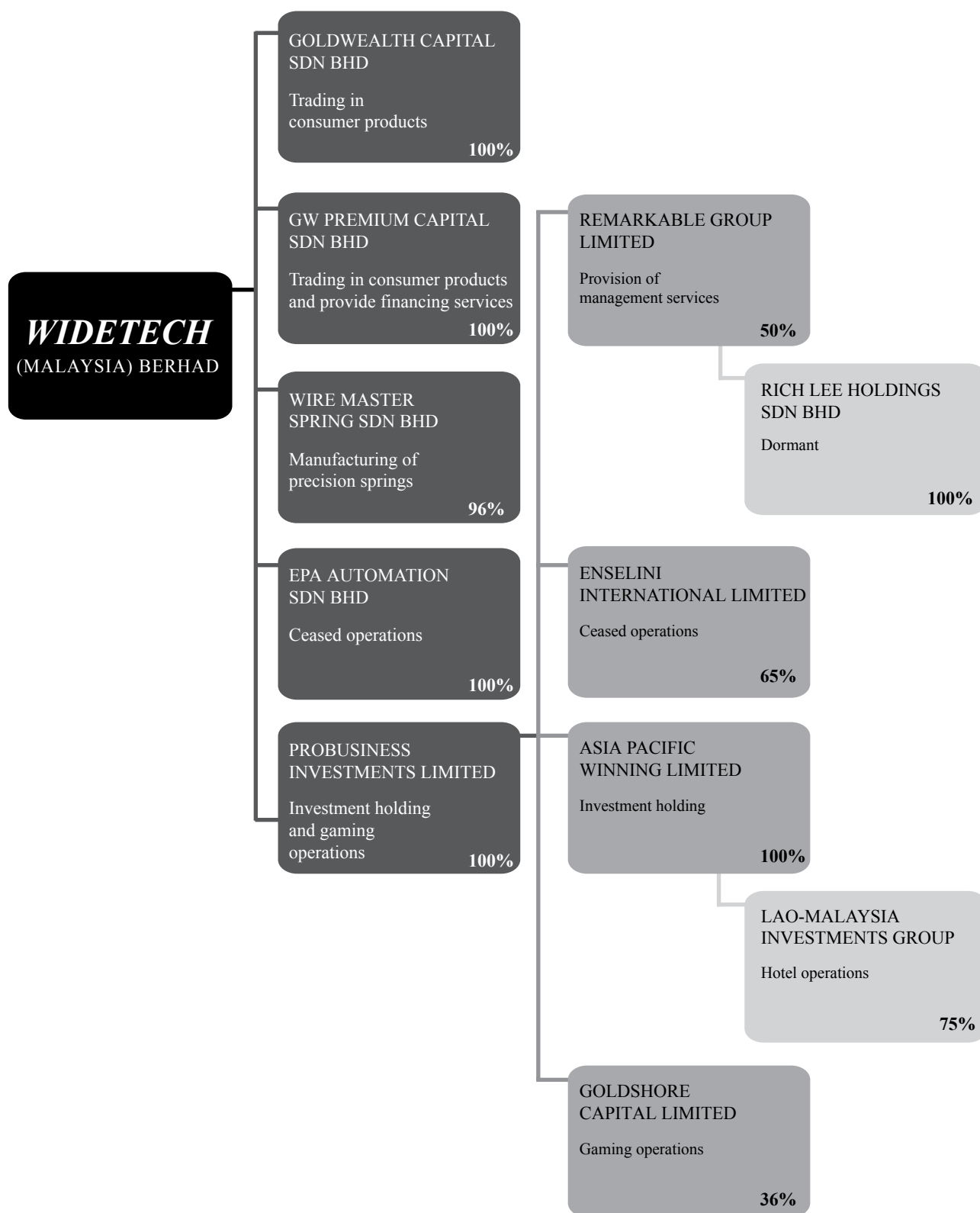
The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cashflow for that year. The financial statements must be prepared in compliance with the Companies Act, 1965 in Malaysia 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 2014, 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 the 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 in Malaysia. 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.





## FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

for the financial year ended 31 March 2014

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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 2014.

### 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 for the financial year attributable to :		
Owners of the Company	(6,114,292)	(5,950,297)
Non-controlling interest	3,638,642	-
	<u>(2,475,650)</u>	<u>(5,950,297)</u>

### Reserves and provisions

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

### Dividend

There was no dividend declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend to be paid for the financial year under review.

### Directors

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

Dato' Lim Kim Huat  
Datuk Chu Sui Kiong  
Tan Sri Dato' Cheng Joo Teik  
Dato' Tan Ting Wong  
Loh Suan Phang  
Kong Sin Seng  
Datuk Ng Bee Ken  
Lee Yoke Shue  
Dato' Lim Sin Khong (appointed on 8 May 2014)  
Dato' Zakaria bin Mohammed (deceased on 11 November 2013)

# DIRECTORS' REPORT

for the financial year ended 31 March 2014 (Cont'd)

## Directors' interests

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 1.4.2013	Bought	(Sold)	Balance at 31.3.2014
<b>The Company</b>				
<u>Direct interest</u>				
Tan Sri Dato' Cheng Joo Teik				
- own	200,000	-	-	200,000
- others @	1,559,900	-	-	1,559,900
Datuk Chu Sui Kiong	737,736	-	-	737,736
Loh Suan Phang	2,011,300	-	-	2,011,300
<u>Indirect interest</u>				
Tan Sri 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
<b>Subsidiaries</b>				
<u>Direct interest</u>				
Tan Sri Dato' Cheng Joo Teik				
- Wire Master Spring Sdn. Bhd.				
- own	1	-	-	1
<u>Indirect interest</u>				
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' REPORT

for the financial year ended 31 March 2014 (Cont'd)

## Directors' interest (Cont'd)

	Ordinary shares of USD1 each			
	Balance at 1.4.2013	Bought	(Sold)	Balance at 31.3.2014
<i>Indirect interest</i>				
Datuk Chu Sui Kiong				
- Remarkable Group Limited	1	-	-	1
- Enseline International Limited	65	-	-	65
- Lao-Malaysia Investments Group	750,000	-	-	750,000
Dato' Tan Ting Wong				
- Remarkable Group Limited	1	-	-	1
- Enseline 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, Tan Sri Dato' Cheng Joo Teik, 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 2014 had any interest in the ordinary shares of the Company and its related corporations during the financial year.

## Directors' benefits

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with 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.

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 disclosed in Notes 18 and 19 of 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 22 to the financial statements.

## Issue of shares and debentures

There was no issuance of new shares or debentures 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.

## DIRECTORS' REPORT

for the financial year ended 31 March 2014 (Cont'd)

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### Other statutory information

Before the statements of profit or loss and other 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 will or may affect the ability of the Group and of the Company to meet their 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.

DIRECTORS' REPORT  
for the financial year ended 31 March 2014 (Cont'd)

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**Auditors**

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

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

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TAN SRI DATO' CHENG JOO TEIK	)
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KONG SIN SENG	)

DIRECTORS

Kuala Lumpur  
23 July 2014



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2014

	Note	2014 RM	2013 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	12,343,855	13,140,881
Investment in an associate	6	-	-
Receivables, deposits and prepayments	8	1,667,995	2,560,797
Deferred tax assets	15	491,534	-
Total non-current assets		14,503,384	15,701,678
<b>Current asset</b>			
Inventories	7	861,572	783,023
Receivables, deposits and prepayments	8	3,401,132	2,762,614
Amount due from an associate	9	986,150	5,569,474
Tax recoverable		3,892	80,307
Cash and cash equivalents	10	13,042,883	11,140,834
Total current assets		18,295,629	20,336,252
Total assets		32,799,013	36,037,930
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11	44,753,400	44,753,400
Reserves	12	(20,738,882)	(15,689,798)
Total equity attributable to owners of the Company		24,014,518	29,063,602
Non-controlling interest	13	1,880,129	41,198
Total equity		25,894,647	29,104,800
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	14	3,800,129	3,868,183
Deferred taxation	15	-	141,777
Total non-current liabilities		3,800,129	4,009,960
<b>Current liabilities</b>			
Payables and accruals	16	2,802,678	2,452,010
Borrowings	14	276,369	471,160
Tax payable		25,190	-
Total current liabilities		3,104,237	2,923,170
Total liabilities		6,904,366	6,933,130
Total equity and liabilities		32,799,013	36,037,930

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

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 March 2014

	Note	2014 RM	2013 RM
Revenue	17	10,637,643	9,431,793
Changes in manufactured inventories		70,260	(106,181)
Raw materials and consumables used		(1,685,974)	(1,352,218)
Staff costs	18	(2,868,896)	(2,806,025)
Depreciation of property, plant and equipment	4	(1,091,162)	(1,509,413)
Operating expenses		(6,258,350)	(2,984,727)
Finance costs		(221,005)	(241,038)
Other operating income		2,934,095	2,629,933
<b>Operating profit</b>		1,516,611	3,062,124
Share of loss on associate		(4,558,291)	(765,055)
<b>(Loss)/ Profit before tax</b>	19	(3,041,680)	2,297,069
Tax income/(expense)	20	566,030	(37,522)
<b>(Loss)/ Profit for the financial year</b>		(2,475,650)	2,259,547
<b>Other comprehensive income/(loss)</b>			
<b>Item that will be reclassified subsequently to profit or loss</b>			
- Exchange translation differences		929,919	(579,355)
<b>Total comprehensive (loss)/ income for the financial year</b>		(1,545,731)	1,680,192
<b>(Loss)/ Profit for the financial year attributable to:-</b>			
Owners of the Company		(6,114,292)	816,047
Non-controlling interest		3,638,642	1,443,500
<b>(Loss)/ Profit for the financial year</b>		(2,475,650)	2,259,547
<b>Total comprehensive (loss)/ income attributable to:-</b>			
Owners of the Company		(5,049,084)	244,432
Non-controlling interest		3,503,353	1,435,760
<b>(Loss)/ Profit for the financial year</b>		(1,545,731)	1,680,192
<b>Basic (loss)/ earnings per ordinary share (sen)</b>	21	(13.66)	1.82

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2014

	Attributable to owners of the parent		Non-distributable		Non-controlling interest		Total equity
	Share capital	Share premium	Exchange fluctuation reserve	Accumulated losses	Non-controlling interest	Total	RM
	RM	RM	RM	RM	RM	RM	RM
<b>At 1 April 2012, restated</b>	44,753,400	132,167	(212,014)	(15,854,383)	131,877	28,819,170	28,951,047
Dividend paid to non-controlling interest	-	-	-	-	(1,526,439)	-	(1,526,439)
Total comprehensive income for the financial year	-	-	(571,615)	816,047	1,435,760	244,432	1,680,192
<b>At 31 March 2013 / 1 April 2013</b>	44,753,400	132,167	(783,629)	(15,038,336)	41,198	29,063,602	29,104,800
Dividend paid to non-controlling interest	-	-	-	-	(1,664,422)	-	(1,664,422)
Total comprehensive loss for the financial year	-	-	1,065,208	(6,114,292)	3,503,353	(5,049,084)	(1,545,731)
<b>At 31 March 2014</b>	44,753,400	132,167	281,579	(21,152,628)	1,880,129	24,014,518	25,894,647

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2014

	2014 RM	2013 RM
<b>Cash flows from operating activities</b>		
(Loss)/ Profit before tax	(3,041,680)	2,297,069
Adjustments for :		
Impairment loss on receivables	-	574,198
Impairment loss on amount due from an associate	1,038,521	-
Inventories write-down	24,024	18,941
Bad debts written off	191,488	1,031
Depreciation of property, plant and equipment	1,091,162	1,509,413
Fair value adjustment on trade receivables recognised in profit or loss	143,535	-
Interest expense	221,005	241,038
Property, plant and equipment written off	1,618	5,388
Share of result of associate	4,558,291	765,055
Gain on disposal of		
- property, plant and equipment	-	(268,439)
- non-current assets held for sale	-	(669,975)
Interest income	(287,689)	(596,607)
Reversal of impairment loss	(2,452,813)	(67,964)
Reversal of inventories write-down	(14,705)	(78,782)
Waiver of debts	(3,713,106)	-
Operating (loss)/profit before changes in working capital	(2,240,349)	3,730,366
Changes in working capital :		
Associate	(1,013,488)	(2,964,035)
Inventories	(87,867)	127,773
Payables and accruals	350,668	204,066
Receivables, deposits and prepayments	6,847,380	819,115
Cash generated from operations	3,856,344	1,917,285
Tax refund/ (paid)	34,324	(22,646)
<b>Net cash from operating activities</b>	3,890,668	1,894,639

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2014 (Cont'd)

	2014 RM	2013 RM
<b>Cash flows from investing activities</b>		
Additional investment in existing associate	-	(148,560)
Interest received	287,689	596,607
Proceeds from disposal of property, plant and equipment	-	284,401
Proceeds from disposal of non-current assets held for sale	-	1,169,975
Purchase of property, plant and equipment	(128,036)	(74,678)
<b>Net cash from investing activities</b>	159,653	1,827,745
<b>Cash flows from financing activities</b>		
Dividend paid to non-controlling interest	(1,664,422)	(1,526,438)
Repayment of finance lease liabilities	(22,000)	(21,999)
Repayment of term loans	(240,845)	(230,912)
Interest paid	(221,005)	(241,038)
<b>Net cash used in financing activities</b>	(2,148,272)	(2,020,387)
Net increase in cash and cash equivalents	1,902,049	1,701,997
Cash and cash equivalents at 1 April	11,140,834	9,438,837
<b>Cash and cash equivalents at 31 March (Note 10)</b>	13,042,883	11,140,834

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

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2014

	Note	2014 RM	2013 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	5,846,120	6,103,798
Investments in subsidiaries	5	3,975,004	3,975,004
Total non-current assets		9,821,124	10,078,802
<b>Current assets</b>			
Receivables, deposits and prepayments	8	9,399,391	15,621,015
Cash and cash equivalents	10	403,358	113,928
Total current assets		9,802,749	15,734,943
<b>Total assets</b>		19,623,873	25,813,745
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11	44,753,400	44,753,400
Reserves	12	(29,294,453)	(23,344,156)
Total equity		15,458,947	21,409,244
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Borrowings	14	3,779,962	3,826,016
Total non-current liability		3,779,962	3,826,016
<b>Current liabilities</b>			
Payables and accruals	16	130,595	129,325
Borrowings	14	254,369	449,160
Total current liabilities		384,964	578,485
Total liabilities		4,164,926	4,404,501
<b>Total equity and liabilities</b>		19,623,873	25,813,745

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

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 March 2014

	Note	2014 RM	2013 RM
Revenue	17	770,184	770,184
Staff costs	18	(239,787)	(217,262)
Depreciation of property, plant and equipment	4	(260,828)	(394,966)
Operating expenses		(7,738,857)	(797,819)
Other operating income		1,675,095	161,792
Finance costs		(208,315)	(227,263)
<b>Loss before tax</b>	19	(6,002,508)	(705,334)
Tax income	20	52,211	1,955
<b>Loss for the financial year/ Total comprehensive loss for the financial year</b>		<u>(5,950,297)</u>	<u>(703,379)</u>

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

# STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2014

	Share capital RM	← Non-distributable → Share premium RM	Accumulated losses RM	Total RM
<b>At 1 April 2012</b>	44,753,400	132,167	(22,772,944)	22,112,623
Total comprehensive loss for the financial year	-	-	(703,379)	(703,379)
<b>At 31 March 2013/ 1 April 2013</b>	44,753,400	132,167	(23,476,323)	21,409,244
Total comprehensive loss for the financial year	-	-	(5,950,297)	(5,950,297)
<b>At 31 March 2014</b>	44,753,400	132,167	(29,426,620)	15,458,947

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



# STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2014

	2014 RM	2013 RM
<b>Cash flows from operating activities</b>		
Loss before tax	(6,002,508)	(705,334)
Adjustments for :		
Bad debts written off	1,975	1,031
Depreciation of property, plant and equipment	260,828	394,966
Interest expense	208,315	227,263
Gain on unrealised foreign exchange	(1,202,149)	(152,039)
Dividend income	-	-
Interest income	(7,406)	(9,753)
Impairment loss on amount due from a subsidiary	6,912,899	-
Impairment loss on investment in a subsidiary	-	447,410
Operating profit before changes in working capital	171,954	203,544
Changes in working capital :		
Receivables, deposits and prepayments	508,898	(26,594)
Payables and accruals	1,271	(5,008)
Cash generated from operations	682,123	171,942
Tax refund	52,211	1,955
<b>Net cash from operating activities</b>	734,334	173,897
<b>Cash flows from investing activities</b>		
Interest received	7,406	9,753
Purchase of property, plant and equipment	(3,150)	-
<b>Net cash from investing activities</b>	4,256	9,753
<b>Cash flows from financing activities</b>		
Interest paid	(208,315)	(227,263)
Repayment of term loans	(240,845)	(230,912)
<b>Net cash used in financing activities</b>	(449,160)	(458,175)
Net increase/ (decrease) in cash and cash equivalents	289,430	(274,525)
Cash and cash equivalents at 1 April	113,928	388,453
<b>Cash and cash equivalents at 31 March (Note 10)</b>	403,358	113,928

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 **23 July 2014**.

## 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the Companies Act, 1965 in Malaysia.

### 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

## 2. BASIS OF PREPARATION (CONT'D)

### 2.2 Basis of measurement (Cont'd)

Level 1	-	Quoted (adjusted) market prices in active markets for identical assets
Level 2	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

### 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 and Revised MFRSs, Amendments/Improvements to MFRSs, and IC Interpretations ("IC Int")

The Group and the Company have consistently applied the accounting policies set out in Note 3 to the financial statements to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and Company adopted new and revised MFRSs, amended/improvements to MFRSs and IC Int which are mandatory for the financial period beginning on or after 1 April 2013.

Initial application of the new and revised MFRSs and interpretations has no material impact on financial statements of the Group and the Company except for additional disclosures in the financial statements. The nature and the impact of these new standards and amendments are disclosed below:-

#### MFRS 13 Fair Value Measurement

The Group and the Company have applied MFRS 13 for the first time in the current period. MFRS 13 established a single source of guidance and disclosure for fair value measurements. The scope of MFRS 13 is broad. The fair value measurement requirements of MFRS 13 apply to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of MFRS 2 Share-based Payment, leasing transaction that are within the scope of MFRS 117 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value for impairment assessment purposes).

MFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under MFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, MFRS 13 includes extensive disclosure requirements.

## 2. BASIS OF PREPARATION (CONT'D)

### 2.4 Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, and IC Interpretations ("IC Int") (Cont'd)

MFRS 13 requires prospective application from 1 April 2013. In addition, specific transition provisions were given to entities such that they need not apply the disclosure requirements set out in the MFRS 13 in comparative information provided for periods before the initial application of the MFRS 13. In accordance with these transactional provisions, the Group and the Company have not made any new disclosures required by MFRS 13 for the comparative period. Other than the additional disclosures, the application of MFRS 13 has not had any material impact on the amounts recognised in the financial statements.

Amendments to MFRS 101 Presentation of Financial Statements (as part of the Annual Improvements to MFRSs 2009 – 2011 Cycle issued in July 2012)

Amendments to MFRS 101 Presentation of Financial Statements Presentation of Items of Other Comprehensive Income.

The Group and the Company adopted amendments to MFRS 101 on 1 July 2012. The amendments to MFRS 101 introduces a grouping of items presented in other comprehensive income. Items that will be reclassified or recycled to profit or loss at a future point in time (e.g. gain or loss available-for-sale financial assets) have to be presented separately from items that will not be reclassified or recycled to profit or loss at a future point in time (e.g. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's and the Company's financial position or performance.

### 2.5. Standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the MASB but are not yet effective, and have not been adopted by the Group and the Company.

Management anticipates that all relevant pronouncements will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's and the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's and the Company's financial statements.

#### MFRS 9 Financial Instruments

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories: fair value and amortised cost, determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of a fair value change due to an entity's own risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting MFRS 9.

### 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 and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions 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 judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

##### 2.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses 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 3 to 52 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 March 2014 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.

##### **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.

The carrying amount of the Group's and of the Company's receivables and loans at the end of the reporting date are disclosed in Note 8 to the financial statements. If the present value of estimated future flow varies by 1% (2013: 1%) from management estimates, the Group's and the Company's impairment loss of loans and receivables would result in variance by approximately 3% (2013: 8%).

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant accounting estimates and judgements (Cont'd)

#### 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

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

### 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.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.1 Basis of consolidation (Cont'd)

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 from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

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 and the amount recognised for non-controlling interest 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 and at the date of acquisition. If the cost of acquisition is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

### 3.4 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

### 3.5 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, investment in an associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate is reflected in profit or loss. Any change in after comprehensive income of those investees is presented as part of the Group's other comprehensive income. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.5 Associates (Cont'd)

The financial statements of the associates are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the associates in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associate are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value and recognise the amount in the "share of profit of associates" in profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

### 3.6 Property, plant and equipment and depreciation

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

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All repair and maintenance costs are recognised in profit or loss as incurred.

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.

Leasehold land is depreciated over the lease period of 30 to 52 years. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

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%

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.6 Property, plant and equipment and depreciation (Cont'd)

The residual values, useful life and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually 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.

Property, plant and equipment are 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.

#### 3.7 Inventories

Inventories of raw materials and finished goods are value at lower of cost and net realisable value. Cost of raw materials is determined on the weighted average basis.

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

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

#### 3.8 Assets acquired under finance lease arrangements

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group and Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.9 Impairment of assets

##### 3.9.1 Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available.

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group and the Company base its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year.

Impairment losses, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.9 Impairment of assets (Cont'd)

#### 3.9.2 Financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### Financial assets carried at amortised 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 assets carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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.

#### Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.10 Financial instruments

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

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

##### 3.10.1 Non-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 their 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 expires.

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

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

##### Other financial liabilities

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

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

#### 3.11 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.

#### 3.12 Income tax

##### 3.12.1 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.12 Income tax (Cont'd)

#### 3.12.2 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.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### 3.13 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.

### 3.14 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. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time of money is material, provision are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.15 Foreign currency translations

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

#### Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combination before 1 April 2011 (the date when the Group and the Company first adopted MFRSs) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve in equity.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.16 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.

##### 3.16.1 Sale of goods

Revenue from sale of goods is measured at fair value of the consideration received 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.

##### 3.16.2 Interest income

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

##### 3.16.3 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.

##### 3.16.4 Service fee

Service fee is recognised as it accrues.

##### 3.16.5 Insurance commission

Insurance commission is recognised as it accrues.

##### 3.16.6 Service charge

Service charge is recognised as when it accrues over instalment period based on sum-of-digits method. Unearned services charge as at reporting date is deferred to future periods and is deducted from the trade receivables.

##### 3.16.7 Management fees

Management fees is recognised upon rendering services

##### 3.16.8 Gaming income

Gaming income represents net house takings.

##### 3.16.9 Hotel income

Hotel income is recognised when the relevant services are provided.

##### 3.16.10 Dividend income

Dividend income is recognised when the right to receive payment is established, which in the case of quoted securities is the ex-dividend rate.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.17 Employee benefits

#### 3.17.1 Short-term employee 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.

#### 3.17.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay 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.

### 3.18 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 Group and 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.

### 3.19 Equity, reserves and distributions to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.20 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 24 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.

#### 3.21 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the ultimate holding company of the Group, or the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) the entity and the Group are members of the same group.
  - (ii) one entity is an associate or joint venture of the other entity.
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
  - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above.
  - (vii) a person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the entity (or of the parent of the entity).

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold 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
<b>Cost</b>						
1 April 2012	1,689,216	14,983,827	3,450,766	14,810,708	562,453	35,496,970
Additions	-	-	24,284	50,394	-	74,678
Disposals	-	-	(428,855)	(3,397,530)	-	(3,826,385)
Written off	-	-	(710)	(20,595)	-	(21,305)
Translation differences	7,250	42,223	-	119,138	720	169,331
At 31 March 2013/ 1 April 2013	1,696,466	15,026,050	3,045,485	11,562,115	563,173	31,893,289
Additions	-	68,633	-	59,403	-	128,036
Written off	-	(47,423)	(562,819)	(193,646)	-	(803,888)
Translation differences	43,750	254,794	-	529,519	4,340	832,403
At 31 March 2014	1,740,216	15,302,054	2,482,666	11,957,391	567,513	32,049,840

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

Group	Note	Leasehold land RM	Buildings, building improvement and electrical installation RM	Plant, machinery and equipment tools RM	Hotel equipment, furniture, fixtures, club and office equipment RM	Motor vehicles RM	Total RM
<b>Depreciation and impairment loss</b>							
1 April 2012		279,984	3,419,567	3,196,287	13,605,815	433,950	20,935,603
Depreciation for the financial year	19	30,781	658,361	80,225	697,097	42,949	1,509,413
Disposals		-	-	(428,842)	(3,382,893)	-	(3,811,735)
Written off		-	-	(686)	(15,231)	-	(15,917)
Translation differences		678	19,129	-	114,577	660	135,044
At 31 March 2013/ 1 April 2013		311,443	4,097,057	2,846,984	5,318,441	477,559	13,051,484
Accumulated depreciation		-	-	-	5,700,924	-	5,700,924
Accumulated impairment loss							
Depreciation for the financial year	19	311,443	4,097,057	2,846,984	11,019,365	477,559	18,752,408
Written off		31,292	655,247	80,864	293,543	30,216	1,091,162
Translation differences		-	(47,402)	(562,766)	(192,102)	-	(802,270)
		4,958	140,536	-	514,851	4,340	664,685
At 31 March 2014		347,693	4,845,438	2,365,082	5,934,733	512,115	14,005,061
Accumulated depreciation		-	-	-	5,700,924	-	5,700,924
Accumulated impairment loss							
<b>Net carrying amounts</b>		347,693	4,845,438	2,365,082	11,635,657	512,115	19,705,985
At 31 March 2014		1,392,523	10,456,616	117,584	321,734	55,398	12,343,855
At 31 March 2013		1,385,023	10,928,993	198,501	542,750	85,614	13,140,881

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Note	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
<b>Cost</b>				
At 1 April 2012/31 March 2013/1 April 2013		6,615,548	1,428,037	8,043,585
Additions		-	3,150	3,150
At 31 March 2014		6,615,548	1,431,187	8,046,735
<b>Accumulated depreciation</b>				
At 1 April 2012		508,244	1,036,577	1,544,821
Depreciation for the financial year	19	132,311	262,655	394,966
At 31 March 2013/ 1 April 2013		640,555	1,299,232	1,939,787
Depreciation for the financial year	19	132,311	128,517	260,828
At 31 March 2014		772,866	1,427,749	2,200,615
<b>Net carrying amounts</b>				
At 31 March 2014		5,842,682	3,438	5,846,120
At 31 March 2013		5,974,993	128,805	6,103,798

(i) **Assets under finance lease**

Included under property, plant and equipment of the Group are motor vehicles with carrying amount of RM55,396 (2013: RM85,612) acquired under finance lease instalment plans.

(ii) **Security**

The buildings of the Group and of the Company with the carrying amount of RM5,842,682 (2013: RM8,646,939) and RM5,842,682 (2013: RM5,974,993) respectively are pledged for banking facilities (Note 14).

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

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM	2013 RM
Unquoted shares, at cost	5,708,544	5,708,544
Less : Allowance for impairment loss	(1,733,540)	(1,733,540)
	<u>3,975,004</u>	<u>3,975,004</u>

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation	Equity Ownership interest		Principal activities
		2014	2013	
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. <sup>^</sup>	Republic of Singapore	-	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 gaming operations
<i>Subsidiaries of Probusiness Investments Limited</i>				
- Ace Unicorn Limited #	British Virgin Islands	-	60%	Ceased 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

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Place of incorporation	Equity Ownership interest 2014	Equity Ownership interest 2013	Principal activities
<i>Subsidiary of Asia Pacific Winning Limited</i>				
- Lao-Malaysia Investments Group	Republic of Laos	75%	75%	Hotel operations
<i>Subsidiary of Remarkable Group Limited</i>				
- Rich Lee Holdings Sdn. Bhd. *	Malaysia	100%	100%	Dormant

\* Subsidiary not audited by SJ Grant Thornton

^ Struck off on 8 April 2013

# Struck off on 1 November 2013



## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

### Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	Wire Master Spring Sdn. Bhd.	Remarkable Group Limited	Enselini International Limited	Lao-Malaysia Investment Group	Ace Unicorn Limited	Total
<b>2014</b>						
<b>NCI percentage of ownership interests and voting interest (%)</b>	4%	50%	35%	25%	-	
Carrying amount of NCI (RM)	229,802	18,471	1,911,616	(273,257)	(6,503)	1,880,129
Profit/(Loss) allocated to NCI (RM)	37,792	1,665,595	1,854,307	(18,561)	99,509	3,638,642
<b>2013</b>						
<b>NCI percentage of ownership interests and voting interest (%)</b>	4%	50%	35%	25%	-	
Carrying amount of NCI (RM)	192,010	15,889	108,293	(223,372)	(51,622)	41,198
Profit/(Loss) allocated to NCI (RM)	2,816	1,186,140	153,004	(20,676)	122,216	1,443,500

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

### Non-controlling interests in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that has material non-controlling interests ("NCI") is as below:-

	Wire Master Spring Sdn. Bhd. RM	Remarkable Group Limited RM	Enselini International Limited RM	Lao-Malaysia Investment Group RM	Ace Unicorn Limited RM	Total RM
<b>2014</b>						
<b>Financial position as at 31 March</b>						
Non-current assets	4,609,214	41,319	-	2,852,696	-	7,503,229
Current assets	2,343,163	166,520	-	539,195	-	3,048,878
Non-current liabilities	(20,167)	-	-	-	-	(20,167)
Current liabilities	(1,187,136)	(203,826)	-	(5,771,218)	-	(7,162,180)
Net assets	5,745,074	4,013	-	(2,379,327)	-	3,369,760
<b>Summary of financial performance for the financial year ended 31 March</b>						
Profit/(loss) for the financial year	944,795	3,331,190	5,298,070	(74,244)	4,945,988	14,445,799
Other comprehensive income/(loss)	-	2,821	(145,666)	(125,293)	(135,982)	(404,120)
Total comprehensive income/(loss)	944,795	3,334,011	5,152,404	(199,537)	4,810,006	14,041,679
Included in the total comprehensive income/(loss) is:						
Revenue	4,660,748	3,490,337	-	1,541,365	-	9,692,450

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

### Non-controlling interests in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that has material non-controlling interests ("NCI") is as below (cont'd):-

	Wire Master Spring Sdn. Bhd. RM	Remarkable Group Limited RM	Enselini International Limited RM	Lao-Malaysia Investment Group RM	Ace Unicorn Limited RM	Total RM
<b>2014 (cont'd)</b>						
<b>Summary of cash flows for the financial year ended 31 March</b>						
Net cash inflow/(outflow) from						
- operating activities	654,979	(85,210)	(90,865)	178,010	1,937,728	2,594,642
- investing activities	(406,698)	-	-	(113,576)	-	(520,274)
- financing activities	(25,036)	85,210	87,891	85,616	(1,937,728)	(1,704,047)
Net cash inflow/(outflow)	223,245	-	(2,974)	150,050	-	370,321
<b>Other information</b>						
Dividends paid to non-controlling interests	-	1,664,422	-	-	-	1,664,422

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

## Non-controlling interests in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that has material non-controlling interests ("NCI") is as below (cont'd):-

2013	Wire Master Spring Sdn. Bhd. RM	Remarkable Group Limited RM	Enseline International Limited RM	Lao-Malaysia Investment Group RM	Ace Unicorn Limited RM	Total RM
<b>Financial position as at 31 March</b>						
Non-current assets	4,327,596	70,225	-	3,084,592	-	7,482,413
Current assets	2,156,287	47,601	2,974	367,256	-	2,574,118
Non-current liabilities	(183,944)	-	-	-	-	(183,944)
Current liabilities	(1,499,660)	(116,257)	(5,155,328)	(5,631,638)	(4,810,001)	(17,212,884)
Net assets	4,800,279	1,569	(5,152,354)	(2,179,790)	(4,810,001)	(7,340,297)
<b>Summary of financial performance for the financial year ended 31 March</b>						
Profit/(loss) for the financial year	70,402	2,372,281	437,154	(82,706)	305,541	3,102,672
Other comprehensive income/(loss)	-	66,980	(50,334)	(20,035)	(46,511)	(49,900)
Total comprehensive income/(loss)	70,402	2,439,261	386,820	(102,741)	259,030	3,052,772
Included in the total comprehensive income/(loss) is:						
Revenue	4,132,144	2,443,560	-	1,587,859	9,590	8,173,153

## 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

### Non-controlling interests in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that has material non-controlling interests ("NCI") is as below (cont'd):-

	Wire Master Spring Sdn. Bhd. RM	Remarkable Group Limited RM	Enselini International Limited RM	Lao-Malaysia Investment Group RM	Ace Unicorn Limited RM	Total RM
<b>2013 (Cont'd)</b>						
<b>Summary of cash flows for the financial year ended 31 March</b>						
Net cash inflow/(outflow) from						
- operating activities	479,295	204,179	251,053	552,571	(138,560)	1,348,538
- investing activities	(391,897)	-	-	(40,774)	294,804	(137,867)
- financing activities	(25,035)	(204,179)	(251,053)	(500,690)	(156,244)	(1,137,201)
Net cash inflow	62,363	-	-	11,107	-	73,470
<b>Other information</b>						
Dividends paid to non-controlling interests	-	1,526,439	-	-	-	1,526,439

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 6. INVESTMENT IN AN ASSOCIATE

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares outside Malaysia, at cost	1,987,360	1,987,360
Share of post acquisition loss	(1,987,360)	(1,987,360)
	<u>-</u>	<u>-</u>
Represented by:		
Share of net assets	<u>-</u>	<u>-</u>

Details of the associate are as follows:

<b>Name of associate</b>	<b>Place of incorporation</b>	<b>Equity Ownership interest 2014</b>	<b>2013</b>	<b>Principal activities</b>
Goldshore Capital Limited*	British Virgin Islands	36%	36%	Gaming operations

\* The results of the associate have been equity accounted for based on the audited financial statements for the relevant year.

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

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>Assets and liabilities:</b>		
Non-current assets	3,922,553	9,450,221
Current assets	212,943	4,593,873
Current liabilities	(9,494,565)	(15,349,531)
	<u>(5,359,069)</u>	<u>(1,305,437)</u>
Net liabilities		
	<u>(5,359,069)</u>	<u>(1,305,437)</u>
Revenue	<u>4,934,093</u>	<u>11,822,651</u>
Loss for the financial year/Total comprehensive loss	<u>12,661,921</u>	<u>2,125,153</u>
<b>Group's share of results for the financial year ended 31 March</b>		
Group's share of loss/total comprehensive loss	<u>4,558,291</u>	<u>765,055</u>
<b>Other information</b>		
Dividend received	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 7. INVENTORIES

	Group	
	2014 RM	2013 RM
Raw materials	590,231	581,939
Manufactured inventories	271,341	201,084
	<hr/>	<hr/>
	861,572	783,023
	<hr/>	<hr/>
Recognised in profit and loss:		
Inventories recognised as cost of sales	968,525	893,446
Inventories write-down	24,024	18,941
Reversal of inventories write-down	(14,705)	(78,782)
	<hr/>	<hr/>

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

### 8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-current</b>				
<b><u>Trade</u></b>				
Trade receivables	2,193,450	3,264,106	-	-
Less : Unearned service charges	(381,920)	(703,309)	-	-
Less : Fair value adjustment	(143,535)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total non-current receivables	1,667,995	2,560,797	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Current</b>				
<b><u>Trade</u></b>				
Trade receivables	1,888,850	2,712,858	-	-
Less : Unearned service charges	(267,407)	(392,009)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,621,443	2,320,849	-	-
Less : Allowance for impairment loss	(25,284)	(470,367)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,596,159	1,850,482	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 8. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b><u>Non-trade</u></b>					
Amounts due from subsidiaries		-	-	27,519,487	26,827,354
Less : Allowance for impairment loss		-	-	(18,221,650)	(11,308,751)
	8.1	-	-	9,297,837	15,518,603
Other receivables	8.2	7,228,627	8,349,692	5,003,220	5,003,220
Deposits		104,896	104,832	79,052	79,052
Prepayments		37,216	64,220	19,282	20,140
Less : Allowance for impairment loss		(5,565,766)	(7,606,612)	(5,000,000)	(5,000,000)
		1,804,973	912,132	101,554	102,412
Total current receivables		3,401,132	2,762,614	9,399,391	15,621,015

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Brought forward	470,367	465,906	-	-
Impairment loss recognised	-	8,432	-	-
Impairment loss reversed	(440,912)	(8,142)	-	-
Translation differences	(4,171)	4,171	-	-
Carried forward	25,284	470,367	-	-

The normal trade credit terms granted by the Group to the trade receivables range from 30 to 90 days (2013: 30 to 90 days) and bearing an interest rate of 10.49% (2013: 10.49%).

The impairment loss on trade receivables was reversed during the financial year as a result of subsequent receipts of the amount.



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 8. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

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

	<b>Group</b>		<b>Company</b>	
	<b>2014 RM</b>	<b>2013 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Brought forward	7,606,612	7,071,723	16,308,751	16,308,751
Impairment loss recognised	-	565,766	6,912,899	-
Impairment loss reversed	(2,011,901)	(59,822)	-	-
Translation differences	(28,945)	28,945	-	-
Carried forward	5,565,766	7,606,612	23,221,650	16,308,751

The impairment loss on non-trade receivables was reversed during the financial year as a result of subsequent receipts of the amounts.

#### 8.1 Amounts due from subsidiaries

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

#### 8.2 Other receivables

- (i) Included in other receivables of the Group is an amount of RMNil (2013: RM2,040,846) being advances to club operator for gaming operations. Allowance for impairment loss of RMNil (2013: RM2,040,846) has been made as at reporting date.
- (ii) Included in other receivables of the Group and of the Company is an amount of RM5,000,000 (2013: 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.

### 9. AMOUNT DUE FROM AN ASSOCIATE

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Amount due from an associate	7,457,111	7,481,927
Share of post acquisition loss	(6,470,961)	(1,912,453)
	986,150	5,569,474

During the financial year, share of post acquisition loss of RM6,470,961 (2013: RM1,912,453) is recognised as the Group has given its undertaking to share the results even though it is in excess of its cost of investment.

The amount due from an 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term deposits with licensed banks and financial institutions	9,198,278	9,858,416	-	-
Cash and bank balances	3,844,605	1,282,418	403,358	113,928
	13,042,883	11,140,834	403,358	113,928

The interest rate of short-term deposits with licensed banks is ranging from 2.66% to 3.17% (2013: 2.53% to 3.27%) per annum.

### 11. SHARE CAPITAL

	Group and Company		2013	
	2014	Number of shares	2013	Number of shares
	Amount RM	Unit	Amount RM	Unit
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

### 12. RESERVES

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-distributable</b>					
Share premium	12.1	132,167	132,167	132,167	132,167
Exchange fluctuation reserve	12.2	281,579	(783,629)	-	-
		413,746	(651,462)	132,167	132,167
Accumulated losses		(21,152,628)	(15,038,336)	(29,426,620)	(23,476,323)
		(20,738,882)	(15,689,798)	(29,294,453)	(23,344,156)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 12. RESERVES (CONT'D)

#### 12.1 Share premium

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

#### 12.2 Exchange fluctuation reserve

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

### 13. NON-CONTROLLING INTEREST

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

### 14. BORROWINGS

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b>Current</b>					
Term loans - secured	14.3	254,369	449,160	254,369	449,160
Finance lease liabilities	14.4	22,000	22,000	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		276,369	471,160	254,369	449,160
<b>Non-current</b>					
Term loans - secured	14.3	3,779,962	3,826,016	3,779,962	3,826,016
Finance lease liabilities	14.4	20,167	42,167	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		3,800,129	3,868,183	3,779,962	3,826,016

#### 14.1 Securities

##### Group/Company

The term loans are secured by the Company's building.

#### 14.2 Interest rate

##### Group/Company

The term loans are subject to interest rate at 1.50% (2013: 1.50%) above bank's prevailing 3 months effective cost of fund.

##### Group

Finance lease liabilities are subject to fixed interest rates of 2.76% (2013: 2.40% to 3.20%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 14. BORROWINGS (CONT'D)

#### 14.3 Terms and debt repayment schedule

Group	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
<b>2014</b>						
Term loans - secured	2029	4,034,331	254,369	266,816	886,181	2,626,965
Finance lease liabilities	2014 - 2016	42,167	22,000	20,167	-	-
		<u>4,076,498</u>	<u>276,369</u>	<u>286,983</u>	<u>886,181</u>	<u>2,626,965</u>
<b>2013</b>						
Term loans - secured	2029	4,275,176	449,160	449,160	1,347,480	2,029,376
Finance lease liabilities	2014-2016	64,167	22,000	22,000	20,167	-
		<u>4,339,343</u>	<u>471,160</u>	<u>471,160</u>	<u>1,367,647</u>	<u>2,029,376</u>
<b>Company</b>						
<b>2014</b>						
Term loan - secured	2029	<u>4,034,331</u>	<u>254,369</u>	<u>266,816</u>	<u>886,181</u>	<u>2,626,965</u>
<b>2013</b>						
Term loans - secured	2029	<u>4,275,176</u>	<u>449,160</u>	<u>449,160</u>	<u>1,347,480</u>	<u>2,029,376</u>

## 14. BORROWINGS (CONT'D)

### 14.4 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Repayments RM	2014 Interest RM	Principal RM	Repayments RM	2013 Interest RM	Principal RM
Less than 1 year	25,036	3,036	22,000	25,036	3,036	22,000
More than 1 year but less than 2 years	22,950	2,783	20,167	25,036	3,036	22,000
More than 2 years but less than 5 years	-	-	-	22,950	2,783	20,167
	47,986	5,819	42,167	73,022	8,855	64,167

## 15. DEFERRED TAXATION

### 15.1 Deferred tax liabilities/(assets)

The deferred liabilities/(assets) as at reporting date are made up of temporary difference arising from:

Group	At 1 April 2012 RM	Recognised in profit or loss RM	At 31 March 2013 RM	Recognised in profit or loss RM	At 31 March 2014 RM
Property, plant and equipment	142,000	(15,183)	126,817	20,487	147,304
Provisions	(47,000)	61,960	14,960	(653,798)	(638,838)
	95,000	46,777	141,777	(633,311)	(491,534)
	Note 20		Note 20		

### 15.2 Deferred tax assets

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

	Group	
	2014 RM	2013 RM
Unutilised tax losses	(2,158,000)	(1,652,000)
Unabsorbed capital allowances	(302,000)	(287,000)
Property, plant and equipment	(14,000)	19,000
	(2,474,000)	(1,920,000)
	Company	
	2014 RM	2013 RM
Property, plant and equipment	(50,000)	(27,000)
Unutilised tax losses	(1,161,000)	(1,256,000)
Unabsorbed capital allowances	(256,000)	(256,000)
	(1,467,000)	(1,539,000)

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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 16. PAYABLES AND ACCRUALS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Trade</b>				
Trade payables	304,042	225,856	-	-
<b>Non-trade</b>				
Other payables	2,095,921	1,934,118	40,792	128,595
Accrued expenses	402,715	292,036	89,803	730
	2,498,636	2,226,154	130,595	129,325
	2,802,678	2,452,010	130,595	129,325

The normal trade credit terms granted by trade payables range from 30 to 90 days (2013: 30 to 90 days).

### 17. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of goods	4,660,748	4,132,145	-	-
Service charges	391,542	618,322	-	-
Management fees	3,490,337	2,443,560	300,000	300,000
Gaming income	194,587	290,843	-	-
Hotel income	1,541,365	1,587,859	-	-
Rental income	359,064	359,064	470,184	470,184
	10,637,643	9,431,793	770,184	770,184

### 18. STAFF COSTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries, wages and other emoluments	2,609,824	2,554,459	200,972	186,638
Defined contribution plan	193,466	186,648	24,294	22,443
Social security contributions	22,374	22,668	1,612	1,534
Other benefits	43,232	42,250	12,909	6,647
	2,868,896	2,806,025	239,787	217,262

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 18. STAFF COSTS (CONT'D)

Included in the staff costs is the Directors' remuneration as below:

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Executive Directors:		
Salaries and other emoluments	701,486	704,568
Defined contribution plan	28,030	28,040
Social security contributions	620	472
	<hr/>	<hr/>
	730,136	733,080
	<hr/>	<hr/>
	<b>Group and Company</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Non-executive Directors:		
Other emoluments	32,000	43,000
	<hr/>	<hr/>

### 19. (LOSS)/ PROFIT BEFORE TAX

(Loss)/ Profit before tax is arrived at:

	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>2014 RM</b>	<b>2013 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
After charging :					
<b>Auditors' remuneration:</b>					
<u>Auditors of the Company</u>					
Current year					
- audit services		67,000	68,400	20,000	18,000
- other services		4,000	3,000	4,000	3,000
<u>Other auditors</u>					
Current year					
- audit services		950	800	-	-
(Over)/Underprovision in the prior year					
- audit services		(150)	2,000	-	-
Inventories write-down		24,024	18,941	-	-
Bad debts written off		191,488	1,031	1,975	1,031
Depreciation of property, plant and equipment	4	1,091,162	1,509,413	260,828	394,966
Directors' remuneration	18				
- executive		730,136	733,080	-	-
- non-executive		32,000	43,000	32,000	43,000
Impairment loss on					
- third parties		-	574,198	-	-
- investment in subsidiary		-	-	-	477,410
- amount due from subsidiaries		-	-	6,912,899	-
- amount due from an associate		1,038,521	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 19. (LOSS)/ PROFIT BEFORE TAX (CONT'D)

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

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Interest expense					
- finance lease liabilities		3,036	3,036	-	-
- term loan		208,315	218,247	208,315	218,247
- bank overdraft		-	9,016	-	9,016
- others		9,654	10,739	-	-
Loss on foreign exchange					
- realised		35,158	7,878	-	549
Property, plant and equipment written off and after crediting:		1,618	5,388	-	-
Gain on disposal of					
- property, plant and equipment		-	268,439	-	-
- non-current assets held for sale		-	669,975	-	-
Gain on foreign exchange					
- unrealised		-	-	1,202,149	152,039
Interest income		287,689	596,607	7,406	9,753
Rental income from:					
- third parties		359,064	359,064	359,064	359,064
- subsidiary		-	-	111,120	111,120
Waiver of debts		3,713,106	-	-	-
Fair value adjustment on trade receivables recognised in profit or loss		143,535	-	-	-
Reversal of impairment loss on receivables		2,452,813	67,964	-	-
Reversal of inventories write-down		14,705	78,782	-	-

### 20. TAX (INCOME)/ EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Current tax expense</b>				
- Current year	119,018	19,711	-	-
- Overprovision in prior years	(51,737)	(28,966)	(52,211)	(1,955)
Total current tax recognised in the profit or loss	67,281	(9,255)	(52,211)	(1,955)
<b>Deferred tax expense</b>				
- Current year (Note 15)	20,487	42,227	-	-
- (Over)/underprovision in prior years	(653,798)	4,550	-	-
Total deferred tax recognised in the profit or loss	(633,311)	46,777	-	-
Total tax (income)/expense	(566,030)	37,522	(52,211)	(1,955)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 20. TAX (INCOME)/ EXPENSE (CONT'D)

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:-

	<b>Group</b>		<b>Company</b>	
	<b>2014 RM</b>	<b>2013 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
(Loss)/ Profit before tax	(3,041,680)	2,297,069	(6,002,508)	(705,334)
Tax calculated using Malaysian tax rate of 25%	(760,420)	574,267	(1,500,627)	(176,334)
Gain of foreign subsidiaries not available for set-off	(746,355)	(712,014)	-	-
Non-deductible expenses	1,577,471	197,985	1,482,532	183,834
Non-taxable income	(70,090)	(79,800)	-	-
Deferred tax assets not recognised	138,899	81,500	18,095	(7,500)
	139,505	61,938	-	-
(Over)/ underprovision in prior years	(51,737)	(28,966)	(52,211)	(1,955)
- current tax	(653,798)	4,550	-	-
- deferred tax				
Tax (income)/ expense	(566,030)	37,522	(52,211)	(1,955)

The unutilised tax losses and unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM2,158,000 (2013: RM1,652,000) and RM302,000 (2013: RM287,000) for the Group and RM1,161,000 (2013: RM1,256,000) and RM256,000 (2013: RM256,000) for the Company.

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

### 21. BASIC (LOSS)/ EARNINGS PER ORDINARY SHARE

The basic (loss)/ earnings per share has been calculated based on the (loss)/ profit attributable to owners of the Company and the weighted average number of shares in issue during the financial year.

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
(Loss)/ Earnings attributable to owners of the Company (RM)	(6,114,292)	816,047
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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 22. RELATED PARTIES DISCLOSURES

#### Related party transactions

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.

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

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

- i) Transactions between the Company and its subsidiaries:

	<b>2014 RM</b>	<b>2013 RM</b>
Management fees receivable	300,000	300,000
Rental receivable	111,120	111,120

The balances of amounts due from subsidiaries are disclosed in Note 7 to the financial statements.

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

	<b>Group and Company</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Rental receivable	275,232	275,232

#### Compensation of key management personnel

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 remuneration of key management personnel is same with the Directors' remuneration as disclosed in Note 18 to the financial statements. The Group and the Company have no other members of key management personnel apart from the Board of Directors.

## 23. CONTINGENT LIABILITIES

### Group

#### Unsecured

On 6 June 2013, a third party 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. On 21 June 2014, the Court had dismissed the third party's action against RLHSB.

On 8 July 2014, the third party filed an appeal against the court's decision. Appeal dismissed on 10 October 2013.

Subsequently, the third party applied for leave to appeal to the Federal Court and hearing for the leave application on 24 June 2014. The Federal Court has dismissed the third party's application for appeal to the Federal Court.

### Company

#### Unsecured

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

## 24. 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	<ul style="list-style-type: none"> <li>i) Investment holding</li> <li>ii) Provision of management services</li> <li>iii) Provision of financing service</li> <li>iv) Rental of properties</li> </ul>

## 24. SEGMENTAL INFORMATION – GROUP (CONT'D)

## (i) Business segments (cont'd)

2014	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	4,660,748	391,542	3,684,924	1,541,365	359,064	-	10,637,643
Inter-segment revenue	-	700,000	-	-	411,120	(1,111,120)	-
<b>Total revenue</b>	<b>4,660,748</b>	<b>1,091,542</b>	<b>3,684,924</b>	<b>1,541,365</b>	<b>770,184</b>	<b>(1,111,120)</b>	<b>10,637,643</b>
<b>Result:</b>							
Interest income	6,401	273,883	-	-	7,405	-	287,689
Depreciation of property, plant and equipment	118,923	25,384	89,282	505,971	351,602	-	1,091,162
Finance costs	(3,036)	-	-	(9,654)	(208,315)	-	(221,005)
Other non-cash income/(expense)	9,567	1,906	4,769,965	-	-	-	4,781,438
Tax income	516,516	-	-	-	49,514	-	566,030
<b>Segment profit/(loss)</b>	<b>944,795</b>	<b>(363,181)</b>	<b>10,583,364</b>	<b>(74,244)</b>	<b>(5,955,161)</b>	<b>(7,611,223)</b>	<b>(2,475,650)</b>
<b>Assets:-</b>							
Addition to non-current asset	7,060	4,250	-	113,576	3,150	-	128,036
Unallocated assets							9,693,704
Segment assets	2,608,686	3,607,485	3,928,923	3,391,891	9,568,324	-	23,105,309
<b>Liabilities:-</b>							
Unallocated liabilities							4,101,688
Segment liabilities	404,359	1,643,136	129,133	231,365	394,685	-	2,802,678

## 24. SEGMENTAL INFORMATION – GROUP (CONT'D)

## (i) Business segments (cont'd)

2013	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	4,132,144	618,322	2,734,404	1,587,859	359,064	-	9,431,793
Inter-segment revenue	-	760,000	-	-	411,120	(1,171,120)	-
<b>Total revenue</b>	<b>4,132,144</b>	<b>1,378,322</b>	<b>2,734,404</b>	<b>1,587,859</b>	<b>770,184</b>	<b>(1,171,120)</b>	<b>9,431,793</b>
<b>Result:</b>							
Interest income	6,650	273,707	306,497	-	9,753	-	596,607
Depreciation of property, plant and equipment	(117,503)	(27,037)	(230,881)	(648,251)	(485,741)	-	(1,509,413)
Finance costs	(3,036)	-	-	(10,739)	(227,263)	-	(241,038)
Other non-cash income/(expense) Note (a)	63,874	25,639	401,372	(4,252)	(1,031)	-	485,602
Tax expense	(65,104)	25,627	-	-	1,955	-	(37,522)
<b>Segment profit/(loss)</b>	<b>70,402</b>	<b>(43,510)</b>	<b>5,466,235</b>	<b>(82,705)</b>	<b>(708,166)</b>	<b>(2,442,709)</b>	<b>2,259,547</b>
<b>Assets:-</b>							
Addition to non-current asset Note (b)	33,832	-	72	40,774	-	-	74,678
Unallocated assets							9,938,723
Segment assets	2,492,747	4,154,516	6,262,576	3,451,848	9,737,520	-	26,099,207
<b>Liabilities:-</b>							
Unallocated liabilities							4,339,343
Segment liabilities	484,212	1,347,863	203,849	177,400	380,463	-	2,593,787

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 24. SEGMENTAL INFORMATION – GROUP (CONT'D)

#### (i) Business segments (cont'd)

Notes:

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

	2014 RM	2013 RM
Impairment loss on receivables	-	(574,198)
Impairment loss on amount due from an associate	(1,038,521)	-
Inventories write-off	(24,024)	(18,941)
Reversal of inventories write-off	14,705	78,782
Bad debts written off	(191,488)	(1,031)
Property, plant and equipment written off	(1,618)	(5,388)
Gain on disposal of		
- property, plant and equipment	-	268,439
- non-current assets held for sale	-	669,975
Reversal of impairment loss on receivables	2,452,813	67,964
Fair value adjustment on trade receivables recognised in profit or loss	(143,535)	-
Waiver of debts	3,713,106	-
	<hr/>	<hr/>
	4,781,438	485,602

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

	2014 RM	2013 RM
Property, plant and equipment	128,036	74,678

#### (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
<b>2014</b>					
Revenue from external customers by location of customers	5,411,354	194,587	3,490,337	1,541,365	10,637,643
Non-current assets	11,561,685	47,687	41,316	2,852,696	14,503,384
Capital expenditure by location of assets	14,460	-	-	113,576	128,036

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 24. SEGMENTAL INFORMATION – GROUP (CONT'D)

#### (ii) Geographical segments (cont'd)

	Malaysia RM	Cambodia RM	Vietnam RM	Laos RM	Consolidated RM
<b>2013</b>					
Revenue from external customers					
by location of customers	5,109,530	290,843	2,443,561	1,587,859	9,431,793
Non current assets	12,446,020	100,844	70,222	3,084,592	15,701,678
Capital expenditure by location of assets	33,832	72	-	40,774	74,678

#### (iii) Information about major customers

Revenue from 1 (2013:1) customer amounted to RM242,176 (2013: RM615,434) arising from revenue by the supply segment and no major customer arising from manufacturing, gaming, hotel and others segment.

### 25. 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)

Group	Carrying amount RM	L&R RM	AC RM
<b>2014</b>			
<b>Financial assets</b>			
Receivables and deposits	5,031,911	5,031,911	-
Amount due from an associate	986,150	986,150	-
Cash and cash equivalents	13,042,883	13,042,883	-
	<hr/>	<hr/>	<hr/>
	19,060,944	19,060,944	-
<b>Financial liabilities</b>			
Payables and accruals	2,802,678	-	2,802,678
Borrowings	4,076,498	-	4,076,498
	<hr/>	<hr/>	<hr/>
	6,879,176	-	6,879,176



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 25. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

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

Group	Carrying amount RM	L&R RM	AC RM
<b>2013</b>			
<b>Financial assets</b>			
Receivables and deposits	5,259,191	5,259,191	-
Amount due from an associate	5,569,474	5,569,474	-
Cash and cash equivalents	11,140,834	11,140,834	-
	<hr/>		
	21,969,499	21,969,499	-
	<hr/>		
<b>Financial liabilities</b>			
Payables and accruals	2,452,010	-	2,452,010
Borrowings	4,339,343	-	4,339,343
	<hr/>		
	6,791,353	-	6,791,353
	<hr/>		
<b>Company</b>			
<b>2014</b>			
<b>Financial assets</b>			
Receivables and deposits	9,380,109	9,380,109	-
Cash and cash equivalents	403,358	403,358	-
	<hr/>		
	9,783,467	9,783,467	-
	<hr/>		
<b>Financial liabilities</b>			
Payables and accruals	130,595	-	130,595
Borrowings	4,034,331	-	4,034,331
	<hr/>		
	4,164,926	-	4,164,926
	<hr/>		
<b>2013</b>			
<b>Financial assets</b>			
Receivables and deposits	15,600,875	15,600,875	-
Cash and cash equivalents	113,928	113,928	-
	<hr/>		
	15,714,803	15,714,803	-
	<hr/>		
<b>Financial liabilities</b>			
Payables and accruals	129,325	-	129,325
Borrowings	4,275,176	-	4,275,176
	<hr/>		
	4,404,501	-	4,404,501
	<hr/>		

### 26. 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 operate 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.

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

#### (i) Receivables

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

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses the 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.

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### Financial risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

##### (i) Receivables (cont'd)

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

	Gross RM	Individually impaired RM	Net RM
<b>2014</b>			
Not past due	2,603,804	-	2,603,804
Past due for 1-30 days	433,602	-	433,602
Past due for 31-60 days	115,501	-	115,501
Past due for 61-90 days	59,293	-	59,293
Past due for 91-120 days	10,840	-	10,840
Past due for more than 121 days	66,398	(25,284)	41,114
	3,289,438	(25,284)	3,264,154
<b>2013</b>			
Not past due	3,744,557	-	3,744,557
Past due for 1-30 days	335,640	-	335,640
Past due for 31-60 days	210,224	-	210,224
Past due for 61-90 days	104,301	-	104,301
Past due for 91-120 days	15,562	-	15,562
Past due for more than 121 days	471,362	(470,367)	995
	4,881,646	(470,367)	4,411,279

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 2014, trade receivables of RM660,350 (2013: RM666,722) 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 71% (2013: 76%) of trade receivables consist of amount due from one (2013: 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.

### 26. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial risk management objectives and policies (cont'd)

##### (a) Credit risk (cont'd)

###### (ii) Corporate guarantees

The maximum exposure to credit risk representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Company provides financial guarantees to bank in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any subsidiaries would default on repayment.

The provision of corporate guarantee to financial institution is in consideration of financial facility to the subsidiaries only at the additional credit enhancement. As such the value of the credit enhancement provided by the corporate guarantee is minimal.

###### (iii) 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 and the Company maintain 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 and the Company aim 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 26. FINANCIAL INSTRUMENTS (CONT'D)

#### Financial risk management objectives and policies (cont'd)

##### (b) Liquidity risk (cont'd)

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

	Total carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
<b>Group 2014</b>						
Unsecured: Payables and accruals	2,802,678	2,802,678	2,802,678	-	-	-
Secured: Borrowings	4,076,498	5,406,750	474,196	472,110	1,347,480	3,112,964
	6,879,176	8,209,428	3,276,874	472,110	1,347,480	3,112,964
<b>2013</b>						
Unsecured: Payables and accruals	2,452,010	2,452,010	2,452,010	-	-	-
Secured: Borrowings	4,339,343	6,452,092	474,196	474,196	1,391,790	4,111,910
	6,791,353	8,904,102	2,926,206	474,196	1,391,790	4,111,910
<b>Company 2014</b>						
Unsecured: Payables and accruals	130,595	130,595	130,595	-	-	-
Secured: Borrowings	4,034,331	5,358,764	449,160	449,160	1,347,480	3,112,964
	4,164,926	5,489,359	579,755	449,160	1,347,480	3,112,964
<b>2013</b>						
Unsecured: Payables and accruals	129,325	129,325	129,325	-	-	-
Secured: Borrowings	4,275,176	6,379,070	449,160	449,160	1,368,840	4,111,910
	4,404,501	6,508,395	578,485	449,160	1,368,840	4,111,910

## 26. FINANCIAL INSTRUMENTS (CONT'D)

### Financial risk management objectives and policies (cont'd)

#### (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 and the Company's exposure to foreign currency risk, the Group and the Company are 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") and Singapore Dollar ("SGD").

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:-

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

	<b>Denominated in USD RM</b>	<b>SGD RM</b>
<b>Group</b>		
<b>2014</b>		
Cash and cash equivalents	2,429,102	-
Trade and other receivables	960,568	-
Trade and other payables	(699,647)	(26,425)
	2,690,023	(26,425)
<b>2013</b>		
Cash and cash equivalents	429,685	-
Trade receivables	535,777	-
Trade payables	(625,949)	(8,742)
	339,513	(8,742)
<b>Company</b>		
<b>2014</b>		
Amount due from a subsidiary	22,965,533	-
<b>2013</b>		
Amount due from a subsidiary	20,606,235	-

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 26. 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 and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

Group and Company	← Increase/ (Decrease) →	
	Profit/ (Loss) for the year RM	Equity RM
<b>2014</b>		
USD/RM		
- Strengthened 0.20%	15,206	15,206
- Weakened 0.20%	(15,206)	(15,206)
SGD/RM		
- Strengthened 0.15%	122	122
- Weakened 0.15%	(122)	(122)
<b>2013</b>		
USD/RM		
- Strengthened 0.33%	675	675
- Weakened 0.33%	(675)	(675)
SGD/RM		
- Strengthened 0.07%	13	13
- Weakened 0.07%	(13)	(13)

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.

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.

## 26. 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 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
<b>2014</b>		
<b>Fixed rate instruments</b>		
<u>Financial asset</u>		
Short-term deposits with licensed banks and financial institutions	9,198,278	-
Trade receivables	2,338,162	-
	<hr/> 11,536,440	<hr/> -
 <u>Financial liability</u>		
Finance lease liability	<hr/> 42,167	<hr/> -
 <b>Floating rate instrument</b>		
<u>Financial liability</u>		
Borrowings	<hr/> 4,034,331	<hr/> 4,034,331
<b>2013</b>		
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Short-term deposits with licensed banks and financial institutions	9,858,416	-
Trade receivables	3,370,030	-
	<hr/> 13,228,446	<hr/> -
 <u>Financial liability</u>		
Finance lease liabilities	<hr/> 64,167	<hr/> -
 <b>Floating rate instrument</b>		
<u>Financial liability</u>		
Borrowings	<hr/> 4,275,176	<hr/> 4,275,176



## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Financial risk management objectives and policies (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)Profit/ for the year		Equity	
	RM +50 bp	RM -50 bp	RM +50 bp	RM -50 bp
2014	(20,172)	(20,172)	(20,172)	(20,172)
2013	(21,376)	21,376	(21,376)	21,376

#### (e) Fair value of financial instruments

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

	Fair value of financial instrument not carried at fair value Level 2 RM	Carrying amount RM
2014		
Group		
Borrowings	3,387,336	4,034,331
Finance lease liabilities	41,621	42,167
	3,428,957	4,076,498
Company		
Borrowings	3,387,336	4,034,331

## 26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Financial risk management objectives and policies (cont'd)

#### (e) Fair value of financial instruments (cont'd)

	Fair value of financial instrument not carried at fair value * Level 2 RM	Carrying amount RM
<b>2013</b>		
<b>Group</b>		
Borrowings	3,505,505	4,275,176
Finance lease liabilities	62,495	64,167
	3,568,000	4,339,343
<b>Company</b>		
Borrowings	3,505,505	4,275,176

\* The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 2 Fair Value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

## 27. CAPITAL MANAGEMENT

The primary objective of the Group's and of 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.

## DISCLOSURES OF REALISED AND UNREALISED PROFIT/LOSSES

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:-

<b>Group</b>	<b>2014 RM</b>	<b>2013 RM (restated)</b>
Total accumulated losses of the Group:		
- Realised	(37,640,293)	(40,777,977)
- Unrealised	(635,069)	141,777
	<hr/> (38,275,362)	<hr/> (40,636,200)
Total accumulated losses from the associate		
- Realised	(4,558,291)	(765,055)
	<hr/> (42,833,653)	<hr/> (41,401,255)
Consolidation adjustment	21,681,025	26,362,919
Total Group accumulated losses as per consolidated financial statements	<hr/> (21,152,628)	<hr/> (15,038,336)

### Company

Total accumulated losses of the Company:		
- Realised	(30,628,769)	(23,628,362)
- Unrealised	1,202,149	152,039
	<hr/> (29,426,620)	<hr/> (23,476,323)
Total accumulated losses as per financial statements		

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 23 July 2014.

## STATEMENT BY DIRECTORS

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

.....

In the opinion of the Directors, the financial statements set out on pages 36 to 101 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out on page 102 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

.....  
**TAN SRI DATO' CHENG JOO TEIK**

.....  
**KONG SIN SENG**

Kuala Lumpur  
23 July 2014

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

.....

I, **Kong Sin Seng**, being 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 36 to 101 and the financial information set out on page 102 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 23 July 2014.

.....  
**KONG SIN SENG**

Before me:

# INDEPENDENT AUDITORS' REPORT

## to the Members of Widetech (Malaysia) Berhad

.....

### **Report on the Financial Statements**

We have audited the financial statements of Widetech (Malaysia) Berhad, which comprise statements of financial position as at 31 March 2014 of the Group and of the Company, and statements profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 36 to 101.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible 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 give a true and fair view of the financial position of the Group and of the Company as at 31 March 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### **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 the subsidiary of which we have not acted as auditors, as disclosed 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.

# INDEPENDENT AUDITORS' REPORT (Cont'd)

## to the Members of Widetech (Malaysia) Berhad

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### Report on Other Legal and Regulatory Requirements (Cont'd)

- (d) The auditors' 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 Reporting Responsibilities

The supplementary information set out on page 102 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**  
(NO: 2278/10/14(J))  
CHARTERED ACCOUNTANT

Kuala Lumpur  
23 July 2014

LIST OF PROPERTIES  
as at 31 March 2014

Location	Tenure	Land Area / Gross Floor Area	Description Approx. Age, of Building & Year of Acquisition	Net Book Value as at 31 March 2014 (RM'000)
<b>A. REGISTERED OWNER: WIDETECH (MALAYSIA) BERHAD</b>				
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 6 years 2008/2009	5,843
<b>B. REGISTERED OWNER: WIRE MASTER SPRING SDN BHD</b>				
Plot 51 (A) Phase 1 Bukit Minyak Industrial Park, Mukim 13 District of Province Wellesley Central Penang	Leasehold -60 years Expiring 2056	2.00 acres	2 storey factory 16 years 2004	3,922



# ANALYSIS OF SHAREHOLDINGS

as at 11 August 2014

Authorised Share Capital	:	RM150,000,000.00
Issued and Paid-up Share Capital	:	RM44,753,400.00
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Right	:	One vote per ordinary shareholder on a show of hands One vote per ordinary share on a poll
Number of Shareholders	:	834

## ANALYSIS BY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	No. of Shares held	%
Less than 100 shares	42	1,994	0.01
100 to 1,000 shares	289	240,005	0.54
1,001 to 10,000 shares	369	1,433,365	3.20
10,001 to 100,000 shares	93	2,901,200	6.48
100,001 to 2,237,669	37	22,418,032	50.09
2,237,670 and above	4	17,758,804	39.68
<b>Total</b>	<b>834</b>	<b>44,753,400</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 11 AUGUST 2014

Name	Direct	No. of Shares Held %	Indirect	%
Lim Hian Yu Sdn. Bhd	5,529,200	12.35	-	-
Distinct Rich Sdn. Bhd.	8,030,652	17.94	-	-
Gain Millen Sdn. Bhd.	4,198,952	9.38	-	-
Datuk Chu Sui Kiong	737,736	1.65	8,030,652 <sup>#</sup>	17.94
Dato' Tan Ting Wong	-	-	8,030,652 <sup>#</sup>	17.94
Tan Sri Dato' Cheng Joo Teik	200,000	0.45	5,758,852 <sup>^</sup>	12.87

### Notes:

<sup>^</sup> Deemed interest through Gain Millen Sdn. Bhd. and his relationship with Dato' Douglas Cheng Heng Lee, his son pursuant to Section 134(12)(c) of the Companies Act, 1965.

<sup>#</sup> Deemed interest through Distinct Rich Sdn. Bhd.

<sup>\*</sup> Deemed interest through Actual Ace Sdn. Bhd.

# ANALYSIS OF SHAREHOLDINGS (Cont'd)

as at 11 August 2014

## DIRECTORS' SHAREHOLDINGS AS AT 11 AUGUST 2014

Name	No. of Shares Held		Indirect	%
	Direct	%		
1. Dato' Tan Ting Wong	-	-	8,030,652 <sup>#</sup>	17.94
2. Datuk Chu Sui Kiong	737,736	1.65	8,030,652 <sup>#</sup>	17.94
3. Tan Sri Dato' Cheng Joo Teik	200,00	0.45	5,758,852 <sup>^</sup>	12.87
4. Loh Suan Phang	2,011,300	4.49	-	-
5. Dato' Lim Sin Khong	413,514	0.92	2,007,664 <sup>*</sup>	4.49
6. Dato' Lim Kim Huat	-	-	-	-
7. Kong Sin Seng	-	-	-	-
8. Lee Yoke Shue	-	-	-	-
9. Datuk Ng Bee Ken	-	-	-	-

Notes:

<sup>^</sup> Deemed interest through Gain Millen Sdn. Bhd. and his relationship with Dato' Douglas Cheng Heng Lee, his son pursuant to Section 134(12)(c) of the Companies Act, 1965.

<sup>#</sup> Deemed interest through Distinct Rich Sdn. Bhd.

<sup>\*</sup> 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	%
<u>Tan Sri Dato' Cheng Joo Teik</u> Wire Master Spring Sdn. Bhd.	1	@	-	-
<u>Datuk Chu Sui Kiong*</u> Wire Master Spring Sdn. Bhd.	-	-	1,439,998 <sup>#</sup>	96.00
Remarkable Group Limited	-	-	1 <sup>^</sup>	50.00
Enselini International Limited	-	-	65 <sup>^</sup>	65.00
Lao- Malaysia Investments Group	-	-	750,000 <sup>^</sup>	75.00
<u>Dato' Tan Tin Wong*</u> Wire Master Spring Sdn. Bhd.	-	-	1,439,998 <sup>#</sup>	96.00
Remarkable Group Limited	-	-	1 <sup>^</sup>	50.00
Enselini International Limited	-	-	65 <sup>^</sup>	65.00
Lao- Malaysia Investments Group	-	-	750,000 <sup>^</sup>	75.00

Notes:

<sup>\*</sup> Deemed interested by virtue of Section 6A of the companies Act, 1965 to the extent Widetech (Malaysia) Berhad has interests

<sup>#</sup> Ordinary Shares of RM1.00 each

<sup>^</sup> Shares of USD1.00 each

@ Negligible

# ANALYSIS OF SHAREHOLDINGS (Cont'd)

as at 11 August 2014

## 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	HLIB NOMINEES (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	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR DOUGLAS CHENG HENG LEE (M78047)	1,000,000	2.23
11	LIM HEOK CHYE	967,962	2.16
12	CHIEW KOK BOO	946,600	2.11
13	ALICIA E FEN	827,032	1.85
14	HO KOK MENG	738,909	1.65
15	CHIN SEOK YIN	723,500	1.62
16	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. ON YAT SECURITIES (MALAYSIA) SDN. BHD.	710,000	1.59
17	LIM SUH HUA @ LIM YAK HUA	611,588	1.37
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	CHU SUI KIONG	517,236	1.16
23	LOH SUAN PHANG	419,000	0.94
24	LIM SIN KHONG	413,514	0.92
25	KENNETH TAN KENG HAN	352,600	0.79
26	LIM CHEE KIAT	317,800	0.71
27	HIEW VUN KEE	309,796	0.69
28	ABUL HASAN BIN MOHAMED RASHID	306,000	0.68
29	NG LAI CHIEK	305,800	0.68
30	GOH MO LOOI	296,000	0.67

# 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 Thirtieth 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 **Thursday, 25 September 2014** at **2.30 p.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:

Ordinary Resolutions		For	Against
1	Re-election of Datuk Chu Sui Kiong as Director		
2	Re-election of Loh Suan Phang as Director		
3	Re-election of Lee Yoke Shue as Director		
4	Re-election of Dato' Lim Sin Khong as Director		
5	Re-appointment of Messrs SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration		
6	Authority to Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature/Common Seal of Shareholder

### NOTES:

1. A member entitled to attend and vote at the meeting may appoint his/her proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. However, the attendance of the member at the general meeting shall automatically revoke his/her 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. 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.
3. 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.
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 Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 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. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirtieth AGM, the Company shall be requesting the Record of Depositors as at 19 September 2014. Only a depositor whose name appears on the Record of Depositors as at 19 September 2014 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

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The Company Secretaries

**WIDETECH (MALAYSIA) BERHAD (113939-U)**

Level 15-2, Bangunan Faber Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

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